



Doing Business in Estonia:

A Country Commercial Guide for U.S. Companies

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Chapter 1: Doing Business In Estonia

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Market Overview

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- The Baltic Sea region is the fastest growing business region in Europe. Since regaining independence in 1991, Estonia has transformed itself into a highly motivated and dynamic center of commerce. The business environment has blossomed, thanks mainly to the stability of the political situation and the sound economic policies of the government. Estonia achieved its overriding foreign policy goals of the past decade when it acceded to NATO in March 2004 and the European Union in May 2004.
- For commercial success, Estonia, being a small country of 1.4 million people, relies on its greatest natural asset -- its location. Estonia lies just south of Finland and across the Baltic Sea from Sweden. To the east are the huge potential markets of Northwest Russia. After Estonia regained its independence in 1991, Russia imposed a non-favorable tariff regime for Estonian imports, which caused most local businesses to shift their export markets to European countries. This situation began to change after May 1, 2004, when Estonia joined the EU, and Russia lifted its double-tariff regime on Estonian products. This has increased considerably the Estonian business interest level toward Russian the market. Estonia's membership in the EU has increased Russian business interest in Estonia as well.
- Sound and liberal economic policies and an excellent business climate have ensured high levels of foreign direct investment (FDI) in Estonia. Over the past decade, Estonia has been one of the leading countries in Central and Eastern Europe in terms of inward investment per capita. Hundreds of foreign companies have found Estonia to be a highly attractive location. Companies partly or wholly owned by foreigners account for one-third of Estonian GDP and over 50 percent of the country's exports.
- According to Estonian Customs information, the principal imports from the United States are electrical apparatuses (boilers, other electrical machinery, transmission and recording equipment for radio/TV); optical, photo, medical; and surgical instruments and; vehicles. Estonian membership in the EU has not had major bilateral trade implications for the United States, although this membership is disadvantageous for some U.S. exports.
- Estonia's main trading partners are Finland, Sweden, Germany and Russia. The U.S. share in trade is around 1%.

Market Challenges

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- Estonia has a small domestic market - 1.4 million people.
- The primary competition for American companies in the Estonian marketplace is European, especially Finnish and Swedish companies.

Market Opportunities

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Estonia's business attitude towards the United States is positive and business relations between the United States and Estonia are increasingly significant. Over the next several years, major growth is likely in: services, especially telecommunications and financial, construction, transportation and tourism.

Market Entry Strategy

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All market entry strategies are applicable.

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Chapter 2: Political and Economic Environment

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

<http://www.state.gov/r/pa/ei/bgn/5377.htm>

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Using an Agent or Distributor

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One exclusive agent/distributor is usually appointed to cover the entire country. Estonian importers often represent several different product lines. In selecting a representative, the exporter should check whether that company handles competing products.

There is no clearinghouse of information for finding a partner in Estonia. It is recommended that U.S. companies seeking agents, distributors, or partners in Estonia contact local trade associations for a list of importers or the [Political/Economic Section of the U.S. Embassy in Tallinn](#).

Local Yellow Pages also have information in English:

Ekspress Hotline: <http://www.1182.ee/eng/>

Infopluss: <http://www.infopluss.ee/?iLang=3>

Establishing an Office

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Commercial operations in Estonia may be performed either as a “physical person” or a “legal person,” and may take one of four forms: 1) a general partnership; 2) a limited partnership; 3) a limited company; or 4) a public limited company. Descriptions of the different forms and English-language guidelines on how to establish such firms in Estonia are available on the website of Enterprise Estonia <http://www.investinestonia.com/>

Franchising

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Estonia's legal system has developed to the extent that trademark protection and licensing provisions are in place. In Estonia, the general legal framework for transactions, including the General Principles of the Civil Code, will apply to the contracts entered into. The Law of Obligations, which will govern obligations including contractual agreements, will also apply.

Franchisers have to consider the small size of the market when making their agreement requirements.

Direct Marketing

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Both direct sales and mail order sales are showing steady growth in Estonia. Most common channels are mail, phone, and SMS.

Joint Ventures/Licensing

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Joint ventures and licensing arrangements with foreign manufacturers are allowed and encouraged. Numerous U.S. companies have established themselves in the Estonian market with subsidiaries and joint ventures. Estonians cite a number of selling points, such as their knowledge of the Russian language, culture, and business environment, for using Estonia as a gateway to Russia.

Selling to the Government

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Government procurement is governed by the Public Procurement Act (PPA), which came into force in 2001. The objects of public procurement are goods, services, construction work, construction work concessions and design solutions.

PPA in English: http://www.rha.gov.ee/eng/?nav_PeaLink=Oigusaktid&id=15

On January 1, 2004, the new public procurement register went into force. In order to be able to enter a procurement notice, invitation to tender; or any other document in the register, the contracting authority has to register with the registry by contacting:

<http://www.rha.gov.ee/pealeht.php>

Distribution and Sales Channels

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Distribution channels in Estonia are similar to those in the United States market. Goods may be sold through an agent, distributor, established wholesaler, or by selling directly to retail organizations.

Privately owned wholesale and trading houses are particularly strong in certain specialized sectors, such as electronics, electrical components and instruments, pharmaceutical and health care products, technical products and machinery, and raw materials and chemicals.

Selling Factors/Techniques

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Selling factors and techniques are very similar to those in the United States. Terms generally applied to international trade with industrial countries apply to selling in

Estonia. When selling through a local distributor, financing is covered by mutual agreements.

All sales materials and labels have to be in the Estonian language.

[Info on distribution network.](#)

Electronic Commerce

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Approximately 15% of the Estonian population purchases products on-line. Of those who make on-line purchases, 60% regular e-commerce users. Thirteen percent of Estonian enterprises generate more than 1% of their sales from E-commerce.

Trade Promotion and Advertising

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The Law on Advertising states that advertisements should not be offensive to minorities (race, sex, etc.) Provisions on child-related advertisements are also included in this law. Advertising of tobacco and tobacco products is prohibited; advertising of alcohol is strictly limited.

Media contacts: <http://www.ee/www/Media/welcome.html>

Most of the international fairs take place at the grounds of Estonian Fairs, Ltd., located in Tallinn: www.fair.ee

Pricing

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Products in Estonia are priced using the following method:

CIF price + excise tax + profit + value added tax (18%)

Excise tax is levied on raw tobacco and cigarettes, cigars, cigarillos; alcohol and beer; gasoline, diesel oil, jet fuel, and lubricating engine oil; cars, motorcycles, and yachts; and packaging.

Nearly all imports, as well as domestic production, are subject to the Value Added Tax (VAT).

There are no price controls in Estonia.

More on VAT:

<http://www.investinestonia.com/index.php?option=displaypage&Itemid=73&op=page&SubMenu=>

Sales Service/Customer Support

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Major suppliers normally establish sales offices that are supported by dealers. There are also importers/distributors that use a network of dealers to support their marketing efforts. As a rule, one exclusive agent/distributor is appointed to cover the entire country. Estonian importers often represent several different product lines. Importers

may serve large customers themselves while a dealer works with smaller customers and those located outside Tallinn. Training, usually arranged and carried out by dealers, is an important aspect of customer support.

Service points should cover the whole territory and not be limited to the capital.

Protecting Your Intellectual Property

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Info on [IPR](#)

It is recommended that U.S. firms desiring to register their patent or trademark seek the assistance of a reputable attorney experienced in IPR issues. The Association of Estonian Patent Attorneys (EPS) has a list of 25 certified patent attorneys:

<http://www.lasvet.ee/>

Due Diligence

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Credit information is provided by AS Kredidiinfo: <http://www.kredidiinfo.ee/english/>

Local Professional Services

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<http://www.1182.ee/baas/valdotseng.cgi?vald=services&x=11&y=11>

Web Resources

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Yellow Pages: <http://www.1182.ee>

Credit Information: <http://www.kredidiinfo.ee/english/>

Estonian Patent Attorneys: <http://www.lasvet.ee/>

Estonian Patent Agency: <http://www.epa.ee/eng/index.htm>

Enterprise Estonia: <http://www.investinestonia.com/>

Media Contacts: <http://www.ee/www/Media/welcome.html>

Estonian Fairs: <http://www.fair.ee>

Government Procurement Agency: <http://www.rha.gov.ee/pealeht.php>

Yellow pages: <http://www.infopluss.ee>

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- [Telecommunications and IT](#), ITA industry code: TEL
- [General Science and Technology](#), ITA industry code: GST, BTC, EIP
- [Transit services, logistics](#), ITA industry code: TRN

ITA industry code: TEL

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Telecommunications is one of the fastest growing markets in Estonia. The annual growth rates of the IT market have hovered around 20% in recent years. The telecommunications sector has been fully liberalized and is open to competition. The state sold its participation in Eesti Telekom via an open tender to a consortium of Swedish and Finnish firms in January 1999 and two years later opened up the market to all companies. Eesti Telekom is the incumbent telecommunications operator in Estonia. It offers telecommunications services through its fully owned subsidiaries [Elion](#) (formerly Eesti Telefon) and [EMT](#) (Estonian Mobile Telephone).

Elion's total DSL subscribers increased from 58,700 at the end of June 2004 to 65,000 at the end of September 2004. In August 2004, Elion increased its international Internet broadband capacity to 2.5 Gbits / second. It also extended its international reach by joining the London Internet Exchange (LINX), which provides cost-effective data exchange facilities for 150 members from around the world. In addition to UK, Elion has international Internet connections to Finland, Sweden and Latvia.

According to the [Estonian Statistics Office](#) 94 % of Estonian companies use computers in their work, and 90 percent are linked to the Internet. An Estonian company has 12 computers on the average, of these 11 are linked to the Internet.

The number of computers is the highest in spheres where big companies dominate, such as post and telecommunication (202 computers per company on the average), as well as electric power, gas and water supply (an average of 36 computers per company). Due to the specific nature of work, computer penetration was high also in the computer services sphere, an average of 42 computers per company.

Nearly two in three companies had leased-line Internet connections, with 16 percent using dial-up connections or ASDL connections by ordinary telephone line. Wi-Fi and TV cable connections were used by 5% of the companies.

Telecommunications equipment has been one of the biggest product groups imported from the United States in recent years.

Key developments in Estonia's IT and telecommunications market:

- E-Tax Board- Income Tax Statements can be filled out via the Internet (*since Spring 2001*)
- Over 75% of the population is using Internet and Internet banking (*as of the end of 2003*)
- The Government is using a web-based document system (*since August 2000*)
- All Estonian schools are connected to the Internet, as a result of the state-run "[Tiger Leap](#)" program

- There are 51 Public Internet Access Points per 100 000 people (*as of June 2004*)
- 38% of the population has a computer at home; 71% of home computers are connected to the Internet (*as of Autumn 2003*)
- Mobile parking project which allows EMT clients the option to pay for parking by mobile phone in Tallinn, Tartu, Pärnu and Kuressaare. (*in use since July 1, 2000*)
- The world's first Mobile Positioning System MPS project for public use (*since May 3, 2000*)
- Digital Signature Act in force (*December 2000*)
- Estonia is completely covered by digital mobile phone networks

Mobile Communication

The entire country has mobile phone coverage, with three operators providing GSM (Global System for Mobile Communication) services. Due to the close proximity of the Nordic countries -- the world leaders in many of the new wireless telecommunication technologies -- Estonia has become a country where mobile phones are not only manufactured but are also widely used. Today about 90% of the population uses GSM services.

In 2004 the Estonian mobile operator EMT created the EDGE (Enhanced Data rates for GSM Evolution) network offering faster speeds of mobile data transmission. It invested more than one million U.S. dollars into the project during its first year. EDGE uses a technology similar to GPRS (General Packet Radio Service) with faster rates of data transmission between the telephone and the base station. EMT targets at least 10 percent of the users of mobile data communications services to be users of EDGE by the end of 2004. Near full transition to the EDGE technology is planned by the end of 2007. The network equipment will be supplied by Ericsson.

E-Government

In August 2000, in a pioneering move, the Government of Estonia transformed its Cabinet meetings into paperless sessions using a web-based document system. The system, created by Estonian IT companies, saves approximately three million Estonian kroons (around \$180,000) a year in paper and copying costs.

Internet Services

Internet banking services continue to grow. About 75% of Estonians conduct their banking via Internet. Internet banking has become a common channel through which citizens and companies perform cash transfers, pay taxes and salaries, pay for services, and communicate with the Tax Board.

Since January 2002, the Citizenship and Migration Board has been issuing a new primary domestic identification document - the ID card. In addition to many security features, the card has a machine-readable code and a chip, an electronic device containing the visual data on the card, and two security certificates (long number series), to verify the individual and supply digital signatures. Possible future uses of the card include the integration of ID cards, banking cards, and various access cards.

For specific information on data communication companies, visit:

http://www.ee/www/Business/Communication/Data_Communication/welcome.html

Best Products/Services

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Because of the rapid increase in use of Wi-Fi, the sale of laptops increased by 60-80% last year. Nineteen percent of these laptops were locally manufactured. According to the portal www.wifi.ee the number of wireless internet reception areas has nearly doubled to 424 in Estonia in past year. This trend is continuing.

The sale of network and broadband equipment increased about ten times in 2004 compare to 2003.

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The government wishes to employ for the new wireless network the 450 MHz band previously used by Nordic Mobile Telephone (NMT), which has been standing idle for several years. The new network would make use of the U.S. developed CDMA (code-division multiple access) technology.

The range of CDMA significantly exceeds that of WiFi (30-40 kilometers), which, at most, is accessible within five kilometers. The maximum speed of the network would reach several megabits per second and the lowest would not be smaller than 256 kilobits per second.

In 2006 the government is planning to announce a tender to find a new service provider. The license fee will be insignificant but the service provider is not allowed to provide mobile communication or 3G services in order to protect the companies that have already purchased 3G licenses for approximately 5.5 million USD.

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Information Fair Contact 2005: <http://kontakt.itl.ee/kontakt2005/eng/>

IT Information: <http://www.ria.ee/atp/eng/index.html?id=424>

Wireless network: www.wifi.ee

Ministry of Economy and Communication: www.mkm.ee

ITA industry code: GST, BTC, EIP

The Estonian Research and Development Strategy "Knowledge-based Estonia" was approved by the Riigikogu (parliament) on December 6, 2001. On the basis of this strategy, annual R&D action plans will be compiled which define specific programs and measures for promoting R&D. The Estonian Government intends to increase expenditures on R&D to 1.5% of GDP by 2006. The main strategies for financing the planned increase include a significant increase in state financing and the active participation of private and foreign capital.

The key areas for Estonian R&D are the following:

- user-friendly information technologies and development of the information society
- biomedicine
- materials technology

The goal of this initiative is to develop research and/or technological parks with full sets of services in both Tallinn and Tartu, as well as a network of regional innovation and/or incubation centers in those regions where there is sufficient local potential. There will be information and training on the concept of risk capital and technological transfer guarantee schemes for small and medium enterprises.

The main international links within the biotech field are with neighboring countries. A meta-bioregion - [ScanBalt BioRegion](#) has been created, encompassing the Nordic and Baltic countries, Northern- Germany, Poland and the Kaliningrad and St. Petersburg areas of Russia.

Biotech Research in Estonia

Today more than 15 different research institutions with an overall permanent staff of approximately 300 people are directly linked to the field of biotechnology. The key institutions are:

- 1) [Tartu University](#)
- 2) [Estonian Biocentre](#)
- 3) [Institute of Chemical Physics and Biophysics](#)

Biotech Companies in Estonia

The first biotech companies in Estonia were started in the late 1970s and early 1980s as spin-offs from the Estonian Biocentre or the National Institute of Chemical Physics and Biophysics. Their activities included making protein preparations from blood and bacterial cultures. Introduction of the hybridoma technology in the early 1980's gave rise to production of numerous panels of monoclonal antibodies against different plant viruses, including potato viruses widespread in Estonia.

At present the 11 core biotech enterprises have about 145 employees. The focus of these companies is on developing and marketing technologies for genetic research and

providing services relating to diagnostics and therapeutics. The main fields of competence in Estonian biotech companies are in the following areas:

- Custom designed chip development;
- Genotyping based on Arrayed Primer Extension technology (APEX);
- Functional genomic and proteomic services and equipment (epitope tagging technology);
- DNA analyses (finding DNA variations);
- DNA vaccine development (HIV, cancer);
- Applications of transgenic animal technologies

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Biotechnology

Opportunities

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<http://www.investinestonia.com/index.php?option=displaypage&Itemid=136&op=page&SubMenu=>

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Science Parks and Incubators:

http://ettevojta.tallinn.ee/eng/investment_opportunities/investment_projects

Enterprise Estonia:

<http://www.investinestonia.com/index.php?option=displaypage&Itemid=136&op=page&SubMenu=>

ITA industry code: TRN

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Estonia's location at the crossroads between Russia and the EU countries is prompting an increasing number of foreign companies to locate their operations in the country. Massive investment flows into transportation and communication reflect the attractiveness of Estonia in this sector. Foreign investments in transportation and communication have substantially risen over the past few years and currently constitute 17% of total FDI stock in Estonia.

Estonia's location is ideal for the creation of efficient transportation links and distribution chains for goods and services for European and other international companies. The Estonian transportation and logistics sector is comprised of a combination of transportation services, transit trade, distribution centers, and value-added logistics. The lion's share of transportation income comes from international transit and port services.

Operator services are mostly provided by private enterprises. Sea transport, inter-urban bus traffic and air traffic are all organized by private companies. The most important state-owned transport companies are AS Tallinna Lennujaam (Tallinn Airport, Ltd.), AS Tallinna Sadam (Port of Tallinn, Ltd.), AS Elektriraudtee (Electrical Railways) and AS Eesti Raudtee (Estonian Railways – only 34% of its shares are state-owned). (Note: Electrical Railways provides service within the immediate vicinity of Tallinn. Estonian Railways is the major owner of the national railway infrastructure. End Note.)

The development of the transport sector has been exceptionally rapid since 1996, mostly due to the development of the transit trade. In 2003, transport, warehouse services, and communications accounted for roughly 16 % of Estonian GDP.

Estonia's transport and communications sector is transnational by nature and, therefore is one of the economic sectors most thoroughly integrated with European countries. Estonia has become a member of all the necessary international transport and communication organizations.

Approximately 95% of transit freight transport and the major share of import and export freight transport passing through Estonia pass seaports. The majority of goods are handled in ports belonging to the Port of Tallinn, Ltd. Carriage of passengers and provision of tourism services takes place mostly through the passenger terminals of Port of Tallinn, Ltd.

The biggest turnover of international freight and passenger transport is taken by Vanasadam (the Old City Harbor), Muuga Harbor, Paljassaare Harbor and Paldiski South Harbor, receiving vessels with a draught of 9 - 16.9 m. All of these belong to the state-owned trading company Port of Tallinn Ltd. and are open for navigation all year round.

Additional ports are the part-municipal, part-private Port of Kunda, the municipal North Port of Paldiski and the part-municipal, part-private Port of Pärnu (60% private and 40%

city of Pärnu). Estonian ports overall provide excellent opportunities for value-added logistics services and can serve as distribution centers for the Baltic Sea Region. A new port (Port of Sillamäe) is also being developed 12 miles from the Estonian-Russian border.

Estonia's sea transportation system is connected to other European ports. There are daily ferry links from Tallinn to Helsinki and Stockholm, as well as frequent cargo ferries to major European ports.

The Muuga Harbor Free Zone is designed to increase the competitiveness of the transit sector in Estonia by granting more flexible customs procedures to companies rendering transit and distribution services. The Muuga Harbor is especially attractive to high value container distribution operators. The simplified customs paper handling, easy transfer of ownership rights, and value-added operations allowed in the zone are designed to foster the development of distribution centers. Continuous infrastructure investment provides additional expansion opportunities at Muuga Harbor, which is one of the deepest and most modern ports in the Baltic Sea region.

Other Logistics Services/Call Centers

In Spring 2003, there were more than 1,700 people working in 54 call centers in Estonia, with more than 1,200 seats altogether. Judging both by the number of seats or by number of agents, the growth from 2002 to 2003 was 19%. Call centers serve approximately 2.4 million incoming calls monthly.

Technology:

- 28% of the call centers have CTI (Computer Telephony Integration) solutions;
- 15% of the call centers have IVR (Interactive Voice Response) solutions;
- among system vendors the dominant is still Ericsson, followed by Siemens, Alcatel, Wicom, Avaya and Nortel;
- there is no special Workforce Management Software used in Estonian call centers. The only exception is Hilton Call Center, which utilizes commercial "WFM" software.

Language skills:

According to the Statistical Office's 2000 Population and Housing Census, over 70 % of people have a command of Russian (almost 30% of Estonian population has Russian as their native language) and almost 30% of the population can speak English. More than 10 % of people are speaking German or Finnish. Finnish is widely spoken in Tallinn area and less in rural areas. Italian and French are considerably less common. Courses in both French and Italian are offered at high schools, universities and language schools.

Best Prospects/Services

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Value added manufacturing in economic free zones.

Opportunities

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A new port being developed by Silmet Grupp and Russian business interests in the northeast Estonian town of Sillamae will, according to the current plans, be taken into commercial use in the second quarter of 2005. From the port's seven quays under construction some are built for handling oil and others for general goods. Work is also

going on to build a railway station with 18 full-length standing tracks for trains. Initially four tracks will be completed that will allow the handling of cargoes in 2005 and 2006.

The port's Russian co-owners have firm suppliers for oil cargoes and negotiations are under way with potential operators in other sectors.

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Enterprise Estonia: <http://www.investinestonia.com/>

The Estonian food market holds potential for imports of a wide range of high-value packaged goods targeted to higher/middle income level groups, increasing numbers of tourists, and a growing expatriate community. The fast-developing consolidation of retail outlets through investment by large Scandinavian chains may provide new opportunities for exporters who can successfully connect with these companies. By and large, consumer demand remains price-sensitive.

A preference for new products is strong among the younger population, but a significant number of consumers remain "tasting level" buyers. There are long-established consumer preferences for domestic fresh products with short shelf lives and free of additives.

Because of the newly effective import tariff schedule, many agricultural exports from European countries face zero duties, compared with Most Favored Nation (MFN) rates for U.S. exports. MFN custom tariffs presently apply to about 20% of all of Estonia's agricultural and food imports. Despite tariff increases, opportunities exist for dry, chilled, and frozen processed foods. The Estonian food market holds considerable potential for a wide range of competitively priced packaged goods targeted at high/middle income groups and tourists.

Estonia is a net importer of food products. Estonian food exports include dairy products, meat, fish, and beverages. Estonia's most important food imports are beverages, meat products, fruits and vegetables, coffee, tea, preserves of vegetables and fruits, and feed grains. Major U.S. exports were poultry, fish, dried fruits, nuts, oilseeds, vegetable preserves, fruits and vegetables, wines, liquors, and cigarettes. The U.S. imported Estonian wood products, beverages, frozen fish and fish preparations, as well as starch, glues, and cotton articles.

U.S.-produced products, which are available in retail stores and have good market potential, include frozen poultry products, rice, pet foods, dried fruits and nuts, wines, liquors and fresh fruits. U.S. products manufactured in other (mainly EU) countries include: chips, soft drinks, packed snacks, confections, and spirits. Consumers have started to show interest in organic foods.

There is an opportunity to establish a market for dry, chilled, and frozen processed foods. The product mix should exclude short shelf-life products. Low-fat, low-salt, sugar-free, and cholesterol-free products are currently unfamiliar to most consumers. The recent imposition of tariffs on non-EU agricultural imports disadvantages U.S. sales of many products, which would otherwise have good import potential.

For more information see: Foreign Agricultural Service (regional office in Stockholm): <http://www.usemb.se/Agriculture/>

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Import Tariffs

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Beginning in January 2000, the “Most Favored Nation Treatment Customs Duty Act” came into force. According to the Act, goods originating from third (non-EU) countries are subject to customs duties.

Estonian Master Tariff System: <http://ems.emta.ee:7303/ems/do/language?lang=en>

The National Customs Board is an executive state authority institution operating in the field of government of the Ministry of Finance of the Republic of Estonia. It affects the customs policy of the Republic and is the direct administrator of customs arrangements. In 1992 Estonia became a member of the World Customs Organization (WCO).

Trade Barriers

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When filling in a customs declaration, attention should be paid on three items that determine the amount of duty: classification of goods, their origin, and customs value. A quick way to access information about customs duty rates of a particular good in a certain country or other conditions on import is to use the EU's central database TARIC. This database can be accessed easily and is free of charge, although only in English. Look at http://europa.eu.int/comm/taxation_customs/dds/en/tarhome.htm.

After the goods to be imported from third countries have been evaluated under customs procedures in one Member State, they can be freely moved on the domestic market.

Import Requirements and Documentation

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Imports/exports must be cleared in writing, using the forms provided by the National Customs Board of Estonia. The customs declaration must be filled out by the holder of the goods or by a declarant who has been granted adequate authority by the Customs Board.

U.S. Export Controls

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As a member state of the European Union and NATO, Estonia will be obliged to share the responsibility for international security, which presupposes the adoption of the values and the codes of conduct of these organizations. An essential part of this is made up by the efficient implementation of export control measures and a foreign policy oriented towards preventing the proliferation of weapons of mass destruction (WMD). The latter is coordinated by several international organizations – the Wassenaar Arrangement, the Australia Group (dealing with issues related to chemical weapons), the Missile Technology Control Regime (MTCR) and the Nuclear Suppliers Group.

U.S. Export controls and licenses: <http://www.export.gov/exportcontrols.html>

Temporary Entry

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Goods transiting Estonian territory are not charged duties. It is possible to obtain a temporary exemption from duty for items such as commercial samples, and for goods intended for public displays at exhibitions and fairs. If the goods are put to any unauthorized use or are not re-exported within the prescribed time period (a maximum of one year) they must go through normal customs clearance and become liable for relevant duties and taxes.

Labeling and Marking Requirements

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The following information, **in Estonian**, is required on the retail packaging, or otherwise marked on the product (a sticker, label, etc.):

- Name of product (indicating clearly the contents of the package)
- Name of the manufacturer or the name of the company that had the product manufactured
- Amount of contents (weight or volume of the contents to be specified, measures in metric system).

If warranted, the following information should also be included on the retail packaging or otherwise clearly identified on the product: contents of the product, care instructions, operating instructions, and a warning of possible danger related to the use or disposal of the product.

A retail-size food package must show the same name of the manufacturer, packer or importer, commercial name of the product, net metric weight or volume, ingredients in descending order of weight, last recommended date of sale, and storage instructions if perishable or intended for infants. This information described above must be provided **in Estonian**.

Prohibited and Restricted Imports

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There are no prohibited imports.

The import and export of plant and plant products is permitted only with an

accompanying phytosanitary certificate issued by the Estonian Plant Guarantee Inspection Board or competent foreign authorities. These goods may be imported or exported only at specified border crossings.

The import and export of livestock, fish, fowl, aquatic organisms, animal and poultry products, animal feed and its components, and veterinary and biopreparations are subject to state control and enforced by the Estonian Veterinary Control Border Inspection.

Special conditions exist for importing or exporting the following products: cultural artifacts; precious metals, stones and articles containing these; medicinal products; weapons; explosives; radio broadcast equipment; rare species of plants and animals; goods subject to veterinary, food and phytosanitary control; plant preservatives; narcotic drugs and psychotropic substances; foreign currency and securities; equipment and means for recording of audiovisual production; lottery tickets; strategic goods; radioactive radiation sources; motor vehicles; building cement; and dangerous and other waste.

Customs Contact Information

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Estonian Customs: <http://www.emta.ee/?lang=en>

Standards

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Overview

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Products tested and certified in the United States to American standards are likely to have to be retested and re-certified to EU requirements as a result of the EU's different approach to the protection of health and safety of consumers and the environment. Where products are not regulated by specific EU technical legislation, they are always subject to the EU's General Product Safety Directive as well as to possible additional national requirements.

http://europa.eu.int/comm/consumers/cons_safe/prod_safe/index_en.htm

Standards Organizations

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EVS (a non-profit association recognized by the Government of Estonia as the national standards body for Estonia) started its operations as provided by the Technical

Regulations and Standards Act on April 1, 2000. National Standards are sold in Estonia only by EVS. EVS has exclusive rights for sale of ISO, CEN, BSI, DIN, SFS and GOST standards in Estonia. EVS has also a sales agreement with IHS Nordic
<http://www.evs.ee/index.php3?lk=english>

Many standards in the EU are adopted from international standards bodies such as the International Standards Organization (ISO). The drafting of specific EU standards is handled by three European standards organizations:

CENELEC(European Committee for Electrotechnical Standardization)
(<http://www.cenelec.org/>); ETSI (European Telecommunications Standards Institute)
(www.etsi.org) ;
CEN (European Committee for Standardization), handling all other standards
(<http://www.cenorm.be/>)

Standards are created or modified by experts in Technical Committees or Working Groups. The members of CEN and CENELEC are the national standards bodies of the member states, which have “mirror committees” which monitor and participate in ongoing European standardization. CEN and CENELEC standards are sold by the individual EU member states standards bodies as well as through the American National Standards Institute (ANSI) (<http://www.ansi.org/>).

Conformity Assessment

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European Union standards created in recent years under the so-called New Approach are harmonized across the 25 EU member states and European Economic Area countries in order to allow for the free flow of goods. A feature of the New Approach is CE marking (European Conformity mark). While harmonization of EU legislation can facilitate access to the EU Single Market, manufacturers should be aware that regulations and technical standards might also become barriers to trade if U.S. standards are different from those of the European Union.

All EU harmonized standards, which provide the basis for CE marking, can be found on www.newapproach.org/

To know what CEN and CENELEC have in the pipeline for future standardization, it is best to visit their websites. CEN’s “business domain” page provides an overview by sector and/or technical committee whereas CENELEC offers the possibility to search its database. ETSI’s portal (http://portal.etsi.org/Portal_Common/home.asp) leads to ongoing activities.

Product Certification

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http://www.eak.ee/index_eng.php?pageCus=head&head=4

Accreditation

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Accreditation is handled at the member state level. "European Accreditation" (www.european-accreditation.org) is an organization representing nationally recognized accreditation bodies. Membership is open to nationally recognized accreditation bodies in countries in the European geographical area that can demonstrate that they operate an accreditation system compatible with EN45003 or ISO/IEC Guide 58.

Estonian Accreditation Center: http://www.eak.ee/index_eng.php?pageld=29

Publication of Technical Regulations

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The Official Journal is the official gazette of the European Union. It is published daily and consists of two series covering draft and adopted legislation as well as case law, questions from the European Parliament, studies by committees, and more (<http://europa.eu.int/eur-lex/en/index.html>). It lists the standards reference numbers linked to legislation. (www.newapproach.org/Directives/DirectiveList.asp). National technical regulations are published on the Commission's website <http://europa.eu.int/comm/enterprise/tris/> to allow other countries/interested parties to comment.

Labeling and Marking

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To sell their product in the EU market as well as Norway, Liechtenstein and Iceland, U.S. exporters are required to apply CE marking whenever their product is covered by specific product legislation.

CE marking product legislation offers manufacturers a number of choices and requires decisions to determine which safety/health concerns need to be addressed, which conformity assessment module is best suited to the manufacturing process, and whether or not to use EU-wide harmonized standards. There is no easy way for U.S. exporters to understand and go through the process of CE marking, but hopefully this chapter provides some background and clarification.

The goal of the European Union's harmonization program under the New Approach (launched in 1980's) is to streamline technical harmonization and the development of standards for certain product groups, including, among others, machinery, toys, construction products, electromagnetic compatibility, personal protective equipment, non-automatic weighing instruments, medical devices, gas appliances, hot water boilers, and radio and telecommunications terminal equipment (RTTE). Under the New Approach, Directives cover essential safety, health and environmental requirements. The three regional European standards organizations, CEN, CENELEC and ETSI, are mandated by the Commission to develop technical standards that are consistent with the essential requirements of EU Directives.

The CE mark addresses itself primarily to the national control authorities of the Member States, and its use simplifies the task of essential market surveillance of regulated products. Although CE marking is intended primarily for inspection purposes by EU

Member State inspectors, the consumer may well perceive it as a quality mark.

The CE mark is not intended to include detailed technical information on the product, but there must be enough information to enable the inspector to trace the product back to the manufacturer or the authorized representative established in the EU. This detailed information should not appear next to the CE mark, but rather on the declaration of conformity, the certificate of conformity (which the manufacturer or authorized agent must be able to provide at any time, together with the product's technical file), or the documents accompanying the product.

Trade Agreements

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The independent certification bodies, known as notified bodies, have been officially accredited by competent authorities to test and certify to EU requirements. However, under the U.S./EU Mutual Recognition Agreements (MRAs), notified bodies based in the United States and referred to as conformity assessment bodies will be allowed to test in the United States to EU specifications, and vice versa. The costs will be significantly lower, and U.S. products will, as a result, become more competitive. At this time, the U.S./EU MRAs cover the following sectors: electromagnetic compatibility (EMC) (in force), radio communication and telecommunication terminal equipment (RTTE) (in force), medical devices (in transition), pharmaceutical (in transition), and recreational craft (in force). This link lists American and European Conformity Assessment bodies operating under a mutual recognition agreement:

<http://ts.nist.gov/ts/htdocs/210/gsig/mra.htm>

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Estonian Center for Standardization: <http://www.evs.ee/index.php3?lk=english>

Estonian Accreditation Center: http://www.eak.ee/index_eng.php

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Chapter 6: Investment Climate

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Openness to Foreign Investment

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Estonia became a full member of the European Union on May 1, 2004. Estonia's government maintains a highly favorable attitude towards foreign investment, which is governed by the "Law on Foreign Investments" enacted in 1991 shortly after re-gaining independence. The Government has sought to maintain liberal policies in order to attract investments that could produce exports.

Estonia's government does not screen foreign investments. It does, however, establish requirements for certain sectors. These requirements are not intended to restrict foreign ownership but rather to regulate it and establish clear ownership responsibilities. Licenses are required for a foreign investor to become involved in: mining, energy, gas and water supply, railroad and transport, waterways, ports, dams and other water-related structures, and telecommunications and communication networks. The Estonian Central Bank issues licenses for foreign interests seeking to invest in or establish a bank. Government review and licensing have proven to be routine and non-discriminatory.

Estonia's openness to foreign direct investment extended to its privatization program, which is now complete. Only a small number of enterprises -- the country's main port, the power plants, the postal system, and the national lottery -- remain state-owned.

Sound and liberal economic policies and an excellent business climate have ensured strong levels of foreign direct investment (FDI) in Estonia. During the last decade Estonia has been one of the leading countries in Central and Eastern Europe in terms of

inward investment per capita. Numerous foreign companies have found Estonia to be a highly attractive location. Companies partly or wholly owned by foreigners account for one-third of Estonian GDP and over 50 percent of the country's exports. Initial estimates indicate total FDI inflows to Estonia of approximately 850 million USD in 2004.

Some general facts concerning foreign direct investment inflows into Estonia include:

- In 1995-1996 the majority of foreign direct investment was privatization-related;
- There is a trend towards cross-border acquisitions;
- Greenfield investments are growing, but slowly.

The World Economic Forum's Current Competitiveness Index 2004-2005 ranks Estonia 20th among 104 countries. With this ranking Estonia is the most competitive of the new European Union member states. The survey among business leaders measured economic competitiveness based on a combination of technology, the quality of public institutions and the macroeconomic environment.

Conversion and Transfer Policies

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Estonia has been under a currency board arrangement since 1992. Initially pegged to the German mark, the Estonian kroon (EEK) has been fixed to the euro at EEK 15.65 since January 1999. Estonia joined the Exchange Rate Mechanism (ERM) II in June 2004. Central Bank officials have stated that Estonia will join the European Economic and Monetary Union and adopt the euro as Estonia's official currency by 2007.

The Estonian currency has no restrictions on its transfer or conversion. Similarly, there are no restrictions, limitations or delays involved in converting or transferring funds associated with an investment (including remittances of investment capital, earnings, loan repayments, or lease payments) into hard currencies at market rates. There is no limit on dividend distributions as long as they correspond to a company's official earnings records. If a foreign company ceases to operate in Estonia, all its assets may be repatriated without restriction. These policies are all long-standing; there is no indication that they will be altered in any way. Foreign exchange is readily available for any purpose.

Expropriation and Compensation

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Private property rights are observed in Estonia. There have been no known cases of expropriation or nationalization since the country regained its independence in 1991.

Dispute Settlement

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Disputes concerning investments have not been a problem since Estonia regained independence in 1991. There have been no major investment disputes during the last

decade. The United States Government is generally aware that United States persons of Estonian descent who were not United States citizens at the time their claims arose have some outstanding claims against the Government of Estonia.

Estonia's judiciary is independent and insulated from government influence. Property rights and contracts are enforced by the courts. In the past, judicial decisions were occasionally arbitrary and indifferent to the law. Such decisions are increasingly rare.

Estonia's Commercial Law has proven extremely effective and is often cited as one of the key factors that have contributed to Estonia's successful economic reforms. The Commercial Code is consistently applied. The Obligation Law, enacted in 2002, is the basis for all commercial agreements.

Estonia has been a member of the International Center for the Settlement of Investment Disputes since 1992 and a member of the New York Convention of 1958 on the Recognition and Enforcement of Foreign Arbitral Awards since 1993.

Performance Requirements and Incentives

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A fundamental principle of Estonia's economic policy is equal treatment of foreign and domestic capital. No special investment incentives are available to foreign investors, nor is any favored treatment accorded them. Similarly, there are no specific performance requirements identified with foreign investments that differ from domestic investments.

Estonia continues to refine its immigration policies and practices. U.S. citizens are exempt from the quota regulating immigration and residence permits, as are citizens of the EU and Switzerland.

Estonia's long-serving system of low, flat rate taxes - in particular, the 24 percent income tax - is simple, with no "hidden extras". To encourage companies to expand their business, all reinvested profits have been exempted from corporate income tax. However, any redistributed profits, for example, dividends, are taxed at 24 percent. This tax strategy was designed to promote business and accelerate economic growth by making additional funds available for investments. During accession talks, the EU gave Estonia a transition period of seven years (the end of 2008) by which time this tax policy will have to be modified.

Right to Private Ownership and Establishment

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Private ownership and entrepreneurship are respected in Estonia. In most fields of business, participation by foreign companies or individuals is unrestricted. As provided for by the Law on Foreign Investments, foreign investors have the same rights and obligations as Estonian citizens. Foreign investors may purchase buildings and land for production purposes and establish, buy, and fully own companies.

Government approval is required for foreign investment and participation in only a handful of sectors (see section A.1).

Competitive equality is the official standard applied to private enterprises in competition with public enterprises. Private companies do not face discrimination in relation to state-owned companies.

Protection of Property Rights

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Secured interests in property are recognized and enforced. Mortgages are quite common for both residential and commercial property, and leasing as a means of financing is widespread and efficient.

The legal system protects and facilitates acquisition and disposition of all property rights, including land, buildings, and mortgages. The long and complicated process of restitution is almost complete, including the area of non-residential real properties.

The Estonian legal system adequately protects property rights, including intellectual property, patents, copyrights, trademarks, trade secrets and industrial design. Estonia adheres to the Berne Convention, WIPO and TRIPS, the Rome Convention and the Geneva Convention on the Protection of the Rights of Producers. Estonian legislation fully complies with EU directives granting protection to authors, performing artists, record producers, and broadcasting organizations. In 2002 Estonia withdrew its reservation on Article 12 of the Rome Convention, thus extending equal treatment to domestic and foreign phonogram producers. (Note: However, because the U.S. is not a member of the Rome convention, equal treatment is not extended to U.S. phonogram producers under this agreement. End Note.)

Transparency of Regulatory System

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The Government has set out transparent policies and effective laws to foster competition and establish "clear rules of the game." However, due to the small size of Estonia's commercial community, instances of favoritism are not uncommon despite the regulations and procedures that are designed to limit it.

Tax, labor, health and safety laws and policies have been crafted to encourage investment. While there is always room for more, the level of foreign direct investment per capita suggests that Estonia has been successful in designing a legal framework that attracts rather than discourages foreign investment.

All proposed laws and regulations are published for public comments on the website: <http://tom.riik.ee/>

Estonia's bureaucratic procedures are considered far more streamlined and transparent than those of other countries in the region.

The Wall Street Journal/Heritage Foundation's Index of Economic Freedom 2005 ranks Estonia as one of the freest economies in the World – 4th out of 161 countries.

Estonia's financial sector is modern and efficient. Government and Central Bank policies facilitate the free flow of financial resources, thereby supporting the flow of resources in the product and factor markets. Credit is allocated on market terms and foreign investors are able to obtain credit on the local market. The private sector has access to an expanding range of credit instruments similar in variety to those offered by banks in Estonia's Nordic neighbors.

Legal, regulatory, and accounting systems are transparent and consistent with international norms.

The Security Market Law complies with EU requirements and enables EU securities brokerage firms to deal on the market without establishing a local subsidiary. In 2002, the Helsinki Stock Exchange (Finland) bought a controlling interest in the Tallinn Stock Exchange, merging the two entities, thus making the small market more attractive to foreign investors.

Estonia's banking system has consolidated rapidly. Nine banks operate in Estonia, including three branches of foreign banks. Six representative offices of foreign banks were established by December 2004. The Estonian, Scandinavian-connected banking system is modern and efficient; encompassing the strongest and best-regulated banks in the region. These provide both domestic and international services (including Internet and telephone banking) at very competitive rates. Both local and international firms provide a full range of financial, insurance, accounting, and legal services. Estonia has a highly advanced Internet banking system: 68 per cent of inhabitants make their everyday transactions via Internet banking.

The Central Bank and the government hold no shares in the banking sector.

In 2001 the consolidated Financial Supervision Authority was established under the auspices of the Central Bank. The Authority is an agency with autonomic competence and a separate budget. The Authority conducts financial supervision on behalf of the state and is independent in the conduct of financial supervision. The Authority was established to enhance the stability, reliability, transparency, and efficiency of the financial sector, to reduce system risks, and promote prevention of the use of the financial sector for criminal purposes.

Estonia has not experienced any politically motivated damage to projects or installations.

Estonia has laws, regulations, and penalties to combat corruption, and while corruption is not unknown, it has generally not been a major problem faced by foreign investors.

Instead, foreign companies have often found it difficult to insinuate themselves into the local commercial community where many Estonian executives have known one another since childhood and often help one another out in ways that make it difficult for outsiders to compete effectively.

Both offering and taking bribes are criminal offenses. While “payments” that exceed the services rendered are not unknown, and “conflict of interest” is not a well-understood issue, surveys of American and other non-Estonian businesses have shown the issues of corruption and/or protection rackets are not a major concern for these companies.

Transparency International ranks Estonia 31st out of 146 countries. Among members of the European Union Estonia places 15th, together with Slovenia, and is thus considered one of the least corrupt countries among the EU newcomers.

Bilateral Investment Agreements

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Estonia has bilateral investment promotion and protection agreements with the United States, Switzerland, Germany, Great Britain, the Czech Republic, Austria, Ukraine, Belgium-Luxembourg, Turkey, Italy, Spain and Greece. A Bilateral Taxation Treaty with the U.S. came into force on January 1, 2000.

OPIC and Other Investment Insurance Programs

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Estonia is a member of the Multilateral Investment Guarantee Agency.

Labor

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Estonia has a very small population- only 1.4 million people. The Estonian labor force is highly skilled and well educated. There are 14 universities, 19 higher education colleges and 114 technical secondary institutions, all combining to produce graduates with adequate technical skills, and fluent in English, Russian, German and other languages. Over 17 percent of the population has received post-secondary education; this number is growing rapidly.

Despite generally high skills, the average Estonian salary in 2004 was USD 600 a month - a fraction of the rate in Scandinavia.

The influence of trade unions, which tend to take a cooperative approach to industrial relations, is slowly increasing. Estonia adheres to the ILO Convention that protects worker rights.

With an aging population and a negative birth rate, Estonia, like many other countries of Central and Eastern Europe, faces serious demographic challenges affecting its labor supply in the longer term. Improving labor efficiency is a key focus for Estonia in the

near- and mid-term. It is becoming increasingly challenging to find a pool of blue collar workers to start up a small or medium-sized manufacturing enterprise requiring a significant amount of manpower.

Foreign-Trade Zones/Free Ports

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According to the Customs Act free zones can be established on the customs territory by order of the Government of the Republic. Concerning import and export duties, taxes and trade policy measures established for regulating importation, goods in a free zone are considered as being outside the customs territory. As a rule customs procedures are not applied to these goods. A free zone is a territory where the VAT and excise duties (as well as possible fees for customs services) do not have to be paid on goods imported and later exported.

In Estonia free zones have been established in Muuga (near Tallinn), Sillamae (North-East Estonia), and Valga (South Estonia).

The main supervisory authority responsible for monitoring and checking the movement of goods in (or in and out of) free zones is the Estonian Tax and Customs Board (governed by the Ministry of Finance). There are ID requirements for companies and individuals using the zone.

Foreign Direct Investment Statistics

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For value of FDI (position, stock, and flows in recent years by the commodity group, as well as country of origin) please go to:

<http://www.eestipank.info/pub/en/dokumendid/statistika/maksebilanss/statistika/statistika.html?objId=292616>

The ten largest FDI companies in Estonia in terms of total investment:

1. Galvex

Country of origin: Bermuda (investor is American)

Sector of operation: steel galvanizing

2. Estonian Telecom

Country of origin: Sweden/USA/Netherlands

Sector of operation: telecommunication

3. Union Bank

Country of origin: Sweden

Sector of operation: banking

4. Hansapank

Country of origin: Sweden, Finland, UK, Austria, Switzerland, Luxembourg

Sector of operation: banking

5. Baltic Rail Service

Country of origin: U.S./Estonia

Sector operation: railroad transportation

6. Tolaram Group

Country of origin: Singapore

Sector operation: investments, textiles and paper products

7. Kunda Nordic Cement AS

Country of origin: Finland, IPC

Sector operation: cement production

8. Rakvere Meat Factory

Country of origin: Finland

Sector operation: food industry

9. Shell Estonia

Country of origin: Great Britain

Sector operation: sale of fuels

10. Sampo Bank

Country of origin: Finland

Sector operation: banking

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Bank of Estonia: <http://www.eestipank.info>

Enterprise Estonia: <http://www.investinestonia.com>

Ministry of Foreign Affairs: http://www.vm.ee/eng/kat_131/

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- [How Does the Banking System Operate](#)
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- [U.S. Banks and Local Correspondent Banks](#)
- [Project Financing](#)
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How Do I Get Paid (Methods of Payment)

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Methods of payment are similar to those in US. There is no use of checks.

Credit ratings: www.krediidiinfo.ee

Collection agencies:

http://www.ee/www/Business/Securities,_Funds,_Financial_Services/welcome.html

How Does the Banking System Operate

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Estonia has the strongest, most developed banking system in the Baltic States. In part this has been due to the autonomy accorded to the Central Bank and its supervision over the country's commercial banks. Estonia's banking sector is closely monitored by the IMF and international risk rating agencies. The country has adopted a universal banking model that allows banks to participate in other financial activities including leasing, insurance and brokerage.

There have been no recent bank failures. Currently the Estonian banking system is dominated by two foreign controlled banking groups: Hansapank (Swedbank) and Uhispank (Skandinaviska Enskilda Banken).

Major Estonian commercial banks service the whole country through their branch networks. They also manage individual subsidiaries that engage in mortgage banking, finance company activities, credit card business, investment operations, etc. Commercial banks have extensive foreign networks of branch offices, subsidiaries, consortium banks, and representative offices through which foreign trade payments are made.

Over 90% of banking transactions are done electronically, and more than 75% of the Internet-using population uses Internet banking.

Foreign-Exchange Controls

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There are no foreign exchange controls in Estonia.

U.S. Banks and Local Correspondent Banks

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There are no U.S. banks in Estonia. All Estonian commercial banks have extensive correspondent relationships with U.S. banks -- in every U.S. state, as well as in most of the larger financial centers. Further information on correspondent relationship can be obtained from the [Estonian Bankers' Association](#).

Project Financing

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The Estonian financial market is a typically European environment where banks and financing institutions have the dominant role.

For information on financing your project with EU structural funds, see:

www.strukturifondid.ee

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Export-Import Bank of the United States: <http://www.exim.gov>

Country Limitation Schedule: http://www.exim.gov/tools/country/country_limits.html

OPIC: <http://www.opic.gov>

Trade and Development Agency: <http://www.tda.gov/>

SBA's Office of International Trade: <http://www.sba.gov/oit/>

USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/cc/default.htm>

Bank of Estonia:

http://www.eestipank.info/pub/en/majandus/finantskeskkond/keskpanga_roll/

Credit Information: www.kredinfo.ee

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Business Customs

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Estonia is a modern country that enjoys close relations with Nordic and other Baltic countries. Social and business protocol is similar to that in northern Europe.

Travel Advisory

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The climate in Tallinn is characterized by a fairly cold winter, a cool spring with little precipitation, a moderately warm summer and a long and rainy autumn. However, some summers have weeks at a stretch of temperatures around +30° C, and a warm, sunny summer can keep autumn at bay until mid-October.

Average temperature in July +16°C

Average temperature in February -9°C

Weather forecast in the Internet: www.weather.ee/tallinn

More info: http://travel.state.gov/travel/cis_pa_tw/cis/cis_1112.html

Visa Requirements

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To live and work in Estonia, a foreigner needs both a residence permit and a work permit, both of which may be obtained from the local Migration Departments. English-language instructions on how to apply are available from the Migration Department. Alternatively, instructions are posted in English on the web page of Enterprise Estonia www.investinestonia.com.

U.S. citizens do not need to obtain a visa for visits of less than 90 days.

U.S. companies that require travel of foreign businesspersons to the United States should allow sufficient time for visa issuance if required. Visa applicants should go to the following links:

State Department Visa Website: <http://travel.state.gov/visa/index.html>

United States Visas.gov: <http://www.unitedstatesvisas.gov/>
US Embassy Consular Section: www.usemb.ee

Telecommunications

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Within a short time, modern means of communication have become an inseparable part of the daily life of Estonians, and the use of mobile telephones and the Internet is more widespread than in some other EU member states. By the end of September 2004, 89 percent of Estonians had a mobile phone.

Transportation

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Estonia has a relatively well-developed transportation infrastructure. The density of Estonia's road network is comparable to that of the Nordic countries. Public transportation in major cities is efficient and reliable. While there are five passenger-serving airports in Estonia, most international flights occur through Tallinn Airport. For more info: <http://www.tourism.tallinn.ee/index.php?page=49>

Language

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The official language in Estonia is Estonian. English is increasingly spoken, especially in the capital city. Russian is still the most-widely spoken second language, although less so among younger Estonians.

Health

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The quality of medical care in Estonia is improving but still falls short of Western standards. Estonia has many highly trained medical professionals, but hospitals and clinics still suffer from a lack of equipment and resources.

Cases of resistant strains of tuberculosis have been reported in Estonia. Visitors to forest areas in warm weather should also guard against tick-borne encephalitis. Information on vaccinations and other health precautions, such as safe food and water precautions and insect bite protection, may be obtained from the Centers for Disease Control and Prevention's hotline for international travelers at 1-877-FYI-TRIP (1-877-394-8747); fax 1-888-CDC-FAXX (1-888-232-3299), or via the CDC's Internet site at <http://www.cdc.gov/travel>. For information about outbreaks of infectious diseases abroad consult the World Health Organization's website at <http://www.who.int/en> Further health information for travelers is available at <http://www.who.int/ith>

Local Time, Business Hours, and Holidays

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Time Zone: GMT + 2 hours

Business hours are between 8 a.m. and 6 p.m. Supermarkets and shopping centers are generally open between 9 a.m. and 11 p.m. every day.

The national holidays in Estonia for 2005 are:

New Year's Day
Independence Day
Good Friday
Easter
May Day
Victory Day
Midsummer Day
Restoration of Independence
Christmas
Christmas

January 1 (Sat)
February 24 (Thu)
March 25 (Friday)
March 27 (Sun)
May 1 (Sun)
June 23 (Thu)
June 24 (Fri)
August 20 (Sat)
December 25 (Sun)
December 26 (Mon)

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Estonian Customs: <http://www.emta.ee/?id=978>

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Estonian Customs: <http://www.emta.ee/?id=978>

Travel info: http://travel.state.gov/travel/cis_pa_tw/cis/cis_1112.html

Weather forecast in Internet: www.weather.ee/tallinn

Enterprise Estonia: www.investinestonia.com.

State Department Visa Website: <http://travel.state.gov/visa/index.html>

United States Visas.gov: <http://www.unitedstatesvisas.gov/>

US Embassy Consular Section: www.usemb.ee

World Health Organization's website at <http://www.who.int/en>

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Chapter 9: Contacts, Market Research, and Trade Events

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- [Market Research](#)
- [Trade Events](#)

Contacts

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United States Embassy, Political/Economic Section
Kentmanni 20, 15099 Tallinn, Estonia
Tel: 372 668 8130
Fax: 372 668 8134
Contact: Ms. Reene Sepp, Economic/Commercial Assistant
E-mail: rsepp@state.gov
Kelly Adams-Smith, Economic Officer
E-mail: adamssmithke@state.gov
www.usemb.ee

Foreign Commercial Service Partnership Post
U.S. Embassy Helsinki
It. Puistotie 14 B
FIN-00140
Helsinki, Finland
Tel: 358-9-616-250
Fax: 358-9-616-25130
e-mail: helsinki.office.box@mail.doc.gov

Foreign Agricultural Service (regional office in Stockholm):
<http://www.usemb.se/Agriculture/>

Chambers of Commerce, Trade Associations

Estonian Chamber of Commerce and Industry; www.koda.ee

American Chamber of Commerce: www.acce.ee

Association of Estonian Food Industry: <http://www.toiduliit.ee/en/>

Association of Estonian Fruit and Vegetable Wholesalers

BSA (Business Software Alliance): www.bsa.ee

Estonian Authors Society: www.eauthors.ee

Estonian Banking Association: www.pangaliit.ee

Federation of Estonian Engineering Industry (EML): <http://www.etc.ee/engineering/?eml>

Country Government Offices

Ministry of Economic Affairs: www.mkm.ee

Ministry of Agriculture: <http://www.agri.ee/eng/>

Ministry of Finance: <http://www.fin.ee/>

Ministry of Foreign Affairs: <http://www.mfa.ee>

Other Ministries and Government Agencies: <http://www.riik.ee/en/>

Market Research

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To view market research reports produced by the U.S. Commercial Service please go to the following website: <http://www.export.gov/marketresearch.html> and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, but free of charge.

Trade Events

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Please click on the link below for information on upcoming trade events

Estonian Fairs: www.fair.ee

US Trade events: <http://www.export.gov/tradeevents.html>

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Chapter 10: Guide to Our Services

The U.S. Commercial Service offers customized solutions to help your business enter and succeed in markets worldwide. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers

For more information on the services the U.S. Commercial Service offers U.S. businesses, please click on the link below.

<http://www.buyusa.gov/baltics/en/>

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U.S. exporters seeking general export information/assistance or country-specific commercial information should consult with their nearest **Export Assistance Center** or the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRADE**, or go to the following website: <http://www.export.gov>

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.