



Doing Business in Estonia: 2014

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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- Estonia has been a member of the European Union since 2004 and adopted the euro as its official currency on January 1, 2011.
- Estonia formally joined the OECD in December 2010.
- Estonia is situated on a trading route between East and West and has well-developed ports and transit infrastructure.
- Companies registered in Estonia do not have to pay income tax for re-invested profits.
- It takes only 18 minutes to establish a company on the Internet in Estonia.
- 99 percent of banking transactions in Estonia are conducted electronically.
- Foreign and domestic investments in Estonia are treated equally under the law.
- GDP growth in 2013 was slower than expected at 0.8 percent and the prognosis for 2014 is a modest 1 percent due to the ongoing Eurozone crisis. The tightening labor market and inflation have also brought pressure for salary increases.
- As the outlook for Estonia's trade partners is more optimistic this year, especially in Finland and Sweden, the growth of exports is expected to pick up. The largest bank in Estonia, Swedbank, expects the growth of Estonia's exports to accelerate from 1.9 percent in 2013 to 4.3 percent in 2014.
- Sweden has a 27 percent share of the total FDI in Estonia, followed by Finland with 21 percent and the Netherlands with 10 percent.
- The United States accounts for 2.1 percent of FDI stock (12th overall).
- According to the U.S. Census Bureau's Foreign Trade Division, in 2013, the principal imports from the United States were computer and electronic products, machinery, chemicals and transportation equipment.
- 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, while the U.S. share in trade is approximately 1 percent.

Market Challenges

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- Estonia has a small domestic market, with only 1.3 million people.
- The primary competition for American companies in the Estonian marketplace is from European companies, especially Finnish and Swedish firms.

Market Opportunities

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- Estonian business attitudes towards the United States are 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 in the IT, transportation and energy sectors.

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 a company handles competing products.

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 include information in English:

Ekspress Hotline: <http://www.1182.ee/front-page>

Estonian Export Directory: <http://www.estonianexport.ee/>

Establishing an Office

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All questions concerning establishing an office in Estonia are covered by the Enterprise Estonia Investment Guide: <http://www.investinestonia.com/en/Investment-guide/>

Franchising

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Estonia's legal system provides for trademark protection and licensing provisions. Franchisors should consider the small size of the market when making their agreement requirements.

Direct Marketing

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There is a wide range of EU legislation that impacts the direct marketing sector. Compliance requirements are most stringent for marketing and sales to private consumers. Companies need to focus, in particular, on the clarity and completeness of the information they provide to consumers prior to purchase, and on their approaches to collecting and using customer data. The following gives a brief overview of the most important provisions flowing from EU-wide rules on distance selling and on-line commerce. It is worth noting that the EU is currently overhauling its consumer protection legislation. Companies are advised to consult the information available via the hyperlinks, check the relevant sections of national Country Commercial Guides and to contact the Commercial Service at the U.S. Mission to the European Union for more specific guidance.

Processing Customer Data

The EU has strict laws governing the protection of personal data, including the use of such data in the context of direct marketing activities. For more information on these rules, please see http://ec.europa.eu/justice_home/fsj/privacy/index_en.htm

Distance Selling Rules

- Distance and Door-to-Door sales: The EU's Directive on distance selling to consumers (97/7/EC and amendments) sets out a number of obligations for companies doing business at a distance with consumers. It can read like a set of onerous "do's" and "don'ts," but in many ways it represents nothing more than a

customer relations good practice guide with legal effect. Direct marketers must provide clear information on the identity of themselves as well as their supplier, full details on prices including delivery costs and the period for which an offer remains valid – all of this, of course, before a contract is concluded. Customers generally have the right to return goods without any required explanation within seven days, and retain the right to compensation for faulty goods thereafter. Similar in nature is the Doorstep Directive (85/577/EEC), which is designed to protect consumers from sales occurring outside of a normal business premises (e.g., door-to-door sales) and essentially assures the fairness of resulting contracts.

- **Distance Selling of Financial Services:** Financial services are the subject of a separate Directive that came into force in June 2002 (2002/65/EC). This piece of legislation amends three prior existing Directives and is designed to ensure that consumers are appropriately protected in respect to financial transactions taking place where the consumer and the provider are not face-to-face. In addition to prohibiting certain abusive marketing practices, the Directive establishes criteria for the presentation of contract information. Given the special nature of financial markets, specifics are also laid out for contractual withdrawal.

Key Link: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32002L0065:EN:NOT>

Direct Marketing over the Internet

The e-commerce Directive (2000/31/EC) imposes certain specific requirements connected to the direct marketing business. Promotional offers must not mislead customers and the terms that must be met to qualify for them have to be easily accessible and clear. The Directive stipulates that marketing e-mails must be identified as such to the recipient and requires that companies targeting customers on-line must regularly consult national opt-out registers where they exist. When an order is placed, the service provider must acknowledge receipt quickly and by electronic means, although the Directive does not attribute any legal effect to the placing of an order or its acknowledgment. This is a matter for national law. Vendors of electronically supplied services (such as software, which the EU considers a service and not a good) must also collect value added tax (see Electronic Commerce section below).

Key Link: http://ec.europa.eu/internal_market/e-commerce/index_en.htm

Joint Ventures/Licensing

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Joint ventures and licensing arrangements with foreign manufacturers are allowed and encouraged. Over 100 U.S. companies have established themselves in the Estonian market with subsidiaries or joint ventures.

Selling to the Government

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The U.S. and the EU are signatories of the World Trade Organization's (WTO) Government Procurement Agreement (GPA), which grants access to most public supplies and some services and works contracts published by national procuring authorities of the countries that are parties to the Agreement. In practice, this means

that U.S.-based companies are eligible to bid on supplies and services contracts from European public contracting authorities above the agreed thresholds.

For more information, please visit the U.S. Commercial Service at the U.S. Mission to the European Union website dedicated to EU public procurement. This site also has a database of all European public procurement tenders that are open to U.S.-based firms by virtue of the Government Procurement Agreement. Access is free of charge.

Key Link: <http://www.export.gov/europeanunion/grantstendersandfinancing/index.asp>

Government procurement in Estonia 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.legaltext.ee/indexen.htm>

EU government tender notices can be viewed in English at:
<http://ted.europa.eu/TED/main/HomePage.do>

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. Businesses and most logistic services are concentrated in and around Tallinn.

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 EU countries apply to selling in Estonia.

Electronic Commerce

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In July 2003, the EU started applying Value Added Tax (VAT) to sales by non-EU based companies of Electronically Supplied Services (ESS) to EU based non-business customers. U.S. companies that are covered by the rule must collect and submit VAT to EU tax authorities. European Council Directive 2002/38/EC further developed the EU rules for charging VAT. These rules were indefinitely extended following adoption of directive 2008/8/EC

Key Link: http://ec.europa.eu/taxation_customs/taxation/vat/how_vat_works/e-services/index_en.htm

In Estonia there are a number of Internet shops offering books, publications, tools, household goods, software and hardware, flowers and multimedia products. It is possible also to book and buy air and ferry tickets on-line or purchase tickets to various entertainment events. However, according to a Eurostat study, while the share of Internet users in Estonia is above the European Union average, only 17 percent of Estonians had purchased goods or services for themselves online.

Trade Promotion and Advertising

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General Legislation

Advertising in Estonia is regulated by the Advertising Act:

<http://www.legaltext.ee/et/andmebaas/tekst.asp?loc=text&dok=XXX0044&keel=en&pg=1&ptyyp=RT&tyyp=X&query=reklaam>

Web links

Media contacts: Estonian printed media: <http://www.eall.ee/members.html>

The Association of Estonian Broadcasters:

http://www.ringhliit.ee/english/members_stations/

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

Pricing

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Customs duties information can be found from the Estonian Master Tariff System:

<https://vaarikas.emta.ee/emts/do/language?lang=en>

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 20% Value Added Tax (VAT).

More on taxes: <http://www.emta.ee/index.php?id=1751>

Sales Service/Customer Support

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EU institutions have launched a number of initiatives aimed at harmonizing national legislation to help with the discrepancies among Member States in product labeling, language use, legal guarantee, and liability, the redress of which inevitably frustrates consumers in cross-border shopping. Suppliers within and outside the EU should be aware of existing and upcoming legislation affecting sales, service, and customer support.

Product Safety

The 1992 General Product Safety Directive introduces a general safety requirement at the EU level to ensure that manufacturers only place safe products on the market. It was revised in 2001 to include an obligation for the producer and distributor to notify the Commission in case of a problem with a given product, provisions for its recall, the creation of a European Product Safety Network, and a ban on exports of products to third countries that are not deemed safe in the EU.

Key link: http://ec.europa.eu/consumers/safety/prod_legis/index_en.htm

Legal Warranties and After-sales Service

Under the 1999 Directive on the Sale of Consumer Goods and Associated Guarantees, professional sellers are required to provide a minimum two-year warranty on all consumer goods sold to consumers. The Directive defines a consumer as natural persons acting for purposes outside their trade, businesses, or professions. The remedies available to consumers in case of non-compliance are:

- Repair of the good(s);
- Replacement of the good(s);
- A price reduction; or
- Rescission of the sales contract.

Key link: <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:01999L0044-20111212&qid=1395670475658&from=EN%20>

Other issues pertaining to consumers' rights and protection, such as the New Approach Directives, CE marking, quality control, and data protection are dealt with in [Chapter 5](#) of this report.

Protecting Your Intellectual Property

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Please see the [Protection of Property Rights](#) section for more information on Intellectual Property Rights (IPR) in Estonia.

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. Additional information can be found at the Association of Estonian Patent Attorneys' (EPS) website at <http://www.epvs.ee/index.php?pgid=0&pqlng=eng> and the Estonian IP & Technology Transfer Center at <http://www.eitk.ee/en/>

Due Diligence

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AS Krediidiinfo provides credit information:

http://www.krediidiinfo.ee/index.php?ss_max=10&ss=&m=&otsi=1&lang=l

The U.S. Embassy can also provide an [International Company Profile \(ICP\)](#) report.

Local Professional Services

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Local service providers can be found in the Estonian Yellow Pages:

Web Resources

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

Estonian Export Directory: <http://www.estonianexport.ee/>

Credit Information: <http://www.krediidiinfo.ee/>

Estonian Patent Attorneys: <http://www.epvs.ee/index.php?pgid=0&pqlng=eng>

Estonian Patent Agency: http://www.epa.ee/default.asp?wa_site_id=2

Media Contacts: <http://www.eall.ee/members.html>,
http://www.ringhliit.ee/english/members_stations/

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

US Embassy business services: <http://estonia.usembassy.gov/polecon/companies/us-companies.html>

Estonian Customs: www.emta.ee

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

EU websites:

EU's general data protection Directive (95/46/EC):

http://ec.europa.eu/justice_home/fsj/privacy/index_en.htm

Safe Harbor: <http://www.export.gov/safeharbor/>

Distance Selling of Financial Services:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32002L0065:EN:NOT>

E-commerce Directive (2000/31/EC):

http://ec.europa.eu/internal_market/e-commerce/index_en.htm

VAT on Electronic Service:

http://ec.europa.eu/taxation_customs/taxation/vat/how_vat_works/e-services/index_en.htm

Nutrition and health claims made on foods:

[Regulation 1924/2006](#)

Provisions of Nutritional Labeling:

[Nutritional labeling directive 90/496/EC](#)

World Intellectual Property Organization (WIPO) Madrid: <http://www.wipo.int/madrid/en>

U.S. websites:

IPR Toolkit:

<http://export.gov/europeanunion/marketresearch/intellectualpropertyrightssector/index.asp>

EU Public Procurement:

<http://www.export.gov/europeanunion/grantstendersandfinancing/index.asp>

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Chapter 4: Leading Sectors for U.S. Export and Investment

Agriculture

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Commercial Sectors

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- [Marine Transit Services and Logistics Centers](#)

Agriculture

Rank of sector: NA
ITA industry code: AGS

Overview

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The Estonian food market holds potential for imports of a wide range of high-value packaged goods targeted to higher and 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. Products packaged and targeted at the hotel-restaurant sector such as desserts and beverages are growing in popularity. There are long established consumer preferences for domestic fresh products which have short shelf lives and are free of additives. Although consumer demand remains price-sensitive, consumers have started to show interest in organic foods. A preference for new products is strong among the younger population, but a significant number of consumers remain "tasting level" buyers.

Estonia is a net importer of food products. 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, which have good market potential, include fish (roe and surimi), nuts (shelled almonds and pecans), baking ingredients such as dried vegetable ingredients (garlic and onions), dried fruit (cranberries, blueberries, or prunes), fruit (grapefruit or table grapes), wines, and distilled spirits.

Estonian food exports include dairy products, meat, fish, and beverages. The U.S. imports Estonian cheeses, frozen fish and fish preparations, as well as starch, glues, and cotton articles.

Since Estonia's EU accession in 2004, the EU's external customs tariffs now apply on imports to Estonia. The EU has strict sanitary and phyto-sanitary regulations for its products. Exporters should first examine whether their product is granted market access to the European Union. Some commodities such as beef, poultry, corn, rice, and processed products derived from those ingredients face significant barriers. EU agricultural exports from European countries therefore face zero duties compared with Most Favored Nation (MFN) rates for U.S. exports. Detailed information on the current customs tariffs applicable in the EU are available at http://ec.europa.eu/taxation_customs/customs/customs_duties/tariff_aspects/customs_tariff/index_en.htm

Best Sub-sector Prospects for Agricultural Products

Note: All figures are in Thousands of U.S. dollars, unless otherwise stated.

Data Source: Global Agricultural Trade System (GATS). The GATS does not track intra-EU transshipments only direct trade. Other best prospects are based on trade information and products presently on the market.

Tree Nuts (Consumer Oriented Product)
 Processed Vegetables (Consumer Oriented Product)
 Hardwood Lumber (Forest Product)
 Caviar, Surimi and Other Fish Products (Fish Products)

1. Tree Nuts

Tree nuts sourced from the United States consist primarily of almonds. Almonds are an increasingly popular ingredient in the confectionary, home baking and snack industries. The United States' leading competitor on the Estonian market is Germany, which coordinates shipments from Spain but also from the U.S. Lithuania is another transshipping point for nuts from those two sources.

Commodity Group: Almonds and Pecans
 Harmonized Schedule Code(s): HS 080212, 080290
 Value in US\$1,000

Year	2009	2010	2011	2012
Total Imports	1,514	4,602	4,100	4,200
Total Imports from U.S.	960	4,596	4,094	4,100

2. Processed Vegetables

The Estonian food processing industry is developing rapidly and seeking ingredients of consistent quality. The United States is recognized as a quality supplier of garlic and onions, which are ingredients in traditional Baltic cuisine. China is the major competitor for the U.S.

Commodity Group: Garlic and Onions (dehydrated/dried)
 Harmonized Schedule Code(s): HS 0712
 Value in US\$1,000

Year	2009	2010	2011	2012
Total Imports	3,900	3,920	5,140	5,200
Total Imports from U.S.	1,387	988	1,040	1,100

3. Forest Products

Estonia is a leading manufacturer of wood furniture for the European market. U.S. wood based products are exported from Estonia mainly to the Scandinavian countries. Russia, Latvia, and Finland provide the main competition for the U.S.

Commodity Group: Hardwood Lumber
 Harmonized Schedule Code(s): HS 4407
 Value in US\$1,000

Year	2009	2010	2011	2012
Total Imports	112,250	164,940	209,000	210,000
Total Imports from U.S.	2,094	6,533	8,198	8,500

4. Seafood (Caviar, Surimi, Other Fish Products)

Estonia's population has a long tradition of consuming seafood products. With the growing importance of the seafood processing industry this market will continue to offer sales opportunities for U.S. exporters.

Commodity Group: Caviar, Surimi, Other Fish Products
Harmonized Schedule Code(s): HS 16043, 03031, 0304299, 030379
Value in US\$1,000

Year	2009	2010	2011	2012
Total Imports	51,050	52,911	54,949	55,000
Total Imports from U.S.	1,657	1,082	2,542	2,600

Agricultural Reports

Attaché Reports

Attaché reports provide information on market opportunities, crop conditions, new policy developments and information on the local food industry. Some standard reports include: Retail Market Report, Exporter Guide, Food Service Report, and market briefs on select products. Attaché reports can be found at <http://www.fas.usda.gov/scriptsw/attacherep/default.asp>. In recent years, many of the reports have been consolidated and are submitted as EU reports. We recommend that companies interested in the market covered by our Post also review the EU-27 reports.

Trade Data:

Please refer to: The USDA Foreign Agricultural Service's Global Agricultural Trade System (GATS). GATS includes international trade statistics on agricultural, fish, forest, and textile products, dating from the inception of the Harmonized coding system in 1989 to present.

Other Web Resources:

USDA's Foreign Agricultural Service (regional office in Warsaw):
<http://poland.usembassy.gov/poland/agric.html>

Information on agricultural trade barriers can be found at the following website:
<http://www.fas.usda.gov/posthome/useu/>

Electronics Industry

Rank of sector: 1
ITA industry code: EIP, ELC

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Manufacturing of electronic and electrical equipment has been one of the fastest growing industries in Estonia. Sales revenues of the industry have increased about fivefold in the years 2005-2013. The manufacture of electronic and electrical equipment is concentrated in Tallinn and its surroundings; however, the industry has a great impact on regional development as well.

The electronics industry's dominant sub-sector is the manufacturing of electrical machinery and apparatuses, followed by telecommunication equipment and medical, precision and optical instruments. The sector is dominated by small local companies, yet there are also a number of subsidiaries of international corporations, including from the U.S., which are mostly oriented towards subcontracting for exports. Nearly three-quarters of electronics production is exported. Estonia's main export partners in electronics are Sweden, Finland and Denmark. The world economic crisis has brought to Estonia an increasing number of near-shoring activities, mainly from Scandinavia, due to Estonia's favorable geographical location, relatively cost-efficient labor and ease of doing business.

Sub-Sector Best Prospects

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Manufacturing of electronic devices
Supplies for electronics manufacturing

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Please see the Supplement to the Official Journal of the European Union, dedicated to European public procurement.

<http://ted.europa.eu/TED/main/HomePage.do>
www.tradewithestonia.com

Web Resources

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Enterprise Estonia: <http://www.investinestonia.com/en/business-environment/Page-4-1>
Trade Statistics: http://pub.stat.ee/px-web.2001/I_Databas/Economy/11Foreign_trade/03Foreign_trade_since_2004/03Foreign_trade_since_2004.asp
Estonian Electronics Industries Association: <http://www.estonianelectronics.eu/en/>

IT services and equipment

Rank of sector: 2
ITA industry code: TEL, GIE, ELC

E-services

Estonia is a leader in e-government, with citizens easily accessing an extensive list of government services through the use of a primary domestic identification document – an ID card – issued by the Citizenship and Migration Board. In addition to many security features, the card has a machine-readable code and a chip, an electronic device containing visual data on the card and two security certificates (long number series), to verify the individual and supply digital signatures. In March 2007, Estonia became the first country in the world to employ internet voting for parliamentary elections, using the new ID-cards to verify voters' identities. E-voters needed their ID card, ID card reader, and a connection to the Internet. Estonia has since become a case study for many countries wanting to introduce e-voting. During the European Parliamentary elections in May 2014, 31 percent of votes were cast electronically. Possible future uses of the card include the integration of ID cards, banking cards, and various access cards.

The E-Tax Board was introduced also in 2000. In 2014, already 95% of all tax declarations were filed electronically.

Estonia also has introduced the digital highway X-Road via which all state IT systems communicate and which allows the creation of integrated e-services. To ensure security, the system uses timestamps and keeps records on who has been accessing what sites. As of 2013 there are more than 800 organisations and public registries connected to the X-Road.

An overview of e-government projects can be found:
<https://www.eesti.ee/eng/services>

Cyber Defense

Estonia has also become a focal point for issues related to cyber security and defense. In April 2007, Estonia experienced an intensive, coordinated 'cyber attack' against government and private sector websites following the government's decision to relocate a Soviet-era statue from the center of Tallinn to a nearby military cemetery. The targeted sites recovered quickly, but the attacks spurred the government to increase resources and structures related to cyber defense and to work to increase the number of information security specialists. Estonia has also developed an innovative public-private partnership, called the Cyber Defense League, to enhance the country's ability to prevent and respond to further cyber attacks affecting national security.

Estonia also hosts the NATO Cooperative Cyber Defense Center Of Excellence (CCD COE), which the United States formally joined in 2011. In addition to the U.S., other member countries in the CCD COE are the Czech Republic, Estonia, France, Latvia, Lithuania, Germany, Italy, the Slovak Republic, Spain, Netherlands, Poland, Hungary, and the United Kingdom. The list of members and contributing partners is expected to increase in coming years.

More info: <http://www.ccdcoe.org/>.

M-services

The Estonian mobile operator EMT estimates that devices supporting 4G internet will make up 60 percent of the total number of smart handheld devices sold in 2014. According to the European Union's 2014 digital scoreboard the share of mobile internet users in Estonia is above the EU average. 4G mobile broadband coverage, at 85 percent, is considerably above the EU average of 59 percent.

Mobile ID-card offers an alternative to electronic functions of ID-card. It was commissioned in addition to the ID-card in spring 2007. Mobile ID gives an opportunity to use electronic services in situations where the ID-card is not available for some reason. Today there are over 30,000 owners of Mobile ID in Estonia, about 80% of them use M-ID

Sub-Sector Best Prospects

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- Identification and secure data communication related applications, software and hardware
- Data storage
- Cloud computing
- Upgrading of the government e-services and interoperability of databases

Opportunities

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Please see the Supplement to the Official Journal of the European Union, dedicated to European public procurement.

<http://ted.europa.eu/TED/main/HomePage.do>
www.tradewithestonia.com

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Examples of the ICT related success stories: <http://www.itl.ee/?op=body&id=184>

Estonian Association of Information Technology and Telecommunications:

<http://www.itl.ee/?op=body&id=1>

Trade Statistics: [http://pub.stat.ee/px-](http://pub.stat.ee/px-web.2001/l_Databas/Economy/11Foreign%20trade/03Foreign%20trade%20since%202004/03Foreign%20trade%20since%202004.asp)

[web.2001/l_Databas/Economy/11Foreign trade/03Foreign trade since 2004/03Foreign trade since 2004.asp](http://pub.stat.ee/px-web.2001/l_Databas/Economy/11Foreign%20trade/03Foreign%20trade%20since%202004/03Foreign%20trade%20since%202004.asp)

ICT Demo Center: <http://e-estonia.com/>

Energy

Rank of sector: 4

ITA industry code: OGS, EPS

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Thanks to its large domestic oil shale reserves, Estonia is relatively independent in energy, but produces the second highest greenhouse gas emissions per capita in the EU. The Estonian government is planning to diversify electricity supply via investment in renewables, and cleaner oil shale technology, which will create commercial opportunities for U.S. companies.

Estonia's renewable energy potential lies mainly in biomass, biogas, wind and cogeneration from bio fuels. There is also interest in other energy technologies such as pumped-storage hydroelectricity and smartgrid solutions.

Estonia is also interested in building an EU supported regional LNG (Baltic countries and Finland) terminal in the northwest city of Paldiski. Balti Gaas (LNG project company of Alexela Group) is currently the front runner from the Estonian side. Most probably the project will be divided between Estonia and Finland and the terminals will be set up on both shores of the Gulf of Finland.

Sub-Sector Best Prospects

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Energy saving and storage technology
Cogeneration technology

Opportunities

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Please see the Supplement to the Official Journal of the European Union dedicated to European public procurement.

<http://ted.europa.eu/TED/main/HomePage.do>

<http://www.tradewithestonia.com>

LNG terminal project Balti Gaas: <http://www.baltigaas.eu/en/cms/main.html>

Web Resources

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4 Energia: <http://www.4energia.ee>

Eesti Energia: <https://www.energia.ee/en/avaleht>

Estonian Wind Power Association: <http://www.tuuleenergia.ee/en/>

Estonian Power and Heat Association: <http://www.epha.ee/index.php?leht=53>

Viru Keemia Grupp: <http://www.vkg.ee/eng>

Elering: <http://elering.ee/en/>

Estonian Gas: <http://www.gaas.ee/en/>

LNG terminal project Balti Gaas: <http://www.baltigaas.eu/en/cms/main.html>

Alexela Group: <http://www.alexela.ee/en/>

Statistics: http://pub.stat.ee/px-web.2001/l_Databas/Economy/databasetree.asp

Travel and Tourism

Rank of sector: 5

ITA industry code: TRA

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The travel and tourism industry in Estonia accounts for an estimated one-fifth of GDP. Finland is the top foreign destination for Estonian travelers, but other popular destinations include Egypt, Spain, Turkey, Sweden, Greece and Italy. The U.S. is the most popular long haul market for Estonian tourists. Estonia joined the Visa Waiver Program (VWP) on November 17, 2008.

The main obstacles to rapid market growth have been a lack of direct or charter flights. There are a limited number of package tours offered by local tour operators and Scandinavian travel agencies to California, Florida, and Hawaii, as well as for cruises.

New York, California and Florida are the top choices for Estonian travelers to the U.S. New York is the major gateway; Florida is popular for the sun, beaches and Disney World; and California also for the sun, the lifestyle, and as a gateway to western national parks.

For both business and vacation travel, fly-and-drive remains the most popular way for Estonians to travel to and in the United States. After flying to a major city, tourists are likely to rent a car and drive to another destination. Two of the most popular routes are New York-Miami and Las Vegas-Los Angeles-San Francisco. The major tourism attractions for Estonians are locations that are recognized from American TV series broadcast in Estonia.

Sub-Sector Best Prospects

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Estonian companies are looking for accommodation contacts in major cities on the east coast, mainly in New York. There is demand for hotels in the price range of USD 200 and lower per night. Florida, California and New York are the top sales prospects for the U.S. travel industry. There are also opportunities for activity related tours like golf and winetasting.

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The Estonian government is looking for buyers of the national airline carrier Estonian Air.

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Travel statistics: <http://www.tinet.ita.doc.gov/tinews/archive/tinews2010/20101026.html>
Estonian Travel and Tourism Association: <http://www.etfl.ee/index.php?chlang=eng>

Marine Transit Services and Logistic Centres

Rank of sector: 6

ITA industry code: TRN

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Estonia's location is ideal for the creation of efficient transportation links and distribution chains for goods and services for companies in international transit. Estonia's transport and communications sector is transnational by nature and, therefore, is one of the economic sectors most thoroughly integrated with European countries.

The Port of Tallinn is the biggest cargo and passenger port in Estonia. It holds an important position in the handling of cargo flows between Russia (as well as other CIS countries) and Western Europe. 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 Antwerp, Copenhagen, Hamburg, Kiel, and Harwich, etc. More info on cargo lines: <http://www.portoftallinn.com/regular-cargo-lines>

The Port of Tallinn's 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 Port of Muuga could be 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 Port, which is one of the deepest ports in the Baltic Sea region.

Paldiski South Harbour, the Port of Tallinn's second cargo harbour, is located 45 km west of Tallinn. The core activity of the harbour is focused on the handling of Estonian export and import cargo and transit cargo. Mainly ro-ro cargo, scrap metal, timber, peat and oil products are handled there. Developing fields of activity include transit of new cars for neighboring markets and pre-sale service.

The port of Sillamae on Estonia's northeastern coast, opened in 2005. As a multifunctional port, SILPORT has an infra- and superstructure capable of handling all cargo groups from oil-products and dry bulk to containerized cargo. A natural depth of up to 16.5 m at the quaysides of the port is sufficient for servicing the largest vessels that can enter the Baltic Sea through the Danish Straights.

The North Paldiski Port is a rapidly developing privately-owned port which specializes in handling rolling cargo including cars, containers, general cargo and oversized project cargo.

Sub-Sector Best Prospects

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Estonian ports overall provide excellent opportunities for investments into value-added logistics services for the Baltic Sea Region.

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Please see the Supplement to the Official Journal of the European Union, dedicated to European public procurement.

<http://ted.europa.eu/TED/main/HomePage.do>

LNG terminal project Balti Gaas: <http://www.baltigaas.eu/en/cms/main.html>

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Enterprise Estonia: <http://www.investinestonia.com/en/business-environment/Page-3-1>

Port of Tallinn: <http://www.portoftallinn.com/>

Port of Sillamäe: http://www.silport.ee/index_eng.html

Paldiski Northern Port: http://www.portofpaldiski.com/files/eng/index_eng.html

Estonian Logistics and Transit Association: <http://www.transit.ee/eng>

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Chapter 5: Trade Regulations, Customs and Standards

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- [Trade Barriers](#)
- [Import Requirements and Documentation](#)
- [U.S. Export Controls](#)
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- [Labeling and Marking Requirements](#)
- [Prohibited and Restricted Imports](#)
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Import Tariffs

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Estonian Master Tariff System: <https://vaarikas.emta.ee/emts/do/language?lang=en>

The National Customs Board is a state institution operating under the Ministry of Finance of the Republic of Estonia. It enforces the customs regulations of the country 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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For information on existing trade barriers, please see the National Trade Estimate Report on Foreign Trade Barriers, published by United States Trade Representative and available through the following website: http://www.ustr.gov/webfm_send/3323

Separate arrangements are applied to trade in certain agricultural products under the Common Agricultural Policy (CAP), including export/import licensing, quantitative restrictions, export refunds, or preferential tariff arrangements.

To report existing or new trade barriers and get assistance in removing them, contact either the Trade Compliance Center at <http://www.trade.gov/tcc> or the U.S. Mission to the European Union at <http://www.export.gov/europeanunion/index.asp>

Import Requirements and Documentation

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Information on Estonian Customs requirements: <http://www.emta.ee/?id=1939>

Agricultural Documentation

Phytosanitary Certificates: Phytosanitary certificates are required for most fresh fruits, vegetables, and other plant materials.

Sanitary Certificates: For commodities composed of animal products or by-products, EU countries require that shipments be accompanied by a certificate issued by the competent authority of the exporting country. This applies regardless of whether the product is for human consumption, for pharmaceutical use, or strictly for non-human use (e.g., veterinary biologicals, animal feeds, fertilizers, research). The vast majority of these certificates are uniform throughout the EU, but the harmonization process is not complete. During this transition period, certain Member State import requirements continue to apply. In addition to the legally required EU health certificates, a number of other certificates are used in international trade. These certificates, which may also be harmonized in EU legislation, certify origin for customs purposes and certain quality attributes. Up-to-date information on harmonized import requirements can be found at the following website:

<http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/certification/fairs-export-certificate-report/>.

Sanitary Certificates (Fisheries):

In April 2006, the European Union declared the U.S. seafood inspection system as equivalent to the European one. Consequently, a specific public health certificate must accompany U.S. seafood shipments. The U.S. fishery product sanitary certificate is a combination of Commission Decision 2006/199/EC for the public health attestation and of Regulation 1012/2012 for the general template and animal health attestation. Unlike for fishery products, the U.S. shellfish sanitation system is not equivalent to that of the EU's. The EU and the U.S. are currently negotiating a veterinary equivalency agreement on shellfish. In the meantime, the EU still has a ban in place (since July 1, 2010), that prohibits the import of U.S. bivalve mollusks, in whatever form, into EU territory. This ban does not apply to wild roe-off scallops.

Since June 2009, the only U.S. competent authority for issuing sanitary certificates for fishery and aquaculture products is the U.S. Department of Commerce, National Marine Fisheries Service (NOAA-NMFS).

In addition to sanitary certificates, all third countries wishing to export fishery products to the EU are requested to provide a catch certificate. This catch certificate certifies that the products in question have been caught legally.

For detailed information on import documentation for seafood, please contact the NOAA Fisheries office at the U.S. Mission to the EU (stephane.vrignaud@trade.gov) or visit the following NOAA dedicated web site: http://www.seafood.nmfs.noaa.gov/EU_Export.html

U.S. Export Controls

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As a member state of the European Union and NATO, Estonia is 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 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/regulation/eg_main_018219.asp

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 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 the 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 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**.

More on the marking of the packages from the Packaging Act:

<http://www.legaltext.ee/et/andmebaas/tekst.asp?loc=text&dok=X80048&keel=en&pg=1&ptyyp=RT&tyyp=X&query=pakendiseadus>

More on labeling of goods in Consumer Protection Act1:

<http://www.legaltext.ee/et/andmebaas/tekst.asp?loc=text&dok=X70046K3&keel=en&pg=1&ptyyp=RT&tyyp=X&query=tarbijkaitse>

An overview of EU mandatory and voluntary labeling and marking requirements has been compiled in a market research report that is available at:

http://www.buyusainfo.net/docs/x_4171929.pdf.

The subject has been also been covered in the section about [standards](#).

Prohibited and Restricted Imports

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The Integrated Tariff of the European Communities (TARIC) is designed to show various rules applying to specific products being imported into the customs territory of the EU or, in some cases, when exported from it. To determine if a product is prohibited or subject to restriction, check the TARIC for that product for the following codes:

CITES	Convention on International Trade of Endangered Species
PROHI	Import Suspension
RSTR	Import Restriction

For information on TARIC, please go to:

http://ec.europa.eu/taxation_customs/customs/customs_duties/tariff_aspects/customs_tariff/index_en.htm

Customs Regulations and Contact Information

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Information on the Estonian Customs regulations can be found:

Estonian Customs: <http://www.emta.ee/?id=1939>

Standards

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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 the 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.

European Union legislation and standards created under the New Approach are harmonized across the member states and European Economic Area countries to allow for the free flow of goods. A feature of the New Approach is CE marking. For a list of new approach legislation, go to <http://ec.europa.eu/enterprise/newapproach/nando/index.cfm?fuseaction=directive.main>.

The concept of new approach legislation is likely to disappear as the New Legislative Framework (NLF), which entered into force in January 2010, was put in place to serve as a blueprint for existing and future CE marking legislation. Since 2010/2011 existing legislation has been reviewed to bring them in line with the NLF concepts.

While harmonization of EU legislation can facilitate access to the EU Single Market, manufacturers should be aware that regulations (mandatory) and technical standards (voluntary) might also function as barriers to trade if U.S. standards are different from those of the European Union.

Agricultural Standards

The establishment of harmonized EU rules and standards in the food sector has been ongoing for several decades, but it took until January 2002 for the publication of a general food law establishing the general principles of EU food law. This Regulation introduced mandatory traceability throughout the feed and food chain as of Jan 1, 2005. For specific information on agricultural standards, please refer to the Foreign Agricultural Service's website at: <http://www.usda-eu.org>

There are also export guides to import regulations and standards available on the Foreign Agricultural Service's website: <http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/certification/fairs-export-certificate-report/>

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 also has a sales agreement with IHS Nordic. More on EVS: <http://www.evs.ee/Esileht/tabid/111/language/en-US/Default.aspx>

EU standards setting is a process based on consensus initiated by industry or mandated by the European Commission and carried out by independent standards bodies, acting at the national, European or international level. There is strong encouragement for non-governmental organizations, such as environmental and consumer groups, to actively participate in European standardization.

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.eu/>)
- ETSI, European Telecommunications Standards Institute (<http://www.etsi.org/>)
- CEN, European Committee for Standardization, handling all other standards (<http://www.cen.eu/cen/pages/default.aspx>)

NIST Notify U.S. Service: Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. Notify U.S. is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL: <http://www.nist.gov/notifyus/>

Conformity Assessment

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Conformity Assessment is a mandatory step for the manufacturer in the process of complying with specific EU legislation. The purpose of conformity assessment is to ensure consistency of compliance during all stages of the production process to facilitate acceptance of the final product. EU product legislation gives manufacturers some choice with regard to conformity assessment, depending on the level of risk involved in the use of their product. These range from self-certification, type examination and production quality control systems, to full quality assurance systems. You can find conformity assessment bodies in Estonia in this list by the European Commission.

Key Link: <http://ec.europa.eu/enterprise/newapproach/nando/>

Product Certification

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To sell products on the EU market of 27 Member States 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 section provides some background and clarification.

Products manufactured to standards adopted by CEN, CENELEC and ETSI, and published in the Official Journal as harmonized standards, are presumed to conform to the requirements of EU Directives. The manufacturer then applies the CE marking and issues a declaration of conformity. With these, the product will be allowed to circulate freely within the EU. A manufacturer can choose not to use the harmonized EU standards, but then must demonstrate that the product meets the essential safety and performance requirements. Trade barriers occur when design, rather than performance, standards are developed by the relevant European standardization organization, and when U.S. companies do not have access to the standardization process through a European presence.

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

The CE marking 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 marking, but rather on the declaration 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.

Accreditation

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Independent test and certification laboratories, known as notified bodies, have been officially accredited by competent national authorities to test and certify to EU requirements.

"European Accreditation" (<http://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 to appropriate EN and ISO/IEC standards.

Estonian Accreditation Center: http://www.eak.ee/index_eng.php?pageld=15

Publication of Technical Regulations

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The Official Journal is the official publication of the European Union. It is published daily on the internet and consists of two series covering adopted legislation as well as case law, studies by committees, and more (<http://eur-lex.europa.eu/JOIndex.do?ihmlang=en>). It lists the standards reference numbers linked to legislation (http://ec.europa.eu/enterprise/policies/european-standards/harmonised-standards/index_en.htm).

National technical Regulations are published on the Commission's website http://ec.europa.eu/enterprise/tris/index_en.htm to allow other countries and interested parties to comment.

NIST Notify U.S. Service

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. Notify U.S. is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL: <http://www.nist.gov/notifyus/>

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Estonian Accreditation Center: http://www.eak.ee/index_eng.php?pageld=15

Estonian Centre for Standardization: <http://www.evs.ee/Esileht/tabid/111/language/en-US/Default.aspx>

[U.S. Embassy](#)

Trade Agreements

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For a list of trade agreements with the EU and its Member States, as well as concise explanations, please see http://tcc.export.gov/Trade_Agreements/index.asp.

Web resources

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Estonian Accreditation Center: http://www.eak.ee/index_eng.php?pageld=15
Estonian Centre for Standardization: <http://www.evs.ee/Esileht/tabid/111/language/en-US/Default.aspx>
Estonian Customs: www.emta.ee

EU websites:

Online customs tariff database (TARIC):
http://ec.europa.eu/taxation_customs/customs/customs_duties/tariff_aspects/customs_tariff/index_en.htm
Cenelec, European Committee for Electrotechnical Standardization:
<http://www.cenelec.eu> ETSI, European Telecommunications Standards Institute:
<http://www.etsi.org/>
CEN, European Committee for Standardization, handling all other standards:
<http://www.cen.eu/cen/pages/default.aspx>
National Technical Regulations: http://ec.europa.eu/enterprise/tris/index_en.htm

U.S. websites:

National Trade Estimate Report on Foreign Trade Barriers: <http://www.ustr.gov/about-us/press-office/reports-and-publications/2014>
Trade Compliance Center: <http://www.trade.gov/tcc>
U.S. Mission to the European Union: <http://www.export.gov/europeanunion/index.asp>
The New EU Battery Directive: http://www.buyusainfo.net/docs/x_8086174.pdf
EU Marking, Labeling and Packaging – An Overview:
http://www.buyusainfo.net/docs/x_4171929.pdf.

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Chapter 6: Investment Climate

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Executive Summary

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Estonia is a safe and dynamic country in which to invest. The Estonian business climate is very similar to the United States. As a member of the EU, the Government of Estonia (GOE) maintains liberal policies in order to attract investments and export-oriented companies. Creating favorable conditions for FDI and openness to foreign trade has been the foundation of Estonia's economic strategy.

Estonia is among the leading countries in Eastern and Central Europe regarding foreign direct investment per capita. As of the end of 2013, Estonia has attracted in total 20.7 billion USD of investment, of which 24% was made into the financial sector, 16% into manufacturing, another 16% into real estate activities, 13% into wholesale and retail trade and 9% into professional, scientific and technical activities.

The overall freedom to conduct business in Estonia is well protected under a transparent regulatory environment.

The Estonian income tax system, with its flat rate of 21%, is considered one of the simplest tax regimes in the world. Deferral of taxation shifts the time of taxation from the moment of earning the profits to that of their distribution. Undistributed profits are not subject to income taxation, regardless of whether these are reinvested or merely retained.

Estonia offers key opportunities for businesses in a number of economic sectors like ICT, chemicals, wood processing and biotechnology. Estonia has strong trade ties with Finland, Sweden, Russia and Germany.

The main concern is a shortage of labor, both skilled and unskilled. The GOE has recently made amendments to its immigration law allowing easier hiring of highly qualified foreign workers. The problem with unskilled labor is currently addressed at the Ministry of Economic Affairs and Communication as forecasts say that starting in 2016, more people will be leaving the labor market in Estonia than are entering.

While the GOE still seeks to attract foreign direct investment (FDI) into Estonia, finding new export markets for Estonian goods and services is the GOE's current priority.

Openness to Foreign Investment

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Estonia is open for FDI and foreign investors are treated on an equal footing with local investors.

Estonia's government does not screen foreign investment, nor has it set limitations on foreign ownership. It does, however, establish requirements for certain sectors. As a member of the EU, the Government of Estonia (GOE) maintains liberal policies in order to attract investment and export-oriented companies. Creating favorable conditions for FDI and openness to foreign trade has been the foundation of Estonia's economic strategy. These requirements are not intended to restrict foreign ownership but rather to regulate it and establish clear ownership responsibilities.

Licenses are required for foreign investors to enter the following sectors: mining, energy, gas and water supply, railroad and transport, waterways, ports, dams and other water-related structures and telecommunications and communication networks. The Estonian Financial Supervision Authority issues licenses for foreign interests seeking to invest in or establish a bank. Additionally, the Estonian Competition Authority reviews transactions for anti-competition concerns. Government review and licensing have proven to be routine and non-discriminatory.

Estonia's judiciary is independent and insulated from government influence. Estonia is part of the Continental European legal system (civil law system). The most important sources of law are legal instruments such as the Constitution, European Union law, international agreements and Acts and Regulations. Major laws affecting incoming foreign investment include: the Commercial Code, Taxation Act, Income Tax Act, Value Added Tax Act, Social Tax Act, Unemployment Insurance Payment Act. More information is available at <https://www.riigiteataja.ee/en/>

Estonia's privatization program is now complete. Only a small number of enterprises remain wholly state-owned. Examples include the country's main port, national air carrier, power plants, the postal system and the national lottery.

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

- There is a trend towards cross-border acquisitions;
- Greenfield investments are increasingly rare;

Estonia by international indexes/rankings:

Measure	Year	Index/Rank	
TI Corruption Index	2013	28 of 177	http://www.transparency.org/policy_research/surveys_indices/cpiHeritage
Heritage Economic Freedom	2014	11 of 178	http://www.heritage.org/index/Ranking.aspx
World Bank Doing Business	2013	22 of 189	http://www.doingbusiness.org/economyrankings/
Global Innovation Index	2013	25 of 142	http://www.globalinnovationindex.org/content.aspx?page=gii-full-report-2013#pdfopener
World Bank GNI per capita	2012	16,150	http://data.worldbank.org/country/estonia

Conversion and Transfer Policies

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On January 1, 2011, Estonia joined the euro currency area. The euro 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 other 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 the future. Foreign exchange is readily available for any purpose.

According to the 2013 International Narcotics Control Strategy Report (INCSR) on Money Laundering and Financial Crimes Country Database, Estonia has the status of "monitored" (<http://www.state.gov/j/inl/rls/nrcrpt/2013/database/211176.htm>). Estonia is a member of the Council of Europe Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL), a Financial Action Task Force-style regional body. Its most recent mutual evaluation can be found here: http://www.coe.int/t/dghl/monitoring/moneyval/Countries/Estonia_en.asp.

Expropriation and Compensation

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Private property rights are observed in Estonia. The government has the right to expropriate for public interest related to policing the borders, public ports and airports, public streets and roads, supply to public water catchments, etc. Compensation is offered based on market value. Cases of expropriation are extremely rare in Estonia, and the Embassy is not aware of any expropriation cases involving discrimination against foreign owners.

Dispute Settlement

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Investment disputes concerning U.S. or other foreign investors in Estonia are rare. Estonia's judiciary is independent and insulated from government influence; however, some business leaders complain the courts are overburdened and too slow. Property rights and contracts are enforced by the courts.

Estonia's commercial law has proven extremely effective and is often cited as one of the most successful components of Estonia's economic reforms. The Commercial Code, the central part of the overall commercial law system, is consistently applied. The Law of Obligation Act, enacted in 2002, is the basis for all commercial agreements. A Bankruptcy Act was adopted in 2004. The full text of these laws can be found at <https://www.riigiteataja.ee/tutvustus.html?m=3> The EBRD Insolvency Sector Assessment (the "Assessment") completed in late 2009 rated Estonia as being in "high compliance" with international best standards.

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

Recognition of court rulings of EU Member States is regulated by EU legislation.

The Arbitration Court of the Estonian Chamber of Commerce and Industry is a permanent arbitration court which settles disputes arising from contractual and other civil law relationships, including foreign trade and other international economic relations.

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 for foreign investments that differ from those required of domestic investments.

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

Estonia has a long-standing system of low, simple, flat-rate taxes, including a flat 21 percent income tax. To encourage companies to expand their operations in Estonia, all reinvested profits are exempted from corporate income tax. However, any distributed profits, such as dividends, are taxed at 21 percent. This tax strategy was designed to promote business and accelerate economic growth by making additional funds available for investment.

Generally, the government does not impose "offset" requirements on major procurements. There are no government imposed conditions to invest.

Right to Private Ownership and Establishment

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Private ownership and entrepreneurship are respected in Estonia. In most commercial fields, 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.

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 property restitution (began when the Principles of Ownership Reform Act came into force June 20, 1991) is almost complete, including the area of non-residential real properties. More info <http://www.doingbusiness.org/data/exploreeconomies/estonia/registering-property/>

The Estonian legal system adequately protects property rights, including most intellectual property: patents, trademarks, industrial design, and trade secrets. Enforcement of copyright protections is improving, but digital piracy of movies, games, music and software is widespread. 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.

Protecting Your Intellectual Property in Estonia

Estonia maintains a robust IPR regime. The quality of IP protection in legal structures is strong, enforcement is good and infringements and theft are uncommon. Estonia is not listed in USTR's Special 301 report or in the Notorious Market report. For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at <http://www.wipo.int/directory/en/>.

IP rights, except for copyright, must be registered and enforced in Estonia under local laws. 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. Equal protection against unauthorized use is provided via international conventions and treaties to foreign and Estonian authors. The level of IP enforcement has not changed in the past year. Companies should recognize IP is protected differently in Estonia than in the U.S. and your U.S. trademark and patent registrations will not protect you in Estonia. Registration of patents and trademarks is on a first-in-time, first-in-right basis, so companies should consider applying for trademark and patent protection even before selling products or services in the Estonian market. It is vital that companies understand that intellectual property is primarily a private right and that the U.S. government generally cannot enforce rights for private individuals in Estonia. It is the responsibility of the rights' holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Estonian law.

Estonia is currently undergoing a major structural IPR reform which involves re-codification of all IPR laws. The draft language of the new Copyright and Related Rights Acts is completed and open for public comments to be followed shortly by completion of the Industrial Property Act. Adhering to all international treaties and EU directives, the new laws will improve protection of IP rights in Estonia. Also, a major penal review, the aim of which is to ensure systematic synchronization of penalty provisions, proportionality and avoid over-criminalization, has been submitted to the Parliament.

Resources for Right holders:

Contact at Mission:

Brett Makens
Economic/Commercial Officer
+372 6688107
MakensB@state.gov

Country/Economy resources:

A wealth of information on protecting IP is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- Estonian Patent Office: <http://www.epa.ee/>
- Estonian Organization for Copyright Protection: <http://www.eako.ee>
- Estonian Association of the Phonogram Producers: <http://www.efy.ee>

A general reference list is available on the embassy website at http://estonia.usembassy.gov/local_attorneys.html.

Transparency of Regulatory System

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The Government of Estonia has set 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 regulations and procedures designed to limit these practices.

All proposed laws and regulations are published for public comment on the website <http://eelnoud.valitsus.ee>. Also, the public can comment on draft laws and propose changes to government regulations at www.osale.ee.

Estonia's widely-praised "e-governance" solutions and other bureaucratic procedures are generally far more streamlined and transparent than those of other countries in the region and are among the easiest to use globally.

International institutions and organizations give Estonia's economic policies high marks. The U.S.-based Wall Street Journal/Heritage Foundation's 2014 Index of Economic Freedom ranked Estonia 11th in the world. The index is a composite of scores in monetary policy, banking and finance, black markets, wages and prices. Estonia scores highly on this scale for investment freedom, fiscal freedom, financial freedom, property rights, business freedom, and monetary freedom.

Efficient Capital Markets and Portfolio Investment

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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 capital 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 Finland and Sweden.

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 in the market without establishing a local subsidiary. The NASDAQ OMX stock exchanges in Tallinn, Riga and Vilnius form the Baltic Market, which facilitates cross-border trading and attracting more investments to the region. This includes sharing the same trading system and harmonizing rules and market practices, all with the aim of reducing the costs of cross-border trading in the Baltic region.

Estonia's banking system has consolidated rapidly. Total assets of the commercial banks were approximately USD 28 billion in early 2014. More information is available at:

<http://www.fi.ee/?lang=en>.

The Scandinavian-owned Estonian 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 mobile 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: currently 98% of banking transactions are conducted via the internet. In Estonia over 80 percent of the population between the ages of 16-74 uses the internet.

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

In 2001, the Estonian government created a consolidated Financial Supervisory Authority (FSA) under the auspices of the Central Bank. The FSA conducts financial supervision independently on behalf of the state and has a separate budget. The FSA was established to enhance the stability, reliability, transparency, and efficiency of the financial sector, to reduce system risks, and to prevent the use of the financial sector for criminal purposes.

Takeovers in Estonia are regulated by the EU Takeover Directive 2004/25/EC. More information is available at: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32004L0025:EN:HTML>.

Competition from State Owned Enterprises

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Public enterprises operate on the same legal bases as private enterprises without any advantages.

There are 27 SOEs in Estonia. The full list of SOEs is available at:

https://www.eesti.ee/eng/contacts/riigi_osalusega_ariuhingud_1/riigi_osalusega_ariuhingud_2.

SOE Management in Estonia report to independent supervisory boards consisting of government officials, politically-affiliated individuals and also prominent members of the business community.

The OECD has a positive overall view of Estonia's corporate governance framework in relation to the core corporate governance features and to the recommendations in both the Principles and

Guidelines by OECD. More info:

<http://browse.oecdbookshop.org/oecd/pdfs/product/2611071e.pdf>.

There are several sovereign wealth funds (SWFs) in Estonia. They have similar corporate governance to SOEs.

Both SOEs and SWFs are required to publish their annual reports (usually available on the internet in English) and submit their books for independent audit.

Corporate Social Responsibility

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The majority of OECD Guidelines for Multinational Enterprises are incorporated into Estonian legislation. The non-profit organization, Responsible Business Forum in Estonia, aims to further CSR in Estonia. Responsible Business Forum in Estonia is a partner in the CSR360 Global Partner Network. CSR360 (www.csr360gpn.org) is a network of independent organizations, which work as the interface of business and society to mobilize business for good. More info on the CSR in Estonia: <http://www.csr.ee/estonian-context/>. The American Chamber of Commerce in Estonia also maintains a CRS committee.

Political Violence

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Civil unrest generally is not a problem in Estonia, and there have been no incidents of terrorism. Large public gatherings and demonstrations may occur on occasion in response to political issues, but these have proceeded, with few exceptions, without incident in the past.

Corruption

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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. Both offering and taking bribes are criminal offenses which can bring imprisonment of up to five years. 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 issue of corruption is not a major concern. In 2013, Transparency International (TI) ranked Estonia 28th out of 177 countries on its Corruption Perceptions Index.

The Estonian government approved in October 2013, the anti-corruption strategy for 2013-2020 which seeks to increase the transparency of the public sector's decisions and activity, awareness of corruption and the quality of investigating corruption crimes.

The anti-corruption policy and the implementation of the strategy is coordinated by the Ministry of Justice and the strategy will be implemented by all ministries and local governments.

To have an overview of the implementation of planned activities, the state of the execution will be constantly assessed and several anti-corruption networks will be created, such as a network of healthcare facilities, a network of law enforcement authorities and local governments. Representatives of the networks will meet a few times each year to discuss current issues and pressing matters.

The Security Police Board has shown its capacity to deal with corruption offences and criminal misconduct, leading to the conviction of several high-ranking state officials.

Estonia co-operates in fighting corruption at the international level and is a member of GRECO (Group of States Against Corruption). Estonia is a party to both the Council of Europe (CoE)

Criminal Law Convention on Corruption and the Civil Law Convention. The Criminal Law Convention requires criminalization of a wide range of national and transnational conduct, including bribery, money-laundering, and accounting offenses. It also incorporates provisions on liability of legal persons and witness protection. The Civil Law Convention includes provisions on compensation for damage relating to corrupt acts, whistleblower protection, and validity of contracts, inter alia.

Estonia has been a full participant in the OECD Working Group on Bribery in International Business since 2004 and the underlying Convention entered into force in Estonia on January 22, 2005. The Convention obligates the Parties to criminalize bribery of foreign public officials in the conduct of international business. The United States meets its international obligations under the OECD Anti-bribery Convention through the U.S. Foreign Corrupt Practices Act.

The UN Anticorruption Convention entered into force in Estonia on February 26, 2010.

Resources to report corruption:

+372 6121500 Security Police corruption hotline or
+372 6123657 Central Criminal Police corruption hotline
Or e-mail: korrupsioonivihje@politsei.ee

Transparency International in Estonia:

http://www.transparency.org/whoweare/contact#O_nc_estonia

Bilateral Investment Agreements

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Estonia has investment promotion and protection agreements with the Belgium-Luxembourg Economic Union, Azerbaijan, China, Czech Republic, Denmark, Finland, Greece, Israel, Italy, Jordan, Latvia, Lithuania, Moldova, Montenegro, Netherlands, Norway, Poland, Spain, Sweden, Switzerland, Turkey, Ukraine, UK and the United States. 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 small population - 1.31 million people. The average monthly Estonian salary at the end of 2013 was about USD 1,400 and is expected to increase in the coming two years by 6-7 percent annually. At the end of 2013, the unemployment rate was 8.7%. Unemployment is forecast to remain below 9% in coming years. Despite the relatively high level of unemployment, employers report difficulty finding workers in a number of sectors.

More on labor market: <http://www.eestipank.ee/en/publication/labour-market-review/2013/labour-market-review-22013>

Trade union membership remains low compared to most countries in the EU. However, the influence of trade unions, which tend to take a cooperative approach to industrial relations, is increasing. Estonia adheres to ILO Conventions protecting workers' rights.

With an aging population and a negative birth rate, Estonia, like many other countries of Central and Eastern Europe, faces demographic challenges affecting its long term supply of labor. Forecasts say that starting in 2016, more people will be leaving the labor market in Estonia than joining. Improving labor efficiency is a key focus for Estonia in the short-to-mid-term.

On 13 June 2013, the parliament approved amendments to the Aliens Act. The new regulations mean that the process of hiring foreign highly skilled specialists will take a week, instead of the three to six months that it took previously. The new regulations make it possible for a foreign national to begin work as soon as they have a short-term visa and the company hiring them has informed the police and the border guard agency. The employee can then submit an application for a long-term permit to live and work in Estonia and can bring their spouse and any children to live with them while the application is pending. It is hoped that this simpler process will motivate more foreign specialists to move to Estonia with their families.

Information on the free movement of labor within the EU is available at:
<http://ec.europa.eu/social/main.jsp?catId=458>

Foreign-Trade Zones/Free Ports

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Estonia's Customs Act permits the government to establish free trade zones. Goods in a free trade zone are considered as being outside the customs territory. VAT, excise, import and export duties (as well as possible fees for customs services) do not have to be paid on goods brought into free trade zones for later re-export.

In Estonia, there are four zones including Muuga port (near Tallinn), Sillamae port (northeast Estonia), Paldiski north port (northwest Estonia) and in Valga (southern Estonia). All free trade zones are open for FDI on the same terms as Estonian investments.

The main supervisory authority responsible for monitoring the movement of goods in or out of free trade 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. The U.S. Department of Homeland Security (Coast Guard) has inspected Estonia's ports and determined that the Republic of Estonia has substantially implemented the International Ship and Port Facility Security (ISPS) Code at all facilities visited.

Foreign Direct Investment Statistics

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For the value of inward and outward FDI (position, stock, and flows in recent years by commodity group, as well as country of origin) please go to:
http://statistika.eestipank.ee/?lng=en#treeMenu/MAKSEBIL_JA_INVPOS/146

TABLE: Key Macroeconomic data, U.S. FDI in Estonia

	Bank of Estonia		USG or international statistical source		USG or international Source of Data
	Year	Amount	Year	Amount	
Estonian GDP (billion USD)	2013	24.5	2013	24.5	http://epp.eurostat.ec.europa.eu/tgm/r

					efreshTableAction.do;jsessionid=9ea7d07d30e779815cbf424e4f2aa1b5e0a45ce7a225.e340aN8PchaTby0Lc3aNchuMchmMe0?t ab=table&plugin=1&pcode=tec00001&language=en
Foreign Direct Investment	Bank of Estonia		USG or international statistical source		
U.S. FDI stock in Estonia (mil USD)	2013	434	2012	463	http://unctad.org/en/Pages/DIAE/FDI%20Statistics/FDI-Statistics-Bilateral.aspx
Estonian FDI stock in U.S. (mil USD)	2013	102	2012	97	http://unctad.org/en/Pages/DIAE/FDI%20Statistics/FDI-Statistics-Bilateral.aspx
Total inbound stock of FDI as % host GDP	2013	84.4	2011	86.2	http://www.oecd.org/daf/inv/FDI%20in%20figures.pdf

Estonian data by Bank of Estonia

http://statistika.eestipank.ee/?lng=en#treeMenu/MAKSEBIL_JA_INVPOS/146

**TABLE: Sources and Destination of FDI
Estonia, 2012**

Direct Investment from/in Counterpart Economy Data					
From Top Five Sources/To Top Five Destinations (US Dollars, Millions)					
Inward Direct Investment			Outward Direct Investment		
Total Inward	18,846	100%	Total Outward	5,942	100%
Sweden	5,119	27%	Cyprus	1,667	28%
Finland	4,474	24%	Lithuania	1,231	21%
Netherlands	2,029	11%	Latvia	1,035	17%
Norway	916	5%	Russian Federation	336	6%
Russian Federation	805	4%	Ukraine	325	5%

"0" reflects amounts rounded to +/- USD 500,000.

Data is consistent with the Bank of Estonia data (data is in euros):

http://statistika.eestipank.ee/?lng=en#treeMenu/MAKSEBIL_JA_INVPOS/146

**TABLE: Sources of Portfolio Investment
Estonia, June 2013**

7/25/2014

Portfolio Investment Assets								
Top Five Partners (Millions, US Dollars)								
Total			Equity Securities			Total Debt Securities		
World	6,077	100%	World	2,819	100%	World	3,258	100%
Luxembourg	961	16%	Luxembourg	929	33%	Netherlands	556	17%
Ireland	595	10%	Ireland	552	20%	Germany	468	14%
Netherlands	574	9%	Finland	258	9%	Italy	357	11%
Finland	540	9%	United States	165	6%	France	336	10%
Germany	508	8%	Sweden	160	6%	Finland	283	9%

More info on Portfolio Investments can be found:

http://statistika.eestipank.ee/?lng=en#treeMenu/MAKSEBIL_JA_INVPOS/146

More information on foreign investors is available at: <http://www.investinestonia.com/>

Contact Point at Post

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United States Embassy, Political/Economic Section
 Kentmanni 20, 15099 Tallinn, Estonia
 Contact: Ms. Reene Sepp, Economic/Commercial Specialist
 Tel: 372 668 8130
 E-mail: seppr@state.gov

Brett Makens, Economic & Commercial Officer
 Tel: 372 668 8107
 E-mail: makensb@state.gov
<http://estonia.usembassy.gov>

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Chapter 7: Trade and Project Financing

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- [How Does the Banking System Operate](#)
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How Do I Get Paid (Methods of Payment)

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All methods of payment are used except checks.

Credit Rating Service: www.krediidiinfo.ee

How Does the Banking System Operate

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Please use this link to find [Information on Estonian Capital Markets](#).

Foreign-Exchange Controls

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Estonia joined the euro zone on January 1, 2011. There are no controls on currency exchange.

U.S. Banks and Local Correspondent Banks

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There are no U.S. banks in Estonia.

List of financial institutions in Estonia: <http://www.fi.ee/index.php?id=593>

Project Financing

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EU financial assistance programs provide a wide array of grants, loans, loan guarantees and co-financing for feasibility studies and infrastructure projects in a number of key sectors (e.g., environmental, transportation, energy, telecommunications, tourism, public health). From a commercial perspective, these initiatives create significant market opportunities for U.S. businesses, U.S.-based suppliers, and subcontractors.

The European Bank for Reconstruction and Development (EBRD), whose largest shareholder is the US Government, offers a full range of financial services to US investors in Estonia. Using its AAA credit rating, the EBRD can provide debt, equity, quasi-equity, syndications, and trade finance in both local and foreign currency at competitive commercial rates and with longer tenors than is usually supplied by commercial lenders. The EBRD's lending priorities are for private sector-led investment, but sovereign lending is also a feature of the bank, particularly for water, transport and

energy needs at the municipal level. For sovereign loans, the EBRD requires open, competitive tenders that offer an opportunity to supply US goods and services. More info: <http://www.ebrd.com/pages/country/estonia>

For information on financing your project with EU structural funds, see: <http://www.strukturifondid.ee/en>

Web Resources

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Estonian websites:

Credit Information: <http://www.krediidiinfo.ee/>

EU Structural funds in Estonia: <http://www.strukturifondid.ee/en/>

EU websites:

EBRD: <http://www.ebrd.com/pages/country/estonia>

Trans-European Networks (TENs): http://ec.europa.eu/ten/transport/index_en.htm

EU Grants and Loans index: http://ec.europa.eu/grants/index_en.htm

European Investment Bank: <http://www.eib.org/>

EIB-financed projects: <http://www.eib.org/projects/index.htm?lang=-en>.

U.S. websites:

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

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

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

USDA Commodity Credit Corporation:

<http://www.fsa.usda.gov/FSA/webapp?area=about&subject=landing&topic=sao-cc>

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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. More info: <http://www.tradewithestonia.com/>

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 +20°C

Average temperature in February -9°C

Weather forecast on the Internet: <http://www.weather.ee/>

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

Visa Requirements

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Estonia is covered by the [Schengen Treaty](#). To live and work in Estonia, foreigners from non-EU countries need both a residence permit and a work permit, both of which may be obtained from local Migration Department offices. 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. More information can be found on the State Department's Consular Information Sheet for Estonia: http://travel.state.gov/travel/cis_pa_tw/cis/cis_1112.html

For more information on American Citizen Services or visas, please visit the following websites:

State Department Visa Website: <http://travel.state.gov/content/visas/english.html>
U.S. Embassy Consular Section in Estonia: <http://estonia.usembassy.gov>

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 (GSM) and the Internet is more widespread than in most EU member states. Nearly 100 percent of Estonians have a mobile phone and 79 % of the population between the ages of 16 and 74 use the Internet. [Wi-Fi](#) is widely available and usually free.

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 Nordic countries, although the quality of the roads in many places is not yet up to Nordic standards. Public transportation in major cities is efficient and reliable and Tallinn is currently the largest city in the world offering free public transportation to residents. While there are five passenger-serving airports in Estonia, most international flights occur through Tallinn Airport. For more info: visitestonia.com

Language

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The official language in Estonia is Estonian. English is widely 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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Estonia has vigorously and quite successfully reformed its health care system over recent decades. The current system is built on solidarity-based health financing; a modern provider network based on family medicine-centered primary healthcare, modern hospital services, and more concentration on public health. This has resulted in a steadily increasing life expectancy and continuously high rates of satisfaction with access and quality. Estonian hospitals are generally well equipped with modern x-ray sets, computed tomography systems, magnetic resonance tomography systems etc. However, English language skills are often limited in Estonian hospitals which can complicate getting care.

Cases of resistant strains of tuberculosis have been reported in Estonia. Visitors to forested 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>

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 10 p.m. every day.

The national holidays in Estonia for 2014 are:

Day, Date	Holiday
January 1	New Year's Day
February 24	Independence Day
April 18	Good Friday
May 1	May Day
June 23	Victory Day
June 24	Midsummer Day
August 20	Day of Restoration of Independence
December 24	Christmas Eve
December 25	Christmas Day
December 26	Boxing Day

Temporary Entry of Materials and Personal Belongings

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[Information on Temporary Entry](#)

Estonian Customs: <http://www.emta.ee/?id=1939>

Web Resources

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Estonian Customs: <http://www.emta.ee/?id=1939>

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

Weather forecast in Internet: <http://www.weather.ee/>

Enterprise Estonia: www.investinestonia.com.

U.S. Embassy Consular Section: <http://estonia.usembassy.gov>

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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Contacts

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United States Embassy, Political/Economic Section
Kentmanni 20, 15099 Tallinn, Estonia
Tel: 372 668 8130

Fax: 372 668 8264
Contact: Ms. Reene Sepp, Economic/Commercial Specialist
E-mail: seppr@state.gov
Brett Makens, Economic & Commercial Officer
E-mail: makensb@state.gov
<http://estonia.usembassy.gov>
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: office.helsinki@trade.gov

Foreign Agricultural Service (regional office in Warsaw):
<http://poland.usembassy.gov/poland/agric.html>

Chambers of Commerce, Trade Associations

Estonian Chamber of Commerce and Industry; www.koda.ee
American Chamber of Commerce, Estonia: www.amcham.ee
Association of Estonian Food Industry: <http://toiduliit.ee/>
BSA (Business Software Alliance): www.bsa.ee
Estonian Banking Association: www.pangaliit.ee
Federation of Estonian Engineering Industry (EML): <http://www.emliit.ee/>

Country Government Offices

Ministry of Economic Affairs and Communications: www.mkm.ee
Ministry of Agriculture: <http://www.agri.ee/>
Ministry of Finance: <http://www.fin.ee/>
Ministry of Foreign Affairs: <http://www.mfa.ee>
Other Ministries and Government Agencies: <http://www.eesti.ee/eng/>

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/mrktresearch/index.asp> 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 U.S. trade events.
<http://www.export.gov/tradeevents/index.asp>
Estonian Fairs: www.fair.ee

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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. The 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 in Estonia, please click on the link below.

<http://estonia.usembassy.gov/cominfo.html>

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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.