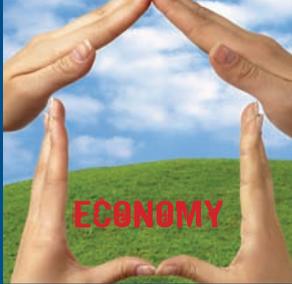


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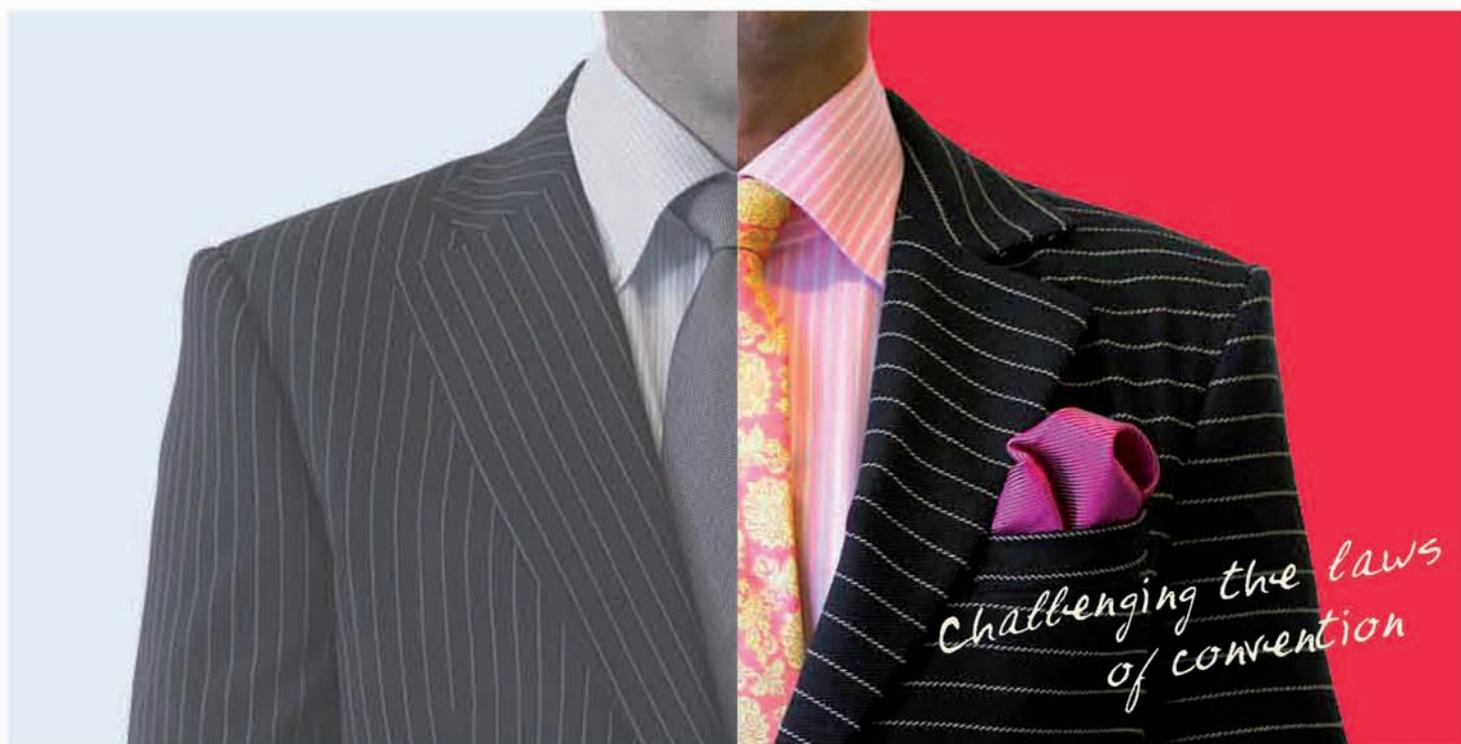
f focus



Maud Olofsson

Sweden's Minister for
Enterprise & Energy
and Deputy Prime Minister

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Anders Hedman
Chairman
SCCE

Dear reader,

President Elect Obama and the world crises

USA has a new President and his name is as we all know Barack Obama. Obama has showed up as a great communicator with extremely high expectations tied to him and his team for the next four year. His program is however rather unknown and can only be summoned up in one word: Change!



Fair enough, but in the first quarter of 2009, he better come up with some strong leads on how he wants to get the USA out of the shit they have put themselves into.

Many people blame President Bush for all the mistakes, but he is just the top of the iceberg. The fundamentals are wrong! USA consumes more than they produce and this has now reached the surface. Initially the US Government has gone for huge bailout programs

but with deficit of 70% of GDP, the Government is soon having their nose under the water. The level is now between the chest and the throat. If it passes the nose, the USD will start dropping freely, just like the GBP has started to do however slowly. When will the GBP and EUR be in parity? Soon, I guess!

The US Secretary of Treasury John B. Connally said to the rest of the world when the US stopped the Bretton Woods obligations of changing USD against gold; "The dollar is our currency and your problem". Today we answer to Mr John B. Connally "The USD is the world currency, but your problem".

Obama is like a star trainer in the Total Makeover TV program. In front of him is a huge overweight six pack Joe, as Sarah Palin would have called him. This 150 kg junk food fan and Wal Mart client with 100 credit cards out of which 95 are blocked due to default payments, Obama has to transform into a Lance Armstrong type of guy who cleans up his debts and start paying and shopping in cash on payday! For this he has 6 months to show great progress and 3 years to deliver, otherwise Obama will join the peanut farmer Carter, being remembered as a rather grey President with good intensions.

I do hope Obama will make it, even if I always have been a Republican, but the stakes are too high here, so we should all unite behind the President of the biggest economy in the world, as well as the biggest democracy!

The Estonian Nokia... here it is

Estonia has a great opportunity now. Estonians have always been close to the nature and the big future is in ecological energy! The Estonian state should really motivate students of universities in Estonia to start developing alternative energy sources. The race in this area has not really started yet in any country of the world. The leaders so far are Germany and Scandinavia, close partners of Estonia.



Tuulingu Puhkemaja, Haeska
Photo: Kadi Asmer

In FICE - the Foreign Investors' Council in Estonia we are working with the government to develop an action program for sustainable energy and environmental protection. Eco tourism will also increase in the future and here are also great opportunities for the sons and daughters of the Forest Brothers!

Devaluation of the Baltic currencies



This has been a popular subject during the last years and after the takeover of Parex bank in Latvia it is now forbidden to speak about this in Latvia. I think that is a great milestone in the development of the free speech in Latvia. In Estonia I guess we already have had an unwritten law saying that the Prime Minister cannot describe the economy in a negative way either.

However, I believe that the Baltic currencies today are like small ducklings in the row behind the SEK and that the SEK has been like a devaluation shock absorber for the Baltic currencies.

The SEK has gone from 9.20 to the EUR to well over 10:- to the EUR. Thanks to this situation, I do not believe that the Baltic currencies will be devaluated, because very few will win with such a strategy, but the banks will loose, the people will loose and the politicians will loose support from the voters.

The Baltic politicians and people can be very happy to have the Swedish banks here.

The only threat to the currencies comes from the Baltic people themselves as we can see from the Parex bank story.

Enjoy reading **focus** nr 4, 2008 and I also want to wish all of you a Merry Christmas and a Happy New Year!

Anders Hedman
Chairman
SCCE

Publisher

focus is published by the Swedish Chamber of Commerce in Estonia - SCCE.

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Editorial content and articles

SCCE accepts editorial content and articles for the focus magazine promoting the commerce and trade between Estonia and Sweden primarily. The author of editorial texts and articles published is responsible for the content.

SCCE welcomes contributions to the focus magazine and reserves the right to refuse publishing of content not being in line with the Statutes of SCCE.

Advertising

The focus advertising pricelist is available at www.swedishchamber.ee

Subscriptions and additional copies

The focus magazine is distributed free of charge to the members of the Swedish Chamber of Commerce in Estonia.

Companies not yet being members of the SCCE as well as private individuals can subscribe to focus.

SCCE also provides additional copies of focus for SCCE member's own distribution of the magazine to customers and business contacts to a net print cost.

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Printed in the EU by KNT Meediad OÜ, Tallinn, Estonia.

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The Swedish Chamber of Commerce in Estonia

The Swedish Chamber of Commerce in Estonia – SCCE - is a non-profit association registered in Estonia. Since its foundation 1991 the SCCE has grown considerably and today the Chamber unites close to 140 member companies and organizations headquartered in Estonia, Sweden as well as other countries.

SCCE is in many ways a mirror of the intensity in Swedish-Estonian commerce and trade. Sweden is the biggest foreign direct investor in Estonia and in terms of export and import Swedish-Estonian business is among the top three.

A main task of SCCE is to create an environment for networking and exchange of information. The Chamber act as a meeting place by arranging seminars, business lunches, company visits, hosting business delegations as well as arranging social events for the members.

Following a SCCE initiative, FICE - Foreign Investors' Council in Estonia was founded in August 2008. FICE is a lobby group acting through contacts with the Estonian Government and Estonia's Governmental bodies. Together, the nine countries represented among FICE's members had a more than 80% share of the total foreign direct investments in Estonia during the first six months 2008 [source: Eesti Pank].

Special and unique SCCE member benefits include listing in the SCCE Trade Directory, an opportunity to a further market introduction in the Member in HighLight section of the Chamber's website as well as taking advantage of a steady flow of Special Offers.

The fee for basic membership in the Swedish Chamber of Commerce in Estonia is EEK 5.900,- per year and EEK 20.000,- per year for Royal Membership (2008). Membership is only granted to legal entities.

For more information about SCCE, please visit www.swedishchamber.ee. You are also welcome to take a direct contact with SCCE's Ombudsman Kristiina Sikk: kristiina@swedishchamber.ee or tel. (+372) 501 9813.

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Some remarks regarding bankruptcies in Estonia

by Siim Roode - partner of MAQS Law Firm, Tallinn



Siim Roode - partner of
MAQS Law Firm, Tallinn

There is a lot of talk about bankruptcies these days. In this article, I will try to explain what bankruptcy is from a legal point of view, and why it is good to have a system enabling bankruptcies.

First of all, to legally go bankrupt means that a court has declared a company or a private individual bankrupt. This is done when it is clear that the person is insolvent and that the insolvency

is not temporary. In other words, it is the court's decision to declare whether there is bankruptcy or not. It could be worth mentioning that such a court decision comes to force immediately, even if the decision is appealed against.

The court will start a bankruptcy proceeding only after an application has been submitted. The application can either be made by the debtor or any of its creditors. The court will then appoint a temporary trustee (Est: ajutine pankrotihaldur) who will investigate if the debtor is insolvent and if so, if the insolvency is temporary or not.

In the year 2006 there were in total 228 bankruptcies recorded in Estonia, last year the number was 234. It is likely that the number of bankruptcies will grow during this and the following years due to the current financial situation. How large numbers we are talking about is, however, difficult to predict.



The most common reasons to why a company will go bankrupt is that its management has been making incorrect risk assessments or that a significant co-operation partner already has gone bankrupt. For private individuals, the most common reason is that the person has issued a personal guarantee for the benefit of his or her company and when the company has not been able to fulfil its obligations, the guarantee has kicked in.

It is important to know that while a company that goes bankrupt will in the end be liquidated and erased from the Commercial Register, a private individual does not have that opportunity. As a private individual, you can however after five years turn to



court and ask for a decision to end the bankruptcy procedure and thereby the debts will be cleared.

If you would happen to find the company you work for or own in a bankruptcy situation, the best advice I can give is to try to create a good co-operation with the temporary trustee and give him/her all information that may be relevant. If the court later declares the company bankrupt, then there is not much more you can do anymore.

It is also important to stress that nobody is either a winner or a loser in case of a bankruptcy; all losses actually took part before the bankruptcy was declared. In the course of the bankruptcy procedure, all the property of the debtor will be realised and divided among the creditors in the way set out in the legislation. A bankruptcy is no doubt emotionally difficult, but from a financial point of view it is a very functional process that in the end will also give the debtor a possibility to turn the page and start over again.

MAQS Tallinn office has moved into new premises

MAQS Law Firm's Tallinn office is as from 1 November 2008 situated at Rotermanni 8 in Tallinn.

The historic Rotermann quarter is situated in the heart of Tallinn, in the area between the Old Town, the port and Viru Square. It is the city's most attractive district, containing a juxtaposition of old industrial buildings that have acquired a new function as well as modern architecture.

MAQS Law Firm's new office is situated on the top floor of the award-winning new building Uus Jahuladu (New Flour Warehouse).

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Maud Olofsson



Maud Olofsson

Elected leader of the Swedish Centre Party 2001, Maud Olofsson was named Sweden's Minister for Enterprise & Energy and Deputy Prime Minister 2006 as Alliance for Sweden, the four political parties forming Sweden's current coalition Government, entered office.

Maud Olofsson grew up in the northern part of Sweden and her family had long time roots in the Centre Party. Her father was a local Centre Party politician and one of her brothers is a local Centre Party politician.

During her political career Maud Olofsson has worked on different positions in local and regional politics and entered the national Swedish political scene as she was elected leader of the Centre Party.

Alliance for Sweden



Fredrik Reinfeldt, Maud Olofsson, Jan Björklund and Göran Håggglund.
Photo: Erik Bratthall

Forming the current coalition Government, Alliance for Sweden consists of four centre-right oriented parties;

- The Moderate Party, liberal-conservatives, led by Fredrik Reinfeldt, also Sweden's Prime Minister
- The Centre Party, led by Maud Olofsson
- The Liberal People's Party, social-liberals, led by Jan Björklund, also Minister for Education
- The Christian Democrats, led by Göran Håggglund, also Minister for Health and Social Affairs

As Sweden's Minister for Enterprise & Energy and Deputy Prime Minister Maud Olofsson made a November visit to Tallinn, Ambassador Jan Palmstierna invited to an afternoon seminar at the Swedish Embassy focusing on energy, climate and the environment.

- Energy and climate change are two of the most challenging issues of our time, said Maud Olofsson. CO2 – emissions from energy make up a great part of the green house gas emissions in the European Union and by using less energy and cleaner, locally produced energy, we can not only address the climate change problem but also limit EU's growing external dependence of oil and gas.

The transition to a low-carbon economy create new business opportunities

- The industrial development was built on a heavy exploitation of natural resources and a dependency on fossil fuels, continued Maud Olofsson. This is not sustainable and there was a hidden price for our welfare, the climate change. Now we need a smarter growth and I am convinced that it is possible to combine welfare development with climate care.

- I believe that EU showed true leadership last spring when we agreed on ambitious climate and energy targets. Sweden believes that the climate- and energy package is an important step forward and that it is necessary to reach the goals that have been set up.

- This is even more important in the light of the recent developments on the financial markets. If we don't keep the long-term perspective on sustainable development, we will become increasingly vulnerable. Both to short-term fluctuations on financial markets and to up-coming political instabilities or other external factors.

- Enabling European companies to lead the way in the transition to a low-carbon economy will create new business opportunities, said Maud Olofsson. Reaching the climate and energy goals set up by the EU is a common responsibility for all member states. And it is natural that we co-operate in order to reach these goals in the most efficient way.

Renewable energy makes up 40 percent of Sweden's energy consumption

- Excluding the transportation sector, Sweden today has an almost fossil free energy system, told Maud Olofsson. Oil's share of energy supply is less than a third and it will continue to decrease. The proposed EU targets would mean increasing Sweden's share of renewable energy up to 49 percent.

- Sweden has a good starting



Photo: Hans Blomberg

point as our country is rich in natural resources such as hydropower and forestry. But the development has not come spontaneously. A strong political will in this field has since 1990 made it possible for Sweden to increase the share of renewable energy and reduce CO2 emissions by 9 percent. During the same time Sweden's GDP has grown by 44

percent.

- To get here policies that are general in character is a key, said Maud Olofsson. With the introduction of a carbon dioxide tax in 1991 Sweden put a high price on CO2 emissions. I believe there must be a price on pollution. Without a price there is no level playing field between those choosing to take climate care and those who do not.

- In 2003, another important step was taken as Sweden introduced a market based green electricity certificate system.

The aim is to promote cost effective electricity production based on renewable sources such as bio energy, wind power and hydropower. It creates a competition between different renewable energy sources and it gives us the most renewable energy for our money.

Transportations are next on the Swedish environmental agenda

- Even if Sweden has come far no country, no company and no person is in a position to sit still and I believe that one of the biggest challenges ahead of us lies within transportation, said Maud Olofsson.

Estonia's and Sweden's energy production



Estonia's Narva Power Plant

While the Estonian raw material for its energy production is oil shale - the Estonian energy system is actually the only predominantly oil-shale-based energy production system in the world - Sweden's mix of fuel for energy production is a bit more diversified.



Sweden's Akkats Hydropower Plant
Photo: Hans Blomberg

Hydropower and nuclear power plants account for more than 90 percent of Sweden's electricity production. The remaining ten percent is splitted between biofueled power and heat production plants, while wind power so far has a minor part of Sweden's electricity production.



Sweden's Forsmark Nuclear Power Plant
Photo: Hans Blomberg

The Swedish nuclear power plants, currently ten reactors in use, are the main electricity suppliers during autumns, winters and in the springtime. The summer time is used for maintenance and summers are consequently the peak production period for hydro powered electricity.

One of the big advantages with BASREC is that both EU member countries and non-member countries participate and have the possibility to exchange views and information in an informal, practical way.

- The BASREC ministers will meet in Copenhagen in February 2009 to discuss the future regional energy cooperation and I'd like to stress that we sympathise with the difficult energy situation that some member states, like the Baltic countries, find themselves in.

- The European Council has recently expressed its support to the Commission initiative, of establishing an action plan to speed up interconnections in the Baltic region and there are on-going discussions on a new cable between the Nordic market and the Baltic States.

- Politically, my government can support a cable between the Nordic market and the Baltic States, but one important aspect is that such a cable should be beneficial to all Baltic States, regardless of which of them would be in the receiving end. For the Nordic power system, the precise landing point of a possible Nordic-Baltic link is of minor importance.

- I would also like to point out that increased energy security cannot only be reached by infrastructure development. Equally important is energy efficiency, development of alternative energy sources and the development of functioning markets.

Sweden will put climate, energy and environment on top of the EU agenda

During the second half of 2009, Sweden will have the position as Presidency Country of the Council of the European Union. Sweden will highlight five overarching themes for its Presidency with climate, energy and environment on top of the agenda. The additional four themes include Jobs, growth & competitiveness, A safer and more open Europe, The Baltic Sea strategy and relations with neighboring areas, EU as a global actor and continued EU expansion.

- It is easy to paint a dark picture of the future and only talk of threats to energy supply and of climate change, said Maud Olofsson. That is not the way I look at it and my picture is bright. I strongly believe that the efforts needed to combat climate change are not constraining the economy. Instead, they provide us with a golden opportunity to introduce new, environmentally friendly technologies.

- For me it is very positive to see how the market now strongly reacts to the climate challenge. It can be a powerful force and I am convinced that the market players together with necessary policy measures are the success factors.

- To secure a sustainable future, we need to meet across national borders, to share information and thoughts and experiences, concluded Maud Olofsson.

Text: Megazine - Tallinn

The Presidency of the Council of the European Union



The Presidency has the responsibility for the functioning of the Council of the European Union and is rotated between the EU member States every six months. The task of the Presidency is undertaken by an entire national government.

Sometimes called the EU Presidency, this assignment has as its primary responsibility to organize and chair all meetings of the Council. The post as President of the Council of the European Union is for each separate meeting held by the responsible government minister of the member state holding the Presidency.

The presidency is nowadays being executed in a shared manner in order to cope with the rather short six month term of the presidency. Three successive presidents forming a "triple-shared presidency" work together over a 1.5 year period to accomplish a common agenda by the current president simply continuing the work of the previous "lead-president" after the end of his/her term.

Sweden will enter its second period of Presidency during July through December 2009. The first Swedish Presidency was held in 2001 and Estonia's first Presidency of the Council of the European Union will take place January through June 2018, thereby coinciding with the 100th Anniversary of the Republic of Estonia.



The Nobel Prize Awarders

In his last will and testament of November 27th, 1895, Alfred Nobel specifically designated the institutions responsible for the prizes he wished to be established.

“... The prizes for physics and chemistry shall be awarded by the Swedish Academy of Sciences; that for physiology or medical works by the Karolinska Institute in Stockholm; that for literature by the Academy in Stockholm, and that for champions of peace by a committee of five persons to be elected by the Norwegian Storting (Parliament).”

Celebrating its 300 years anniversary 1968, Sveriges Riksbank (Sweden’s Central Bank) established the Prize in Economics in Memory of Alfred Nobel and the Royal Swedish Academy of Sciences was given the task to select the Economics Prize Laureates starting in 1969.

The Royal Swedish Academy of Sciences

Known as Kungliga Vetenskapsakademien, the Royal Swedish Academy of Sciences selects the Nobel Prize laureates in physics and chemistry as well as economics.



Carl von Linné

The Academy was founded 1739 and modelled on the pattern of the Royal Society of London and of l’Academie Royale des Sciences in Paris. It was created as, and still is, an independent, non-governmental scientific society and one of the

founders was the world-famous naturalist **Carl Linnaeus**, later on knighted von Linné.

From the very beginning the Academy established fruitful scientific relationships with the Academies of the main European countries. It was a first step towards the internationalization of scientific research and a global outlook and cooperation is till on top of the Academy’s agenda.

Today the Academy consists of some 400 Swedish and 175 foreign members and its work is managed by a secretariat including 30 employees with the Permanent Secretary as the Director.

Scientific areas covered by the Academy’s current work include mathematic, astronomy and space, physics, chemistry, geology, biology, medicals,

technology, society and humanistic sciences.

The Nobel Assembly at the Karolinska Institute



Jöns Jacob Berzelius

The Karolinska Institute is one of Europe’s top ranking universities and Sweden’s largest centre for medical training and research. As the Institute got the task of selecting the Nobel Prize laureate in physiology or medicine, a special Nobel Assembly was formed and included in the Institute’s organization and it consists of 50 professors, all connected to the Institute.

There was a military background when the Institute was founded in 1810 as the initiator, Sweden’s King Karl XIII, saw a need for well educated medical doctors on the battlefields. Among the founders was **Jöns Jacob Berzelius** referred to as the father of Swedish chemistry, and he also became the man who gave the Institute its natural science profile.

Today the Karolinska Institute is dedicated to ‘improving human health through education, research and the dissemination of knowledge’. Its core activities include research, postgraduate and undergraduate training and a comprehensive network of international contacts secures the Institute’s state-of-the art research.

The Nobel Prize Laureates 2008



Physics

One half to:
Yoichiro Nambu
“for the discovery of the mechanism of spontaneous broken symmetry in subatomic physics”
and the other half jointly to:
Makoto Kobayashi
and
Toshihide Maskawa
“for the discovery of the origin of the broken symmetry which predicts the existence of at least three families of quarks in nature.”

On their discoveries:
The fact that our world does not behave perfectly symmetrically is due to deviations from symmetry at the microscopic level.

Yoichiro Nambu’s theories permeate the Standard Model of elementary particle physics and his Model unifies the smallest building blocks of all matter and three of nature’s four forces in one single theory.

The broken symmetries described by **Makoto Kobayashi and Toshihide Maskawa** seem to have existed in nature since the very beginning of the universe and came as a complete surprise when they first appeared in particle experiments in 1964. It is only in recent years that scientists have come to fully confirm the explanations that Kobayashi and Maskawa made in 1972.

Chemistry

Jointly to:
Osamu Shimomura
Martin Chalfie
and
Roger Y. Tsien

On their discovery:
The remarkable brightly glowing green fluorescent protein, GFP, was first observed in the beautiful jellyfish, *Aequorea victoria* in 1962.

Since then, this protein has become one of the most important tools used in contemporary bioscience.

With the aid of GFP, researchers have developed ways to watch processes that were previously invisible, such as

the development of nerve cells in the brain or how cancer cells spread.

Physiology or Medicine

One half to:
Harald zur Hausen
“for his discovery of human papilloma viruses causing cervical cancer”

and the other half jointly to:
Françoise Barré-Sinoussi
and
Luc Montagnier
“for their discovery of human immunodeficiency virus”

On the discoveries:
Harald zur Hausen went against current dogma and postulated that oncogenic human papilloma virus (HPV) caused cervical cancer, the second most common cancer among women. He realized that HPV-DNA could exist in a non-productive state in the tumours, and should be detectable by specific searches for viral DNA.

Françoise Barré-Sinoussi and Luc Montagnier discovered human immunodeficiency virus (HIV). The discovery was one prerequisite for the current understanding of the biology of the disease and its antiretroviral treatment.

Literature

Announcement by Professor Horace Engdahl, Permanent Secretary of the Swedish Academy:

- The Nobel Prize in Literature for 2008 is awarded to the French writer **Jean-Marie Gustave Le Clézio**; “author of new departures, poetic adventure and sensual ecstasy, explorer of a humanity beyond and below the reigning civilization”.

Jean-Marie Gustave Le Clézio comments:

- Literally, writing for me is like travelling. It's getting out of myself and living another life; maybe a better life.

- I was brought up bilingual, but I always write in French. I went to a French public school so my first contact with literature was in French, and that's the reason why I write in French.

Peace

Martti Ahtisaari

“for his important efforts, on several continents and over more than three decades, to resolve international conflicts. These efforts have contributed to a more peaceful world and to ‘fraternity between nations’ in Alfred Nobel’s spirit”.

eighteen members, the Academy’s first female member was elected during Karlfeldt’s time as permanent secretary.

Today, the Academy is considered to be a modern diversified institution, preserving the heritage from the past and monitoring and giving attention to the trends of today.

So, what happened to King Gustaf III’s goal of publishing a Swedish dictionary? Well, it obviously took some time to make it happen as the first edition was published almost 100 years (1874) after the Academy’s foundation. The thirteenth and latest



King Gustaf III

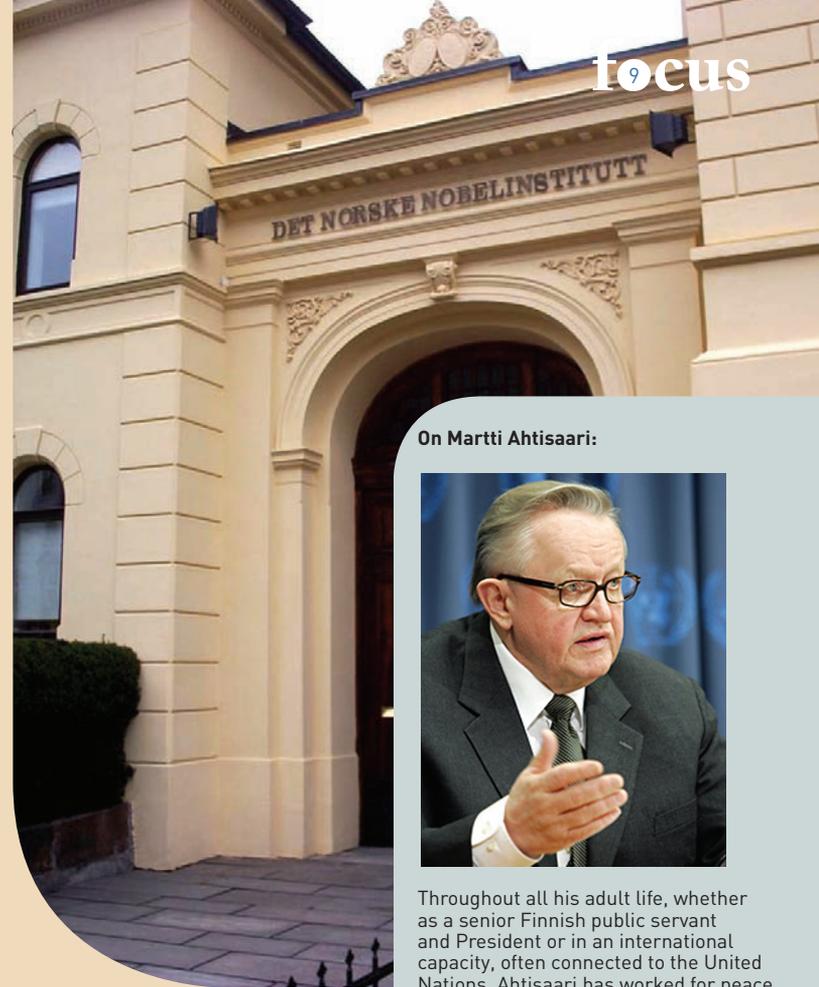
The Swedish Academy

Svenska Akademien, the Swedish Academy, selects the Nobel Prize laureate in literature.

Founded by Sweden’s King **Gustaf III** 1786, the Academy’s charter was to a large extent written by the King himself. The King was inspired by the French Academy and the charter says that the Academy should work for the clarity, expressiveness and good reputation of the Swedish language. Fulfilling this goal the Academy should publish a Swedish dictionary and a Swedish grammar.

King Gustaf III also had a patriotic purpose with the foundation of the Swedish Academy as a special memory coin should be made every year and presented to a prominent Swede. Furthermore, the Academy’s yearly commemoration day should be celebrated on November 20th, the day marking the death of the 17th century Swedish King Gustaf II Adolf.

The Swedish public opinion on the Academy deteriorated through the years and it wasn’t until Erik Axel Karlfeldt, a Swedish poet and author, became permanent secretary 1913 – 1931 that the Academy got modernized and shaped up in line with the values of the present time. Among its



On Martti Ahtisaari:



Throughout all his adult life, whether as a senior Finnish public servant and President or in an international capacity, often connected to the United Nations, Ahtisaari has worked for peace and reconciliation. For the past twenty years, he has figured prominently in endeavours to resolve several serious and long-lasting conflicts.

Economic Sciences

Paul Krugman
“for his analysis of trade patterns and location of economic activity”

On Krugman’s analysis:
Krugman’s approach is based on the premise that many goods and services can be produced more cheaply in long series, a concept generally known as economies of scale. Meanwhile, consumers demand a varied supply of goods. As a result, small-scale production for a local market is replaced by large-scale production for the world market, where firms with similar products compete with one another.

Traditional trade theory assumes that countries are different and explains why some countries export agricultural products whereas others export industrial goods. The new theory clarifies why worldwide trade is in fact dominated by countries which not only have similar conditions, but also trade in similar products – for instance, a country such as Sweden that both exports and imports cars. This kind of trade enables specialization and large-scale production, which result in lower prices and a greater diversity of commodities.

språket (the Swedish Academy’s dictionary on the Swedish language) was published 2006. But, the dictionary is not ready yet. By 2007 the Academy had come as far as to the word ‘trivsel’ (wellbeing, coziness) and it is estimated that the Academy’s dictionary work will be completed by 2017.

The Nobel Institute

The Norwegian Nobel Institute was founded 1904, for the purpose of assisting the Nobel Committee in its task of selecting the Nobel Peace Prize laureate.

Located downtown Oslo, the Institute contains offices, a meeting room, the Nobel Hall, a research department, and a well-stocked library with a reading room. The Nobel Committee holds all its meetings in a special meeting room devoted exclusively to this purpose. The tradition has gradually developed of using the Nobel Hall both for the announcement of the year’s Peace Prize in October and for the Laureate’s press conference on December 9, the day before the award ceremony in the Oslo City Hall.



The Nobel Prize Ceremony at Stockholm’s Concert Hall
Photo: Hans Mehlin

The 90th Anniversary of the Estonian Republic ended

November 28th marked the end and the culmination of this year's 90th Anniversary of the Estonian Republic. The date coincides with the beginning of Vabadussõda - the Estonian War of Independence, ninety years ago.

Carl Mothander



Carl Axel Mothander (1886-1965) was a former Swedish officer in the reserves as he joined the White Finnish Army in the Finnish War of Independence where he organized parts of the Finnish White Army's field hospitals. In 1919 he became commander of a modest number of Swedish volunteers in the Estonian War of Independence - Rootsi Korpus Eestimaal.

After the Estonian War of Independence, Mothander settled in Estonia, married a Baltic German lady and tried to take the role of mediator between the Estonians and the Baltic Germans as the Baltic Germans' privileges had come to an end with the establishment of the Republic of Estonia. Mothander is the author of the book 'Baroner, bönder och bolsjeviker i Estland' ('Barons, Farmers and Bolsheviks in Estonia') where he made a personal analysis of the relationships between Estonians, Baltic Germans and Bolsheviks after the War of Independence.

Mothander was initially involved in the World War II evacuation of Estonian-Swedes. Rågö-kommittén - the Pakri Islands Committee - signed a February 3rd, 1944, letter of attorney where Mothander was authorized; ...to negotiate with authorities in Estonia on behalf of the Committee to achieve exit permits for all Estonian-Swedes wanting to leave for Sweden." Mothander's contacts with the Nazi occupiers were however perceived to be a bit too independent and eventually the contacts necessary for the evacuation of the Estonian-Swedes mainly took place without his intermediation.

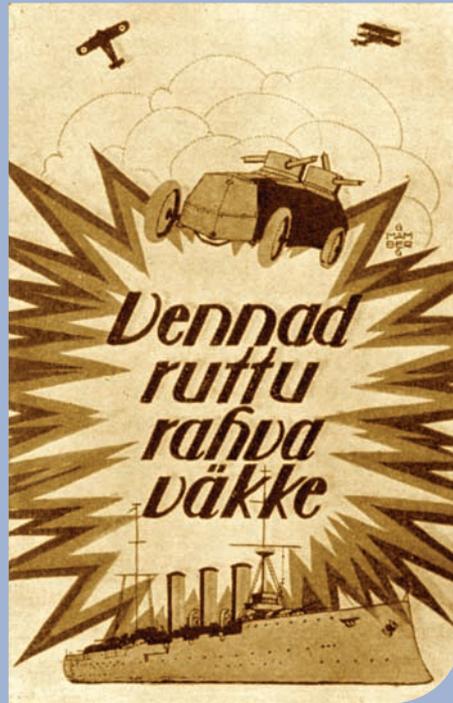
Mothander also worked for the Estonian Red Cross and was a member of the Red Cross Katyn Commission that investigated the Soviet NKVD mass execution of Polish officers 1940.

Following Estonia's Declaration of Independence February 24th, 1918, Red Army troops conducted an attack to capture Narva on November 28th the same year and the War of Independence began.

Estonia's military forces at the time were modest and counted 2.000 men with light weapons and about 14.500 similarly light armed men in the Estonian Defence League - Home Guard. However - a combination of successful international lobbying by Estonian politicians and a support for Estonia's cause among neighboring countries brought military reinforcements from Britain, Finland, Denmark and Sweden.

The British naval and air force support to Estonia included the first combined air/sea assault in history as the Bolshevik fleet in Kronstadt, near the head of the Gulf of Finland, was attacked by ship launched torpedoes and hand dropped bombs from the air.

The Swedish volunteer unit to support Estonia was formed in Sweden in early 1919. Known as Rootsi Korpus Eestimaal and under the command of Carl Mothander, a modest number of 178 Swedish volunteers began by taking part in Virumaa scout missions during March 1919. In April, the



A 1918 Estonian military recruitment poster: "Brothers, hurry to join the people's army"

Swedish volunteers were sent to the Southern front and took part in the battles near Pechory (Petseri) and by May there were only 68 volunteers left in combat shape. The company was disbanded by the order of the Estonian Minister of War and some of the Swedish volunteers returned to Sweden while some joined the Estonian Army and some the Danish volunteer unit.

Estonia's War of Independence ended February 2nd, 1920 as the Peace Treaty of Tartu was signed by the Republic of Estonia and RSFSR - the Russian Soviet Federative Socialist Republic.



The Tartu Peace Treaty, signed February 2nd, 1920

Forty years ago - 1968

HighTech and culture



Pärnu mnt, Tallinn - 1968

Tallinna Autobussikoondis (Tallinn Bus Company) proudly introduced the new Ikarus-556 buses in the spring of 1968. This Ikarus model made good service at the streets of Tallinn up until 1983. Now replaced

by Scania and Volvo buses the last Ikarus Tallinn bus took a festive farewell at Tallinn's Vabaduse Väljak in February 2003.

Graphic Art and Form was highlighted as the first Tallinn Print Triennial took place in 1968 under the name 'Present Day and Graphic Form'. Estonia, Latvia and Lithuania took part and from Moscow came criticism – the art exhibited was something totally different compared to the prevailing Soviet monumental art standards.

A Swedish jazz trio (Jan Johansson – grand piano, Rune Gustafsson – guitar and Georg Riedel – bass) gives a concert in Tallinn. As Georg Riedel also is the composer to the music of many films made on Astrid Lindgren's books, he could note that Pipi Pikksukk (Pippi Longstocking) was published in a first Estonian translation 1968.

Meanwhile in Sweden

Sweden's Minister for Education, and later Sweden's Prime Minister, Olof Palme takes part in a Stockholm Vietnamese demonstration together with North Vietnam's Moscow Ambassador. One week later the US Ambassador to Sweden is called back to USA.

Swedish schoolchildren celebrate as the Swedish Government decides that Saturdays will be free from school effective nation wide from the autumn semester 1968.

The feministic organization Grupp 8 (Group 8) is formed in Stockholm and the same city can see Sweden's first pizzeria open at Restaurant Östergök.

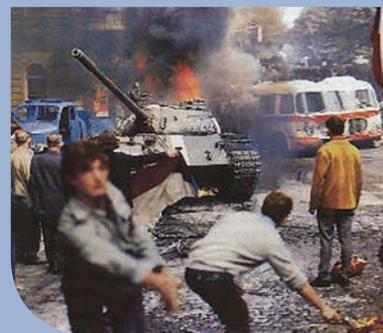
Swedish students take part in the international May of '68 spirit and occupy their own students' union building in central Stockholm. The Minister for Education, Olof Palme, is sent out for calming down the feelings, but learns that he is regarded as a perfect representative of conservative bourgeoisie.

Erling Persson, owner of the Swedish fashion clothing chain Hennes, buys Mauritz Widforss, a Swedish retailer of hunting equipment and men's clothing. The company is renamed Hennes & Mauritz, nowadays known all over the world as H&M.

They may crush the flowers, but they can't stop the Spring

As Alexander Dubček (the above headline is a later alleged comment of his) was elected leader of the Communist Party

in Czechoslovakia in early January 1968, a period of political liberalization started and became internationally known as the Prague Spring. Additional rights to the citizens included democratization, loosening restrictions on the media, speech and travel and a partial decentralization of the economy.



Prague – August 1968

The initial reaction within the Communist Bloc was mixed. Hungary's János Kádár was highly supportive of Dubček, but Leonid Brezhnev and others were concerned about Dubček's reforms. During the summer the Soviet Union began to consider a military alternative in line with the 'Brezhnev Doctrine' which stated a policy of compelling the socialist governments of its satellite states to subordinate their national interests to those of the Eastern Bloc.

On the night of August 20–21, 1968, Warsaw Pact troops invaded Czechoslovakia and today comparisons have been made between the Prague Spring and the armed conflict in Georgia.

I have a dream



Martin Luther King Jr.

As the 1968 Winter Olympics in Grenoble were followed by the October Summer Games of the XIX Olympiad in Mexico City, two black US gold- and bronze-medallists once again this year put the world's attention to the American civil rights movement. They raised their arms in a black power salute and protest during the prize ceremony.

Their demonstration came a bit more than six months after the April 4th murder of Martin Luther King Jr. in Memphis, Tennessee.

US Presidential elections

In mid-March 1968, US Senator Robert F. Kennedy declares that he is entering the race for the Democratic Party presidential nomination and on March 31st the US President of that time, Lyndon B. Johnson, announces that he will not seek re-election.

On June 5th, at the Ambassador Hotel in Los Angeles, Robert F. Kennedy is shot and dies from his injuries the next day.

Following his August Republican nomination for US Presidency, Richard M. Nixon wins the November 5th elections and defeats the Democrat's candidate Vice President Hubert Humphrey and the American Independent Party candidate George C. Wallace.



Robert F. Kennedy

May of '68

As the Prague Spring went on, the spring in Western European countries saw student protests emerge, culminating in France during May 1968.



l'Université Paris Sorbonne

Many students saw the protests as an opportunity to shake up the old society and its traditional morality, focusing especially on the education system and employment.

The French President Charles de Gaulle's administration's attempts to quash the protests only inflamed the situation further, leading to street battles in Paris' Latin Quarter, followed by a general strike by students and strikes throughout France by ten million French workers, roughly two-thirds of the French workforce.

The protests reached such a point that President de Gaulle created a military operations headquarters to deal with the unrest, dissolved the National Assembly and called for new parliamentary elections in June 1968.

Basically May of '68 became a political failure for the protesters, but it had an enormous social impact. In France, it is considered to be the watershed moment that saw the replacement of conservative morality with liberal morality.

Hair, La, la, la, Apple, a White Album and an unplugged comeback

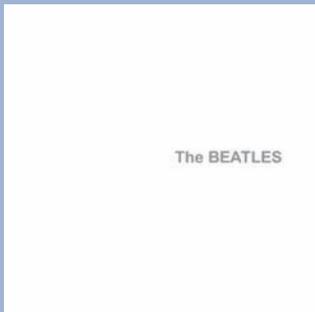


Regarded as a true child of its time, the musical Hair opens at Broadway, New York April 29th 1968.

Forty years ago the Eurovision Song Contest was mostly a Western European event and this year Massiel won for Spain with the song 'La, la, la'.

At a mid-May press conference in New York, The Beatles announce the creation of Apple Records. At this time, the Beatles were contracted to Parlophone in UK and Capitol Records in USA. In the new and complex recording deal, EMI and Capitol agreed to distribute Apple Records until 1975. EMI retained ownership of the Beatles' records, issuing them on the Apple label but with Parlophone catalogue numbers.

Later on, in November 1968, The Beatles released their ninth official LP-record, a double album named 'The Beatles' and including songs like "Back in the U.S.S.R.", "Ob-La-Di, Ob-La-Da" and "While My Guitar Gently Weeps". As the album had no text other than the band's name on its plain white sleeve, it became known as the White Album.



Following a long row of years in the movies and Las Vegas show productions, Elvis Presley made a December 3rd US TV show, commonly referred to as 'Elvis '68 Comeback Special'. His informal jamming in front of a small TV-studio audience is regarded as the forerunner of today's Unplugged-concept.



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Autonomy

In Italy, Giorgio Rosa funded the construction of a 400 sqm platform located in the Adriatic Sea, off the coast of Rimini. He furnished it with a number of commercial establishments, including a restaurant, bar, nightclub, souvenir shop and a post office and the artificial island declared independence on June 24th, 1968.

The new micro-nation got the Esperanto name "Insulo de la Rozoj", with Rosa as self-declared President.

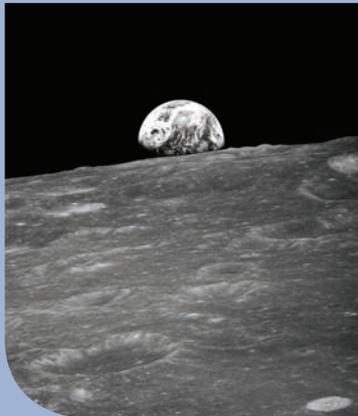


Rose Island Arms

The Italian Government regarded the whole thing as a ploy to raise money from tourists while avoiding national taxation and their response was swift; a group of four carabinieri and tax inspectors landed on the "Isola delle Rose" and assumed control. The platform's Council of Government is said to have sent a telegram, presumably to the Italian Government, to protest the "violation of its sovereignty and the injury inflicted on local tourism by the military occupation", but this was ignored. Soon afterwards the Italian Navy used explosives to destroy the facility - an act later portrayed on postage stamps issued by Rosa's Government in Exile.

A Space Odyssey

As Stanley Kubrick's movie '2001: A Space Odyssey*' has world premiere in April, the US Apollo space program is well underway. Apollo missions 6, 7 and 8 are launched during 1968, all part in the gigantic rehearsal for the 1969 first man-on-the-moon mission.



The first earth rise ever seen and photographed.

On Christmas Eve 1968 Apollo 8 enters orbit around the moon and the three astronauts onboard became the first humans to see the far side of the moon and planet earth as a whole.

Apollo 8, Christmas Eve 1968

In March 1968, the Soviet cosmonaut Yuri Alexeyevich Gagarin was killed in a flight crash. On April 12th, 1961, he became the first human in space and the first to orbit the earth.

100.38

On June 4th, 1968, the Standard & Poor's 500 index came above 100 for the first time, closing at 100.38.

The S&P 500 is a value weighted index published since 1957 of the prices of 500 large cap common stocks actively traded at the New York Stock Exchange and NASDAQ.

S&P 500 peaked in October 2007, closing at 1.557.59 and is now (beginning of December 2008) down below 900 and still falling.



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focus on the ECONOMY

What happened?

Future economical history books and future economical lectures at universities around the world will most certainly pay attention to the current global economical crisis. Even though this is still to come in a larger scale, the history of today's crisis has already started to be at least commented in major media around the world.

The Great Depression of the 1930's

The 1930's Great Depression was the largest economic depression so far in modern history. It originated in the United States and historians most often use the stock market crash on October 29th, 1929, known as Black Tuesday, as the starting point.

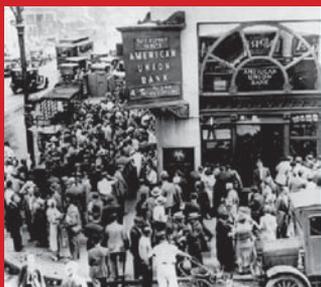
International trade was deeply affected, as were personal incomes, tax revenues, prices, and profits. Construction was virtually halted in many countries.

A majority of countries all over the world set up relief programs, and many underwent some political upheaval, pushing them to the left or right.

Debt

Debt is seen as one of the causes of the Great Depression. Banks began to fail as debtors defaulted on debt and depositors attempted to withdraw their deposits en masse, triggering multiple bank runs.

Government guarantees and US Federal Reserve banking regulations to prevent such panics were ineffective or not used. Bank failures led to the loss of billions of dollars in assets. Outstanding debts became heavier, because prices and incomes fell by 20 - 50% but the debts remained at the same dollar amount.



After the panic of 1929, 9,000 US banks failed during the 1930's. These failures snowballed as desperate bankers called in loans which the borrowers couldn't repay.

With future profits looking poor, capital investment and construction slowed or completely ceased. In the face of bad loans and worsening future prospects, the surviving banks became even more conservative in their lending.

focus has looked at some of the material written and put it down in a timeline summarizing the events, decisions and actions contributing to what is already named as the worst global financial crisis since the 1930's.

1993 - 2001

The US economy was booming after the Gulf War 1990 - 1991. Following the Presidencies of Ronald Reagan and George H. W. Bush (Senior), President Bill Clinton brought new life to Jimmy Carter's social agenda originating more than ten years earlier. US poverty should be fought and

more Americans with low incomes should be given an opportunity to live in a house of their own.



The regulations, governing two big private, and US State controlled finance institutions were liberalized.

The two financial institutions concerned, Freddie Mac and Fannie Mae, bought house-loans from banks and other institutions. These loans were converted to bonds with the loan-financed houses as securities.

1977 - 1981

The US President Jimmy Carter's administration started to encourage US banks and financial institutions to approve house loans to people that normally wouldn't get any loans. To a large extent these people belonged to some of USA's many minority groups and several of them had a somewhat poor payment history.

President Carter's main idea was that people having low incomes should get a possibility to get themselves a private house and hence climb up some steps on the social hierarchy ladder.

The bonds became attractive on the financial markets since there was an implied State guarantee behind them; the State supported these loans and the resulting bonds. This meant that the interest rate could be kept low and thus beneficial for the borrower. More capital was added to the market, making it possible to give more loans to more people.



The liberalized regulations made it indeed possible for Freddie Mac and Fannie Mae to buy up a significant amount

of loans from banks that had approved them to people that normally wouldn't have got any loan at all. During Bill Clinton's administration these loans, now named subprime loans, increased dramatically. A US research



We make home possibleSM

showed that during 1993 - 98, the volume of housing loans almost doubled among American low income groups, while the increase among the

American middle class ended up at a more modest 30% increase.

The risks for Fannie Mae and Freddie Mac increased and towards the end of the 1990's the first alarms started to sound. These two financial institutions were well underway in guaranteeing half of the US house loan market and the majority of the subprime market.

Taking big risks also offers opportunities to earn big money. And the big US risks now beginning to be exposed needed a harmonizing – the risks had to be spread. Not only inside USA, but also to the international financial scene.

Banks built up their capital reserves and made fewer loans, which intensified deflationary pressures. A vicious cycle developed and the downward spiral accelerated.

Many economists have argued that the sharp decline in international trade after 1930 helped to worsen the depression, especially for countries significantly dependent on foreign trade.

Franklin D. Roosevelt, elected US President in 1932, primarily blamed the excesses of big business for causing an unstable bubble-like economy.

The New Deal



From his 1933 US Presidential Inauguration and onward, Roosevelt argued that restructuring of the economy would be needed. His New Deal programs sought to stimulate demand and provide work and relief for the impoverished through increased government spending and institute financial reforms.

The US securities industry became comprehensively regulated. Federal insurance of bank deposits was provided. Added Social Security was introduced and a national relief agency, the Works Progress Administration – WPA, was launched.

In 1937, Roosevelt embarked on a further antidote to the depression, reluctantly abandoning his efforts to balance the budget and launching a \$5 billion spending program in the spring of 1938, an effort to increase mass purchasing power.

US expenditures as a proportion of GDP tripled between 1933 and 1939, accompanied by sizable deficits but appear to have contributed to the recovery, as consumer and producer behaviour changed.

1939

The massive rearmament policies to counter Nazi Germany helped stimulate the economies of Europe in 1937 - 1939.

There are many ways to spread risks, but a common way is to repack the instruments of debts. Bonds and debt certificates are repacked and reissued as new bonds and new certificates. Towards the end of the 1990's these repackings started to be made over and over again. And this happened all over the international financial world.

It didn't took too long before nobody, not even the most sophisticated computer models used for calculating risks, could get any grip whatsoever on what the level of the actual risks really were. And this also marks the time when a sound spreading of risks developed to a financial bubble.

September 11th, 2001



Almost eight months after his installation as the 43rd President of the United States of America, Georg W. Bush saw

his nation being attacked by terrorists. Killing close to 3.000 people the terrorist attacks marked the beginning of a new era in world politics and in the world economy.

As the terrorist attacks took place, the financial world had experienced a slow down following the hyped IT-boom. And as the World Trade Center's twin towers collapsed in New York this tragic September day, stock exchanges around the world fell rapidly.

2002 – 2006



The majority of the world united in condemning terrorism, and 2002 – 2006 became an unusual period in the history of world economics. Differing from Estonia the general global economy grew while inflation was kept rather low (Estonia's economy definitely grew with a record speed as well, but so did also Estonia's inflation). The American Central Bank, Federal Reserve, lowered its policy interest rate and in 2003 it was down at a 1% level.

Companies around the world reported record profits and the money earned should now be invested. Investments were profitable and it was cheap to borrow money.

These companies as well as investment funds, States, communities and municipalities from all around the world went out on the international finance markets, all of them looking for a maximized return on their investments.

Cheap borrowed money also spread around the world. People consumed more and more – with borrowed money. Estonia is by no means alone in the world by financing nice-to-have things and a nice life with borrowed money. Statistics Sweden (SCB) reports that the debt burden of an average Swedish household has more than doubled the last ten years.

And – it was during these years the US subprime market, now



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risk-spreaded to more or less every significant financial institution and bank all over the world, really hit the heights of its enormous expansion.

Summer 2006 – 2008

The number of US home owners no longer being capable of paying their debts increased and during the summer of 2006 it became clear that the US house loan and subprime market experienced rapidly growing problems.

The emerging financial crisis became more visible and following a loss of more than ten billion USD, HSBC – one of the biggest banks and financial institutions in the world, fired its US house loan division's executive officer in the summer of 2007.

Several house loan institutions closed during 2007 and USA saw its bank's profits decline with close to 90% during the fourth quarter the same year.

March 2008 saw the fall of Bear Stearns, one of the five big Wall Street

Lehman Brothers meant that the most valuable assets for any bank and financial institution disappeared – trust and confidence.

The costs for loans taken by banks all over the world skyrocketed and their will to take risks in lending out money to whoever or whatever more or less totally disappeared over the night.

It was at this stage, autumn 2008, of the financial crisis



The mobilization of manpower following the outbreak of war in 1939 finally ended unemployment. In the United States, the massive war spending doubled the GDP, either masking the effects of the Great Depression or essentially ending it. Businessmen ignored the mounting national debt and heavy new taxes, redoubling their efforts for greater output to take advantage of generous government contracts.

Productivity soared; most people worked overtime and gave up leisure activities to make money after so many hard years. People accepted rationing and price controls for the first time as a way of expressing their support for the war effort.

Cost-plus pricing in munitions contracts guaranteed businesses a profit no matter how many mediocre workers they employed or how inefficient the techniques they used. The demand was for a vast quantity of war supplies as soon as possible, regardless of cost. Businesses hired every person in sight, even driving sound trucks up and down city streets begging people to apply for jobs.

As US federal expenditure had tripled between 1933 and 1939, Roosevelt's critics charged that he was turning America into a socialist state. However, Roosevelt's spending on the New Deal was far smaller than on the war effort.



investment banks, and the company was sold to JP Morgan Chase.

Banks experienced sharply raised costs for borrowing money. The simple explanation was that the repacked subprime instruments of debts had not only spread to banks and financial institutions all over the world – they had also lost all of their former attractiveness.

At this time, everybody agreed that it was indeed a global financial crisis we had at hand – but, it was still possible to manage and control it.

This last hope disappeared September 15th 2008. US based Lehman Brothers filed for Chapter 11 bankruptcy and the financial world went into chock. – If USA, the world's biggest economy, is not prepared to fully support one of the biggest investment banks in the world; who might then be interested in supporting what bank...? The fall of

that Governments all over the world, including Sweden, stepped in and presented differently packed guarantee packages for their banks and financial institutions.

As Swedish banks are dominating the Estonian market, sighs of relief on the Swedish guarantee package were both heard and publicly expressed by representatives of the Estonian Government.



What now?



Commentators agree that we are in an economic recession that will take much longer than normal to overcome. Unemployment will increase and those having a job will find it difficult to get a salary raise – on the

contrary, salary decreases are more likely to happen. As for Estonia, the take-it-or-leave-it attitude in terms of salary demands will shift from employees to employers.

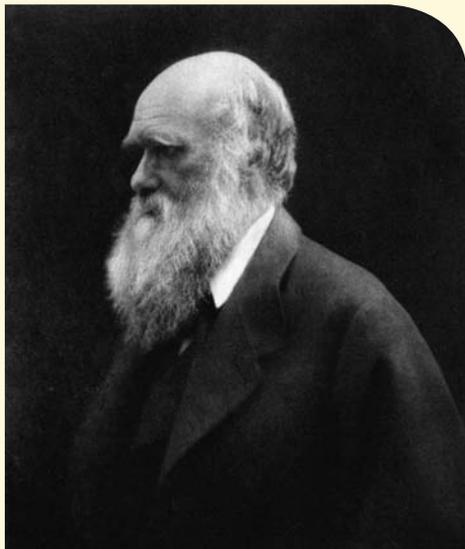
The core business of any bank and financial institution; the will and readiness to take a risk and lend out money, will remain at a very minimalistic level for a long time to come. Jan Lidén, Swedbank's President and CEO up until April 23rd, 2009, put it very well as he, in connection with the bank's third quarter 2008 report, said: "From now on it is quality and not quantity that counts in our lending business."

Bad debts will be unpacked, re-evaluated and handled. Borrowers will bankrupt and the bankruptcies will be handled.

Investments will decrease, new jobs will be rare and we have to wait for an appearance of any significant economical growth.

Swedes remembering the Swedish economical crisis in the beginning of the 1990's and Estonian's remembering the ruble-crisis 1998 have a good word for the current situation; Steel-bath.

Lessons learned?



Charles Robert Darwin

Most businesses are tuned and shaped over time by lessons learned; like a Darwinistic-influenced 'Survival of the Fittest Business'. A global financial crisis of today's magnitude has however a somewhat greater impact and political comments on

lessons learned have been expressed from all over the globe.

Leftists talk about greediness and a system failure due to the capitalistic system itself.

Market liberals talk about degenerated offshoots, often caused by political interference.

Others focus on the US subprime collapse and say that social ambitions (like giving low income households a chance to borrow money for a house of their own) should be financed by taxes and not by letting the private sector take increased risks.

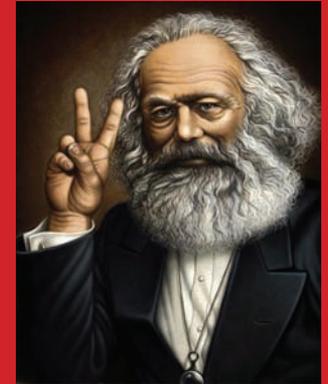


The repackings of bad or at least risky debts to nice-looking bonds and certificates have been heavily

criticized from all over the political scale.

Research and text: Megazine, Tallinn

Das Kapital becomes a bestseller



Sales of Karl Marx's work on economy and capital, 'Das Kapital', have skyrocketed as the global financial crisis goes on.

Das Kapital (Capital, in the English translation) is an extensive treatise on political economy written by Marx and edited in part by Friedrich Engels. First published in 1867, the book is a critical analysis of capitalism and its practical economic application.

Germany reports sales increases reaching plus 300 percent.

- Marx is trendy again, says Jörn Schüttrumpf at the German publishing house Kar-Dietz. We notice a remarkable increase in demand for Das Kapital and we believe it will continue to increase.

Karl Marx (1818 – 1883) is renowned as the philosopher, political economist, sociologist, humanist, political theorist becoming a revolutionary and a communist icon.



FICE's first four months

The Foreign Investors' Council in Estonia (FICE) has had four intensive first months. FICE's initial letter to the Estonian Government was followed by a meeting with Prime Minister Andrus Ansip (see focus 3/08 for a report) and since then the lobby work of FICE has intensified.



FICE met Riigikogu's Economic Affairs Committee

FICE met with Riigikogu's Economic Affairs Committee October 6th and made a detailed presentation on the proposals put forward in the August 17th letter to the Government.

At this meeting FICE got an invitation to visit Riigikogu in connection with the Estonian Parliament's debate session on the economy, October 23rd. At that occasion we could note that basically there is a political consensus on the issues FICE has given voice to. There are good reasons to appreciate that FICE's proposals on the Tax System, Education & Labour and Energy & Environment were included in this important debate without facing any obvious opposition!

However, it should be remembered that this was a debate. Parliament decisions have to be made and, above all, the things have to be made to happen.

FICE's newly formed work groups play an important role in this continued work. They are expected to dive deeper into FICE's proposals and work out implementation plans to be presented to the Estonian Government and Governmental bodies.



Anders Hedman – SCCE Chairman and Martin Breuer – Chairman of the Holland Business Club in Estonia

SCCE's members are more than welcome to contribute with input, opinions and proposals to the work groups and here follows the necessary contact information to FICE's work groups' leaders:

Tax system

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Tel: (+372) 62 76 940

Energy & Environment

Peter Karanen (The Finnish-Estonian Chamber of Commerce)
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Tel: (+372) 565 4442

The media interest for FICE is impressive.

FICE's work group on Education & Labour addressed the draft for a new Estonian labour law and in a November 6th letter, worked out by Martin Breuer, Chairman of the Holland Business Club in Estonia, FICE expressed its opinions on the draft to Riigikogu's Legal Affairs Committee. The next day FICE press information made front page news in Estonia's important media.

The Legal Affairs Committee of Riigikogu has now confirmed that they will propose the Estonian Parliament to adapt the new Labour Contract Act to come into effect July 1st 2009.

Friday October 31st, FICE's Chairman Jens Christiansen answered questions from www.bbn.ee readers. Originally planned to last between 10 am to 12 am, this online Q&A session was prolonged with one hour.



Kristiina Sikk – SCCE Ombudsman and FICE Secretary and Jens Christiansen – FICE Chairman and Chairman of the Danish-Estonian Chamber of Commerce

FICE has obviously made the difference. Bearing in mind that FICE was the first international interest group in Estonia that went public with input to Estonia's Action

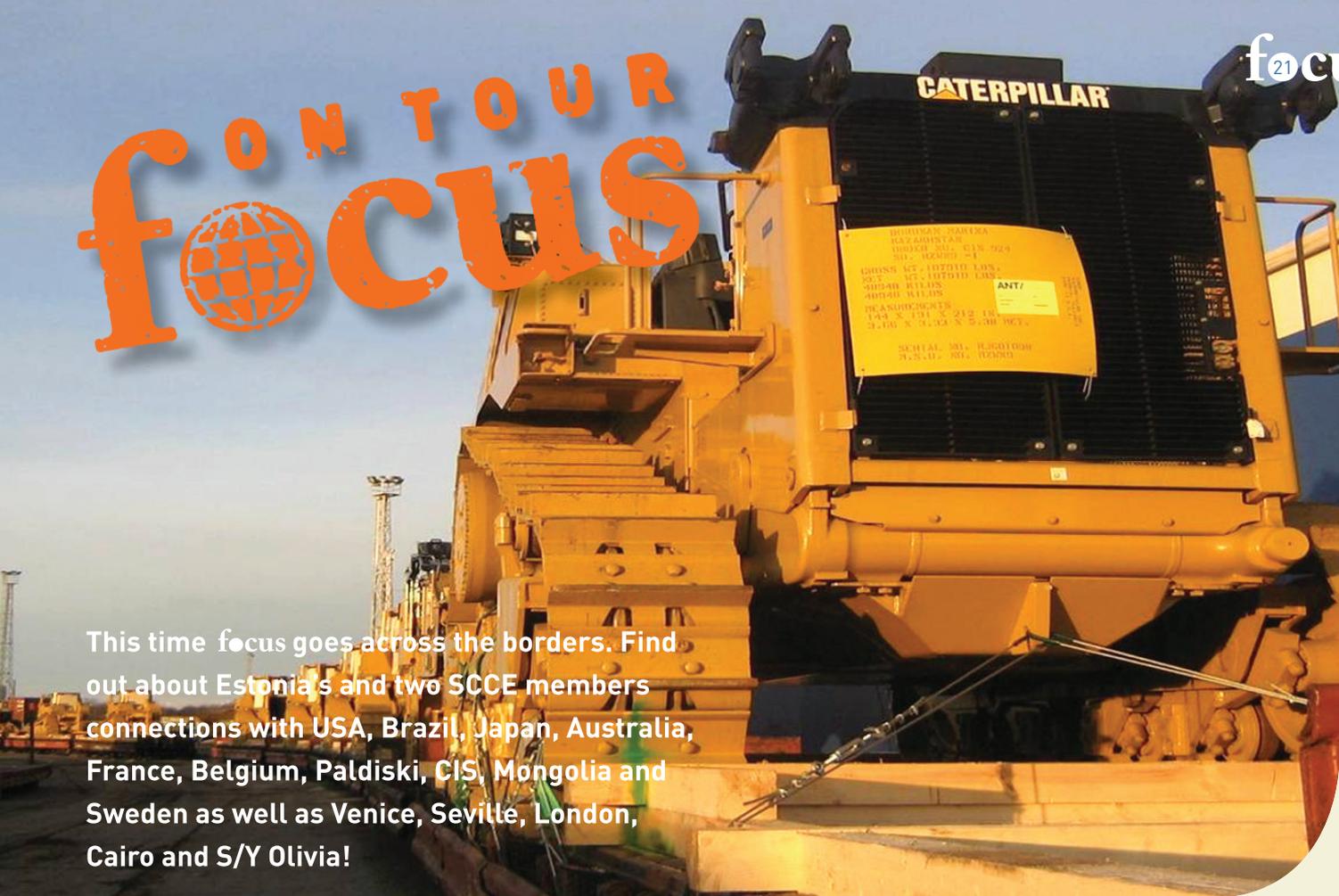
Plan for Growth and Jobs 2008-2011, I am happy that many other organizations as well as political decision makers are sharing FICE's thoughts and are interested to cooperate with Estonia's foreign investors.

Information on FICE's activities is found in SCCE NewsLetters, available online on this web address:

www.swedishchamber.ee/news

Report: Kristiina Sikk – SCCE Ombudsman and FICE Secretary

ON TOUR focus



This time focus goes across the borders. Find out about Estonia's and two SCCE members connections with USA, Brazil, Japan, Australia, France, Belgium, Paldiski, CIS, Mongolia and Sweden as well as Venice, Seville, London, Cairo and S/Y Olivia!

Heavy duty machinery in eastbound transit through Estonia

- Who said that transit transports through Estonia is a dead concept, asked Carl-Eric Lindström, Managing Director at DHL Express Baltics, as focus met him and members of his team at DHL's Tallinn office.



Mati Kärt

- Right now we are handling transports of heavy duty machinery coming from USA, Brazil, Japan, Australia, France, Belgium, and going through Estonia to their final destinations in several CIS-countries. Some of this machinery is actually continuing all the way to Mongolia.

- It is indeed heavy duty machinery we are handling in this logistical transport chain,

said Mati Kärt, DHL's Managing Director Freight. Transporting them on freight trains is the only realistic option due to their size and weight. Looking at the several days long queue of trucks at the Narva border station you might think that this would apply for these transports as well. Well, it doesn't and I would say that, though we are experiencing some problems from time to time we have always been able to come up with progressive solutions.

From USA, Brazil, Japan, Australia, France and Belgium via Antwerp to Paldiski, through Estonia and further on to CIS and Mongolia



Svetlana Shilenok

- Estonia is one important link in the set up of the chain of transportations needed for getting this machinery to their customers in the CIS-countries and Mongolia, told Svetlana Shilenok, CIS Route Manager/Rail & Road transportation at DHL Estonia. From overseas the machines are coming by Atlantic Ocean vessels to the gigantic Port of Antwerp in Belgium. Since there is a scheduled Ro-Ro ship connection from Antwerp to Paldiski, it is a smooth solution to reload the machines in Antwerp and then loading them on freight trains in Paldiski.

- Since we in Estonia have the same wide gauge width on our railroads as the CIS-countries and Mongolia, the machines will remain on the very same wagon, all the way from Paldiski to their final destinations, added Svetlana Shilenok.

- Getting the freight train wagons we need for this operation requires some good contacts, said Mati Kärt. We have to consider that the Estonian Railroad can not supply the number of wagons we need. And, furthermore we have to maximize the opportunity for the wagons to be loaded with a return cargo as well. One-way payload transports are never economical and they don't represent something we would like to offer our customers.

CIS

The Commonwealth of Independent States is a regional organization and as a confederation it is quite similar to the original European Community rather than today's European Union.

CIS possess coordinating powers in the realm of trade, finance, lawmaking, and security. As a regional organization, CIS participates in UN peacekeeping forces.

Some of the members of the CIS have established the Eurasian Economic Community with the aim of creating a full-fledged free trade zone or economic union between the participating states. However, other member states have shown greater interest in seeking to join the European Union. Similarly, some member states have established the Collective Security Treaty Organisation to co-operate on defence and security issues, while other members are seeking full membership of NATO.

The CIS is headquartered in Minsk, Belarus, and its member States as per November 2008 include Armenia, Azerbaijan, Belarus, Georgia (notice of withdrawal from the CIS made August 18th, 2008), Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan (associate member), Ukraine (has not ratified the CIS Charter) and Uzbekistan.

- Consequently we used some contacts in Russia and other CIS-countries for getting the wagon supply we need, continued Mati Kärt. There are some private options available there for renting freight train wagons and through our contact network we have managed to secure the capacity needed.

- These machines represent huge values and in addition to the logistical set up we also provide security along the way to the different destinations, told Mati Kärt. We cooperate with security companies in Russia and the CIS-countries concerned along the transportation routes and this is a set up that has served us and our customers very well.



Stockholm-Arlanda Cargo City

More than 250.000 tonnes of goods is carried via Stockholm-Arlanda airport per year. Main transport and logistic actors include DHL and air cargo carriers like Korean Airlines Cargo, Cathay Pacific Cargo, China Airlines Cargo, Jade Cargo, British Airways Cargo, Atlantic Airlines and West Air secure a steady flow of cargo flights to and from destinations all over the world.

Now under construction towards the southern parts of the airport, Stockholm-Arlanda Cargo City will comprise 150.000 sqm of freight- and logistic-buildings. This specially constructed air cargo area will also fulfil the upcoming international security regulations for being assigned as a Freight Zone – a zone where all goods handled is screened and controlled from a security point of view.

Airborne

From a passengers horizon it is easy to note that Tallinn Airport has undergone an impressive expansion. This expansion programme also includes the airport's air cargo facilities.

- Our express cargo volume has increased and right now a new cargo terminal is being built at the airport for DHL, told Leho Virma, DHL's Operations Manager as focus met him at DHL's Tallinn air cargo facilities. We will rent the space needed and the new terminal is built according to DHL worldwide standards and



Leho Virma

specifications. The total available area will include almost 1.700 sqm and we plan for a 2nd quarter opening 2009.

- Right now we have a daily cargo connection with our air cargo center at Stockholm-Arlanda's expansive Cargo City, continued Leho Virma. It is a chartered BAe ATP cargo aircraft arriving Tallinn in the morning hours and then returning to Stockholm towards the evening.

- This gives us the opportunity to sort and deliver incoming packages as well as collecting shipments in Estonia for



departure as the aircraft returns to Stockholm. Actually, 94% of our shipments here are next-day deliveries and we have currently 23 distribution cars taking care of the deliveries in Estonia.

- Our Tallinn downtown drop-off office for shipments like this has become popular. It is open 9.30 to 18.00 (lunch 12.30 – 13.00) on weekdays and is located at Rävåla 5, just next to Swedbank's office.

- Stockholm-Arlanda serves us well for our European and world-wide shipments. We have a daily cargo flight of our own between Stockholm and our European air cargo center in Leipzig and this secures both speed and quality in our growing international deliveries. Additionally we also operate a flight from Stockholm to East-Midlands, UK, connecting to our intercontinental flights to North and South America.

- The transport sector is indeed a mirror of commerce and trade, concluded Leho Virma. Looking at our air express volume at Tallinn airport, 75 percent is inbound to Estonia and consequently 25 percent have outbound export destinations.

A major actor

- Despite the current global financial difficulties, the Baltic States play an important role in the west to east and east to west transportation flow, said Carl-Eric Lindström. Estonia's infrastructure towards our eastern border and our closeness to the St Petersburg area shouldn't be under evaluated. Straightforward business has a tendency to overcome political rhetoric and as long as we find feasible solutions to problems that might occur I believe that we will continue to be a major player in this important transportation market.

- On a worldwide basis DHL currently consists of close to half a million persons and we operate in 220

DHL

Formed in 1969 by Adrian Dalsey, Larry Hillblom and Robert Lynn the company name DHL was derived from the founders' family names. They initially provided a courier service between the Continental US and Hawaii and then expanded the business from there.



DHL in Venice

Deutsche Post finalized its purchase of DHL in 2002 and the company is today a leading global actor in logistics and transports.



DHL - Official Logistics of Formula 1™

DHL is a Deutsche Post World Net brand and the group generated revenues of more than 63 bn euros in 2007.

www.dhl.ee
E-mail: estonia@dhl.com



Carl-Eric Lindström countries, concluded Carl-Eric Lindström. Our Estonian team includes some 200 persons and on a panBaltic level we are 562 team members.

Text: Megazine - Tallinn

There are no borders for a floating publishing company



Ann Ljungberg – ALF Publishing Company

The thought on ALF publishing company started to sprout by a pure coincidence at a Stockholm bookshop in the middle of the Christmas rush 2005.

That's when the idea on *Skrivarkalendern* [the Writer's Calendar] was born; an inspirational book containing interviews with authors, articles on writing and writing exercises every week throughout a full year. Ann Ljungberg, on an occasional visit "at home" in Sweden, started to cooperate with Anna-Carin Collin for writing the book.

For the production Ann used a tip from a networking friend in Luxembourg leading to mcm and Göran Brodén in Estonia.

Ann - who also works as a coach for authors, an organizer of courses for writers and as a publishing house editor – traveled back to her distant working place onboard the sail yacht *Olivia*, at that time moored at the Turkish coast, and kept the contacts with co-authors, graphic designers and production facilities through e-mail. Nine months later the book was presented and launched at Bok & Bibliotek, the Göteborg Book Fair.

By now the small publishing house has published six books,

all produced in cooperation with mcm in Estonia. S/Y Olivia has headed on and Ann has found peace for working at places like the Venice lagoon, Seville and right now in London where the sail yacht is moored for the winter at St Katharine's Marina next to the Tower Bridge.

Göran Brodén and Ann Ljungberg got an opportunity to meet in Venice – a personal contact is of course always good for



[I died in Barcelona] Claes Grill's exciting story on the Swedish salesman Tomas Lidner meeting his double David Coello in Spain. They decide to change places with each other for a weekend...

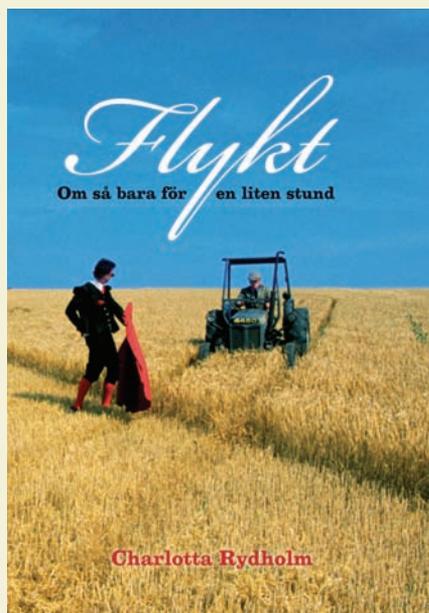
She is planning several courses in London this winter and not totally surprising, she is also working with new books, this time with English themes. ALF publishing company just concluded an agreement on translating and publishing Fay Weldon's latest book the coming spring 2009 [among many other novels, Fay Weldon is also the author of the best seller *The Life and Loves of a She-Devil*, which became a movie 1989, starring Roseanne Barr as the "she-devil" and Meryl Streep as her adversary, Mary Fisher]. The translator of this coming Fay Weldon book, Marianne Alstermark lives in Cairo. An additional ALF publishing company author this coming spring, Bo Wiberg, lives in France. Ann regards the international spread of the business contacts as a benefit.

deepening the contact – but otherwise the cooperation has moved on smoothly through e-mails and phone calls.

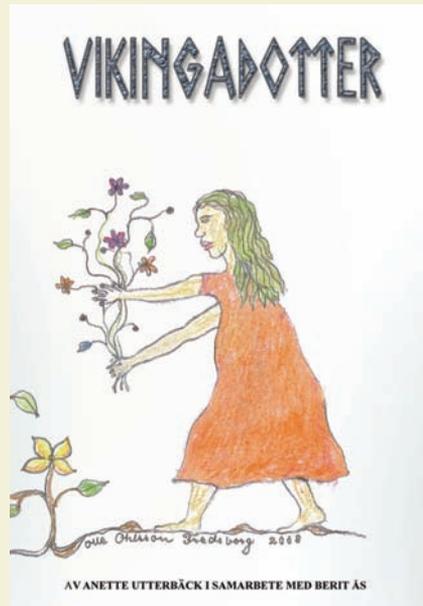
During last season's winter mooring of S/Y Olivia in Seville, Ann took the opportunity and published two books with Spanish themes; *Jag dog i Barcelona* by Claes Grill and *Flykt – om så bara för en stund* by Charlotta Rydholm [I died in Barcelona and Escape – if only for a short moment; both available in Swedish original versions]. By doing that she came in contact with Swedes in

southern Spain, interested in books and writing.

- It is during the courses and presentations of books that I get in personal contact with my customers. It's inspiring, says Ann.



[Escape – if only for a short moment] She escapes Sweden and the overheated IT-boom year 2000 and ends up in Madrid. To be in love with life, the people, with a country. That is to live, writes Charlotta Rydholm in this ALF book.



[The Viking's Daughter] Written by Anette Utterbäck, this autumn's ALF book is the story on Berit Ås – Norway's first female political party leader who became a feministic icon.

- As a one-person entrepreneur onboard a sail yacht I can sometimes miss not being able to be physically present "where everything happens" and it is constantly a question of finding new ways to reach out with my messages. My international network is invaluable, says Ann and concludes;

- The beauty with my business is that I can do it anywhere! The only need I have is to be able to connect to Internet, at least

a couple of times per week. My business can go on as long as there are people longing for writing and reading.

Text: Ann Ljungberg
Translation: Megazine -Tallinn

ALF publishing company

ALF – Ann Ljungberg Förlag – is an independent publishing company operated from the sail yacht Olivia, this winter moored at St Katharine's Marina in London.

As a coach for authors, Ann Ljungberg is working on scripts together with the authors and if the conditions are favourable, the work becomes a book and jointly published.

Ann is also an organizer of courses for writers and a publishing house editor.

ALF publishing house and book shop is open 24hrs year round at:
www.alfbok.se
E-mail: ann.ljungberg@alfbok.se

mcm – market communication management

mcm is a market communication partner. The Swedish management has been operating out of the Baltic States since 1992 and has today key partners in eleven countries.

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Crisis in Eastern Europe: What doesn't kill you makes you stronger?

While Eastern Europe has been an exciting

display of investment opportunities and high GDP growth figures for the last decade, latest by now it is clear for everyone that the party is over. The really interesting questions, however, are how low the Eastern European countries will sink and what the future of the region is.

We all know the story by now; The American fiscal policies created an over-leveraged economy, which drew the country and most of the world into an unprecedented recession. One could say this was "moderately unfortunate" for many established EU countries (like e.g. Sweden and Finland), who now have to

take a breath for a couple of years before they are back on the steadily growing track. The unemployment will grow a little and banks may need additional guarantees, but the fundamentals of these economies are robust enough to wait out the storm.

The more devastating effect, however, is being seen in the emerging

economies of Eastern Europe where the fundamentals are all but strong. With varyingly alarming current account deficits, strong dependence on foreign investments (and loans) and relatively modest export sectors, many of these countries are now in dire straights.

One of the worst hit markets in Eastern Europe is Ukraine, where the stock market has dropped almost 80% during the last year, the currency is record breaking low and the inflation high. Ukraine has in essence been -much like Iceland- close to bankruptcy, something which made the IMF react by granting an emergency loan to the country. The political turmoil of Ukraine also couldn't come at a worse time. Next year Ukraine has to pay back even bigger international loans, while the president and prime minister continue to fight, and the near future looks very challenging.

Besides Ukraine, also Hungary has received an emergency intervention by the IMF. With a relatively high public debt (60% of GDP), Hungary has been living over its means, and is now experiencing major uncertainty with regards to the country's financial future.

While Hungary and Ukraine have already made explicit statements that their economies are in need of foreign assistance, the international markets are turning to see when (if) Bulgaria and Romania will do the same. As written in the last Eastern European Safari column, here Bulgaria seems to be worse off. With one of the highest current account deficits in the region, a big property bubble bursting and a still quite inefficient (i.e. corrupt) system of government, Bulgaria could well need significant assistance in coping with the crisis relatively soon.

The Baltic countries have yet not needed any outside intervention for controlling or stopping the freefall the economies de facto are in today. Especially in the case of Latvia and Estonia, even the term "hard landing" seems like a premature and positive term, since nobody knows how low they have to go for the current freefall to stop. The links with the Nordic banking system (which largely enabled the boom in the first place) is, however, now a blessing for both countries. While the inevitably accruing banking credit losses may be big on a Baltic scale, they should be totally manageable on a Nordic scale. As the banking sector stays robust, the result will be a tough economic downturn, but not a collapse. The Baltic economies also have very little public debt and relatively stable and efficient governments.

So far the international financial media has not seemed too worried about Russia's survival in the global financial crisis.



While the Russian stock market has plunged time and again (down by over 75% in a year), the media is often reminding us of the huge Russian currency reserves, that can be used to stabilize the economy if needed. According to these sources, the over 500 billion USD reserves that were built up during the last years, should calm foreign investors who are about to lose their faith in the country as a credible investment target. The fact remains, however, that supporting the ruble, bailing out Russian companies and banks while also investing into renewing military equipment and mega-sized energy projects is very expensive even if you have the world's third biggest cash reserve. The Russian reserves have lately on an average been falling by approximately 15-20 bn USD per week, peaking at over -30 bn USD per week during October. At this rate, and with the current oil prices adding further negative pressure, we should see a significantly more careful Russia in the coming months, at least on the economic arena, but most probably also to some extent in the political rhetoric.

It is clear that all of Eastern Europe is heavily hit by the global financial crisis. For many countries, however, this should be seen as a healing process instead of as a catastrophe. As the growth euphoria withers away, asset prices fall and salary expectations becoming more realistic, the whole region becomes more attractive for foreign investment. After the storm blows over, the fundamental facts will still remain. Eastern Europe offers a nearby, low-cost, culturally similar region to Western Europe, with over 300 million ambitious consumers and markets with high long-term growth potential.



Martin Seppälä

Dr Martin Seppälä has a Ph.D. (Econ.) in strategic management and is a partner at Excedea. martin.seppala@excedea.com

Source for statistical data: The Economist 2008

Excedea

Excedea is a leading management and investment advisor in the Baltics and Eastern Europe.

Services provided include supporting Nordic companies and investors to succeed in the Baltics and Eastern Europe through market analysis, growth strategy, partner searches and acquisition target analysis. Individual investors and investment funds are supported for their investments in the area and high-growth companies are helped to crystallize their ambition level and strategy, assisting them to internationalize and to finance the growth.

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Real estate



As the real estate market slows down all over Europe, a major Danish broker has taken a grip to put new life into its slumbering sales. Their concept includes an invitation to potential customers for a weeks test living in an object before making their final decision.

- Basically it's about having the premises a bit for yourself a while, instead of having a broker hanging over your shoulders, commented a real

estate broker.

And, since the premises are empty anyway, the idea is not bad at all.

As Copenhagen reports 18.000 empty downtown flats and neighbouring suburban houses, Sweden seems to face quite a different future real estate situation.

A record number of babies were born 1988-1992 in Sweden and this means that 50.000 new dwellings have to be built in the next five years. Remembering "Miljon-programmet" (the million-program) towards the end of the 1960's, concerns have been raised in Sweden on the outcome of this urgent need for new housings.



"Miljon-programmet"

The Swedish "Miljon-programmet" ended up with a sufficient number of apartments built, but the quality in terms of living environment was indeed doubtful.

- Realizing this pressure there is a risk for a new mass production of poor housing environments, commented a Swedish real estate analyst the upcoming situation. There will be around 800.000 Swedish youth aged 18 - 24 looking for a living space in five years time.

The Swedish accommodation problems will be most acute in the bigger city areas. That is where the labour market is most intensive and that is also where the possibilities for a further higher academic education exist.

- From a general point of view, youth shouldn't have to turn to new production dwellings for their living needs, concluded the Swedish real estate analyst. That will always be more expensive than living in apartments and flats built in the earlier days.

- More or less thirty-five years ago I bought a house located between Stockholm-Arlanda airport and downtown Stockholm, commented a Swede to **focus**. It takes you some 20 minutes to commute to central Stockholm and the current costs of mortgages and rents are around SEK 1.500.- per month (EEK 2.500.-/ month). Swedish real estate tax, electricity, insurance, water and waste should of course be added but still, the total living costs for this 200 sqm private house and 3.000 sqm of land is survivable compared to what the youth of today can expect in terms of Swedish monthly living costs.

Sky high traffic incomes over Estonia increases



Estonian Air Navigation Services - EANS has guided 16% more flights passing Estonian air space compared to one year ago. This is indeed an impressive growth since the total increase of European flights year-to-date ended up at 2.7%.

Estonian air space has become popular among many

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intercontinental air carriers and the increase is more or less totally connected to long haul flights between the Far East and Europe.

EANS themselves sites three main reasons behind the increase; Estonia is located on the great circle route between the Far East and the major European airports. EANS has increased their capacity in terms of the number of flights that could be served and the Estonian en-route air navigation service fees charged to the over flying airlines are favourable.



EANS reported a 9% revenue increase year-to-date and expects the east-west traffic to increase more even though north-south traffic with Finnair as the biggest single customer still dominates Estonian air space.

- They are more positive to migration and social minorities
- Working on distance – from home or commuting to another city – doesn't cause any major problems for a Stockholmer
- They feel more directly connected to the Swedish society
- They are generally more critical than fellow country side Swedes
- They regard themselves having bigger opportunities to influence their own life
- They don't trust their neighbours
- They are more positive to consumption and are more open for eCommerce

A comparable study of Tallinners attitudes is not available, but in a comment the County of Stockholm said that the outcome of this study coincides quite well with similar findings in Oslo and Copenhagen.

Urban attitudes



With approximately 10% of the Swedish population living in greater Stockholm (900.000 urban people) the regional planning office of the County of Stockholm found reasons to map their attitudes and compare them with non-suburban peoples'.

The research was performed this autumn and the main attitude differences included:

- Stockholm urban inhabitants are responding faster to technical innovations

World Economic Forum's Global Competitiveness Rankings



Each year World Economic Forum publishes their Global Competitiveness Ranking. The rankings are calculated from

publicly available data and the Executive Opinion Survey - a comprehensive annual survey conducted by the World Economic Forum in the countries covered by the report.

This year, over 12,000 business leaders were polled in a record 134 global economies. The survey is designed to capture a broad range of factors affecting an economy's business climate.

Country	Ranking 2008/09	Ranking 2007/08
USA	1	1
Switzerland	2	2
Denmark	3	3
Sweden	4	4
Finland	6	6
Norway	15	16
Estonia	32	27
Lithuania	44	38
Latvia	54	45

- In an uncertain global financial environment it is more

newsflashes



important than ever for countries to put into place the fundamentals underpinning economic growth and development, said Klaus Schwab, Founder and Executive Chairman of the World Economic Forum, in a comment. The World Economic Forum has for many years played a facilitating role in this process by providing detailed assessments

Klaus Schwab, Founder and Executive Chairman of the World Economic Forum

of the productive potential of nations worldwide. The Global Competitiveness Report 2008-2009 offers policy-makers and

business leaders an important tool in the formulation of improved economic policies and institutional reforms.

The full report, highlights, summary, economy profiles, rankings and more is available at: www.weforum.org/gcr.

Swedish Exports:

State support is a key issue for export success



Photo: Port of Göteborg

Following the appearance of the Swedish *export paradox*, the Swedish Government placed a 2007 order for a comprehensive study and report on Swedish exports. The *export paradox* refers to the fact that Swedish exports have developed strongly the last decades but at the same time Sweden shows a decreasing trend in its export share on the global market.

focus has read the report and found out that the

proposals given might very well be applicable for any State, e.g. Estonia. Here is a very short summary:

- A good entrepreneurial climate is the most important base for growth on the international marketplace. Creating good conditions for research, development and education create a competitive edge and are necessary components in the enterprise politics.



- Supporting companies' growth on foreign markets should be integrated with the enterprise politics. This support should be regarded as the international dimension of the domestic enterprise politics. Few long term political enterprise goals can be achieved

if the ambitions for growth are limited to the domestic market.

- State support should be governed by actual needs and concentrated to growing small and medium sized companies with a potential on foreign markets.

The full report (Swedish language) has been distributed to all Swedish Chambers of Commerce abroad and is available in .pdf format. Please contact SCCE's Ombudsman Kristiina Sikk for a personal electronic copy (E-mail: kristiina@swedishchamber.ee Tel: (+372) 501 9813)

Hotel Telegraaf – on the prestigious international exclusive hotels top lists

Tallinn's Hotel Telegraaf has established itself on the prestigious lists of exclusive hotels published by the major international travel and business media.

Condé Nast Traveller's CNTraveller.com has named Tallinn's Hotel Telegraaf as one of the world's "65 most stylish, most innovative, most luxurious hotels..."

"How refreshing, in this age of e-mail," reads CNTraveller's review, "to find a hotel called the Telegraaf, housed in a 19th-century post office, with suites dedicated to Samuel Morse and Alexander Graham Bell. But this

newsflashes



Hotel Telegraaf's Presidential Suite - More of a private luxury apartment

86-room property in the heart of the Old Town is anything but old-fashioned..."

- We're of course very pleased, said Hotel Telegraaf's General Manager, Michael J. J. Stenner. This is not only a great honour for the hotel, but it is recognition for Tallinn as well.

Michael Stenner drew attention to Condé Nast's specific mention of Tallinn in its review: "...like its sibling hotel, The Three Sisters - is a good example of how Tallinn successfully combines a sense of history with 21st-century comforts."

In addition to Condé Nast Traveller's CNTraveller.com, CNBC European Business, the monthly business magazine, has named Hotel Telegraaf among its "Top 25 Business Hotels 2008."

In naming the hotel one of Europe's finest, the magazine called the Telegraaf a "modern, sophisticated hotel with a stunning façade."

- We are of course extremely pleased with this honour as well, said Michael Stenner, quoting from the magazine that the Telegraaf was 'geared up for business meetings.' From the very beginning Telegraaf was conceived as a business hotel and we are pleased that our hard work is visible to both guests and industry experts.



The Elemis Spa at Hotel Telegraaf

CNBC's jury consisted of industry experts and the magazine's travelling readers and Stockholm's Grand Hotel was also named among Europe's best. No other hotels in the Baltic States or Finland placed among the top 25.

The award places the Telegraaf in the company of such legends as the Four Seasons George V in Paris, Claridge's in London, and Berlin's Adlon Hotel.

Increased support for the Euro in Sweden



January 1st, 2009 marks the 10 years anniversary of the introduction of the Euro.

At a Swedish 2003 general election the outcome became a clear No!; Swedes wanted to keep the Krona.

A recent poll shows however that the support for the Euro in Sweden has increased quite remarkably. Analysts say that the reason is the weakening value of the Swedish Krona; at the beginning of December 2008 a Euro costed well above 10 SEK.

From a historical perspective Swedes' opinion to the Euro has varied. A majority was positive to the Euro during a short period 1999 and during 2001 up to mid-2002. But in connection with the political campaigns before the general election on the issue 2003, the pro-Euro share of Swedes decreased substantially.

Most Swedish politicians are today keeping a low profile

newsflashes

on the issue and commentators say that they most likely wait for polls showing a clear and absolute majority for the Euro before any plans for a new general election on the issue will be proposed.

Tchaikovsky named amongst the “25 Best Hotel Restaurants in Europe”



Restaurant Tchaikovsky

The elite Russian magazine Elite Life & Travel has named Hotel Telegraaf’s Restaurant Tchaikovsky as one of Europe’s 25 best hotel restaurants.

Tchaikovsky is the only restaurant in the Baltics and Scandinavia to receive the honour.

- To be the only restaurant to win in the entire Nordic is a great honour, said Michael Stenner, Telegraaf Hotel’s General Manager. It is yet more proof that Estonian hotels can compete with anyone, anywhere.

The magazine places Tchaikovsky in the company of such greats as Alain Ducasse au Plaza Athenee, Goya Restaurant in Hotel Ritz Madrid, Le Cinq at Four Seasons Hotel George V and Gordon Ramsay at Claridge’s.

The restaurants were judged according to four criteria: environment, taste, atmosphere and nuance. The magazine remarked on Chef Igor Andrejev’s menu and its adherence to Tsarist traditions—taste, health, and progressive cuisine.

Three Sisters keep its Wine Card on world top



The Three Sisters Hotel, known for providing five-star boutique accommodations and service in a design-conscious setting in the Tallinn Old Town, has been awarded two years in a row with the prestigious Wine Spectator award.

The Wine Spectator award recognizes restaurants whose wine lists offer breadth, depth of vintages, and

appropriate selections for the restaurant’s cuisine. The 2008 awards were announced in the Wine Spectator magazine and on the Wine Spectator website. Both recognized as leading authorities and resources on wine and dining worldwide.

The Three Sisters Restaurant, whose wine list garnered the award, was required to present a wine list that was complete, accurate, balanced and well presented. Additionally, to qualify for the award, a restaurant must offer a minimum of 100 bottle selections and a variety of wines by the glass. The Three Sisters offers over 400 kinds of wines and more than 20 wines by the glass.

The Three Sisters is pleased to recognize sommelier and Food & Beverage Manager Kristjan Peäske, who has successfully continued the great work started by Jennifer Mitchell. Three Sisters reputation as the “wine hotel of Eastern Europe” only continues to grow.



Volvo Estonia opens a new Truck Center in Tallinn



Volvo Trucks subsidiary in Estonia has opened a new Volvo Truck Center in Tallinn. The new Center is the biggest in Estonia and together with the additional Volvo Truck Centers in Pärnu and Tartu, Volvo Trucks service network in Estonia has been significantly developed further.

- Broadening our range of services and getting closer to the customer is a cornerstone in our strategy, said Tom Jörning, Managing Director of Region Central-East within Volvo Trucks, EUD at the November 27th opening.

The 2.250 sqm Truck Center will be a multifunctional service station and will offer a full range of Volvo products and services, including workshop services, sales of trucks and genuine Volvo parts. In addition to this, a trucks' washing bay and an AdBlue station will be available. The new premises will also house the head office for Volvo Estonia market organisation.

- This year, the economic situation has changed for all parties on the Estonian, European and global market places, said Johannes Kjellgren, Managing Director of Volvo Estonia.

- Due to this, efficiency and optimal solutions are new keywords. 2009 will be a tough year for many companies, not only in the transport business. It is important that we keep a long term strategy and, at the same time try to adjust to a short term situation. Globally and in a long term, there is no doubt that road transport will grow. There are more and more people, who need more and more goods, and the most flexible system today is road transport with trucks.

- With new services and products in hand, we have to make an effort to continue profitable growth with our customers, concluded Johannes Kjellgren.

The new Volvo Truck Center in Tallinn is conveniently and truck-friendly located in the Rae Technological Park, near the Tallinn-Tartu road at Kurekivi 10, Lehmja, 75306 Rae. The new premises will be open Monday to Friday from 8:00 am to 8:00 pm, Saturdays and Sundays from 8:00 am to 5:00 pm, closed on public holidays.

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The Swedish Chamber of Commerce in Estonia

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As I write this it has become that time of the year when boxes are pulled out of the cupboards and decorations for Advent, Christmas and New Year are put up.



Lucia och Stjärngossen
Design: Lisa Larson

Some of the festive season's items in my home are of Swedish origin, like Lucia och Stjärngossen [Lucia and the Star boy]. They were designed by the Swedish ceramist Lisa Larson who also, more than thirty years ago, made a money-box in the shape of the former Swedish Minister of Finance, Gunnar Sträng.

I don't have that latter piece of ceramics but I think it is very symbolic for our days as well. Economical growth is replaced with recession and economizing is now a key issue – both in the public and private sectors.

Gunnar Sträng was a long time Minister of Finance in Sweden and he kept this post for 21 years, from 1955 to 1976. As the Swedish tax system became more and more complicated and as taxes grew higher and higher, I am told that Gunnar Sträng developed a certain kind of 'Strängish' authority within his field of Swedish politics.

In the beginning of 1976, Astrid Lindgren – the Swedish author of Pippi Longstocking and many other beautiful children stories, found out that she paid more in tax than what she earned. She wrote a story about it and it was published in a Swedish daily newspaper as 'Pomperipossa in Monismanien'. Pomperipossa was Astrid Lindgren's alter ego in the story and she says somewhat upset: "So many percent that I pay in tax, so many percent simply don't exist".



The money-box ceramic of Gunnar Sträng – Sweden's former Minister of Finance
Design: Lisa Larson

Like every other Swede, Gunnar Sträng also read the story. He felt the need of commenting and went up in the Swedish Parliament and said, obviously with some typical authority of his: "Mrs Lindgren is an excellent story teller, but she can't count."

Astrid Lindgren was however totally correct in her calculations and made a comment of her own to Gunnar Sträng: "Gunnar Sträng has always been good in telling stories, but he has never learnt to count. Maybe we should exchange jobs."



Astrid Lindgren and Gunnar Sträng
Ill: Martin Lamm, DN 1976

This March 1976 event became to be considered as one of the contributing factors behind Gunnar Sträng's party, the Social Democrats, losing that year's Swedish elections.

Keeping the Estonian tax system simple, stable and transparent is the topic for one of FICE's – the Foreign Investors' Council in Estonia, work groups. FICE's work groups are presented in this issue of focus and hopefully many SCCE's members are contributing to their work with input, opinions and proposals.

Almost fifty years ago, Lena Larsson – a Swedish furniture- and interior-designer, initiated an intensive debate in Sweden. Back in 1960 she published an article in the Swedish design magazine 'Form' headlined: "Buy, wear out and throw away".

The resulting intensive debate of the early 1960's was polarized between those wanting to preserve the old and those who wanted something new.

Going from something old to something new was an outcome of May of '68 – the students' revolution in France. In connection with focus series of articles on this year's 90th Anniversary of the Republic of Estonia we have now looked back to 1968, forty years ago, and the May of '68 events are included in this chronicle.

Lena Larsson's 1960 concept is to some extent still up in today's debate and now as a contrast. As focus met Maud Olofsson, Sweden's Minister for Enterprise & Energy and Deputy Prime Minister, today's contrasts to the buy, wear out and throw away concept were highlighted. Nowadays renewability, sustainability and recycling are key issues, not only in the energy sector, but in many ways also in our daily work and private lives.

It seems that 2009 will be even more challenging than this year and I look forward to seeing you at the coming seminars, meetings, study visits and events arranged by the Swedish Chamber of Commerce in Estonia. Meanwhile I wish you all a Merry Christmas and a Happy New Year - however challenging it might become.

I hope you enjoy reading this issue of **focus** and latest news on SCCE events to come and reports on events passed are always found at: www.swedishchamber.ee.



Sincerely,

Kristiina Sikk
SCCE Ombudsman

Contributions to **focus** from the members of SCCE, both in terms of editorial content and advertising, are welcomed. If you haven't already done it – please do put us on the mailing list for pressreleases, articles as well as your point-of-view on issues of general interest for the commerce and trade between Estonia and Sweden. You can reach me at email: kristiina@swedishchamber.ee or by phone: **(+372) 501 9813**. The focus advertising opportunities including sizes, prices and technical requirements are available at our website: www.swedishchamber.ee.

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