

**MINIFACTS ABOUT ESTONIA  
2009**



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<b>Population</b>	1 340 300 (as of 1 January 2009, preliminary data)
<b>Total area</b>	45 227 km <sup>2</sup>
<b>National currency</b>	Estonian kroon (1 kroon = 100 sents); Exchange rate of Estonian kroon to euro: 1 euro = 15.6466 kroons
<b>Capital city</b>	Tallinn
<b>Administrative division</b>	15 counties, 227 administrative units, including 33 cities, 194 rural municipalities
<b>Number of islands</b>	1 521
<b>Largest islands</b>	Saaremaa, 2 671 km <sup>2</sup> Hiiumaa, 989 km <sup>2</sup> Muhu, 198 km <sup>2</sup>
<b>Longest rivers</b>	Võhandu, 162 km    Pärnu, 144 km    Põltsamaa, 135 km
<b>Largest lakes</b>	Peipus, 3 555 km <sup>2</sup> (including the part belonging to Estonia 1 529 km <sup>2</sup> ) Võrtsjärv, 271 km <sup>2</sup>
<b>Highest point</b>	Suur Munamägi, 318 m
<b>Average daily temperature</b>	Annual mean +7.4°C    in January -0.4°C    in July +16.8°C (2008)

# 1 Republic of Estonia

The Republic of Estonia is a parliamentary republic. The head of the State is the President, elected for five years. There have been four presidents of the Republic of Estonia during the history. The current President is Toomas Hendrik Ilves.

National legislature is a unicameral Parliament of 101 members — Riigikogu, whose term is four years.

The Republic of Estonia was proclaimed on 24 February 1918. In November of the same year the War of Independence started and ended on 2 February 1920 when Tartu Peace Treaty was signed and Russia accepted the independence of the Republic of Estonia. On 22 September 1921 Estonia became a member of the League of Nations.

During the World War II the Republic of Estonia lost its independence — first it was occupied by the Soviet Union (1940–1941) and after that by Germany (1941–1944). In autumn 1944 the Republic of Estonia was annexed to the Soviet Union for about 50 years. Occupation period lasted for decades and ended with the Singing Revolution in 1988. The restoration of Estonian independence was declared on 20 August 1991.

The Republic of Estonia is a member of the United Nations since 17 September 1991, a member of NATO since 29 March 2004 and a member of the European Union since 1 May 2004.

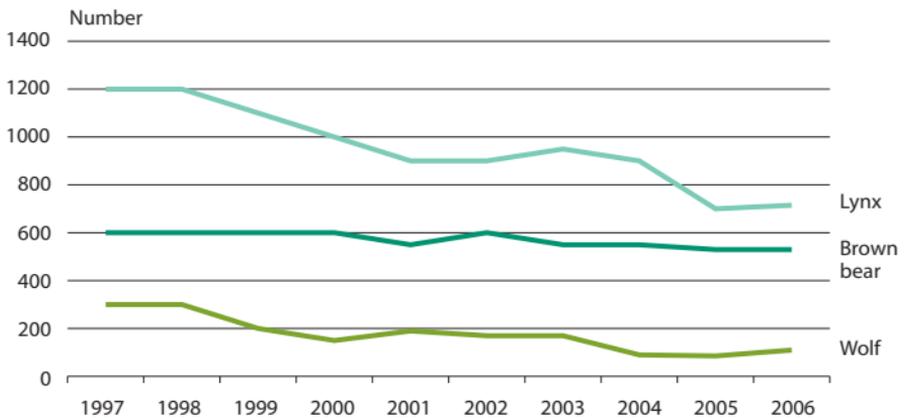
The official language is Estonian. The national flag is blue, black and white tricolour.

The Estonian national flower is the cornflower, the national bird is the swallow and the national stone is limestone.

There is an effigy of three lions on the national coat-of-arms.



Counted wild animals, 1997–2006



In Estonia a lot of various natural landscapes and habitats have remained due to the low density of population. A nature hobbyist may find here large forested areas, swamp landscapes, natural meadows, coastal shallows, small lakes and rivers.

48% of Estonia is covered with forests, which means that forests (stands) comprise two million hectares of land. Pine woods and birch woods are dominating comprising 36% and 30% of stands, respectively. The spruce woods are in the third place by spread (16%).

Agricultural land makes up less than one third (30%) of Estonia. Swamps cover 5% and inland waters 3% of the Estonian territory. The area of agricultural production has decreased substantially during the last decade.

As of 31 December 2007, there were 3,389 nature objects under protection, of which 5 natural parks, 129 nature reserves and 149 landscape reserves in Estonia.

There are 64 species of mammals, 222 species of birds, 5 species of reptiles, 11 species of amphibians and a lot of different species of invertebrates in Estonian nature. 74 species of fishes live in Estonian waters.

The number of games has remained high in Estonia — 63,000 roe deer, 21,000 wild boars, 19,400 beavers, 11,000 elks and 2,200 red deer were counted in 2007. Also the populations of species like wolf, lynx and bear, which have become a rarity in some places in Europe, are viable in Estonia. It has been estimated that 130 wolves, 760 lynxes and 620 brown bears are living in Estonian woods.

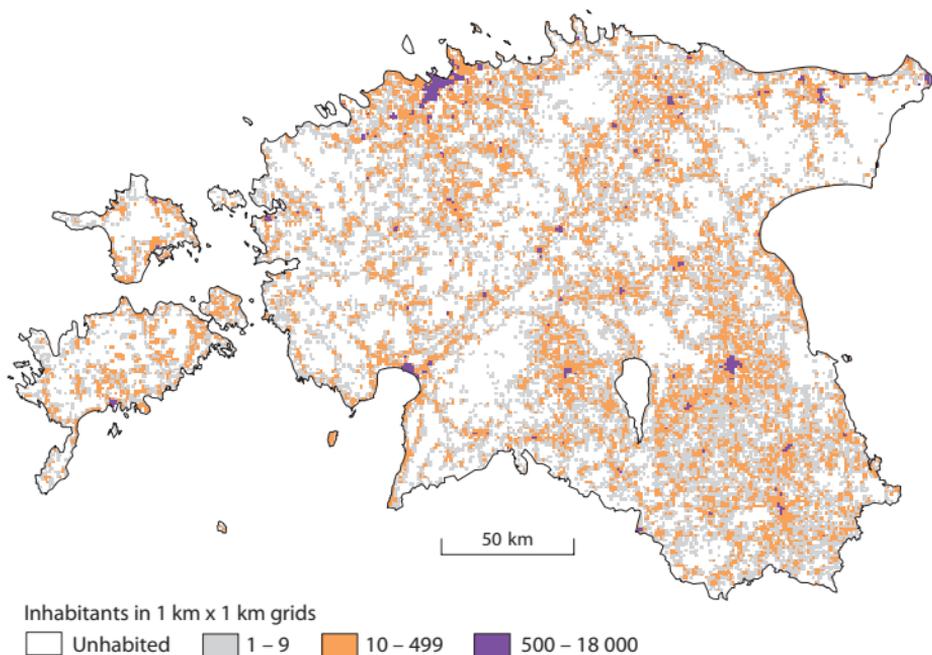
The excavation of mineral resources has increased from year to year. The production of the most mined resource — oil shale — was 28% or 3 million tons bigger in 2007 than in 1998.

## Mineral resources, 2007

	Production	Resources
Oil shale, thousand tons	13 992.2	4 868 720.0
Sand, thousand m <sup>3</sup>	3 440.1	804 680.9
Limestone, thousand m <sup>3</sup>	3 356.1	943 391.3
Gravel, thousand m <sup>3</sup>	1 835.8	124 599.9
Peat, thousand tons	900.8	1 600 145.7
Dolomite, thousand m <sup>3</sup>	569.2	341 026.8
Clay, thousand m <sup>3</sup>	265.9	298 119.1
Sea mud, thousand tons	0.4	3 022.7
Phosphorite, thousand tons	-	2 935 735.0
Granite, thousand m <sup>3</sup>	-	2 968 994.0



Population density, 31 March 2000



As of 1 January 2008, the population number of Estonia was 1.34 million. Only three EU Member States have a population number smaller than in Estonia. The population number is decreasing; the natural increase as well as net migration is negative in Estonia. A small growing trend in the number of births is a positive phenomenon.

Estonia is a thinly populated country — about 31 inhabitants per square kilometre. Population density is close to that of the US. Only two countries in the European Union are more thinly populated than Estonia. About 30% of the population live in the capital city Tallinn, 40% live in the capital region.

Two thirds of the population of Estonia are Estonians. Most of Estonia's inhabitants of other nationalities are Russians. The share of other nationalities varies by regions. More than 80% of non-Estonians live in two counties — in Harju and Ida-Viru counties. In Ida-Viru county the share of non-Estonians in total population is ca 80% and in Tallinn ca 45%.

The age structure of population in Estonia is changing. Thus the demographic labour pressure index in Estonia has fallen below one, which means that in the nearest future more persons will leave than enter the labour market as a result of demographic processes. In 1998–2006 the dependency ratio was falling, but in 2007 it rose and on the basis of population prognosis it can be assumed that it is the starting point of the upward trend of dependency ratio. The dependency ratio fell in Estonia due to the decrease in the number of youth. In 1998 the dependency ratio in Estonia was 51.6 (the share of persons aged 0–14 was 29.5 and the share of persons aged 65 and older was 22.0); in 2006, when the dependency ratio in Estonia was the lowest of the decade, the respective indicators were 46.6, 22.1 and 24.5.

#### DEFINITIONS

Demographic labour pressure index = persons aged 5–14 / 55–64

Dependency ratio = ((persons aged 0–14 + 65 and older) / 15–64)\*100

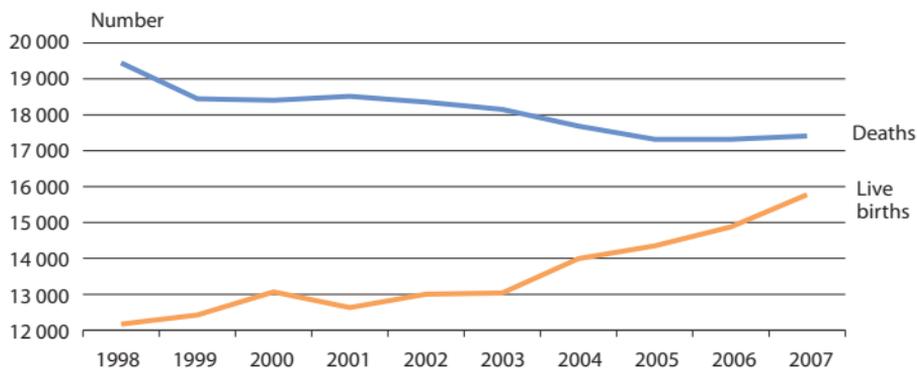
**Population, 1 January 2008**

	Total	Males	Females
<b>Population</b>	1 340 935	617 410	723 525
0–14	198 703	102 244	96 459
15–64	911 590	438 810	472 780
65+	230 469	76 284	154 185
age unknown	173	72	101
Estonians	920 885	429 271	491 614
Russians	343 568	152 713	190 855
other ethnic nationalities	76 482	35 426	41 056
population of urban settlements	930 936	418 806	512 130
population of rural settlements	409 999	198 604	211 395
Life expectancy at birth, 2007	73.0	67.1	78.7
<b>Population, %</b>			
0–14	14.8	16.6	13.3
15–64	68.0	71.1	65.3
65+	17.2	12.4	21.3
Estonians	68.7	69.5	67.9
Russians	25.6	24.7	26.4
other ethnic nationalities	5.7	5.7	5.7
population of urban settlements	69.4	67.8	70.8
population of rural settlements	30.6	32.2	29.2

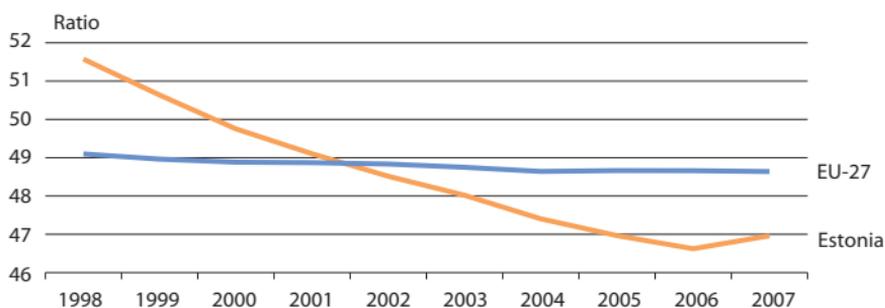
**Vital events, 2007**

	Total	Males	Females
Live births	15 775	8 100	7 675
Deaths	17 409	8 985	8 424
Immigration	3 741	2 093	1 648
Emigration	4 384	2 080	2 304

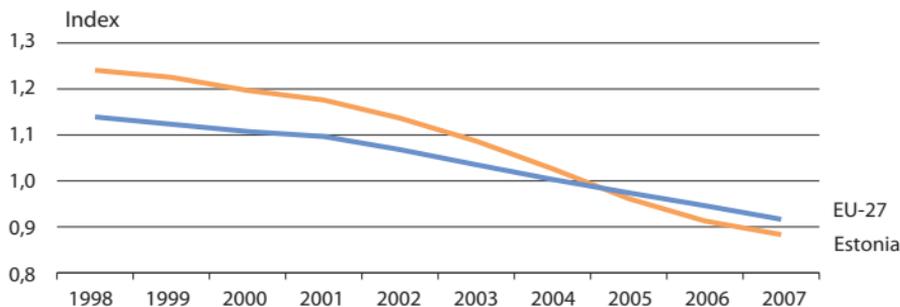
### Live births and deaths, 1998–2007



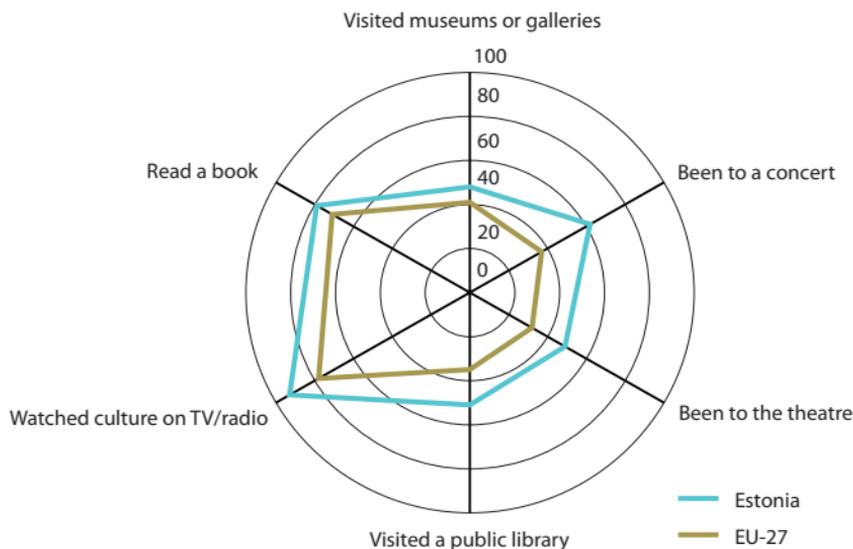
### Dependency ratio in Estonia and the European Union, 1998–2007



### Demographic labour pressure index in Estonia and the European Union, 1998–2007



### Participation in cultural activities in Estonia and the European Union, 2007 (% of respondents who in the last 12 months have participated at least once)



### Cultural institutions and number of their visitors, 2007

	Number	Visitors (users, attendance), thousands
Museums	210	2 069
local lore museums	79	404
archaeology and history museums	50	593
art museums	17	355
Public libraries	566	381
Specialized and scientific libraries	55	203
State and town theatres	12	812
Theatres supported by the Ministry of Culture	30	1 011

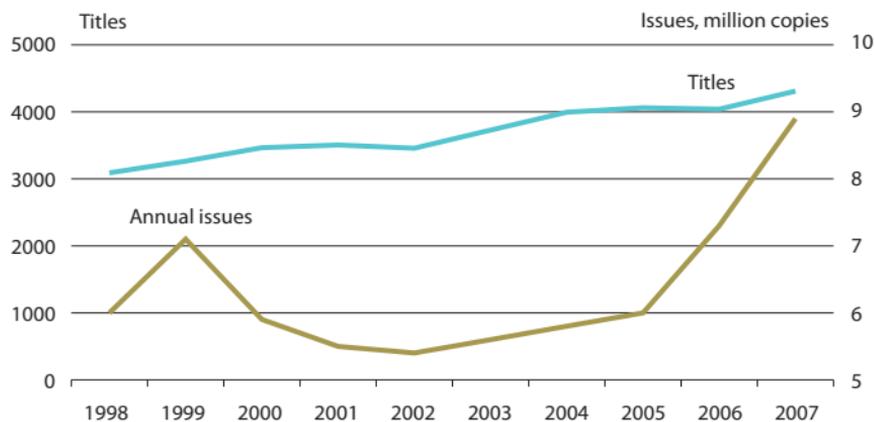
Estonian people are fond of singing and dancing, during hard times as well as on happy days. Song festivals in Estonia are unique. The first national song festival was organised in Tartu in 1869. Inspired by song festivals, “singing revolution” was born in 1988, when several hundred thousand people gathered in the Song Festival Ground in Tallinn to sing and listen to patriotic songs. Now song festivals are organised every five years and over 20,000 singers participate in them. In 2003 UNESCO decided to switch the tradition of song festivals of the three Baltic countries into the list of Masterpieces of the Oral and Intangible Heritage of Humanity.

The surveys of Euro barometer prove that Estonian residents like to go to the theatre and concerts. In 2007 the theatre attendance surpassed one million.

Estonians are also fond of reading. In 2007 the readers of public libraries lent on an average 27 books or other library units.

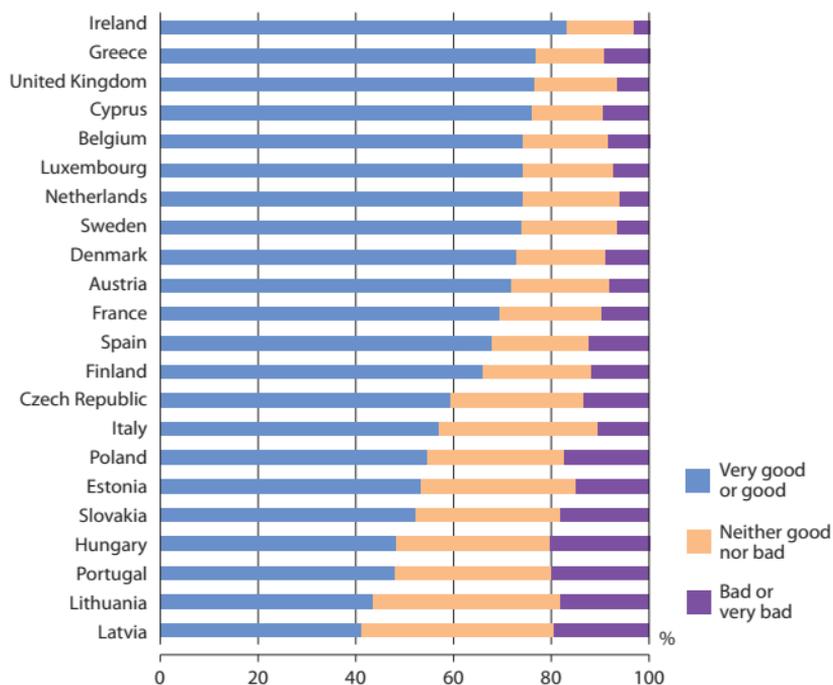
In 2007, 7 books were printed per inhabitant of Estonia. The number of titles of children’s books was approaching to 600 and 1.3 million of children’s books were printed as total.

## Books and pamphlets, 1998–2007





### Population's self-assessment on health in the European Union, 2006



During the last decade one of the most essential indicators of public health — life expectancy — has remained in positive trend with regard to males as well as females. Life expectancy at birth has lengthened more than three years. In 2007 it was 67.1 years for males and 78.7 years for females. In spite of the growth, life expectancy in Estonia is shorter than in most of the European Union countries. Women's life expectancy is longer than men's in all EU countries, but the difference between men's and women's life expectancy is one of the biggest in Estonia.

While assessing the health, healthy life years are also an important indicator. According to statistics, in Estonia the disability-free life expectancy for males is 49 years and for females 54 years. Compared to the other EU countries this indicator is one of the lowest. According to the self-assessment of Estonian people aged 16 and older, everyday activities of 11% of persons (men 9% and women 13%) are restricted due to health problems. Only more than a half of adult population of Estonia assess their health good or very good (men 55%, women 52%).

Similarly to developed countries the most common cause of death is diseases of the circulatory system. The number of deaths in diseases of circulatory system has decreased during the last decade, but these diseases still account for about a half of all deaths. Neoplasms are on the second and deaths caused by injuries and poisonings on the third place. During last years the share of males' deaths caused by injuries and poisonings has significantly decreased.

Infant mortality rate characterises the general level of people's health and public health in the country as a whole. Infant mortality rate is in a downward trend in Estonia. The number of infant deaths in Estonia is one of the lowest among the countries that joined the EU in 2004 and later.

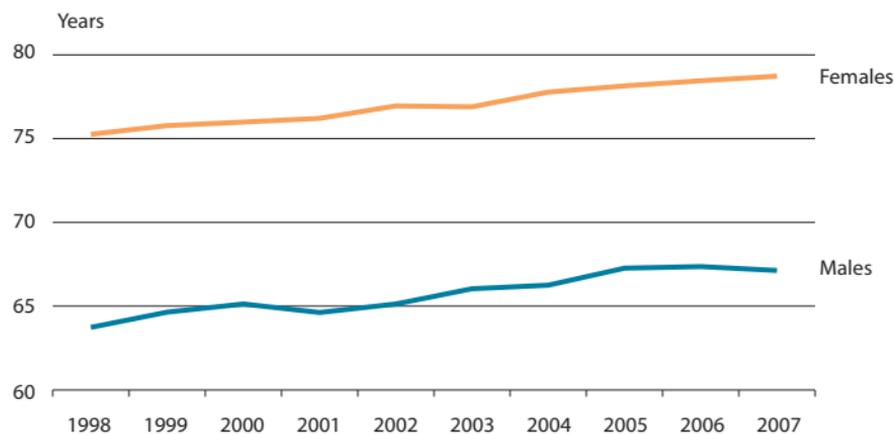
## DEFINITIONS

Life expectancy (average life expectancy) — the average remaining lifetime in years for persons who attain a given age, if mortality remains unchanged.

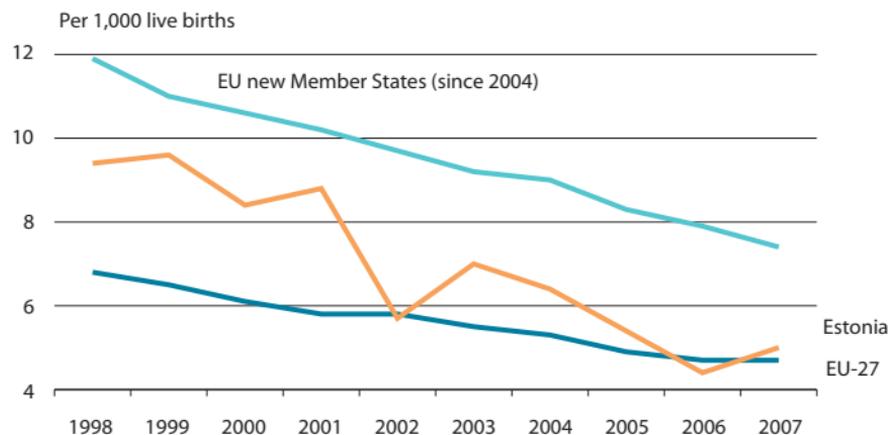
Infant mortality rate — infant deaths per 1,000 live births in the same year.

Standardised death rate — the ratio used for comparing the mortality of the population which eliminates the impact of the difference in sex-age-specific composition.

## Life expectancy at birth, 1998–2007



## Infant deaths per 1,000 live births in Estonia and the European Union, 1998–2007



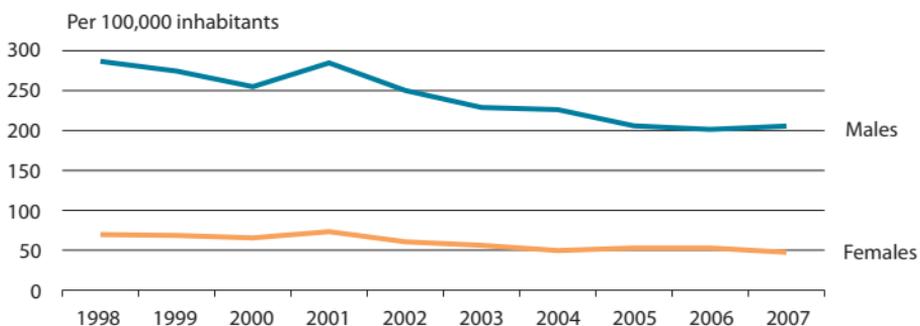
## Deaths by cause in Estonia and the European Union, 2006

(Standardised death rate per 100,000 inhabitants)

Total	Estonia	EU-27
Total causes	975.4	648.1
Diseases of the circulatory system	485.0	250.4
Neoplasms	201.7	180.3
External causes of injury and poisoning	112.6	40.4
Diseases of the respiratory system	28.6	45.7
<b>Males</b>		
Total causes	1 450.4	827.4
Diseases of the circulatory system	688.8	306.8
Neoplasms	305.9	238.6
External causes of injury and poisoning	197.8	60.8
Diseases of the respiratory system	56.0	65.3
<b>Females</b>		
Total causes	669.3	503.6
Diseases of the circulatory system	360.3	203.4
Neoplasms	145.9	137.5
External causes of injury and poisoning	43.4	21.3
Diseases of the respiratory system	12.6	33.1

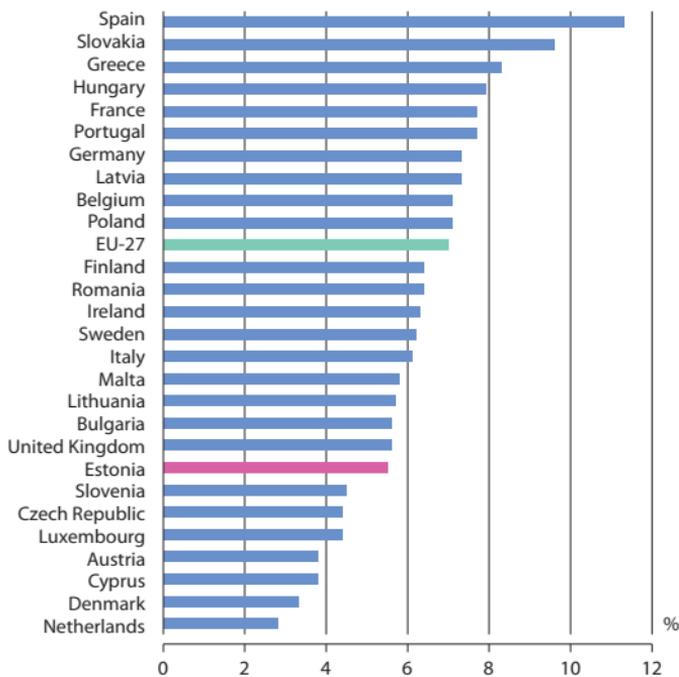
## Injuries and poisonings, 1998–2007

(Death rate per 100,000 inhabitants)





### Unemployment rate in the European Union, 2008<sup>a</sup>



<sup>a</sup> Greece, Romania and Italy — the data for 2007

The labour market of the 1990s in Estonia was characterised by a continuous decrease in the employment rate and increase in the unemployment rate. For the year 2000, the employment rate of persons aged 15–64 had decreased to 60.7% and the unemployment rate of persons aged 15–74 had increased to 13.6%. Since 2001 these processes reversed: the employment rate started to grow and the unemployment rate to fall. For the year 2008 the employment rate of persons aged 15–64 had increased to 69.5% — only 0.5 percentage points less than in the goal set for the year 2010 by Lisbon Strategy. The employment rate of women has surpassed the goal set by Lisbon Strategy with 6.3 percentage points. The goal set by Lisbon Strategy has been surpassed significantly by the employment rate of elderly people. The strategy has set the goal for the employment rate of 50% for persons aged 55–64, but in Estonia the respective indicator was 62.2% in 2008.

In 2008, the annual average unemployment rate of persons aged 15–74 was 5.5% in Estonia — this is among the lower indicators in the European Union countries. In 2007 the problem on the labour market of Estonia was not unemployment, but labour shortage: many enterprises did not find enough labour force for the development. Worldwide financial and economic crisis had a negative impact on Estonia: since the end of 2008 unemployment is a problem again in Estonia.

In 2008 compared to 1999, the total number of employed persons has increased by 13.3% in Estonia. Most of the employed persons work in the tertiary sector. In 2008, 398,800 persons out of 656,500 persons employed worked in the tertiary sector. 25,300 persons were employed in the primary sector and 232,400 persons in the secondary sector. During the last decade the share of employed persons has continuously decreased in the primary sector: in 1999 8.1% of the total number of employed persons worked in the primary sector, in 2008 the respective indicator was 3.9%.

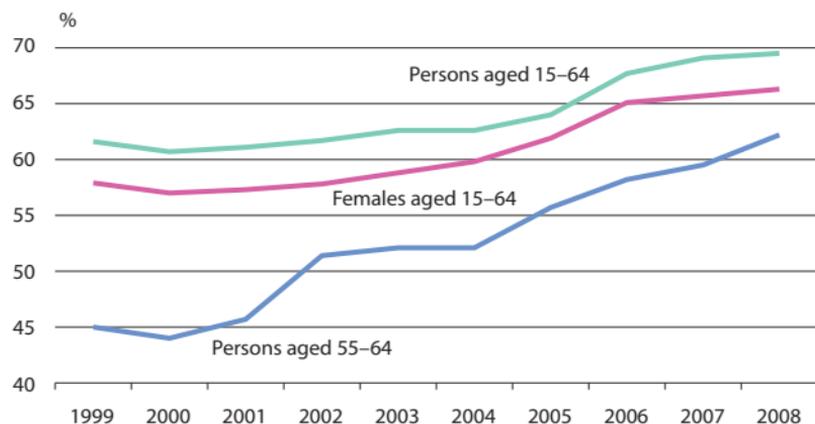
#### DEFINITIONS

Primary sector — agriculture, hunting, forestry and fishing.

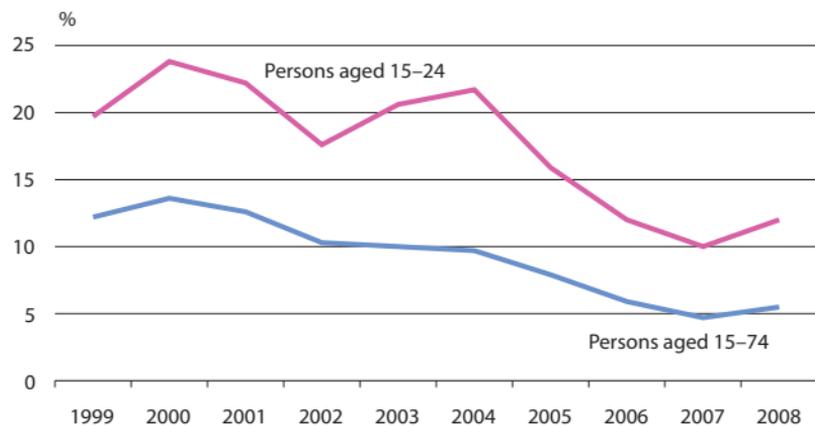
Secondary sector — mining and quarrying, manufacturing, energy, gas and water supply, construction.

Tertiary sector — service sector.

## Employment rate, 1999–2008



## Unemployment rate, 1999–2008

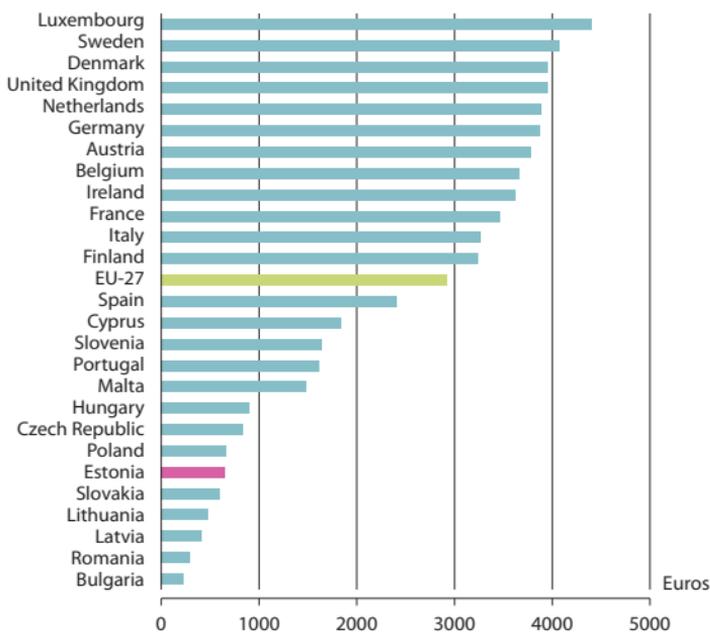


## Population aged 15–74 by sex and labour status, 2008

	Total	Males	Females
Population aged 15–74 total, thousands	1 042.8	487.9	554.9
Labour force, thousands	694.9	351.2	343.7
<b>employed, thousands</b>	656.5	330.9	325.6
primary sector	25.3	17.6	7.7
secondary sector	232.4	159.7	72.8
tertiary sector	398.8	153.7	245.1
urban settlement	471.0	233.4	237.6
rural settlement	185.5	97.5	88.0
public sector	155.5	50.8	104.7
private sector	501.0	280.1	220.9
Estonians	444.0	223.0	221.0
non-Estonians	212.6	108.0	104.6
<b>unemployed persons, thousands</b>	38.4	20.2	18.1
less than 6 months	20.3	10.0	10.3
6–11 months	6.2	3.1	3.1
12 months or more	11.8	7.2	4.7
Inactive population, thousands	347.9	136.7	211.2
studies	109.0	52.8	56.2
illness or disability	51.2	28.0	23.2
taking care of children or other members of family	40.8	1.8	39.0
retirement age	132.6	44.6	88.0
discouraged workers (lost hope to find work)	5.5	3.4	2.1
other reason	8.7	6.0	2.7
Labour force participation rate, %	66.6	72.0	61.9
Employment rate, %	63.0	67.8	58.7
Unemployment rate, %	5.5	5.8	5.3



### Average monthly labour costs per employee in the European Union, 2004<sup>a</sup>



<sup>a</sup> The economic activities of NACE Rev.1.1 2003 from C to O are included, except public administration and defence; compulsory social security

The Labour Costs Survey conducted in the European Union in 2004 shows that labour costs per employee in Estonia were 4.5 times smaller than the EU-27 average. In 2004, the direct costs accounted for 73.3% and indirect costs 26.7% of labour costs. By economic activities, in 2004 manufacturing accounted for the largest share of labour costs — 22.1% and fishing for the smallest — 0.1%.

According to the quarterly survey of Statistics Estonia, in 2007 compared to 2002, the labour costs per employee had increased 1.8 times per month.

One component of labour costs is monthly gross wages (salaries) of the employee. Compared to 1998, the average monthly gross wages (salaries) increased 2.8 times during the last decade. The average gross wages (salaries) increased the most in agriculture and hunting (3.5 times) and the least in electricity, gas and water supply (2.3 times).

1998 was a complicated year for Estonia's economy. Its impact on wages' and salaries' growth was reflected in 1999, when the growth slowed down. The next slowdown was in 2003–2004 caused by the accession of Estonia to the European Union and cautiousness of the private sector in increasing the direct labour costs. In 2006 a rapid growth of wages and salaries started again.

In 2007 compared to the previous year, the average gross wages (salaries) increased the most in fishing (29.6%), the least in real estate, renting and business activities (7.1%).

In 1998–2003, the change of the real wages, which has taken into account the impact of the change in the consumer price index, was around 6–8%. In the period under observation the growth of real wages was relatively stable. In 2004 the growth of real wages slowed down. Since 2006 the rapid growth of real wages started, mainly influenced by the change of gross wages (salaries).

## DEFINITIONS

Labour costs — direct and indirect costs made by employers to employees during the year.

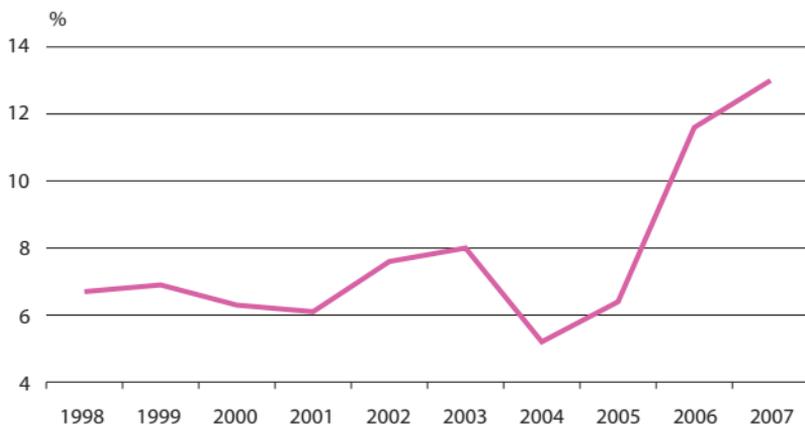
Direct labour costs — direct remuneration and bonuses, payments for days not worked, wages and salaries in kind.

Indirect labour costs — statutory, collectively agreed, contractual and voluntary social security contributions, imputed social contributions, vocational training costs, recruitment costs and expenditures on working clothes and uniform.

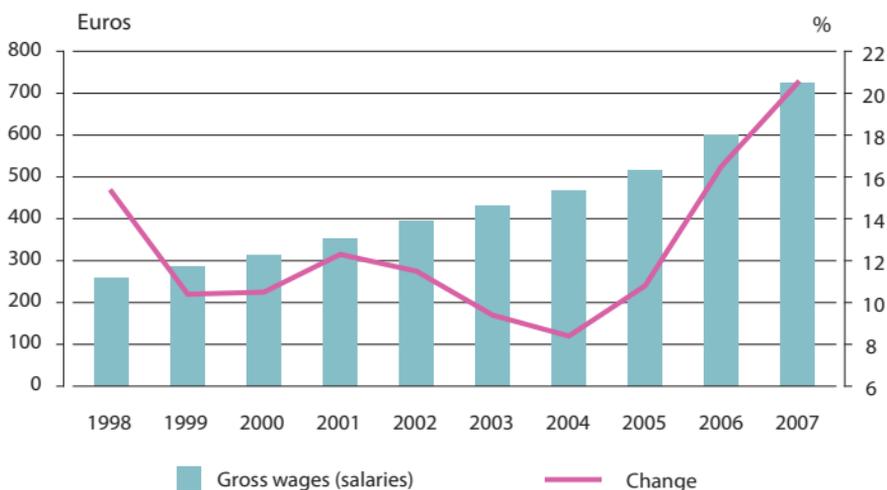
### Average monthly gross wages (salaries) and labour costs per employee by economic activity, 2007

Economic activity	Monthly gross wages (salaries), euros	Labour costs, euros	Change over previous year, %	
			monthly gross wages (salaries)	labour costs
Agriculture and hunting	550	735	26.4	26.1
Forestry	704	943	21.0	21.0
Fishing	589	788	29.6	29.3
Mining and quarrying	826	1 111	28.3	26.7
Manufacturing	681	915	20.4	20.4
Electricity, gas and water supply	803	1 096	20.9	20.7
Construction	832	1 114	29.2	29.2
Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	701	942	20.3	20.2
Hotels and restaurants	457	610	16.2	15.8
Transport, storage and communication	802	1 085	23.9	24.5
Financial intermediation	1 355	1 865	25.4	24.8
Real estate, renting and business activities	783	1 050	7.1	7.1
Public administration and defence; compulsory social security	914	1 231	24.6	24.6
Education	600	804	18.2	18.2
Health and social work	706	944	22.4	22.4
Other community, social and personal service activities	611	820	21.5	21.8
<b>TOTAL</b>	<b>724</b>	<b>974</b>	<b>20.5</b>	<b>20.5</b>

### Change of real wages compared to the previous year, 1998–2007

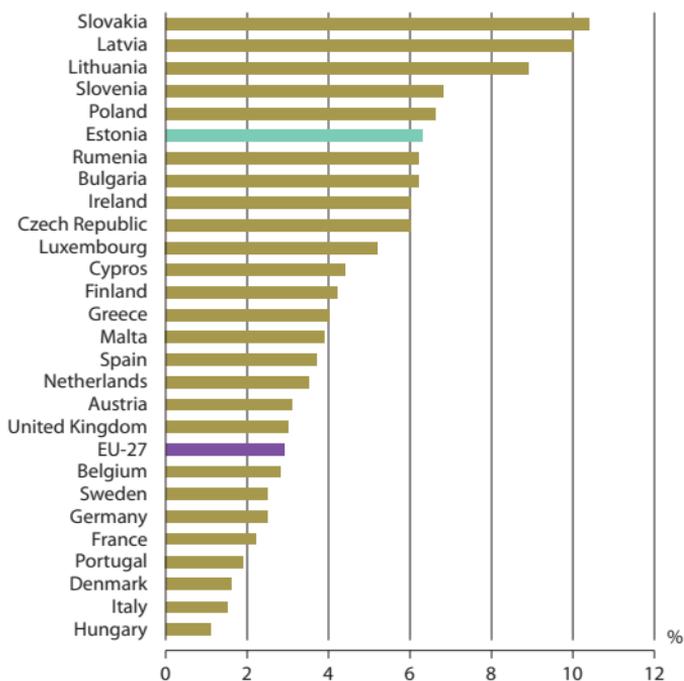


### Average monthly gross wages (salaries) and change of average gross wages (salaries) compared to the previous year, 1998–2007





### GDP real growth in the European Union, 2007



In Estonia, the gross domestic product (GDP) has grown very fast since 2000. In 2006, GDP growth rate exceeded 10% in real terms. In 2007, GDP growth decelerated to 6.3% compared to the previous year. In 2008 the economic growth turned to decrease.

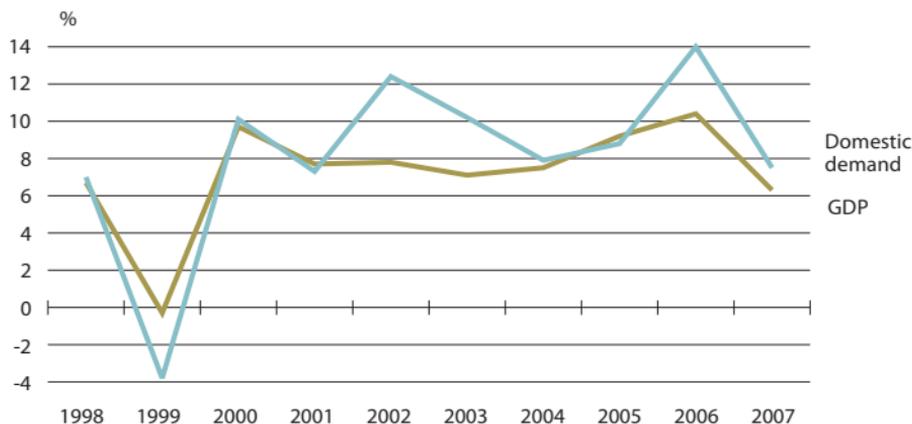
The deceleration of the GDP growth rate in 2007 came about due to the deceleration of the growth of domestic demand and exports of goods and services. The deceleration of the growth of the domestic demand was primarily influenced by the steep deceleration of the growth of household final consumption expenditures and capital formation in the second half of the year. Modest expenditures on transport and housing had the biggest impact on the deceleration of the growth of household final consumption expenditures.

In 2007, capital formation grew annually only by 4.8%, which was 14.7 percentage points less than in 2006. The steep deceleration of growth of capital formation was substantially influenced by the decrease in investments by real estate companies, as well as by the deceleration of capital investments in manufacturing.

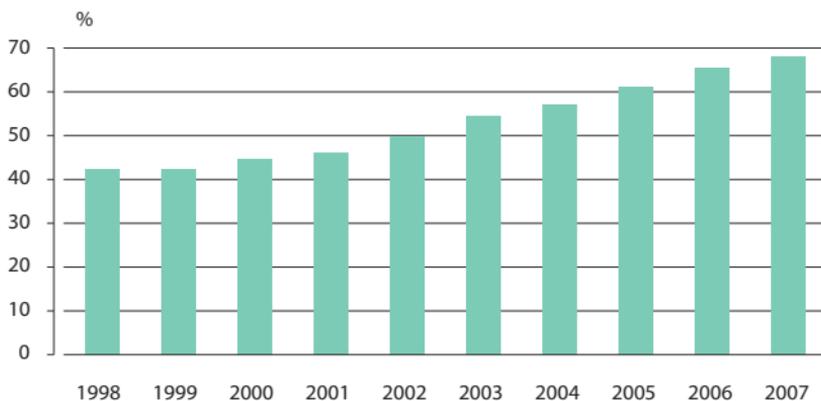
In 2007, exports did not grow in real terms, while the growth rate of imports decelerated sharply, growing only by 4.2%. At the same time, the rate of the deficit of net exports to GDP somewhat improved. The deceleration of the annual growth rate of exports was primarily affected by the decrease in exports of the two biggest product groups, mineral products and machinery and equipment.

The deceleration of the growth of domestic demand and exports impeded the growth of the value added of the corporations and that in most economic activities. The deceleration of the growth of the value added in manufacturing, construction, wholesale and retail trade and real estate, renting and business activities affected the most the deceleration of the growth of the value added of the economic activities. The growth of the value added accelerated in fishing, mining and public administration and defence, but the influence of these economic activities on the GDP is relatively small.

### Real growth of the GDP and domestic demand, 1998–2007



### GDP per capita in the units of PPS in Estonia (EU-27=100), 1998–2007



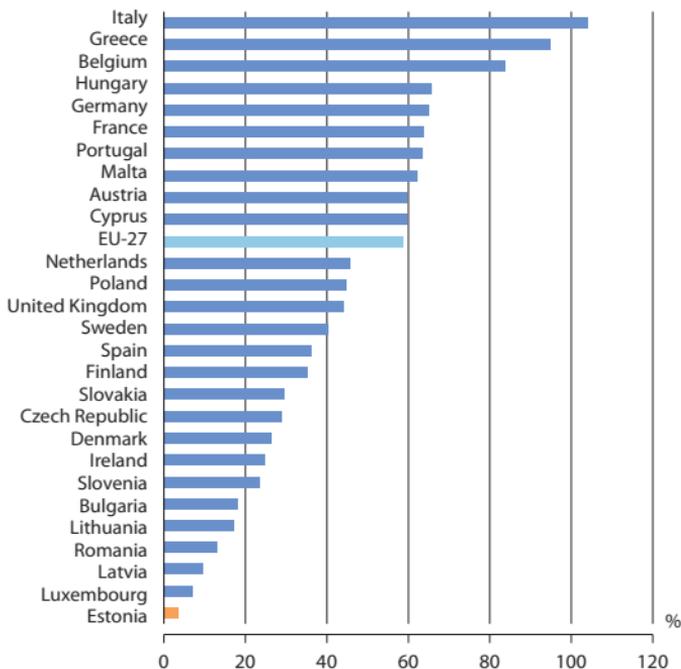
PPS — purchasing power standard

## GDP by economic activities and by expenditure approach, 2007

	Current prices, million euros	Real growth, %
Agriculture and hunting	211.7	-12.0
Forestry	131.7	-10.5
Fishing	24.8	8.1
Mining and quarrying	135.9	11.9
Manufacturing	2 333.2	9.0
Electricity, gas and water supply	352.6	-3.3
Construction	1 211.3	10.0
Wholesale and retail trade; repair of motor vehicles etc.	1 909.5	6.3
Hotels and restaurants	222.5	6.0
Transport, storage and communication	1 445.8	6.5
Financial intermediation	542.3	18.4
Real estate, renting and business activities	2 553.7	2.5
Public administration and defence; compulsory social security	741.8	2.9
Education	579.0	1.4
Health and social work	431.8	4.7
Other community, social and personal service activities	448.4	5.8
<b>VALUE ADDED TOTAL</b>	<b>13 275.9</b>	<b>5.6</b>
Net taxes on products	1 994.4	11.4
<b>GDP AT MARKET PRICES</b>	<b>15 270.3</b>	<b>6.3</b>
<b>Expenditure approach, components</b>		
Private consumption expenditure	8 214.7	7.8
General government final consumption expenditure	2 630.2	3.9
Consumption expenditure of non-profit institutions serving households	208.5	9.9
Gross fixed capital formation and valuables	4 957.6	4.8
Change in inventories	828.9	..
<b>DOMESTIC DEMAND</b>	<b>16 840.0</b>	<b>7.5</b>
Exports of goods and services	11 359.0	0.0
Imports of goods and services	13 021.4	4.2



### General government consolidated gross debt as percentage of GDP in the European Union, 2007



According to preliminary data, in 2008 the state budget's total revenue and expenditure of Estonia were 5.4 and 5.8 billion euros, respectively. Compared to 2007, the revenues grew by 3.5% and the expenditures 18.5%. The expenditures exceeded revenues last in 2000.

In 2008, the income from the value added tax (VAT) decreased for the first time after showing the growth trend through the last decade. In particular, the VAT received on imports was smaller than expected. According to the preliminary data, the receipts from the income tax were 0.5 billion euros, which accounted for 103.6% of the state budget and the supplementary budget planned for the year.

By the end of the year the receipts from the excise duties amounted up to 0.5 billion euros, which is 9.5% more than received in the previous year.

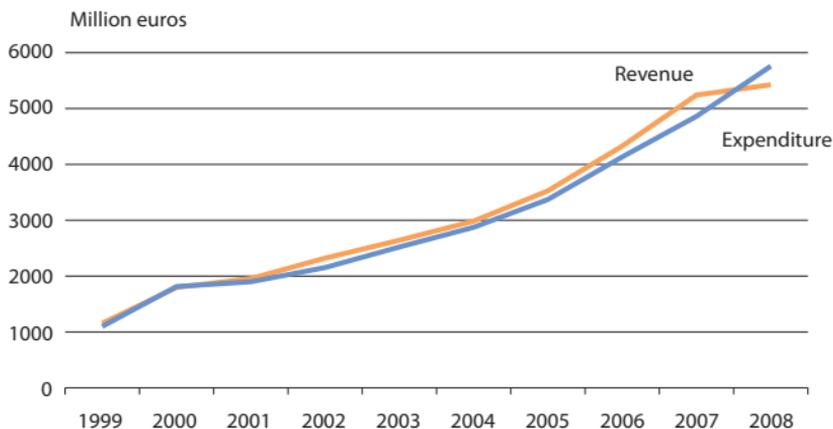
During the twelve months of 2008 the return of the social security contributions was 2 billion euros. If since 2004 the average growth rate of the social contributions was 17.7%, then in 2008 the growth rate slowed down to 14.8%.

As at the end of 2008, similarly to the previous years, the most expensive activities were social protection and administration: 28.3% and 16.4% of total costs, respectively. At the same time as the expenses for most spheres of activities increased compared to 2007, the expenses on administration decreased by 3.6%.

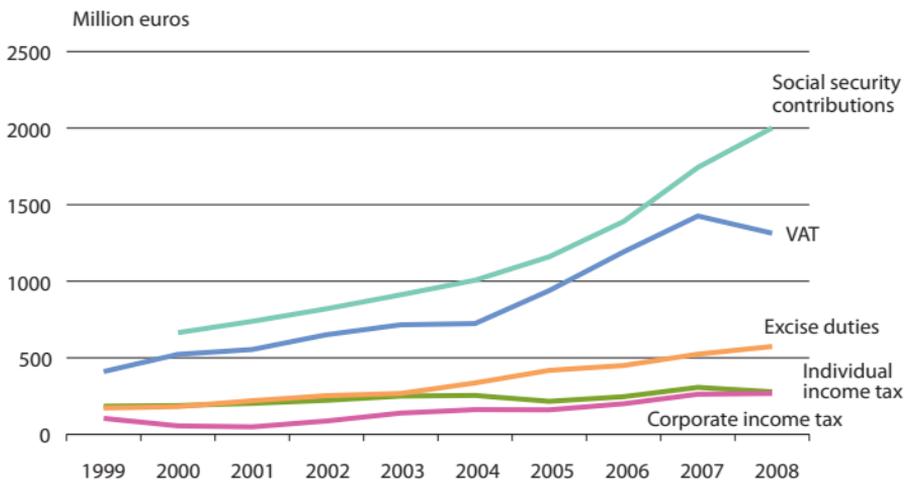
In 2008, with regard to the foreign direct investments in Estonia the most favourable activities were financial intermediation, real estate, renting and business activities, manufacturing, wholesale and retail trade. About 40% of the direct investments are made by Swedish and 25% by Finnish investors.

Direct investment position directed abroad has thrived from year to year. In 2008, most active direct investors were representatives of financial intermediation, real estate, renting and business activities. Estonian investors prefer to invest mainly into Baltic States — one third of the direct investments have been contributed both to Latvia and Lithuania each year.

## State budget, 1999–2008<sup>a</sup>



## Income from main taxes of state budget revenue, 1999–2008<sup>a</sup>



<sup>a</sup> Data for 2008 are preliminary.

Since 2000 social security contributions are included in the state budget revenue

## State budget revenue, 2008

	Planned annual amount, million euros <sup>a</sup>	Actual amount, million euros <sup>b</sup>	Share of actual amount in total revenue, %
Taxes	4 697.0	4 497.4	82.9
social security contributions	2 016.7	2 000.4	36.9
VAT	1 457.2	1 313.3	24.2
excise duty	623.8	573.4	10.6
Sale of goods and services	114.2	113.8	2.1
Grants	631.2	474.5	8.7
Other income	318.9	337.5	6.2
Total revenue	5 761.3	5 423.2	100.0

<sup>a</sup> State budget with supplementary budget

<sup>b</sup> Preliminary data

State budget expenditure, 2008<sup>a</sup>

	Planned annual amount, million euros	Actual amount, million euros <sup>a</sup>	Share of actual amount in total expenditure, %
Administration expenses	954.6	943.9	16.4
State defence	336.7	308.6	5.4
Order maintenance	478.0	417.0	7.2
Economy	937.1	798.8	13.9
Environmental protection	188.2	173.6	3.0
Housing and community amenities	5.1	5.1	0.1
Public health	898.8	876.6	15.2
Recreation, culture and religion	187.3	194.3	3.4
Education	444.7	413.9	7.2
Social protection	1 667.9	1 627.4	28.3
Total expenditure <sup>b</sup>	6 157.2	5 759.2	100.0

<sup>a</sup> Preliminary data

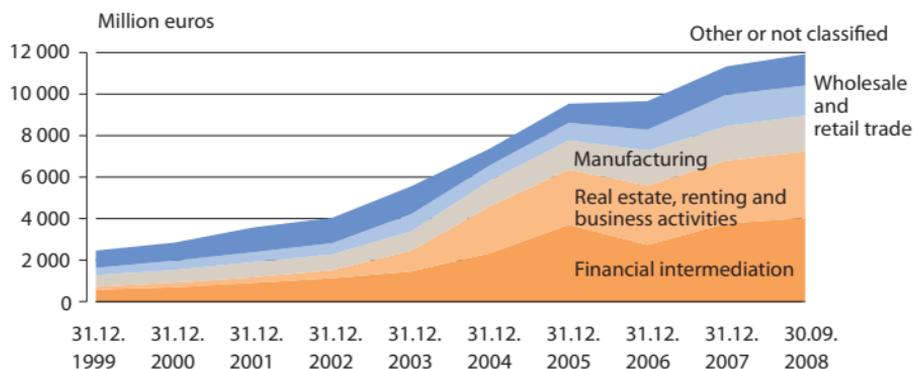
<sup>b</sup> State budget expenditure includes allotments carried over from the previous budget and the supplementary budget

## Direct investment position by fields of activity, 30 September 2008

Field of activity		
Foreign direct investments in Estonia	Million euros	Share, %
Financial intermediation	4 023.8	33.7
Real estate, renting and business activities	3 204.4	26.9
Manufacturing	1 741.4	14.6
Wholesale and retail trade	1 442.7	12.1
Transport, storage and communication	626.3	5.2
Electricity, gas and water supply	291.3	2.4
Construction	211.7	1.8
Other or not classified	388.0	3.3
<b>TOTAL</b>	<b>11 929.4</b>	<b>100.0</b>
Direct investments from Estonia to other countries		
Financial intermediation	1 787.4	37.8
Real estate, renting and business activities	1 663.9	35.2
Transport, storage and communication	515.0	10.9
Wholesale and retail trade	311.9	6.6
Manufacturing	185.1	3.9
Construction	97.7	2.1
Other community, social and personal service activities	87.0	1.8
Other or not classified	80.1	1.7
<b>TOTAL</b>	<b>4 728.1</b>	<b>100.0</b>

## Direct investment position by fields of activity, 1999–2008

Foreign direct investments in Estonia

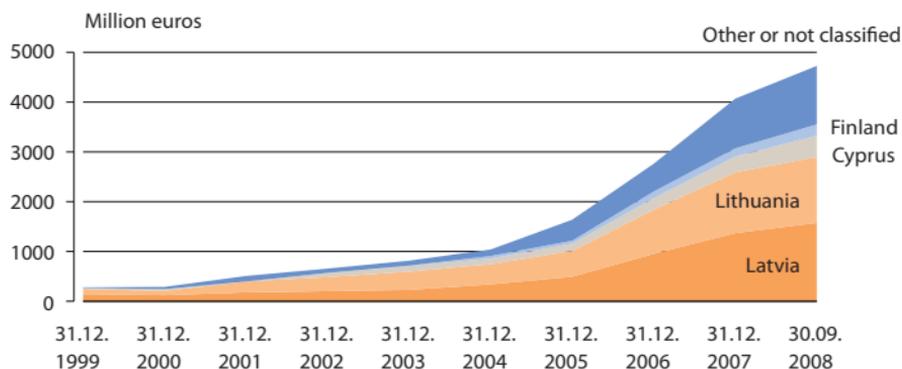


## Direct investment position by countries, 30 September 2008

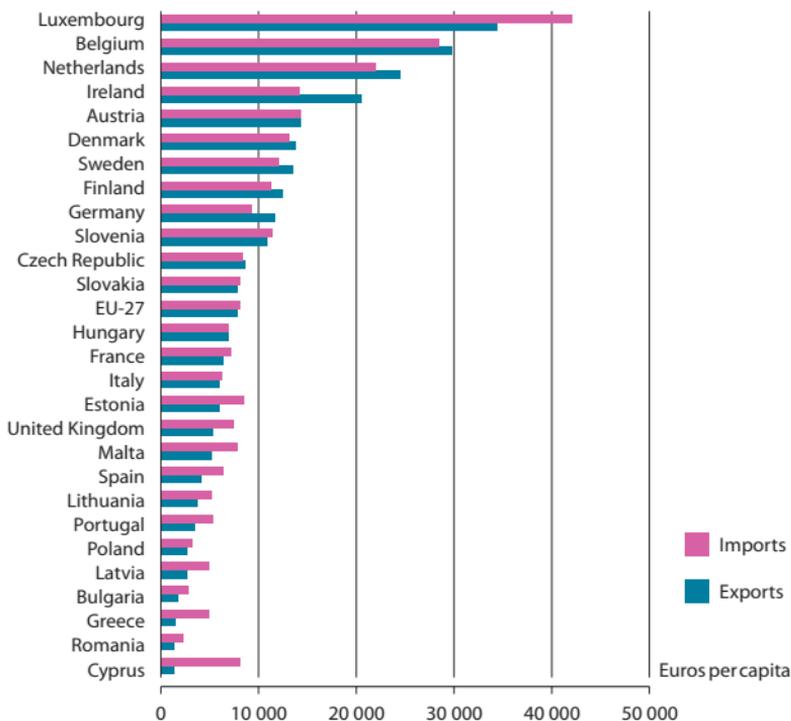
Country	Million euros	Share, %
<b>Foreign direct investments in Estonia</b>		
Sweden	4 651.6	39.0
Finland	2 950.3	24.7
Netherlands	753.6	6.3
Norway	469.2	3.9
Denmark	337.0	2.8
Russian Federation	321.5	2.7
United Kingdom	258.8	2.2
Other or not classified	2 187.5	18.3
<b>TOTAL</b>	<b>11 929.4</b>	<b>100.0</b>
<b>Direct investments from Estonia to other countries</b>		
Latvia	1 573.2	33.3
Lithuania	1 323.2	28.0
Cyprus	431.8	9.1
Finland	224.1	4.7
Russian Federation	218.4	4.6
Ukraine	185.3	3.9
Italy	153.0	3.2
Other or not classified	619.2	13.1
<b>TOTAL</b>	<b>4 728.1</b>	<b>100.0</b>

## Direct investment position by countries, 1999–2008

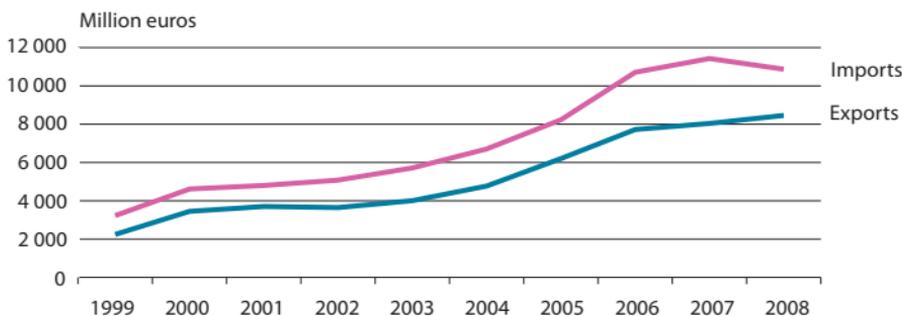
### Direct investments from Estonia to other countries



## Exports and imports per capita in the European Union, 2007



## Exports and imports, 1999–2008



In 2008 the value of exports of goods from Estonia made up 8.5 billion euros and imports to Estonia accounted for 10.9 billion euros at current prices. Compared to the previous year exports increased by 5%, but at the same time imports decreased by 5%.

The trade deficit was announced as 2.4 billion euros, which was by 1 billion euros or 29% smaller compared to the previous year.

Goods were exported to 167 countries and imported from 128 countries in 2008.

The share of the EU countries (EU-27) accounted for 70% and the share of the CIS countries for 13% of Estonia's total exports in 2008. The main countries of destination were Finland, Sweden and Russia. In 2008 compared to the previous year the biggest increase in exports was to Russia (by 0.2 billion euros).

In imports of goods, the share of the EU countries (EU-27) was 80% and the share of the CIS countries 12% of total imports. Goods were mainly imported to Estonia from Finland, Germany and Sweden. Compared to 2007 imports from Russia decreased most (by 0.3 billion euros).

Among the commodity sections the first place was held by the section of machinery and equipment with the share of over one fifth of total exports. It was followed by metals and products thereof, and mineral products (incl. fuels). In imports, the first place was also held by machinery and equipment, followed by transport equipment and metals and products thereof.

The biggest foreign trade deficit was mentioned in the trade of mineral products (0.7 billion euros), transport equipment (0.5 billion euros) and machinery and equipment (0.5 billion euros). The surplus was mentioned as positive in the commodity groups related to timber (incl. wood, paper and furniture).

After joining the European Union in 2004, Estonia's enterprises have free entrance to the common market. During the period 2004–2006 the average growth in exports and in imports was about 24% per year. Since 2007 the growth rate of exports and imports started to decrease. In 2007 the growth rate of exports was 4% and of imports 7%. In 2008 the exports slightly increased (5%), but imports decreased by 5% for the first time during the five years since Estonia's accession to the EU.

**Exports and imports by main partner countries, 2008**

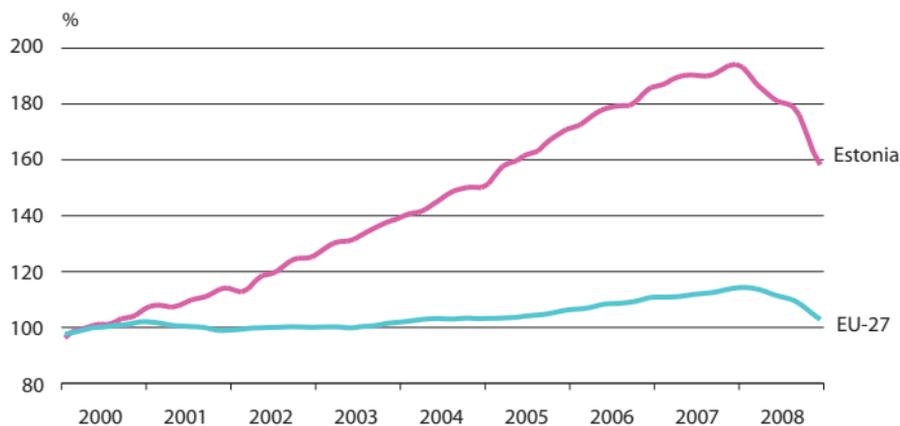
Country	Amount, million euros	Share, %
<b>EXPORTS TOTAL</b>	<b>8 453.7</b>	<b>100.0</b>
Finland	1 554.2	18.4
Sweden	1 172.5	13.9
Russian Federation	881.1	10.4
Latvia	841.9	10.0
Lithuania	484.2	5.7
Germany	426.7	5.0
United States	407.4	4.8
Norway	280.0	3.3
Denmark	277.2	3.3
United Kingdom	224.9	2.7
Other countries	1 903.6	22.5
<b>IMPORTS TOTAL</b>	<b>10 872.2</b>	<b>100.0</b>
Finland	1 546.7	14.2
Germany	1 446.5	13.3
Sweden	1 087.7	10.0
Latvia	964.9	8.9
Lithuania	959.3	8.8
Russian Federation	832.4	7.7
Poland	498.1	4.6
Netherlands	356.7	3.3
United Kingdom	354.3	3.3
Belarus	318.2	2.9
Other countries	2 507.4	23.0

## Exports and imports by commodity sections, 2008

Commodity section by Combined Nomenclature (CN)	Amount, million euros	Share, %
<b>EXPORTS TOTAL</b>	<b>8 453.7</b>	<b>100.0</b>
Machinery and equipment (XVI)	1 845.9	21.8
Metals and products thereof (XV)	1 023.8	12.1
Mineral products (V)	1 008.2	11.9
Agricultural products and food preparations (I–IV)	768.9	9.1
Wood and products thereof (IX)	723.5	8.6
Transport equipment (XVII)	657.4	7.8
Miscellaneous manufactured articles (XX)	613.2	7.3
Raw materials and products of chemical industry (VI)	453.1	5.4
Textiles and products thereof (XI)	357.2	4.2
Articles of plastics and rubber (VII)	265.5	3.1
Paper and articles thereof (X)	251.8	3.0
Other	485.2	5.7
<b>IMPORTS TOTAL</b>	<b>10 872.2</b>	<b>100.0</b>
Machinery and equipment (XVI)	2 339.1	21.5
Mineral products (V)	1 742.8	16.0
Transport equipment (XVII)	1 174.9	10.8
Agricultural products and food preparations (I–IV)	1 161.8	10.7
Metals and products thereof (XV)	1 151.6	10.6
Raw materials and products of chemical industry (VI)	869.3	8.0
Textiles and products thereof (XI)	553.6	5.1
Articles of plastics and rubber (VII)	516.8	4.8
Wood and products thereof (IX)	270.7	2.5
Miscellaneous manufactured articles (XX)	253.8	2.3
Paper and articles thereof (X)	237.2	2.2
Other	600.6	5.5



**Trends of manufacturing production in Estonia and the European Union, January 2000 – December 2008 (2000=100)**

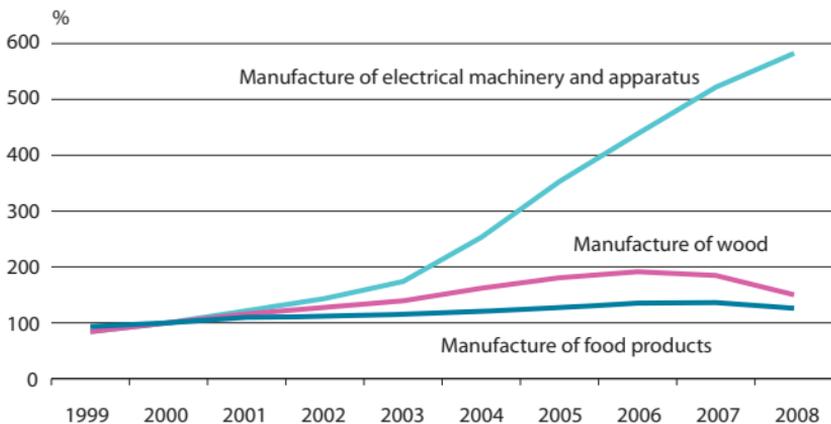


In 2000–2007, the volume of industrial production grew fast in Estonia — faster than the average of the European Union. In 2008 the rapid growth was replaced by more rapid fall as a result of the influence of the worldwide financial and economic crisis on Estonian economy.

The production of the manufacture of wood decreased significantly in 2008. The production of building materials decreased about 30% due to the decline in construction market. The production of one of the two branches having the largest share — food industry — also fell (the decrease about 8% compared to 2007).

In 2008, the production of metal products, chemical products, electrical machinery, radio, television and communication equipment increased.

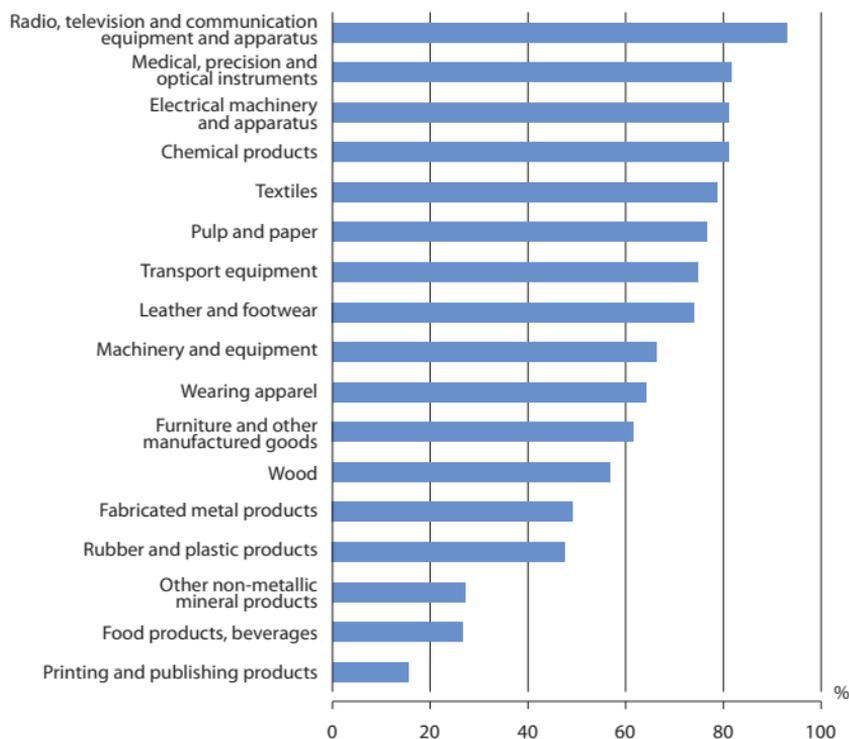
**Volume indices of manufacturing, 1999–2008,**  
(2000=100)



## Gross output of industry by economic activity, 2007

	Production, million euros	Share, %
<b>Mining and quarrying</b>	255	3.1
<b>Manufacturing</b>	7 587	91.2
food products, beverages	1 135	13.6
textiles	274	3.3
wearing apparel	157	1.9
leather and footwear	29	0.3
wood	1 202	14.5
pulp and paper	193	2.3
printing and publishing products	324	3.9
chemical products	379	4.6
rubber and plastic products	319	3.8
other non-metallic mineral products	504	6.1
fabricated metal products	945	11.4
machinery and equipment	300	3.6
electrical machinery and apparatus	451	5.4
radio, television and communication equipment and apparatus	266	3.2
medical, precision and optical instruments	116	1.4
transport equipment	369	4.4
furniture and other manufactured goods	441	5.3
other manufacturing	183	2.2
<b>Energy production</b>	476	5.7
<b>TOTAL</b>	<b>8 318</b>	<b>100.0</b>

## Share of exports in the sales of manufacturing production, 2007



**Supply balance sheet of potatoes and cereals, 2007/2008** (thousand tons)

	Potatoes	Wheat	Barley
Production	191.8	345.7	362.8
Imports	24.4	37.6	34.6
<b>Total resources/use</b>	<b>216.2</b>	<b>383.3</b>	<b>397.4</b>
Exports	0.5	81.7	104.0
Change in stocks	-0.4	-2.1	-0.9
Domestic use	216.1	303.7	294.3

**Supply balance sheet of meat, 2007** (thousand tons in carcass weight)

	Total	Beef	Pork
Gross indigenous production	73.4	15.9	42.8
Imports of live animals	0.0	0.0	0.0
Imports of meat	49.9	4.6	22.9
<b>Total resources/use</b>	<b>123.3</b>	<b>20.5</b>	<b>65.7</b>
Exports of live animals	5.3	0.6	4.7
Exports of meat	18.9	1.0	11.7
Change in stocks	3.5	0.3	1.5
Domestic use	95.6	18.6	47.8

**Supply and balance for milk and milk products, 2007**

(thousand tons in product weight)

	Fresh products	Butter	Cheese
Production	193.5	5.2	32.1
Imports	6.7	0.0	2.3
<b>Total resources/use</b>	<b>200.2</b>	<b>5.2</b>	<b>34.4</b>
Exports	7.5	0.2	10.7
Change in stocks	0.4	0.3	-1.5
Domestic use	192.3	4.7	25.2

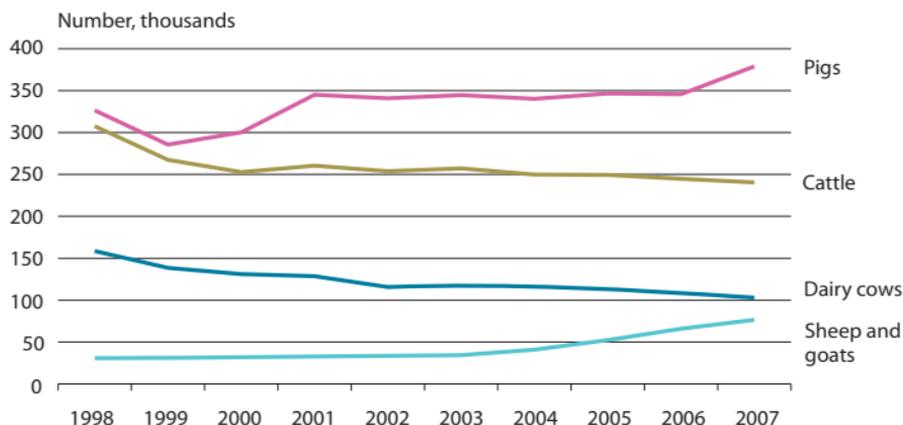
As a result of the reorganisation of the economic system in the first half of the 1990s the agricultural production started to decrease. The number of persons employed in agriculture also decreased, the decline has continued rapidly during last years. Opening and globalisation of markets have stiffened the competition in agricultural production. Estonia as a Northern country has complicated climatic conditions for producing agricultural products. In spite of that a significant share of foodstuffs necessary for consuming in the country is produced in Estonia.

The need for potatoes is mainly covered by indigenous production. The share of imports is small, consisting of potatoes and products made from potatoes.

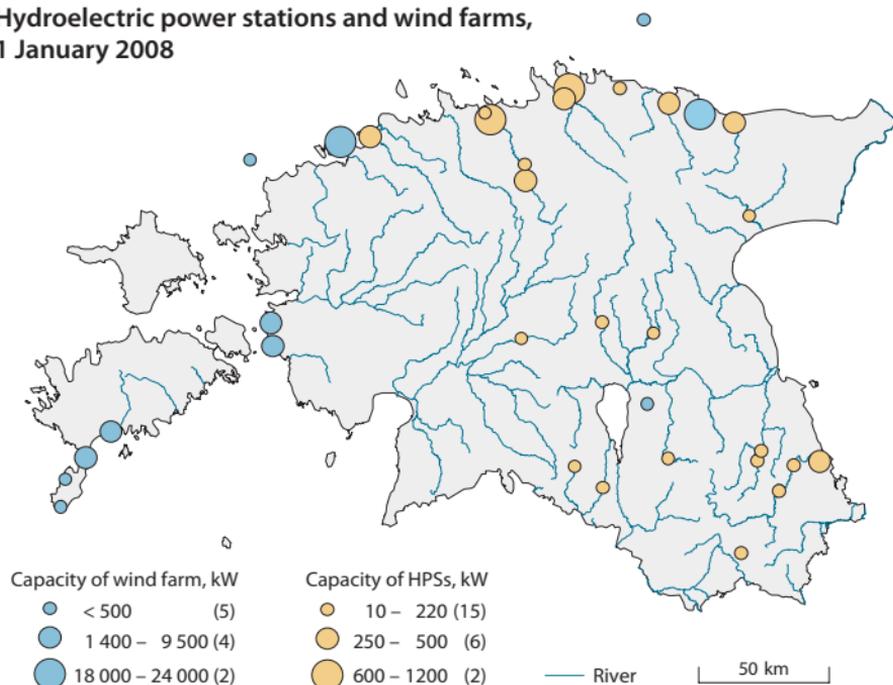
The need for grain is covered by indigenous production as well as by imports. During last years the share of imports has decreased, amounting to 10–15%. The share of exports has increased to 20%.

In the supply of meat imports account for about 40% and exports 20%. In the supply of milk the share of imports and exports is small. The exports of cheese made in Estonia exceed the imports several times.

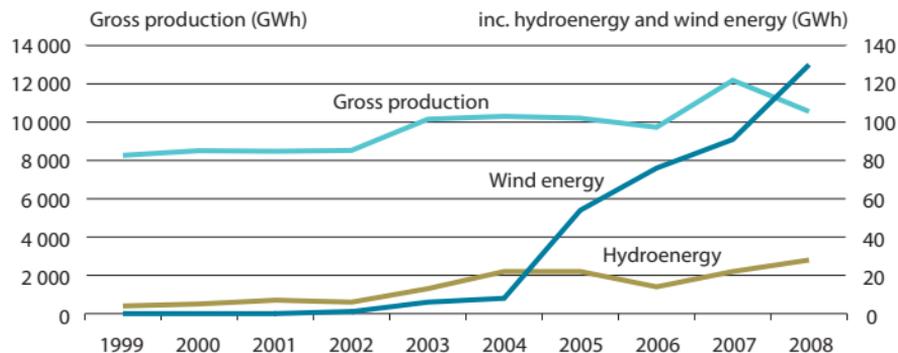
## Livestock, 31 December, 1998–2007



## Hydroelectric power stations and wind farms, 1 January 2008



## Energy production, 1999–2008<sup>a</sup>



<sup>a</sup> The data on 2008 are preliminary

According to the preliminary data, in 2008 the production of electricity in Estonia totalled 10,555 GWh and consumption of electricity — 7,451 GWh. Over 90% of electricity in Estonia is produced on the basis of oil shale. Oil shale is the most important natural resource in Estonia: it gives Estonia energetic independence. In Estonia 7.5 MWh of electricity is produced per inhabitant, this is the average level of the European Union. In 2008, 1,738 GWh of electricity was exported to Finland and 572 GWh of electricity to Latvia. 1,207 GWh of electricity was imported from Lithuania, 83 GWh from Latvia and 79 GWh from Finland.

Unfortunately oil shale energy is waste-intensive and causes the increase of greenhouse gases in the atmosphere. To reduce the negative impact on the environment and guarantee the energetic sustainability, EU Member States has set the goal to advance the use of renewable energy sources.

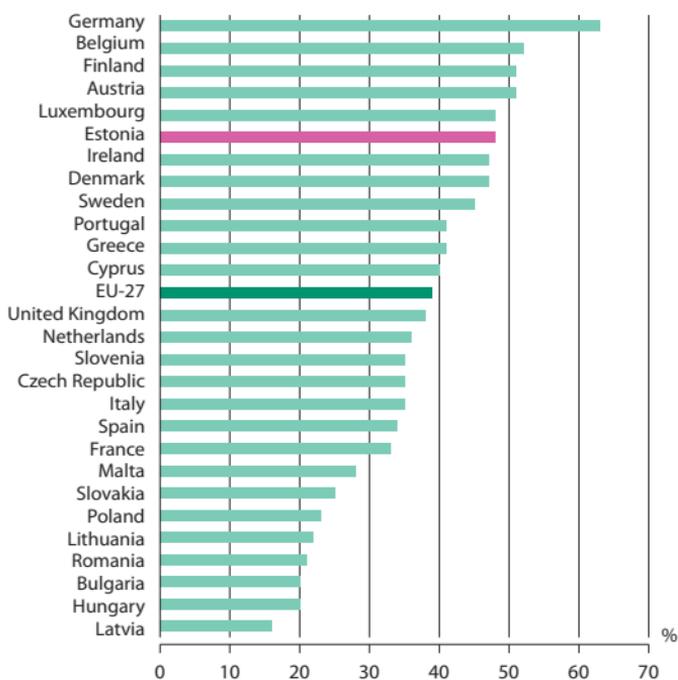
Estonia has long-term traditions in using hydro and wind energy. In connection with the establishment of new wind parks the production of wind energy has significantly increased since 2005. In 2008, the production of wind energy in Estonia totalled 130 GWh and that of hydro energy — 28 GWh.

## Share of renewable energy in production of primary energy in the European Union, 2007





### Share of enterprises with innovation activities in the European Union, 2006<sup>a</sup>



<sup>a</sup> The data of France are from 2004

The data of the Community Innovation Survey for 2004 and 2006 showed that Estonia belongs to the leading group of the European Union Member States by innovativeness of enterprises. That is true for the share of innovative enterprises, for the innovation co-operation and for the ratio of innovative expenditure to the turnover.

The innovativeness in the Estonian enterprises is generally influenced by the same factors as in the European Union as a whole: the larger the enterprise or higher its turnover the higher is the probability that an enterprise is innovative. The enterprises with foreign equity are at least 1.5 times more innovative than those without, the same applies to those belonging or not belonging to a concern.

The survey covers manufacturing (excl. construction) and service enterprises with at least 10 persons employed with selected activities and measures innovative activities performed during last three years.

Share of enterprises with innovation activities, 2000, 2004, 2006 (%)			
	2000	2004	2006
<b>TOTAL</b>	35.7	48.7	48.1
<b>Activity</b>			
Mining and quarrying	26.3	35.9	46.4
Manufacturing	38.9	48.2	56.3
Electricity, gas and water supply	24.3	29.3	35.4
Services	33.0	50.7	39.9
<b>Number of employed persons</b>			
10–19	27.6	41.9	34.5
20–49	36.1	50.0	54.8
50–99	45.2	55.6	61.4
100–249	54.5	61.5	68.8
250+	75.4	79.8	85.4
<b>Belonging to a concern</b>			
Not belonging	29.6	42.5	39.7
Belonging	51.4	62.9	62.5
<b>Foreign equity</b>			
No foreign equity	31.9	44.5	43.7
With foreign equity	46.7	61.4	62.0



### Accommodated tourists by country of residence, 2008

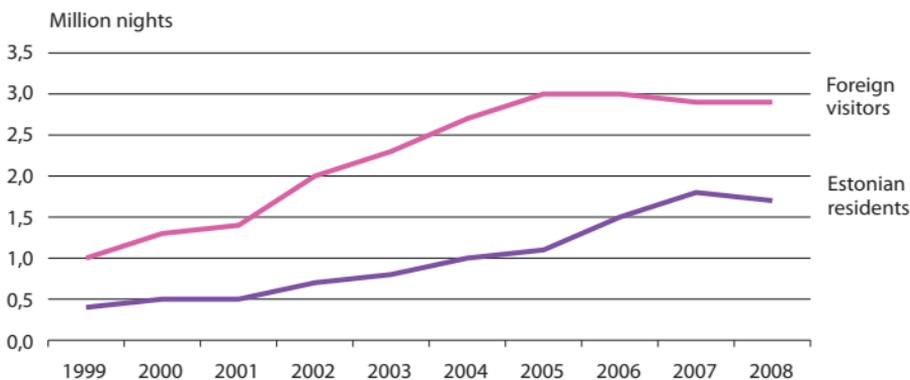
Country	Accommodated tourists	Nights spent	Average duration of a trip, days
<b>TOTAL</b>	2 377 671	4 602 212	1.9
<b>Estonia</b>	944 325	1 669 550	1.8
<b>Foreign visitors</b>	1 433 346	2 932 662	2.0
Finland	728 181	1 415 884	1.9
Sweden	86 308	185 592	2.2
Germany	91 915	187 665	2.0
Latvia	79 527	123 299	1.6
Russian Federation	82 280	198 319	2.4
United Kingdom	46 575	112 423	2.4
Norway	47 240	125 683	2.7
Lithuania	41 396	69 555	1.7
Italy	26 280	60 692	2.3
United States	19 185	46 014	2.4
Other countries	184 459	407 536	2.2

By preliminary data, in 2008 about 2 million overnight foreign tourists visited Estonia. Compared to the previous year, the number of foreign tourists increased 3.7%. 1.4 million foreign tourists visiting Estonia stayed in accommodation establishments. Compared to the previous year, 3.8% more foreign tourists stayed in accommodation establishments. The number of foreign tourists using the services of accommodation establishments surpassed one million first in 2002. In May 2004 Estonia was acceded to the European Union. This was also the year when the number of foreign tourists visiting accommodation establishments of Estonia grew rapidly.

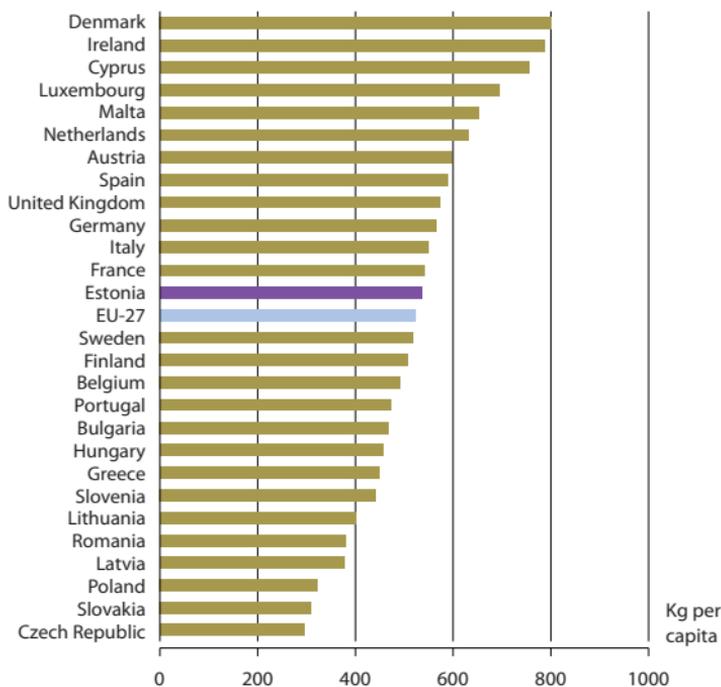
Throughout the years Finland has been the main market for our accommodation establishments. Although during last years the share of Finnish tourists among the foreign tourists of accommodation establishments of Estonia has decreased, in 2008 more than half of foreign tourists came from Finland.

More and more tourists are using the help of tourist agencies and tour operators of Estonia. In 2008, 542,000 residents of Estonia were sent to foreign tours by tourist agencies and tour operators — 5% more than in 2007 and 40% more than in 2004, the year of joining the European Union. More than each third of residents of Estonia used the services of local travel agencies for travelling abroad. Most preferred destination for travelling has been Finland throughout the years, although the share of Finland as a destination is decreasing. More and more tourists travel to Portugal, Greece, Turkey, Spain, Thailand, Bulgaria and other countries.

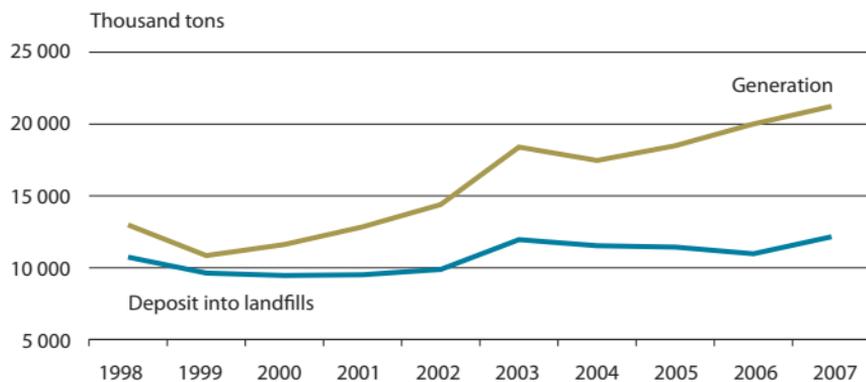
## Tourist nights spent in accommodation establishments, 1999–2008



## Generation of municipal waste in the European Union, 2007



## Waste generation and deposit into landfills, 1998–2007



The growing amount of waste reflects wasting of resources and energy and has become a problem in many countries, in Estonia also. Lately the quantity of generated waste has increased constantly by about 1–3 million tons compared to the previous year. 1.5 times more waste was generated in 2007 compared to 2001 (21.2 million tons and 12.8 million tons, respectively). More than half of generated waste came directly or indirectly from electricity production. In 2007 the biggest generated waste categories were oil shale ash — 6.9 million tons, and oil shale mining waste — 6.8 million tons. Waste generated during oil shale excavation and treatment was landfilled in Ida-Viru county. In 2007 the other biggest generated waste categories were construction and demolition waste and wooden waste.

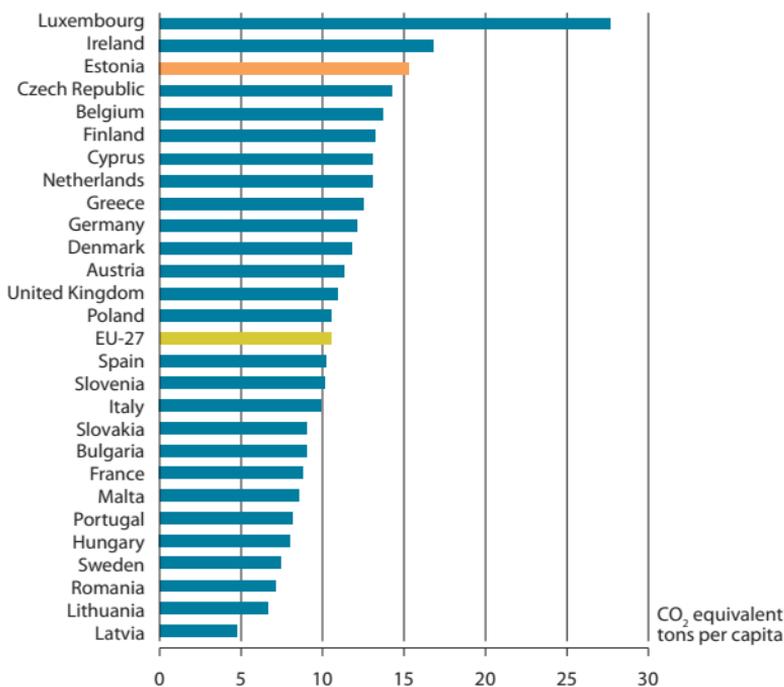
The number of landfills has decreased several times during last years. 157 landfills were in use in 2001, the most of which were overfilled and dangerous to surface and ground water. For 2007 the most of old landfills were closed, only 30 landfills were in use.

In 2007, 481 kilograms of municipal waste per capita were collected in Estonia. Estimates for the quantities of municipal waste are presented for the European Union Member States (the average indicator is 522 kilograms of municipal waste per capita per year). About a half of municipal waste has been received from households. One of the targets of the Estonian Environmental Strategy for the year 2010 is to stabilise the yearly generation of municipal waste up to 250–300 kilograms per capita per year.

In many European countries most of municipal waste is incinerated. Only about 0.2% of the collected municipal waste is incinerated in Estonia. In 2007, 60% of collected municipal waste was landfilled.



### Emission of greenhouse gases in the European Union, 2005



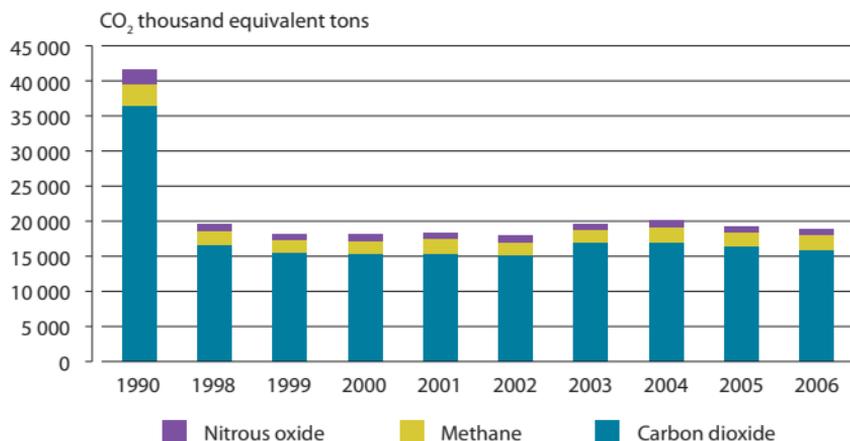
The greenhouse effect is a global environmental problem, which is attempted to regulate by the Kyoto Protocol. The Kyoto Protocol has been signed by Estonia in 1998, taking hereby the duty to reduce greenhouse gases ( $\text{CO}_2$ ,  $\text{CH}_4$ ,  $\text{N}_2\text{O}$ , HFC, PFC,  $\text{SF}_6$ ) emission 8% by the year 2010 compared to the basic year (1990).

Carbon dioxide is the main greenhouse gas, the share of which in global greenhouse effect is more than 60%. Carbon dioxide emission per capita in Estonia is one of the highest in Europe. If the world average emission of carbon dioxide is 0.6 tons per capita in a year, then in Estonia the emission of carbon dioxide was 9 tons per capita in 2006.

Estonia is among ten biggest emitters of greenhouse gases per capita in the world. The main cause for this is the use of oil shale for electricity production. The share of carbon dioxide emitted from oil shale incineration was 71% of total greenhouse gas emissions in 2006 in Estonia. At the same time Estonia has fulfilled the duty of the Kyoto Protocol compared to basic year (1990) already. In Estonia, mainly caused by the decrease of production, greenhouse gas emission was reduced by 58% for 2006 in comparison with 1990.

The State Programme for the reduction of the emission of greenhouse gases for the years 2003–2012 fixed to reduce carbon dioxide emission by 20%, methane emission by 28% and to raise nitrous oxide emission by 9% in Estonia in 2010 compared to 1999.

## Emission of greenhouse gases, 1990, 1998–2006



## Explanation of symbols:

..	category not applicable
-	magnitude nil
0.0	magnitude less than half of the unit employed
EU	European Union
EU-27	27 Member States of the European Union
CIS	Commonwealth of Independent States

## Data sources:

Statistics Estonia, Eurostat, Bank of Estonia and Estonian Tourist Board

## Web sites on Estonia

The State Portal	<a href="http://www.eesti.ee">www.eesti.ee</a>
Office of the President	<a href="http://www.president.ee">www.president.ee</a>
Riigikogu (Parliament)	<a href="http://www.riigikogu.ee">www.riigikogu.ee</a>
Government of the Republic of Estonia	<a href="http://www.valitsus.ee">www.valitsus.ee</a>
Ministry of Foreign Affairs	<a href="http://www.mfa.ee">www.mfa.ee</a>
Bank of Estonia	<a href="http://www.bankofestonia.info">www.bankofestonia.info</a>
Estonian Institute	<a href="http://www.einst.ee">www.einst.ee</a>
Encyclopaedia about Estonia	<a href="http://www.estonica.org">www.estonica.org</a>
Tourist Information	<a href="http://www.visitestonia.com">www.visitestonia.com</a>
Enterprise Estonia	<a href="http://www.eas.ee">www.eas.ee</a>
Estonia information	<a href="http://www.mfa.ee/estonia">www.mfa.ee/estonia</a>
Estonian Cultural Events	<a href="http://www.culture.ee">www.culture.ee</a>
Estonian Houses around the world	<a href="http://www.eestimaja.ee">www.eestimaja.ee</a>
Estonian Investment and Trade Agency	<a href="http://www.investinestonia.ee">www.investinestonia.ee</a>
Estonian Development Fund	<a href="http://www.arengufond.ee">www.arengufond.ee</a>
Study in Estonia	<a href="http://www.smartestonia.ee">www.smartestonia.ee</a>
National Library of Estonia	<a href="http://www.nlib.ee">www.nlib.ee</a>
Information Centre of Estonian Museums	<a href="http://www.muuseum.ee">www.muuseum.ee</a>
Statistics Estonia	<a href="http://www.stat.ee">www.stat.ee</a>

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