



*Eesti Pank 85*

*1919 – 2004*

ESTONIA'S  
BALANCE OF PAYMENTS  
YEARBOOK  
2003

# INTRODUCTION

In recent years more and more attention has been paid to the changes taking place in Estonia's external economic environment which have been accompanied by numerous economic policy discussions. On the one hand, this has been prompted by the progress reports based on the principles of the European Stability and Growth Pact that have been drawn up prior to Estonia's membership in the EU and the monetary union, but on the other hand, by the rapid development of the economy, the related growth of external borrowing and consumption and deepening of the current account deficit.

Therefore, constant scrutiny has been focused on the Estonian balance of payments statistics tendencies, which have an important impact on a small open economy susceptible to changes in the external environment. It is likely that the interest of the public in the balance of payments statistics will increase further in future, since the first evidence of changes in the economy after EU membership will be reflected in the statistical data of this field.

The present, fourth **Balance of Payments Yearbook** gives a survey of the 2003 external sector changes through the balance of payments, international investment position and external debt reports. As compared to earlier yearbooks, the present one devotes more attention to the regional aspect of the balance of payments statistics, for which the collection of more detailed data was started in the first quarter of 2003.

Like in most other countries of continental Europe, compiling the balance of payments is the responsibility of the central bank or Eesti Pank in Estonia. Drawing up the balance of payments, which is one of the main tasks imposed on Eesti Pank by law, is the responsibility of the bank's Balance of Payments and Economic Statistics Department. In the framework of this job, the bank cooperates with more than 3,200 companies engaged in external economic activities, as well as credit and state institutions which all submit balance of payments statistics reports on a regular basis. Thank you all for your contribution to compiling Estonia's balance of payments!

## I. ESTONIA'S BALANCE OF PAYMENTS FOR 2003

Although in the second half of 2003 the world economy started to recover from a depression that had lasted for more than two years, the average annual global growth remained relatively modest (2.6%) and varied across major economic areas. The economic recovery of Estonia's main trade partners, the EU countries, was slower than average and in 2003 the growth rate of their GDP was even lower than in 2002 (0.7% and 1%, respectively). Thus, external demand environment remained relatively weak for Estonia – the weighted average economic growth of the ten major trade partners was 2.7%.

Weak external demand also reduced the growth prospects of Estonian exports and the annual average increase remained below the average medium-term forecast – the real growth of the exports of goods amounted to 6.1% in 2003. The 12% nominal growth of normal exports indicates, however, that for the third consecutive year Estonian exporters have increased their share in the world market. The increase in export volumes across major groups of goods was relatively similar (only food and textile industry showed below-average growth), which points to the overall improvement of competitiveness of the industrial sector.

Although external demand remained relatively weak for Estonia in 2003, interest rate cuts and increasing trust of foreign investors towards the Estonian economy encouraged domestic demand growth. Investment activity remained close to the peak level achieved in 2002 (the share of investments and inventory amounted to 31% of GDP) but was based mostly on single large-scale or one-time investment projects. The high import content of these projects led to the imports of goods increasing faster than exports (the real growth of goods imports amounted to 13.3% in 2003) and the trade deficit increased by 2 percentage points, i.e. to 17.4% of GDP.

Besides single large-scale investment projects, another reason behind the deepening current account deficit was the decrease of the savings level. The decline in interest rates and cyclical weakness of external demand resulted in declining private saving, which was not fully compensated by the general government's conservative fiscal policy and the largest ever budget surplus (2.4% of GDP). Still, the profitability of the business sector remained relatively high and, due to large foreign ownership, brought about the largest ever income deficit (6.3% of GDP) of which three fourths was reinvested in the Estonian economy. As a result of all this, the current account deficit reached 13.2% of GDP (as against 10.2% in 2002).

While in the 1990s most of the foreign resources used for financing the current account deficit were foreign direct investments, then in recent years a number of foreign-owned companies have expanded their activities in Estonia through loans from the local financial sector. In capital flows, the share of loan resources attracted by the financial sector from abroad has increased, consisting mostly of resources received from foreign parent banks. In 2003, foreign direct investments covered two thirds of the current account deficit (the surplus

of direct investments stood at 8.3% of GDP) and resources received from foreign parent banks amounted to 3.4% of GDP.

The constant involvement of foreign resources in expanding the capital base of the Estonian economy has, besides increasing the total volume of foreign direct investments, increased the debt burden of the Estonian economy as well. These developments continued also in 2003 when the total volume of direct investments into Estonia increased by 10 percentage points (to 64% of GDP) and the external debt burden grew by 10 percentage points (to 70% of GDP). At the same time, the Estonian financial sector, the government and the central bank own a considerable amount of foreign financial assets, which makes Estonia's net external debt significantly lower than the gross debt – at the end of 2003 the net external debt amounted to just 15% of GDP. Dividend and interest income earned from those investments also helps to balance the income deficit.

Surveys of Estonia's balance of payments and the main international indicators of the balance of payments are given in Tables 1.1 and 1.2.

**Table 1.1. Estonia's balance of payments (EEK m)**

	1997	1998	1999	2000	2001	2002	2003
<b>Current account</b>	<b>-7,810.2</b>	<b>-6,760.2</b>	<b>-3,607.7</b>	<b>-5,093.4</b>	<b>-5,889.5</b>	<b>-11,882.9</b>	<b>-16,563.1</b>
Trade and services	-7,420.1	-7,676.2	-3,755.4	-3,569.0	-3,623.7	-8,318.2	-10,101.1
Goods	-15,652.8	-15,725.5	-12,096.9	-13,143.6	-13,783.9	-17,995.6	-21,850.9
Goods: exports f.o.b.	31,846.5	37,786.3	36,995.2	56,345.9	58,667.1	58,333.6	63,533.8
Goods: imports f.o.b.	-47,499.3	-53,511.8	-49,092.1	-69,489.5	-72,451.0	-76,329.2	-85,384.7
Services: net	8,232.7	8,049.3	8,341.5	9,574.6	10,160.2	9,677.4	11,749.9
Services: credit	18,366.7	20,804.0	21,951.9	25,485.8	28,866.5	28,279.7	30,814.4
Services: debit	-10,134.0	-12,754.7	-13,610.4	-15,911.2	-18,706.3	-18,602.3	-19,064.6
Income: net	-2,010.5	-1,164.0	-1,505.8	-3,483.4	-4,926.1	-5,423.1	-7,936.7
Income: credit	1,594.1	1,871.8	1,964.3	2,008.0	2,994.7	3,339.3	3,385.9
Income: debit	-3,604.6	-3,035.8	-3,470.1	-5,491.4	-7,920.8	-8,762.4	-11,322.7
Transfers	1,620.4	2,080.0	1,653.5	1,959.0	2,660.3	1,858.4	1,474.7
Transfers: credit	1,877.7	2,424.2	2,257.5	2,454.8	3,174.1	2,876.3	2,874.8
Transfers: debit	-257.3	-344.2	-604.0	-495.8	-513.8	-1,017.9	-1,400.1
<b>Capital and financial account</b>	<b>10,953.3</b>	<b>6,869.8</b>	<b>5,916.6</b>	<b>7,273.2</b>	<b>4,863.1</b>	<b>12,739.6</b>	<b>18,979.7</b>
Capital account	-2.0	25.2	17.8	278.5	90.0	320.7	549.0
Financial account	10,955.3	6,844.6	5,898.8	6,994.7	4,773.1	12,418.9	18,430.7
Direct investments	1,781.2	7,989.7	3,208.2	5,601.4	5,901.3	2,611.8	10,432.2
Abroad	-1,912.9	-81.7	-1,239.8	-1,043.1	-3,528.3	-2,188.4	-2,038.5
Into Estonia	3,694.1	8,071.4	4,448.0	6,644.5	9,429.6	4,800.2	12,470.7
Portfolio investments	3,655.1	-23.4	156.0	1,435.0	-699.7	2,378.7	2,372.0
Assets	-2,319.3	-127.9	-1,894.9	153.1	-2,100.2	-3,182.9	-5,351.6
Equity securities	-1,238.5	500.8	187.0	53.3	236.5	9.1	-1,028.9
Debt securities	-1,080.8	-628.7	-2,081.9	99.8	-2,336.7	-3,192.0	-4,322.7
Liabilities	5,974.4	104.5	2,050.9	1,281.9	1,400.5	5,561.6	7,723.6
Equity securities	1,763.6	401.1	3,292.3	-538.8	568.4	912.2	1,486.6
Debt securities	4,210.8	-296.6	-1,241.4	1,820.7	832.1	4,649.4	6,237.1
Other investments	5,519.0	-1,121.7	2,534.6	-41.7	-428.5	7,428.4	5,626.5
Assets	-4,635.5	-2,480.2	-1,651.2	-2,638.3	-3,716.7	695.1	-1,897.2
Long-term	-1,063.0	-786.5	421.8	-1,108.7	-322.7	-1,083.0	-561.3
Short-term	-3,572.5	-1,693.7	-2,073.0	-1,529.6	-3,394.0	1,778.1	-1,335.9
Liabilities	10,154.5	1,358.5	4,185.8	2,596.6	3,288.2	6,733.3	7,523.6
Long-term	4,604.9	1,258.4	1,691.5	-549.9	1,814.4	1,829.0	4,227.2
Short-term	5,549.6	100.1	2,494.3	3,146.5	1,473.8	4,904.3	3,296.4
Errors and omissions	-371.8	16.8	-511.3	90.7	296.2	70.1	-104.5
<b>Overall balance</b>	<b>2,771.3</b>	<b>126.4</b>	<b>1,797.6</b>	<b>2,270.5</b>	<b>-730.2</b>	<b>926.8</b>	<b>2,312.1</b>
<b>Reserve assets</b>	<b>-2,771.3</b>	<b>-126.4</b>	<b>-1,797.6</b>	<b>-2,270.5</b>	<b>730.2</b>	<b>-926.8</b>	<b>-2,312.1</b>

**Table 1.2. Internationally comparable main indicators of the balance of payments**

	1997	1998	1999	2000	2001	2002	2003
Foreign trade turnover (% of GDP)	116.1	116.5	105.4	135.7	125.7	115.2	118.3
Export and import ratio (%)	67.1	70.7	75.4	81.4	80.8	76.4	74.3
Nominal effective exchange rate (% compared to the previous period)	97.2	108.8	117.1	97.3	101.3	102.1	103.6
Real effective exchange rate (% compared to the previous period)	103.3	110.4	107.3	96.2	102.0	101.9	101.7
Terms of trade (ratio of exports and imports price indices)	108.8	108.8	107.9	112.6	118.4	112.2	121.6
Overall balance of the balance of payments (change of external reserves, EEK m)	2,771.3	126.4	1,797.6	2,270.5	-730.2	926.8	2,312.0
Ratio of the external reserves change to GDP (%)	4.1	0.2	2.2	2.4	-0.7	0.8	1.8
Current account balance (EEK m)	-7,810.2	-6,760.2	-3,607.7	-5,093.4	-5,889.5	-11,882.9	-16,563.1
Current account deficit without government transfers (EEK m)	-9,143.0	-8,314.5	-5,022.8	-6,609.3	-8,072.8	-13,432.0	-17,657.1
Current account deficit without government transfers (% of GDP)	13.4	10.6	6.2	7.1	7.7	11.5	14.0
Government transfers (net, EEK m)	1,332.8	1,554.3	1,415.1	1,515.9	2,183.3	1,549.1	1,094.0
Government transfers (% of GNP)	2.0	2.0	1.8	1.7	2.2	1.4	0.9
Estonia's total external debt (% of GDP)	53.8	50.1	54.9	54.6	55.6	60.1	69.1
External debt servicing (% from total exports)	1.6	1.2	1.1	1.3	1.0	1.7	0.3

## CHANGES IN THE BALANCE OF PAYMENTS STATISTICS METHODOLOGY

In the course of drawing up the 2003 fourth quarter balance of payments, data of the previous quarters were also adjusted due to **additional information received and specification of the methodology used in compiling the balance of payments.**

In connection with the adoption of the EU statistics requirements, Eesti Pank introduced the regional (country) breakdown, which resulted in adjustments in the data on **transport services and foreign trade.** As a result of methodological adjustments, the following balance of payments items have changed:

- **Foreign trade: imports** – in order to convert the imports indicator expressed in the c.i.f. price in the official foreign trade statistics into the f.o.b. price (the c.i.f. price includes the value of goods and cost of transportation and insurance to the customs frontier of the importing country; the f.o.b. price includes the value of goods and the cost of insurance and transportation to the customs frontier of the exporting country) the general average transport and insurance rate was specified across trading countries. Since the weighted average rate turned out somewhat higher than the previously applied rate, the imports of goods decreased by an estimated 200 million kroons;
- **Transport services: debit** – in addition to the share of carriers, goods for processing were excluded from the transportation costs, which are calculated by the above method, and the transportation cost rate was divided across the countries by modes of transport, so as to achieve a more precise entry. The new approach showed that the imports of services had formerly been somewhat overestimated (by approximately 150 million kroons per quarter). Since previously imported transport services were divided across the modes of transport by exports, the change also led to a reclassification of entries under air, rail, and road transport.

The above estimates are based on the foreign trade statistics of the Customs Board.

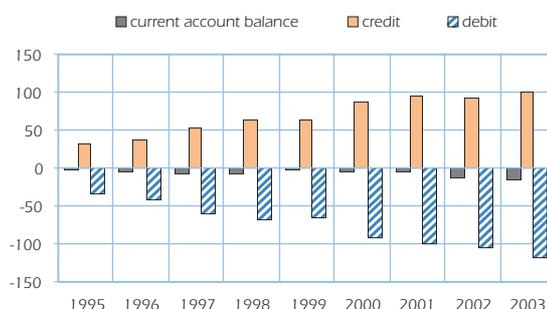
Adjustments were also made in the **current transfers account:**

- **Government transfers: credit** – estimates on foreign aid, used until 2002 for the lack of real data, were replaced with reported data, which turned out smaller than the estimates. Due to receiving more representative information, part of transactions earlier entered under the central government current transfers are now shown as government transfers of the capital account (investments into environmental protection, infrastructure, etc received in the form of foreign aid).

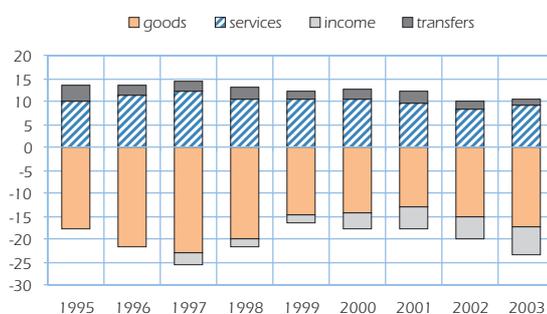
## SHORT OVERVIEW

### Current Account

Due to relatively weak external demand, active investments and private consumption, the deficit of Estonia's 2003 balance of payments increased by nearly 40% year-on-year, amounting to 16.6 billion kroons according to adjusted data, i.e. 13.2% of GDP. The main reason behind the deficit was still imports of goods exceeding exports. The current account deficit was also increased by the income earned from foreign investments into Estonia, which was particularly large in 2003 – the net outflow of income reached 6.3% of GDP. The EU countries<sup>1</sup> accounted for 63–64% of both credit and debit turnover, whereas the enlarged European Union (EU-25) accounted for 77%.



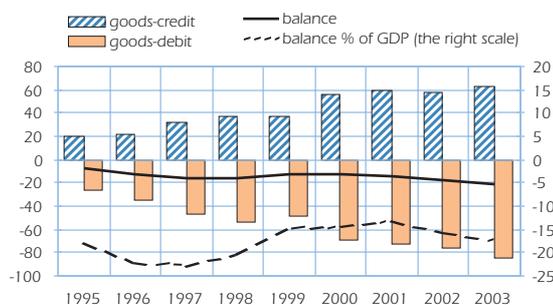
Current account turnover and balance (EEK bn)



Current account components (% of GDP)

### Goods

In 2003, the foreign trade deficit increased by 3.9 billion kroons year-on-year, amounting to 21.9 billion kroons, i.e. 17.4% of GDP. The exports of goods increased by 9%, with normal exports<sup>2</sup> up 12%. Exports increased across almost all groups of goods, with the exception of food and clothing, footwear and headgear. Largest growth was recorded in the normal exports of machinery and equipment, chemical products, metal and mineral products. Imports increased by 12%, due to the persistently high domestic demand, with imports of goods for free circulation up nearly 16% (mostly thanks to capital goods and means of transport). The increase in imports of goods for processing and exports of processed goods was modest, which led to a slight decrease of their share in the foreign trade turnover. Almost 60% of processed goods and goods for processing were machinery and equipment and 20%



Estonia's foreign trade balance (EEK bn)

were clothing, footwear and headgear.

Estonia's major trade partners were the EU countries, which accounted for 68% of exports and 63% of imports. Trade was also lively with the acceding countries and CIS countries.

<sup>1</sup> Here and below the EU countries denote the 15 countries that were members of the union in the period analysed (2003); the ten countries that joined the EU on 1 May 2004 are referred to as acceding countries.

<sup>2</sup> Normal exports – exports of goods manufactured in Estonia and belonging to Estonian legal entities; do not include the exports of processed goods. Normal imports – imports of goods for Estonia's domestic consumption; do not include the imports of goods for processing.

## Services

The surplus of the services balance increased by 21% in 2003, due to exports growing faster than imports (by 9% and 3%, respectively). While in 2002 the surplus of the services balance mostly consisted of the debit balance of transport and travel services, then in 2003 the share of travel services decreased.

## Income

The income balance had a record deficit of 7.9 billion kroons, which was mostly related to direct investment income. 75% of the deficit derived from the growth of reinvested earnings, which do not involve any real movement of funds. However, the direct investment income paid out as dividends has decreased twice year-on-year.

## Capital and Financial Account

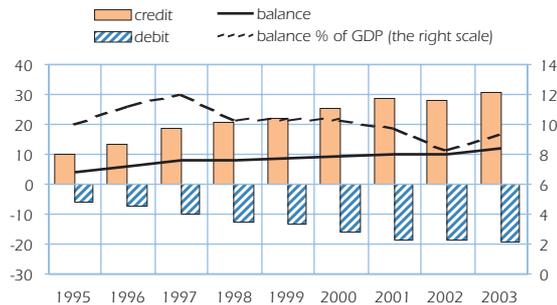
The surplus of the capital and financial account increased by nearly 50% year-on-year and amounted to record 19 billion kroons. Direct investment balance was also exceptionally high, covering 55% of the net capital inflow. In recent years, the current account deficit has been financed, besides foreign direct investments, also by other forms of capital inflow (loans, deposits), which covered nearly a third of the capital and financial account balance.

## Direct Investments

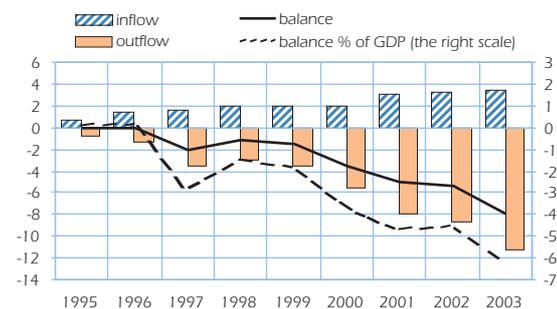
The net inflow of direct investments stood at 10.4 billion kroons, of which non-residents' strategic investments into Estonia formed 12.5 billion kroons and residents' direct investments abroad amounted to 2 billion kroons.

Estonia received a record amount of direct investments, over 90% of which was invested into equity. The growth of reinvested earnings doubled year-on-year. 76% of foreign direct investments into Estonia came from Finland and Sweden. The most popular investment sector was wholesale and retail trade.

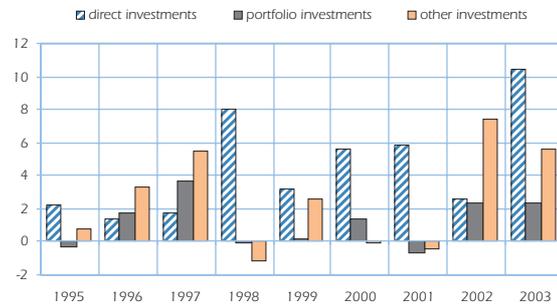
The structure of residents' direct investments abroad changed little. The main components were share



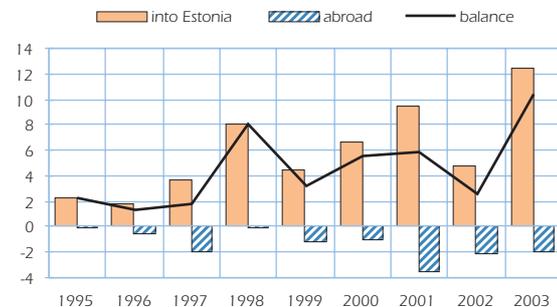
Services balance (EEK bn)



Income balance (EEK bn)



Capital and financial account sub-accounts (EEK bn)

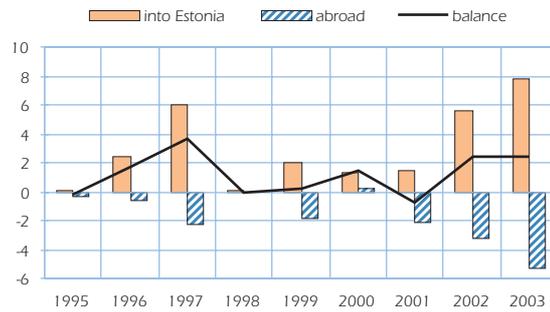


Direct investments (EEK bn)

capital (47%) and retained profits (36%). More than half of direct investments abroad went into Lithuania. The financial intermediation sector was Estonia's largest investor.

## Portfolio Investments

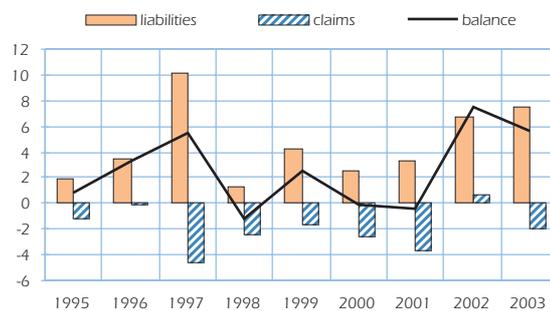
Portfolio investment balance was positive by 2.4 billion kroons in 2003. Estonia received about 7.7 billion kroons worth of portfolio investments and 5.4 billion kroons were invested abroad. Investments into debt securities dominated, with the general government investing 4.2 billion kroons into debt securities issued by non-residents in 2003. Estonian credit institutions issued 6.6 billion kroons worth of debt securities in foreign financial markets.



**Portfolio investments (EEK bn)**

## Other Investments

The net inflow of other investments amounted to approximately 5.6 billion kroons in 2003, with investment liabilities growing by 1.9 billion kroons and claims by 7.5 billion kroons. Loan liabilities and non-residents' deposits in credit institutions increased remarkably, by 3.1 million and 4.6 billion kroons, respectively. The growth of other investment liabilities was mostly related to the EU countries.

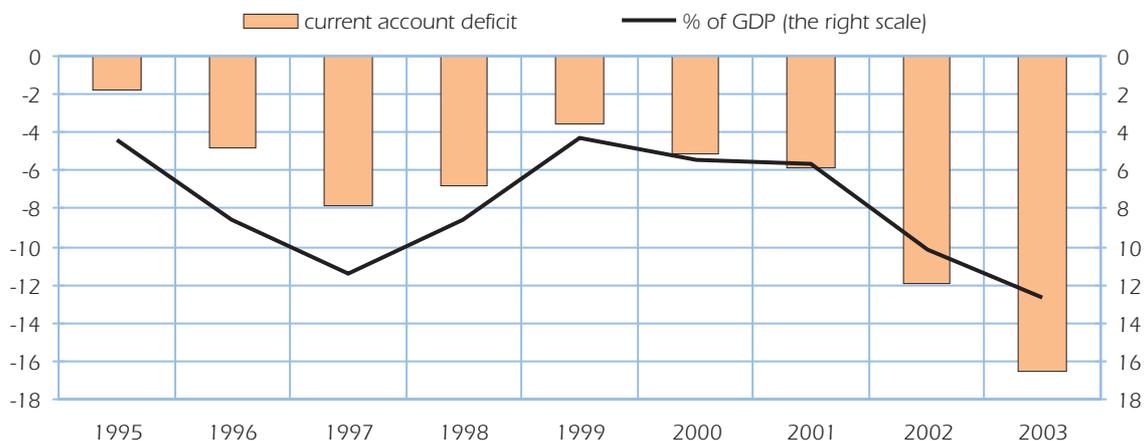


**Other investments (EEK bn)**

## CURRENT ACCOUNT

The previous year's tendencies continued in 2003: weak export demand and strong import demand increased the current account deficit even further and the relative current account deficit amounted to 13.2% of GDP (see Figure 1.1).

Estonia's foreign trade was mostly limited to the EU countries and acceding countries (77% of the turnover; see Table 1.3). Current account deficits were the highest with Germany, Russia, the Ukraine, and the Netherlands. Surpluses were the largest with Latvia, the British Virgin Islands, Norway, Finland, and the UK.



**Figure 1.1. Estonia's current account balance (EEK bn)**

**Table 1.3. Current account by groups of countries in 2003 (EEK m)**

<b>European Union</b>	<b>-12,041.3</b>
Germany	-5,028.9
Netherlands	-2,542.0
Italy	-1,658.6
Belgium	-1,194.9
Sweden	-971.0
<b>Acceding countries</b>	<b>-916.6</b>
Latvia	2,128.8
Poland	-1,874.7
Czech Republic	-499.5
<b>CIS</b>	<b>-6,767.4</b>
Russia	-3,263.9
Ukraine	-2,621.1
Belarus	-877.0
<b>Other</b>	<b>3,162.2</b>
British Virgin Islands	2,089.4
Norway	1,436.2
Japan	-988.6
Hong Kong	-791.3
China	-618.8
<b>Total</b>	<b>-16,563.1</b>

## Goods

In 2003, the goods deficit increased by 3.9 billion kroons year-on-year, totalling 21.9 billion kroons. Exports of goods amounted to 63.5 billion kroons and imports were 85.4 billion kroons (see Table 1.4).

**Table 1.4. Changes in the exports and imports of goods**

	Goods: exports f.o.b.			Goods: imports f.o.b.			Balance (EEK m)
	Volume* (EEK m)	Change compared to the previous year (%)	Share in total exports of goods and services (%)	Volume* (EEK m)	Change compared to the previous year (%)	Share in total imports of goods and services (%)	
1995	19,428.2	22.7	66.0	27,043.7	32.3	82.6	-7,615.5
1996	21,833.4	12.4	62.1	34,121.6	26.2	82.8	-12,288.2
1997	31,846.5	45.9	63.4	47,499.3	39.2	82.4	-15,652.8
1998	37,786.3	18.7	64.5	53,511.8	12.7	80.8	-15,725.5
1999	36,995.2	-2.1	62.8	49,092.1	-8.3	78.3	-12,096.9
2000	56,345.9	52.3	68.9	69,489.5	41.5	81.4	-13,143.6
2001	58,667.1	4.1	67.0	72,451.0	4.3	79.5	-13,783.9
2002	58,333.6	-0.6	67.3	76,329.2	5.4	80.4	-17,995.6
2003	63,533.8	8.9	67.3	85,384.7	11.9	81.7	-21,850.9

\* Data of foreign trade in the balance of payments.

Exports according to **special trade statistics**<sup>3</sup> were 62.5 billion kroons, imports in c.i.f. prices were 89.7 billion kroons, and goods deficit was 27.2 billion kroons.

<sup>3</sup>The analysis below does not contain adjustments made in the foreign trade balance by the Balance of Payments and Economic Statistics Department of Eesti Pank (repair of capital goods, provisions bought abroad, etc). Imports are in c.i.f. prices and analysed by the trading country.

Eesti Pank uses the special trade system in its foreign trade analyses, which means that exports exclude the re-exports of imported goods previously stored in customs warehouses or provisions for sea and air transport. Imports exclude customs warehousing of imported goods, yet reflect deliveries of goods from customs warehouses into free circulation and processing.

**Exports of goods** surged by nearly 10% year-on-year, with both normal exports and exports of processed goods increasing by 12% and 5%, respectively (see Table 1.5).

**Table 1.5. Special exports by final consumption**

	Volume (EEK m)		Share (%)		Change (%)
	2002	2003	2002	2003	2003/2002
<b>Normal exports</b>	<b>39,057.5</b>	<b>43,712.4</b>	<b>68.5</b>	<b>69.9</b>	<b>11.9</b>
capital goods	2,118.0	2,591.6	3.7	4.1	22.4
intermediate goods	23,893.9	27,110.6	41.9	43.4	13.5
consumer goods	12,042.6	12,852.2	21.1	20.6	6.7
other	1,003.0	1,158.0	1.8	1.9	15.5
<b>Exports of processed goods</b>	<b>17,933.2</b>	<b>18,819.1</b>	<b>31.5</b>	<b>30.1</b>	<b>4.9</b>
capital goods	4,659.3	4,278.4	8.2	6.8	-8.2
intermediate goods	9,224.0	10,521.2	16.2	16.8	14.1
consumer goods	3,881.0	3,731.3	6.8	6.0	-3.9
other	168.9	288.1	0.3	0.5	70.6
<b>Total</b>	<b>56,990.6</b>	<b>62,531.4</b>	<b>100.0</b>	<b>100.0</b>	<b>9.7</b>

The volume of **normal exports** increased in all groups of final consumption by a total of 4.7 billion kroons, mostly thanks to an increase in the exports of intermediate and consumer goods. Intermediate goods mostly included timber products: sleepers, prefabricated wooden buildings and components, as well as unprocessed timber and firewood. On a positive note it should be mentioned that the share of unprocessed timber is constantly decreasing in exports and the share of processed timber is increasing. Intermediate goods exports included also metal structures, car accessories, paints, etc. Consumer goods exports mainly consisted of furniture and its components, fish and dairy products, textile products, footwear, medicines, and plastic products. Capital goods exports included trailers, containers, lifting and loading mechanisms, metal moulds, and various instruments. The three major groups in the exports of processed goods were machinery, clothing, footwear and headgear, and metals. Machinery exports increased by 4% and metals exports by 18%, while exports of clothing, footwear and headgear fell by 5%. Over half of the processed goods consisted of intermediate goods – electronics and engineering components, and metal products. Capital goods exports consisted mainly of mobile communication equipment, whereas consumer goods mostly included textile products.

**Imports of goods** increased by 13% in 2003 (see Table 1.6), with normal imports (imports for free circulation) growing by 16%, while imports for processing remained approximately at the same level as in 2002.

**Table 1.6. Special imports by final consumption**

	Volume (EEK m)		Share (%)		Change (%)
	2002	2003	2002	2003	2003/2002
<b>Imports for free circulation (normal imports)</b>	<b>63,587.9</b>	<b>73,659.7</b>	<b>80.0</b>	<b>82.1</b>	<b>15.8</b>
capital goods	11,140.3	16,408.7	14.0	18.3	47.3
intermediate goods	29,536.5	32,258.0	37.2	36.0	9.2
consumer goods	15,674.7	16,420.7	19.7	18.3	4.8
other	7,236.3	8,572.3	9.1	9.6	18.5
<b>Imports of goods for processing</b>	<b>15,883.8</b>	<b>16,050.1</b>	<b>20.0</b>	<b>17.9</b>	<b>1.0</b>
capital goods	3,568.0	2,545.4	4.5	2.8	-28.7
intermediate goods	11,176.9	12,396.6	14.1	13.8	10.9
consumer goods	1,082.6	1,061.6	1.4	1.2	-1.9
other	56.3	46.5	0.1	0.1	-17.4
<b>Total</b>	<b>79,471.7</b>	<b>89,709.9</b>	<b>100.0</b>	<b>100.0</b>	<b>12.9</b>

The volume of **normal imports** increased across all groups of final consumption, growing by a total of 10 billion kroons. More than half came from the growth of capital goods imports. The most remarkable change as compared to 2002 was railway cars imports worth 3.8 billion kroons. Besides these, computers, trucks, farming and road construction machinery, and mobile phones were imported. Intermediate goods imports included parts of motor vehicles, natural gas, unprocessed timber, metal products, machinery components, etc. Medicines and other chemical products, food, footwear, ready-made clothes, and household electronic devices dominated in consumer goods imports. Other goods traditionally included motor cars and motor fuel, which are hard to define by final consumption. Motor car imports increased by 22% in 2003 and amounted to 4.6 billion kroons. Imports of motor fuel increased by 8% year-on-year, totalling 3.4 billion kroons.

**Imports for processing** increased insignificantly year-on-year and their share in special imports dropped from 20% to 18%. Most of goods for processing were intermediate goods, such as components of electrical and electronic appliances, raw material for the textile industry, and metals.

**Foreign trade deficit** increased by 21% year-on-year and totalled 27.2 billion kroons (see Table 1.7). The surplus of processed goods and goods for processing increased by 0.7 billion kroons, whereas the deficit of normal exports and imports increased by 5.4 billion kroons, mostly due to the growth of capital goods imports.

**Table 1.7. Foreign trade balance by final consumption (EEK m)**

	2002	2003
<b>Balance of normal exports and normal imports</b>	<b>-24,530.4</b>	<b>-29,947.4</b>
capital goods	-9,022.3	-13,817.2
intermediate goods	-5,642.7	-5,147.4
consumer goods	-3,632.1	-3,568.5
other	-6,233.3	-7,414.3
<b>Balance of exports of processed goods and imports of goods for processing</b>	<b>2,049.4</b>	<b>2,768.9</b>
capital goods	1,091.3	1,733.1
intermediate goods	-1,952.8	-1,875.4
consumer goods	2,798.4	2,669.7
other	112.5	241.6
<b>Total</b>	<b>-22,481.0</b>	<b>-27,178.5</b>

By groups of countries, **exports of goods** to the EU and the acceding countries increased, as well as exports to the CIS countries (see Table 1.8).

**Table 1.8. Special exports by groups of countries**

	Volume (EEK m)		Share (%)		Change (%)
	2002	2003	2002	2003	2003/2002
<b>European Union</b>	<b>38,740.8</b>	<b>42,739.8</b>	<b>68.0</b>	<b>68.3</b>	<b>10.3</b>
Finland	14,111.2	16,203.5	24.8	25.9	14.8
Sweden	8,737.5	9,520.3	15.3	15.2	9.0
Germany	5,644.6	6,177.4	9.9	9.9	9.4
<b>Acceding countries</b>	<b>7,794.1</b>	<b>8,784.7</b>	<b>13.7</b>	<b>14.0</b>	<b>12.7</b>
Latvia	4,216.4	4,393.7	7.4	7.0	4.2
Lithuania	1,987.8	2,340.5	3.5	3.7	17.7
Poland	543.2	691.1	1.0	1.1	27.2
<b>CIS</b>	<b>3,058.7</b>	<b>3,770.4</b>	<b>5.4</b>	<b>6.0</b>	<b>23.3</b>
Russia	1,901.7	2,439.9	3.3	3.9	28.3
Ukraine	969.3	1,137.5	1.7	1.8	17.3
<b>Other</b>	<b>7,397.1</b>	<b>7,236.5</b>	<b>13.0</b>	<b>11.6</b>	<b>-2.2</b>
USA	1,277.3	1,552.8	2.2	2.5	21.6
Norway	1,926.3	2,245.7	3.4	3.6	16.6
<b>Total</b>	<b>56,990.6</b>	<b>62,531.4</b>	<b>100.0</b>	<b>100.0</b>	<b>9.7</b>

Growth was the biggest in exports to the EU countries, with Estonia's three major trade partners – Finland, Sweden and Germany – accounting for 75% of the exports volume and 85% of the growth. Among acceding countries, the leading position belonged to Latvia, Lithuania, Hungary, and Poland. Russia and the Ukraine dominated among the CIS countries, accounting for 95% of exports. The top three of other countries included Norway, the USA, and China.

**Imports of goods** increased across all groups of countries in 2003 (see Table 1.9). Imports from the CIS countries grew by a remarkable 60%, thanks to the above-mentioned purchases of railway cars from Russia and the Ukraine. Deliveries from acceding countries increased by 26%, with Latvia, Lithuania and Poland occupying the top three positions. Imports from the EU grew by 5% and major trade partners were still Finland, Germany, and Sweden. The top three of other countries were Japan, China, and the USA.

**Table 1.9. Special imports by groups of countries\***

	Volume (EEK m)		Share (%)		Change (%)
	2002	2003	2002	2003	2003/2002
<b>European Union</b>	<b>53,332.3</b>	<b>56,118.6</b>	<b>67.1</b>	<b>62.6</b>	<b>5.2</b>
Finland	18,366.1	19,274.1	23.1	21.5	4.9
Sweden	8,363.9	8,781.9	10.5	9.8	5.0
Germany	9,563.1	11,433.4	12.0	12.7	19.6
<b>Acceding countries</b>	<b>9,969.6</b>	<b>12,550.7</b>	<b>12.5</b>	<b>14.0</b>	<b>25.9</b>
Latvia	3,226.5	3,789.1	4.1	4.2	17.4
Lithuania	3,026.2	3,682.9	3.8	4.1	21.7
Poland	2,188.8	2,744.6	2.8	3.1	25.4
<b>CIS</b>	<b>7,518.3</b>	<b>12,047.2</b>	<b>9.5</b>	<b>13.4</b>	<b>60.2</b>
Russia	5,646.1	7,204.2	7.1	8.0	27.6
Ukraine	1,041.4	3,797.8	1.3	4.2	264.7
<b>Other</b>	<b>8,651.5</b>	<b>8,993.4</b>	<b>10.9</b>	<b>10.0</b>	<b>4.0</b>
USA	1,082.1	1,199.9	1.4	1.3	10.9
Norway	764.0	789.3	1.0	0.9	3.3
<b>Total</b>	<b>79,471.7</b>	<b>89,709.9</b>	<b>100.0</b>	<b>100.0</b>	<b>12.9</b>

\* Analysed by trading country.

**Foreign trade balance** was negative for all groups of countries (see Table 1.10).

**Table 1.10. Foreign trade balance by groups of countries (EEK m)**

	2002	2003
<b>European Union</b>	<b>-14,591.5</b>	<b>-13,378.8</b>
Finland	-4,254.9	-3,070.5
Sweden	373.6	738.4
Germany	-3,918.5	-5,256.0
<b>Acceding countries</b>	<b>-2,175.5</b>	<b>-3,766.0</b>
Latvia	990.0	604.6
Lithuania	-1,038.4	-1,342.4
Poland	-1,645.6	-2,053.5
<b>CIS</b>	<b>-4,459.6</b>	<b>-8,276.7</b>
Russia	-3,744.4	-4,764.3
Ukraine	-72.1	-2,660.3
<b>Other</b>	<b>-1,254.4</b>	<b>-1,757.0</b>
USA	195.2	353.0
Norway	1,162.3	1,456.4
<b>Total</b>	<b>-22,481.0</b>	<b>-27,178.5</b>

## Services

The surplus of the services balance was 11.7 billion kroons in 2003, growing by 21% year-on-year (see Table 1.11). The surplus of the services balance offset foreign trade deficit by 54%, the same as in 2002.

**Table 1.11. Exports and imports of services**

	Exports		Imports		Balance	
	Volume (EEK m)	Change compared to the previous year (%)	Volume (EEK m)	Change compared to the previous year (%)	Volume (EEK m)	Change compared to the previous year (%)
1995	10,022.9	50.6	5,692.6	7.4	4,330.3	219.4
1996	13,352.8	33.2	7,107.8	24.9	6,245.0	44.2
1997	18,366.7	37.5	10,134.0	42.6	8,232.7	31.8
1998	20,804.0	13.3	12,754.8	25.9	8,049.2	-2.2
1999	21,951.9	5.5	13,610.4	6.7	8,341.5	3.6
2000	25,485.8	16.1	15,911.2	16.9	9,574.6	14.8
2001	28,866.5	13.3	18,706.3	17.6	10,160.2	6.1
2002	28,279.7	-2.0	18,602.3	-0.6	9,677.4	-4.8
2003	30,814.4	9.0	19,064.6	2.5	11,749.9	21.4

The main change in the structure of the services balance concerned the decreasing share of travel services and the deficit of the government and business services turning into a surplus (see Table 1.12).

**Table 1.12. Services balance by major categories**

	Balance (EEK m)		Share (%)	
	2002	2003	2002	2003
Transportation	5,206.5	6,507.0	53.8	55.4
Travel	5,340.7	4,878.8	55.2	41.5
Construction services	-96.8	-108.5	-1.0	-0.9
Business services	-146.0	261.4	-1.5	2.2
Government services	-679.8	171.5	-7.0	1.5
Other	52.8	39.6	0.5	0.3
<b>Total</b>	<b>9,677.4</b>	<b>11,749.9</b>	<b>100.0</b>	<b>100.0</b>

**Exports of services** increased by 9% in 2003 (see Table 1.13). Due to adjustments in the general government entry (see Changes in the Balance of Payments Statistics Methodology), the services exports of the general government increased by approximately 3.7 times.

**Table 1.13. Services exports by major categories**

	Volume (EEK m)		Share (%)		Change (%)
	2002	2003	2002	2003	2003/2002
Transportation	13,290.3	13,606.8	47.0	44.2	2.4
freight	6,174.9	7,052.4	21.8	22.9	14.2
passenger	2,979.5	2,920.7	10.5	9.5	-2.0
other transport services	4,135.9	3,633.7	14.6	11.8	-12.1
Travel	9,148.8	9,317.9	32.4	30.2	1.8
Construction services	1,289.4	1,174.8	4.6	3.8	-8.9
Business services	3,236.8	4,756.5	11.4	15.4	47.0
Government services	126.8	474.8	0.4	1.5	274.4
Other	1,187.6	1,483.6	4.2	4.8	24.9
<b>Total</b>	<b>28,279.7</b>	<b>30,814.4</b>	<b>100.0</b>	<b>100.0</b>	<b>9.0</b>

A considerable increase occurred also in the exports of business and other services. Exports of travel services increased by 2% and mostly on the account of freight transport, which mainly comprised rail freight transport and other services. Only exports of construction services decreased year-on-year by 9%. In services exports the share of EU countries was the biggest (57% of total services exports), with Finland accounting for 31% and Russia and the UK for 6% each (see Table 1.14).

**Table 1.14. Services exports and imports by groups of countries in 2003**

Exports			Imports		
	Volume (EEK m)	Share (%)		Volume (EEK m)	Share (%)
<b>European Union</b>	<b>17,570.7</b>	<b>57.0</b>	<b>European Union</b>	<b>11,605.6</b>	<b>60.9</b>
Finland	9,686.1	31.4	Finland	4,368.5	22.9
United Kingdom	1,983.3	6.4	Germany	1,475.8	7.7
Sweden	1,964.5	6.4	Sweden	1,401.3	7.4
Germany	1,549.0	5.0	United Kingdom	893.1	4.7
<b>Acceding countries</b>	<b>3,027.1</b>	<b>9.8</b>	<b>Acceding countries</b>	<b>2,708.0</b>	<b>14.2</b>
Latvia	1,451.2	4.7	Latvia	929.7	4.9
Lithuania	599.0	1.9	Cyprus	747.9	3.9
<b>CIS</b>	<b>3,183.2</b>	<b>10.3</b>	<b>CIS</b>	<b>2,194.1</b>	<b>11.5</b>
Russia	2,909.7	9.4	Russia	1,676.4	8.8
Ukraine	179.2	0.6	Ukraine	308.0	1.6
<b>Other</b>	<b>7,033.4</b>	<b>22.8</b>	<b>Other</b>	<b>2,556.9</b>	<b>13.4</b>
offshore regions	2,632.1	8.5	USA	753.9	4.0
USA	1,561.4	5.1	Norway	395.4	2.1
Norway	499.8	1.6	Switzerland	217.2	1.1
<b>Exports total</b>	<b>30,814.4</b>	<b>100.0</b>	<b>Imports total</b>	<b>19,064.6</b>	<b>100.0</b>

**Imports of services** grew by 3% in 2003 – at a considerably slower pace than exports. This led to an increase in the surplus of the services balance. Only imports of travel and other services increased (by 17% and 27%, respectively). Imports of government services decreased by 62%, imports of construction services were down by 7% and that of transport services by 12% (see Table 1.15). The EU countries held the leading position (61%) in imports as well. The share of other groups of countries was nearly equal at 12–14%. Among individual countries, Finland held the largest share (23%), followed by Russia (9%), Germany (8%), and Sweden (7%).

**Table 1.15. Services imports by major categories**

	Volume (EEK m)		Share (%)		Change (%)
	2002	2003	2002	2003	2003/2002
Transportation	8,083.8	7,099.8	43.5	37.2	-12.2
freight	5,528.7	4,278.4	29.7	22.4	-22.6
passenger	1,223.1	1,250.8	6.6	6.6	2.3
other transport services	1,332.0	1,570.6	7.2	8.2	17.9
Travel	3,808.1	4,439.1	20.5	23.3	16.6
Construction services	1,386.2	1,283.3	7.5	6.7	-7.4
Business services	3,382.8	4,495.1	18.2	23.6	32.9
Government services	806.6	303.3	4.3	1.6	-62.4
Other	1,134.8	1,444.0	6.1	7.6	27.2
<b>Total</b>	<b>18,602.3</b>	<b>19,064.6</b>	<b>100.0</b>	<b>100.0</b>	<b>2.5</b>

The surplus of **transportation**, the most important category of services, accounted for more than half of the total surplus (see Table 1.12 and Figure 1.2). Due to changes in the balance of payments methodology, major shifts took place in air and rail transport services (see Changes in the Balance of Payments Statistics Methodology).

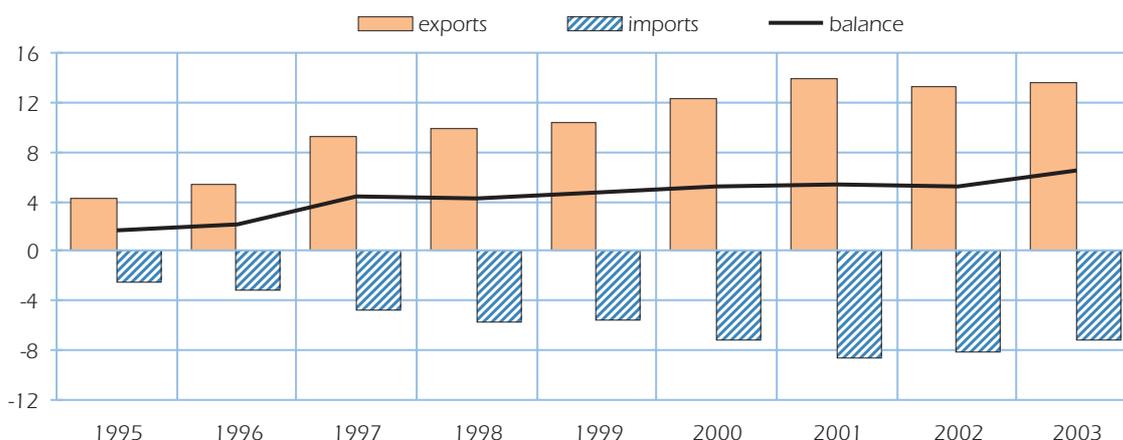


Figure 1.2. Transport services balance (EEK bn)

The positive balance of air transport services turned negative. Despite the successful exports of freight transport services, the increased number of passengers was unable to boost the exports of passenger transport, due to lower airfares. The deficit of rail freight transport services turned into a surplus. Investments into the rolling stock and auxiliary and other services increased the exports of rail transport services considerably in 2003. Difficult ice conditions in Russia's Gulf of Finland ports also had a positive effect on the growth of freight transport exports, which significantly increased the rail transport of raw materials from Russia. Sea transport still held the leading position among different transport types, regardless of the fact that the balance of sea transport services remained practically unchanged compared with 2002. For the first time, oil transit through Estonian ports fell, whereas exports of unprocessed timber rose.

The EU countries accounted for most of transport services exports and imports. The share of other countries in transport services exports was 39%, mainly due to providing freight transport services to countries with low tax rates (see Tables 1.16 and 1.17). The share of the EU countries amounted to 94% in passenger transport services exports and to 63% in imports.

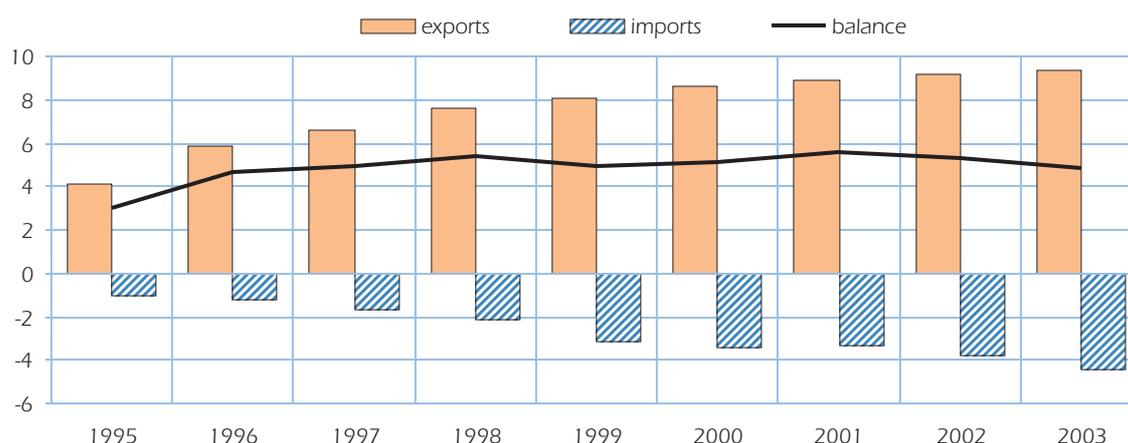
Table 1.16. Exports and imports of freight transport services by groups of countries in 2003

	Exports		Imports		Balance	
	Volume (EEK m)	Share (%)	Volume (EEK m)	Share (%)	Volume (EEK m)	Share (%)
<b>European Union</b>	<b>2,943.8</b>	<b>41.7</b>	<b>2,365.0</b>	<b>55.3</b>	<b>578.8</b>	<b>20.9</b>
Finland	713.8	10.1	625.5	14.6	88.3	3.2
United Kingdom	613.7	8.7	93.3	2.2	520.4	18.8
Germany	494.9	7.0	473.3	11.1	21.6	0.8
Sweden	437.0	6.2	207.4	4.8	229.6	8.3
Denmark	199.3	2.8	305.5	7.1	-106.2	-3.8
<b>Acceding countries</b>	<b>415.2</b>	<b>5.9</b>	<b>657.9</b>	<b>15.4</b>	<b>-242.7</b>	<b>-8.7</b>
Latvia	159.5	2.3	180.5	4.2	-21.0	-0.8
Cyprus	132.2	1.9	48.4	1.1	83.8	3.0
Lithuania	73.6	1.0	143.0	3.3	-69.4	-2.5
Poland	23.7	0.3	177.7	4.2	-154.0	-5.6
Hungary	15.6	0.2	35.6	0.8	-20.0	-0.7
<b>CIS</b>	<b>976.4</b>	<b>13.8</b>	<b>757.5</b>	<b>17.7</b>	<b>218.9</b>	<b>7.9</b>
Russia	913.3	12.9	486.6	11.4	426.7	15.4
Ukraine	46.8	0.7	132.6	3.1	-85.8	-3.1
Belarus	8.3	0.1	125.9	2.9	-117.6	-4.2
<b>Other</b>	<b>2,717.0</b>	<b>38.5</b>	<b>498.0</b>	<b>11.6</b>	<b>2,219.1</b>	<b>80.0</b>
British Virgin Islands	1,590.3	22.5	4.0	0.1	1,586.3	57.2
USA	481.1	6.8	126.2	2.9	354.9	12.8
Switzerland	304.6	4.3	26.4	0.6	278.2	10.0
Norway	109.4	1.6	111.3	2.6	-1.9	-0.1
<b>Total</b>	<b>7,052.4</b>	<b>100.0</b>	<b>4,278.4</b>	<b>100.0</b>	<b>2,774.0</b>	<b>100.0</b>

**Table 1.17. Exports and imports of passenger transport services by groups of countries in 2003**

	Exports		Imports		Balance	
	Volume (EEK m)	Share (%)	Volume (EEK m)	Share (%)	Volume (EEK m)	Share (%)
<b>European Union</b>	<b>2,733.5</b>	<b>93.6</b>	<b>782.0</b>	<b>62.5</b>	<b>1,951.5</b>	<b>116.9</b>
Finland	2,059.3	70.5	284.3	22.7	1,775.0	106.3
Sweden	389.7	13.3	147.3	11.8	242.4	14.5
Germany	89.5	3.1	63.4	5.1	26.1	1.6
United Kingdom	68.3	2.3	58.0	4.6	10.3	0.6
Denmark	61.8	2.1	8.9	0.7	52.9	3.2
<b>Acceding countries</b>	<b>59.3</b>	<b>2.0</b>	<b>70.6</b>	<b>5.6</b>	<b>-11.3</b>	<b>-0.7</b>
Lithuania	30.1	1.0	10.5	0.8	19.6	1.2
Latvia	21.1	0.7	15.6	1.2	5.5	0.3
Czech Republic	4.1	0.1	9.3	0.7	-5.2	-0.3
Poland	3.9	0.1	8.9	0.7	-5.0	-0.3
Slovakia	0.2	0.0	4.7	0.4	-4.5	-0.3
<b>CIS</b>	<b>53.1</b>	<b>1.8</b>	<b>36.8</b>	<b>2.9</b>	<b>16.3</b>	<b>1.0</b>
Russia	47.2	1.6	22.7	1.8	24.5	1.5
Ukraine	5.7	0.2	9.7	0.8	-4.0	-0.2
<b>Other</b>	<b>74.8</b>	<b>2.6</b>	<b>361.4</b>	<b>28.9</b>	<b>-286.6</b>	<b>-17.2</b>
Norway	22.6	0.8	94.2	7.5	-71.6	-4.3
USA	20.0	0.7	55.1	4.4	-35.1	-2.1
Faeroe Islands	6.8	0.2	0.0	0.0	6.8	0.4
Switzerland	5.0	0.2	11.5	0.9	-6.5	-0.4
Canada	2.3	0.1	12.5	1.0	-10.2	-0.6
<b>Total</b>	<b>2,920.7</b>	<b>100.0</b>	<b>1,250.8</b>	<b>100.0</b>	<b>1,669.9</b>	<b>100.0</b>

Exports of **travel services** remained close to the previous year's level (see Figure 1.3). The number of foreigners visiting Estonia increased by 3%, mostly on account of one-day visitors arriving by sea. The number of Finnish and American visitors continued to decline, whereas the number of tourists from the Scandinavian and CIS countries increased.

**Figure 1.3. Travel services balance (EEK bn)**

The share of the EU countries was the biggest (70% of travel services exports; see Table 1.18). Finnish tourists made over half of travel expenditures in Estonia. Among other countries, neighbouring Russia and Latvia held the leading positions (10% and 7%, respectively, of the total exports of travel services).

The rapid growth of travel services imports that had begun in 2002 continued in 2003 (17% year-on-year), which reduced the surplus of the travel services balance by 9% (see Table 1.12). In 2003, Estonians made 1.7 million trips abroad and the number of visits to all major destination countries increased. Imports of travel

services were distributed more evenly than exports: Finland accounted for 16% of the total imports of travel services, the share of Russia was 11% and that of Germany – 10%. The EU countries accounted for 63% of the total imports of travel services (see Table 1.18).

**Table 1.18. Exports and imports of travel services by groups of countries in 2003**

Exports			Imports		
	Volume (EEK m)	Share (%)		Volume (EEK m)	Share (%)
<b>European Union</b>	<b>6,474.6</b>	<b>69.5</b>	<b>European Union</b>	<b>-2,796.9</b>	<b>63.0</b>
Finland	4,859.9	52.2	Finland	-720.3	16.2
Sweden	610.7	6.6	Germany	-463.9	10.4
Germany	299.4	3.2	Sweden	-326.6	7.4
United Kingdom	201.6	2.2	United Kingdom	-229.3	5.2
<b>Acceding countries</b>	<b>1,203.0</b>	<b>12.9</b>	<b>Acceding countries</b>	<b>-488.2</b>	<b>11.0</b>
Latvia	663.0	7.1	Latvia	-226.4	5.1
Lithuania	215.8	2.3	Lithuania	-91.8	2.1
<b>CIS</b>	<b>1,013.3</b>	<b>10.9</b>	<b>CIS</b>	<b>-622.8</b>	<b>14.0</b>
Russia	953.0	10.2	Russia	-496.1	11.2
			Belarus	-41.3	0.9
<b>Other</b>	<b>626.9</b>	<b>6.7</b>	<b>Other</b>	<b>-531.2</b>	<b>12.0</b>
USA	227.7	2.4	USA	-118.1	2.7
Norway	182.6	2.0	Norway	-69.1	1.6
<b>Exports total</b>	<b>9,317.9</b>	<b>100.0</b>	<b>Imports total</b>	<b>-4,439.1</b>	<b>100.0</b>

## Income

**Income deficit** amounted to a record 7.9 billion kroons in 2003, up 46% year-on-year (see Tables 1.19 and 1.20). The deficit growth can be attributed to an increase in the direct investment income deficit, and first and foremost the negative balance of reinvested earnings. 75% of the income deficit derived from reinvested earnings (50% in 2002).

**Income inflow** into Estonia increased by just 1% (see Table 1.21). Income inflow from direct investments continued to grow rapidly (52%), whereas inflow from portfolio investments decreased by 42%. As to direct investment income, reinvested earnings increased by 11% and dividends by more than six times. As to other income, compensations of Estonians working abroad are also becoming an important component of income, increasing by 2.3 times year-on-year.

**Table 1.19. Income balance**

	Inflow		Outflow		Balance	
	Volume (EEK m)	Change compared to the previous period (%)	Volume (EEK m)	Change compared to the previous period (%)	Volume (EEK m)	Change compared to the previous period (%)
1995	727.7	50.8	699.5	-18.7	28.2	-107.5
1996	1,352.5	85.9	1,326.3	89.6	26.2	-7.1
1997	1,594.1	17.9	3,604.6	171.8	-2,010.5	-7,773.7
1998	1,871.8	17.4	3,035.8	-15.8	-1,164.0	-42.1
1999	1,964.3	4.9	3,470.1	14.3	-1,505.8	29.4
2000	2,008.0	2.2	5,491.4	58.2	-3,483.4	131.3
2001	2,994.7	49.1	7,920.8	44.2	-4,926.1	41.4
2002	3,339.3	11.5	8,762.4	10.6	-5,423.1	10.1
2003	3,385.9	1.4	11,322.7	29.2	-7,936.7	46.3

**Table 1.20. Structure of income balance**

	Volume (EEK m)		Share (%)		Change (%)
	2002	2003	2002	2003	2003/2002
Income on direct investments	-5,714.3	-7,690.7	105.4	96.9	34.6
income on equity	-5,478.3	-7,393.3	101.0	93.2	35.0
reinvested earnings	-2,704.8	-5,975.1	49.9	75.3	120.9
dividends	-2,773.5	-1,418.2	51.1	17.9	-48.9
income on debt (interests)	-236.0	-297.4	4.4	3.7	26.0
Income on portfolio investments	545.6	-267.1	-10.1	3.4	-149.0
Income on other investments	-418.5	-334.2	7.7	4.2	-20.2
Other income	164.1	355.2	-3.0	-4.5	116.5
<b>Total</b>	<b>-5,423.1</b>	<b>-7,936.7</b>	<b>100.0</b>	<b>100.0</b>	<b>46.4</b>

**Table 1.21. Income inflow to Estonia**

	Volume (EEK m)		Share (%)		Change (%)
	2002	2003	2002	2003	2003/2002
Income on direct investments	840.8	1,274.6	25.2	37.6	51.6
income on equity	732.7	1,161.6	21.9	34.3	58.5
reinvested earnings	665.5	741.4	19.9	21.9	11.4
dividends	67.2	420.2	2.0	12.4	525.3
income on debt (interests)	108.1	113.0	3.2	3.3	4.5
Income on portfolio investments	1,495.3	866.5	44.8	25.6	-42.0
Income on other investments	812.4	812.9	24.3	24.0	0.1
Other income	190.8	432.0	5.7	12.8	126.4
<b>Total</b>	<b>3,339.3</b>	<b>3,385.9</b>	<b>100.0</b>	<b>100.0</b>	<b>1.4</b>

By fields of activity, income inflow was the largest in financial intermediation (60%) and transport, storage and communications (12%; see Figure 1.4). By countries, income inflow was the largest from Latvia (29%), Cyprus (12%), and Finland (9%; see Table 1.22). By groups of countries, investment income mostly came from the acceding countries (58% of total inflow) and the EU countries (32%).

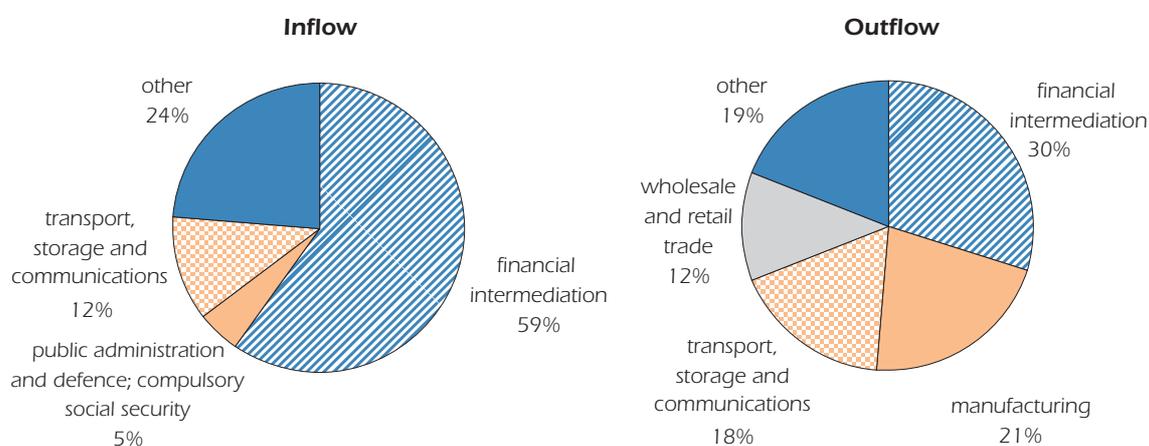
**Figure 1.4. Inflow and outflow of income by fields of activity in 2003**

Table 1.22. Income by groups of countries in 2003

Inflow			Outflow		
	Volume (EEK m)	Share (%)		Volume (EEK m)	Share (%)
<b>European Union</b>	<b>1,080.6</b>	<b>31.9</b>	<b>European Union</b>	<b>-8,889.9</b>	<b>78.5</b>
Finland	313.8	9.3	Finland	-2,991.3	26.4
Germany	233.1	6.9	Sweden	-2,895.1	25.6
Sweden	202.9	6.0	United Kingdom	-1,318.5	11.6
Ireland	85.7	2.5	Netherlands	-599.6	5.3
<b>Acceding countries</b>	<b>1,959.9</b>	<b>57.9</b>	<b>Acceding countries</b>	<b>-187.4</b>	<b>1.7</b>
Latvia	967.0	28.6	Latvia	-100.7	0.9
Cyprus	388.8	11.5	Lithuania	-65.3	0.6
<b>CIS</b>	<b>60.0</b>	<b>1.8</b>	<b>CIS</b>	<b>-373.4</b>	<b>3.3</b>
Ukraine	35.6	1.1	Russia	-364.2	3.2
<b>Other</b>	<b>285.4</b>	<b>8.4</b>	<b>Other</b>	<b>-1,871.9</b>	<b>16.5</b>
USA	38.4	1.1	USA	-606.6	5.4
			offshore regions	-584.0	5.2
<b>Total</b>	<b>3,385.9</b>	<b>100.0</b>	<b>Total</b>	<b>-11,322.7</b>	<b>100.0</b>

**Income outflow** from Estonia increased by 29% compared to 2002 and amounted to 11.3 billion kroons (see Table 1.23). Nearly 60% of income outflow was made up of reinvested earnings, which doubled year-on-year. What we have here is a methodological peculiarity of the balance of payments compilation and there is no real outflow of funds from Estonia – funds are reinvested in the Estonian economy and reflected as a contra-entry under direct investments in the financial account. The outflow of income received as dividends decreased by 35%.

Table 1.23. Income outflow from Estonia

	Volume (EEK m)		Share (%)		Change (%)
	2002	2003	2002	2003	2003/2002
Income on direct investments	6,555.1	8,965.3	74.8	79.2	36.8
income on equity	6,211.0	8,554.9	70.9	75.6	37.7
reinvested earnings	3,370.3	6,716.5	38.4	59.3	99.3
dividends	2,840.7	1,838.4	32.4	16.2	-35.3
income on debt (interests)	344.1	410.3	3.9	3.6	19.3
Income on portfolio investments	949.7	1,133.7	10.8	10.0	19.4
Income on other investments	1,230.9	1,147.0	14.0	10.1	-6.8
Other income	26.7	76.7	0.3	0.7	187.3
<b>Total</b>	<b>8,762.4</b>	<b>11,322.7</b>	<b>100.0</b>	<b>100.0</b>	<b>29.2</b>

By fields of activity, income outflow was the biggest in financial intermediation (28% of total outflow) and manufacturing (23%; see Figure 1.4). Finland (26%) and Sweden (26%; see Table 1.22) dominated among individual countries. 79% of income outflow went to the EU countries, leaving the CIS countries and acceding countries (3% and 2%, respectively) far behind.

## Current and Capital Transfers

**Current transfers** surplus was 1.5 billion kroons in 2003, i.e. 21% smaller than in 2002. The volume of incoming current transfers amounted to 2.9 billion kroons, of which sums received by the general government accounted for 45%, consisting mostly of EU assistance as well as pensions and other payments.

Transfers of other sectors were divided between the EU and other countries (Switzerland, the USA). Transfers made from Estonia amounted to 1.4 billion kroons and dominated by general government and other sector transfers to the EU countries (Germany, the UK, Finland, Belgium, and Sweden).

**Capital transfers balance** had a surplus of 0.6 billion kroons, which is nearly double the amount of 2002. Capital transfers mainly consisted of EU assistance to the general government for various infrastructure projects.

The structure of current and capital transfers by groups of countries is illustrated by Figure 1.5.

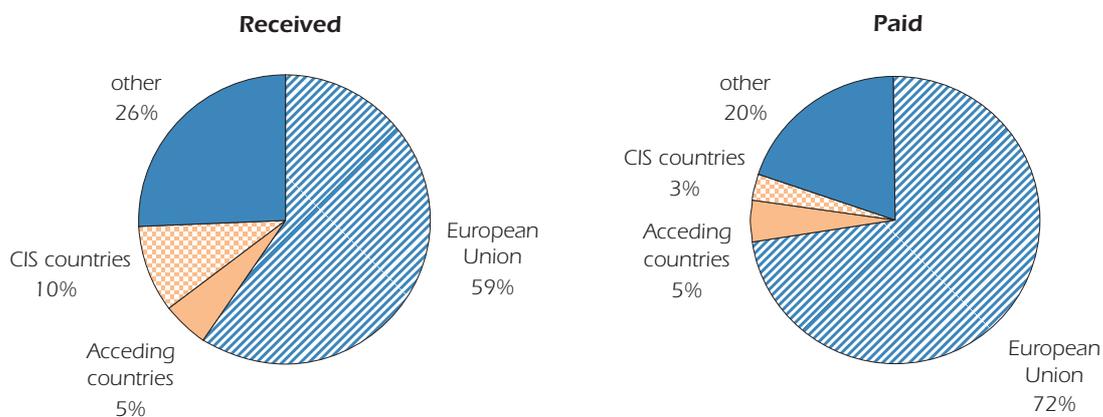


Figure 1.5. Current and capital transfers in 2003

## FINANCIAL ACCOUNT

The surplus of the capital and financial account was record 19 billion kroons, i.e. nearly 50% up year-on-year. A survey of the financial account is provided in Figures 1.6 and 1.7.

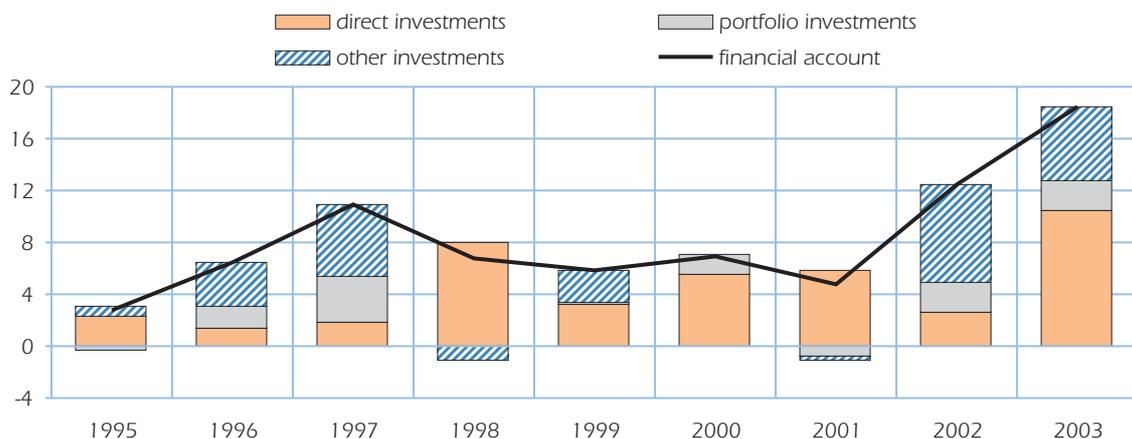


Figure 1.6. Changes in the structure of foreign investment capital flows (EEK bn)

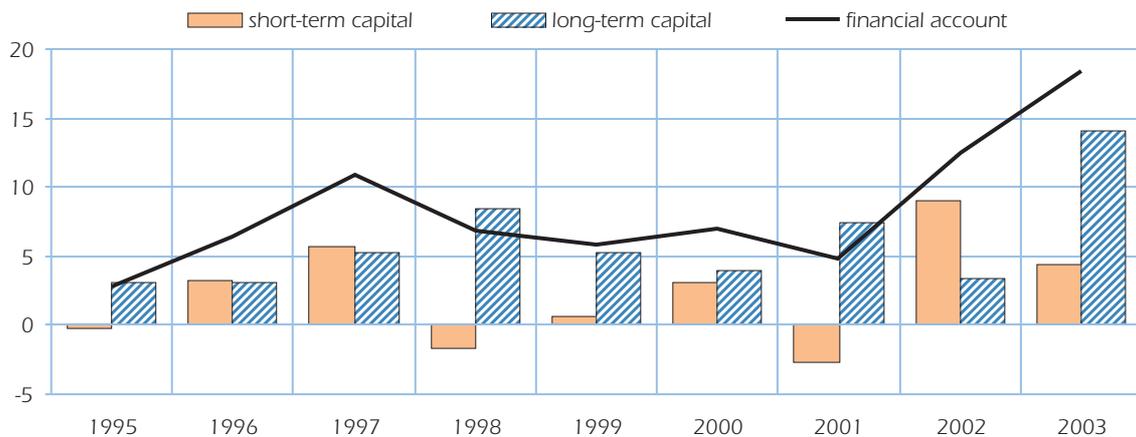


Figure 1.7. Maturity structure of financial account (EEK bn)

## Direct Investments

**Direct investment balance** was positive by 10.4 billion kroons in 2003, accounting for nearly 60% of the financial account surplus. Non-residents invested 12.5 billion kroons in Estonia and Estonian residents' direct investments abroad grew by 2 billion kroons (see Figure 1.8). The net inflow of direct investments covered 63% of the current account deficit.

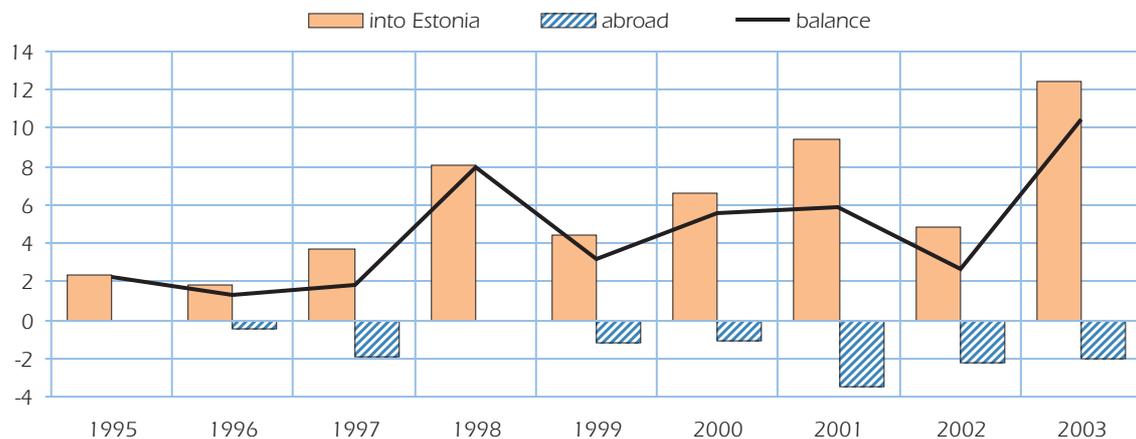


Figure 1.8. Direct investments (EEK bn)

**Direct investment inflow** was record large in 2003. The volume of direct investments into Estonia increased 2.6 times year-on-year. The main growth components were the doubling volume of reinvested earnings and multiple increase in the share capital. Half of the direct investment inflow was made up of non residents' reinvested earnings and 37% consisted of income earned from the sale of shares. The growth of reinvested earnings was remarkable in the second half of the year (4.6 billion kroons). The biggest profits were earned in the industrial sector. Net inflow of long-term loan liabilities amounted to 2.5 billion kroons. Like in 2002, short-term loan liabilities decreased (by 0.7 billion kroons) and claims on direct investors increased (by 0.5 billion kroons; see Tables 1.24 and 1.25).

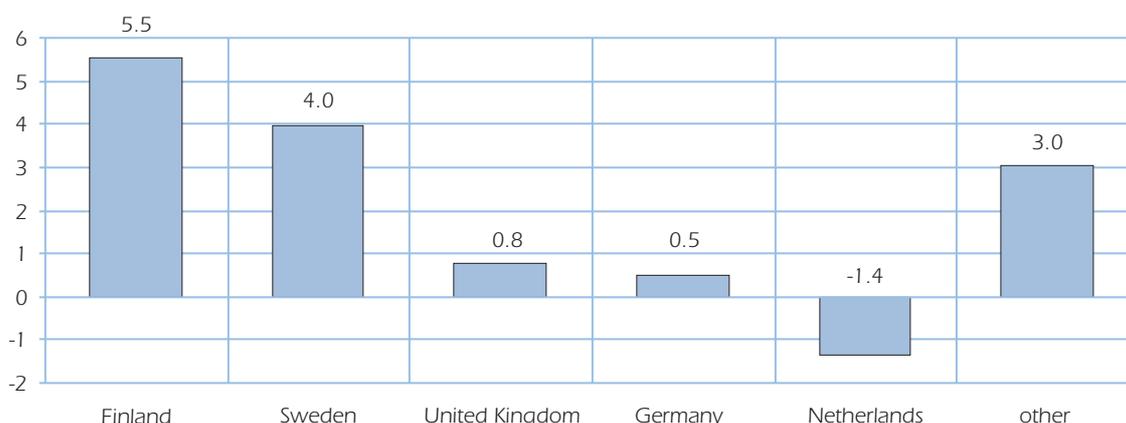
**Table 1.24. Structure of direct investments into Estonia**

	Share capital		Reinvested earnings		Other capital				Total	
	Volume (EEK m)	Share (%)	Volume (EEK m)	Share (%)	Claims		Liabilities		Volume (EEK m)	Share (%)
					Volume (EEK m)	Share (%)	Volume (EEK m)	Share (%)		
1995	1,166.1	50.4	178.4	7.7	-60.8	-2.6	1,029.2	44.5	2,312.9	100.0
1996	215.8	11.9	216.3	11.9	-157.9	-8.7	1,540.2	84.9	1,814.4	100.0
1997	1,360.8	36.8	1,303.8	35.3	-97.4	-2.6	1,126.9	30.5	3,694.1	100.0
1998	5,661.9	70.1	389.4	4.8	-203.9	-2.5	2,224.0	27.6	8,071.4	100.0
1999	2,551.9	57.4	721.9	16.2	-265.0	-6.0	1,439.2	32.4	4,448.0	100.0
2000	3,925.3	59.1	1,815.2	27.3	-397.3	-6.0	1,301.3	19.6	6,644.5	100.0
2001	3,641.2	38.6	3,878.9	41.1	-950.7	-10.1	2,860.2	30.3	9,429.6	100.0
2002	821.0	17.1	3,370.3	70.2	-772.6	-16.1	1,381.5	28.8	4,800.2	100.0
2003	4,625.6	37.1	6,716.5	53.9	-1,334.0	-10.7	2,462.7	19.7	12,470.7	100.0

**Table 1.25. Loan capital claims and liabilities to foreign direct investors in 2003 (EEK m)**

	Long-term loan	Short-term loan
Claims (net)	162.1	512.0
grantings	408.4	1,010.7
repayments	246.3	498.7
Liabilities (net)	2,488.5	-706.1
drawings	5,155.6	3,020.8
repayments	2,667.1	3,726.9

44% of direct investment inflow came from Finland, followed by Sweden (32%), the UK (6%), and Germany (4%). Direct investments of the EU countries in Estonia increased by 10.4 billion kroons (84%). The most preferred fields of activity were wholesale and retail trade (37%), next came real estate, leasing and business (15%), financial intermediation (14%), and manufacturing (14%; see Figures 1.9 and 1.10, and Table 1.26).

**Figure 1.9. Direct investments into Estonia by countries in 2003 (EEK bn)**

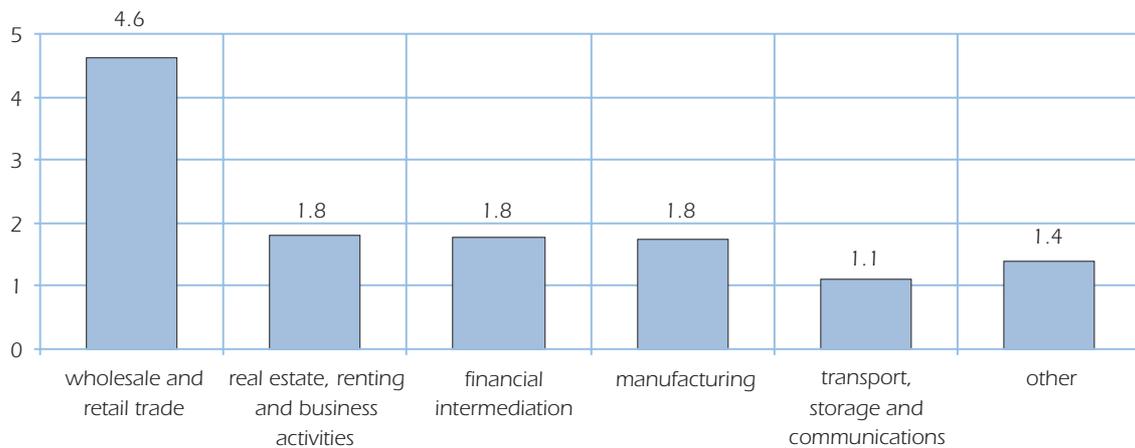


Figure 1.10. Direct investments into Estonia by fields of activity in 2003 (EEK bn)

Table 1.26. Direct investments into Estonia by groups of countries

	Volume (EEK m)		Share (%)		Change (%)
	2002	2003	2002	2003	2003/2002
European Union	4,065.8	10,410.7	84.7	83.5	156.1
Acceding countries	-5.4	56.3	-0.1	0.5	1,142.6
CIS	239.8	-34.5	5.0	-0.3	-114.4
Other	500.0	2,038.4	10.4	16.3	307.7
<b>Total</b>	<b>4,800.2</b>	<b>12,470.9</b>	<b>100.0</b>	<b>100.0</b>	<b>159.8</b>

Direct investments into foreign subsidiaries and associated companies remained at the same level as in 2002. Nearly half of direct investment outflow went into shares and 0.7 billion kroons was reinvested in the business activities of foreign subsidiaries and associated companies. Most of the net outflow of loan capital was made up of increasing long-term loan claims (0.4 billion kroons; see Tables 1.27 and 1.28).

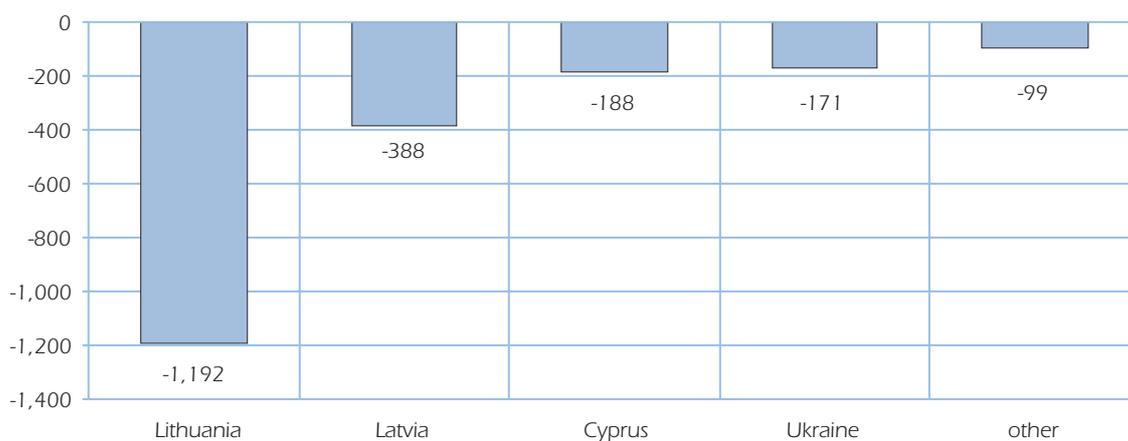
The most preferred investment target was Lithuania (59%), followed by Latvia (19%) and Cyprus (9%). The largest investments were made into financial intermediation (42%), transport, storage and communications (27%). 85% of investments went into the EU acceding countries (see Figures 1.11, 1.12, and Table 1.29).

Table 1.27. Structure of direct investments abroad

	Share capital		Reinvested earnings		Other capital				Total	
	Volume (EEK m)	Share (%)	Volume (EEK m)	Share (%)	Claims		Liabilities		Volume (EEK m)	Share (%)
					Volume (EEK m)	Share (%)	Volume (EEK m)	Share (%)		
1995	-3.6	12.4	0.0	0.0	-26.8	92.1	1.3	-4.5	-29.1	100.0
1996	-107.1	22.1	-147.2	30.4	-261.3	53.9	31.1	-6.4	-484.5	100.0
1997	-539.2	28.2	-88.5	4.6	-1,303.2	68.1	18.0	-0.9	-1,912.9	100.0
1998	-472.7	578.6	-2.7	3.3	386.7	-473.3	7.0	-8.6	-81.7	100.0
1999	-525.7	42.4	-115.7	9.3	-641.3	51.7	42.9	-3.5	-1,239.8	100.0
2000	-579.7	55.6	-65.9	6.3	-480.8	46.1	83.3	-8.0	-1,043.1	100.0
2001	-1,897.1	53.8	-305.2	8.7	-1,242.8	35.2	-83.2	2.4	-3,528.3	100.0
2002	-903.9	41.3	-665.5	30.4	-727.2	33.2	108.2	-4.9	-2,188.4	100.0
2003	-949.3	46.6	-741.4	36.4	-645.8	31.7	297.9	-14.6	-2,038.5	100.0

**Table 1.28. Loan capital claims and liabilities to foreign subsidiaries and associated companies in 2003 (EEK m)**

	Long-term loan	Short-term loan
Claims (net)	390.5	-31.7
grantings	1,107.1	472.1
repayments	716.6	503.8
Liabilities (net)	-7.5	-14.4
drawings	4.1	84.3
repayments	11.6	98.7

**Figure 1.11. Direct investments abroad by countries in 2003 (EEK m)****Figure 1.12. Direct investments abroad by fields of activity in 2003 (EEK m)****Table 1.29. Direct investments abroad by groups of countries**

	Volume (EEK m)		Share (%)		Change (%)
	2002	2003	2002	2003	2003/2002
European Union	24.4	54.1	-1.1	-2.7	121.7
Acceding countries	-1,923.1	-1,740.6	87.9	85.4	-9.5
CIS	-130.9	-337.6	6.0	16.6	157.9
Other	-158.8	-14.4	7.3	0.7	-90.9
<b>Total</b>	<b>-2,188.4</b>	<b>-2,038.5</b>	<b>100.0</b>	<b>100.0</b>	<b>-6.8</b>

## Portfolio Investments

The net inflow of **portfolio investments**<sup>4</sup> amounted to 2.4 billion kroons in 2003, approximately equal to the level of 2002 (see Figure 1.13 and Table 1.30). The surplus of the investment inflow can mostly be attributed to large-scale debt security issues of residents in foreign financial markets.

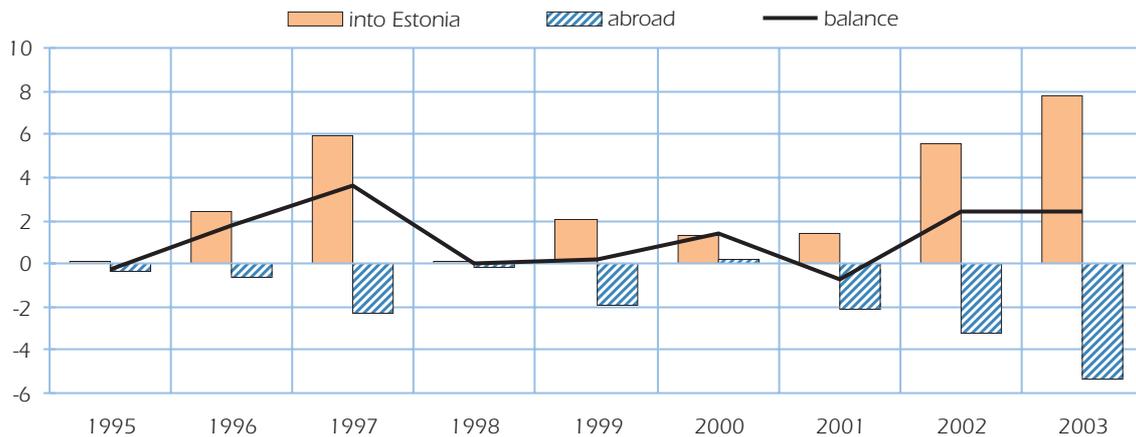


Figure 1.13. Portfolio investments (EEK bn)

Table 1.30. Portfolio investments by types of securities and sectors (EEK m)

	Claims		Liabilities		Balance	
	2002	2003	2002	2003	2002	2003
<b>Total</b>	<b>-3,182.9</b>	<b>-5,351.5</b>	<b>5,561.6</b>	<b>7,742.8</b>	<b>2,378.7</b>	<b>2,391.3</b>
<b>Equity securities</b>	<b>9.1</b>	<b>-1,028.8</b>	<b>912.2</b>	<b>1,486.5</b>	<b>921.3</b>	<b>457.7</b>
general government		-57.0				-57.0
credit institutions	13.0	-5.4	105.7	234.5	118.7	229.1
other sectors	-3.9	-966.4	806.5	1,252.0	802.6	285.6
<b>Debt securities</b>	<b>-3,192.0</b>	<b>-4,322.7</b>	<b>4,649.4</b>	<b>6,256.3</b>	<b>1,457.4</b>	<b>1,933.6</b>
monetary authorities						0.0
general government	-3,288.9	-4,164.7	1,448.6	-88.7	-1,840.3	-4,253.4
credit institutions	-56.0	1,075.8	189.4	6,644.3	133.4	7,720.1
other sectors	152.9	-1,233.8	3,011.4	-299.3	3,164.3	-1,533.1

**Portfolio investments into Estonia** increased by 7.7 billion kroons. This was due to the considerable upsurge of non-residents' investments into equity and debt securities (see Table 1.31).

Table 1.31. Structure of portfolio investments into Estonia

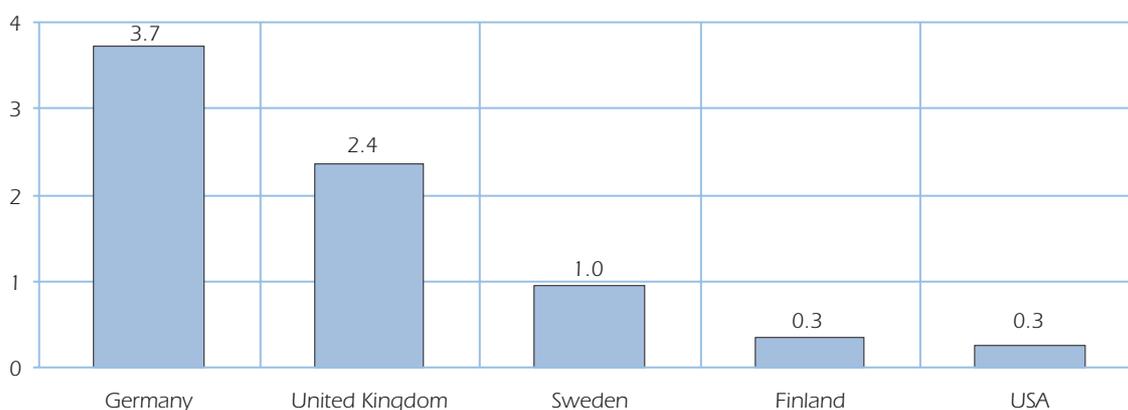
	Equity securities		Debt securities		Total	
	Volume (EEK m)	Share (%)	Volume (EEK m)	Share (%)	Volume (EEK m)	Share (%)
1995	113.7	89.4	13.5	10.6	127.2	100.0
1996	2,093.8	86.8	319.0	13.2	2,412.8	100.0
1997	1,763.6	29.5	4,210.8	70.5	5,974.4	100.0
1998	401.1	383.8	-296.6	-283.8	104.5	100.0
1999	3,292.3	160.5	-1,241.4	-60.5	2,050.9	100.0
2000	-538.8	-42.0	1,820.7	142.0	1,281.9	100.0
2001	568.4	40.6	832.1	59.4	1,400.5	100.0
2002	912.2	16.4	4,649.4	83.6	5,561.6	100.0
2003	1,486.5	19.2	6,256.4	80.8	7,742.9	100.0

<sup>4</sup> Excluding financial derivatives.

Investments into debt securities issued by credit institutions increased by approximately 6.6 billion kroons year-on-year. In case of equity securities, non-residents preferred other sector companies, which received 1.2 billion kroons. 98% of portfolio investments came from the EU countries, whereas the share of other groups of countries was insignificant (see Table 1.32). Portfolio investment inflow by countries can be seen in Figure 1.14.

**Table 1.32. Structure of portfolio investments by groups of countries in 2003**

	Volume (EEK m)		Share (%)	
	Claims	Liabilities	Claims	Liabilities
European Union	-3,265.9	7,612.5	61.0	98.3
Acceding countries	-954.9	45.0	17.8	0.6
CIS	-132.3	59.7	2.5	0.8
Other	-998.5	25.7	18.7	0.3
<b>Total</b>	<b>-5,351.6</b>	<b>7,742.9</b>	<b>100.0</b>	<b>100.0</b>



**Figure 1.14. Portfolio investments into Estonia by countries in 2003 (EEK bn)**

**Portfolio investments abroad** increased by 5.4 billion kroons in 2003 (see Table 1.33). The growth was mostly based on general government and other sector companies' investments into debt securities issued by non-residents (4.8 billion and 1.6 billion kroons, respectively). Residents also invested actively into foreign equity securities, for the total sum of nearly one billion kroons. By groups of countries, largest investments went into the EU countries and other countries (see Table 1.32). As to individual countries, the largest sums were invested into Belgium, the Netherlands, and the USA, followed by France and Lithuania (see Figure 1.15).

**Table 1.33. Structure of portfolio investments abroad**

	Equity securities		Debt securities		Total	
	Volume (EEK)	Share (%)	Volume (EEK)	Share (%)	Volume (EEK)	Share (%)
1995	58.0	-15.2	-440.3	115.2	-382.3	100.0
1996	-181.0	28.8	-447.4	71.2	-628.4	100.0
1997	-1,238.5	53.4	-1,080.8	46.6	-2,319.3	100.0
1998	500.8	-391.6	-628.7	491.6	-127.9	100.0
1999	187.0	-9.9	-2,081.9	109.9	-1,894.9	100.0
2000	53.3	34.8	99.8	65.2	153.1	100.0
2001	236.5	-11.3	-2,336.7	111.3	-2,100.2	100.0
2002	9.1	-0.3	-3,192.0	100.3	-3,182.9	100.0
2003	-1,028.9	19.2	-4,322.7	80.8	-5,351.6	100.0

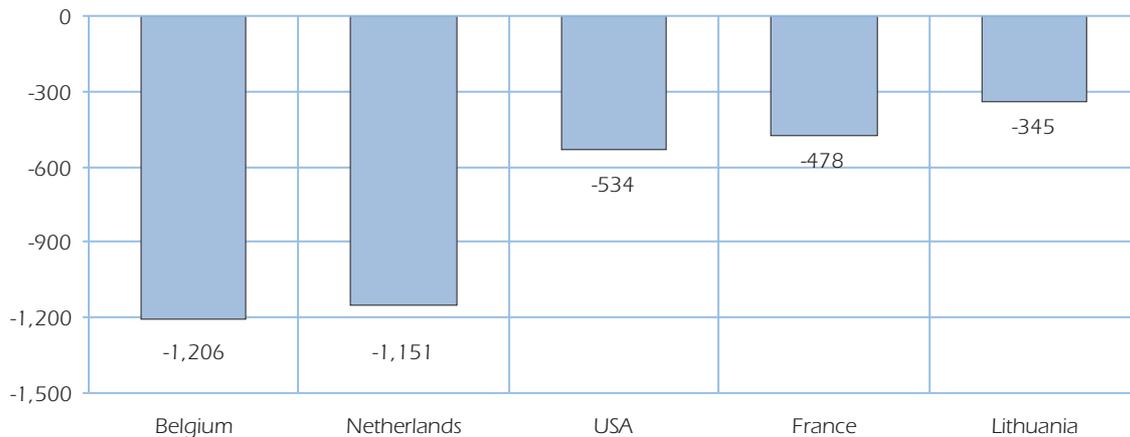


Figure 1.15. Portfolio investments abroad by countries in 2003 (EEK m)

## Other Investments

The balance of other investments showed a surplus of 5.6 billion kroons in 2003 (see Figure 1.16). Capital inflow can be attributed to the remarkable increase in other investment liabilities. Claims of other investments increased by approximately 1.9 billion kroons and liabilities surged by 7.5 billion kroons. Investment inflow mostly took the form of long-term capital (see Table 1.34).

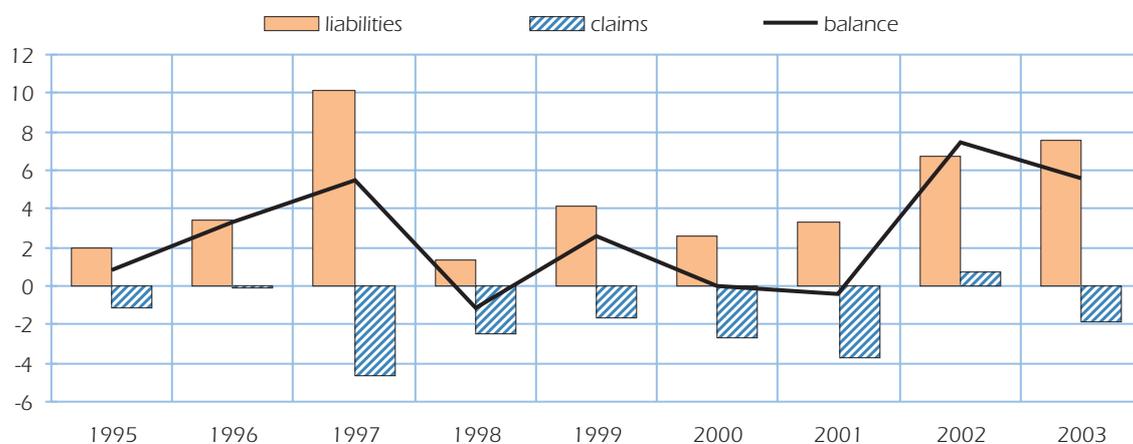


Figure 1.16. Other investments (EEK bn)

Table 1.34. Other investments by maturity (EEK m)

	Claims		Liabilities		Balance	
	2002	2003	2002	2003	2002	2003
<b>Long-term capital</b>	<b>-1,083.0</b>	<b>-561.3</b>	<b>1,829.0</b>	<b>4,227.3</b>	<b>746.0</b>	<b>3,666.0</b>
monetary authorities	4.8	1.1			4.8	1.1
general government			-883.9	421.7	-883.9	421.7
credit institutions	-156.8	-301.6	1,638.3	2,938.8	1,481.5	2,637.2
other sectors	-931.0	-260.8	1,074.6	866.8	143.6	606.0
<b>Short-term capital</b>	<b>1,778.1</b>	<b>-1,335.9</b>	<b>4,904.3</b>	<b>3,296.3</b>	<b>6,682.4</b>	<b>1,960.4</b>
monetary authorities	-53.3		646.1	576.3	592.8	576.3
general government	-311.2	558.2			-311.2	558.2
credit institutions	-345.3	-990.1	4,045.4	1,555.7	3,700.1	565.6
other sectors	2,487.9	-904.0	212.8	1,164.3	2,700.7	260.3
<b>Total</b>	<b>695.1</b>	<b>-1,897.2</b>	<b>6,733.3</b>	<b>7,523.6</b>	<b>7,428.4</b>	<b>5,626.4</b>

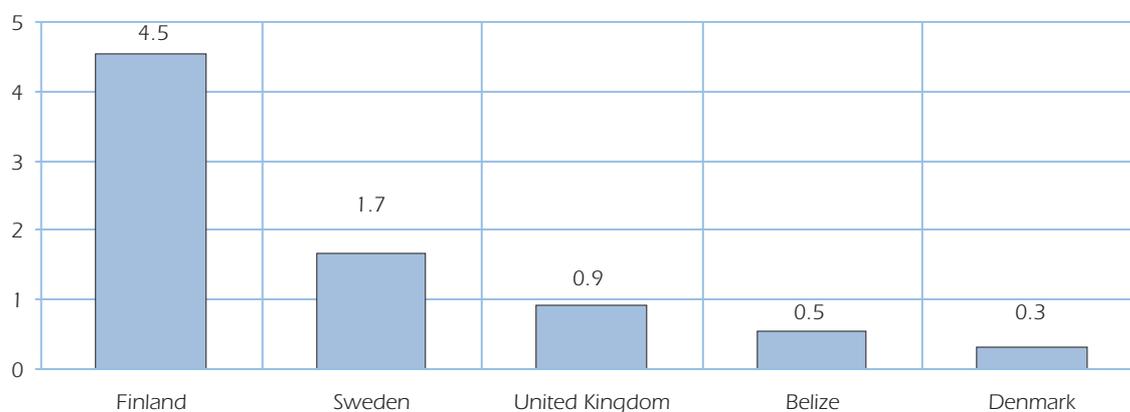
**Other investment liabilities** increased by 7.5 billion kroons in 2003 (see Table 1.35). Non-residents' deposits in Estonian credit institutions increased considerably, resulting in a capital inflow of nearly 4.6 billion kroons. The growth of liabilities and the related capital inflow was also supported by the flows of trade credit and loan capital, which amounted to 0.8 billion and 3.1 billion kroons respectively. The growth of liabilities mostly concerned the EU countries – Finland, Sweden, and the UK (see Table 1.36 and Figure 1.17).

**Table 1.35. Structure of other investment liabilities**

	Trade credit		Loans		Deposits		Other capital		Total	
	Volume (EEK m)	Share (%)								
1995	230.1	11.9	1,060.7	54.8	636.0	32.9	8.5	0.4	1,935.3	100.0
1996	426.7	12.6	1,723.7	50.7	1,232.3	36.3	14.8	0.4	3,397.5	100.0
1997	367.0	3.6	6,399.7	63.0	2,426.0	23.9	961.8	9.5	10,154.5	100.0
1998	-221.2	-16.3	290.0	21.3	365.5	26.9	924.2	68.0	1,358.5	100.0
1999	119.1	2.8	2,399.1	57.3	1,462.7	34.9	204.3	4.9	4,185.2	100.0
2000	1,080.9	41.6	-785.3	-30.2	1,955.4	75.3	345.6	13.3	2,596.6	100.0
2001	102.9	3.1	2,570.4	78.2	81.4	2.5	533.5	16.2	3,288.2	100.0
2002	781.1	11.6	1,963.3	29.2	3,763.5	55.9	225.4	3.3	6,733.3	100.0
2003	760.9	10.1	3,135.3	41.7	4,587.9	61.0	-960.5	-12.8	7,523.6	100.0

**Table 1.36. Structure of other investments by groups of countries in 2003**

	Volume (EEK m)		Share (%)	
	Claims	Liabilities	Claims	Liabilities
European Union	164.5	8,083.2	-8.7	107.4
Acceding countries	-2,247.8	151.1	118.5	2.0
CIS	-585.9	-277.5	30.9	-3.7
Other	772.0	-433.2	-40.7	-5.8
<b>Total</b>	<b>-1,897.2</b>	<b>7,523.6</b>	<b>100.0</b>	<b>100.0</b>



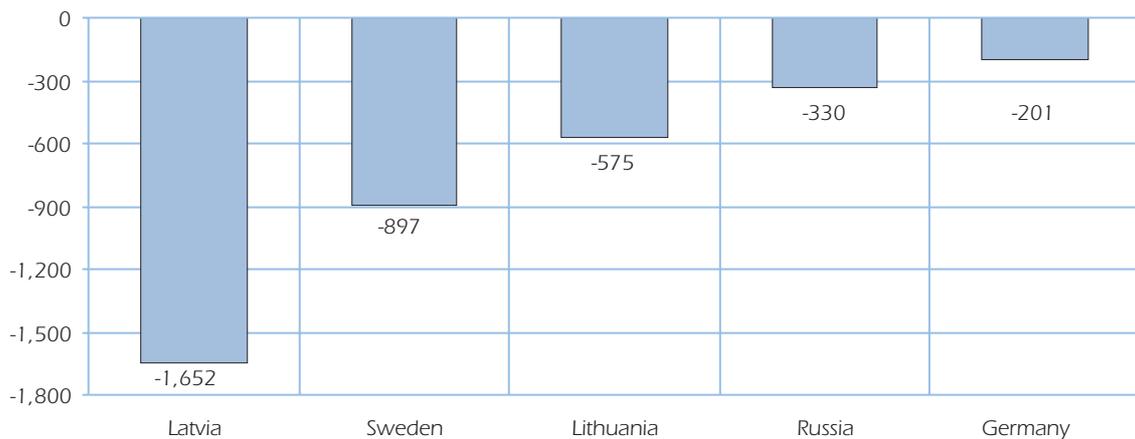
**Figure 1.17. Other investment liabilities by countries in 2003 (EEK m)**

**Other investment claims** increased in 2003 and resulted in a capital outflow of approximately 1.9 billion kroons (see Table 1.37). Loans granted to non-residents by credit institutions and other sector companies increased by nearly 3.5 billion kroons. Capital outflow was somewhat offset by the 2.3 billion kroons fall

of residents' deposits abroad. By groups of countries, claims increased the most against the EU acceding countries and the CIS countries (see Table 1.36). Among individual countries, investments were mostly made into Latvia, Sweden, and Lithuania (see Figure 1.18).

**Table 1.37. Structure of other investment claims**

	Trade credit		Loans		Deposits		Other capital		Total	
	Volume (EEK m)	Share (%)								
1995	-54.9	4.9	-220.0	19.7	-840.3	75.1	-3.6	0.3	-1,118.8	100.0
1996	-565.6	525.7	-16.5	15.3	590.3	-548.6	-115.8	107.6	-107.6	100.0
1997	-851.4	18.4	-1,633.3	35.2	-1,820.5	39.3	-330.3	7.1	-4,635.5	100.0
1998	-993.7	40.1	-542.2	21.9	-1,049.9	42.3	105.6	-4.3	-2,480.2	100.0
1999	-401.8	24.1	-57.4	3.5	-887.9	53.8	-304.1	18.4	-1,651.2	100.0
2000	-78.0	3.0	-2,814.0	106.7	-103.0	3.9	356.7	-13.5	-2,638.3	100.0
2001	-584.8	15.7	-2,278.9	61.3	-738.0	19.9	-115.0	3.1	-3,716.7	100.0
2002	1,047.6	150.7	-1,324.5	-190.5	742.6	106.8	229.4	33.0	695.1	100.0
2003	-650.0	34.3	-3,520.3	185.6	2,214.5	-116.7	58.6	-3.1	-1,897.2	100.0



**Figure 1.18. Other investment claims by countries in 2003 (EEK m)**

Changes in claims and liabilities of loan capital can be seen in Table 1.38.

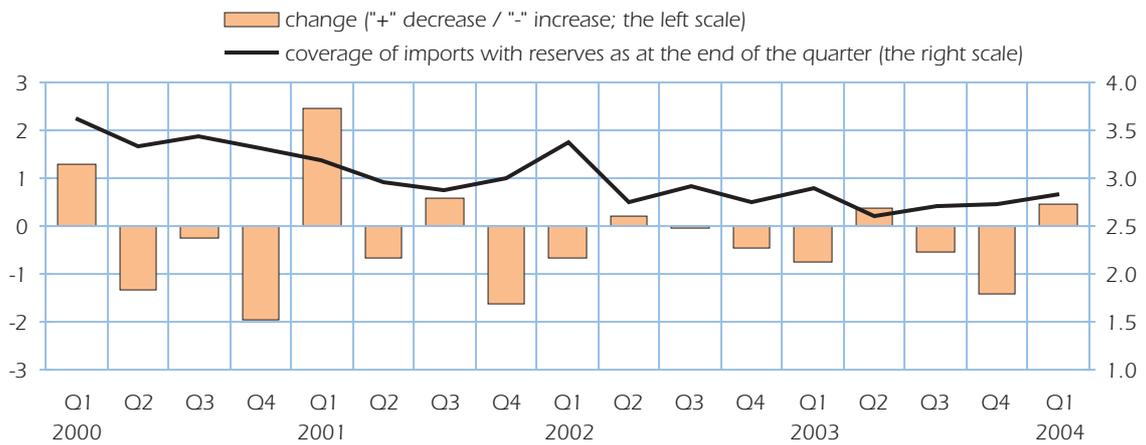
**Table 1.38. Claims and liabilities of loan capital (EEK m)\***

Claims	
Granting	-34,919.1
Repayment	31,398.8
<b>Total</b>	<b>-3,520.3</b>
Liabilities	
Granting	29,922.8
Repayment	-26,787.5
<b>Total</b>	<b>3,135.3</b>

\* Information on granting and repayment of loans by claims and liabilities became available in 2003.

## RESERVES

Reserves of the balance of payments increased by 2.3 billion kroons in 2003. The coverage of imports with reserves is illustrated by Figure 1.19.



**Figure 1.19. Change of Estonia's gold and foreign exchange reserves (EEK bn) and coverage of imports, excluding goods for processing (by months)**

## II. ESTONIA'S INTERNATIONAL INVESTMENT POSITION AND EXTERNAL DEBT AS AT 31 DECEMBER 2003

**By the end of 2003, foreign investments made into Estonia totalled 160.8 billion kroons** (see Table 2.1). **Nearly half was made into financial intermediation and less into transport, storage and communications, manufacturing, and wholesale and retail trade** (see Table 2.2). Most of the investments came from Sweden, Finland, and the United Kingdom.

In comparison to 2002, the share of direct investments and portfolio investments increased slightly in the structure of foreign investments into Estonia, whereas the share of other investments decreased. Direct investments amounted to half of the total investments (i.e. 80.8 billion kroons), nearly a fifth were portfolio investments and a third were other investments. The most preferred areas for **foreign direct investment into Estonia** were financial intermediation (28% of all direct investments), transport, storage and communications (18%), manufacturing (18%), and wholesale and retail trade (16%; see Table 2.3). Almost 70% of direct investments came from Sweden and Finland.

**Estonian investments abroad totalled 74.6 billion kroons.** Two thirds of the investments abroad were made by financial intermediaries. Investments abroad were also made by the public sector, transport, storage and communications, and manufacturing companies. The most popular investment destinations for Estonian investors were Germany, Lithuania, and Latvia.

Year-on-year, the share of portfolio investments increased considerably in the structure of investments abroad. The share of direct investments increased slightly, whereas the share of other investments and reserves decreased. Loans, deposits and the central bank's gold and foreign exchange reserves covered 58% of external claims. **Direct investments** accounted for 17% of all investments abroad. The most active direct investors were in financial intermediation (38%), transport, storage and communications (25%), and real estate, leasing and business activities (18%). Nearly 90% of all direct investments abroad were made into three countries – Lithuania, Latvia, and Cyprus.

**Due to the predominance of external liabilities, Estonia's net investment position was negative by 86.1 billion kroons, amounting to 68% of GDP. Nearly 90% of the net investment position was made up of long-term capital,** the share of which has somewhat decreased over the past year.

Table 2.1. Estonia's international investment position (EEK m)

	31/12/02	Share (%)	31/12/03	Share (%)	Change (%)
<b>EXTERNAL ASSETS</b>					
<b>Direct investments</b>	<b>10,097.6</b>	<b>16.4</b>	<b>12,668.0</b>	<b>17.0</b>	<b>25.5</b>
Share capital and reinvested earnings	6,635.8	10.8	8,862.0	11.9	33.5
Other capital	3,461.8	5.6	3,806.0	5.1	9.9
<b>Portfolio investments</b>	<b>12,860.1</b>	<b>20.9</b>	<b>18,459.6</b>	<b>24.7</b>	<b>43.5</b>
Equity securities	549.2	0.9	1,905.4	2.6	246.9
Debt securities	12,310.9	20.0	16,554.2	22.2	34.5
Long-term	8,315.4	13.5	8,361.9	11.2	0.6
Short-term	3,995.5	6.5	8,192.3	11.0	105.0
<b>Financial derivatives</b>	<b>194.2</b>	<b>0.3</b>	<b>333.5</b>	<b>0.4</b>	<b>71.7</b>
<b>Other investments</b>	<b>23,431.3</b>	<b>38.1</b>	<b>26,005.0</b>	<b>34.8</b>	<b>11.0</b>
Trade credit	4,302.3	7.0	5,430.1	7.3	26.2
Loans	10,646.3	17.3	14,216.1	19.0	33.5
Long-term	5,073.3	8.2	5,621.7	7.5	10.8
Short-term	5,573.0	9.1	8,594.4	11.5	54.2
Deposits	7,872.1	12.8	5,793.7	7.8	-26.4
Other assets	610.6	1.0	565.1	0.8	-7.5
<b>Reserves</b>	<b>14,984.9</b>	<b>24.3</b>	<b>17,183.6</b>	<b>23.0</b>	<b>14.7</b>
<b>TOTAL EXTERNAL ASSETS</b>	<b>61,568.1</b>	<b>100.0</b>	<b>74,649.7</b>	<b>100.0</b>	<b>21.2</b>
<b>EXTERNAL LIABILITIES</b>					
<b>Direct investments</b>	<b>63,127.3</b>	<b>49.8</b>	<b>80,792.3</b>	<b>50.3</b>	<b>28.0</b>
Share capital and reinvested earnings	50,915.4	40.2	65,983.6	41.0	29.6
Other capital	12,211.9	9.6	14,808.7	9.2	21.3
<b>Portfolio investments</b>	<b>20,597.8</b>	<b>16.2</b>	<b>29,453.3</b>	<b>18.3</b>	<b>43.0</b>
Equity securities	9,483.1	7.5	11,783.6	7.3	24.3
Debt securities	11,114.7	8.8	17,669.7	11.0	59.0
Long-term	11,098.5	8.8	12,971.7	8.1	16.9
Short-term	16.2	0.0	4,698.0	2.9	28,900.0
<b>Financial derivatives</b>	<b>88.7</b>	<b>0.1</b>	<b>208.7</b>	<b>0.1</b>	<b>135.3</b>
<b>Other investments</b>	<b>42,967.9</b>	<b>33.9</b>	<b>50,324.7</b>	<b>31.3</b>	<b>17.1</b>
Trade credit	6,763.8	5.3	8,076.3	5.0	19.4
Loans	21,715.2	17.1	24,529.4	15.3	13.0
Long-term	17,556.2	13.8	21,506.0	13.4	22.5
Short-term	4,159.0	3.3	3,023.4	1.9	-27.3
Deposits	11,863.6	9.4	16,447.3	10.2	38.6
Other liabilities	2,625.3	2.1	1,271.7	0.8	-51.6
<b>TOTAL EXTERNAL LIABILITIES</b>	<b>126,781.7</b>	<b>100.0</b>	<b>160,779.0</b>	<b>100.0</b>	<b>26.8</b>
<b>incl. debt creative liabilities (gross external debt)</b>	<b>70,258.8</b>	<b>55.4</b>	<b>88,523.5</b>	<b>55.1</b>	<b>26.0</b>
<b>NET INTERNATIONAL INVESTMENT POSITION</b>	<b>-65,213.6</b>		<b>-86,129.3</b>		<b>32.1</b>
<b>Short-term</b>	<b>-6,786.5</b>		<b>-10,495.2</b>		<b>54.6</b>
<b>Long-term</b>	<b>-58,427.1</b>		<b>-75,634.1</b>		<b>29.5</b>
<b>NET EXTERNAL DEBT</b>	<b>-12,149.0</b>		<b>-19,298.9</b>		<b>58.9</b>
<b>incl. central government</b>	<b>3,697.8</b>		<b>6,970.0</b>		<b>88.5</b>

**Table 2.2. Estonia's international investment position by fields of activity and countries (%) as at 31 December 2003**

Claims		Liabilities	
<b>Fields of activity</b>			
Financial intermediation	66.4	Financial intermediation	45.8
Public administration and defence	14.4	Transport, storage and communications	12.8
Transport, storage and communications	6.8	Manufacturing	11.6
Manufacturing	5.5	Wholesale and retail trade	10.9
Wholesale and retail trade	5.2	Real estate, renting and business activities	7.3
Other	1.7	Other	11.6
Total	100.0	Total	100.0
<b>Countries</b>			
Germany	17.1	Sweden	27.7
Lithuania	15.5	Finland	22.0
Latvia	10.4	United Kingdom	13.6
Netherlands	8.8	Germany	6.8
United Kingdom	7.5	USA	5.8
Other	40.7	Other	24.1
Total	100.0	Total	100.0

**Table 2.3. Direct investment position by fields of activity and countries (%) as at 31 December 2003**

In Estonia		Abroad	
<b>Fields of activity</b>			
Financial intermediation	28.1	Financial intermediation	38.1
Manufacturing	18.2	Transport, storage and communications	25.3
Transport, storage and communications	17.7	Real estate, renting and business activities	18.3
Wholesale and retail trade	15.9	Wholesale and retail trade	7.4
Real estate, renting and business activities	11.4	Manufacturing	7.3
Other	8.7	Other	10.9
Total	100.0	Total	100.0
<b>Countries</b>			
Sweden	41.3	Lithuania	44.7
Finland	26.6	Latvia	28.2
USA	5.6	Cyprus	13.7
Netherlands	3.5	Italy	4.4
Germany	2.7	Russia	2.9
Other	20.3	Other	6.1
Total	100.0	Total	100.0

On 31 December 2003, Estonia's gross external debt amounted to 88.5 billion kroons (70% of GDP) and the net external debt (debt-related external claims minus liabilities) stood at 19.3 billion kroons (15% of GDP; see Table 2.4 and Figure 2.1). Year-on-year, the total external debt increased by a quarter and net external debt by nearly 60%. The total external debt amounted to 55% of the external liabilities. Leaving aside intra-group debts of direct investment enterprises, long-term debts accounted for 55% of the total external debt. Debt claims mostly consisted of short-term capital (72%). Like in 2002, 95% of the total debt burden fell on credit institutions and other sectors, with liabilities of credit institutions growing by more than 40% year-on-year (see Figure 2.2). The latter were also the main contributors to the net external debt (see Figure 2.3). The positive net external debt of the general government nearly doubled in 2003.

Table 2.4. External debt (EEK m)

	31/03/03	%	30/06/03	%	30/09/03	%	31/12/03	%
<b>DEBT LIABILITIES</b>								
<b>I. General government</b>	<b>3,382.1</b>	<b>4.4</b>	<b>3,622.6</b>	<b>4.6</b>	<b>3,697.1</b>	<b>4.6</b>	<b>3,718.2</b>	<b>4.2</b>
Short-term				0.0	0.0	0.0	0.0	0.0
Long-term	3,382.1	4.4	3,622.6	4.6	3,697.1	4.6	3,718.2	4.2
<b>II. Central bank</b>	<b>185.2</b>	<b>0.2</b>	<b>208.3</b>	<b>0.3</b>	<b>31.6</b>	<b>0.0</b>	<b>485.1</b>	<b>0.5</b>
Short-term	185.2	0.2	208.3	0.3	31.6	0.0	485.1	0.5
Long-term				0.0	0.0	0.0	0.0	0.0
<b>III. Credit institutions</b>	<b>29,641.5</b>	<b>38.7</b>	<b>28,435.4</b>	<b>36.3</b>	<b>30,359.0</b>	<b>37.8</b>	<b>37,075.1</b>	<b>41.9</b>
Short-term	10,572.5	13.8	11,119.6	14.2	12,380.8	15.4	19,043.7	21.5
Long-term	19,069.0	24.9	17,315.8	22.1	17,978.2	22.4	18,031.4	20.4
<b>IV. Other sectors</b>	<b>25,116.0</b>	<b>32.8</b>	<b>25,763.1</b>	<b>32.9</b>	<b>25,548.1</b>	<b>31.8</b>	<b>26,716.0</b>	<b>30.2</b>
Short-term	9,272.6	12.1	11,160.0	14.3	10,607.5	13.2	10,779.9	12.2
Long-term	15,843.4	20.7	14,603.1	18.7	14,940.6	18.6	15,936.1	18.0
<b>V. Direct investments: intra-group debts</b>	<b>18,362.4</b>	<b>23.9</b>	<b>20,197.3</b>	<b>25.8</b>	<b>20,744.6</b>	<b>25.8</b>	<b>20,529.1</b>	<b>23.2</b>
<b>GROSS EXTERNAL DEBT</b>	<b>76,687.2</b>	<b>100.0</b>	<b>78,226.7</b>	<b>100.0</b>	<b>80,380.4</b>	<b>100.0</b>	<b>88,523.5</b>	<b>100.0</b>
<b>CLAIMS</b>								
<b>I. General government</b>	<b>6,991.6</b>	<b>11.1</b>	<b>7,409.9</b>	<b>11.9</b>	<b>10,216.6</b>	<b>15.7</b>	<b>10,688.2</b>	<b>15.4</b>
Short-term	3,465.1	5.5	4,235.0	6.8	6,968.2	10.7	6,398.3	9.2
Long-term	3,526.5	5.6	3,174.9	5.1	3,248.4	5.0	4,289.9	6.2
<b>II. Central bank</b>	<b>15,609.8</b>	<b>24.8</b>	<b>15,258.9</b>	<b>24.4</b>	<b>15,846.1</b>	<b>24.3</b>	<b>17,150.3</b>	<b>24.8</b>
Short-term	12,273.1	19.5	11,932.7	19.1	12,789.2	19.6	14,256.0	20.6
Long-term	3,336.7	5.3	3,326.2	5.3	3,056.9	4.7	2,894.3	4.2
<b>III. Credit institutions</b>	<b>17,697.6</b>	<b>28.1</b>	<b>13,872.3</b>	<b>22.2</b>	<b>12,105.8</b>	<b>18.6</b>	<b>14,218.0</b>	<b>20.5</b>
Short-term	16,174.0	25.7	12,442.3	19.9	10,618.9	16.3	12,615.8	18.2
Long-term	1,523.6	2.4	1,430.0	2.3	1,486.9	2.3	1,602.2	2.3
<b>IV. Other sectors</b>	<b>14,566.4</b>	<b>23.2</b>	<b>17,250.7</b>	<b>27.6</b>	<b>17,482.8</b>	<b>26.9</b>	<b>17,641.7</b>	<b>25.5</b>
Short-term	8,503.0	13.5	10,038.2	16.1	9,918.5	15.2	9,499.5	13.7
Long-term	6,063.4	9.6	7,212.5	11.6	7,564.3	11.6	8,142.2	11.8
<b>V. Direct investments: intra-group debts</b>	<b>8,027.4</b>	<b>12.8</b>	<b>8,642.3</b>	<b>13.8</b>	<b>9,455.6</b>	<b>14.5</b>	<b>9,526.4</b>	<b>13.8</b>
<b>CLAIMS TOTAL</b>	<b>62,892.8</b>	<b>100.0</b>	<b>62,434.1</b>	<b>100.0</b>	<b>65,106.9</b>	<b>100.0</b>	<b>69,224.6</b>	<b>100.0</b>
<b>NET EXTERNAL DEBT (debt claims minus debt liabilities)</b>								
<b>I. General government</b>	<b>3,609.5</b>		<b>3,787.3</b>		<b>6,519.5</b>		<b>6,970.0</b>	
Short-term	3,465.1		4,235.0		6,968.2		6,398.3	
Long-term	144.4		-447.7		-448.7		571.7	
<b>II. Central bank</b>	<b>15,424.6</b>		<b>15,050.6</b>		<b>15,814.5</b>		<b>16,665.2</b>	
Short-term	12,087.9		11,724.4		12,757.6		13,770.9	
Long-term	3,336.7		3,326.2		3,056.9		2,894.3	
<b>III. Credit institutions</b>	<b>-11,943.9</b>		<b>-14,563.1</b>		<b>-18,253.2</b>		<b>-22,857.1</b>	
Short-term	5,601.5		1,322.7		-1,761.9		-6,427.9	
Long-term	-17,545.4		-15,885.8		-16,491.3		-16,429.2	
<b>IV. Other sectors</b>	<b>-10,549.6</b>		<b>-8,512.4</b>		<b>-8,065.3</b>		<b>-9,074.3</b>	
Short-term	-769.6		-1,121.8		-689.0		-1,280.4	
Long-term	-9,780.0		-7,390.6		-7,376.3		-7,793.9	
<b>V. Direct investments: intra-group debts</b>	<b>-10,335.0</b>		<b>-11,555.0</b>		<b>-11,289.0</b>		<b>-11,002.7</b>	
<b>NET EXTERNAL DEBT TOTAL</b>	<b>-13,794.4</b>		<b>-15,792.6</b>		<b>-15,273.5</b>		<b>-19,298.9</b>	

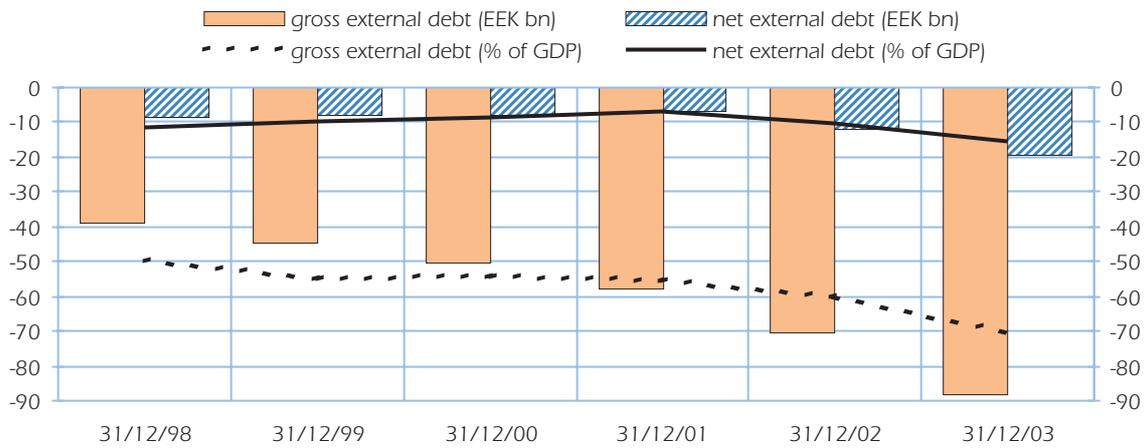


Figure 2.1. Estonia's gross and net external debt (EEK bn; the left scale) and % of GDP (the right scale)

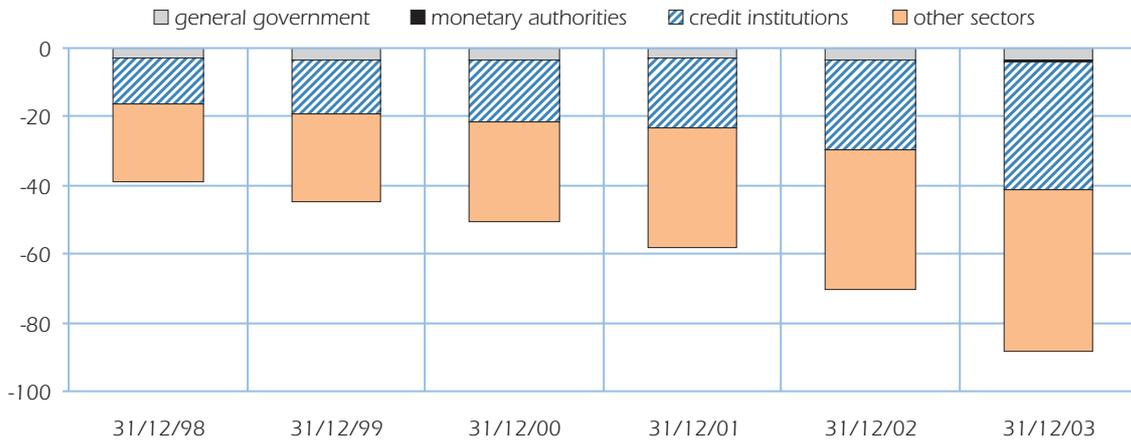


Figure 2.2. Estonia's gross external debt by economic sectors (EEK bn)

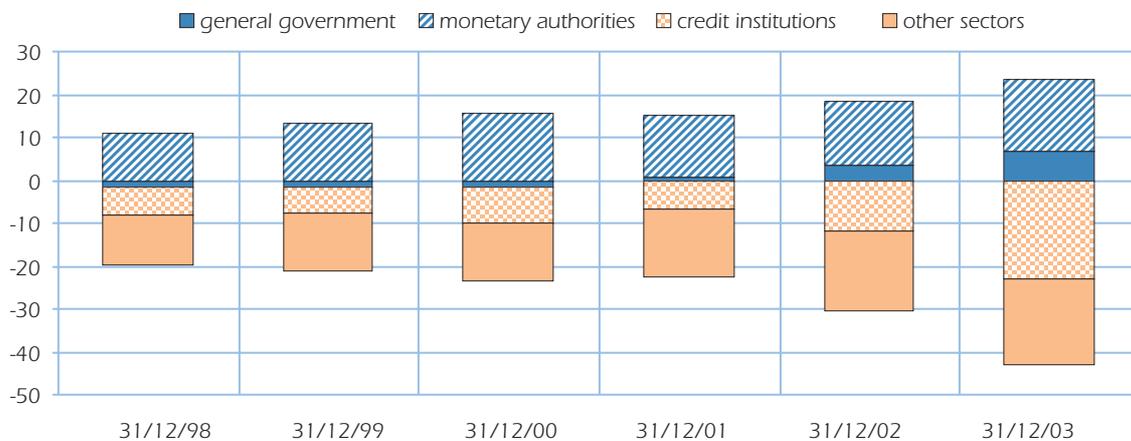


Figure 2.3. Estonia's net external debt by economic sectors (EEK bn)

### III. THEORETICAL CONCEPT, METHODOLOGY AND COMPILATION PRACTICES

The IMF Balance of Payments Manual, 5<sup>th</sup> Edition serves as a methodological basis for the external sector statistics as well as for the Estonian model of the balance of payments statistics. The following is an introduction to three basic documents (balance of payments, international investment position, and external debt), their contents, definitions, sources of primary data, dissemination standard, and compilation practices.

#### BALANCE OF PAYMENTS

The balance of payments is by nature the consolidated income statement as well as the consolidated balance sheet of all the institutional sectors of the economy. Company's financial statements reflect the relations of a sole proprietor with the external environment. Theoretically the balance of payments has the same function, the company being the national economy in its entirety and its environment – the rest of the world.

**The balance of payments is a statistical statement that systematically summarises, for a specific time period, the economic transactions of a country with the rest of the world. The period is usually a month, a quarter or a year.**

Since the balance of payments reflects transactions during a specific time period, the values of the balance of payments items are *flow indicators*.

The balance of payments includes *current account*, reflecting income from the external economic activity, *capital account*, *financial account*, and *reserves*, reflecting current account financing, i.e. the structure of *external financing*.

The current account includes four major parts<sup>5</sup>: *goods*, *services*, *income*, and *transfers*. Goods and services balances include all goods and services purchased and sold. The income balance reflects income and

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<sup>5</sup> See Definitions, and Entries, pp 42, 44.

expenditure related to the use and render for use of production factors (capital and labour). Transfers are all remaining transactions that are related to the formation of gross disposable income of residents and are distinguishable from capital transfers.

The *capital account* records mainly transactions in intangibles (e.g. acquisition/disposal of intellectual property), debt forgiveness, subsidies for infrastructure development, EU structural funds, and other international capital transfers not related to the formation of gross disposable income.

The *financial account* records foreign investments, classified into four major categories: *direct investment*, *portfolio investment*, *financial derivatives*, and *other investment*. The financial account is classified by instruments and sectors. Instruments (trade credit, loans, bonds, deposits) are divided into short-term and long-term instruments based on their original maturity. In general, the classification of institutional sectors in the balance of payments distinguishes the *general government*, *monetary authorities (central bank)*, *credit institutions*, and *other sectors*.

The *reserves* reflect changes in the gold and foreign exchange reserves of the central bank<sup>6</sup>.

The compilation of the balance of payments is not based on the territory of the compiling country. A balance of payments transaction is for the most part a transaction (not only movement of money, i.e. cash flow) between a *resident* and a *non-resident*.

The balance of payments is compiled on an *accrual basis*, meaning that the transaction is recorded at the time the transaction was concluded between parties or a change of ownership took place, irrespective of whether money has actually been received or paid at that particular time. As a result of these transactions, liabilities or claims to the other party are established (changed), which is the object of the balance of payments.

The following principles are observed in analysing more important transactions:

- Trade transactions are recorded at the time the sale/purchase contract is concluded and a claim or a liability to a contractual sum is established;
- Services are recorded after a contract is concluded or a service rendered;
- Dividends are recorded in case a decision to pay dividends is passed at the general meeting of shareholders;
- Interests are recorded at the time the parties to the transaction record it in their accounting;
- Transfers are recorded in case a resource (goods, services, money) changes hands;
- Financial claims and liabilities are recorded at the time they are actually received; repayments are recorded at the time a contractual liability to payment is established.

All balance of payments transactions are generally recorded in *market prices*.

The *double entry system* serves as the underlying principle in compiling the balance of payments. Every recorded transaction is represented by two entries with equal values, but with different arithmetic signs: *credit (+)* and *debit (-)*. Credit reflects an increase in the financial resources available and debit reflects their utilisation (see Table 3.1).

In the ideal case, the net balance of all entries in the statement is zero. The complicity and scope of the balance of payments make the collection of statistics always inaccurate. In order to balance the accounts, the inaccuracy is reflected under the entry *errors* and *omissions*.

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<sup>6</sup> Reserves are usually recorded under the financial account in the IMF's Special Data Dissemination Standard but are treated as an independent account in analytical presentations.

**Table 3.1. Credit and debit**

	Increase of resources	Decrease of resources
	Credit –	Debit +
<b>Current account</b>	Exports of goods	Imports of goods
	Exports of services	Imports of services
	Income inflow to Estonia	Income outflow from Estonia
	Transfers inflow to Estonia	Transfers outflow from Estonia
<b>Capital account</b>	Inflow of capital transfers	Outflow of capital transfers
<b>Financial account</b>	Decrease of external claims	Increase in external claims
	Increase in external liabilities	Decrease of external liabilities
<b>Reserves</b>	Decrease of reserves	Increase in reserves

Under the Special Data Dissemination Standard current account and capital account record debit and credit turnovers separately. Only *net entries* (sums of debit and credit entries) are recorded on the financial account and reserves account, although since 2003 debit and credit turnovers are also available for certain financial account instruments.

## INTERNATIONAL INVESTMENT POSITION

**International investment position is a consolidated balance sheet of the financial assets and liabilities of all institutional sectors of a country as at the balance sheet date in market prices.**

Since accounts are fully consolidated, the financial assets and liabilities of domestic sectors cancel each other and the international investment position refers to the *external claims* and *external liabilities* of a country as a whole. The investment position differs from the traditional balance sheet in not considering the real assets and equity of Estonian residents. Therefore the investment position is not balanced.

**The net investment position is the difference between the external assets and external liabilities of all institutional sectors of a country.** The net investment position is *positive* when external claims exceed external liabilities, reflecting the net debt of the rest of the world to the country. The *negative* net investment position reflects the debt of the country to the rest of the world.

It has been agreed to record claims and liabilities between the direct investment enterprise and the direct investor on a *directional principle*:

- all direct investment enterprise's claims to direct investors are deducted from direct investments into Estonia (liabilities);
- all Estonian direct investors' liabilities to direct investment enterprises abroad are deducted from direct investments from Estonia (claims).

The same concepts and definitions as in the balance of payments are used in compiling the investment position. The basic principles are *accounting on an accrual basis* and *valuation in market prices or at fair value* of the day of compiling the position.

As international investment position reflects assets and resources at a certain date, the values of investment position entries are *stock indicators*.

## EXTERNAL DEBT

External debt statistics is based on external claims and liabilities, recorded in the international investment position, which are debts in their nature, meaning that they have to be repaid. Direct and portfolio investments into share capital as well as reinvested earnings (undistributed profit/loss of previous periods and reserves of equity capital) are excluded from debt accounting. In addition, neither gold reserves of the central bank nor special drawing rights (SDRs) belong to external debt<sup>7</sup>.

Major external debt indicators are:

- **gross external debt** – the amount of all external debt liabilities of all institutional sectors;
- **net external debt** – debt-related external claims minus liabilities, repayable by all institutional sectors.

Unlike international investment position that reflects direct investments on a *directional principle*, loans granted by resident direct investment enterprises to direct investors do not reduce direct investment liabilities, as they are entered under the liabilities' side of the balance sheet in debt accounting. Estonian residents' loans granted by non-resident direct investment enterprises are not subtracted from Estonia's direct investment claims abroad either but are added to debt liabilities instead.

Similarly to international net investment position, indicators reflecting external debt are *stock indicators*.

## DEFINITIONS

- **Resident:**
  - 1) state bodies and agencies of the Republic of Estonia in the broadest sense (legislative, executive and judicial power, and their agencies, constitutional institutions), as well as local governments and their agencies;
  - 2) Estonia's diplomatic, consular and other official representative offices abroad, as well as other representative offices of Estonian agencies and organisations abroad not involved in economic or commercial activities;
  - 3) legal persons in public law and their agencies established by the laws of the Republic of Estonia;
  - 4) legal persons in private law registered in Estonia;
  - 5) branches and subsidiaries of foreign legal persons registered in Estonia;
  - 6) Estonian citizens residing in Estonia;
  - 7) aliens residing in Estonia with a permanent residence permit;
  - 8) aliens residing in Estonia with a temporary residence permit for at least one year;
  - 9) Estonian citizens studying or receiving medical treatment abroad, regardless of the length of studies or medical treatment;
  - 10) diplomats, military personnel, staff of consular and other representative offices as well as their family members staying abroad and enjoying immunity and diplomatic privileges.
- **Non-resident:** all other persons not covered by the definition *resident*.
- **Institutional sectors** are divided into the following groups in the external sector statistics:
  - *central government* – state government and defence authorities under the area of governance of central and local governments; scientific, research, health care, social care, educational, cultural, and sports institutions, and state foundations financed from a central or a local government budget;

<sup>7</sup> See Entries, Reserves p 47.

- *monetary institutions* – Eesti Pank as the national central bank;
  - *credit institutions* – companies licensed by Eesti Pank the principal and permanent activities of which are to receive cash deposits and other repayable funds from the public and to grant loans for their own account and provide other financing;
  - *other sectors* – the remaining central government and private sector companies (insurers, investment funds, savings and loan associations, other financial institutions and all other remaining companies previously not mentioned (public limited companies, private limited companies, limited partnerships, commercial associations, sole proprietors), non-profit associations, and households.
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- **F.o.b. price** – an international delivery clause of goods, including the value of the goods and the cost of insurance and transportation to the customs frontier of the exporting country.
  - **C.i.f. price** – an international delivery clause of goods, including the value of goods and the cost of insurance and transportation to the customs frontier of the importing country.
  - **Normal exports** – exports of goods manufactured in Estonia and belonging to Estonian legal entities; do not include the exports of processed goods.
  - **Normal imports** – imports of goods for Estonia's domestic consumption; do not include the imports of goods for processing.
  - **Long-term capital** – claims or liabilities with a maturity of more than one year.
  - **Short-term capital** – claims or liabilities with a maturity of up to one year (inclusive).
  - **Direct investor** – investor with a qualifying holding in a direct investment enterprise, the holding being 10% or more of the share capital of the direct investment enterprise.
  - **Direct investment enterprise** – enterprise in which the investor (direct investor) has a qualifying holding.
  - **Share in a public limited company** – a security which proves the right of the owner of the share to a part of the assets and the profit of the public limited company and grants the owner of the share (shareholder) the right to participate in the general meetings of shareholders and in distribution of the profit of or the assets remaining after dissolution of the public limited company, and other rights prescribed by legislation and the articles of association.
  - **Share in a private limited company** – a security which proves the right of the owner of the share in the capital of the private limited company. The share grants the shareholder the right to participate in the management of the private limited company and in distribution of the profit of or the assets remaining after dissolution of the private limited company, and other rights prescribed by legislation or the articles of association.
  - **Debt security** – as a rule, a long-term security which proves the right of claim of the owner of the debt security and the debt obligation of the borrower and sets out that the borrower is required to repay the loan to the lender at a fixed date and pay the interest due.
  - **Money market instrument** – short-term debt securities with high liquidity and low interest and credit risk traded on money markets and which are normally discountable (i.e. the issuer repays the nominal value as the principal sum to the investor at the redemption date of the security; the interest is formed by the difference of the issuing price and the repurchase price of the security); money market instruments include *treasury bills, certificates of deposit, commercial papers*, etc.

- **Short-term position** – net investment position based on short-term external claims and liabilities. Conventionally, reserves of the central bank are considered short-term due to their nature.
- **Long-term position** – net investment position based on long-term external claims and liabilities. Conventionally, direct investments are considered long-term due to their nature.
- **Financial leasing** – loan for the acquisition of assets on the condition that the leased property remains in the ownership of the lessor until the amortisation of the loan and interests.
- **Repurchase agreement** – borrowing against securities as collateral.

## ENTRIES

- **Trade balance** – includes imports and exports of goods that contribute to gross domestic product:
  - imports for national consumption – goods imported for free circulation and paid by residents;
  - national exports – exports the sale of which provides receipts to residents;
  - imports of goods for processing and exports of processed goods.

Estonia's trade balance is based on the *special trade system* of official trade statistics, registering goods exceeding free circulation<sup>8</sup>. Exports exclude the re-exports of imported goods previously stored in customs warehouses or provisions for sea and air transport. Imports exclude customs warehousing of imported goods, yet reflect deliveries of goods from customs warehouses into free circulation and processing. As the official trade statistics and customs statistics do not comply with the balance of payments compilation principles (imports in c.i.f. prices, residency principle vs territorial principle, etc), necessary supplements are added to the balance of payments. The most significant of them include:

- a) goods not declared in customs and not crossing frontiers but which are balance of payments transactions (e.g. fish caught in foreign waters);
  - b) goods purchased for carriers abroad: fuel, provisions, merchandise, etc;
  - c) repair of capital goods purchased and sold;
  - d) translation of imports into f.o.b. price, i.e. separation of transportation and insurance costs;
  - e) estimates of black economy.
- **Services balance** reflects services sold to and purchased from non-residents by Estonian residents:
    - *transportation* – passenger, freight and other transportation services by significant modes of transport (marine, air and other transport modes);
    - *travel* – includes expenditure on package travels of tourists and one-day visitors, as well as on goods and services in the country of destination;
    - *communications services* – comprises charges for telecommunications (TV and radio transmission, telegraph, telex and facsimile communications, satellite and cable television, e-mail, etc), postal and courier services (packaging, mailing, transportation, delivery of items, lease of letter boxes, etc);
    - *construction services* – cover the cost of construction activities abroad by resident enterprises or of construction activities in Estonia by non-residents. Construction services, as a rule, include sites or installation to be completed within one year, longer projects are treated as direct investments;

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<sup>8</sup> *General trade system* is also used, which registers the movement of goods across the customs frontier. This system is not suitable for the compilation of the balance of payments, as it includes also the movement of goods of non-residents through Estonian customs warehouses.

- *insurance services* – charges collected and paid upon conclusion of life and non-life insurance contracts, loss adjustment expenses, insurance expert assessments, etc. For non-life insurance, total premiums and claims payable should be recorded under current transfers. For life insurance, premiums and payments should be recorded in the financial account under long-term capital.
  - *financial services* – financial intermediation services and auxiliary services (other than insurance) related to commissions and fees of banking and securities brokerage or to custodial services, clearing, depository services, financial consulting, etc;
  - *computer and information services* – cover transactions related to fees for the use and development of databases, data processing and programming, hardware consultations, software implementation, etc; as well as services of news agencies;
  - *royalties and licence fees* – receipts and payments for the use of copyrights, licenses, franchises, patents, industrial processes or other intellectual property;
  - *merchandising* – commissions and service fees of commodity brokers and dealers. The value of trade services is the difference between the value of goods purchased by residents abroad and the value of these goods resold abroad during the same period. The goods must never enter the customs territory of the compiling state;
  - *operating leasing* – payments where the lessee uses the assets during the contract period and returns the assets to the lessor upon the expiry of the contract.
  - *miscellaneous business services* – services related to consulting (legal assistance, accounting, audit, management consulting, etc), public relations and marketing (advertising, opinion polls, market research, etc) or other technical services (waste management, environmental protection, architectural and engineering services, printing services, etc);
  - *cultural and recreational services* – audio-visual services related to radio, television and production of motion pictures, organising concerts and other events, fees to performers, organising exhibitions and museum exhibits, producer services and other sports, cultural and recreational services;
  - *government services not included elsewhere* – a residual category covering government service transactions related to embassies and consular services, military and other public sector services, state fees and foreign aid received and provided as a service (for foreign aid see also *current transfers*).
- **Income balance** reflects income related to the use and render for use of production factors (capital and labour). Income falls into two categories:
    - a) *compensation of employees* – net income of individuals (paid and received gross wages and salaries);
    - b) *investment income* – income (interests, dividends, etc) receivable and payable from foreign investment (direct, portfolio and other investments and reserves). Investment income includes *reinvested earnings* reflected as direct investment, being a proportional change equal to investment in the undistributed profit of the investment enterprise.

Accounting income from realised and unrealised exchange rates and spreads are not recorded as income, because the balance of payments records movement of financial instruments in market prices. For accounting purposes the latter comprises acquisition cost and realised exchange rate and/or price profit/loss.

- **Current transfers** are all remaining transactions related to the accumulation of residents' disposable income but not recorded elsewhere under the current account. Current transfers are unilateral, there is no consignment or service following (or preceding) the transfer and neither is it income for the use of production factors. Current transfers are usually related to taxes, fines, subsidies, donations, inheritance, membership fees, insurance premiums, and indemnities. Current transfers include also the cost of goods and services received or provided as foreign aid as offsetting entries.

Current transfers account records money flows by two institutional sectors:

- a) *general government*;

b) *other sectors*.

General government transfers are the amounts related to the transfers received from and paid by the Estonian public sector. *Workers' remittances* recorded under other sectors (private transfers) indicate remittances to the home country of outside workers with a labour contract for over one year.

- **Capital transfers** are unilateral, similarly to current transfers, but amounts received or paid have no direct impact on residents' gross disposable income. Major capital transfers include:
  - a) various grants from international funds to finance infrastructure objects;
  - b) transfers of migrants;
  - c) acquisition and disposal of non-produced, non-financial intangible assets (intellectual property, e.g. franchises, patents, trademarks, processes);
  - d) debt forgiveness.

Capital account records money flows by two institutional sectors:

- a) *general government*;
- b) *other sectors*.

- **Direct investments** in Estonia's balance of payments are investments involving a qualifying holding, which amounts to 10% or more of the share capital of the investment enterprise<sup>9</sup>. According to international standards, lending and other investments between an enterprise and an investor with a qualifying holding are also reflected as direct investments.

Direct investment account falls into the following categories:

- a) *share capital* of a direct investment enterprise;
- b) *reinvested earnings* – direct investor's share in proportion to direct equity participation (retained profits, available capital reserves) and statutory legal reserves;
- c) *other direct investment capital* – claims and liabilities related to lending, debt securities and trade credit between a direct investment enterprise, a direct investor, and enterprises abroad belonging into the same consolidated group.

- **Portfolio investments** account records, under claims and liabilities, securities investments that fall into the following categories:
  - a) *equity securities* – securities investment into the share capital not comprising a qualifying holding, i.e. remaining below 10% of the fixed assets and investment fund units of an enterprise.
  - b) *debt securities* – bonds and money market instruments that prove the debt claim.
 Portfolio investments are recorded by institutional sectors in the balance of payments.

- **Financial derivatives** are tradable securities indicating the right or obligation of acquisition, exchange or transfer. Their value is based on the performance of an underlying financial instrument, index or commodity allowing to trade with financial risks at markets. Major financial derivatives are *options*, *forwards*, *futures*, and *swaps*. Financial derivatives are recorded by institutional sectors, assets and liabilities separately in the balance of payments.
- **Other investments** cover all other investments that are neither direct investments, portfolio investments nor related to financial derivatives:
  - *trade credit* – outstanding or unpaid amounts for goods and services and advances, recorded on an accrual basis in the balance of payments as well as in the international investment position;

<sup>9</sup> The concept describes direct investments as financial resources applied leading to a qualifying holding and a casting vote of the investor in managing the direct investment enterprise, regardless of the actual holding. As such an approach does not ensure similar treatment of the investment in the investor and recipient country, the 10% criterion is recommended to avoid statistical errors (*OECD Benchmark Definition of Foreign Direct Investment, 1996*).

- *loans* – short-term and long-term lending not related to direct investments. Loans also cover *capital lease* and *repurchase agreements*.
- *currency and deposits* – foreign currency held by residents and their deposits in foreign credit institutions are recorded as assets. Estonian kroons held by non-residents and their deposits in Estonian credit institutions are recorded as liabilities.
- *other assets and liabilities* – accounts receivable and accounts payable recorded on an accrual basis, as well as other assets and liabilities unrelated to other entries. Life insurance premiums collected and disbursements made by insurance companies are recorded here as well.
- **Reserves** – gold and foreign exchange reserves of the central bank comprising assets representing the kroon in Estonia's monetary system. Reserves are usually highly liquid tradable external assets of the central bank, entered as:
  - a) *monetary gold* – gold held as a reserve asset;
  - b) *special drawing rights* – unit of account created by the International Monetary Fund. Its value is based on a basket of four currencies (USD, EUR, JPY, and GBP). Each IMF member has a SDR account for borrowing and other related operations between the member state and the IMF;
  - c) *foreign exchange* – foreign exchange or equal reserve assets: foreign currency and deposits, equity securities, bonds, money market instruments, and financial derivatives;
  - d) *other claims* – other liquid external assets.

## BALANCE OF PAYMENTS COMPILATION SYSTEM

Three very different systems and their combinations are used in the world for the compilation of balance of payments:

- **survey system (transaction-based system);**
- **international transactions reporting system (ITRS; settlements system);**
- **administrative system;**
- **mixed system.**

*The survey system* draws upon information from various statistical surveys and studies. Both sampling and surveys are used depending on the requirements, field of study and specificity of the compiling country. The structure of the questionnaire follows either the balance of payments structure or the structure of financial statements and accounting principles. The advantage of the survey system lies in its flexibility, but statistical surveys are expensive to conduct, they have a low response rate and are not very operational. Anglo-American countries like Australia, New Zealand, Great Britain, Ireland, the USA, and Canada are among successful users of the survey system.

*The international transactions reporting system (ITRS)* is based on collection, coding and processing of international payments through resident banks. Based on the description of the transaction, clients, commercial institutions or the central bank attribute a transaction code to each incoming or outgoing payment in compliance with the balance of payments structure. The ITRS allows collecting detailed and operational information, but is still limited: money flows do not reflect accrual approach, the description of a transaction or balance of payments code is often missing, netting appears, and money flows do not allow to estimate positions. The ITRS is used in the majority of countries in continental Europe.

*The administrative system* draws information from the data collected beforehand by various agencies. The use of this system presumes full control of the public sector over external transactions. There are few countries using only administrative information for the balance of payments whereas almost all countries use it to a larger or smaller extent. The major shortcoming of the administrative system lies in weak data quality control.

*The mixed system* is a combination of the above systems.

## COMPILATION PRACTICES IN ESTONIA

Estonia was the first among former Soviet Union countries to start compiling the balance of payments in 1992. Due to the weakness of the banking system at that time, the survey system was introduced. However, as this system is not flexible enough in the changing economic environment, possibilities to apply the ITRS instead were studied. The new system was launched parallel to the survey system in 1994. Later, when the compilation of international investment position started in 1996, surveys became more significant. Surveys facilitate collecting information on an accrual basis together with other indicators not reflected in money flows (for example, trade credit, reinvested earnings).

Today Estonia has developed its own *mixed system* – a dual one, which has no direct model abroad. Two parallel databases are complementary and simplify error identification. The databases in combination with administrative information provide the documents (balance of payments, international investment position, etc) with better quality, the latter usually being quite complicated in very open economies of low concentration. Estonia's smallness is a major advantage here.

The survey system supplemented with ITRS information is significant for other quarterly statistics on the balance of payments and the external sector. The advantage lies in the option to collect accrual information and indicators not recorded under money flows (e.g. trade credit, reinvested earnings). For monthly balance of payments, money flows based information supplemented with various econometric models is irreplaceable in its operational speed. In order to meet European Union requirements, Eesti Pank started to release monthly balance of payment indicators in 2002.

Currently, ten different surveys are in use, collecting quarterly information from more than 3,500 enterprises. The quarterly settlements system involves approximately 80,000 transactions significant for the compilation of the balance of payments, the information of which is received through the so-called open system: the central bank gets information only on the debit or credit side of the foreign payment order<sup>10</sup>.

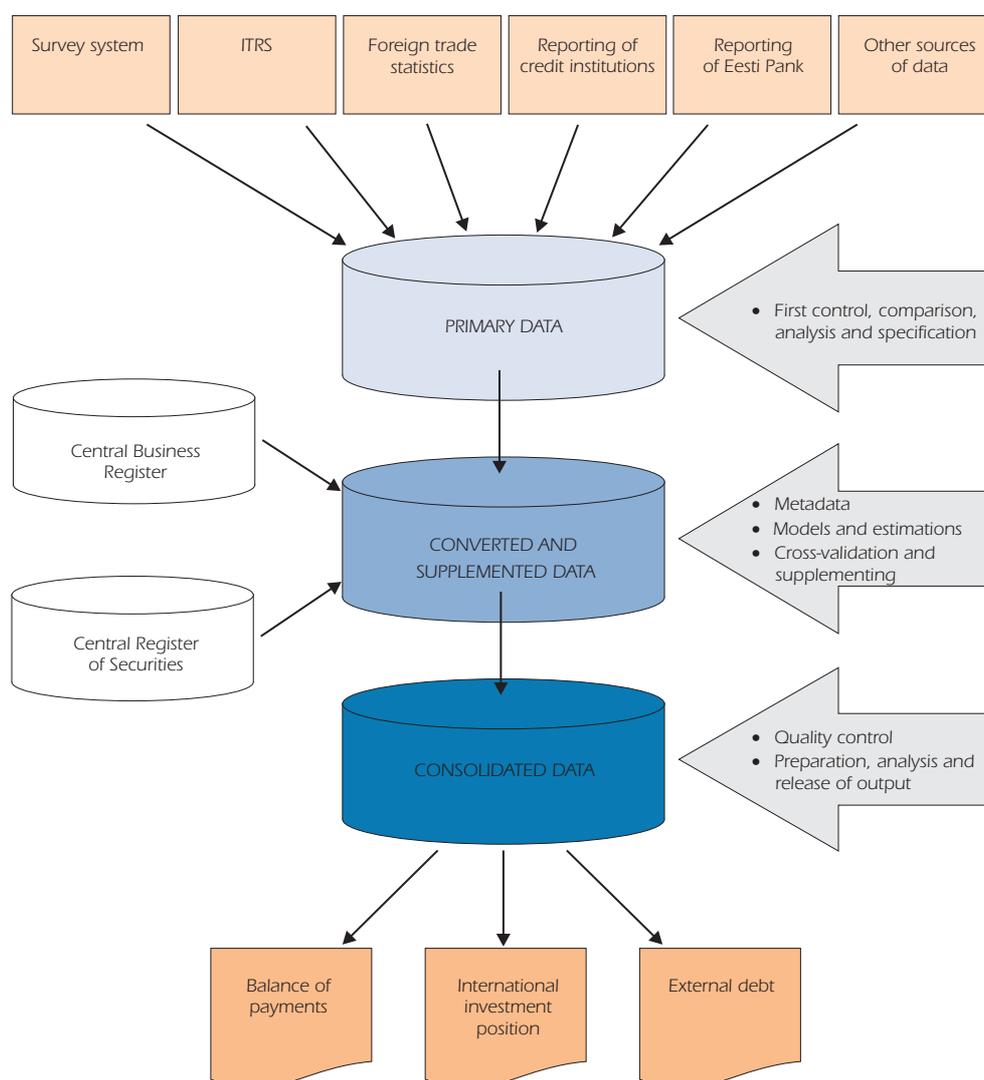
Apart from the above, information is obtained from other channels as well: official trade statistics, the Central Register for Securities, surveys conducted by the Statistical Office of Estonia, the Central Business Register, accounting registers in Eesti Pank, public sector institutions, etc. In addition, statistical surveys are conducted, assessments made and econometric methods applied.

Figure 3.1 and Table 3.2 give an overview of the compilation system of Estonia's balance of payments and the initial information sources.

Besides Estonia, several other central banks (including the central banks of Latvia, Lithuania, Sweden, and the Czech Republic) have preferred the mixed system (cash flows combined with surveys). With the recent EU approval this model has also been gaining popularity in other European countries that until now have been obtaining information only from the cash-based system, established under tight capital control.

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<sup>10</sup> Pursuant to the procedure valid in Estonia on the declaration of international payments and submission of data necessary for the compilation of balance of payments statistics, the resident payment originator or the resident recipient of the payment is obliged to declare all international payments in the sum of 200,000 kroons or more or in the corresponding value of a foreign currency. Declaration lies in assigning a transaction code to payments and in determining the residency of the other party to the transaction.



**Figure 3.1. Estonia's balance of payments compilation system**

**Table 3.2. Scope of primary and consolidated data used for the compilation of the balance of payments and data receipt frequency**

Name of report	Target group / content of report	Frequency	Due date after accounting period	Sample size / No of data sources
<b>SURVEY SYSTEM</b>				
Form 2	Companies with foreign ownership	quarter	20 days	1,550
Form 3	Transport companies without foreign ownership	quarter	20 days	200
Form 4	Transport companies with foreign ownership	quarter	20 days	150
Form 5	Investment funds (management companies)	quarter	20 days	36
Form 6	Companies without foreign ownership	quarter	20 days	1,150
Form 7	Companies with foreign ownership and not engaged in foreign economic activities	quarter	20 days	70
Form 9	Insurance companies and intermediaries	quarter	20 days	16
Form 10	Other financial intermediaries	quarter	20 days	24

Name of report	Target group / content of report	Frequency	Due date after accounting period	Sample size / No of data sources
<b>SETTLEMENTS SYSTEM</b>				
<b>Settlements system reporting according to the procedure for declaring international payments</b>	Incoming international payments declared in credit institutions	15 days	7 days	7
	Outgoing international payments declared in credit institutions	15 days	21 days	7
	Consolidated report on international payments	month	7 days	7
<b>ADMINISTRATIVE INFORMATION</b>				
<b>CREDIT INSTITUTIONS</b>				
<b>Balances of resources report</b>	Balances of selected liabilities entries of the balance sheet of credit institutions by residency and in detailed presentation	month	5 days	7
<b>Balances of loans report</b>	Balances of selected claims entries of the balance sheet of credit institutions by residency and in detailed presentation	month	5 days	7
<b>Income statement</b>	Distribution of income and expenditure of credit institutions by residency	quarter	10 days	7
<b>Services rendered to and purchased from non-residents</b>	Selected income and expenditure entries of credit institutions in presentation extended to non-residents	quarter	10 days	7
<b>Securities report</b>	Detailed report of the securities portfolios of credit institutions by residency	month	5 days	7
<b>Off-balance-sheet items report</b>	Report of the off-balance-sheet activities of credit institutions	quarter	7 days	7
<b>Custodial and investment services report</b>	Report of the custodial and investment activities of credit institutions	quarter	7 days	7
<b>Transactional financial flow report</b>	Report of the transactional changes in the non-residents' balances of the balance sheet entries of credit institutions	quarter	10 days	7
<b>EESTI PANK</b>				
<b>Balance of payments statement of Eesti Pank</b>	Accounting department's statement of Eesti Pank's non-residents' balances of and changes in the balance sheet entries, and changes in the income statement entries of non-residents	month	5 days	1
<b>STATISTICAL OFFICE OF ESTONIA</b>				
<b>Official foreign trade statistics</b>	Processed, supplemented and categorised customs declaration data of the Customs Board by customs procedures and different features	month	preliminary data 56 days; final data 70 days	1
<b>Tour operators' report</b>	Exports and imports of travel agencies (intermediation of passenger transport services included); tourists received and sent by countries	quarter	2 months	1
<b>Accommodation establishments' report</b>	Data on the turnover and number of tourists serviced in accommodation establishments	quarter	2 months	1
<b>MINISTRY OF JUSTICE CENTRE OF REGISTERS</b>				
<b>Central Business Register, Non-Profit Associations and Foundations Register</b>	Data on legal persons registered in Estonia and their owners	month	1 month	1
<b>ESTONIAN CENTRAL REGISTER OF SECURITIES</b>				
<b>Central Register of Securities</b>	Statistics of securities issues registered in the Estonian Central Register of Securities	month	10 days	1

Name of report	Target group / content of report	Frequency	Due date after accounting period	Sample size / No of data sources
<b>BORDER GUARD ADMINISTRATION</b>				
<b>Border crossing statistics</b>	Report of the crossers of the Estonian border by their citizenship	month	25 days	1
<b>MINISTRY OF FOREIGN AFFAIRS</b>				
<b>Statistics on diplomatic missions abroad</b>	Data on the income, expenditure and assets of the Estonian embassies and missions	quarter	1 month	1
<b>TAX AND CUSTOMS BOARD</b>				
<b>Tax statistics</b>	Data on taxes withheld from non-residents in Estonia and from residents abroad	year	as necessary	1
<b>TALLINN CITY OFFICE</b>				
<b>Foreign claims and liabilities statement</b>	Statement of the external loans, external assets, financial income and expenditure of Tallinn City	quarter	1 month	1
<b>MINISTRY OF FINANCE</b>				
<b>External loans report</b>	Report of the usage and servicing of state loans	month	10 days	1
<b>External assets report</b>	Report of the balance of assets of the State Treasury and changes occurred	month	1 month	1
<b>OTHER</b>				
<b>Open Estonian Foundation, Estonian Migration Foundation, Estonian Authors' Society, Estonian Unemployment Insurance Fund, Estonian Health Insurance Fund, etc</b>				5–10

## Legal Base for Balance of Payments Statistics

In accordance with Section 2 Subsection 8 of the **Eesti Pank Act**, Eesti Pank is responsible for compiling the balance of payments of Estonia, the compilation being one of the basic functions of the central bank pursuant to the law. Section 34 of this Act entitles Eesti Pank to obtain, free of charge, the information necessary for drawing up the balance of payments of Estonia from all state and local government agencies and legal persons conducting cross-border economic transactions in the territory of Estonia.

Apart from the Eesti Pank Act, the **Official Statistics Act** provides for the compilation of the balance of payments as well. Pursuant to Section 4 Subsection 2 of the Act, Eesti Pank is the other main agency conducting official statistical surveys besides the Statistical Office. Eesti Pank and the respondents are to follow all provisions of the Official Statistics Act on the conduct of statistical surveys, obligation to submit data, data protection, data dissemination, and responsibilities of the parties.

On the basis of these Acts, the Governor of Eesti Pank has issued **regulations on the procedure of the declaration of international payments, the submission of data by credit institutions for the compilation of the balance of payments statistics**, and quarterly balance of payments statements of companies.

## Confidentiality of Data

Pursuant to the existing legal order, Eesti Pank ensures full organisational, IT and physical protection of individual data of all balance of payments transactions. All data is used for statistical purposes only and disseminated in aggregate form without identifiable features.

## Dissemination and Adjustment Policy

The **Special Data Dissemination Standard** (SDDS) is the basis for disseminating statistical data. Estonia joined the SDDS in October 1998. In statistics, the Standard sets minimum requirements for data coverage, dissemination periodicity, and timeliness.

- **Data dissemination.** Balance of payments statistics together with press releases, analyses and statistical tables for the years 2004 and 2005 will be published on Eesti Pank's web site (<http://www.bankofestonia.info>) at noon on the dates specified in the official release calendar. The calendar with the release dates for the following year is prepared in September and is available on Eesti Pank's web site.
- **Adjustment policy.** Upon collection of additional information and changes in methodology, the data of previous periods is adjusted as follows:
  - a) *regular adjustment* – the data released on dates provided in the release calendar is preliminary and revised upon the release of preliminary statistics of the next periods.
    - Adjusted quarterly data is published upon the release of the quarterly statistics.
    - Adjusted annual data (quarters included) is published, as a rule, upon the release of the statistics of the first quarter of the following year and is considered final.
  - b) *extraordinary adjustment* – in exceptional cases, when significant errors and omissions have occurred or methodology changes render results incomparably, data can be adjusted retrospectively for more than a year, of which the public will be notified.
- **Unit of account and conversion.** The unit of account for the balance of payments and the international investment position is the Estonian kroon (EEK). Statistics released in other currencies (e.g. USD) is based on the following conversion:
  - *monthly balance of payments* – the monthly average exchange rate of the currency against the Estonian kroon;
  - *quarterly balance of payments* – the quarterly average exchange rate of the currency against the Estonian kroon (quarterly balance of payments is not the sum of monthly balances converted into foreign currency);
  - *annual balance of payments* – the average exchange rates of four quarters (i.e. the annual balance of payments is the sum of quarterly balances converted into foreign currency);
  - *international investment position* and *external debt* – the exchange rate on the compilation date (balance date) or on the closest banking day.
- **Rounding.** Due to rounding, the total of sub-items is not always equal to the total of the consolidated entry.

# STATISTICAL APPENDIX

## Balance of Payments of Estonia 1995–2003 (EEK m)

**Table 1.**

See Eesti Pank's homepage <http://www.eestipank.info>

## Balance of Payments of Estonia 1995–2003 (USD m)

**Table 2.**

See Eesti Pank's homepage <http://www.eestipank.info>

## ESTONIA'S INTERNATIONAL INVESTMENT POSITION AND EXTERNAL DEBT 1996–2003 (as end of the year; EEK m)

Table 3.

	31/12/96	31/12/97	31/12/98	31/12/99	31/12/00	31/12/01	31/12/02	31/12/03
<b>EXTERNAL ASSETS</b>								
<b>1. Direct investment</b>	1,339.3	3,086.2	2,660.3	4,376.1	4,357.6	7,815.7	10,097.6	12,668.0
1.1. Share capital and reinvested earnings	326.0	831.6	1,197.5	1,878.6	2,917.9	5,058.8	6,635.8	8,862.0
1.1.1. Claims on subsidiaries and associated companies	326.0	831.6	1,197.5	1,878.6	2,917.9	5,058.8	6,635.8	8,862.0
1.1.2. Liabilities to subsidiaries and associated companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.2. Other capital	1,013.3	2,254.6	1,462.8	2,497.5	1,439.7	2,756.9	3,461.8	3,806.0
1.2.1. Claims on subsidiaries and associated companies	1,110.8	2,368.4	1,605.1	2,692.6	1,732.0	2,968.6	3,783.0	4,518.0
1.2.2. Liabilities to subsidiaries and associated companies	-97.5	-113.8	-142.3	-195.1	-292.3	-211.7	-321.2	-712.0
<b>2. Portfolio investment</b>	1,504.9	3,574.6	2,832.7	4,749.6	4,991.6	7,536.6	12,308.4	18,459.6
2.1. Equity securities	324.6	1,411.8	422.5	192.2	444.2	398.2	549.2	1,905.4
2.1.1. Central bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.1.2. General government	0.0	1.5	0.0	0.0	0.2	0.2	0.1	58.1
2.1.3. Credit institutions	233.4	653.4	76.9	33.4	254.5	45.1	29.8	32.8
2.1.4. Other sectors	91.2	756.9	345.6	158.8	189.5	352.9	519.3	1,814.5
2.2. Debt securities	1,180.3	2,162.8	2,410.2	4,557.4	4,547.4	7,138.4	11,759.2	16,554.2
2.2.1. Central bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.2.2. General government	0.0	0.0	0.0	0.0	419.9	2,899.0	5,640.0	10,314.4
2.2.3. Credit institutions	855.6	1,855.0	1,725.8	3,235.0	2,803.2	2,441.8	2,414.8	1,270.4
2.2.4. Other sectors	324.7	307.8	684.4	1,322.4	1,324.3	1,797.6	3,704.4	4,969.4
2.2.5. Bonds and notes *					1,694.1	4,515.2	7,806.0	8,361.9
2.2.5.1. Central bank					0.0	0.0	0.0	0.0
2.2.5.2. General government					419.9	2,899.0	4,488.1	4,289.9
2.2.5.3. Credit institutions					263.2	239.3	46.3	45.4
2.2.5.4. Other sectors					1,011.0	1,376.9	3,271.6	4,026.6
2.2.6. Money market instruments *					2,853.3	2,623.2	3,953.2	8,192.3
2.2.6.1. Central bank					0.0	0.0	0.0	0.0
2.2.6.2. General government					0.0	0.0	1,151.9	6,024.5
2.2.6.3. Credit institutions					2,540.0	2,202.5	2,368.5	1,225.0
2.2.6.4. Other sectors					313.3	420.7	432.8	942.8
<b>3. Financial derivatives *</b>					153.7	154.3	194.2	333.5
3.1. Central bank					0.0	0.0	0.0	0.0
3.2. General government					0.0	0.0	0.0	0.0
3.1. Credit institutions					153.6	153.7	194.2	333.5
3.1. Other sectors					0.1	0.6	0.0	0.0
<b>4. Other investment</b>	5,919.8	11,761.2	14,447.3	15,132.9	19,211.5	23,459.3	23,328.4	26,005.0
4.1. Trade credit	1,904.8	2,811.5	3,828.4	3,696.2	3,860.8	4,990.4	4,199.4	5,430.1
4.1.1. General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	144.1
4.1.2. Other sectors	1,904.8	2,811.5	3,828.4	3,696.2	3,860.8	4,990.4	4,199.4	5,286.0
4.1.2.1. Long-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.1.2.2. Short-term	1,904.8	2,811.5	3,828.4	3,696.2	3,860.8	4,990.4	4,199.4	5,286.0
4.2. Loans	764.4	2,556.8	3,071.7	2,710.2	7,000.9	9,255.2	10,646.3	14,216.1
4.2.1. Central bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.2.2. General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.2.3. Credit institutions	693.6	1,743.9	1,372.2	1,606.2	2,616.6	5,408.1	5,316.6	7,972.7
4.2.3.1. Long-term	515.2	804.1	1,034.3	710.2	920.5	1,050.5	1,207.3	1,507.4
4.2.3.2. Short-term	178.4	939.8	337.9	896.0	1,696.1	4,357.6	4,109.3	6,465.3
4.2.4. Other sectors	70.8	812.9	1,699.5	1,104.0	4,384.3	3,847.1	5,329.7	6,243.4

Table 3 continued

	31/12/96	31/12/97	31/12/98	31/12/99	31/12/00	31/12/01	31/12/02	31/12/03
4.2.4.1. Long-term	38.9	563.7	1,119.9	989.1	2,696.6	2,904.8	3,866.0	4,114.3
4.2.4.2. Short-term	31.9	249.2	579.6	114.9	1,687.7	942.3	1,463.7	2,129.1
4.3. Currency and deposits	3,005.0	5,764.1	6,966.5	7,751.8	7,826.7	8,711.6	7,872.1	5,793.7
4.3.1. Central bank	0.6	0.6	0.0	0.0	0.0	0.0	0.0	0.0
4.3.2. General government	57.3	383.3	1,310.2	2,017.3	1,322.2	685.3	787.8	225.5
4.3.3. Credit institutions	2,166.9	3,493.2	3,058.0	3,399.4	3,957.7	4,933.6	5,913.9	4,670.1
4.3.4. Other sectors	780.2	1,887.0	2,598.3	2,335.1	2,546.8	3,092.7	1,170.4	898.1
4.4. Other assets	245.6	628.8	580.7	974.7	523.1	502.1	610.6	565.1
4.4.1. Central bank	0.0	0.0	0.0	0.0	16.9	122.1	14.1	11.3
4.4.2. General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.2
4.4.3. Credit institutions	210.9	394.4	410.1	820.9	351.9	293.7	459.4	304.8
4.4.3.1. Long-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.4.3.2. Short-term	210.9	394.4	410.1	820.9	351.9	293.7	459.4	304.8
4.4.4. Other sectors	34.7	234.4	170.6	153.8	154.3	86.3	137.1	244.8
4.4.4.1. Long-term	0.0	31.6	30.0	35.0	41.0	0.0	0.8	1.3
4.4.4.2. Short-term	34.7	202.8	140.6	118.8	113.3	86.3	136.3	243.5
<b>5. Reserve assets</b>	7,956.7	10,902.4	10,908.5	13,334.1	15,522.9	14,552.5	14,984.9	17,183.6
5.1. Monetary gold	37.7	34.2	31.8	37.0	37.9	40.4	42.3	42.7
5.2. Special drawing rights	2.1	0.2	0.9	30.9	0.3	0.6	1.0	1.0
5.3. Reserve position in the Fund	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1
5.4. Foreign exchange	7,916.9	10,868.0	10,875.8	13,266.2	15,484.7	14,511.4	15,077.4	17,042.0
5.4.1. Currency and deposits *					5,746.9	3,285.8	7,256.7	4,209.4
5.4.1.1. Central bank					20.7	10.4	147.9	6.6
5.4.1.1. Krediidiasutustes					5,726.2	3,275.4	7,108.8	4,202.8
5.4.2. Securities*					9,737.8	11,225.6	7,820.7	12,832.6
5.4.2.1. Equities					0.0	0.0	0.0	0.0
5.4.2.2. Bonds and notes					6,225.5	6,361.3	4,151.4	2,883.0
5.4.2.3. Money market instruments					3,512.3	4,864.3	3,669.3	9,949.6
5.5. Other assets	0.0	0.0	0.0	0.0	0.0	0.0	-135.9	97.8
<b>TOTAL EXTERNAL ASSETS</b>	16,720.7	29,324.4	30,848.8	37,592.7	44,237.3	53,518.4	60,913.5	74,649.7
<b>incl. debt creative assets</b>	16,679.4	27,914.0	30,399.0	36,975.7	42,768.4	50,877.3	57,455.2	69,224.6
<b>EXTERNAL LIABILITIES</b>								
<b>1. Direct investment</b>	10,257.5	16,456.3	24,428.5	38,396.7	44,483.9	55,905.3	63,127.3	80,792.3
1.1. Share capital and reinvested earnings	5,490.3	9,794.7	17,649.8	29,841.0	34,725.8	43,991.8	50,915.4	65,983.6
1.1.1. Claims on direct investors	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.1.2. Liabilities to direct investors	5,490.3	9,794.7	17,649.8	29,841.0	34,725.8	43,991.8	50,915.4	65,983.6
1.2. Other capital	4,767.2	6,661.6	6,778.7	8,555.7	9,758.1	11,913.5	12,211.9	14,808.7
1.2.1. Claims on direct investors	-551.6	-753.6	-1,060.6	-1,326.6	-1,792.8	-2,799.6	-3,643.1	-5,008.4
1.2.2. Liabilities to direct investors	5,318.8	7,415.2	7,839.3	9,882.3	11,550.9	14,713.1	15,855.0	19,817.1
<b>2. Portfolio investment</b>	1,460.3	13,679.6	9,426.0	12,011.4	12,807.1	13,521.2	20,596.4	29,453.3
2.1. Equity securities	949.6	8,213.7	4,039.1	7,791.6	7,259.9	7,129.1	9,483.1	11,783.6
2.1.1. Credit institutions	539.0	5,980.9	1,875.2	2,717.3	3,153.4	4,082.0	6,371.5	8,835.7
2.1.2. Other sectors	410.6	2,232.8	2,163.9	5,074.3	4,106.5	3,047.1	3,111.6	2,947.9
2.2. Debt securities	510.7	5,465.9	5,386.9	4,219.8	5,547.2	6,392.1	11,113.3	17,669.7
2.2.1. Central bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.2.2. General government	117.8	0.0	399.9	538.3	349.2	233.6	1,682.6	1,595.3
2.2.3. Credit institutions	240.0	3,715.0	3,722.5	3,075.7	4,761.0	5,338.5	5,591.7	12,614.8
2.2.4. Other sectors	152.9	1,750.9	1,264.5	605.8	437.0	820.0	3,839.0	3,459.6
2.2.5. Bonds and notes *					5,260.4	6,334.9	11,097.1	12,971.7
2.2.5.1 Central bank					0.0	0.0	0.0	0.0
2.2.5.2 General government					349.2	233.6	1,682.6	1,595.3
2.2.5.3 Credit institutions					4,474.2	5,281.3	5,575.5	7,950.4
2.2.5.4 Other sectors					437.0	820.0	3,839.0	3,426.0

Table 3 continued

	31/12/96	31/12/97	31/12/98	31/12/99	31/12/00	31/12/01	31/12/02	31/12/03
2.2.6. Money market instruments *					286.8	57.2	16.2	4,698.0
2.2.6.1 Central bank					0.0	0.0	0.0	0.0
2.2.6.2 General government					0.0	0.0	0.0	0.0
2.2.6.3 Credit institutions					286.8	57.2	16.2	4,664.4
2.2.6.4 Other sectors					0.0	0.0	0.0	33.6
<b>3. Financial derivatives *</b>					171.1	112.1	88.7	208.7
3.1. Central bank					0.0	0.0	0.0	0.0
3.2. General government					0.0	0.0	0.0	0.0
3.1. Credit institutions					169.4	112.1	88.6	208.6
3.1. Other sectors					1.7	0.0	0.1	0.1
<b>4. Other investment</b>	12,850.6	23,735.6	25,845.9	30,508.8	33,187.4	36,689.9	42,967.9	50,324.7
4.1. Trade credit	2,674.5	3,592.0	4,335.3	4,950.7	6,170.4	6,131.7	6,763.8	8,076.3
4.1.1. General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.1.2. Other sectors	2,674.5	3,592.0	4,335.3	4,950.7	6,170.4	6,131.7	6,763.8	8,076.3
4.1.2.1. Long-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.1.2.2. Short-term	2,674.5	3,592.0	4,335.3	4,950.7	6,170.4	6,131.7	6,763.8	8,076.3
4.2. Loans	5,378.7	13,493.6	15,482.2	17,828.9	16,973.3	19,853.9	21,715.2	24,529.4
4.2.1. Central bank	599.9	346.9	10.5	6.1	51.4	0.0	176.7	480.8
4.2.1.1. Use of Fund credit and loans from the Fund	559.7	326.6	0.5	0.0	0.0	0.0	0.0	0.0
4.2.1.2. Muud Long-term	40.2	20.3	10.0	6.1	2.6	0.0	0.0	0.0
4.2.1.3. Short-term	0.0	0.0	0.0	0.0	48.8	0.0	176.7	480.8
4.2.2. General government	2,590.4	2,761.1	2,729.2	3,172.8	2,900.7	2,752.0	1,700.6	2,122.9
4.2.2.1. Long-term	2,590.4	2,761.1	2,729.2	3,172.8	2,900.7	2,752.0	1,700.6	2,122.9
4.2.2.2. Short-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.2.3. Credit institutions	346.9	4,770.9	3,610.8	4,552.2	3,648.4	4,073.8	6,136.9	6,958.0
4.2.3.1. Long-term	346.9	2,256.5	2,637.7	3,172.4	2,474.2	2,291.4	3,935.5	6,873.0
4.2.3.2. Short-term	0.0	2,514.4	973.1	1,379.8	1,174.2	1,782.4	2,201.4	85.0
4.2.4. Other sectors	1,841.5	5,614.7	9,131.7	10,097.8	10,372.8	13,028.1	13,701.0	14,967.7
4.2.4.1. Long-term	1,633.2	4,606.5	7,378.2	8,102.4	8,544.0	10,469.5	11,920.1	12,510.1
4.2.4.2. Short-term	208.3	1,008.2	1,753.5	1,995.4	1,828.8	2,558.6	1,780.9	2,457.6
4.3. Currency and deposits	4,248.9	4,609.0	4,593.4	6,054.9	8,018.7	8,099.9	11,863.6	16,447.3
4.3.1. Central bank	874.8	3.8	0.4	0.8	1.0	2.2	4.2	4.3
4.3.2. General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.3.3. Credit institutions	3,374.1	4,605.2	4,593.0	6,054.1	8,017.7	8,097.7	11,859.4	16,443.0
4.3.4. Other sectors	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.4. Other liabilities	548.5	2,041.0	1,435.0	1,674.3	2,025.0	2,604.4	2,625.3	1,271.7
4.4.1. Central bank	0.0	0.0	0.0	1.7	0.1	15.2	74.6	0.0
4.4.2. General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.4.3. Credit institutions	0.0	1,335.0	1,085.7	1,504.8	1,940.6	2,473.8	2,353.8	1,059.3
4.4.3.1. Long-term	0.0	1,025.9	937.8	952.7	914.1	1,249.0	1,243.1	0.0
4.4.3.2. Short-term	0.0	309.1	147.9	552.1	1,026.5	1,224.8	1,110.7	1,059.3
4.4.4. Other sectors	548.5	706.0	349.3	167.8	84.3	115.4	196.9	212.4
4.4.4.1. Long-term	0.0	0.0	0.0	2.0	1.5	0.0	0.0	0.0
4.4.4.2. Short-term	548.5	706.0	349.3	165.8	82.8	115.4	196.9	212.4
<b>TOTAL EXTERNAL LIABILITIES</b>	24,568.4	53,871.5	59,700.4	80,916.9	90,649.5	106,228.5	126,780.3	160,779.0
<b>incl. debt creative liabilities (gross external debt)</b>	18,777.6	36,730.5	39,214.4	44,806.0	50,577.8	58,006.8	70,257.4	88,523.5
<b>NET INTERNATIONAL INVESTMENT POSITION</b>	-7,847.7	-24,547.1	-28,851.6	-43,324.2	-46,412.2	-52,710.1	-65,866.8	-86,129.3
<b>SHORT-TERM</b>	5,686.8	-1,579.5	4,425.8	4,372.2	3,199.0	3,654.0	-6,930.3	-10,495.2
<b>LONG-TERM</b>	-13,534.5	-22,967.6	-33,277.4	-47,694.7	-49,611.2	-56,364.1	-58,936.5	-75,634.1
<b>NET EXTERNAL DEBT</b>	-2,098.2	-8,816.5	-8,815.4	-7,830.3	-7,809.4	-7,129.5	-12,802.2	-19,298.9
<b>General government</b>	-2,650.9	-2,377.8	-1,818.9	-1,693.8	-1,507.8	598.7	3,044.6	6,970.0

\* more detailed information available as of 2000

empty cell – no data collected 0 – very small figure or no occurrence x – not subject to disclosure pursuant to data protection principles

## ESTONIA'S INTERNATIONAL INVESTMENT POSITION AND EXTERNAL DEBT 1996–2003 (as end of the year; USD m)

Table 4.

	31/12/96	31/12/97	31/12/98	31/12/99	31/12/00	31/12/01	31/12/02	31/12/03
<b>EXTERNAL ASSETS</b>								
<b>1. Direct investment</b>	109.4	215.3	198.4	281.2	259.1	441.8	676.0	1,020.8
1.1. Share capital and reinvested earnings	26.6	58.0	89.3	120.7	173.5	285.9	444.3	714.1
1.1.1. Claims on subsidiaries and associated companies	26.6	58.0	89.3	120.7	173.5	285.9	444.3	714.1
1.1.2. Liabilities to subsidiaries and associated companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.2. Other capital	82.8	157.3	109.1	160.5	85.6	155.8	231.8	306.7
1.2.1. Claims on subsidiaries and associated companies	90.8	165.2	119.7	173.0	103.0	167.8	253.3	364.1
1.2.2. Liabilities to subsidiaries and associated companies	-8.0	-7.9	-10.6	-12.5	-17.4	-12.0	-21.5	-57.4
<b>2. Portfolio investment</b>	123.0	249.4	211.2	305.2	296.8	426.0	824.1	1,487.5
2.1. Equity securities	26.5	98.5	31.5	12.4	26.4	22.5	36.8	153.5
2.1.1. Central bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.1.2. General government	0.0	0.1	0.0	0.0	0.0	0.0	0.0	4.7
2.1.3. Credit institutions	19.1	45.6	5.7	2.1	15.1	2.5	2.0	2.6
2.1.4. Other sectors	7.5	52.8	25.8	10.2	11.3	19.9	34.8	146.2
2.2. Debt securities	96.4	150.9	179.7	292.9	270.4	403.5	787.3	1,334.0
2.2.1. Central bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.2.2. General government	0.0	0.0	0.0	0.0	25.0	163.9	377.6	831.2
2.2.3. Credit institutions	69.9	129.4	128.7	207.9	166.6	138.0	161.7	102.4
2.2.4. Other sectors	26.5	21.5	51.0	85.0	78.7	101.6	248.0	400.5
2.2.5. Bonds and notes *					100.7	255.2	522.6	673.8
2.2.5.1. Central bank					0.0	0.0	0.0	0.0
2.2.5.2. General government					25.0	163.9	300.5	345.7
2.2.5.3. Credit institutions					15.6	13.5	3.1	3.7
2.2.5.4. Other sectors					60.1	77.8	219.0	324.5
2.2.6. Money market instruments *					169.6	148.3	264.7	660.2
2.2.6.1. Central bank					0.0	0.0	0.0	0.0
2.2.6.2. General government					0.0	0.0	77.1	485.5
2.2.6.3. Credit institutions					151.0	124.5	158.6	98.7
2.2.6.4. Other sectors					18.6	23.8	29.0	76.0
<b>3. Financial derivatives *</b>					9.1	8.7	13.0	26.9
3.1. Central bank					0.0	0.0	0.0	0.0
3.2. General government					0.0	0.0	0.0	0.0
3.1. Credit institutions					9.1	8.7	13.0	26.9
3.1. Other sectors					0.0	0.0	0.0	0.0
<b>4. Other investment</b>	483.7	820.4	1,077.3	972.4	1,142.2	1,326.0	1,561.8	2,095.6
4.1. Trade credit	155.6	196.1	285.5	237.5	229.5	282.1	281.2	437.6
4.1.1. General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.6
4.1.2. Other sectors	155.6	196.1	285.5	237.5	229.5	282.1	281.2	426.0
4.1.2.1. Long-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.1.2.2. Short-term	155.6	196.1	285.5	237.5	229.5	282.1	281.2	426.0
4.2. Loans	62.5	178.4	229.1	174.2	416.2	523.1	712.8	1,145.6

Table 4 continued

	31/12/96	31/12/97	31/12/98	31/12/99	31/12/00	31/12/01	31/12/02	31/12/03
4.2.1. Central bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.2.2. General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.2.3. Credit institutions	56.7	121.6	102.3	103.2	155.6	305.7	355.9	642.5
4.2.3.1. Long-term	42.1	56.1	77.1	45.6	54.7	59.4	80.8	121.5
4.2.3.2. Short-term	14.6	65.6	25.2	57.6	100.8	246.3	275.1	521.0
4.2.4. Other sectors	5.8	56.7	126.7	70.9	260.7	217.5	356.8	503.1
4.2.4.1. Long-term	3.2	39.3	83.5	63.6	160.3	164.2	258.8	331.5
4.2.4.2. Short-term	2.6	17.4	43.2	7.4	100.3	53.3	98.0	171.6
4.3. Currency and deposits	245.5	402.1	519.5	498.1	465.3	492.4	527.0	466.9
4.3.1. Central bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.3.2. General government	4.7	26.7	97.7	129.6	78.6	38.7	52.7	18.2
4.3.3. Credit institutions	177.1	243.7	228.0	218.4	235.3	278.9	395.9	376.3
4.3.4. Other sectors	63.8	131.6	193.8	150.1	151.4	174.8	78.4	72.4
4.4. Other assets	20.1	43.9	43.3	62.6	31.1	28.4	40.9	45.5
4.4.1. Central bank	0.0	0.0	0.0	0.0	1.0	6.9	0.9	0.9
4.4.2. General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3
4.4.3. Credit institutions	17.2	27.5	30.6	52.8	20.9	16.6	30.8	24.6
4.4.3.1. Long-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.4.3.2. Short-term	17.2	27.5	30.6	52.8	20.9	16.6	30.8	24.6
4.4.4. Other sectors	2.8	16.4	12.7	9.9	9.2	4.9	9.2	19.7
4.4.4.1. Long-term	0.0	2.2	2.2	2.2	2.4	0.0	0.1	0.1
4.4.4.2. Short-term	2.8	14.1	10.5	7.6	6.7	4.9	9.1	19.6
<b>5. Reserve assets</b>	650.2	760.5	813.4	856.8	922.9	822.6	1,003.2	1,384.7
5.1. Monetary gold	3.1	2.4	2.4	2.4	2.3	2.3	2.8	3.4
5.2. Special drawing rights	0.2	0.0	0.1	2.0	0.0	0.0	0.1	0.1
5.3. Reserve position in the Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5.4. Foreign exchange	646.9	758.1	811.0	852.5	920.6	820.2	1,009.4	1,373.3
5.4.1. Currency and deposits *					341.7	185.7	485.8	339.2
5.4.1.1. Central bank					1.2	0.6	9.9	0.5
5.4.1.1. Credit institutions					340.4	185.1	475.9	338.7
5.4.2. Securities*					578.9	634.5	523.6	1,034.1
5.4.2.1. Equities					0.0	0.0	0.0	0.0
5.4.2.2. Bonds and notes					370.1	359.6	277.9	232.3
5.4.2.3. Money market instruments					208.8	274.9	245.7	801.8
5.5. Other assets					0.0	0.0	-9.1	7.9
<b>TOTAL EXTERNAL ASSETS</b>								
<b>incl. debt creative assets</b>	1,366.3	2,045.6	2,300.4	2,415.7	2,630.1	3,025.0	4,078.2	6,015.5
<b>EXTERNAL LIABILITIES</b>	1,362.9	1,947.2	2,266.8	2,376.1	2,542.7	2,875.7	3,846.6	5,578.3
<b>1. Direct investment</b>								
1.1. Share capital and reinvested earnings	838.2	1,147.9	1,821.6	2,467.4	2,644.7	3,160.0	4,226.4	6,510.5
1.1.1. Claims on direct investors	448.6	683.2	1,316.1	1,917.6	2,064.6	2,486.6	3,408.8	5,317.1
1.1.2. Liabilities to direct investors	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.2. Other capital	448.6	683.2	1,316.1	1,917.6	2,064.6	2,486.6	3,408.8	5,317.1
1.2.1. Claims on direct investors	389.5	464.7	505.5	549.8	580.2	673.4	817.6	1,193.3
1.2.2. Liabilities to direct investors	-45.1	-52.6	-79.1	-85.2	-106.6	-158.2	-243.9	-403.6
<b>2. Portfolio investment</b>	434.6	517.3	584.6	635.0	686.7	831.6	1,061.5	1,596.9
2.1. Equity securities	119.3	95.2	702.9	771.9	761.4	764.3	1,378.9	2,373.4
2.1.1. Credit institutions	77.6	573.0	301.2	500.7	431.6	403.0	634.9	949.6
2.1.2. Other sectors	44.0	417.2	139.8	174.6	187.5	230.7	426.6	712.0
2.2. Debt securities	33.6	155.8	161.4	326.1	244.1	172.2	208.3	237.5
2.2.1. Central bank	41.7	381.3	401.7	271.2	329.8	361.3	744.0	1,423.9
2.2.2. General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.2.3. Credit institutions	9.6	0.0	29.8	34.6	20.8	13.2	112.7	128.6

Table 4 continued

	31/12/96	31/12/97	31/12/98	31/12/99	31/12/00	31/12/01	31/12/02	31/12/03
2.2.4. Other sectors	19.6	259.1	277.6	197.6	283.1	301.7	374.4	1,016.6
2.2.5. Bonds and notes *	12.5	122.1	94.3	38.9	26.0	46.3	257.0	278.8
2.2.5.1 Central bank					312.8	358.1	743.0	1,045.3
2.2.5.2 General government					0.0	0.0	0.0	0.0
2.2.5.3 Credit institutions					20.8	13.2	112.7	128.6
2.2.5.4 Other sectors					266.0	298.5	373.3	640.7
2.2.6. Money market instruments *					26.0	46.3	257.0	276.1
2.2.6.1 Central bank					17.1	3.2	1.1	378.6
2.2.6.2 General government					0.0	0.0	0.0	0.0
2.2.6.3 Credit institutions					0.0	0.0	0.0	0.0
2.2.6.4 Other sectors					17.1	3.2	1.1	375.9
<b>3. Financial derivatives *</b>					0.0	0.0	0.0	2.7
3.1. Central bank					10.2	6.3	5.9	16.8
3.2. General government					0.0	0.0	0.0	0.0
3.1. Credit institutions					0.0	0.0	0.0	0.0
3.1. Other sectors					10.1	6.3	5.9	16.8
<b>4. Other investment</b>					0.1	0.0	0.0	0.0
4.1. Trade credit	1,050.1	1,655.7	1,927.3	1,960.5	1,973.1	2,073.8	2,876.7	4,055.3
4.1.1. General government	218.5	250.6	323.3	318.1	366.9	346.6	452.8	650.8
4.1.2. Other sectors	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.1.2.1. Long-term	218.5	250.6	323.3	318.1	366.9	346.6	452.8	650.8
4.1.2.2. Short-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.2. Loans	218.5	250.6	323.3	318.1	366.9	346.6	452.8	650.8
4.2.1. Central bank	439.5	941.3	1,154.5	1,145.7	1,009.1	1,122.2	1,453.8	1,976.6
4.2.1.1. Use of Fund credit and loans from the Fund	49.0	24.2	0.8	0.4	3.1	0.0	11.8	38.7
4.2.1.2. Other long-term	45.7	22.8	0.0	0.0	0.0	0.0	0.0	0.0
4.2.1.3. Short-term	3.3	1.4	0.7	0.4	0.2	0.0	0.0	0.0
4.2.2. General government	0.0	0.0	0.0	0.0	2.9	0.0	11.8	38.7
4.2.2.1. Long-term	211.7	192.6	203.5	203.9	172.5	155.6	113.9	171.1
4.2.2.2. Short-term	211.7	192.6	203.5	203.9	172.5	155.6	113.9	171.1
4.2.3. Credit institutions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.2.3.1. Long-term	28.3	332.8	269.3	292.5	216.9	230.3	410.9	560.7
4.2.3.2. Short-term	28.3	157.4	196.7	203.9	147.1	129.5	263.5	553.8
4.2.4. Other sectors	0.0	175.4	72.6	88.7	69.8	100.7	147.4	6.8
4.2.4.1. Long-term	150.5	391.7	680.9	648.9	616.7	736.4	917.3	1,206.1
4.2.4.2. Short-term	133.5	321.3	550.2	520.7	508.0	591.8	798.1	1,008.1
4.3. Currency and deposits	17.0	70.3	130.8	128.2	108.7	144.6	119.2	198.0
4.3.1. Central bank	347.2	321.5	342.5	389.1	476.7	457.8	794.3	1,325.4
4.3.2. General government	71.5	0.3	0.0	0.1	0.1	0.1	0.3	0.3
4.3.3. Credit institutions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.3.4. Other sectors	275.7	321.2	342.5	389.0	476.7	457.7	794.0	1,325.0
4.4. Other liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.4.1. Central bank	44.8	142.4	107.0	107.6	120.4	147.2	175.8	102.5
4.4.2. General government	0.0	0.0	0.0	0.1	0.0	0.9	5.0	0.0
4.4.3. Credit institutions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.4.3.1. Long-term	0.0	93.1	81.0	96.7	115.4	139.8	157.6	85.4
4.4.3.2. Short-term	0.0	71.6	69.9	61.2	54.3	70.6	83.2	0.0
4.4.4. Other sectors	0.0	21.6	11.0	35.5	61.0	69.2	74.4	85.4
4.4.4.1. Long-term	44.8	49.2	26.0	10.8	5.0	6.5	13.2	17.1
4.4.4.2. Short-term	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0
<b>TOTAL EXTERNAL LIABILITIES</b>	44.8	49.2	26.0	10.7	4.9	6.5	13.2	17.1
<b>incl. debt creative liabilities (gross external debt)</b>	2,007.5	3,757.9	4,451.8	5,199.7	5,389.4	6,004.4	8,488.0	12,956.0

**Table 4 continued**

	31/12/96	31/12/97	31/12/98	31/12/99	31/12/00	31/12/01	31/12/02	31/12/03
<b>NET INTERNATIONAL INVESTMENT POSITION</b>	1,534.4	2,562.2	2,924.2	2,879.2	3,007.1	3,278.7	4,703.8	7,133.5
<b>SHORT-TERM</b>	-641.3	-1,712.3	-2,151.4	-2,784.0	-2,759.4	-2,979.3	-4,409.8	-6,940.5
<b>LONG-TERM</b>	464.7	-110.2	330.0	281.0	190.2	206.5	-464.0	-845.7
<b>NET EXTERNAL DEBT</b>	-1,105.9	-1,602.1	-2,481.5	-3,064.9	-2,949.6	-3,185.9	-3,945.8	-6,094.8
<b>General government</b>	-171.4	-615.0	-657.4	-503.2	-464.3	-403.0	-857.1	-1,555.2
	-216.6	-165.9	-135.6	-108.8	-89.6	33.8	203.8	561.7

\* more detailed information available as of 2000

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0 – very small figure or no occurrence

x – not subject to disclosure pursuant to data protection principles

## ESTONIA'S CURRENT ACCOUNT BY COUNTRIES IN 2003

Table 5.

Country	EEK thousand	Country	EEK thousand
Afganistan	1,236	Democratic People's Republic of Korea	324
Albania	250	Denmark	-79,846
Algeria	3,813	Djibouti	132
American Samoa	x	Dominica	1,661
Andorra	359	Dominican Republic	9,142
Angola	4,267	EBRD	-78,224
Anguilla	x	EC	768,879
Antigua and Barbuda	12,297	Ecuador	430
Argentina	-22,609	Egypt	168,318
Armenia	890	EIB	-13,686
Aruba	40	Equatorial Guinea	8
Australia	7,336	Ethiopia	96,673
Austria	-605,133	European institutions	-29,090
Azerbaijan	14,816	Falkland Islands (Malvinas)	22
Bahama	206,234	Faroe Islands	10,842
Bahrain	427	Finland	768,065
Bangladesh	1,065	France	-855,094
Barbados	51	Gabon	3,161
Belarus	-877,032	Gambia	46
Belgium	-1,194,930	Georgia	8,969
Belize	23,914	Germany	-5,028,890
Benin	10	Ghana	-4,948
Bermuda	-559,806	Gibraltar	31,428
Bhutan	10	Greece	-59,748
Bolivia	328	Greenland	719
Bosnia and Herzegovina	789	Grenada	87
Botswana	91	Guatemala	568
Brazil	33,240	Guernsey	46,659
British Indian Ocean Territory	467	Guinea	-113
British Virgin Islands	2,089,389	Guinea-Bissau	12
Brunei Darussalam	13	Guyana	3
Bulgaria	6,880	Haiti	49
Burkina Faso	7	Honduras	36
Burundi	15	Hong Kong	-791,303
Cambodia	1,552	Hungary	181,171
Cameroon	1,044	IBRD	-27,085
Canada	29,568	Iceland	190,339
Cayman Islands	-217,236	IMF	5
Central African Republic	17	India	5,205
Chad	7	Indonesia	-11,387
Chile	-16,787	Iran	-3,353
China	-618,819	Iraq	295
Colombia	6,693	Ireland	157,534
Comoros	x	Isle of Man	47,296
Congo	41	Israel	-29,794
Cook Islands	x	Italy	-1,658,574
Costa Rica	-1,173	Jamaica	4,539
Côte d'Ivoire	209	Japan	-988,640
Croatia	12,883	Jersey	-4,984
Czech Republic	-499,534	Jordan	800
Cuba	-14,522	Kazakhstan	24,384
Cyprus	-134,641		

Table 5 continued

Country	EEK thousand	Country	EEK thousand
Kenya	-29,027	Puerto Rico	7,362
Kuwait	3,654	Qatar	112
Kyrgyzstan	-1,558	Republic of Korea	124,013
Laos PDR	235	Republic of South Africa	6,863
Latvia	2,128,825	Romania	-17,553
Lebanon	2,438	Russia	-3,263,868
Lesotho	1,094	Rwanda	25
Liberia	8,567	Saint Helena	-140
Libya	9,069	Saint Kitts and Nevis	264
Liechtenstein	21,928	Saint Vincent and the Grenadines	7,118
Lithuania	-394,084	Salomon Islands	155
Luxembourg	-113,180	Salvador	75
Macau	x	Sambia	10
Macedonia	1,043	Samoa	x
Madagascar	6	San Marino	-2,496
Malawi	729	Saudi Arabia	37,757
Malaysia	-28,564	Senegal	112
Maldives	1	Serbia and Montenegro	-3,325
Mali	41	Seychelles	768
Malta	-95,958	Sierra Leone	-916
Maroco	6,763	Singapore	-474,287
Marshall Islands	38,089	Slovakia	-141,512
Mauritania	3,595	Slovenia	-86,097
Mauritius	149	Somalia	272
Mexico	587	Spain	-551,366
Moldova	21,470	Sri Lanka	16,422
Monaco	20,116	Sudan	73
Mongolia	2,907	Surinam	19
Mozambique	893	Swaziland	-1,579
Myanmar	120	Sweden	-970,995
Namibia	755	Switzerland	588,397
Nepal	271	Syria	-617
Netherlands	-2,542,037	Taiwan	-226,873
Netherlands Antilles	4,337	Tajikistan	-74,913
New Caledonia	138	Tanzania	48
New Zealand	-89,846	Thailand	-113,007
NIB	-16,038	Togo	17
Nicaragua	1,203	Trinidad and Tobago	1,356
Niger	13	Tunisia	-5,369
Nigeria	4,397	Turkey	-125,586
Niue	6,662	Turkmenistan	507
Norway	1,436,243	Turks and Caicos	61,018
Occupied Palestinian Territory	6	Tuvalu	4
Oman	2,349	Uganda	632
Other EU institutions and organisations	-5,410	Ukraine	-2,621,091
Pakistan	-101,867	UNESCO	13
Panama	2,399	United Arab Emirates	-9,167
Papua New Guinea	792	United Kingdom	711,617
Paraguay	45	Uruguay	-1,899
Peru	-4,216	USA	590,136
Philippines	-15,609	US Miscellaneous Pacific Islands	2,992
Poland	-1,874,738	US Virgin Islands	x
Portugal	-18,750	Uzbekistan	56

**Table 5 continued**

Country	EEK thousand	Country	EEK thousand
Vanuatu	3,169	Vietnam	12,218
Vatican	60	Yemen	40
Venezuela	1,747	Yugoslavia	-13,120
Wallis and Futuna	x	Zimbabwe	414
West-Sahara	25	Not classified	1,043,641
		<b>Total</b>	<b>-16,563,093</b>

x – not subject to disclosure pursuant to data protection principles

## ESTONIAN FOREIGN TRADE IN 1995–2003

**Table 6. Special exports by groups of goods (EEK m)**

	1995	1996	1997	1998	1999	2000	2001	2002	2003
Food	3,081.6	3,190.2	5,120.6	4,968.5	3,237.2	3,818.7	4,635.4	4,713.2	4,700.4
Mineral products	1,235.7	1,233.8	1,393.3	976.9	914.8	1,321.7	1,234.3	1,535.5	1,781.7
Chemical products	2,002.4	2,162.1	2,673.6	2,760.4	2,431.6	3,327.6	3,651.7	4,024.4	4,902.9
Clothing, footwear and headgear	3,333.7	4,077.4	5,138.0	6,018.0	5,993.6	7,406.7	8,072.2	8,387.5	8,297.2
Timber, paper and products	2,671.9	3,049.6	5,221.5	6,424.1	7,585.3	8,815.0	8,789.9	9,924.4	10,682.6
Metals and metal products	1,311.5	1,379.5	2,159.5	3,022.1	2,840.0	3,909.1	3,973.1	4,444.6	5,334.2
Machinery and equipment	2,658.1	3,020.5	5,725.2	8,335.3	8,539.0	20,250.4	19,128.4	14,134.6	15,644.3
Transport vehicles	906.4	871.3	1,126.4	1,248.2	1,072.1	1,410.1	1,861.9	2,348.3	2,709.9
Furniture, toys and sporting goods	1,168.0	1,450.4	1,862.4	2,391.5	2,781.3	3,656.2	4,672.4	5,460.5	6,124.0
Other	639.5	812.3	1,186.8	1,400.1	1,379.6	1,921.2	1,837.1	2,017.6	2,354.3
<b>Total</b>	<b>19,008.9</b>	<b>21,246.9</b>	<b>31,607.4</b>	<b>37,545.0</b>	<b>36,774.3</b>	<b>55,836.8</b>	<b>57,856.5</b>	<b>56,990.6</b>	<b>62,531.4</b>

**Table 7. Special imports by groups of goods (EEK m)**

	1995	1996	1997	1998	1999	2000	2001	2002	2003
Food	3,767.7	4,986.3	6,205.9	6,260.4	5,461.3	6,175.7	7,062.0	7,681.9	8,214.2
Mineral products	2,899.5	3,192.2	3,857.4	3,198.4	3,044.1	4,416.3	4,616.6	4,853.4	5,041.6
Chemical products	3,516.8	4,523.6	5,980.3	6,381.6	6,449.7	8,049.8	8,859.1	9,850.3	11,060.7
Clothing, footwear and headgear	3,563.1	4,309.8	5,358.2	6,070.0	5,671.8	6,887.0	7,738.4	8,349.9	8,239.6
Timber, paper and products	1,379.5	1,674.7	2,300.6	2,728.9	2,642.3	3,508.9	3,925.9	4,101.3	4,641.7
Metals and metal products	1,964.1	2,807.6	4,137.4	5,114.1	4,125.2	5,868.4	6,087.7	7,138.1	8,269.4
Machinery and equipment	6,203.0	7,871.4	12,348.7	16,262.2	15,481.7	27,789.0	25,135.2	23,599.7	24,953.9
Transport vehicles	1,907.4	2,526.3	5,173.3	5,305.0	3,852.4	4,997.7	6,686.6	8,588.7	13,357.9
Furniture, toys and sporting goods	819.0	1,002.1	1,278.7	1,440.3	1,289.3	1,627.8	1,940.8	2,007.0	2,036.8
Other	1,405.0	1,772.6	2,228.4	2,454.4	2,476.8	2,896.5	3,023.9	3,301.4	3,894.0
<b>Total</b>	<b>27,425.0</b>	<b>34,666.5</b>	<b>48,868.9</b>	<b>55,215.4</b>	<b>50,494.7</b>	<b>72,217.1</b>	<b>75,076.3</b>	<b>79,471.7</b>	<b>89,709.9</b>

**Table 8. Foreign trade balance by groups of goods (EEK m)**

	1995	1996	1997	1998	1999	2000	2001	2002	2003
Food	-686.1	-1,796.0	-1,085.3	-1,291.9	-2,224.2	-2,357.1	-2,426.6	-2,968.7	-3,513.8
Mineral products	-1,663.8	-1,958.5	-2,464.1	-2,221.5	-2,129.3	-3,094.6	-3,382.3	-3,317.9	-3,260.0
Chemical products	-1,514.4	-2,361.5	-3,306.7	-3,621.2	-4,018.1	-4,722.2	-5,207.4	-5,825.9	-6,157.9
Clothing, footwear and headgear	-229.4	-232.5	-220.2	-52.0	321.8	519.7	333.8	37.6	57.6
Timber, paper and products	1,292.4	1,374.9	2,920.9	3,695.2	4,943.0	5,306.1	4,864.0	5,823.1	6,040.9
Metals and metal products	-652.6	-1,428.1	-1,977.9	-2,092.1	-1,285.2	-1,959.2	-2,114.6	-2,693.5	-2,935.2
Machinery and equipment	-3,544.9	-4,850.9	-6,623.4	-7,927.0	-6,942.8	-7,538.7	-6,006.9	-9,465.1	-9,309.6
Transport vehicles	-1,001.0	-1,655.0	-4,046.8	-4,056.8	-2,780.3	-3,587.6	-4,824.7	-6,240.5	-10,648.0
Furniture, toys and sporting goods	349.0	448.2	583.7	951.2	1,491.9	2,028.5	2,731.6	3,453.6	4,087.3
Other	-765.5	-960.4	-1,041.6	-1,054.3	-1,097.2	-975.2	-1,186.7	-1,283.7	-1,539.7
<b>Total</b>	<b>-8,416.2</b>	<b>-13,419.6</b>	<b>-17,261.5</b>	<b>-17,670.4</b>	<b>-13,720.4</b>	<b>-16,380.3</b>	<b>-17,219.8</b>	<b>-22,481.0</b>	<b>-27,178.5</b>

**Table 9. Major export partners (EEK m)**

	1995	1996	1997	1998	1999	2000	2001	2002	2003
Germany	1,392.4	1,546.8	2,123.9	2,344.3	2,997.2	4,579.5	4,011.1	5,644.6	6,177.4
Denmark	625.6	855.2	1,214.8	1,500.4	1,668.4	1,849.6	2,035.0	2,536.2	2,444.8
Finland	4,422.5	4,415.9	5,994.2	8,310.1	8,238.7	17,432.5	19,587.8	14,111.2	16,203.5
United Kingdom	625.4	761.4	1,382.9	1,707.1	1,992.8	2,351.4	2,432.7	2,749.8	2,610.7
Italy	158.6	220.7	272.4	302.9	396.2	536.8	564.2	605.1	779.6
Lithuania	855.5	1,099.1	1,449.2	1,543.5	1,200.4	1,511.1	1,733.8	1,987.8	2,340.5
Latvia	1,422.7	1,740.3	2,662.0	3,294.6	2,936.7	3,789.8	3,982.8	4,216.4	4,393.7
Netherlands	827.4	698.3	1,032.0	823.3	913.8	1,323.9	1,603.4	1,952.2	1,890.1
Russia	3,091.1	2,995.2	4,551.6	3,939.7	1,914.8	1,278.2	1,587.1	1,901.7	2,439.9
Sweden	2,238.9	2,815.0	5,395.3	7,333.4	8,037.6	11,050.3	8,117.0	8,737.5	9,520.3
Other	3,348.8	4,098.9	5,529.0	6,445.8	5,982.0	8,190.5	9,910.8	11,448.7	13,635.2
Not classified (via free zone)	0.0	0.0	0.0	0.0	495.9	1,943.2	2,290.6	1,099.4	95.7
<b>Total</b>	<b>19,008.9</b>	<b>21,246.9</b>	<b>31,607.4</b>	<b>37,545.0</b>	<b>36,774.3</b>	<b>55,836.8</b>	<b>57,856.5</b>	<b>56,990.6</b>	<b>62,531.4</b>

**Table 10. Major import partners (EEK m)**

	1995	1996	1997	1998	1999	2000	2001	2002	2003
Germany	2,342.5	3,233.1	5,098.7	5,751.4	4,714.0	6,854.3	8,399.6	9,563.1	11,433.4
Denmark	789.2	1,017.8	1,545.5	1,849.8	1,588.4	2,185.5	2,237.9	2,314.7	2,417.2
Finland	10,782.3	13,404.7	18,095.5	20,542.8	18,631.8	27,162.9	22,486.4	18,366.1	19,274.1
United Kingdom	495.3	783.8	1,206.8	1,375.2	967.2	1,392.6	1,546.0	1,886.1	1,847.8
Italy	627.1	883.8	1,200.5	1,494.5	1,392.7	1,741.5	2,086.4	3,321.6	2,401.4
Lithuania	559.8	719.5	981.7	1,160.0	988.6	1,418.2	2,282.5	3,026.2	3,682.9
Latvia	816.3	1,153.0	1,749.0	2,193.8	2,218.3	2,990.7	3,004.6	3,226.5	3,789.1
Netherlands	921.8	1,242.4	1,887.8	1,940.9	1,646.0	2,259.3	2,921.0	3,825.9	4,100.2
Russia	3,950.8	3,773.6	4,152.6	4,172.7	3,641.3	5,754.9	5,837.4	5,646.1	7,204.2
Sweden	2,512.4	3,110.3	5,168.6	5,572.2	5,012.4	7,611.5	7,521.3	8,363.9	8,781.9
Other	3,627.6	5,344.7	7,782.0	9,162.1	9,694.0	12,845.6	16,753.1	19,931.4	24,777.8
<b>Total</b>	<b>27,425.0</b>	<b>34,666.5</b>	<b>48,868.9</b>	<b>55,215.4</b>	<b>50,494.7</b>	<b>72,217.1</b>	<b>75,076.3</b>	<b>79,471.7</b>	<b>89,709.9</b>

**Table 11. Foreign trade balance by major trade partners (EEK m)**

	1995	1996	1997	1998	1999	2000	2001	2002	2003
Germany	-950.1	-1,686.3	-2,974.8	-3,407.1	-1,716.8	-2,274.8	-4,388.5	-3,918.5	-5,256.0
Denmark	-163.7	-162.6	-330.7	-349.4	80.0	-335.9	-202.9	221.4	27.7
Finland	-6,359.8	-8,988.7	-12,101.3	-12,232.7	-10,393.1	-9,730.4	-2,898.6	-4,254.9	-3,070.5
United Kingdom	130.1	-22.4	176.1	331.9	1,025.6	958.8	886.7	863.7	762.9
Italia	-468.4	-663.1	-928.2	-1,191.6	-996.5	-1,204.7	-1,522.2	-2,716.6	-1,621.7
Lithuania	295.7	379.6	467.5	383.5	211.7	92.9	-548.7	-1,038.4	-1,342.4
Latvia	606.4	587.4	913.0	1,100.8	718.4	799.1	978.2	990.0	604.6
Netherlands	-94.4	-544.0	-855.8	-1,117.6	-732.2	-935.5	-1,317.5	-1,873.7	-2,210.1
Russia	-859.6	-778.3	399.0	-233.0	-1,726.5	-4,476.7	-4,250.3	-3,744.4	-4,764.3
Sweden	-273.6	-295.3	226.6	1,761.3	3,025.2	3,438.8	595.7	373.6	738.4
Other	-278.8	-1,245.8	-2,253.0	-2,716.3	-3,712.1	-4,655.2	-6,842.2	-8,482.7	-11,142.6
Not classified (via free zone)	0.0	0.0	0.0	0.0	495.9	1,943.2	2,290.6	1,099.4	95.7
<b>Total</b>	<b>-8,416.2</b>	<b>-13,419.6</b>	<b>-17,261.5</b>	<b>-17,670.4</b>	<b>-13,720.4</b>	<b>-16,380.3</b>	<b>-17,219.8</b>	<b>-22,481.0</b>	<b>-27,178.5</b>

## DIRECT INVESTMENT CAPITAL FLOWS BY COUNTRIES IN 1995–2003 (EEK thousand)

**Table 12. Foreign direct investments into Estonia**

Country	1995	1996	1997	1998	1999	2000	2001	2002	2003
Afghanistan	0	x	x	0	0	0	0	0	0
Andorra	0	0	0	0	0	0	0	x	0
Argentina	0	0	0	0	0	x	0	0	x
Australia	x	x	x	x	x	0	x	2,906	x
Austria	82,135	51,756	56,618	-50,308	-25,839	-244,567	-196,800	160,072	195,073
Azerbaijan	0	0	0	0	0	0	0	0	0
Bahama	7,726	6,052	119,890	4,853	-132,971	-14,184	2,049	-19,165	-35,362
Bahrain	0	0	x	0	0	0	0	0	0
Belarus	x	x	91	20	x	x	-386	158	983
Belgium	38,639	276	-15,658	12,126	-953	24,154	49,791	5,855	266,965
Belize	2,075	x	5,455	4,664	3,467	49,145	24,195	22,049	1,263
Bermuda	0	0	0	0	0	x	0	x	x
Bosnia and Herzegovina	0	0	x	0	0	0	0	x	0
Brazil	x	0	x	0	x	x	0	0	x
British Virgin Islands	18,757	3,595	-49,509	11,446	-8,057	-1,394	124,928	-77,761	101,411
Bulgaria	x	x	325	x	x	x	x	x	x
Caiman Islands	x	x	12,447	5,881	-12,954	x	x	0	x
Canada	9,631	-12,304	-2,437	-1,436	8,663	2,276	25,873	2,057	145,654
Chad	0	0	0	0	x	0	0	0	0
Channel Islands	0	0	0	x	x	x	x	0	0
Chile	0	0	0	0	0	0	0	0	x
China	293	0	x	x	x	x	0	x	x
Comoros	0	0	0	0	0	0	0	0	x
Czech Republic	14	x	268	x	1,850	10,871	2,321	-1,067	-57,686
Cyprus	504	7,387	-8,006	-12,180	35,748	-8,121	144,822	33,894	70,256
Denmark	80,301	168,339	212,467	469,289	308,903	109,190	77,820	112,120	319,583
Dominica	0	0	0	0	x	-40,475	x	-175,410	-19,015
Dominican Republic	x	0	0	0	x	x	x	x	x
EBRD	0	0	168,099	-105,986	0	0	0	x	x
Egypt	x	0	0	0	x	0	0	x	0
Eritrea	0	0	10	0	0	0	0	0	0
Fiji	0	0	0	0	x	0	0	0	x
Finland	192,746	629,212	1,128,481	1,740,701	1,713,015	2,599,943	2,636,157	2,206,035	5,522,553
France	874	-9,074	6,918	1,615	50,395	116,310	200,777	-183,419	43,297
Georgia	408	0	0	0	0	0	0	0	-44
Germany	56,079	79,923	187,776	224,713	60,015	194,921	42,815	346,879	478,967
Gibraltar	207	x	x	-3,539	-10,558	50,286	59,568	-3,492	-7,951
Greece	0	0	0	-766	0	x	-101,323	0	x
Grenada	0	0	0	0	0	0	0	x	0
Guernsey	0	0	0	0	x	12,528	x	15,798	-22,048
Hong Kong	-3,204	710	0	11,726	-58,231	61,607	-73,438	18,572	5,462
Hungary	-92,940	0	x	x	-398	170	203	23,288	-10,220
Iceland	0	x	x	x	7,472	-4,737	4,194	-3,538	78,235
India	0	144	x	x	-1,128	x	x	0	x
Indonesia	0	0	0	0	x	x	0	x	x
Ireland	19,724	-3,888	-10,043	24,668	69,681	-139,925	-20,256	7,802	-24,458
Isle of Man	0	0	0	x	0	x	x	x	x
Israel	276	x	x	528	x	x	3,128	12,774	182,634



Table 12 continued

Country	1995	1996	1997	1998	1999	2000	2001	2002	2003
Turkey	0	0	0	0	0	x	x	0	595
Turkmenistan	0	0	0	0	0	0	0	0	0
Turks and Caicos	246	x	2,624	x	-1,218	62,233	45,548	-42,350	0
Ukraine	72	-10	-13,499	10,568	-4,212	2,056	16,686	7,375	-18,455
United Arab Emirates	0	0	0	0	0	0	0	x	0
United Kingdom	182,923	41,590	187,870	387,049	115,586	116,648	284,824	142,589	794,162
Uruguay	0	0	0	0	0	0	0	0	0
USA	200,578	458,502	139,351	145,036	399,704	144,444	1,592,664	-547,345	235,930
US Miscellaneous Pacific Islands	0	0	0	0	0	0	0	x	0
US Virgin Islands	0	0	0	0	0	0	0	0	x
Uzbekistan	0	0	x	0	0	0	x	0	x
Venezuela	x	x	x	x	x	x	x	x	x
Vietnam	0	0	0	0	0	0	0	0	x
Yugoslavia	0	0	0	0	0	0	0	0	0
Not classified	45,657	15,464	10,071	41,242	53,748	19,959	40,902	13,556	92,271
<b>TOTAL</b>	<b>2,312,900</b>	<b>1,814,400</b>	<b>3,694,100</b>	<b>8,071,400</b>	<b>4,448,000</b>	<b>6,644,500</b>	<b>9,429,600</b>	<b>4,800,200</b>	<b>12,470,737</b>

0 – very small figure or no occurrence

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**Table 13. Estonian direct investments abroad**

Country	1995	1996	1997	1998	1999	2000	2001	2002	2003
Austria	0	x	x	0	x	0	0	0	0
Bahama	0	0	0	x	x	x	x	x	x
Belarus	x	x	x	-3,522	838	1,254	-176	-1,336	4,146
Belgium	0	0	0	0	x	x	x	x	x
Belize	0	0	0	0	0	0	0	0	x
Bermuda	0	0	x	x	x	0	0	0	0
British Virgin Islands	0	x	x	x	x	x	0	0	x
Caiman Islands	0	0	0	x	x	x	x	0	0
Canada	0	0	x	x	0	0	0	x	x
China	x	0	0	0	0	0	0	0	0
Croatia	0	0	0	0	0	0	x	x	0
Czech Republic	0	0	0	x	x	-5,695	x	x	x
Cuba	0	0	x	0	0	0	0	0	0
Cyprus	x	-225,304	-330,280	457,432	12,648	-40,291	x	-625,606	-187,900
Denmark	0	x	x	0	0	0	x	10,546	x
Finland	-1,216	-11,073	-26,196	41,551	45,511	130,749	-8,072	72,510	1,487
France	0	0	x	x	0	x	x	0	x
Germany	6,391	-4,005	511	3,727	449	x	x	-1,470	34,645
Gibraltar	0	0	0	0	0	0	x	0	0
Hungary	0	0	0	0	0	x	x	x	x
Iceland	0	0	0	0	0	x	0	0	0
India	x	x	x	0	0	0	0	0	0
Ireland	0	0	0	0	0	0	0	0	x
Isle of Man	0	0	0	0	0	0	0	0	x
Italy	0	0	0	x	x	x	-75,206	x	x
Jersey	0	0	0	0	0	x	x	x	x
Kazakhstan	0	0	0	0	0	0	0	x	x
Latvia	-23,150	-115,461	-878,213	-332,284	-693,671	-539,409	-786,188	-329,995	-387,544
Liberia	0	0	0	x	x	0	0	0	0
Lithuania	-14,415	-26,445	-480,489	-35,225	-688,681	-63,245	-2,351,944	-968,469	-1,192,254
Luxembourg	0	0	0	0	0	0	0	0	x
Malta	0	0	0	x	0	0	0	x	0
Moldova	0	0	x	0	0	0	0	0	0
Netherlands	x	x	x	0	x	-5,850	402	x	-3,616
Norway	0	x	x	x	-42,187	x	x	x	14,436
Poland	0	0	x	x	x	-16,549	-72,938	-10,244	25,801
Portugal	0	0	0	0	0	0	0	x	x
Romania	0	0	0	0	0	x	0	0	0
Russia	3,290	-6,136	-101,724	31,395	3,849	-97,403	668	-18,386	-170,209
Spain	0	0	x	x	298	-1,119	-21,804	x	x
Sweden	-2,532	784	-502	-23,404	-21,255	-3,141	-3,770	-8,837	-17,960
Switzerland	0	0	0	0	0	0	0	x	x
Tansania	0	0	0	0	0	0	0	0	x
Turks and Caicos	0	0	0	0	0	0	0	x	0
Ukraine	x	-2,275	-94,163	-76,098	-3,133	7,671	-39,504	-111,214	-171,407
United Kingdom	0	x	x	-7,065	x	x	-7,131	-3,272	-10,630
USA	x	-2,336	1,942	-169	x	x	x	x	-23,753
Vanuatu	x	x	x	0	0	0	0	0	0
Not classified	760	528	14,380	x	-1,089	-17,820	15,347	-16,060	0
<b>TOTAL</b>	<b>-29,100</b>	<b>-484,500</b>	<b>-1,912,900</b>	<b>-81,700</b>	<b>-1,239,800</b>	<b>-1,043,100</b>	<b>-3,528,300</b>	<b>-2,188,400</b>	<b>-2,038,508</b>

0 – very small figure or no occurrence

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## DIRECT INVESTMENT CAPITAL FLOWS BY FIELDS OF ACTIVITY IN 1995–2003 (EEK thousand)

**Table 14. Foreign direct investments into Estonia**

	1995	1996	1997	1998	1999	2000	2001	2002	2003
Agriculture, hunting and forestry	-27,778	-95,134	1,856	105,257	136,733	65,773	-31,426	-94,130	61,511
Fishery	x	-2,219	-2,211	2,243	11,218	-2,199	1,056	x	x
Mining and quarrying	x	7,061	7,686	47,798	14,523	69,442	43,700	27,910	84,746
Manufacturing	938,248	496,277	1,237,691	1,544,980	1,145,398	1,100,831	1,466,069	857,830	1,753,618
Electricity, gas and water supply	18,426	-17,102	80,566	125,844	262,819	192,899	2,133,652	-538,015	79,794
Construction	5,740	38,991	62,755	161,236	24,737	197,187	268,007	283,753	290,447
Wholesale and retail trade	822,968	894,694	552,891	941,743	442,870	420,903	1,484,302	988,614	4,635,904
Hotels and restaurants	63,260	58,626	77,389	37,327	41,418	269,500	90,961	21,724	255,772
Transport, storage and communications	320,807	225,078	860,693	299,622	1,075,463	1,045,770	1,000,498	450,800	1,103,707
Financial intermediation	146,040	25,750	624,307	4,308,766	909,498	1,756,974	1,995,831	1,802,324	1,776,331
Real estate, renting and business activities	52,984	126,759	167,935	423,819	262,927	1,249,231	726,795	801,274	1,803,863
Public administration and defence; statutory social insurance	0	x	x	0	x	x	12,096	x	0
Education	-147	760	-604	-245	855	-99	8,800	391	1,104
Health care and social welfare	-7,675	x	x	-338	x	x	13,071	506	7,914
Other community, social and personal service activities	31,553	45,143	-4,575	53,060	59,595	257,690	183,244	10,621	283,621
Not classified	-54,120	6,053	27,903	22,624	56,917	20,221	32,781	191,236	x
<b>TOTAL</b>	<b>2,312,900</b>	<b>1,814,400</b>	<b>3,694,100</b>	<b>8,071,400</b>	<b>4,448,000</b>	<b>6,644,500</b>	<b>9,429,600</b>	<b>4,800,200</b>	<b>12,470,737</b>

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**Table 15. Estonian direct investments abroad**

	1995	1996	1997	1998	1999	2000	2001	2002	2003
Agriculture, hunting and forestry	0	0	x	x	x	x	x	-13,220	-35,893
Fishery	0	0	x	0	0	0	x	x	x
Mining and quarrying	0	0	0	0	0	x	x	x	x
Manufacturing	-6,728	-46,282	-202,700	42,432	-327,273	-285,873	-617,994	94,999	-62,465
Electricity, gas and water supply	0	0	0	0	x	x	x	x	x
Construction	-591	-787	-13,587	4,163	4,888	-20,823	-28,659	-34,899	-29,707
Wholesale and retail trade	-20,164	7,185	-74,452	-178,545	-5,274	50,910	-73,084	-188,692	-390,169
Hotels and restaurants	0	0	x	x	x	-2225	x	-60,325	x
Transport, storage and communications	-3,054	-255,627	-325,489	389,954	36,690	-75,568	-447,221	-913,627	-559,252
Financial intermediation	x	-172,850	-1,107,616	-317,479	-866,204	57,684	-1,908,470	-623,708	-864,708
Real estate, renting and business activities	4,673	-10,852	-176,170	-8,961	-83,430	-749,552	-419,627	-449,760	-111,715
Public administration and defence; statutory social insurance	0	x	0	0	x	0	0	0	0
Education	0	0	0	0	0	0	0	x	x
Health care and social welfare	0	0	0	0	0	0	0	0	x
Other community, social and personal service activities	x	x	-8,710	x	1,701	-7,303	-16,146	32	25,826
Not classified	760	x	-697	-4,056	-1,569	0	x	x	x
<b>TOTAL</b>	<b>-29,100</b>	<b>-484,500</b>	<b>-1,912,900</b>	<b>-81,700</b>	<b>-1,239,800</b>	<b>-1,043,100</b>	<b>-3,528,300</b>	<b>-2,188,400</b>	<b>-2,038,508</b>

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## DIRECT INVESTMENT POSITION BY COUNTRIES as at 31 December 2003

**Table 16. Foreign direct investments into Estonia**

Country	EEK thousand	Share (%)	Country	EEK thousand	Share (%)
American Samoa	x	x	Kyrgyzstan	x	x
Andorra	x	x	Latvia	277,087	0.3
Antigua and Barbuda	x	x	Liberia	x	x
Argentina	x	x	Liechtenstein	449,268	0.6
Armenia	x	x	Lithuania	211,845	0.3
Australia	10,565	0.0	Luxembourg	163,237	0.2
Austria	1,669,385	2.1	Malaysia	x	x
Bahama	43,433	0.1	Mali	x	x
Belarus	2,929	0.0	Malta	-3,224	0.0
Belgium	568,541	0.7	Marshall Islands	x	x
Belize	58,989	0.1	Mexico	x	x
Bermuda	514,903	0.6	Moldova	2,089	0.0
Brazil	209	0.0	Monaco	x	x
British Virgin Islands	234,609	0.3	Nauru	x	x
Bulgaria	x	x	Nepal	x	x
Caiman Islands	405,065	0.5	Netherlands	2,842,573	3.5
Canada	277,736	0.3	Netherlands Antilles	x	x
Chile	x	x	New Zealand	-420	0.0
China	2,869	0.0	Niger	x	x
Czech Republic	-51,358	-0.1	Niue	5,485	0.0
Cyprus	448,503	0.6	Norway	2,039,423	2.5
Denmark	2,116,581	2.6	Panama	4,891	0.0
Dominica	15,692	0.0	Poland	-168,829	-0.2
EBRD	x	x	Portugal	741	0.0
Egypt	x	x	Republic of Korea	x	x
Fiji	x	x	Republic of South Africa	-16	0.0
Finland	21,474 688	26.6	Russia	946,200	1.2
France	364,007	0.5	Rwanda	x	x
Georgia	x	x	Saint Kitts and Nevis	x	x
Germany	2,214,592	2.7	Seychelles	2,533	0.0
Gibraltar	63,693	0.1	Singapore	624,225	0.8
Greece	-392	0.0	Slovakia	2,916	0.0
Greenland	x	x	Slovenia	576	0.0
Guernsey	x	x	Spain	74,145	0.1
Hong Kong	814	0.0	Sweden	33,362,267	41.3
Hungary	35,811	0.0	Switzerland	523,089	0.6
Iceland	88,748	0.1	Thailand	x	x
India	590	0.0	Turkey	1,957	0.0
Indonesia	x	x	Turkmenistan	x	x
Ireland	136,636	0.2	Turks and Caicos	3,447	0.0
Isle of Man	-3,276	0.0	Ukraine	15,622	0.0
Israel	218,939	0.3	United Kingdom	1,773,837	2.2
Italy	1,437,762	1.8	USA	4,524,066	5.6
Japan	12,514	0.0	US Virgin Islands	x	x
Jersey	2,407	0.0	Uzbekistan	124	0.0
Jordan	x	x	Venezuela	1,129	0.0
Kazakhstan	x	x	Vietnam	x	x
Kenya	x	x	Not classified	72,946	0.1
			<b>TOTAL</b>	<b>80,792,300</b>	<b>100.0</b>

0 – very small figure or no occurrence

x – not subject to disclosure pursuant to data protection principles

**Table 17. Estonian direct investments abroad**

Country	EEK thousand	Share (%)
Austria	x	x
Bahama	x	x
Belarus	5,198	0.0
Belize	x	x
British Virgin Islands	6,430	0.1
Czech Republic	x	x
Cyprus	1,738,473	13.7
Denmark	354	0.0
Finland	166,671	1.3
France	x	x
Germany	-39,292	-0.3
Hungary	x	x
Isle of Man	x	x
Italy	551,353	4.4
Jersey	x	x
Kazakhstan	x	x
Latvia	3,576,404	28.2
Lithuania	5,656,729	44.7
Luxembourg	x	x
Marshall Islands	x	x
Netherlands	3,865	0.0
Norway	4,688	0.0
Poland	52,529	0.4
Portugal	x	x
Russia	371,784	2.9
Spain	13,226	0.1
Sweden	13,920	0.1
Switzerland	x	x
Tanzania	x	x
Ukraine	341,068	2.7
United Kingdom	26,162	0.2
USA	22,240	0.2
<b>TOTAL</b>	<b>12,668,000</b>	<b>100.0</b>

0 – very small figure or no occurrence

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## DIRECT INVESTMENT POSITION BY FIELDS OF ACTIVITY as at 31 December 2003

**Table 18. Foreign direct investments into Estonia**

Field of activity	EEK thousand	Share (%)
Agriculture, hunting and forestry	238,686	0.3
Fishery	44,369	0.1
Mining and quarrying	328,109	0.4
Manufacturing	14,689,862	18.2
Electricity, gas and water supply	1,952,552	2.4
Construction	2,017,685	2.5
Wholesale and retail trade	12,878,316	15.9
Hotels and restaurants	1,366,094	1.7
Transport, storage and communications	14,290,196	17.7
Financial intermediation	22,737,519	28.1
Real estate, renting and business activities	9,179,853	11.4
Public administration and defence; statutory social insurance		
Education	22,635	0.0
Health care and social welfare	87,272	0.1
Other community, social and personal service activities	614,016	0.8
Not classified	345,136	0.4
<b>TOTAL</b>	<b>80,792,300</b>	<b>100.0</b>

**Table 19. Estonian direct investments abroad**

Field of activity	EEK thousand	Share (%)
Agriculture, hunting and forestry	58,854	0.5
Fishery	x	x
Mining and quarrying	x	x
Manufacturing	925,297	7.3
Electricity, gas and water supply	10,280	0.1
Construction	135,932	1.1
Wholesale and retail trade	933,679	7.4
Hotels and restaurants	x	x
Transport, storage and communications	3,211,155	25.3
Financial intermediation	4,822,253	38.1
Real estate, renting and business activities	2,316,725	18.3
Public administration and defence; statutory social insurance		
Education	18,579	0.1
Health care and social welfare	x	x
Other community, social and personal service activities	x	x
Not classified	x	x
<b>TOTAL</b>	<b>12,668,000</b>	<b>100.0</b>

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**Table 20. Direct investment position in Estonia by countries and fields of activity as at 31 December 2003**

Country	Field of activity	EEK thousand	Country	Field of activity	EEK thousand
American Samoa	Total	x		Other community, social and personal service activities	x
	Real estate, renting and business activities	x		Belarus	Total
Andorra	Total	2,631	Manufacturing		x
	Wholesale and retail trade; repair	x	Construction	x	
	Real estate, renting and business activities	x	Wholesale and retail trade; repair	1,304	
Antigua and Barbuda	Total	x	Hotels and restaurants	x	
	Real estate, renting and business activities	x	Transport, storage and communications	760	
Argentina	Total	-102	Financial intermediation	x	
	Wholesale and retail trade; repair	x	Real estate, renting and business activities	450	
	Real estate, renting and business activities	x	Other community, social and personal service activities	x	
Armenia		x	Belgium	Total	568,541
	Wholesale and retail trade; repair	x		Agriculture, hunting and forestry	x
Australia	Total	10,565		Manufacturing	55,650
	Manufacturing	x		Construction	x
	Wholesale and retail trade; repair	x		Wholesale and retail trade; repair	483,625
	Hotels and restaurants	x		Hotels and restaurants	x
	Transport, storage and communications	x		Transport, storage and communications	10,082
	Real estate, renting and business activities	x		Financial intermediation	x
	Other community, social and personal service activities	x		Real estate, renting and business activities	13,116
	Not classified	x		Electricity, gas and water supply	x
Austria	Total	1,669,385	Not classified	x	
	Agriculture, hunting and forestry	x	Belize	Total	58,989
	Manufacturing	646,113		Manufacturing	x
	Construction	x		Wholesale and retail trade; repair	11,821
	Wholesale and retail trade; repair	238,528		Transport, storage and communications	x
	Hotels and restaurants	x		Financial intermediation	17,249
	Transport, storage and communications	7,151	Real estate, renting and business activities	19,994	
	Financial intermediation	6,285	Bermuda	Total	514,903
	Real estate, renting and business activities	694,743		Manufacturing	x
	Other community, social and personal service activities	33,806		Transport, storage and communications	x
	Fishery	x	Real estate, renting and business activities	x	
Not classified	x	Brazil	Total	209	
Bahama	Total		43,433	Wholesale and retail trade; repair	x
	Manufacturing		-122	Not classified	x
	Wholesale and retail trade; repair	13,847	British Virgin Islands	Total	234,609
	Hotels and restaurants	x		Manufacturing	x
	Transport, storage and communications	x		Construction	x
	Financial intermediation	33,007		Wholesale and retail trade; repair	-450
	Real estate, renting and business activities	-5,337		Transport, storage and communications	63,070
		Financial intermediation		9,186	

Table 20 continued

Country	Field of activity	EEK thousand	Country	Field of activity	EEK thousand
	Real estate, renting and business activities	58,564	Denmark	Total	2,116,581
	Not classified	x		Agriculture, hunting and forestry	26,276
Bulgaria	Total	638		Mining and quarrying	7,981
	Wholesale and retail trade; repair	x		Manufacturing	959,556
	Real estate, renting and business activities	x		Construction	x
Caiman Islands	Total	405,065		Wholesale and retail trade; repair	305,332
	Manufacturing	x		Transport, storage and communications	141,057
	Financial intermediation	x		Financial intermediation	68,118
	Real estate, renting and business activities	x		Real estate, renting and business activities	472,373
Canada	Total	277,736		Education	x
	Agriculture, hunting and forestry	x		Health care and social welfare	30,328
	Mining and quarrying	x		Other community, social and personal service activities	33,940
	Manufacturing	14,729		Electricity, gas and water supply	x
	Wholesale and retail trade; repair	235,753		Not classified	x
	Financial intermediation	x	Dominica	Total	15,692
	Real estate, renting and business activities	31,694		Manufacturing	x
	Health care and social welfare	x		Wholesale and retail trade; repair	x
	Other community, social and personal service activities	x		Transport, storage and communications	x
	Not classified	x		Financial intermediation	x
Chile	Total	x		Real estate, renting and business activities	x
	Wholesale and retail trade; repair	x	EBRD	Total	x
China	Total	2,869		Real estate, renting and business activities	x
	Manufacturing	x	Egypt	Total	52
	Wholesale and retail trade; repair	x		Wholesale and retail trade; repair	x
	Transport, storage and communications	x		Real estate, renting and business activities	x
	Real estate, renting and business activities	x	Fiji	Total	x
Cyprus	Total	448,503		Construction	x
	Manufacturing	51,734	Finland	Total	21,474,688
	Construction	x		Agriculture, hunting and forestry	98,324
	Wholesale and retail trade; repair	299,155		Fishery	x
	Transport, storage and communications	x		Mining and quarrying	227,272
	Financial intermediation	x		Manufacturing	5,036,405
	Real estate, renting and business activities	64,626		Construction	1,763,348
	Other community, social and personal service activities	x		Wholesale and retail trade; repair	7,408,246
	Not classified	x		Hotels and restaurants	709,834
Czech Republic	Total	-51,358		Transport, storage and communications	1,675,657
	Mining and quarrying	x		Financial intermediation	1,657,249
	Manufacturing	-60,111		Real estate, renting and business activities	2,014,737
	Construction	x		Education	13,304
	Wholesale and retail trade; repair	3,938		Health care and social welfare	2,902
	Transport, storage and communications	x		Other community, social and personal service activities	335,838
	Real estate, renting and business activities	2,662		Electricity, gas and water supply	x

Table 20 continued

Country	Field of activity	EKK thousand	Country	Field of activity	EKK thousand
France	Not classified	95,172	Guernsey	Total	40,284
	Total	364,007		Manufacturing	x
	Mining and quarrying	x		Not classified	x
	Manufacturing	-26,451	Hong Kong	Total	814
	Construction	x		Wholesale and retail trade; repair	x
	Wholesale and retail trade; repair	46,540		Transport, storage and communications	x
	Transport, storage and communications	x		Financial intermediation	x
	Financial intermediation	x		Real estate, renting and business activities	-644
	Real estate, renting and business activities	2,266		Not classified	x
	Electricity, gas and water supply	x	Hungary	Total	35,811
Not classified	x	Manufacturing		2,300	
Georgia	Total	x		Construction	x
	Wholesale and retail trade; repair	x		Wholesale and retail trade; repair	24,673
Germany	Total	2,214,592		Real estate, renting and business activities	x
	Agriculture, hunting and forestry	865		Health care and social welfare	x
	Mining and quarrying	57,767	Other community, social and personal service activities	x	
	Manufacturing	541,649	Iceland	Total	88,748
	Construction	151,853		Manufacturing	x
	Wholesale and retail trade; repair	364,746		Wholesale and retail trade; repair	x
	Hotels and restaurants	4,282		Transport, storage and communications	x
	Transport, storage and communications	218,480		Real estate, renting and business activities	-11
	Financial intermediation	250,856		Other community, social and personal service activities	x
	Real estate, renting and business activities	109,074	Fishery	x	
	Education	x	Not classified	x	
	Health care and social welfare	43,057	India	Total	590
	Other community, social and personal service activities	76,252		Wholesale and retail trade; repair	310
	Electricity, gas and water supply	x		Hotels and restaurants	x
	Fishery	x		Financial intermediation	x
Not classified	x	Indonesia	Total	x	
Gibraltar	Total		63,693	Real estate, renting and business activities	x
	Manufacturing	x	Ireland	Total	136,636
	Wholesale and retail trade; repair	306		Agriculture, hunting and forestry	x
	Hotels and restaurants	x		Manufacturing	396
	Transport, storage and communications	x		Wholesale and retail trade; repair	786
	Financial intermediation	x		Hotels and restaurants	12,096
	Real estate, renting and business activities	57,871		Transport, storage and communications	42,723
	Health care and social welfare	x		Financial intermediation	x
Greece	Total	-392		Real estate, renting and business activities	64,960
	Manufacturing	x	Other community, social and personal service activities	x	
	Real estate, renting and business activities	x	Not classified	x	
	Not classified	x	Isle of Man	Total	-3,276
Greenland	Total	x		Manufacturing	x
	Real estate, renting and business activities	x			

Table 20 continued

Country	Field of activity	EEK thousand	Country	Field of activity	EEK thousand
	Transport, storage and communications	x		Hotels and restaurants	-3,587
	Real estate, renting and business activities	x		Transport, storage and communications	195
Israel	Total	218,939		Financial intermediation	52,245
	Wholesale and retail trade; repair	-56		Real estate, renting and business activities	227,439
	Financial intermediation	x		Education	x
	Real estate, renting and business activities	604		Health care and social welfare	x
	Not classified	x		Other community, social and personal service activities	-21,298
Italy	Total	1,437,762		Electricity, gas and water supply	x
	Agriculture, hunting and forestry	x		Not classified	x
	Manufacturing	56,017	Liberia	Total	45
	Construction	x		Mining and quarrying	x
	Wholesale and retail trade; repair	61,869		Wholesale and retail trade; repair	x
	Hotels and restaurants	x	Liechtenstein	Total	449,268
	Transport, storage and communications	x		Wholesale and retail trade; repair	x
	Financial intermediation	x		Transport, storage and communications	x
	Real estate, renting and business activities	1,298,863		Real estate, renting and business activities	366,019
	Other community, social and personal service activities	x	Lithuania	Total	211,845
	Not classified	x		Agriculture, hunting and forestry	x
Japan	Total	12,514		Manufacturing	61,643
	Wholesale and retail trade; repair	-532		Construction	7,701
	Hotels and restaurants	x		Wholesale and retail trade; repair	241,419
	Financial intermediation	x		Transport, storage and communications	-1,836
	Real estate, renting and business activities	x		Financial intermediation	1,412
	Not classified	x		Real estate, renting and business activities	-70,333
Jersey	Total	2,407		Education	x
	Manufacturing	x		Health care and social welfare	x
	Construction	x		Other community, social and personal service activities	-28,470
	Transport, storage and communications	x		Not classified	109
	Real estate, renting and business activities	x	Luxembourg	Total	163,237
Jordan	Total	x		Agriculture, hunting and forestry	x
	Wholesale and retail trade; repair	x		Manufacturing	141,665
Kazakhstan	Total	x		Construction	x
	Transport, storage and communications	x		Wholesale and retail trade; repair	8,757
Kenya	Total	x		Hotels and restaurants	x
	Wholesale and retail trade; repair	x		Transport, storage and communications	x
Kyrgyzstan	Total	x		Real estate, renting and business activities	-644
	Transport, storage and communications	x		Not classified	x
Latvia	Total	277,087	Malaysia	Total	x
	Agriculture, hunting and forestry	1,410		Real estate, renting and business activities	x
	Manufacturing	-21,736	Mali	Total	x
	Construction	-832		Real estate, renting and business activities	x
	Wholesale and retail trade; repair	16,176			

Table 20 continued

Country	Field of activity	EEK thousand	Country	Field of activity	EEK thousand
Malta	Total	-3,224	Niue	Total	5,485
	Manufacturing	x		Wholesale and retail trade; repair	x
	Wholesale and retail trade; repair	x		Transport, storage and communications	x
	Transport, storage and communications	x		Financial intermediation	x
	Real estate, renting and business activities	2,216		Real estate, renting and business activities	3,085
Marshall Islands	Total	x	Norway	Total	2,039,423
	Real estate, renting and business activities	x		Agriculture, hunting and forestry	x
Mexico	Total	x		Manufacturing	229,309
	Not classified	x		Construction	x
Moldova	Total	2,089		Wholesale and retail trade; repair	269,151
	Wholesale and retail trade; repair	x		Hotels and restaurants	346,962
	Real estate, renting and business activities	x		Transport, storage and communications	424,702
Monaco	Total	x		Financial intermediation	59,198
	Real estate, renting and business activities	x		Real estate, renting and business activities	670,801
Nauru	Total	x		Education	x
	Real estate, renting and business activities	x	Health care and social welfare	x	
Nepal	Total	x	Other community, social and personal service activities	x	
	Wholesale and retail trade; repair	x	Not classified	x	
Netherlands	Total	2,842,573	Panama	Total	4,891
	Agriculture, hunting and forestry	x		Manufacturing	x
	Mining and quarrying	15,103		Construction	x
	Manufacturing	673,792		Wholesale and retail trade; repair	x
	Construction	x	Transport, storage and communications	x	
	Wholesale and retail trade; repair	402,164	Poland	Total	-168,829
	Hotels and restaurants	30,061		Mining and quarrying	x
	Transport, storage and communications	667,879		Manufacturing	-167,104
	Financial intermediation	125,951		Construction	x
	Real estate, renting and business activities	416,761		Wholesale and retail trade; repair	18,072
	Education	x		Hotels and restaurants	x
	Health care and social welfare	x		Transport, storage and communications	366
	Other community, social and personal service activities	10,352		Financial intermediation	x
	Electricity, gas and water supply	x		Real estate, renting and business activities	-12,723
Not classified	x	Health care and social welfare		x	
Netherlans Antilles	Total	x	Not classified	x	
	Real estate, renting and business activities	x	Portugal	Total	741
New Zealand	Total	-420		Wholesale and retail trade; repair	741
	Agriculture, hunting and forestry	x	Republic of Korea	Total	-1,212
	Real estate, renting and business activities	x		Wholesale and retail trade; repair	x
	Not classified	x		Not classified	x
Niger	Total	x	Republic of South Africa	Total	-16
	Wholesale and retail trade; repair	x		Wholesale and retail trade; repair	x
				Financial intermediation	x
			Russia	Total	946,200

Table 20 continued

Country	Field of activity	EEK thousand	Country	Field of activity	EEK thousand
	Agriculture, hunting and forestry	-506		Fishery	x
	Manufacturing	389,665		Not classified	x
	Construction	14,842	Sweden	Total	33,362,267
	Wholesale and retail trade; repair	148,359		Agriculture, hunting and forestry	15,071
	Hotels and restaurants	7,638		Mining and quarrying	30,008
	Transport, storage and communications	-331,935		Manufacturing	3,437,936
	Financial intermediation	22,482		Construction	53,553
	Real estate, renting and business activities	272,475		Wholesale and retail trade; repair	1,347,638
	Education	343		Hotels and restaurants	121,243
	Other community, social and personal service activities	199		Transport, storage and communications	8,991,208
	Electricity, gas and water supply	x		Financial intermediation	18,743,808
	Fishery	x		Real estate, renting and business activities	382,821
	Not classified	x		Education	-641
Rwanda	Total	x		Health care and social welfare	x
	Real estate, renting and business activities	x		Other community, social and personal service activities	134,495
Saint Kitts and Nevis	Total	x		Electricity, gas and water supply	x
	Wholesale and retail trade; repair	x		Fishery	x
Seychelles	Total	2,533		Not classified	x
	Construction	x	Switzerland	Total	523,089
	Wholesale and retail trade; repair	x		Mining and quarrying	x
	Real estate, renting and business activities	x		Manufacturing	98,006
Singapore	Total	624,225		Construction	x
	Manufacturing	626,085		Wholesale and retail trade; repair	148,953
	Real estate, renting and business activities	x		Hotels and restaurants	x
	Other community, social and personal service activities	x		Transport, storage and communications	22,146
Slovakia	Total	2,916		Financial intermediation	41,920
	Wholesale and retail trade; repair	x		Real estate, renting and business activities	200,185
	Real estate, renting and business activities	x		Other community, social and personal service activities	6,272
Slovenia	Total	576		Not classified	x
	Wholesale and retail trade; repair	x	Thailand	Total	x
	Real estate, renting and business activities	x		Real estate, renting and business activities	x
Spain	Total	74,145	Turkey	Total	1,957
	Mining and quarrying	x		Manufacturing	x
	Construction	x		Real estate, renting and business activities	x
	Wholesale and retail trade; repair	8,130		Not classified	x
	Hotels and restaurants	x	Turkmenistan	Total	80
	Transport, storage and communications	x		Wholesale and retail trade; repair	x
	Financial intermediation	69,965		Real estate, renting and business activities	x
	Real estate, renting and business activities	-1,047	Turks and Caicos	Total	3,447
				Manufacturing	x
				Wholesale and retail trade; repair	x
				Financial intermediation	x
				Real estate, renting and business activities	1,702

Table 20 continued

Country	Field of activity	EEK thousand	Country	Field of activity	EEK thousand	
Ukraine	Health care and social welfare	x		Hotels and restaurants	70,955	
	Total	15,622		Transport, storage and communications	2,176,183	
	Manufacturing	-49,604		Financial intermediation	569,914	
	Construction	x		Real estate, renting and business activities	579,213	
	Wholesale and retail trade; repair	53,194		Health care and social welfare	x	
	Transport, storage and communications	740		Other community, social and personal service activities	5,950	
	Financial intermediation	x		Not classified	x	
	Real estate, renting and business activities	11,925		US Virgin Islands	Total	x
	Education	x		Real estate, renting and business activities	x	
	Not classified	x		Uzbekistan	Total	124
United Kingdom	Total	1,773,837	Manufacturing	x		
	Agriculture, hunting and forestry	11,223	Wholesale and retail trade; repair	x		
	Mining and quarrying	-2,778	Venezuela	Total	1,129	
	Manufacturing	558,773	Manufacturing	x		
	Construction	559	Real estate, renting and business activities	x		
	Wholesale and retail trade; repair	232,963	Vietnam	Total	x	
	Hotels and restaurants	4,234	Transport, storage and communications	x		
	Transport, storage and communications	53,131	Not classified	Total	72,946	
	Financial intermediation	345,167	Agriculture, hunting and forestry	211		
	Real estate, renting and business activities	543,999	Mining and quarrying	x		
	Education	x	Manufacturing	6,336		
	Health care and social welfare	x	Construction	95		
	Other community, social and personal service activities	7,010	Wholesale and retail trade; repair	20,017		
	Electricity, gas and water supply	x	Hotels and restaurants	x		
	Not classified	x	Transport, storage and communications	1,682		
USA	Total	4,524,066	Financial intermediation	907		
	Agriculture, hunting and fishery	225	Real estate, renting and business activities	43,031		
	Mining and quarrying	x	Other community, social and personal service activities	167		
	Manufacturing	735,666	Not classified	x		
	Electricity, gas and water supply	x	<b>TOTAL</b>	<b>80,792,300</b>		
	Construction	688				
	Wholesale and retail trade; repair	357,719				

x – not subject to disclosure pursuant to data protection principles

**Table 21. Direct investment position abroad by countries and fields of activity as at 31 December 2003**

Country	Field of activity	EEK thousand	Country	Field of activity	EEK thousand
Austria	Total	x	Hungary	Total	x
	Wholesale and retail trade; repair	x		Real estate, renting and business activities	x
Bahama	Total	x	Ireland	Total	x
	Transport, storage and communications	x		Financial intermediation	x
Belarus	Total	5,198	Isle of Man	Total	x
	Manufacturing	x		Transport, storage and communications	x
	Wholesale and retail trade; repair	x	Italy	Total	551,353
	Transport, storage and communications	x		Wholesale and retail trade; repair	x
	Real estate, renting and business activities	1,774		Real estate, renting and business activities	x
Belize	Total	x	Not classified	x	
	Real estate, renting and business activities	x	Jersey	Total	x
British Virgin Islands	Total	6,430		Financial intermediation	x
	Manufacturing	x	Kazakhstan	Total	x
	Financial intermediation	x		Wholesale and retail trade; repair	x
Cyprus	Total	1,738,473	Latvia	Total	3,576,404
	Transport, storage and communications	x		Agriculture, hunting and forestry	25,839
	Not classified	x		Manufacturing	148,406
Czech Republic	Total	x		Electricity, gas and water supply	x
	Real estate, renting and business activities	x		Construction	81,176
Denmark	Total	354		Wholesale and retail trade; repair	374,593
	Wholesale and retail trade; repair	x		Hotels and restaurants	x
	Real estate, renting and business activities	x		Transport, storage and communications	10,862
Finland	Total	166,671		Financial intermediation	2,187,113
	Fishery	x		Real estate, renting and business activities	667,283
	Manufacturing	32,173		Education	x
	Electricity, gas and water supply	x	Other community, social and personal service activities	x	
	Construction	x	Not classified	x	
	Wholesale and retail trade; repair	2,074	Lithuania	Total	5,656,729
	Transport, storage and communications	28,671		Agriculture, hunting and forestry	x
	Financial intermediation	5,154		Manufacturing	585,447
	Real estate, renting and business activities	98,252		Construction	50,342
	Not classified	x		Wholesale and retail trade; repair	392,421
France	Total	x		Hotels and restaurants	x
	Electricity, gas and water supply	x		Transport, storage and communications	1,248,075
Germany total	Total	-39,292		Financial intermediation	2,398,512
	Manufacturing	x		Real estate, renting and business activities	902,031
	Wholesale and retail trade; repair	-9,941		Education	x
	Real estate, renting and business activities	x		Other community, social and personal service activities	x
	Not classified	x	Not classified	x	

Table 21 continued

Country	Field of activity	EEK thousand	Country	Field of activity	EEK thousand
Luxembourg	Total	x		Financial intermediation	x
	Financial intermediation	x		Real estate, renting and business activities	1,038
Marshall Islands	Total	x		Health care and social welfare	x
	Transport, storage and communications	x		Other community, social and personal service activities	x
Netherlands	Total	3,865	Not classified	x	
	Mining and quarrying	x	Switzerland	Total	999
	Manufacturing	x	Financial intermediation	x	
	Financial intermediation	x	Not classified	x	
Norway	Total	4,688	Tanzania	Total	x
	Wholesale and retail trade; repair	x	Other community, social and personal service activities	x	
	Transport, storage and communications	x	Ukraine	Total	341,068
Poland I	Total	52,529	Manufacturing	58,016	
	Manufacturing	x	Construction	x	
	Wholesale and retail trade; repair	x	Financial intermediation	x	
	Hotels and restaurants	x	Real estate, renting and business activities	15,555	
	Transport, storage and communications	x	Wholesale and retail trade; repair	28,027	
	Real estate, renting and business activities	x	Transport, storage and communications	x	
	Not classified	x	Not classified	x	
Portugal	Total	x	United Kingdom	Total	26,162
	Hotels and restaurants	x	Agriculture, hunting and forestry	x	
Russia	Total	371,784	Manufacturing	x	
	Agriculture, hunting and forestry	x	Construction	x	
	Mining and quarrying	x	Wholesale and retail trade; repair	x	
	Manufacturing	40,496	Transport, storage and communications	x	
	Construction	1,788	Financial intermediation	x	
	Wholesale and retail trade; repair	119,354	Real estate, renting and business activities	9,711	
	Transport, storage and communications	137,533	Not classified	x	
	Financial intermediation	x	USA	Total	22,240
	Real estate, renting and business activities	32,833	Manufacturing	3,130	
	Not classified	x	Wholesale and retail trade; repair	x	
Spain	Total	13,226	Financial intermediation	x	
	Wholesale and retail trade; repair	x	Real estate, renting and business activities	8,453	
	Real estate, renting and business activities	x	Education	x	
	Not classified	x	Not classified	x	
Sweden	Total	13,920	<b>TOTAL</b>		<b>12,668,000</b>
	Manufacturing	19,245			
	Transport, storage and communications	x			

x – not subject to disclosure pursuant to data protection principles

## PORTFOLIO INVESTMENT POSITION BY COUNTRIES as at 31 December 2003

**Table 22. Portfolio investment claims**

Country	EEK thousand	Share (%)
Andorra	x	x
Australia	25,458	0.1
Austria	668,280	3.6
Belgium	1,245,063	6.7
Bermuda	x	x
British Virgin Islands	x	x
Bulgaria	22,224	0.1
Canada	22,715	0.1
Croatia	58,170	0.3
Czech Republic	84,075	0.5
Cyprus	38,693	0.2
Denmark	300,817	1.6
EIB	344,427	1.9
Finland	2,038,969	11.0
France	898,973	4.9
Germany	4,466,341	24.2
Greece	37,340	0.2
Hungary	310,127	1.7
IBRD	x	x
Iceland	x	x
Ireland	16,311	0.1
Italy	467,458	2.5
Japan	15,022	0.1
Latvia	562,015	3.0
Lithuania	794,137	4.3
Luxembourg	298,128	1.6
Netherlands	2,500,417	13.5
NIB	x	x
Norway	192,306	1.0
Poland	284,286	1.5
Portugal	37,947	0.2
Romania	10,437	0.1
Russia	221,453	1.2
Slovakia	50,800	0.3
Slovenia	56,578	0.3
Spain	4,370	0.0
Sweden	965,943	5.2
Switzerland	23,633	0.1
Taiwan	x	x
Ukraine	127,167	0.7
United Kingdom	344,120	1.9
USA	947,141	5.1
Not classified	x	x
<b>Total</b>	<b>18,459,523</b>	<b>100,0</b>

x – not subject to disclosure pursuant to data protection principles

**Table 23. Portfolio investment liabilities**

Country	EEK thousand	Share (%)
Afganistan	x	x
Australia	38,072	0.1
Austria	619,519	2.1
Bahama	2,367	0.0
Bahreïn	x	x
Belarus	44	0.0
Belgium	108,050	0.4
Belize	7,012	0.0
Bermuda	x	x
British Indian Ocean Territory	x	x
British Virgin Islands	39,178	0.1
Caiman Islands	x	x
Cameroon	x	x
Canada	14,885	0.1
Czech Republic	35	0.0
Cyprus	10,926	0.0
Denmark	19,816	0.1
Dominica	2,517	0.0
Ethiopia	x	x
Finland	2,606,602	8.8
France	223	0.0
Germany	5,471,134	18.6
Gibraltar	35,492	0.1
Greece	x	x
Hong Kong	x	x
Iceland	x	x
India	x	x

Country	EEK thousand	Share (%)
Ireland	10,918	0.0
Israel	129	0.0
Italy	43,111	0.1
Japan	x	x
Kazakhstan	x	x
Kiribati	x	x
Latvia	580,476	2.0
Liberia	x	x
Liechtenstein	x	x
Lithuania	19,570	0.1
Luxembourg	1,238,371	4.2
Marshall Islands	x	x
Netherlands	98,168	0.3
Norway	40,423	0.1
Panama	8,515	0.0
Poland	x	x
Russia	54,622	0.2
Spain	x	x
Sweden	3,133,538	10.6
Switzerland	329,061	1.1
Turks and Caicos	x	x
Ukraine	710	0.0
United Arab Emirates	x	x
United Kingdom	12,987,819	44.1
USA	1,481,580	5.0
US Virgin Islands	x	x
Not classified	225,397	0.8
<b>Total</b>	<b>29,453,290</b>	<b>100.0</b>

0 – very small figure or no occurrence

x – not subject to disclosure pursuant to data protection principles

## PORTFOLIO INVESTMENT POSITION BY FIELDS OF ACTIVITY as at 31 December 2003

**Table 24. Portfolio investment claims**

Field of activity	EEK thousand	Share (%)
Agriculture, hunting and forestry	x	x
Fishery	x	x
Manufacturing	239,384	1.3
Wholesale and retail trade; repair	51,064	0.3
Transport, storage and communications	8,268	0.0
Financial intermediation	7,981,493	43.2
Real estate, renting and business activities	77,619	0.4
Public administration and defence; statutory social insurance	10,368,026	56.2
Other community, social and personal service activities	x	x
Not classified	x	x
<b>Total</b>	<b>18,459,523</b>	<b>100.0</b>

**Table 25. Portfolio investment liabilities**

Field of activity	EEK thousand	Share (%)
Agriculture, hunting and forestry	1,965	0.0
Mining and quarrying	x	x
Manufacturing	160,327	0.5
Electricity, gas and water supply	x	x
Construction	116,212	0.4
Wholesale and retail trade; repair	8,235	0.0
Hotels and restaurants	888	0.0
Transport, storage and communications	943,215	3.2
Financial intermediation	22,658,435	76.9
Real estate, renting and business activities	662,790	2.3
Public administration and defence; statutory social insurance	1,595,307	5.4
Education	103	0.0
Health care and social welfare	313	0.0
Other community, social and personal service activities	3,597	0.0
Not classified	x	x
<b>Total</b>	<b>29,453,290</b>	<b>100.0</b>

0 – very small figure or no occurrence

x – not subject to disclosure pursuant to data protection principles

## OTHER INVESTMENT POSITION BY COUNTRIES as at 31 December 2003

**Table 26. Other investment claims**

Country	EEK thousand	Share (%)	Country	EEK thousand	Share (%)
Afganistan	x	x	Fiji	101	0.0
Albania	x	x	Finland	1,559,318	6.0
Algeria	x	x	France	18,123	0.1
Andorra	x	x	Georgia	594	0.0
Angola	x	x	Germany	4,884,788	18.8
Anguilla	x	x	Gibraltar	12,832	0.0
Antigua and Barbuda	x	x	Greece	13,276	0.1
Argentina	570	0.0	Greenland	x	x
Armenia	439	0.0	Grenada	x	x
Australia	28,664	0.1	Guernsey	904	0.0
Austria	91,077	0.4	Hong Kong	3,486	0.0
Azerbaijan	3,216	0.0	Hungary	17,558	0.1
Bahama	x	x	Iceland	x	x
Bangladesh	x	x	India	5,059	0.0
Belarus	24,568	0.1	Indonesia	74	0.0
Belgium	58,648	0.2	Iran	154	0.0
Belize	3,183	0.0	Ireland	6,572	0.0
Bermuda	x	x	Isle of Man	x	x
Brazil	5,643	0.0	Israel	7,023	0.0
British Indian Ocean Territory	x	x	Italy	54,617	0.2
British Virgin Islands	73,367	0.3	Japan	136,398	0.5
Bulgaria	2,891	0.0	Jersey	x	x
Caiman Islands	x	x	Jordan	x	x
Cambodia	x	x	Kazakhstan	4,625	0.0
Canada	425,151	1.6	Kiribati	x	x
Chile	1,217	0.0	Kuwait	x	x
China	47,465	0.2	Kyrgyzstan	x	x
Colombia	x	x	Latvia	3,616,411	13.9
Comoros	x	x	Lebanon	1,248	0.0
Costa Rica	x	x	Liberia	46	0.0
Côte d'Ivoire	x	x	Liechtenstein	1,543	0.0
Croatia	924	0.0	Lithuania	5,154,633	19.8
Czech Republic	55,252	0.2	Luxembourg	94,055	0.4
Cuba	x	x	Macedonia	x	x
Cyprus	25,643	0.1	Malaysia	1,128	0.0
Democratic People's Republic of Korea	x	x	Malta	30,097	0.1
Denmark	258,576	1.0	Maroco	x	x
Dominica	x	x	Marshall Islands	x	x
Dominican Republic	x	x	Mauritania	x	x
Ecuador	x	x	Mauritius	1,359	0.0
Egypt	3,373	0.0	Mexico	1,034	0.0
Eritrea	x	x	Moldova	3,079	0.0
ESA	x	x	Monaco	614	0.0
Ethiopia	x	x	Mongolia	x	x
Falkland Islands (Malvinas)	x	x	Namibia	x	x
Faroe Islands	x	x	Netherlands	53,847	0.2
			New Zealand	x	x

Table 26 continued

Country	EEK thousand	Share (%)	Country	EEK thousand	Share (%)
Nigeria	1,323	0.0	Switzerland	234,609	0.9
Niue	146	0.0	Syria	x	x
Norfolk	x	x	Taiwan	9,730	0.0
Norway	134,989	0.5	Tajikistan	x	x
Oman	516	0.0	Tansania	x	x
Pakistan	54	0.0	Thailand	6,837	0.0
Panama	131,667	0.5	Tunisia	x	x
Philippines	x	x	Turkey	2,581	0.0
Poland	105,112	0.4	Turkmenistan	630	0.0
Portugal	8,170	0.0	Turks and Caicos	x	x
Republic of Korea	12,516	0.0	Ukraine	787,968	3.0
Republic of South Africa	912	0.0	United Arab Emirates	5,235	0.0
Romania	779	0.0	United Kingdom	1,711,941	6.6
Russia	1,380,718	5.3	Uruguay	x	x
Saint Kitts and Nevis	x	x	USA	2,171,895	8.4
Saint Vincent and the Grenadines	2,896	0.0	US Miscellaneous Pacific Islands	x	x
Sambia	x	x	US Virgin Islands	x	x
Saudi Arabia	x	x	Uzbekistan	44,369	0.2
Seychelles	385	0.0	Vanuatu	x	x
Singapore	5,895	0.0	Venezuela	x	x
Slovakia	6,681	0.0	Vietnam	4,203	0.0
Slovenia	1,582	0.0	West Sahara	x	x
Spain	43,935	0.2	Yugoslavia	4,720	0.0
Sri Lanka	x	x	Not classified	603,211	2.3
Sweden	1,796,314	6.9	<b>Total</b>	<b>26,004,945</b>	<b>100.0</b>

0 – very small figure or no occurrence

x – not subject to disclosure pursuant to data protection principles

**Table 27. Other investment liabilities**

Country	EEK thousand	Share (%)	Country	EEK thousand	Share (%)
Albania	x	x	Guernsey	x	x
Algeria	x	x	Hong Kong	28,191	0.1
American Samoa	x	x	Hungary	49,436	0.1
Andorra	x	x	IBRD	x	x
Angola	x	x	Iceland	304,837	0.6
Anguilla	x	x	IFC	x	x
Argentina	2,081	0.0	India	9,130	0.0
Armenia	509	0.0	Indonesia	811	0.0
Australia	3,404	0.0	Iran	x	x
Austria	192,054	0.4	Ireland	104,093	0.2
Azerbaijan	1,298	0.0	Isle of Man	56,746	0.1
Bahama	205,239	0.4	Israel	72,541	0.1
Bangladesh	x	x	Italy	193,735	0.4
Barbados	x	x	Jamaica	x	x
Belarus	64,101	0.1	Japan	13,737	0.0
Belgium	237,530	0.5	Jersey	x	x
Belize	861,338	1.7	Jordan	x	x
Bermuda	99,011	0.2	Kazakhstan	2,780	0.0
Bosnia and Herzegovina	x	x	Kenya	86	0.0
Brazil	371	0.0	Kuwait	x	x
British Indian Ocean Territory	1,957	0.0	Kyrgyzstan	335	0.0
British Virgin Islands	1,208,406	2.4	Latvia	1,248,762	2.5
Bulgaria	5,609	0.0	Lebanon	x	x
Caiman Islands	200,174	0.4	Liberia	x	x
Cambodia	x	x	Liechtenstein	80,328	0.2
Canada	94,386	0.2	Lithuania	206,529	0.4
Chile	1,154	0.0	Luxembourg	670,487	1.3
China	8,962	0.0	Macedonia	x	x
Colombia	x	x	Malawi	x	x
Cook Islands	x	x	Malaysia	189	0.0
Côte d'Ivoire	x	x	Malta	1,046	0.0
Croatia	3,382	0.0	Marocco	15	0.0
Czech Republic	38,216	0.1	Marshall Islands	139,158	0.3
Cuba	x	x	Mauritius	14,606	0.0
Cyprus	1,411,396	2.8	Mexico	x	x
Denmark	827,034	1.6	Moldova	2,473	0.0
Dominica	6,286	0.0	Monaco	775	0.0
Dominican Republic	x	x	Mongolia	3	0.0
EBRD	1,406,331	2.8	Nepal	x	x
Egypt	3,490	0.0	Netherlands	529,128	1.1
EIB	584,578	1.2	Netherlands Antilles	x	x
Ethiopia	x	x	New Zealand	912	0.0
Faroe Islands	x	x	NIB	x	x
Fiji	x	x	Nigeria	435	0.0
Finland	11,229,183	22.3	Niue	27,915	0.1
France	321,688	0.6	Northern Marianas	x	x
Gabon	x	x	Norway	185,297	0.4
Georgia	3,309	0.0	Oman	x	x
Germany	3,187,633	6.3	Other EU institutions and organisations	x	x
Gibraltar	348,604	0.7	Pakistan	9,693	0.0
Greece	20,706	0.0	Panama	48,280	0.1
Greenland	x	x	Paraguay	x	x
Grenada	x	x	Peru	x	x
			Philippines	x	x

Table 27 continued

Country	EEK thousand	Share (%)	Country	EEK thousand	Share (%)
Pitcairn	x	x	Syria	x	x
Poland	197,734	0.4	Taiwan	4,736	0.0
Portugal	5,091	0.0	Tajikistan	1,174	0.0
Puerto Rico	x	x	Tansania	x	x
Republic of Korea	15,637	0.0	Thailand	1,079	0.0
Republic of South Africa	10,690	0.0	Tunisia	x	x
Romania	1,741	0.0	Turkey	20,447	0.0
Russia	953,532	1.9	Turkmenistan	859	0.0
Rwanda	x	x	Turks and Caicos	185,852	0.4
Saint Kitts and Nevis	35,830	0.1	Ukraine	122,342	0.2
Saint Vincent and the Grenadines	1,542	0.0	United Arab Emirates	1,071	0.0
San Marino	x	x	United Kingdom	7,050,430	14.0
Saudi Arabia	2,263	0.0	Uruguay	676	0.0
Seychelles	89,173	0.2	USA	3,375,565	6.7
Singapore	279	0.0	US Virgin Islands	2,612	0.0
Slovakia	23,914	0.0	US Miscellaneous Pacific Islands	x	x
Slovenia	11,292	0.0	Uzbekistan	2,821	0.0
Somalia	x	x	Venezuela	x	x
Spain	141,208	0.3	Vietnam	5	0.0
Sri Lanka	593	0.0	Wallis and Futuna	x	x
Swaziland	x	x	Yugoslavia	1,888	0.0
Sweden	8,058,697	16.0	Not classified	1,319,032	2.6
Switzerland	384,249	0.8	<b>Total</b>	<b>50,324,677</b>	<b>100.0</b>

0 – very small figure or no occurrence

x – not subject to disclosure pursuant to data protection principles

## OTHER INVESTMENT POSITION BY FIELDS OF ACTIVITY as at 31 December 2003

**Table 28. Other investment claims**

Field of activity	EEK thousand	Share (%)
Agriculture, hunting and forestry	4,807	0.0
Fishery	15,756	0.1
Mining and quarrying	41,425	0.2
Manufacturing	2,912,698	11.2
Electricity, gas and water supply	63,799	0.2
Construction	149,327	0.6
Wholesale and retail trade; repair	2,889,721	11.1
Hotels and restaurants	33,616	0.1
Transport, storage and communications	1,830,325	7.0
Financial intermediation	19,247,253	74.0
Real estate, renting and business activities	536,283	2.1
Public administration and defence; statutory social insurance	364,550	1.4
Education	1,709	0.0
Health care and social welfare	x	x
Other community, social and personal service activities	52,782	0.2
Not classified	x	x
<b>Total</b>	<b>26,004,945</b>	<b>100.0</b>

**Table 29. Other investment liabilities**

Field of activity	EEK thousand	Share (%)
Agriculture, hunting and forestry	67,403	0.1
Fishery	153,466	0.3
Mining and quarrying	16,159	0.0
Manufacturing	3,875,553	7.7
Electricity, gas and water supply	3,437,455	6.8
Construction	334,557	0.7
Wholesale and retail trade; repair	4,705,644	9.4
Hotels and restaurants	85,286	0.2
Transport, storage and communications	5,324,083	10.6
Financial intermediation	28,028,485	55.7
Real estate, renting and business activities	1,966,423	3.9
Public administration and defence; statutory social insurance	2,122,915	4.2
Education	x	x
Health care and social welfare	x	x
Other community, social and personal service activities	128,408	0.3
Not classified	75,792	0.2
<b>Total</b>	<b>50,324,677</b>	<b>100.0</b>

0 – very small figure or no occurrence

x – not subject to disclosure pursuant to data protection principles