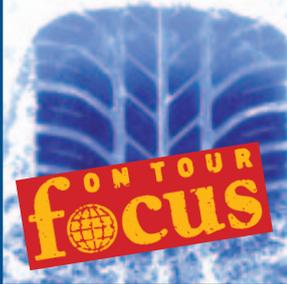


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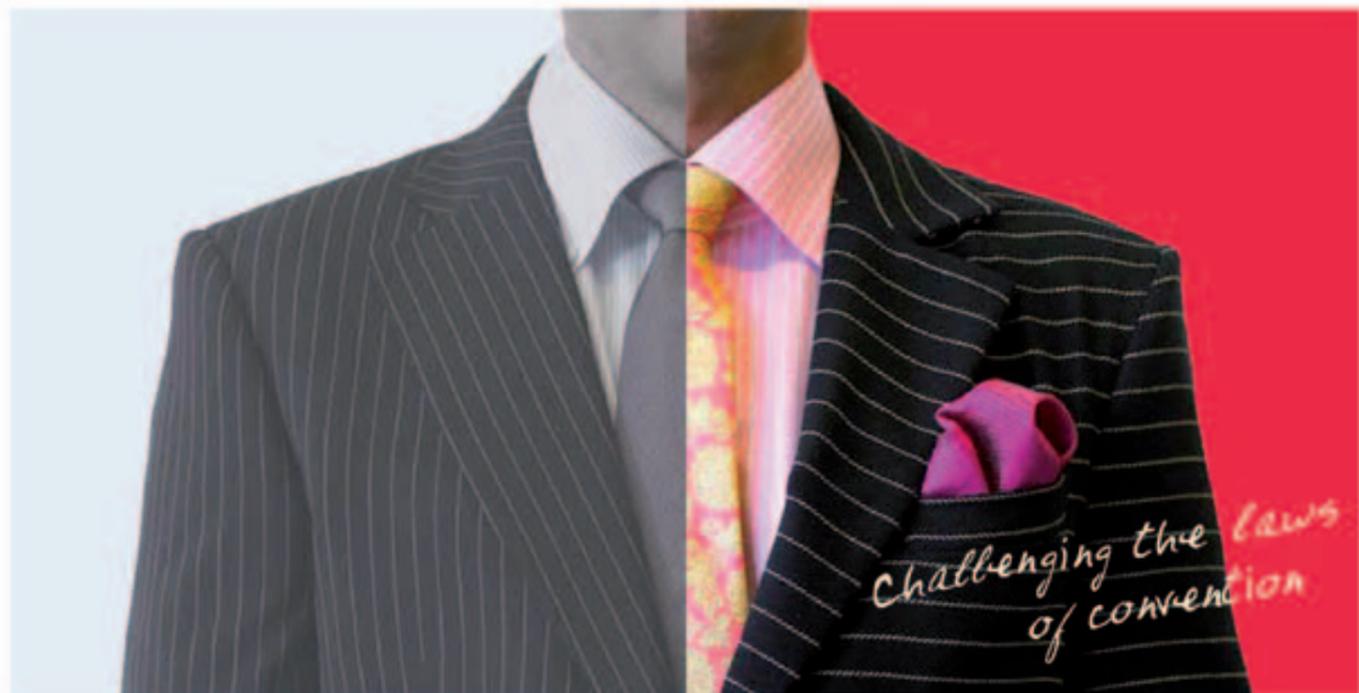
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focus
met:

Jan Palmstierna
Ambassador of Sweden
to Estonia

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Anders Hedman
Chairman
SCCE

Photo: Kadi Asmer

Dear reader, Sweden will help the Baltic's, but please behave!

During the last half year we have seen that the reality has finally reached the Baltic States. Many people refer to it like: After the party comes the hangover!

For sure the Baltic States were not alone at the party. Basically the whole world was invited to the party and has now to deal with it. I will not spend more time on making any forecasts here in my focus editorial, because no one knows what really will happen globally!

The situation for the Baltic's is however not so bad, if the situation is handled professionally by the public sector as well as by the private sector. What speaks for the Baltic States is the geographical location, the size of the countries, infrastructure, education and readiness for work. What is necessary now is to cut the costs. This will improve the competitiveness of the region and lower the inflation which makes the risk for devaluation lower.

Sweden, being the biggest investor in the region has also clearly committed itself to support the Baltic States financially. Sweden being itself 9 million people with a strong industrial and financial base has already not only supported the last 15 years growth here, but also now showed a willingness to give state to state financial support. The Swedish taxpayers are also very positive to the Baltic States historically. The Swedish Krona has also now acted as a shock absorber for the Baltic currencies. All this is of course risky for a country like Sweden.

All this means that the Baltic Governments must show dedication and responsibility. It is therefore necessary to not only cut away stupid spending that irritates your own population, but also can irritate the Swedish taxpayers. Here I must say that it is time for Estonia to think about the picture of Estonia abroad.

Let me make a fast recap. In 1991 the Estonians were considered as poor people in every respect, having been oppressed under Soviet occupation. It was very easy to get the public in Sweden to agree to support the Baltic independence. Sweden was also politically ready to support the Baltic States both politically and financially, as it took away aid and support from communist regimes in the third world and decided to help the neighbors instead. This has been shown in almost all sectors of life.



During the last three years the picture became different. Estonia was described as a

booming country, a tax paradise, with sharply rising salaries and loans and with most SUVs (big jeeps) per capita in the world. Especially that last fact made very many Estonian politicians very proud!!

Since last autumn the reports in Swedish media are very negative. The Swedish media basically communicated to the Swedes that their bank accounts, savings and pension money is threatened by the Swedish exposure in the Baltic's. There is of course some truth in this, even if it is exaggerated and it needs to be addressed before too much damage is made.

According to Swedish mentality the changes and good examples must come from the top. According to eastern tradition the changes are ordered from the top but only counts for the bottom.

Estonians often used to describe themselves as being between east and west and I believe that is true, also in this respect unfortunately. Therefore it is very important that Estonian leaders show good example and start cutting costs and expenditures for themselves and live up to the word political correctness.

Swedes are not impressed by show off actions like the new Russians. On the contrary! In Sweden you should have a low profile if you want to be successful. The best example of this is IKEA's founder Ingvar Kamprad. He is one of the world's richest persons and at the same time the most respected business man in Sweden. This should normally be impossible according to the Jante law!

How has he then managed? Well, he lives a very low key life, with his feet on the ground and when he leaves his feet from the ground, he does it in economy class, not in a private jet!

I read that the Lithuanian President had a problem getting himself to Davos World Economic Forum meeting since he used to charter FlyLAL planes and as they went out of business he had big problems to get himself to Davos in a way which would be decent for him.

This is the same stupidity as the three big bosses of American car industry flying to Washington D.C in private jets asking for money to save their jobs. The American people were not impressed and the Swedish people would not either. The Russian people would probably only conclude that they have always been flying private jets and will always do that. What we think doesn't really matter!

I hope the Estonian people cares how their leaders behave, because the Swedish will for sure be more sensitive for Baltic behavior style in the future.

On a long term basis, your friends will judge you depending on how you behave, therefore it is time to address this present situation and improve it!

We, Swedes who live here and the Swedish Embassy, does what we can to improve the picture of Estonia, but we need help, otherwise the situation will just get worse and this is not good for Sweden, nor for Estonia!

I hope that the hangover stays at the level of headache and that other symptoms of hangover can be avoided!

Enjoy reading **focus** nr 1, 2009!

Anders Hedman
Chairman SCCE

The Swedish Chamber of Commerce in Estonia

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

The Swedish Chamber of Commerce in Estonia – SCCE – is a non-profit association registered in Estonia. Since its foundation 1991 the SCCE has grown considerably and today the Chamber unite close to 130 member companies and organizations headquartered in Estonia, Sweden as well as in other countries.

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

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

Following a SCCE initiative, FICE - Foreign Investors' Council in Estonia was founded in August 2008. FICE is a lobby group acting through contacts with the Estonian Government and Estonia's Governmental bodies. Together, the nine countries represented among FICE's members had a more than 80% share of the total foreign direct investments in Estonia during 2008 [source: Eesti Pank]. Special and unique SCCE member benefits include listing in the SCCE Trade Directory, an opportunity to a further market introduction in the Member in HighLight section of the Chamber's website as well as taking advantage of a steady flow of Special Offers.

The fee for basic membership in the Swedish Chamber of Commerce in Estonia is EEK 5.900,- per year and EEK 20.000,- per year for Royal Membership (2009). Membership is only granted to legal entities.

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

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

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

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Subscriptions and additional copies

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

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

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

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The General Assembly 2009

Smooth and effective proceedings and a nice and cosy atmosphere characterized SCCE's General Assembly at the Three Sisters Hotel in Tallinn February 19th.



Being the supreme governing body of the Swedish Chamber of Commerce in Estonia, the General Assembly could look back at a successful 2008 as the Chamber's Annual Report was presented.

15 new members joined the SCCE in 2008 and together with SCCE's old members they could choose between 22 different seminars, study visits, activities and events arranged by the Chamber during the year.

As of the date of the General Assembly, February 19th three new members have joined SCCE and two of the Chamber's old members have chosen to become Royal Members.



SCCE's Council 2009 (left to right):

Anders Hedman – Sirowa, Per Lindberg – Stoneridge Electronics, Karolina Ullman – MAQS Law Firm, Henrik Avasalu – Swedish Trade Council, Katrin Luhaäär – Scandinavian Airlines, Anders Näslund – Boomerang Subcontracting, Reidi Strandberg – Rödl & Partner, Rein Leipalu – Ragnsells, Tiina Reijonen – Reval Hotels. Portrait: Kristoffer Lindberg – SEB.

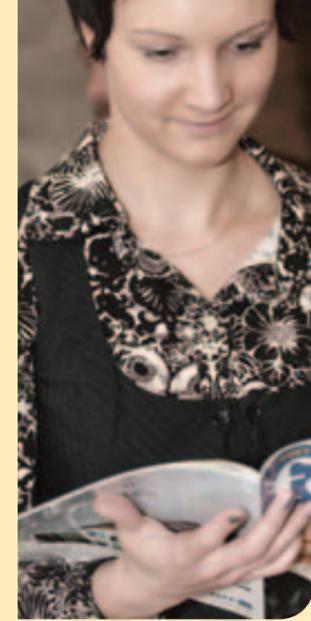
Meet SCCE's Council 2009

An important task for the General Assembly is to elect the Chamber's Council. This year SCCE could welcome Katrin Luhaäär – Scandinavian Airlines and Rein Leipalu – RagnSells as new members of the Council. Kurt Söderström and Johan Aschan had decided to leave the Council and were duly thanked for their contributions to the Chamber.

The new SCCE Council had its first meeting March 10th and re-elected Anders Hedman as Chairman and elected Karolina Ullman as Vice Chairman.

The minutes of the General Assembly and the Annual Report 2008 are available online at www.swedishchamber.ee.

Report: Kristiina Sikk – SCCE Ombudsman



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The basics of Bankruptcy protection or Reconstruction

by Timo Kullerkupp and Jacob Strandgaard Andersen, MAQS Law Firm



Timo Kullerkupp

Several countries have adopted bankruptcy protection legislation. In the US it is known as „Chapter 11“ bankruptcy, and has been used to give time for very large corporations such as the Lehman Brothers to develop a plan to reorganize in times of financial difficulties.

In Denmark and Sweden similar legislation has been adopted and developed over the years. It is known as Suspension of Payments or Company Restructuring, or commonly just „Restructuring“. It offers a chance for companies to solve financial problems without being declared bankrupt.

Further, the company is obliged to continuously work towards a viable restructuring plan and/or an agreement with its creditors. The court may resolve to ratify a composition settlement, binding for all the creditors, even if it has only been accepted by a qualified majority of them.

For the employees a situation with suspended payments naturally causes uncertainty. They are however given the right to demand financial security for their first upcoming salary payment. Failure to provide security entitles the employee to terminate the employment relationship.



Jacob Strandgaard Andersen

The period of restructuring is initially three months, with a possibility of extending it for up to twelve months. The court also has the discretion to end the restructuring, if the company does not loyally cooperate, if the restructuring lacks purpose, or if the company is not adequately working towards a solution for the company. The administrator is also under an obligation to notify the judge if any of these reasons exist.

If the company is successful in achieving a deal with its creditors or otherwise is able to restructure the company, so it can meet its obligations in the future, the goal has been achieved. It may involve reduced payments of the creditors' claims, but quite often this reduced payment will be much larger than the potential dividend that the creditors would receive had the company been declared bankrupt to begin with.

Should the attempts to save the company fail, the company will often file for bankruptcy itself. If not the suspension of payments will end in any event, opening up for individual debt collection and/or creditors' bankruptcy petitions.

The new Estonian legislation

The Estonian parliament adopted the Estonian version of „bankruptcy protection“ in the end of 2008. The aims of the act are similar to the ones of US and Scandinavia – to provide additional opportunities in Estonian insolvency legislation. As causes for insolvency and future prospects may greatly differ from one case to another, so must the law and the treatment

of insolvency. Reconstruction provides viable alternatives to bankruptcy by allowing for both the company and its creditors the chance to continue business and have the claims satisfied through future income.

Reconstruction proceedings can be started by the company itself. The requirements the business has to meet, which also have to be explained in the application include prospects of insolvency, need for reorganisation and the possibility that the company can overcome its insolvency problems through sustainable management. Upon the existence of the above circumstances the court shall start the reorganisation proceedings and appoint a reorganisation advisor (Est: saneerimisnõustaja), who has a substantial role in what follows.

Once reorganisation has started there are several consequences for the company and its creditors. Execution proceedings against the company are halted, with some exceptions. The accumulation of interest on arrears and contractual penalties that increase over time is stopped. Court cases against the company, and bankruptcy actions are suspended. The period of the above-mentioned measures shall be decided by the court, being either the moment of adoption of the reorganisation plan or the completion of execution of the same.



The reorganisation advisor acts largely as an intermediary between the court and the company and between the creditors and the company. The reorganisation advisor provides information to the court and the creditors, he or she advises the company, constantly analyses the insolvency situation of the company. He or she is in addition obliged to put together the reorganisation plan, which includes the description of all measures to be taken in order to achieve the ultimate goal of solvency. The measures may include transformation and alterations of the creditors' claims. The means may include extension of due dates, reduction of indebted amounts, payment in instalments etc. It must be said that claims arising from employment relations cannot be altered in the reorganisation proceedings.



The creditors play a role as well. They are the ones who approve the reorganisation plan. They also have a right to be kept informed of the proceedings and the status of the company allowing for comfort and protection.

Although the act is new and the practice of its use is yet to be seen, it does provide for more opportunities in cases of insolvency in Estonia. Companies with good prospects can through the means provided find ways to continue their business and get protection from the creditors while the latter should expect a far better result than they would receive in the case of bankruptcy. It should be considered as an option mostly for larger companies because it can be quite costly, but as an investment, should be worth it.

Some remarks regarding the new Estonian Employment Contract Act

by Karolina Ullman and Marget Henriksen, MAQS Law Firm

After long debates, the new Employment Contracts Act was finally passed by the Estonian Parliament Riigikogu on 17



Karolina Ullman

December 2008. The new act will enter into force on 1 July 2009. The current Act has been effective since the beginning of the 1990's and during the last decade, a new act has almost been passed by the Parliament three times without making it to the final round.

But now it's here and with it, the Wages Act, the Working and Rest Time Act and the Holidays Act are repealed, since the provisions of those acts are implemented in the new Employment Contract Act.

One major change introduced by the new Employment Contract Act is shortening of the mandatory notification periods in the case of redundancies. While at present, the law requires that employers inform people who they plan to make redundant two to four months ahead, now they can soon do it with shorter notice. The notice periods are in general cut by one month.

Besides cutting notification periods, compensation to be paid to an employee upon redundancy will also be reduced and the principles for payment of the compensation will change. While at present the employers are obliged to pay compensation amounting to two to four monthly wages, depending on the length of the employment. Under the new Employment Contract Act, they will need to pay only one average monthly wages in compensation. If the employee has been five years or longer with the company, additional compensation of one to two months wages will be paid for by the Unemployment Insurance Fund to the employee.

If unemployed, an employee will receive unemployment insurance benefit for between 180 to 360 calendar days, depending on the length of the period the employee has been working before becoming unemployed.

If the employment contract has been terminated due to redundancy, the employer is obliged to give the employee some time off to seek for a new job.

When terminating the contract in breach of the law, the employer must pay compensation of three months wages. This means that the price tag of dismissing



Marget Henriksen

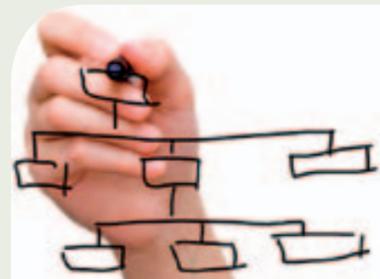
Scandinavian practice of Reconstruction



From the Scandinavian neighbour countries we have learned that during the period of Restructuring, individual debt collection and bankruptcy petitions are suspended, which allows the company to continue its day-to-day operations. The overall purpose is to give the company time to restructure its financial situation and explore possibilities for making an arrangement with its creditors.

The formal decision on restructuring is taken by a judge, upon the petition from the company. The company typically seeks this option when it is unable to meet its obligations, but still believes it has a chance of survival. The judge will also appoint an administrator, typically a bankruptcy lawyer, to oversee the process.

Although the company can continue its day-to-day operations, there are a number of limitations on the decisions a company can make during the period of restructuring. There are strict limits on payment of debts, and all important decisions have to be approved by the administrator.

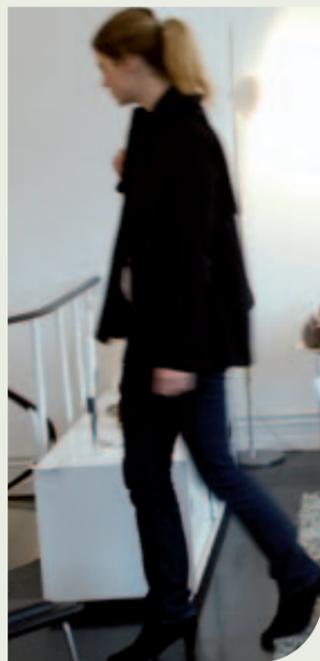


a person is now clear. There is no possibility for a dismissed employee to claim restatement in employment as under the current law unless the dismissed person was pregnant at the time or he or she was an elected representative of the employees at the work place.



The new Employment Contracts Act does not make it mandatory to pay additional salary for work during evening time; however, the amount of additional salary payable for work during night time is increased. In addition, overtime work is to be compensated by time off. Only if especially agreed upon, overtime will be compensated by money and if so, at least 1.5 times the normal salary.

According to the new Employment Contract Act, non-competition clauses are valid after the termination of the employment contract only if the employer pays special compensation and such compensation must be paid after the end of the employment, not during the employment as many companies do today.



For many, the best news introduced by the new Act is that the employers' record book (Est: tööraamat) as well as the personal information sheet (Est: isikukaart) will be abolished.

According to the legislator, the new Employment Contract Act is supposed to increase labor market flexibility and increase the company's chances to survive during tough times; thank you Riigikogu!

For companies, it is thus now a good time to make a review of all your employment agreements to see if they should be amended to be able to benefit from the new Act. As usual, employers can give employees more favorable conditions than the law prescribes. If your company's employment contracts for example repeats the wording of the current law and this is more favorable for the employee than the conditions set in the new Act, the old agreed conditions will still apply unless the parties amend the agreement.

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Jan Palmstierna

Ambassador of Sweden to Estonia



Ambassador Jan Palmstierna handed over his credentials to President Toomas Hendrik Ilves September 2nd last year. Jan Palmstierna came from a position as Ambassador and Chief Coordinator for Trade and Investment Promotion at the Ministry for Industry and Trade and the Ministry for Foreign Affairs in Stockholm.



• Handing over the diplomatic credentials follows a tradition going way back in history, told Jan Palmstierna as **focus** met him at the Swedish Embassy in Tallinn's old town. The international diplomatic protocol calls for the credential letter to be signed by the Head of State and it should be personally delivered to the Head of

State in the host country. My credential letter was consequently signed by Sweden's King Carl XVI Gustaf and I delivered it to President Ilves at the Kadriorg Palace in connection with a solemn ceremony.

• The Baltic States are not new to me, continued Jan Palmstierna. I served as Ambassador of Sweden in Lithuania 1999 – 2004 and I have also come in contact with Estonia, Latvia and Lithuania in my different positions within international commerce and trade in the Ministry for Foreign Affairs and the Swedish Parliament.

Priorities 2009

We have an intensive year ahead of us 2009, said Jan Palmstierna. Promoting Sweden and Swedish interests are always on top of our agenda and this year we also focus on Sweden's upcoming Presidency of the European Union as well as the global financial situation.

• Swedish banks are dominating the financial market in Estonia and it is also obvious that financial decisions made by the

Swedish Government will have an effect on Estonia, just as financial decisions made by Estonia's Government will have an effect on Swedish interests. There is a close and ongoing cooperation between our two countries' Central Banks, Riksbanken and Eesti Pank, and there is an equally close cooperation between the Swedish and Estonian Financial Supervisory Authorities.



• Sweden is keeping its position as the leading nation in terms of foreign direct investments in Estonia and a major task for us is to contribute to a further development of the commerce and trade between our two countries. We at the Embassy are working closely together with the Swedish Trade Council in Tallinn and the network of the Swedish Chamber of Commerce in Estonia provides an additional platform for our promotion work.

Ambassador Jan Palmstierna

- 2008–** Ambassador of the Kingdom of Sweden to the Republic of Estonia
- 2004–2008** Ambassador and Chief Coordinator for Trade and Investment Promotion, Ministry for Industry and Trade (2004-2006) and Ministry for Foreign Affairs (2006-2008)
- 1999–2004** Ambassador of Sweden to Lithuania
- 1995–1999** Minister, Embassy of Sweden, Bonn, Germany
- 1990–1994** Deputy Director and Director, Trade Department, Ministry for Foreign Affairs
- 1987–1990** Secretary of the Standing Committee on Foreign Affairs, Swedish Parliament
- 1984–1987** Desk officer, Eastern Europe and Staff Department, Ministry for Foreign Affairs
- 1983–1984** Skandinaviska Enskilda Banken (SEB), Malmö, Sweden
- 1979–1983** First Secretary, Embassy of Sweden, Copenhagen, Denmark
- 1977–1979** Second and First Secretary, Embassy of Sweden, Santiago de Chile
- 1976–1977** Officer, Law department, Ministry for Foreign Affairs



► **1974–1976**
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1972–1974
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Sweden abroad

A priority task of missions abroad is to promote Swedish economic interests, by providing services to Swedish companies and encouraging foreign investments in Sweden.

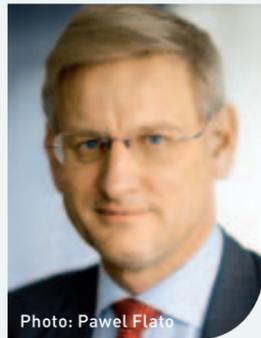


Photo: Pawel Flato
Carl Bildt
Minister for Foreign Affairs

The Swedish Foreign Service comprises the Ministry for Foreign Affairs and 104 missions abroad, which include embassies, representations, delegations and consulates. A total of approximately 2.500 persons work in the Foreign Service.

The Swedish foreign representations report directly to the Ministry for Foreign Affairs while they, at the same time, are autonomous government agencies.

The number of persons posted at a Swedish mission abroad varies from one to around seventy. Among the largest Swedish embassies ►

• Sweden will enter its second period of Presidency of the European Union July 1st this year and our Presidency will last for a six months period until December 31st. It is a unique opportunity for Sweden to lead and influence the work with important EU issues and a main task for us at the Swedish Embassy is to inform and communicate the Swedish Government's goals and what Sweden wants to achieve during the Presidency.

• The overall goal of the Swedish Government during the Presidency is to strengthen Sweden's role in the EU, to serve EU's interests, to strengthen EU's role as a global actor and the Swedish EU Presidency agenda is quite extensive, told Jan Palmstierna.

• Jobs, economic growth and competitiveness are three important issues, all of them having a direct impact on today's global financial situation. In connection with her visit to Tallinn last autumn, Maud Olofsson, Sweden's Minister for Enterprise & Energy and Deputy Prime Minister, highlighted climate, environment and energy as three other important issues on our EU agenda. A safer and more open Europe, the Baltic Sea strategy and EU's relations with neighbouring countries like for example Russia, Ukraine, Moldova and Belarus are also included on Sweden's EU work programme.

• On a Nordic – Baltic level we will continue to support the cooperation between the eight countries involved. As early as 1989, discussions began within the Nordic Council on how to work best with the Baltic States at parliamentary level. Originally known as 5+3 the Nordic - Baltic cooperation began formally in 1992. In year 2000 Toomas Hendrik Ilves, at that time Estonia's Foreign Minister, took an initiative for a closer Nordic - Baltic cooperation named with a term expressing the enhanced unity "Nordic-Baltic-Eight" - NB8.

• Promoting and increasing the public awareness of Sweden is an ongoing work for us and all other Swedish Diplomatic Missions abroad. Swedish ski resorts have become popular among Estonian families and so has Stockholm and other Swedish cities offering a wide selection of cultural events,



Swedish Embassy and the activities and performances we offer throughout this day.

unique historical sites as well as shopping opportunities. The northern part of Sweden, often referred to as Europe's last wilderness, is an additional unique and valuable resource Sweden can offer visitors from abroad.

• We intend to highlight the Swedish National Day June 6th and we are happy to note that the May 9th Open Doors Day of all EU Embassies in Tallinn have attracted a lot of Estonians to visit the

Sweden's Diplomatic Mission in Estonia

• Following the establishment of the Republic of Estonia in 1918, Sweden recognized Estonia 1921 and opened a diplomatic mission in Tallinn the same year.

• In December 1989 a branch office of the Swedish Consulate General in Leningrad was opened in Tallinn. The status of this office was changed in August 1991 and as the first foreign country Sweden re/opened its Embassy after 51 years. Three years later the Swedish Embassy moved into the beautiful von Rosen palace at Pikk 28 in Tallinn's old town.

• In addition to myself there are 14 staff members at the Embassy, said Jan Palmstierna. Sweden has also two Honorary Consulates in Estonia with Mr Ahti Puur serving as Honorary Consul in Narva and Mr Madis Kanarbik serving as Honorary Consul in Tartu.

Future Ambassadors of Sweden

• A diplomatic career is indeed popular among young people in Sweden. The Ministry for Foreign Affairs offers a diplomatic trainee programme and usually some 1.000 – 1.500 persons compete for the 10 – 15 trainee positions being available. An academic degree is mandatory for the applicants and they are in most cases around 25 years old when they send in their application. They should possess a very good knowledge about the Swedish society in general as well as international issues and issues involving Sweden in the international community. Many of

► are Washington, London, Berlin, Moscow and Beijing. The smallest Swedish mission abroad is the consulate-general in Mariehamn on Åland, with one official posted.



Photo: Pawel Flato
Ewa Björling
Minister for Trade



Photo: Pawel Flato
Gunilla Carlsson
Minister for International Development

Diplomacy

While diplomacy has been practiced since the first city-states were formed millennia ago, more modern diplomacy is often traced back to the states ►

► of Northern Italy, with the first embassies being established in the 13th century. It was in Italy that many of the traditions of modern diplomacy began, such as the presentation of a diplomat's credentials to the Head of State.

The ability to practice diplomacy is one of the defining elements of a State and from Italy the practice spread to other European countries. During the Renaissance and onwards diplomats were usually relatives of the ruling family or of a noble or very high rank in order to give them legitimacy.

By the early 18th century the elements of diplomacy had spread to Eastern Europe and Russia, but the entire diplomatic edifice became disrupted by the French Revolution and the subsequent years of warfare.

After the fall of Napoleon, the 1815 Congress of Vienna established an international system of diplomatic rank. However, disputes on precedence among nations persisted for over a century until after World War II, when the rank of Ambassador became the norm.

Today's international standards on diplomatic relations were formalized by the 1961 Vienna Convention. Pending the size of a diplomatic mission most embassies are headed by an Ambassador followed by a varying number of diplomatic ranks; Minister, Minister-Counsellor, Counsellor, First, Second, Third Secretary, Attaché, Assistant Attaché.

Chargé d'affaires is a separate title used when an Ambassador or other head of mission is not present, has not been appointed, or is otherwise not able to discharge duties in a specific location.

Consular commissions often include services provided for citizens or residents of the sending country, as well as, for example visa services for nationals of and residents in the host country.

them have actually been studying and working abroad when they apply. Fluent English is a demand as well as good skills in a second language and mastering a third language is a merit.

• A Swedish Ambassador typically serves at one location for three years with a possibility to prolong the posting for another two

years, concluded Jan Palmstierna. There have however been exceptions through time. In the USA Wollmar Boström served as envoyé for twenty years 1925-45 and among the long-time Ambassadors to the USA I can mention Erik Boheman 1948-1958, Hubert de Besche 1964-73 and Wilhelm Wachtmeister 1974-89. In the Soviet Union Sweden had Rolf R:son Sohlman based in Moscow 1947-64 followed by Gunnar Jarring 1964-73 and in Russia Sven Hirdman served 1994-2004.

Text: Megazine – Tallinn
Photo: Lea Tammik

Meet the Swedish Embassy Staff in Tallinn



Anna Valve
First secretary EU affairs, politics, Sweden Promotion



Hans Hansson
Lt Col
Defence attaché



Liina Kümnik
Press, Sweden promotion, webmaster



Gunilla Holmberg
Third secretary Archivist, consular and passport issues



Tiina Saidla
Consular issues, residence and work permits Assistant to the Defence attaché



Ülle Nurme
Cleaner



Katrin Valdek
Third Social secretary, cashier



Rille Villems
Receptionist

Not available for photo at focus visit to the Swedish Embassy:

Victoria Forslund Bellass
Counsellor / Migration and administrative affairs, EU affairs, economics/trade, security affairs

Emilia Nummelin / Intern

Stefan Pettersson
Nordic police liaison officer

Kadri Haljasorg
Assistant to the Nordic police liaison officer

Steven Põllo and Bruno Paesalu
Drivers

Taxes 2009

There are some exemptions on social tax to be paid for remuneration actually paid for a particular month; if the employee is a minor (up to 17 years old) or if the employee, as a parent or a guardian, is raising a child under 3 years of age or three or more children under 19 years of age. This exemption is also valid for pupils and students.

Unemployment tax

The unemployment tax rate was increased to 1% for employees (withheld) and 0.5% for employers as of January 1st this year.

Income tax

In 2009 the income tax rate is 21% (same as in 2008). The current plans, which might be changed, calls for a 20% income tax rate 2010, 19% in 2011 and 18% in 2012.

Changes were not made for dividend payments – we still have to pay income tax 21/79 from the dividend amount. From January 1st, 2009 companies shall also pay income tax on decrease of share capital or contribution as well as from the part of liquidation proceeds payments which exceed the monetary and non-monetary contributions made to the owner's equity.

There is an illustrative table showing how to tax a decrease of the share capital.

A company has 2 owners – a natural person Mr. X and a company OÜ Y. The nominal value of shares paid is 160,000 EEK. In year 2003 there was an increase of equity with bond issued in the amount of 1,160,000 EEK and in 2009 the owners decided to reduce the share capital by 900,000 EEK.

Owner	Share capital	Participation	Bond issue after 2000
MR X	40,000	25%	250,000
OÜ Y	120,000	75%	750,000
	160,000	100%	1,000,000

Owner	Share capital after bond issue	Reducing	After reduction	Taxable amount
MR X	290,000	225,000	65,000	185,000
OÜ Y	870,000	675,000	195,000	555,000
	1,160,000	900,000	800,000	740,000

To calculate the tax amount, you have to compare the nominal value paid (160,000 EEK) and payment paid out to the owners (900,000 EEK). The difference between the money paid and the reduction amount is taxed. Income tax is (900,000 - 160,000) *21/79= 196,709 EEK.

Dividends based on dividends received from a resident company of a state which is a contracting party to the EEA Agreement or of Swiss Confederation for 10% minimum participation are exempt from income tax. Up until December 31st, 2008 the minimum participation margin was 15%.

VAT

There are a lot of changes in the VAT Act, but in general the changes are more self-explanatory.

Work under guarantee is taxable as of January 1st this year.

Value added tax rate 9% is charged on books, medication, periodical publications and accommodation services. Up to December 31st, 2008 the tax rate was 5% on these goods and services.



Though changes have been made in the Estonian tax system this year, we still have a rather simple, straight forward and transparent taxation system, says Reidi Strandberg, MBA, Board Member and Associate Partner of Rödl & Partner.

Main changes made concerns the tax payment system as such, the social and unemployment taxes and the VAT. The income taxation 2009 remained the same as it was in 2008, which is not a change but it is indeed a change of previous political plans.

A brief summary on the major 2009 taxation changes in Estonia is presented below.

The Estonian Taxation Act 2009

Effective January 1st 2009, all tax payments will be handled in one online tax account. Every person has one prepayment account and one unique reference number for all tax payments.

This definitely simplifies the tax payment procedure and the sequence for fulfilling the tax obligations is appointed in the Estonian Taxation Act §105 (6).

Since this system has changed it might cause some problems for accountants. It is difficult to determine how to report the prepayment account in the bookkeeping since there are no changes in the accounting law regarding tax types and in the annual report you have to reflect all tax balances according to the type of taxes.

Excess payment from claims for refund is transferred to the person's prepayment account after the tax authority has accepted the refund claim. Payment of tax nowadays arrears in installments and has become an important issue as a well-founded application should be presented to the Tax Board. It should also be noted that payment in installments does not free the taxable entity from fulfilling current tax obligations.

Social tax

The minimum monthly amount from which social tax will be calculated is 4,350 EEK and consequently the monthly minimum social tax is 1,436 EEK.

This only concerns employers working under employment contracts and not contracts for services (members of the management board or supervisory board). If an employee is employed by more than one employer and the salary from every employer is less than 4,350 EEK, the minimum monthly social tax should be paid by one employer only. And that should be made by the employer who is calculating the monthly tax free amount from the salary payments.

The minimum social tax should not be paid if the employment relationship is cancelled (holiday, sick leave). However, minimum social tax should be paid for a holiday period granted without salary payment to the employee.

The car

The most unpopular Estonian taxation change this year concerns the car!



Photo: Goodyear

Effective January 1st, 2009 amendments to the Value Added Tax Act and the Income Tax Act entered into force. Among other things, the monthly tax payments payable increased when an employer's automobiles are driven for personal use.

Value Added Tax

The price of the car as a fringe benefit incl. VAT is 4,000 EEK. Every month VAT in the amount of 610 EEK shall be paid for every car used as a fringe benefit (until December 31st, 2008 it was 305 EEK).

Income Tax

As the price of the car fringe benefit is 4,000 EEK, income tax amounting to 1,063 EEK/month should be paid for every car used as a fringe benefit (until December 31st, 2008 it was 531 EEK).

Social Tax

33% social tax is calculated from the sum of the price of the car fringe benefit and the income tax calculated from it. Every month social tax amounting to 1,671 EEK should be paid for every car used as a fringe benefit (until December 31st, 2008 it was 835 EEK).

The total tax costs per month per car are 3,344 EEK (until December 31st, 2008 it was 1,671 EEK) and the total tax costs per year per automobile are consequently 40,128 EEK. It is important to note that this is the tax amount payable if the car travels are not registered.

If the car travels are registered, the price per kilometer is 4 EEK. Pending the distance of private car travels, the price of the fringe benefit could be less than 4,000 EEK.

Personal car

The Government of the Republic has changed the size of the benefit for using a personal car for work travels and as of this year it is exempt from tax, if the travels are registered in a driving log and the distance driven for private use is less than 1,000 km per month.

When driving the car for personal use, every driven kilometre is valued as a benefit amounting to 4 EEK/km. If the monthly driven private distance exceeds 1,000 km/4,000 EEK this benefit is taxed with income tax and social tax as a fringe benefit.

If the work travels with a personal car are not registered in a driving log the benefit is valued at 1,000 EEK.



Text:

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The first 91 years



The Swedish Chamber of Commerce in Estonia continues the tradition of celebrating Estonia's Independence Day. This year a reception was arranged in cooperation with the German – Baltic Chamber of Commerce at the Estonian War Museum General Laidoner Museum in Viimsi Manor.



Indrek Tarand

Indrek Tarand, the Director of the museum, gave life to Estonia's dramatic first years of Independence, with a special focus on General Johan Laidoner and foreigners fighting for Estonia during the War of Independence 1918 - 1920.

- Aged seventeen, Johan Laidoner volunteered for the army 1901 and was stationed in Lithuania. The following year he entered the military academy in Vilnius and continued his military education at the Imperial Nikolai Military Academy in St. Petersburg.

- Laidoner returned to Estonia and took command of the First Estonian Division, part of the national independence army in the Estonian War of Independence. In 1918 he was promoted to Commander in Chief of the Estonian Armed Forces.

- After relinquishing his first period as Commander in Chief 1920, Laidoner went on to chair several government committees, including the Estonian Olympic Committee.

- Resuming his duties as Commander in Chief 1924 – 1925, Johan Laidoner took part in crushing an attempt by Estonian Communists, supported by the Soviet Union, to overthrow the Government on December 1st, 1924.

- Johan Laidoner's third period as the Estonian Commander in Chief lasted for six years, 1934 – 1940. In 1934, during the international Great Depression, the Estonian League of Liberators (Vaps) threatened Estonian political order with the launch of a radical right wing, quasi-fascist regime. To fend off the efforts of the league, Laidoner reclaimed his position as Commander in Chief at the request of President Konstantin Päts who assumed emergency powers and together Päts and Laidoner froze all political party activity.

- Johan Laidoner administrated Viimsi Manor from 1929 until he was captured by the Soviet NKVD 1940. General Laidoner died in the Soviet Vladimir Prison Camp 1953.



General Johan Laidoner

It would be wrong to say that the world supported Estonia with massive reinforcements in terms of troops, weapons and supplies during the War of Independence. But, Estonia was not totally alone. The greatest number of volunteers came from Finland and additional volunteers also came from Sweden and Denmark. Great Britain sent a naval squadron to Tallinn and USA helped Estonia with humanitarian aid.

Carl Mothander [see focus 4/08] and Einar Lundborg were two Swedish officers fighting for Estonia during the War of Independence.



Einar Lundborg and the Estonian armoured vehicle Kalewipoeg

Einar Lundborg had a short, but indeed very adventurous and colorful life. Born in Sweden 1896 he became an army officer 1916. His diary, other personal documents and photos, are now kept at Krigsarkivet – the Military Archives of Sweden in Stockholm, telling the story of his fight for the 'Whites' in Finland 1918 and his fight for Estonia against Soviet Russia 1918 –1920.

Einar Lundborg survived both wars, returned to Sweden as a Captain and picked up pilot training in the beginning of the 1920's.

Einar Lundborg became the man who saved the Italian General Umberto Nobile in the Arctic region 1928. Nobile's airship Italia had crashed on its way back from the North Pole and Lundborg and his single engine Fokker aircraft was one of several units sent out for locating and rescuing the survivors of Nobile's expedition.

Einar Lundborg's efforts 1928 brought him international fame, and his previous actions in the Estonian War of Independence were also highlighted and described as a fight for the right cause in international media. A bit stunned, Einar Lundborg wrote in his diary that this sudden international attention for Estonia's cause came ten years too late.

Aged 35, Einar Lundborg died in a plane crash 1931.

Text: Megazine - Tallinn

The Estonian War Museum General Laidoner Museum

Viimsi Mõis
Mõisa tee 1 / Viimsi

Open:
Wed – Sat 11 am – 5 pm



focus on the ECONOMY



The first months of a new year are filled up with annual reports, comments on the year past and an outlook on the year to come. From an Estonian and Swedish perspective the reports and statements from our countries' Central Banks, Eesti Pank and Riksbanken, as well as the reports from the Swedish Banks dominating the Estonian financial sector are of special interest.

focus has taken a look at these reports and has added a summary on political signals and initiatives in Estonia, Sweden and the international arena.

Estonia

- To cope with the current global and domestic stresses, Estonia can look to strengths in its policy and structural frameworks, said IMF, the International Monetary Fund, in a statement following their December 2008 Staff Mission visit to Estonia. First among these strengths is the fixed exchange rate, underpinned by the robust currency board arrangement. This should anchor price expectations, leading to a sharp decline in inflation.



- Second, the banking sector is well capitalized and almost entirely owned by Nordic groups that benefit from supportive stabilization programs in their home countries.

- Finally, Estonia's labor and product markets are flexible, which should help smooth the transition to recovery.

- The major policy challenge is the Estonian State budget, concluded IMF in their statement. What is needed now is early action to achieve fiscal consolidation.

Eesti Pank:



Estonia's Central Bank, Eesti Pank, in their February 2009 Economic Policy Statement.

- Whereas the economies of Estonia's main trading partners are projected to decrease 3% on average, Estonia's economy may contract up to 9% per cent in 2009. The State and the financial sector should step up economic restructuring, says

- At the same time, the economic policy measures enacted or announced by major economic regions should help the global economy to overcome the difficult times. The possibility of economic growth rekindling faster than forecasted should not be ruled out.

- The Estonian inflation has fallen rapidly. It will not exceed 2% in 2009 and the price levels are not projected to rise in 2010, either.

- Many companies have changed their operating strategies and have brought prices and wages in line with the new market situation. Rapid changes on the Estonian labor market have taken place; employment has started to drop, flexible working contracts are becoming more widespread, and nominal wages have started to decline in some sectors.



Estonian State Finances

- It is important that the Estonian Government bring their expenditure in line with the changed economical environment. In Eesti Pank's opinion, the Government should decrease all expenditure components,

including social expenditure; otherwise the State will not be able to cover it in the next years.

- In addition to the overall macroeconomic projection, it has to be taken into account that resources for financing the fiscal deficit are also drying up. Although the Governments planned expenditure cuts will improve the longer-term fiscal position, Eesti Pank's opinion is that the following years' expenditure is not in line with the anticipated lower tax revenues.

- In addition, structural reforms necessary for more efficient public management should be carried out. The main preconditions for attracting new investments are reliable public finances and a stable tax system further enhanced with the adoption of the Euro as soon as possible.

- In light of the plan for an 8 billion EEK fiscal expenditure cut, our current projections expect this year's deficit to form approximately 3% of GDP. However, it is still too early to assess the full effect of the Government's measures, since it depends on the details of enacting the steps. For example, the actual impact of the health insurance fund and local government cuts on the fiscal balance is still unclear. In addition, even more adverse economic developments cannot be ruled out and thus the government may be forced to make additional cuts.

The Estonian Financial Sector

- **The financial sector should contribute to the economic restructuring and adjustment by providing companies sufficient loan resources.**

- The capitalization and liquidity of the banks operating in Estonia is good. The banks have expressed a readiness to continue financing good business projects, although the steep economic deterioration and tightening credit conditions have made it more difficult for borrowers and lenders to come to an agreement.

- Although a certain decline in corporate debt burden is completely natural in the current economic environment, it can be seen that the financial sector's willingness to take risks has dropped too much and banks have overreacted to changing circumstances. This may hinder the necessary economic restructuring.

- Eesti Pank believes there is no need for extensive state intervention in the functioning of the financial system.

- It is important to bear in mind that the external environment has changed the future outlook for many business areas. Therefore, in addition to short-term financial support, it is essential to restructure companies by, for example, merging them or changing the ownership structure. Neither state support nor the financial sector must prevent these processes

from taking place. Possible state intervention has to be clearly limited to abolishing market failures. In Eesti Pank's estimate, this may temporarily increase the volume of the measures applied (export guarantees, etc.), but the central bank sees no need to finance the financial sector by additional measures.

The Estonian Economical Policy Arena

This winter's debates and discussions in Estonia's coalition Government and in Riigikogu, Estonia's Parliament, have focused on the State's finances.

Estonian media recently quoted Erkki Raasuke, Swedbank's former Head of Baltic Banking, as saying: Estonia will get close to bankruptcy if the Government

isn't successful in its attempts to cut the State budget with close to one third.

Following tough and late night Government discussions, a 8,08 billion EEK State budget cut was finally announced February 12th.

While no Estonian Minister was reported to back down from the obvious standpoint that the State budget cut was necessary, discussions and heated arguments on the State's income sources, the taxes, continued.

- Despite what Prime Minister Andrus Ansip thinks, the Estonian tax system needs to be reviewed, said Ivari Padar, the Minister of Finance in Estonia's current coalition Government and Chairman of Estonia's Social Democratic Party, according to Estonian media. The Estonian society needs a bigger amount of collected money and I don't exclude a single option in the Government's ongoing tax discussions.

Sweden

Riksbanken:

Sweden's Central Bank, Riksbanken, presented a mixed outlook on 2009 in their Monetary Policy Report, February 11th.



- The downturn in the economy now looks as if it will be even worse than was thought in December. Swedish exports and export orders have fallen dramatically and the number of redundancy notices remains high.



- However, the weaker economic activity has also led to the oil price falling further since December, which contributes to a lower inflation rate. Inflation measured in terms of the CPI (Consumer price index) will fall very rapidly in 2009. This is largely due to the rapid interest rate cuts at the end of 2008 and the beginning of 2009. With effect from 2011, when the interest rate is expected to be raised again, CPI inflation will rise substantially. If the effects of changed mortgage rates are excluded, CPI inflation will develop in a more stable manner and be close to the target of 2% at the end of the forecast period.

- Since the financial crisis intensified in September 2008, Sweden's trade weighted exchange rate has weakened considerably and the Swedish Krona remains weak. The precise reasons for this are not clear, but small currencies do tend to weaken in times of financial unrest.

- Normally a weakening of the exchange rate has a positive effect on exports. As demand is now falling sharply in the rest of the world, there is a risk that the positive effects on growth will not be as great. A weaker exchange rate usually also means that imported goods are more expensive, which entails higher inflation, but this effect is partly counteracted by lower cost pressures and resource utilization during the forecast period.



Fiscal Policy Packages

- **Central banks and governments around the world have reacted decisively to the financial crisis. Important measures such as cutting policy rates and lending more money to the banking system have been taken. Governments have also presented fiscal policy packages to help companies in crisis and increase household demand.**

- The Riksbank has cut the repo rate by 1 percentage point to 1% and this policy interest rate may need to be cut slightly more over the coming six months. A lower repo rate and repo rate path is needed to counteract production and employment being too weak and inflation becoming too low.

Confidence

- **A fundamental cause of the financial crisis is the general lack of confidence.**

- It is difficult to predict when the measures taken will be able to reduce uncertainty. It is possible that the problems will be prolonged, but there is also a possibility that optimism may increase quickly and confidence returns sooner than expected. The stimulation packages and measures that have been introduced in various countries might have a quick impact with the result that international growth recovers more quickly.



- When confidence is restored on the financial markets and the situation normalizes, some of the banks will increase their lending to households and companies again. The companies will begin to invest and the demand for labor will increase. When the situation on the labor market improves, the households will become more optimistic about the future. The households will reduce their precautionary saving and will consume more again.

Outlook

- **The economic prospects are unusually uncertain at the moment. For example, it may take longer time before the financial markets function as they should, but the effects of an expansionary economic policy may also come sooner and be stronger than in the main scenario.**

- The future direction for monetary policy will depend on how new information on economic developments abroad and in Sweden will affect the prospects for inflation and economic activity in Sweden.

Swedish Politics

Since the autumn 2008 the Swedish Government has presented several packages in response to the economic downturn. The initiatives are related to jobs as well as entrepreneurship, research and infrastructure for the future, as well as continued investments in welfare provision. To create stability and confidence in the Swedish financial markets, the Government also proposed a new Act enabling aid to credit institutions at short notice.

State guarantees are available up to a maximum of SEK 1 500



Mats Odell
Sweden's Minister for Local Government and Financial Markets

billion, but participation in the programme is voluntary and at the end of 2008 only an amount corresponding to SEK 150 billion had been used.

- Everyone in the financial system benefits from stability, even if they do not share in bearing the costs, said Mats Odell, Minister for Local Government and Financial Markets. The Government is now taking stock of what has been done and is considering more measures if needed to make the financial market more stable. Stability in the Swedish financial markets would benefit both the actors in the market and the economy as a whole.

To protect Swedish savers, the State's deposit guarantee has been raised from SEK 250 000 to SEK 500 000.

On the European scene the Swedish Government has proposed the Parliament to vote for a Swedish participation in raising EIB's - the European Investment Bank's available capital. The raise of capital would enable EIB to lend out a further 167 billion Euro, primarily to investments in infrastructure and small enterprises. EIB predicts that this raise of capital will cover the need of credits given by them up until 2015.

- The raise of capital in EIB means that Sweden's guarantee to this investment bank will increase with 1,9 billion Euro to a total of 6,6 billion Euro, said Mats Odell. The presumptions are however good that this guarantee will not need to be claimed.

The Banks

According to reports in Swedish financial media, credits given by Swedish banks in the Baltic States amounts to 318 billion SEK, equaling some 10% of the total local Swedish credit volume.

In a January 20th article, Gunnar Örn, an economic commentator in the Swedish financial newspaper Dagens Industri, highlighted a 2008 report from Standard & Poor's saying that Swedish banks are now so dominating on the Baltic credit markets that they de facto could function as central banks.

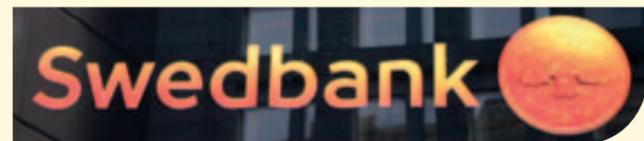
- The increased amount of credits given in the Baltic States has not gone to investments for building up competitive businesses there, wrote Gunnar Örn. An increasingly bigger share has gone for financing an extensive private consumption.

Credit losses for Swedish banks on the Baltic market are increasing. However, according to a so called stress-test made by Riksbanken during the autumn 2008, a worse scenario loss would still be possible for the Swedish banks to handle.

- Things have changed for Swedish banks, both on the home market and abroad, commented Mats Andersson, a Swedish



independent bank analyst. A bigger share of their credit volumes now go to business investments. The banks are actually doing what Anders Borg, Sweden's Minister for Finance, have asked for.



Swedbank reported a strong profit 2008 despite the turbulent market.

The 2008 profit amounted to SEK 10 887m (11 996 in 2007), excluding goodwill write-offs the profit was SEK 12 290m. Goodwill related to Ukrainian Banking was written off by SEK 1 403m to SEK 1 150m. This write-off did not affect the cash flow or the capital adequacy.

Provisions for loan losses amounted to SEK 3 156m (619), corresponding to a loan loss ratio of 0.28 percent (0.07).

- Swedbank is well prepared for the economic downturn, said Jan Lidén, Swedbank's President and CEO, in a comment. Our emission last autumn brought in 12,4 billion SEK and we are taking special precautions for credit losses that might happen on our home and foreign markets.

SEB reported a 12 471Mkr profit 2008.

- In a year of unprecedented turbulence we have continued to generate income growth, reflecting a solid customer business, commented SEB's President and Chief Executive Officer Annika Falkengren. With the proposed capital measures to further strengthen our capital base, SEB is well equipped to meet the challenging macro-economic conditions."



- The increased net credit losses reflect the current macro economic situation and to a large extent the development in the Baltic countries, but the losses remain to a high degree provisions rather than losses.

Nordea also reported solid 2008 performance despite a rapid economic slowdown.

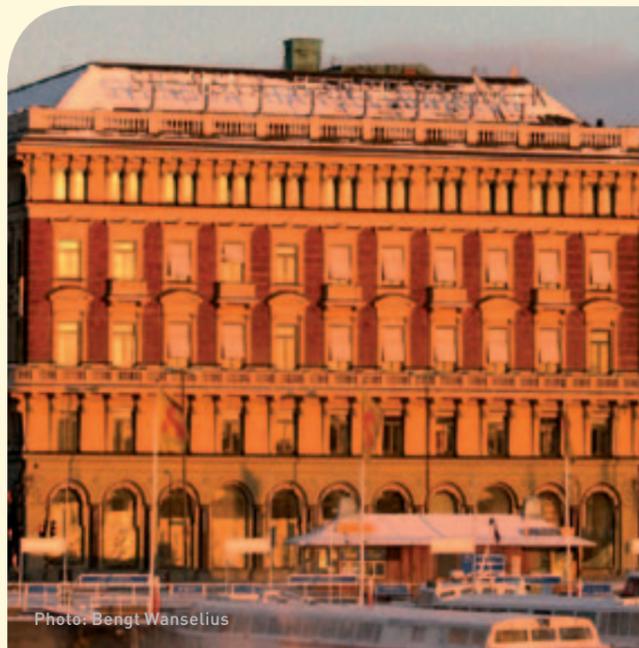
The operating profit amounted to EUR 3,396m (EUR 3,883m in 2007).

- I am proud that Nordea can report strong results for 2008 based on solid performance in all customer areas, despite the financial market turmoil and global economic recession, said Christian Clausen, President and Group CEO of Nordea. Loan losses increased as expected following the economic slowdown and they will remain at a high level in 2009.

- Even in the very difficult fourth quarter 2008, our profit before loan losses reached the highest quarterly result so far. Our ambition on a Great Nordea remains and we continue the



organic growth strategy. However, we are preparing for another challenging year by bringing down the speed of the execution of the strategy and by giving cost, risk and capital management top priority.



Handelsbanken's 2008 report was a sign of strength said Swedish financial analysts, also noting that the bank's credit exposure in the Baltic States is more or less none existing.

2008 operating profits amounted to SEK 15,326m (14,732 in 2007) and profits after tax for total operations amounted to SEK 12,131m (15,508). Loan losses amounted to SEK -1,605m (-27).

- The international credit market was negatively affected during the past year by the financial crisis, commented Pär Boman, Handelsbanken's President and group chief executive. Nevertheless, Handelsbanken was still able to report good liquidity in the fourth quarter. The inflow of deposits remained strong from both households and credit institutions.

Europe

- Though many say that USA is the centre of the economical crisis, it is more dramatic in Europe right now, says Jan Häggström, chief economist at Handelsbanken. There has been a dramatic downturn in the German industry and the building construction sector suffers all over Europe.



Germany is not in a recession per definition but the GDP development landed at minus 1,7% for the fourth quarter 2008 compared to one year earlier and it was a steep downturn compared to the third quarter 2008. France ended up with a minus 1% GDP growth during the fourth quarter compared to one year earlier.

A recession is however a fact in England, Spain, Italy and the Netherlands. All four countries have shown a declining GDP for two consecutive quarters which is regarded as a common definition on a recession.

A European exception is so far Austria who managed to keep its nose above the water with a GDP growth of 0,3% on a yearly basis.

USA

President Barack Obama's US crisis package finally got approved in February by both the Senate and the Congress.

Valued at 790 billion USD and known as the stimulus bill, the package provides money for a wide variety of purposes; tax cuts, tax credit for home buyers as well as investments in infrastructure, education and energy.



According to President Obama the package will secure 3,5 million jobs and provide a cushion in the ongoing economic recession that the President predicted would become a "deepening disaster" without the stimulus.

The US stimulus bill comes on top of the 700 billion USD financial rescue plan for banks approved last fall, as well as 400 billion USD that must be approved to keep most federal agencies running for the latter half of fiscal 2009 and an undetermined amount from the Federal Reserve to continue shoring up the financial system.

World Economic Forum 2009

- I am leaving this valley of tears following two round the clock days of talks and meetings, wrote Sweden's Minister for Foreign Affairs Carl Bildt in his blog as the World Economic Forum 2009 ended in Davos February 1st.



Carl Bildt

- Thirteen months have passed since the economic downturn started and the last three – four months have seen a collapse seldom seen before, continued Carl Bildt. The total losses in the global credit systems are now estimated to 2 200 billion USD. And all possible and impossible thoughts on how to fill this gigantic black hole are circulating. But maybe even worse than this is the massive decline in demand on the global economic markets due to the lack of confidence that has developed during the last months.

- Today, people from every corner of the globe ask how it was possible that decisions could be taken, led by greed or incompetence and with no effective oversight – decisions that had terrible consequences, not only for the global economy

but also for real people, who have lost their pensions, their homes or their jobs, said Klaus Schwab, President and founder of the World Economic Forum, in his 2009 opening speech. They feel bewildered, confused, scared and angry. They may not understand what went wrong but they are clear that their leaders have let them down. They now look to those leaders – corporate, political and societal – not only to say sorry but to repair the damage to their families and communities.



Klaus Schwab

- Gathered here in Davos are many of the world's most influential leaders, continued Klaus Schwab. We cannot sidestep our responsibility to work together to rebuild shattered economies and institutions. To be concrete, here are the five specific objectives for us to achieve:

- First, we will support governments in their efforts to address the systemic risks in the financial systems to stabilize and relaunch the economy. In this respect, the financial community, which is well represented here and which will remain an essential factor of economic growth, is not only part of the problem, but is also an indispensable part of the solution.

- The second objective is to make sure that we look at our world in a holistic, systemic way.

- The third objective is to start a year-long process to help design the systems and institutions that the world needs to really cooperate and to confront global challenges in a much more proactive way.

- The fourth objective is to better shape the ethical value base for business, highlighting a clear differentiation between industrial and service companies that provide true value to society and those that make money through paper transactions and speculation. Profit is a major driver of business, but it is clear that it cannot be profit at all costs and that self-indulgence cannot replace reasonable competitive remuneration.

- The fifth objective is to reconstruct the global economy. What the world needs most today is integration and cooperation. We will never meet the challenges if we want to do it all alone.



Davos

- To say that these days in Davos showed a clear path forward would be a substantial exaggeration, concluded Carl Bildt in his blog. Uncertainty has dominated the discussions. Platitudes that basically demonstrate ignorance have been too much present. Many of the talks have been tentative.

- Yet, everybody knows that every crisis turns around and has an end. The world or the global economy is most probably not facing an immediate doom. But how will the turn around happen? And when will it happen? And how will the post crisis world look like?

focus on the ECONOMY

Joakim Helenius on the future of Estonia



Recently Joakim Helenius, main owner and CEO of Trigon Capital, gave a speech at a SCCE/DECC Business Lunch in Tallinn. Lenina Rautonen, Senior Relationship Manager of the Estonian branch of Danske Bank A/S, reports for *focus*

Joakim Helenius talked wisely about this year's possibilities and outlook. According to Helenius the world can recover from the current credit crunch very quickly and before we notice, a new boom will start. I have in many cases noticed that it is worthwhile to carefully listen to certain people, as they discover the weak signals first.

Joakim Helenius

Helenius boosted positive attitude. "2009 will be difficult, but at the same time this will be the year for companies to concentrate on their core competences and to prepare for future growth. Desperation takes businesses nowhere."

Undoubtedly we can agree with all of the above, but still the most interesting part of Helenius' speech came at the end, when he answered a well-known question raised from the audience: "Where can Estonia find its own Nokia?" Apparently here in Estonia, wherever you go, everybody is always feverishly looking for the country's very own Nokia.

According to Helenius Estonia should cease the search for its own Nokia. If an Estonian Nokia is found, great, but this would only happen by pure coincidence and luck. Estonia should instead focus on being a business-friendly integrated subcontracting partner to Sweden and Finland, offering low taxation rates.



According to Helenius, Estonia is way too small to have the critical mass to be an independent actor and product developer. There is no point in admiring capital intensive Sweden and Finland and use them as examples, because the Swedish and Finnish economies have developed around large, capital intensive companies. There is neither capital nor large companies in Estonia. There is no need for them either. Instead, Estonia should look for ideas from Denmark, a country filled with a lot of small companies. Today, Finland is struggling with over-investments in the forestry sector. According to Helenius, too much capital is not always a good thing.

But how can Estonia become prosperous, if the profits go to Sweden and Finland and Estonia only gets the income through salaries?

The Danish example shows that reasonably high incomes are enough to make a country prosperous. Denmark's GDP per capita is higher than in Sweden or Finland. After a reasonable time period has lapsed, Estonia will get wealthier and it does not matter if the profits flow to the Swedish and Finnish owners.



Lenina Rautonen

Is it really so? Should Estonia be happy in the role of an efficient subcontracting unit of Sweden and Finland and nothing else? And after a painful but necessary adjustment period Estonia's future shall be bright in the long run.

The author of the article, Lenina Rautonen - Senior Relationship Manager of the Estonian branch of Danske Bank A/S - is also the Baltic correspondent for *Taloussanomata*, a Finnish business newspaper. Her regular blogs cover the economic and business as well as everyday life in the Baltics through the eyes of an expatriate. Her Finnish language blogs can be read at <http://blogit.taloussanomata.fi/baltia/>

Alf Vanags on the economy

Two years ago, Alf Vanags, Executive Director at the Baltic International Centre for Economic Policy Studies (BICEPS), made a presentation at a SCCE Business Lunch in Tallinn. Titled 'Is the party over?', Alf Vanags concluded that the Baltic States were somewhere between the party and the after party at that time and that there will definitely come a time after the after party as well.

In this February 2009 article written for *focus*, Alf Vanags takes a closer look at the current economic situation in the Baltic States.

After the party the bill.

It is now well and truly understood that the boom in the Baltics is over and, that far from managing a soft landing we appear to be in the process of a crash landing. Latvia has already received a financial assistance package of 7.5 million Euros from the IMF, the EU and various individual countries. Estonia and Lithuania are rumoured to be close to the need for similar assistance.



Where do we go from here? Nearly a hundred years ago Joseph Schumpeter, the Austrian economist and student of capitalist development, wrote in his book 'The Theory of Economic Development': "every boom is followed by depression, every depression by a boom". The first part of this proposition was ignored to their cost by businessmen, bankers and above all policy-makers, including these in the Baltic States, during the boom of recent years. The second part of the statement offers some comfort that there will be a light at the end of the tunnel, that there will be a recovery, indeed surely another boom.

Creative destruction

Schumpeter also identified a process on which the recovery will be founded. He called it 'creative destruction'. This is the process by which the unsustainable businesses of the previous boom (real estate, financial innovation in our case) are weeded out and replaced by innovative enterprises/

sectors that will underpin the next boom. Indeed the creative destruction of the downswing is a prerequisite for the new upswing.

A bill to be paid

So this is where we are and what we can expect. In the meantime there is a bill to be paid for the excesses of the boom and here in the Baltic States we are beginning to pay and pay a lot. In Latvia the official forecast for GDP growth in 2009 is minus 12% and many observers believe this may be optimistic! Registered unemployment in Latvia reached 100 000 in the last week of February (double what it was a year ago) and could rise to 200 000 or 250 000 through the year.

At various times over the last two years I have suggested that even for Latvia and Estonia there may come a time when policy makers recognize that devaluation of the national currency has emerged as a good policy. It seems to me that such a time is just about here as the Baltic States collapse into deep recession. Why is devaluation now a good policy? Today we are faced with collapsing exports and rapidly rising unemployment of both people and capital and a devaluation of the currency would at one stroke make the production of domestically produced goods and services more profitable i.e. production for export would be more profitable and



When Sweden and Finland recover, so will Estonia

As a follow up on their Economic Policy Statement, Eesti Pank hosted a March 5th presentation in the bank's Independence Hall for the members of the Swedish, German and British Chambers of Commerce in Estonia.

• Following 15 years of a very fast economic growth, three major negative shocks have appeared in Estonia, said Ülo Kaasik, Eesti Pank's Head of the Monetary Policy Department. In addition to the global financial crisis with higher interest rates and tougher credit conditions, we got an oil and food price shock during the first half of 2008. And now we can also see a decreased demand for products and services produced in Estonia.



Ülo Kaasik

• Estonia was indeed in need of a correction in the economy and we can now see that the housing sector has frozen, the loan growth has diminished and the real estate prices have decreased, all in a fast pace since 2008.

• It might be so that the banks are too tough in their credit policies right now and maybe good and sustainable businesses don't get the credits they need. Fewer loans are provided, especially to the building and retail sectors, but, it is important to note that lending has not stopped.

Answering a question from Rein Leipalu, Managing Director at RagnSells Estonia and a member of SCCE's Council, on Latvia's impact on the Estonian economy Ülo Kaasik said:

• **Estonia is not so closely connected to Latvia as people tend to believe. Estonia's main partners in terms of commerce, trade and investments are Sweden and Finland. When these two countries start to recover, so will Estonia.**

• **Nobody can tell when the recovery from the current global financial crisis will start to happen, concluded Ülo Kaasik. The only thing we can be sure of is that the recovery will happen and the world will not be the same in terms of financial systems and instruments after this crisis.**

Report: Megazine - Tallinn

exports would be more competitive and production that substitutes local goods for imports would be more profitable. This would help to promote the recovery in a way that improves external balance.

Moreover if we look around us many neighbouring currencies have substantially depreciated against the Euro and hence against the Baltic currencies: in Eastern Europe in the past six months the Polish zloty has dropped 29 percent against the euro, the Hungarian forint by 22 percent, the Romanian leu by 17 percent and the Czech koruna by 13 percent. The Ukrainian hryvnia has plunged by 38 percent since August. In Western Europe too the British pound and the Swedish crown have depreciated sharply against the euro. This makes Baltic goods extremely uncompetitive at current exchange rates and the policy of so called 'internal devaluation' that is being pursued in Latvia is both expensive in terms of unemployment and wasted resources and very likely lengthy. By contrast the exchange rate instrument changes incentives 'at once' and mitigates at least in part the employment consequences the recession.

What about the argument that a devaluation will lead to payment problems for people who have taken out loans in Euros? My response here is; would you rather have a larger nominal debt but a job and a wage with which to service the debt or an unchanged nominal debt but no job and wage?

My guess, and it is a guess and not a prediction, is that some time in the nearest future there will be a substantial coordinated devaluation of all three Baltic currencies, coordinated very possibly by the EU and possibly supported by additional financial assistance.



Text: **Alf Vanags**, Executive director at the Baltic International Centre for Economic Policy Studies (BICEPS), Riga.

BICEPS



The Baltic International Centre for Economic Policy Studies (BICEPS) is an independent research centre located at the Stockholm School of Economics in Riga.

BICEPS' aim is to undertake and promote high quality policy-oriented research in economics and other social sciences and to provide informed advice and consulting services for both government and business in the Baltic States and elsewhere.

The Centre started its operations in 2001 with the help of a grant from the Swedish Foreign Ministry and with assistance from the Stockholm Institute of Transition Economics (SITE) and has developed to become a of an integrated network of research centres and universities in the region with partners in the Baltic States, Sweden, Russia, Poland and Ukraine.

BICEPS has an especially close collaboration with the Stockholm School of Economics in Riga and some of the Centre's researchers are also lecturers at the school.

Arbitration



As commerce and trade have become more and more internationalized, the need of solving business disputes on the international arena has grown. Over the past few decades the Arbitration Institute of the Stockholm Chamber of Commerce has emerged as one of the leading arbitration institutes in the world.

• A Chinese company wants a Chinese Court, an American company wants an American Court and in a situation like that Stockholm is a good alternative in between the companies concerned, said Gao Xiqing, Investment Manager at China Investment, in a recent interview.

The Arbitration Institute of the Stockholm Chamber of Commerce (SCC Institute) is a separate entity within the Stockholm Chamber of Commerce and was established in 1917.

1977 marked a break through for the SCC Institute in Stockholm as it was recognized by the United States and the Soviet Union as a neutral center for the resolution of East-West trade disputes. Since then the SCC Institute has expanded its services in international arbitration to more than 40 countries. Following the 1991 collapse of the Soviet Union many arbitration processes involved companies and organizations located in former Soviet Republics and no longer recognizing contracts drawn up during the Soviet era.

Under the SCC Institute's Rules three arbitrators are appointed, unless otherwise agreed by the parties. Each party appoints one arbitrator and the SCC Institute the third who will act as Chairperson of the Arbitral Tribunal.



Ulf Franke
Secretary General of the SCC Institute, Stockholm

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There is no list of arbitrators but the parties may appoint any person of any nationality as arbitrator as long as he or she is impartial and independent. The parties may be represented or assisted by any person of any nationality in the proceedings. The parties are also free to agree on the seat of arbitration, the language to be used in the proceedings and the law or the rules of law to be applied to the substance of the case.

The arbitrators act on the basis of presentations - both oral and written submitted by the parties and the award shall be given within 6 months.

The current SCCI Institute Arbitration Rules entered into force January 1st 2007 and most arbitrations administered by the SCC Institute are conducted in accordance with these SCC Institute Rules.

Apart from the SCC Institute Rules the Institute has adopted Rules for Expedited Arbitrations, Insurance Arbitration Rules, Procedures and Services under the United Nations Commission on International Trade Law (UNCITRAL) Arbitration Rules and Mediation Rules

There is an increasing interest in mediation as an alternative dispute resolution mechanism to litigation and arbitration.

The SCC Mediation Institute was established in 1999 and the SCC Mediation Rules offers an efficient dispute resolution to parties not wishing to engage in formal arbitral proceedings.

In mediation a sole Mediator is appointed, unless otherwise agreed by the parties. The Mediator may be appointed by the parties jointly, or by the SCC Mediation Institute.

The time limit for the Mediation is two months, unless otherwise agreed by the parties. After having reached a settlement agreement, the parties may agree to appoint the Mediator as arbitrator in order to enable him to confirm the settlement agreement in an arbitral award.

The SCC Institute has a Board of 12 Members and a Secretariat with Ulf Franke as the Secretary General. Ulf Franke is also President of the International Federation of Commercial Arbitration Institutions and former Secretary General of the International Council for Commercial Arbitration (ICCA).

Research and text: Megazine, Tallinn

A brief Swedish Arbitration timeline

1359
Provisions concerning arbitration appear in Swedish legislation

1887
The first Arbitration Act is adopted

1917
The Arbitration Institute of the Stockholm Chamber of Commerce (SCC Institute) is established

1929
Sweden ratifies the Geneva Protocol of 1923 and the Geneva Convention of 1927. A new Arbitration Act is adopted replacing the 1887 Act. The Act Concerning Foreign Arbitration Agreements and Awards is adopted

1976
The SCC Institute adopts new rules, the first particularly aimed at international arbitration

1988
The Rules of the SCC Institute are revised for the purpose of making the arbitral procedures further international

1999
The Mediation Institute of the Stockholm Chamber of Commerce is established and the Rules of the SCC Mediation Institute are adopted.

2007
SCC Institute adopts new Arbitration Rules. No fundamental changes has been made to the 1999 Rules and the main objective of this revision was to create truly international arbitration rules, which are easily accessible and comprehensible to international users, and which in all respects meet the demands of international commercial arbitration of today.

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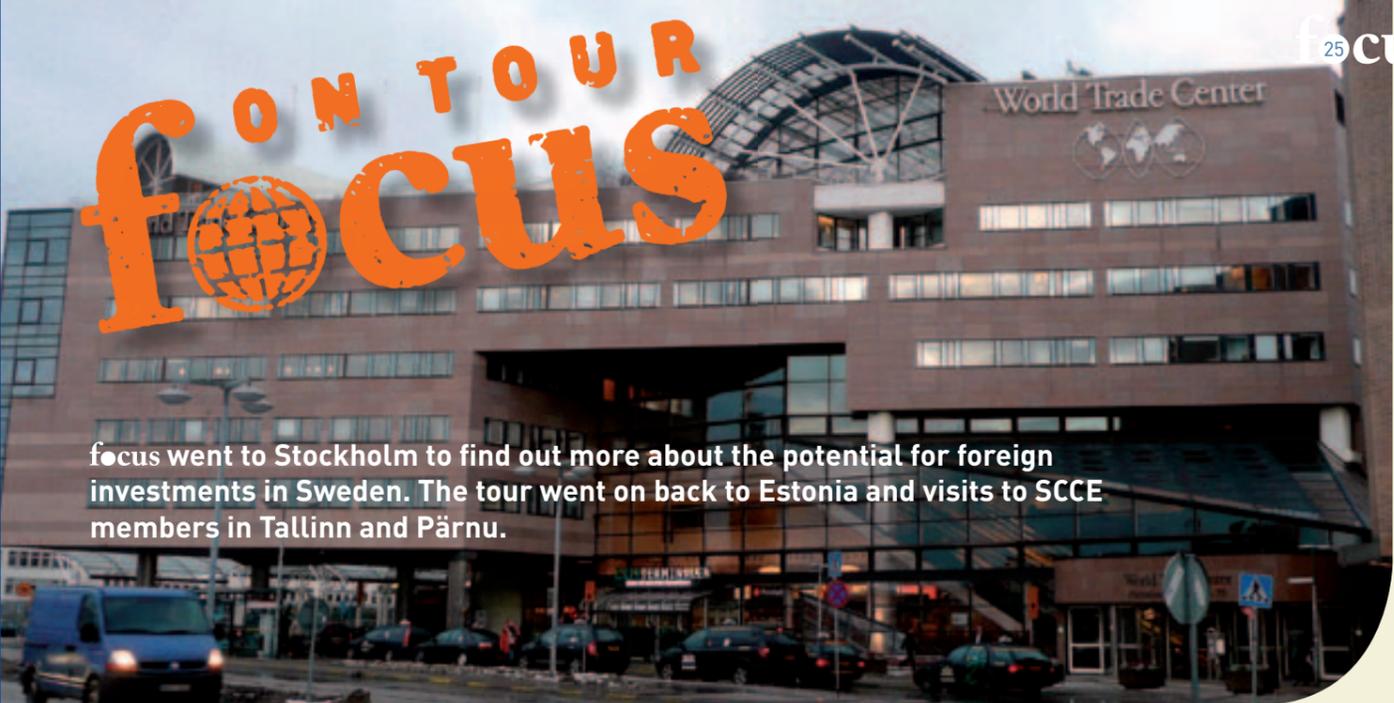
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FOUR FOCUS



focus went to Stockholm to find out more about the potential for foreign investments in Sweden. The tour went on back to Estonia and visits to SCCE members in Tallinn and Pärnu.

Invest in Sweden Agency

- Invest in Sweden Agency (ISA) is the Swedish Government agency assisting and informing foreign investors about business and investment opportunities in Sweden, said Bengt-Åke Ljudén, ISA's Director International Marketing & Sales, as focus met him and his colleagues in Stockholm.

ISA is one of a number of agencies belonging in the Swedish Ministry for Foreign Affairs' area of activities. Among them, and in addition to ISA, the National Board of Trade, the Swedish Export Credits Guarantee Board and the Swedish Institute. ISA is headquartered in the World Trade Center building in downtown Stockholm and has the head office of the Swedish Trade Council as a close neighbour.



Bengt-Åke Ljudén

- To a large extent free of charge, we and our regional and international network provide information and assistance to companies planning to establish or expand business operations in Sweden, continued Bengt-Åke Ljudén. Some examples on our services include information on business and investment opportunities in Sweden, tailor-made information and practical advice on how to proceed

when setting up a business in Sweden and introductions to relevant contacts among Swedish authorities, utility providers and professional service companies. Furthermore, assistance in finding and arranging visiting programs to the most suitable locations in Sweden and support in finding companies for possible joint ventures or other forms of cooperation are also vital services provided by us.

- The vast majority of us working here at ISA, has a background in the corporate sector and expertise in the



Geetali Chhatwal Jonsson

investment process, said Geetali Chhatwal Jonsson, Head of ISA's Market Unit Sweden. These attributes help us to ensure professional guidance for successful business launches in Sweden.

Cleantech – a major project on ISA's agenda

- February 24th this year, Stockholm won EU's green capital award and became the first city to be named European Green Capital, told Geetali Chhatwal Jonsson. Stockholm will now be the European Green Capital in 2010, followed by Hamburg in 2011.

„Four out of five Europeans now live in urban areas, and that is where the environmental challenges facing our society are most apparent“, said EU's Environment Commissioner Stavros Dimas as he announced the winners. „ With their measures to tackle air pollution, traffic and congestion levels, greenhouse gas emissions, and waste and water management, Stockholm and Hamburg can act as role models for the rest of Europe.“

- Sweden is a leader in both cleantech practice and innovation, with opportunities for foreign investors in numerous technology fields, continued Geetali Chhatwal Jonsson. A welcoming attitude can be expected, Swedes are used to working together in different ways to develop and test new technology and services.

- Cleantech involves a number of business and investment opportunities for foreign investors. Among them Bioenergy, Biofuels

Foreign Direct Investment shares in Estonia from FICE Countries (Foreign Investors Council in Estonia):

Sweden	39,0%
Finland	24,7%
The Netherlands	6,3%
Norway	3,9%
Denmark	2,8%
Great Britain	2,2%
Germany	2,1%
USA	1,4%
Austria	0,9%

Direct Investment shares from Estonia to FICE Countries:

Finland	4,7%
Great Britain	1,2%
Sweden	0,7%
Norway	0,6%
Germany	0,4%
The Netherlands	0,2%
Denmark	0,1%
USA	0,1%
Austria	0,0%

[Note: Topping the list of Direct Investment shares from Estonia are Latvia 33,3%, Lithuania 28,0% and Cyprus 9,1%]

Source: Eesti Pank (figures as per September 30th, 2008)

for transportation, Environmental engineering on natural resources exploration, Green chemistry, Heating, Ventilation and Air Conditioning technologies. There are also a number of opportunities available within innovative technologies for Sustainable Building, Waste and Recycling as well as Water and Wastewater handling.

• We believe Sweden provides an environment ideally suited for the development and testing of new cleantech technologies, concluded Geetali Chhatwal Jonsson. We have set up an extensive Cleantech contact network including research organizations as well as innovative companies, mature firms and advanced test environments now available for interested foreign businesses and investors.



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www.isa.se

• The secret is Goodyear's new SmartWear Technology, which makes it possible for OptiGrip to retain excellent performance even when it's worn, because new grooves and new compound appear as the tyre wears down. As the tire tread wears down, hidden channels below the tread surface are revealed to facilitate efficient water evacuation, enabling the worn tire to retain its resistance to aquaplaning. The dual-layered compound ensures high levels of grip and control on wet roads during the tire's entire lifetime and the performance on dry roads is ensured with Goodyear's 3D interlocking mechanism.

• **Our second new summer tire was launched at the Geneva Motor Show in March this year, told Hindrek Pikk. It's the Goodyear EfficientGrip, the first new summer tire ever that has passed the tough demands for getting the Nordic Ecolabel, also known as the Swan label!**



The Nordic Ecolabel

The Nordic Ecolabel – the Swan label – is the official ecolabel for the Nordic countries, introduced by the Nordic Council of Ministers in 1989. The Swan was chosen as a symbol and it is a variation on the logotype of the Nordic Council of Ministers. The goal is to promote a more sustainable consumerism with the goal of creating a sustainable society.

The Nordic countries work together using the Swan Ecolabel. This work is coordinated by the Nordic Ecolabelling Board, NMN, which has produced a set of regulations. NMN determines which products can be covered by the Swan and the criteria they must meet. Decisions taken by NMN must always be unanimous.

Groups of experts from the Nordic countries develop proposals for criteria. The group representatives come from government, environmental organisations, trade and industry. Before NMN finalises the proposals, they are sent out for review.

The Nordic Ecolabel now covers 67 different product groups, for which it is felt that ecolabelling is needed and will be beneficial. The Nordic ecolabel checks that products.

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More miles for the money and a green grip on the roads

• **Of all tens-of-thousands of parts that all together make a car, we represent the only four being in contact with the road, said Marek Moorus, Sales Manager at Goodyear Dunlop Tires Baltic, as focus visited the company's Tallinn office.**



Marek Moorus

• Together with colleagues in Sweden, Denmark, Finland, Iceland, Latvia and Lithuania, our Estonian team form the Nordic Region within Goodyear Dunlop's global organization, continued Marek Moorus. Our Tallinn based organization also acts as a centre

for our pan Baltic and Finnish business, since our order- and tele marketing-team for these countries is based here.

Goodyear Dunlop Nordic

Goodyear Dunlop Nordic is a business unit for eight Nordic and Baltic countries, with its head office in Stockholm.

The company has 120 employees, with 20 persons working in the Baltic countries.

The company's own tire tests are partly performed in northern Finland and Sweden. Goodyear Dunlop is one of the world's biggest tire companies with 70.000 employees and 60 plants in 26 countries all over the world.

www.goodyear.ee

• Both the Goodyear and the Dunlop brands was on the Estonian and Baltic markets during the first Republic, told Hindrek Pikk, Goodyear Dunlop Baltics' Market Communication Manager. In connection with the regained independence 1991 the two brands made a strong comeback and as Goodyear and Dunlop formed a global joint venture 1999, our Nordic head office in Stockholm decided to form Goodyear Dunlop Tires Baltic as a daughter company in 2001.

• Today we have a solid position as the leader in our business and we account for a 30% share of market in Estonia making us the biggest actor here, said Marek Moorus. We don't expect the current economic downturn to change this ranking but, we do expect a sharp recline in the overall Estonian tire market. January 2009 figures points at 60% less tires totally sold in Estonia compared with January last year.

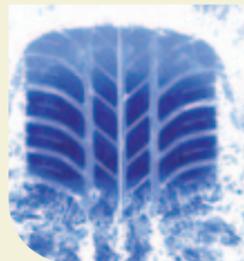
• Consequently we have to focus on the market that exists and we are launching two new products for the upcoming summer tire season.

• **One of the two new summer tires is the Goodyear OptiGrip, revealed Marek Moorus. Independent tests have shown that the OptiGrip not only delivers more mileage for the money, it also continues to deliver safe performance throughout its long lifetime.**



Hindrek Pikk

in the wet, retains twice as much control on wet and has 6% better aquaplaning resistance.



• Tested against two leading competitors by TÜV SÜD Automotive, the test results showed that at 10.000 km driven, OptiGrip delivers a 5% shorter braking distance in the wet. At 20.000 km OptiGrip has better aquaplaning resistance than brand-new competition. And – at 30.000 km the tire has 20% shorter braking distance



Dario Vicario, Goodyear Dunlop Nordic

Ragnar Unge, Nordic Ecolabel

Photo: Nordic Ecolabel





product group where the Ecolabeling can make a big difference. The more people choose these Ecolabeled products, the greater benefits for the environment.

- Goodyear EfficientGrip has some 15% lower rolling resistance than other tires with equivalent performance characteristics, said Dario Vicario, Managing Director at Goodyear Dunlop Nordic, as he received the Ecolabel certificate. This means that EfficientGrip consumes less fuel making it cheaper to drive and better for the environment. If every Swedish car should drive on Goodyear EfficientGrip the emissions of CO2 should decrease with an amount equal to the emissions from 120.000 cars during a year.

- Our company has spent a lot of resources within R&D to develop OptiGrip and EfficientGrip, concluded Marek Mooros and Hindrek Pikk. As for EfficientGrip it is especially important to note that it does not only take a green grip on the roads, EfficientGrip is also a brand-new high-performance summer tire delivering excellent wet braking performance combined with high mileage.

Expanding

- In the Baltic countries we currently operate eight Reval Hotels, two Reval Inn Hotels and one exclusive five star luxury SPA facility, said Carl Kjellberg, Reval Hotel Management's VP Sales & Marketing as focus met him at their well known Tallinn landmark, Reval Hotel Olümpia. The latter venue, the ESPA Riga, opened in February this year and during the summer this year we will open the new Reval Hotel Sonya in the city centre of St. Petersburg.

- Last year we opened Reval Hotel Elizabete in Riga and Reval Hotel Neris in Kaunas and I guess you can say that we are indeed in the process of expanding our business.

- Coming back for a moment to the soon to be opened Reval Hotel Sonya in St. Petersburg, we have put an old acquaintance of the members of the Swedish Chamber of Commerce in charge of the operations there. It is Torbjörn Löfaldli, our former Food and Beverage Manager here at Reval Hotel Olümpia.

Many SCCE members recall that Torbjörn Löfaldli earned himself a good reputation for his way of arranging the meals in connection with the Chamber's events. Some are still talking about his talents in getting a classical Swedish Christmas Buffet served.

- Reval Hotels are owned by Linstow AS, one of Norway's leading real estate investment and property development and management companies. Linstow in its turn is wholly owned by A WILHELMSSEN AS, operating worldwide within the cruise industry, shipping, offshore and financial investments.

- The ownership structure gives us an international outlook, continued Carl Kjellberg. In addition to our businesses in Estonia, Latvia, Lithuania and Russia, Linstow also owns and develops real estate in Norway, Sweden and Portugal.



Carl Kjellberg

- As for Estonia, Linstow owns three hotels in Tallinn, all under the Reval flag. These are the Reval Hotel Olümpia, the Reval Hotel Central and the Reval Park Hotel & Casino. Reval, the hotel's operator, is a subsidiary of Linstow and in addition, Linstow AS also owns the Ülemiste shopping centre next to Tallinn airport. The centre is operated by Linstow Center Management.



Tallinn's Reval Hotel Olümpia – the venue of many seminars and meetings for the Swedish Chamber of Commerce in Estonia

- The main markets for Reval Hotels are found in Finland, Sweden, Norway, England, Germany and the Moscow area. Russia as a whole and Poland are growing markets and through general sales agency agreements, we have local sales and marketing organizations in place on all these different marketplaces.



- Right now we have quite a unique offer out on the market. Coordinated by my colleague Oliver Tuus, Corporate Sales Manager, it is unique in that respect that this special discount package is offered to all members of Swedish Chambers of Commerce, not only in Estonia but also to members in Latvia, Lithuania, Sweden and other countries where Swedish Chambers of Commerce are present. Oliver tells me that it is a good idea for the SCCE members to take a look at the Member Bonuses section at www.swedishchamber.ee.



- As I said earlier, the next step in our expansion program will be this coming summer's opening of the Reval Hotel Sonya in St. Petersburg, concluded Carl Kjellberg. And I wouldn't be surprised if we will see a larger Reval Hotel being opened in Moscow within a couple of years.

Pärnu

Named Estonia's summer capital, Pärnu gives a peaceful impression during wintertime. Some of the city's 43.500 inhabitants are out walking on the streets and some others can be seen skating or ice yachting on the frozen bay.

Strategically located 130 km from Tallinn and 190 km from Riga with Via Baltica, the E67, running through the city, Pärnu is however much more than just a summer city. The town was an important trading hub during the days of the Hanseatic League and Pärnu is still an important year round location for several manufacturing companies as well as conferences, congresses and individual visitors.



Kristiina Sikk – SCCE Ombudsman and Õie Tamm – Managing Director at Wigéns OÜ

No major impact of the global financial crisis

- Our order books are well filled up, said Õie Tamm, Managing Director at SCCE's member Wigéns OÜ. During the first months this year we noted a 6 – 7% decrease in our production volume but it has picked up and it looks good for the coming months this year.

Owned by the Swedish headwear company AB Oscar Wigén, Wigéns OÜ in Pärnu specializes in textiles manufacturing.

- Our marketing and sales team in Tranås is doing a great job, continued Õie Tamm. Wigéns' hats and caps are sold at shops all over the world and it seems like the demand remains strong, no matter the economical conditions on all our different international markets.



- We are specialized in producing smaller and medium sized volumes here in Pärnu. The majority of our production is hats and caps, but other textile works exist as well. The work processes require a skilled and experienced work force and like everybody else we had some problems in keeping and finding the

labor we needed during the years of economical boom. This situation has indeed improved now and I can focus on further developing the productivity backed up by a stable and skilful team of workers.

- In addition to our new collection of hats for the coming spring, summer, autumn and winter we are also manufacturing hats for uniformed personnel, theatres and movie companies as well as hats for special occasions. A major part of the Swedish Studentmössor, the typical white hat that Swedish youth wears when they graduate the gymnasium, are actually made here in Pärnu, concluded Õie Tamm.



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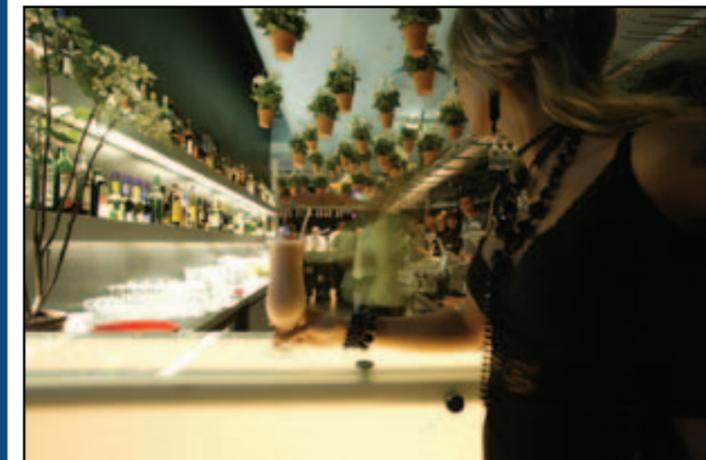
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Focusing on conferences, congresses and meetings



• It should look like this every day during the wintertime, said Gerli Kangur, Marketing Manager at SCCE's member Strand SPA & Conference Hotel in Pärnu, as she and her colleague Elo Kriiska, Head of Strand's Sales Department, guided focus through their well filled up hotel a Wednesday in March this year.

• Providing good and functional localities for conferences, congresses and meetings is a key issue for us during the winter season, said Elo Kriiska. We can seat up to 500 participants at our conference centre and we have invested a lot in providing modern technical conference equipment.

• Our most recent investment concerned our SPA, continued Elo Kriiska. We have built a new Steam Sauna, a new Jacuzzi Pool and we have also installed Heated Stone Benches. The renewed SPA was opened in the end of February this year and we believe it will remain an appreciated area for our guests' relaxation.



Kristiina Sikk, Elo Kriiska and Gerli Kangur in Strand SPA & Conference Hotel's renewed SPA



• Active sales and marketing is of course a must in our business, concluded both Elo Kriiska and Gerli Kangur. We try to visit the main tourism fairs and exhibitions in neighboring countries and so far this year we have been present

in Helsinki, Tallinn, Vilnius and Gothenburg. Networking with members of the Swedish Chamber of Commerce in Estonia has also provided us with ideas for a coming sales activity towards Swedish tour operators and travel agencies. This latter project comes in handy as Estonian Air will start up nonstop flights, twice a week between Pärnu and Stockholm-Arlanda during the summer season.

Launching a new concept

• Since we opened the doors 1999, Ammende Villa has developed to an internationally renowned landmark in Pärnu, said Ene Tohv, Ammende's General Manager and recently becoming a member of the SCCE. Ammende Villa was one of the first luxury hotels opened in Estonia and it is indeed a truly unique architectural representative of Art Nouveau and Jugend, both inside and outside.



Ene Tohv

• Our guests appreciate the special atmosphere of Ammende Villa and we are happy to note that we attract well-travelled individuals as well as smaller groups taking their seats in one of our salons for a board meeting or a strategic meeting in a creative environment. Ammende Villa has also become popular for celebrations like weddings, birthdays and other private jubilees.

• In 2007 we expanded our quality concept to Tartu and opened the Art Deco styled Restaurant Volga and the exquisite Conference Center Athena. A further step in this expansion was taken in March this year as we open Antonius Hotel in Tartu, a new luxurious and romantic boutique hotel.



The Athena Conference and Culture Center, Tartu

• We have now decided to market all of our services under the name Ammende Luxury Collection, concluded Ene Tohv. It includes Ammende Villa Hotel & Restaurant in Pärnu as well as Antonius Hotel, Restaurant Volga and the Athena

Conference and Culture Center in Tartu. Ammende Celebrations is also included and it is an event management agency, offering high standard services for organizing anniversary parties, weddings, conferences and company – or incentive events.

Texts:
Megazine - Tallinn



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Gencs Valters Law Firm goes pan Baltic

Following the June 2008 opening of their Tallinn office, Gencs Valters Law Firm is now a pan Baltic full service, general practice international business law firm as the company officially opened its Vilnius office March 6th, 2009.



Dovile Preiksaite, Law Firm Gencs Valters, Lithuania and Valters Gencs

The law firm was established in Latvia year 2000 and in addition to its pan Baltic presence, Gencs Valters Law Firm is also part of international law networks. The firm is a member of the European network Eurojuris, covering 630 different locations in more than 40 countries worldwide, and is also integrated with the independent law firm association Multilaw which has over 6.000 lawyers in more than 150 commercial centres around the world.

On the pan Baltic marketplace Gencs Valters Law Firm currently has 15 lawyers and tax advisers focusing on tax, litigation, M&A, corporate, immigration, finance and intellectual property law and providing legal, tax, corporate finance, management consulting, evaluation and due diligence services.

The recent opening of the Gencs Valters Law Firm office in Vilnius became a success. Almost 200 guests from all the Chambers of Commerce in Lithuania as well as top-business representatives from all around the globe participated. The founder of the law firm, Valters Gencs, said that he is glad to return with a business to the land of his grandfather who fled from Lithuania to Latvia in 1947 to avoid deportation.

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1809

200 hundred years have passed since Sweden and Finland became two separate countries. Following 600 years of Swedish ruling, the Finnish War between Sweden and Russia 1808 – 1809 ended with Finland being established as the autonomous Grand Duchy of Finland under the Russian Czar Alexander I – at that time addressed as Emperor and Autocrat of All the Russias, King of Poland and Grand Duke of Finland.



1809 also became the starting point for Sweden's and Finland's development towards the democracies of today and the close connections between the two countries have remained and developed further.

The events of 1809 and the following 200 years will be highlighted in Finland and Sweden throughout this year.

The opening ceremony took place in the Swedish Parliament January 15th with Sweden's King Carl XVI Gustaf and Finland's President Tarja Halonen present.



Conferences and seminars with a focus on bi- and multilateral economy, commerce and trade will follow during 2009 and detailed programs are available at www.markesaret1809.se and www.1809.fi.

Economic Freedom

• The highest form of economic freedom provides an absolute right of property ownership, fully realized freedoms of movement for labour, capital, and goods, and an absolute absence of coercion or constraint of economic liberty beyond the extent necessary for citizens to protect and maintain liberty itself, says the US think tank The Heritage Foundation and The Wall Street Journal in their introduction to their 2009 Index of Economic Freedom. In other words, individuals are free to work, produce, consume, and invest in any way they please, and that freedom is both protected by the state and unconstrained by the state.

2009 Index of Economic Freedom – Rankings

World Rank	Country/Economic Area	Overall Score
1	Hong Kong	90,0
2	Singapore	87,1
3	Australia	82,6
8	Denmark	79,6
13	Estonia	76,4
17	Finland	74,5
26	Sweden	70,5
28	Norway	70,2
30	Lithuania	70,0
45	Latvia	66,6
179*	North Korea	2,0

*) Last among the ranked countries

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The Overall Score is based on ten benchmarked economic freedoms ranging from property rights to entrepreneurship.

Commenting on the rankings, The Heritage Foundation and The Wall Street Journal says:

• **Ranked as the 13th freest economy in the world, Estonia ranks 6th out of 43 countries in the European region, and its overall score is well above the regional and world averages.**



• Top income and corporate tax rates are low, and business freedom is relatively strong. Competitive, efficient, and open to international firms, Estonia's financial sector is one of the most developed among the Baltic States.

• Estonia could improve still more in government size and in labour freedom. Total government spending is high, although in line with other European Union economies, and labour market reforms could enhance employment and productivity growth.

• **Sweden benefits from extremely high levels of business freedom, property rights, and freedom from corruption. With its economy open to global trade and investment, Sweden also scores well in trade freedom, investment freedom, monetary freedom, and financial freedom.**

• The overall Swedish regulatory environment is simple and transparent, facilitating robust entrepreneurial activity. The financial sector is highly developed, and monetary stability is well maintained.

• However, Sweden has some of the lowest scores worldwide in fiscal freedom and government size. The top income tax rate of 57 percent is one of the highest in the world. Total government spending is still more than half of GDP. The labour market's inflexible regulations have caused the labour freedom score to dip below the world average.

The full 2009 Index of Economic Freedom is available at www.heritage.org/index/

Estonian know-how takes part in the building of Stockholm's new City Line

When the railroad connecting Stockholm Central Station with Stockholm South Station was constructed as a bridge and a tunnel in 1871, the traffic density accounted for some 10 trains per day. Today the traffic has grown and up to 550 trains per day are using the two tracks available.

To solve this apparent congestion problem, the building of the new Stockholm City Line was officially launched in

newsflashes

January 2009. City Line is a double-track underground railway with two new stations to be built in a six kilometre-long tunnel underneath Stockholm city. The new City Line will be used by the commuter trains while other train services will continue to run on the existing two tracks originally built 138 years ago.



A commuter train on one of the two existing and congested tracks through Stockholm



Stockholm's new City Line Map: Banverket

A 300 m long underwater railroad tunnel, located to the bottom of Riddarfjärden, between Riddarholmen and Söder Mälmarstrand, is one crucial part of the City Line and the Estonian based company BLRT Marketex has got the contract for the tunnel building.

The City Line doubles the capacity of train services through central Stockholm. More commuter trains will be able to operate and

there will also be sufficient capacity to handle increased traffic in terms of long-distance passenger as well as cargo trains routed through Stockholm.

The total cost of the City Line is approximately SEK 16 billion and the new line is planned to become operational in 2017.

Kaido Ojaperv appointed Operational Manager of the Reval Hotel Olümpia

Kaido Ojaperv has been in the hotel business for 15 years. In addition to an extensive international experience, he has been working for the Reval Hotel Olümpia and Reval Park Hotel & Casino in the period 1992-2000.



Kaido Ojaperv

• With a large and international clientele, it is important that Reval Hotels management team have experience and knowledge gained both in their home market and internationally, says Tiina Reijonen, Country Manager of Reval Hotels in Estonia and General Manager of Reval Hotel Olümpia.

Kaido Ojaperv studied at the Swiss Hotel Management School in Caux in Switzerland and also completed a management studies course at Cornell University PDP.

Recently Kaido has been involved in feasibility studies for several new hotel projects in Tallinn, St. Petersburg, Bük, Warsaw and Wrocław.

• We are at the beginning of the most challenging year the hotel business has seen and it is very important that hoteliers have the capacity and tools to perform rapid market analysis and to implement swift actions based on the information found, adds Tiina Reijonen. Reval Hotels is a major player in the Baltic market and although facing exactly the same challenges as others, we feel confident that having the right people in the right places doing the right jobs is the most important factor in maintaining a competitive advantage.

Reval Hotel Olümpia is one of the landmark buildings in Tallinn, built in 1980. Its facilities include 390 guest rooms; 13 conference rooms; banqueting halls; the Restaurant Senso; Café Boulevard; a fitness centre, Club 26, on the 26th floor; a night club, Bonnie & Clyde and in-house beauty salons.

Reval Hotels is the leading hotel chain in the Baltic countries, operating eight full-service, first-class hotels located in the major Baltic cities: three in Tallinn, Estonia, three in Riga, Latvia, one in Vilnius and one in Kaunas, Lithuania.

Reval Hotels is owned by the Norwegian real estate investment company Linstow AS, owned by A Wilhelmsen AS, also a major shareholder in the world's second largest cruise shipping company, Royal Caribbean Cruise Lines.



A record number of visitors at Tourest



As the three day 18th International travel fair Tourest 2009 closed in Tallinn February 15th, the organizers could account for a record number of visitors.

The Holiday in Estonia Hall presented exhibitors from all over Estonia and quickly became a favourite among the visitors.

Pia Mäemets – Reval Hotels

Tourest 2009 was attended by 343 exhibitors and co-exhibitors representing 26 countries. All exhibitors, among them several SCCE members, had busy days. Many good deals were made and a lot of information and sales promotion activities took place on the main stage and in the exhibitors' stands.

Jointly organized by the Estonian Association of Travel Agents and the Estonian Tourist Board, next years exhibition - Tourest 2010 is scheduled to take place February 12 – 14.



Aime Vilgas and Elo Kriiska - Strand Spa & Conference Hotel, Pärnu

Tallink – Increased number of passengers, a new ship and change of port in Stockholm



Tallink

Tallink recently announced an impressive increase in the number of passengers carried during January 2009 compared to the same month 2008. Between Estonia and Sweden 64,7% more passengers travelled with Tallink and between Estonia and Finland the passenger increase was 29,1%.

A record increase was noted between Riga and Stockholm ending up with



M/S Baltic Queen Illustration: Tallink

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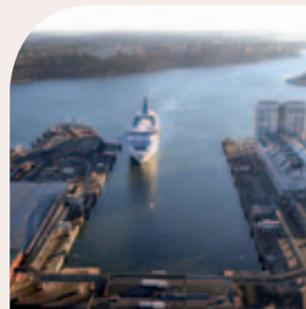
70,2% more passengers. The total Tallink passenger volume January 2009 compared to January 2008 showed a 34% increase.

Tallink's newest ship, M/S Baltic Queen, 212 m long and capable of carrying 2.800 passengers, will be put into traffic between Tallinn and Stockholm in the end of April this year.

- Our new ship M/S Baltic Queen is bigger than Romantika and Victoria, currently in traffic on the Tallinn – Stockholm route, and Frihamnen, our present Stockholm port, is too small for the new ship, says Ats Joorits, Vice Managing Director and Director Sales and Marketing at Tallink Silja AB in Sweden.

- This means that we will move our Tallinn traffic from Frihamnen to Värtahamnen. The move will take place March 9th which will give our passengers and us good time to get settled before the launch of M/S Baltic Queen and the coming peak summer period.

Värtahamnen is well known to the Swedes as it has been used by Silja Line, nowadays a Tallink brand, since years back. Värtahamnen and Frihamnen are situated next to each other with Värtahamnen having a Stockholm subway station close to the terminal, a convenient benefit for Tallink's passengers travelling without car.



Värtahamnen in Stockholm Photo: Stockholms Hamn

The move to Värtahamnen also calls for a slight change in the schedule. Departures from Stockholm will be at 17.45 instead of 18.00. The Tallinn departures will remain at 18.00 and arrivals in Stockholm and Tallinn will also remain at 10.00.



Olivier Rochefort appointed General Manager

Olivier Rochefort appointed General Manager

Olivier Rochefort, who is Canadian, has a solid background in the hotel business. He joined Carlson and the Radisson Hotel Ottawa

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Centre in Canada in 1991. Since then his career has taken him to Montreal, Moscow, Galway – Ireland, Myrtle Beach – South Carolina, Québec and Beijing.

As he joined Radisson SAS Hotel in Tallinn February 10th, 2009 he came from a position as Executive Assistant Manager at the Radisson SAS Hotel in Beijing.

- Though I haven't worked in Sweden yet, I think I can say that I have a pretty good knowledge of Swedes and Swedish businesses abroad, said Olivier Rochefort as focus met and welcomed him to Tallinn. The Swedish Chamber of Commerce in China have their Beijing office in the Radisson SAS Hotel there and I have taken part in a number of events and activities arranged by them.



- I now look forward to meet the members of the Swedish Chamber of Commerce in Estonia. I have heard about SCCE's activities and have learned that SCCE, just as the Swedish Chamber of Commerce in China, among all seminars and activities also arranges a crayfish party and I do believe that I already know some of the Swedish songs connected with this event by heart.

Olivier Rochefort holds a Bachelor of Business Administration from the University of Quebec in Canada, and besides his native French and English he also speaks some Spanish and Russian.

Corporate Social Responsibility

"The fourth objective at this 2009 World Economic Forum in Davos is to better shape the ethical value base for business", said Klaus Schwab, the Forum's founder and President, in his opening speech January 29th.

Months before that, Sofia Cerne, a Swedish business- and organizational developer, started to write a book on CSR, Corporate Social Responsibility.

- CSR as a concept is well established in bigger companies, but there is room for improvement among small and medium sized enterprises, said Sofia Cerne as her book was launched in Sweden in February. It is we, the entrepreneurs, who should lead the way towards a better world, not the politicians.



- Much has been written on CSR but I have found it either to theoretical or trivial. I want to describe CSR in an easy and straight forward way. Taking a more active part in the society creates growth and earnings and consequently contributes to the continued creation of a better world.

Sofia Cerne is managing her own company Kerasos, a member of the Stockholm Chamber of Commerce and specialized in business development, trainings and lectures within personal development, entrepreneurship and value based work in companies and organizations. Additionally publishing is an important part of her company's activities.

"Entrepreneurship remains the key driver of wealth and the market economy is a fundamental pillar of a free and democratic society, but the market forces also must serve society at large", concluded Klaus Schwab the opening of this year's World Economic Forum.

Designed and printed in Estonia, the book, CSR: *En fluga eller konsten att tjäna mer pengar* (written in Swedish language) can be ordered online at www.kerasos.se.

A perfect end to a nice evening at Schlössle Hotel

There are several ways of putting a perfect end to a nice evening. Relaxing in a comfortable armchair, lighting up a good cigar and maybe also having a glass of fine Cognac or Armagnac, is one of them



Kay Peter Bischoff

and Tallinn's Schlössle Hotel has now opened a cigar lounge on the ground floor.

• Our intimate hotel, located in a building dating back to the 13th century with massive wooden beams, antique furnishings, green and plum colour décor gives us the opportunity to offer a perfect atmosphere to relax at the end of a great meal, or a long day, says Kay Peter Bischoff, Schlössle Hotel's General Manager.

• Matching Schlössle Hotel's baronial atmosphere with an exclusive cigar lounge is a further step forward. Many of our guests, both in the hotel and at Schlössle's Restaurant Stenhus, enjoy the possibility of choosing the company of a good cigar from the humidor and maybe also an equally good drink.



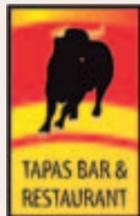
• Schlössle Hotel and Restaurant Stenhus represent an experience in comfort and elegance. We give our guests a feeling of the perfect home away from home and we are now happy to additionally offer a perfect end to a nice evening at the cigar lounge, concludes Kay Peter Bischoff. **Welcome to visit us.**



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10 year anniversary at Meriton Grand Hotel

Opened in 1999, the Meriton Grand Hotel Tallinn now celebrates its 10th year anniversary.



By end of March an extensive renovation programme will be completed. The newly renovated lobby area will feature a first Tapas bar and restaurant, a new central seating area and a new meeting space.

The Tapas Bar and Restaurant is the first in Tallinn focusing on traditional hot and cold Spanish style food. Open between 08.00 and 24.00 it will become a popular and an excellent downtown place for dining.

Meriton's Spanish theme started already in February as Spanish Food weeks were launched in Restaurant Grand Tallinn in Meriton Grand Hotel Tallinn and Café Mademoiselle in the Meriton Old Town Hotel.



As of May 1st 2009 all Meriton hotel guests are privileged to use a wide range of services available at the new Meriton Conference & Spa Hotel, located adjacent to Meriton Grand Hotel Tallinn. The guests can enjoy an Aqua & Sauna Centre, Spa Treatments, a Fitness Club, the Asian Restaurant Wok & Grill, Bistro Linda, the Buddha Bar, the Piano Bar and a large variety of conference rooms and facilities.



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ps.

On a particularly grey and cold March day, a Swedish friend told me about Oxveckorna [the Ox-weeks]. Many years ago, before the big industrialization and urbanization, Sweden was still an agricultural country and the farmers called the weeks from New Year up until March the ox-weeks. Apart from taking care of their cattle, nothing could be done on the fields and these ox-weeks were considered as somewhat dull and slow.



It might be easy to believe that nothing much happened in the Swedish farms during this period. But it actually did. People were preparing for better times to come. Ploughs and other farming equipment were overhauled and repaired if necessary. Plans were made on where to grow what on the fields and contacts were made with neighbours on issues of common interest.

During the first months of 2009 I have seen something similar going on in Estonia. Companies are adjusting to the times present and preparing for better times to come. It has become easier to get skilled labour needed and labour costs are going down. Investments and preparations are made for being in place when the economy turns upward again. Organizational improvements and trainings are being done, also within sales and marketing. The times when people could sit down by the phone and just take orders are gone. Active field sales combined with a high degree of social competence is a must today.



Photo: Henrik Trygg

internationalized marketplace.

The big questions right now are of course connected to when the economy will turn upwards again and what the future GDP and inflation figures will look like.

As for the timing of a change for the better I agree with Joakim Helenius. At SCCE's first Business Lunch this year he said that nobody knows when it will happen. The only thing we can be certain of is that the times will change for the better again.

And as for prognoses on future GDP, inflation and other economic key indicators I think that Ülo Kaasik, Eesti Pank's Head of the Monetary Policy Department, showed a very good chart in connection with the Chambers of Commerce presentation at

Eesti Pank. This particular chart showed the divergences in Eesti Pank's forecasts on key economic indicators made at different times, but made only a few months apart. The divergences were considerable and this chart convinced me to take future forecasts with an equally considerable amount of suspiciousness.

Coming back to Sweden many years ago, reliable prognoses were of course important for the farmers of those days. How will the weather and the coming conditions for good harvests be? To get at least some guidance in this respect they used Bondepraktikan [appr.: The Book on Farmer's Instructions and Advice]. As I am fond of picking berries in the forests, I am now a bit troubled that I don't remember what the weather was like January 29th because Bondepraktikan says 'Solsken den dagen och det blir ett välsignat bärår' [Sunshine that day and it will be a blessed year for berries].

As for March 1st Bondepraktikan says 'Om åsken bullrar den dagen måste man räkna med en sträng och lång vinter med snö ända in i maj' [If the thunder rumbles that day, one has to count with a hard and long winter with snow well into May]. I am happy to report that I didn't hear any thunder March 1st and I feel quite certain that we will see the sun and nice days to come again.

When and to what extents are of course open issues. Maybe Bondepraktikan is as good in forecasting as the economic prognoses we currently can see being published.



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

Sincerely,

Kristiina Sikk
SCCE Ombudsman

Contributions to **focus** from the members of SCCE, both in terms of editorial content and advertising, are welcomed. **focus**' advertising opportunities including sizes, prices and technical requirements are available at our website: www.swedishchamber.ee

If you haven't already done it – please do put us on the mailing list for pressreleases, articles as well as your point-of-view on issues of general interest for the commerce and trade between Estonia and Sweden.

Latest news on SCCE events to come and fresh reports on events passed are always found at www.swedishchamber.ee and you can reach me for further information at email: kristiina@swedishchamber.ee or by phone: (+372) 501 9813.



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