

# BUSINESS AND LOGISTICS POSSIBILITIES IN AND THROUGH THE ESTONIA

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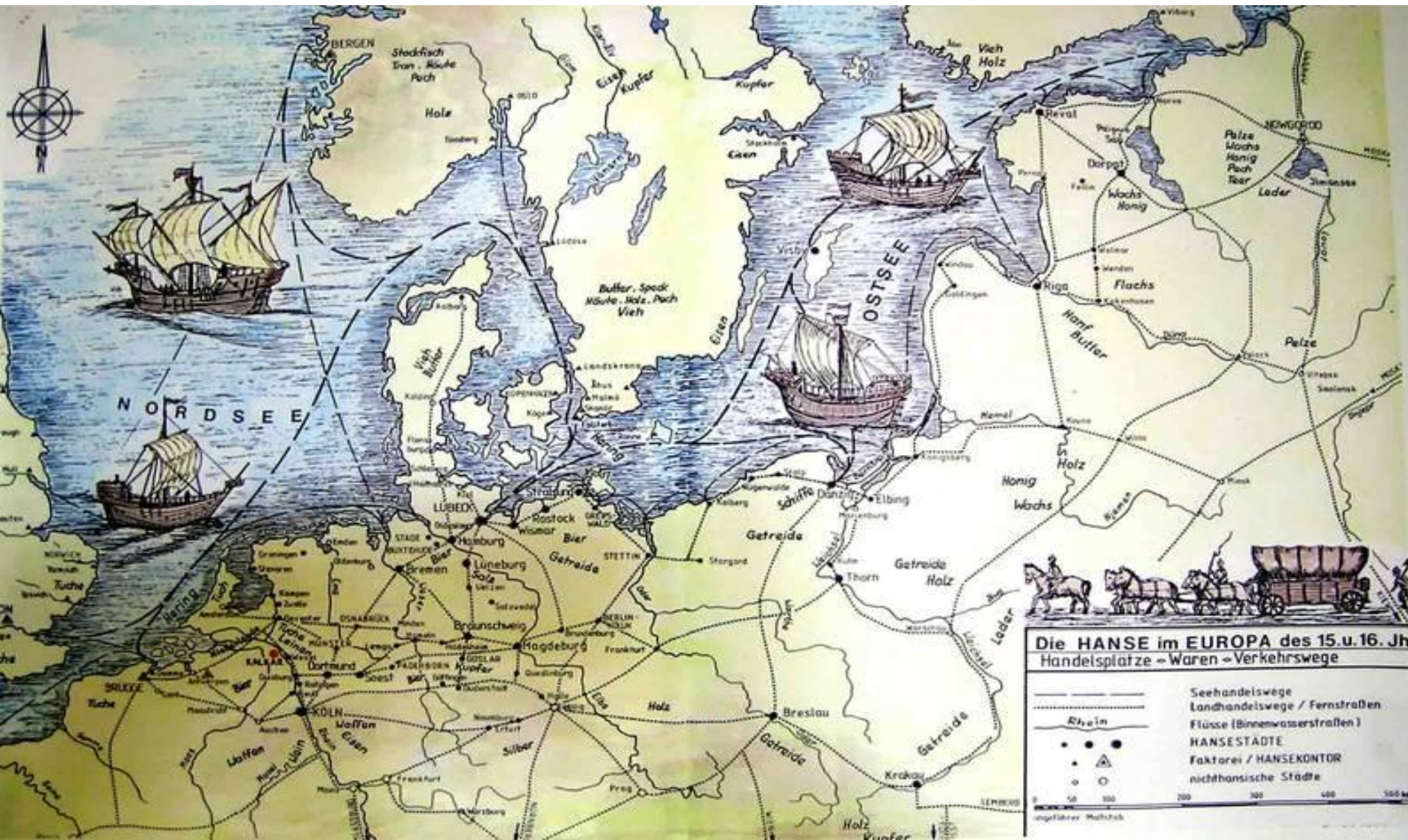


Globalization

By Guille3691



# Trading roads in Europe 15th century



“The government solution to a problem is usually as bad as the problem! ”



**Milton Friedman**





# Business environment

We are at the heart of the Baltic Sea Region –the Europe's fastest growing market



# Why Estonia?

- Liberal trade and price policy
- No restrictions to the free movement of capital
- Simple and proportional tax system
- A highly progressive environment that offers an efficient way of doing business
- Highly developed infrastructure that supports business development
- Among the most successful countries in the world in attracting inward investment



# Estonia is the heart of the Baltic Sea. Small country but big punch!

## Area

45,227 km<sup>2</sup> (similar in size to Denmark or the Netherlands)

## Population

1.34 million (68% Estonians, 25% Russians)

Capital Tallinn (403,000 people)

## Distances from Tallinn to:

- Helsinki 85 km;
- Riga 310 km;
- St. Petersburg 350 km;
- Stockholm 375 km.

**Currency:** EURO

**NATO member state:** since 29 March 2004

**European Union member state:** since 1 May 2004

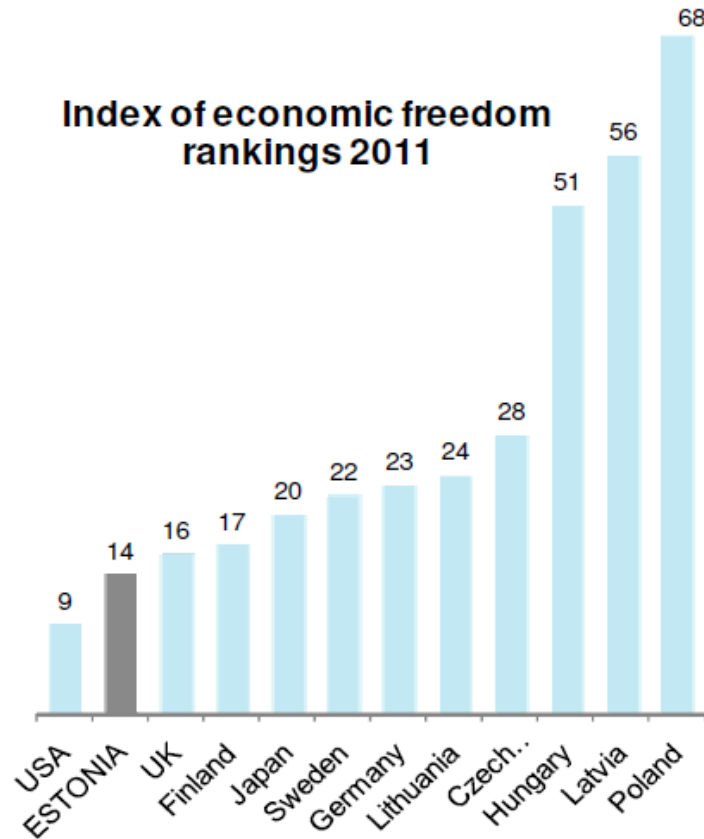
**ECD's 34th member country:** since 9 December 2010



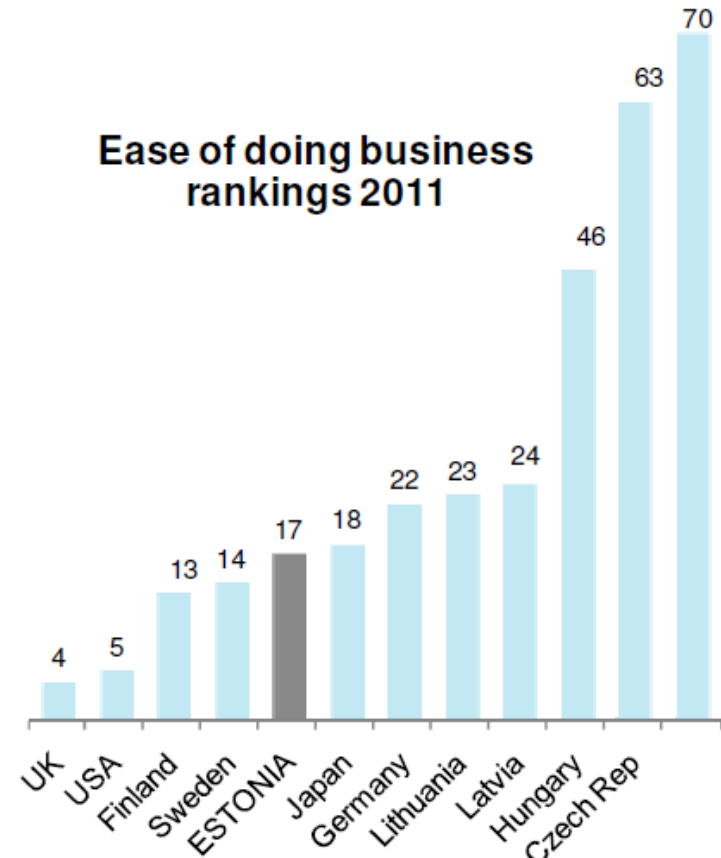
## Country credit ratings

<b>Fitch</b>	<b>A+</b>
<b>S&amp;P</b>	<b>AA</b>

# High position in business environment rankings



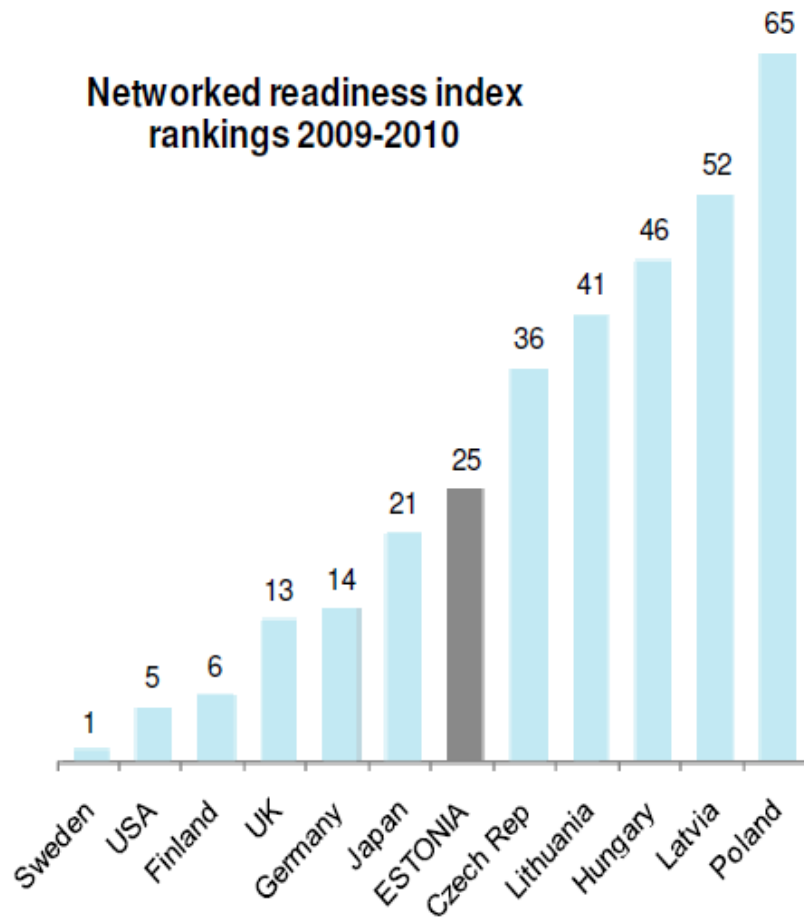
Source: Wall Street Journal; The Heritage Foundation



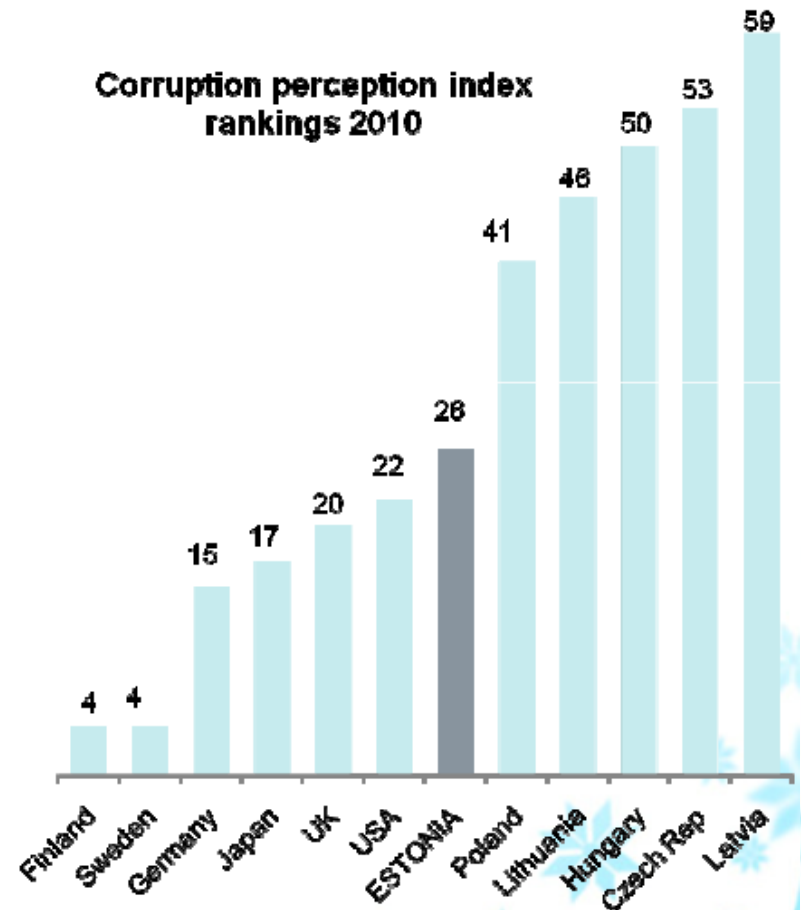
Source: World Bank Group



# High e-readiness and low corruption

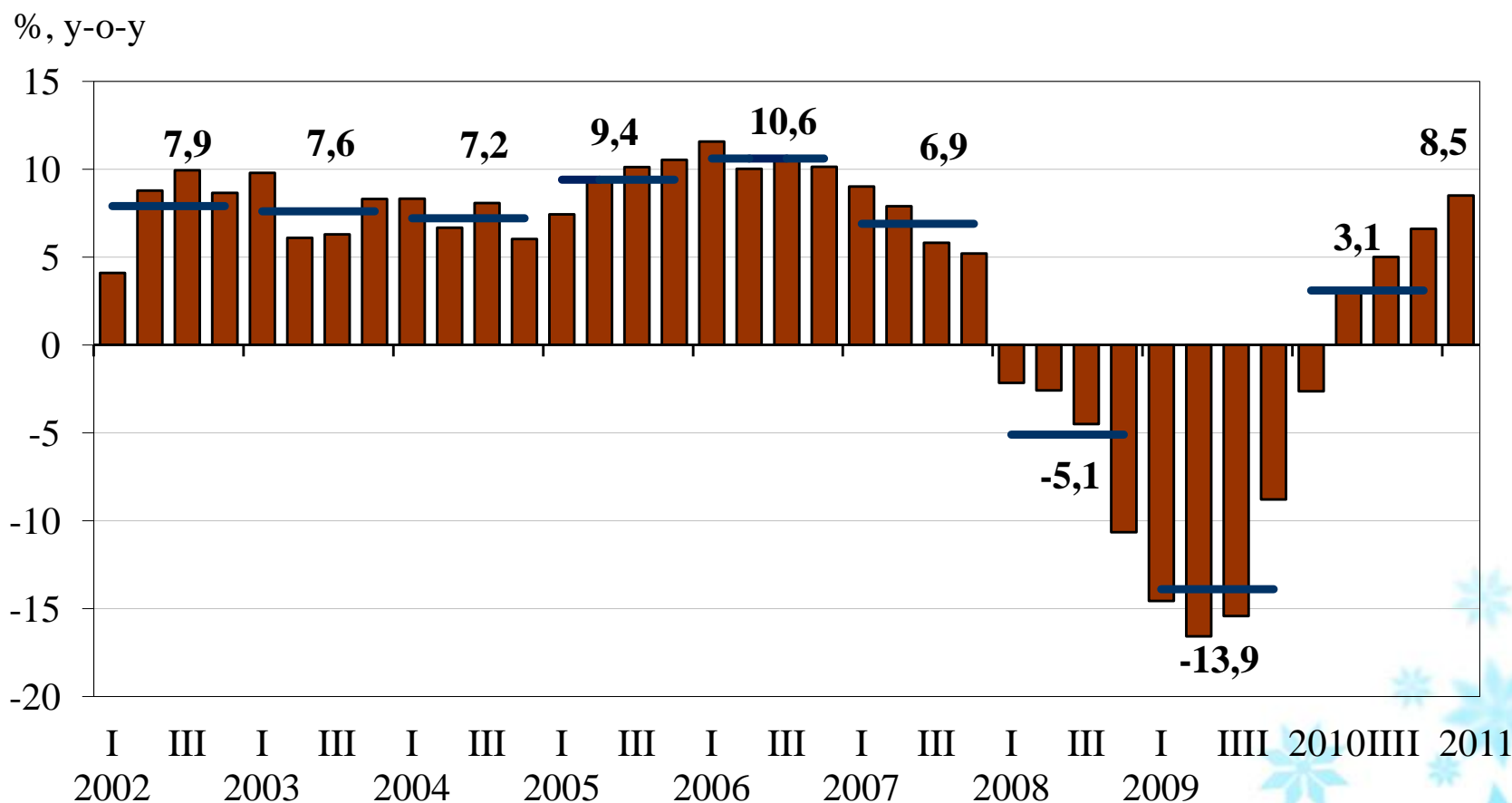


Source: World Economic Forum



Source: Transparency International

# 8,5% in 1Q 2011 – fastest growing economy in Europe



Source: Statistical Office of Estonia

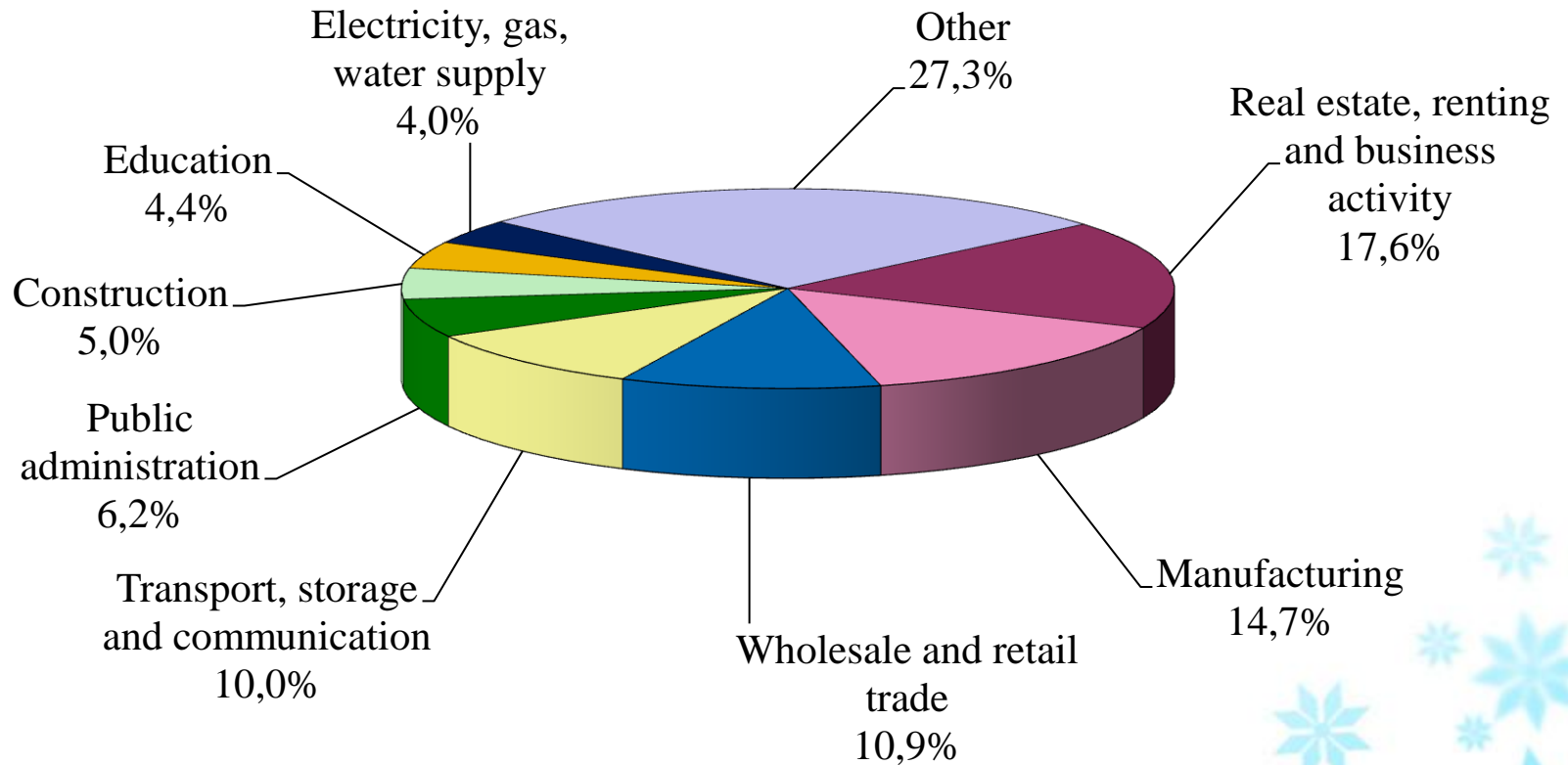
# Impact of crisis: back to the sustainable growth track



Source: Statistical Office of Estonia, Bank of Estonia

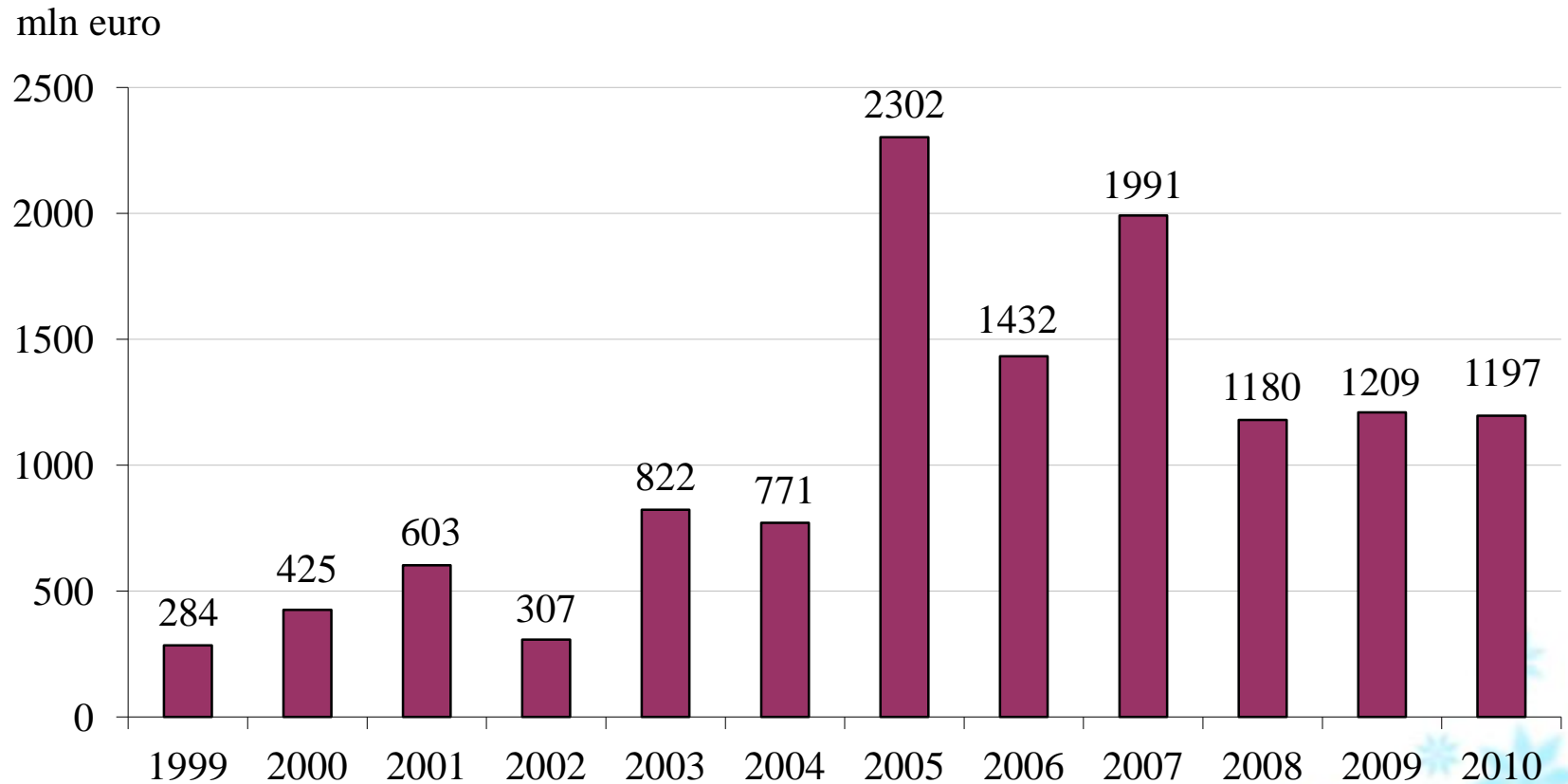


# GDP by Economic Activity, 2010



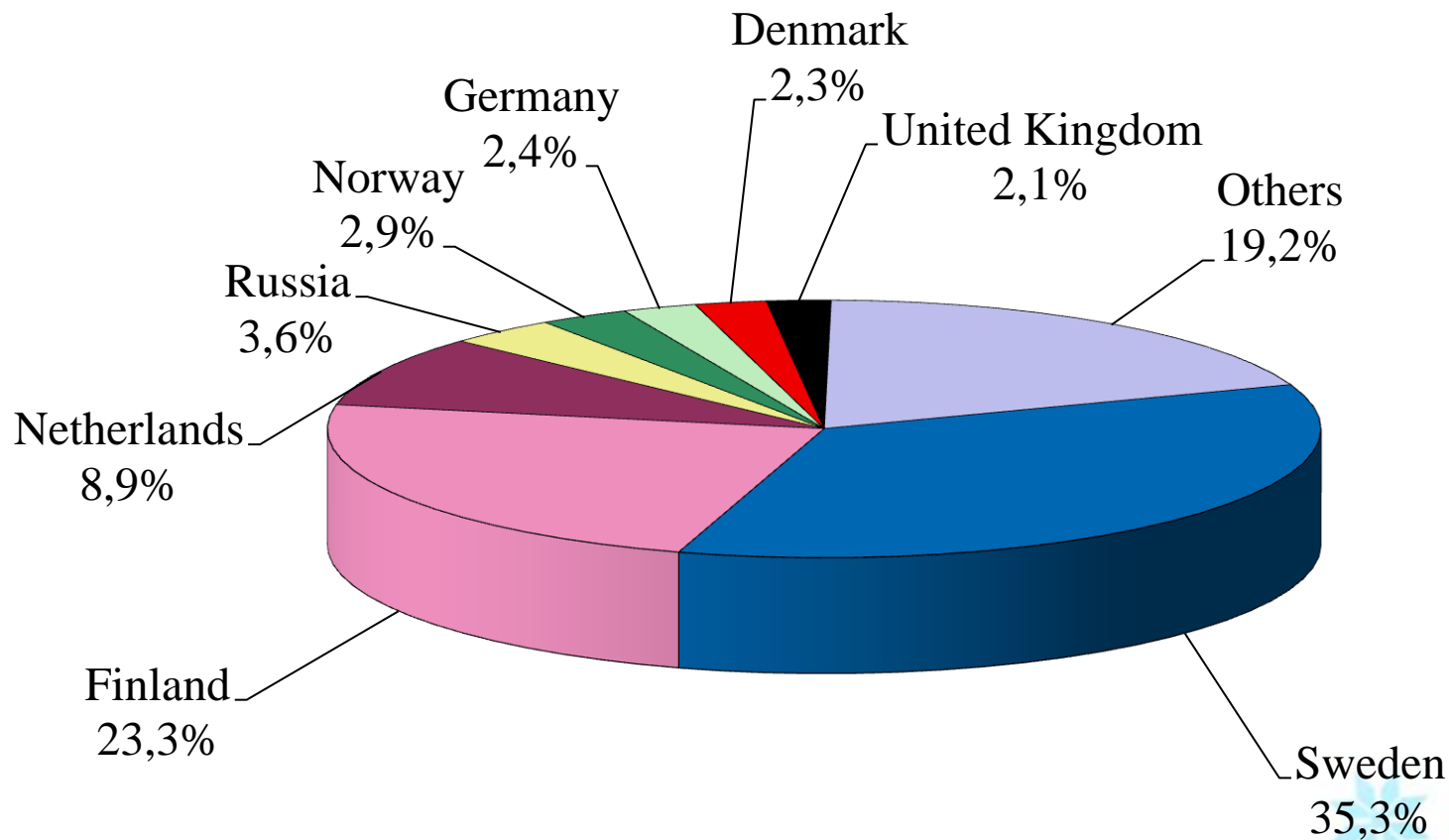
Source: Statistical Office of Estonia

# FDI into Estonia



Source: Bank of Estonia

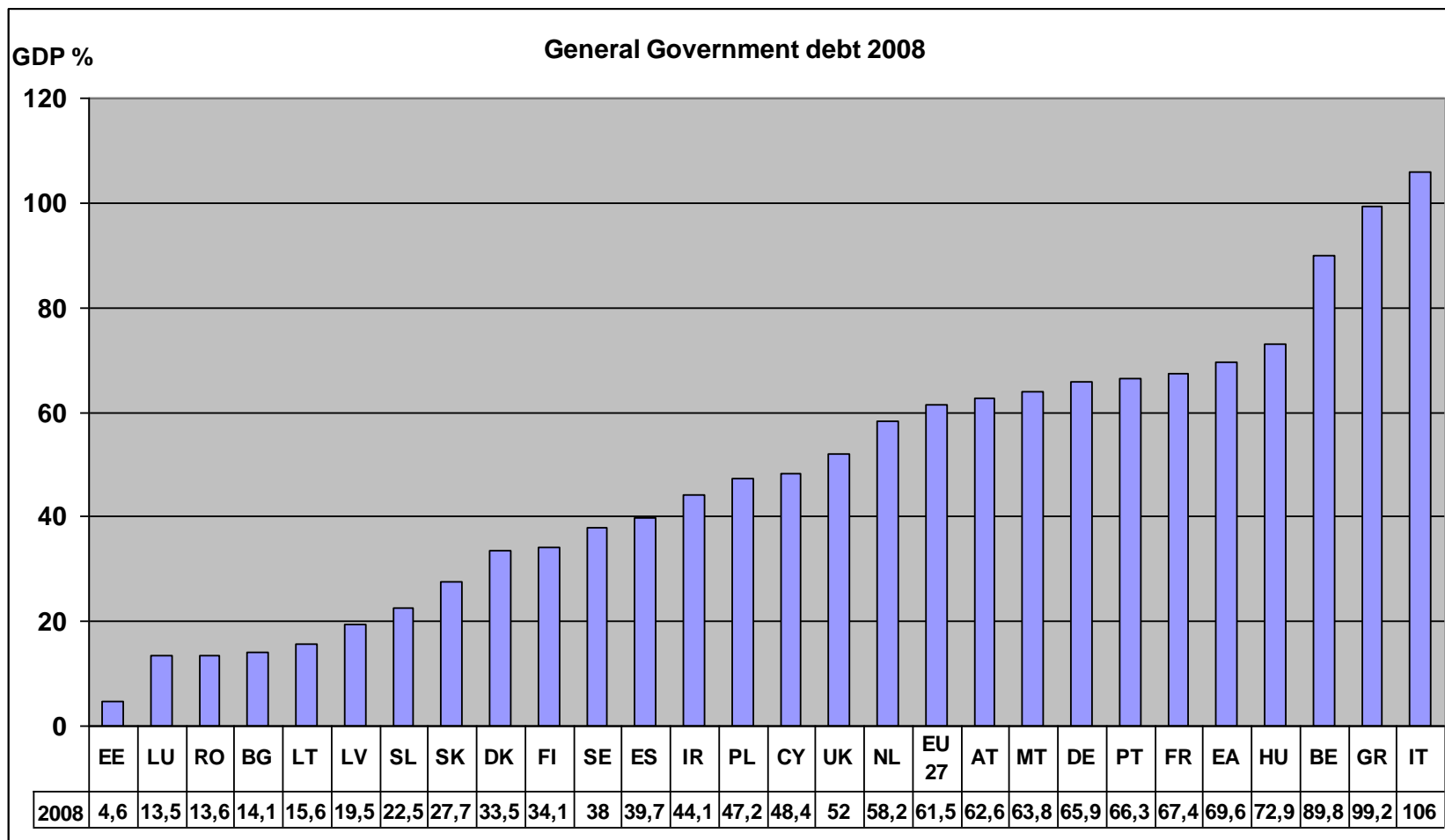
# FDI into Estonia by Country as of 31.12.2010



Source: Bank of Estonia



# Estonia's public debt is the lowest in the EU, 7,2% in 2010

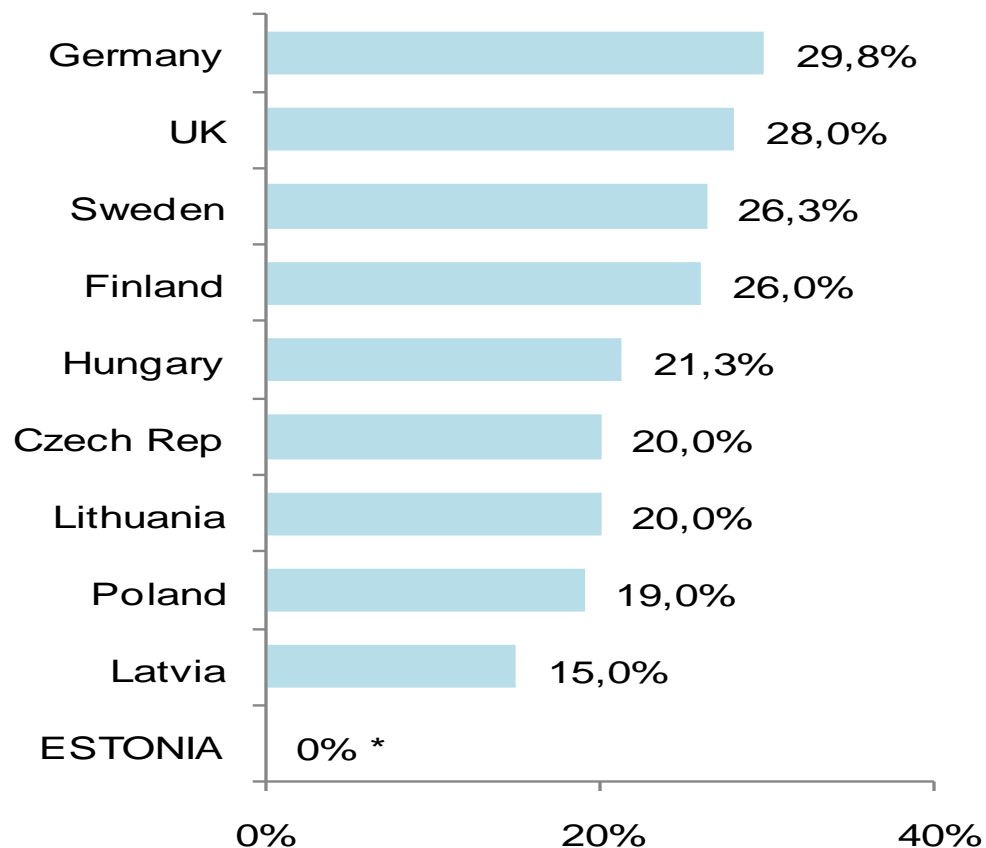




January 1, 2011

# Simple and favourable tax system

Statutory tax rate on corporate income, 2009





# Key sectors for Estonia

- ICT
- Transport and logistics services
- Business and financial services
- Industrial machinery and metalworking
- Electronics

# Information society indicators

- Mobile phones penetration - 116%
- Home PC penetration - 76%
- Business Online - 92%
- Financial Transactions Online – 98%
- Schools Online - 100%
- Government Online - 100%



**New human right in Estonia: access to wireless internet**

## 2011-12 – electromobility pilot project in Estonia



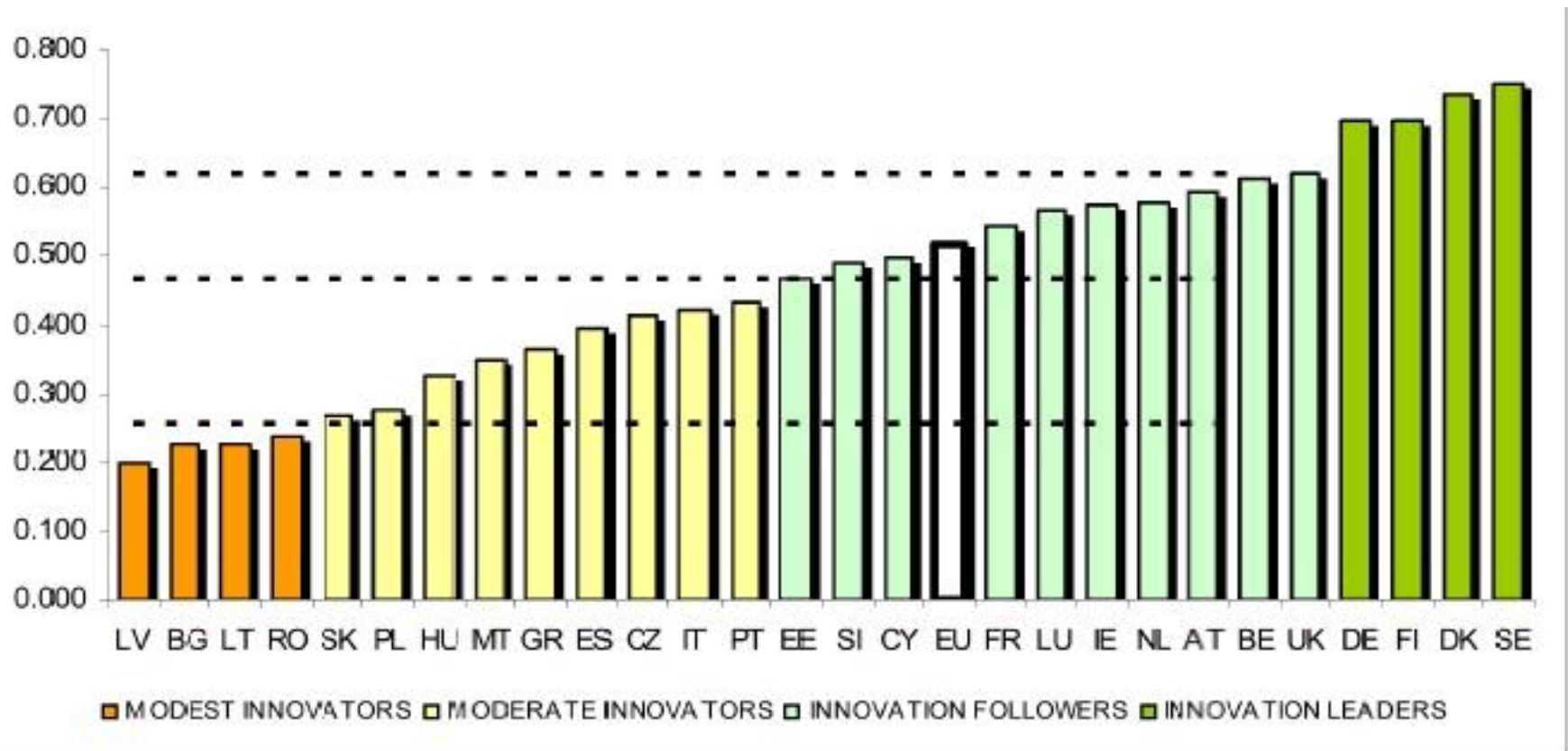
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- + 250 fast charging stations
- + grant program for private individuals and companies



# Future Development Plans

## European Innovation Scoreboard 2010



Source: European Innovation Scoreboard 2010

# TRANSIT & LOGISTICS



# Transport sectors share in service exports

Service export	2009 (MEUR)	2010 (MEUR)	2010 share
All services	1 358	1 312	
Incl. maritime and rail transport	485	546	41%
maritime transport	270	278	21%
rail transport	215	268	20%



# Estonia is well positioned as a gateway

- Estonia – access to a market of 300 million customers
- All regional centres are at 24h reach
- Estonia is well connected with all of these centres via sea, rail and road network



# Very good connections to the EAST





# Transport and logistics services

- Logistics has for long been a strategically important and comprehensive sector in Estonia
- Estonia has a well-developed infrastructure network with different modes of transportation: railway, road, sea and air transport
- The logistics sector employed nearly 37 300 people in 2009
- Total turnover of the sector has been increasing rapidly over the past five years. In 2009 the turnover totalled 3.6 billion EUR out of which export formed 50%.

## Advantages of Estonia:

- **Well-developed infrastructure that supports the development of the sector**
- **High know-how, skilled and low cost labour in logistics services offer profitable business opportunities**
- **Stable environment and sector regulations**

# The latest state investments in logistics

- The repair of Rail Baltic railway infrastructure is completed in 2011
- Container terminal expansion in the port of Muuga (70 hectares, 2 additional quays)
- New border station Koidula opened in September 2011 (perishable and refrigerator cargo handling became possible)
- Since 01.08.2011 the electronic queue system for road transport is applied on EE-RU border, new parking and resting areas are built next to the border crossing points.

# Thank You!

More information: [www.mkm.ee](http://www.mkm.ee)  
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