

Estonian Logistics Cluster



Estonia at a Glance



Eero Pärasmäe

Deputy Secretary General of the Ministry of Economic Affairs and Communications



Estonia is the heart of the Baltic Sea.

Small country but big punch!

Area

45,227 km² (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

Fitch	A
S&P	A
Moody's	A1



Why Estonia?

- Liberal trade and price policy
- No restrictions to the free movement of capital
- Simple and proportional tax system
- A unique location combining Nordic roots and Eastern influences
- 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



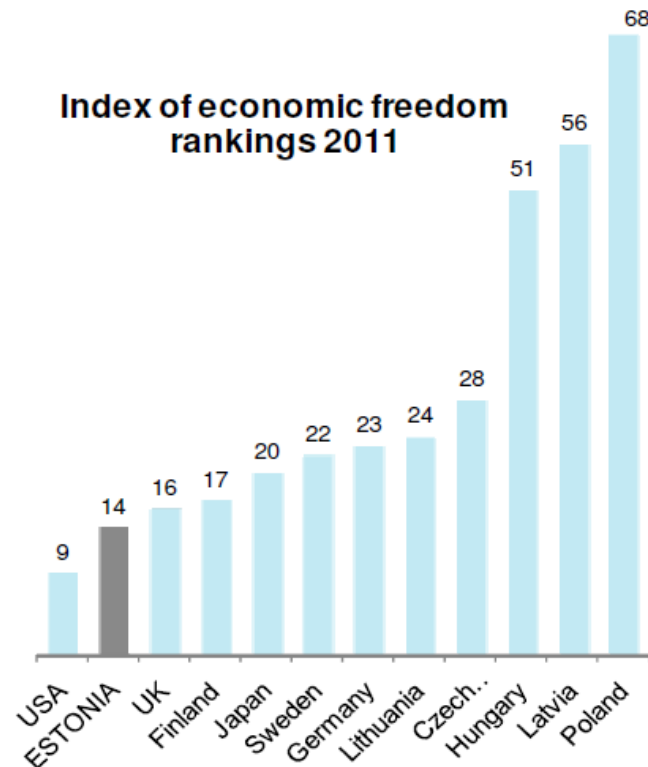
Business environment



We are at the heart of the Baltic Sea Region-
The European fastest growing market



High position in business environment rankings



Source: Wall Street Journal; The Heritage Foundation

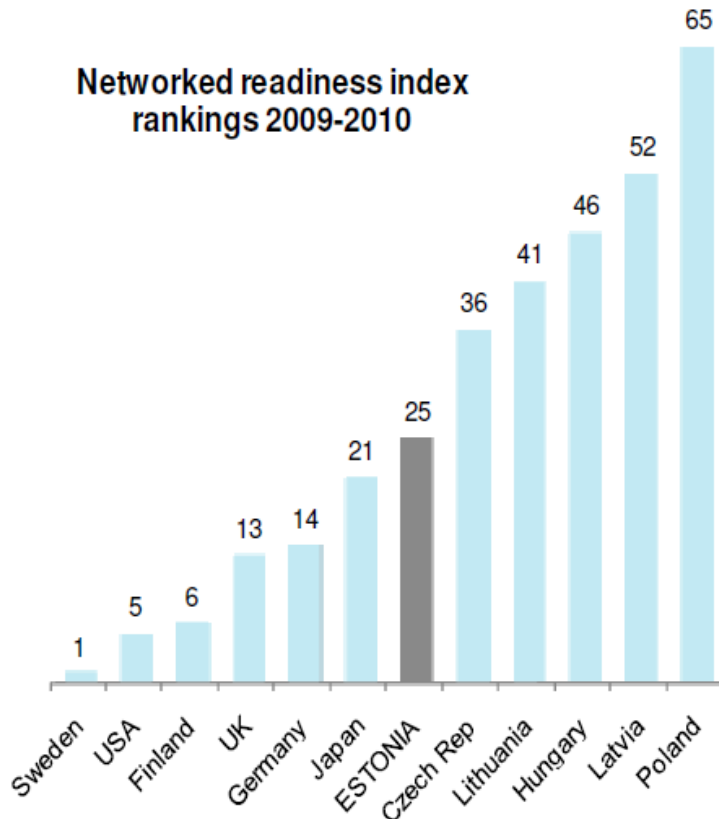


Source: World Bank Group



High e-readiness and low corruption

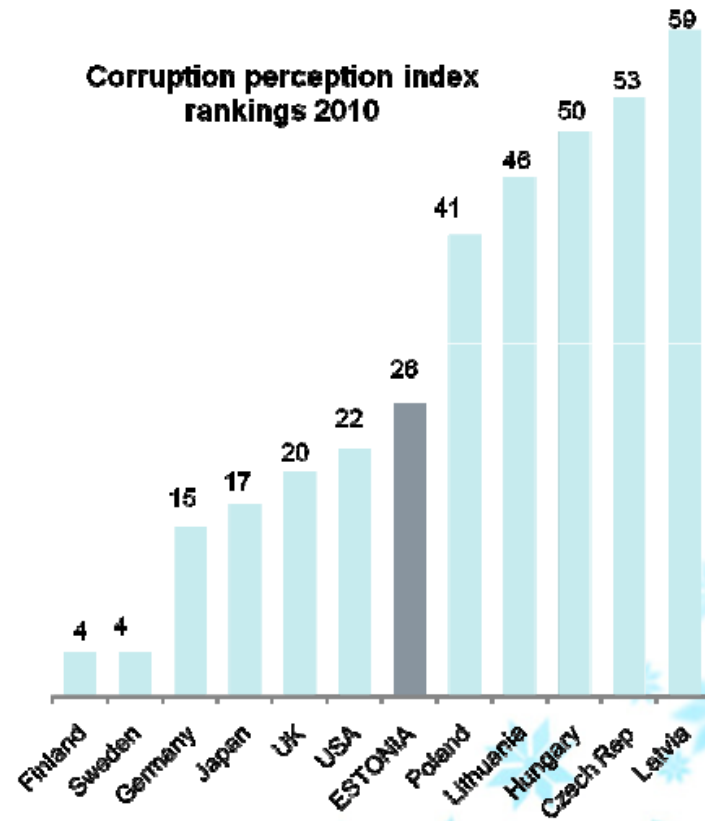
Networked readiness index
rankings 2009-2010



The Heritage Foundation

Source: World Economic Forum

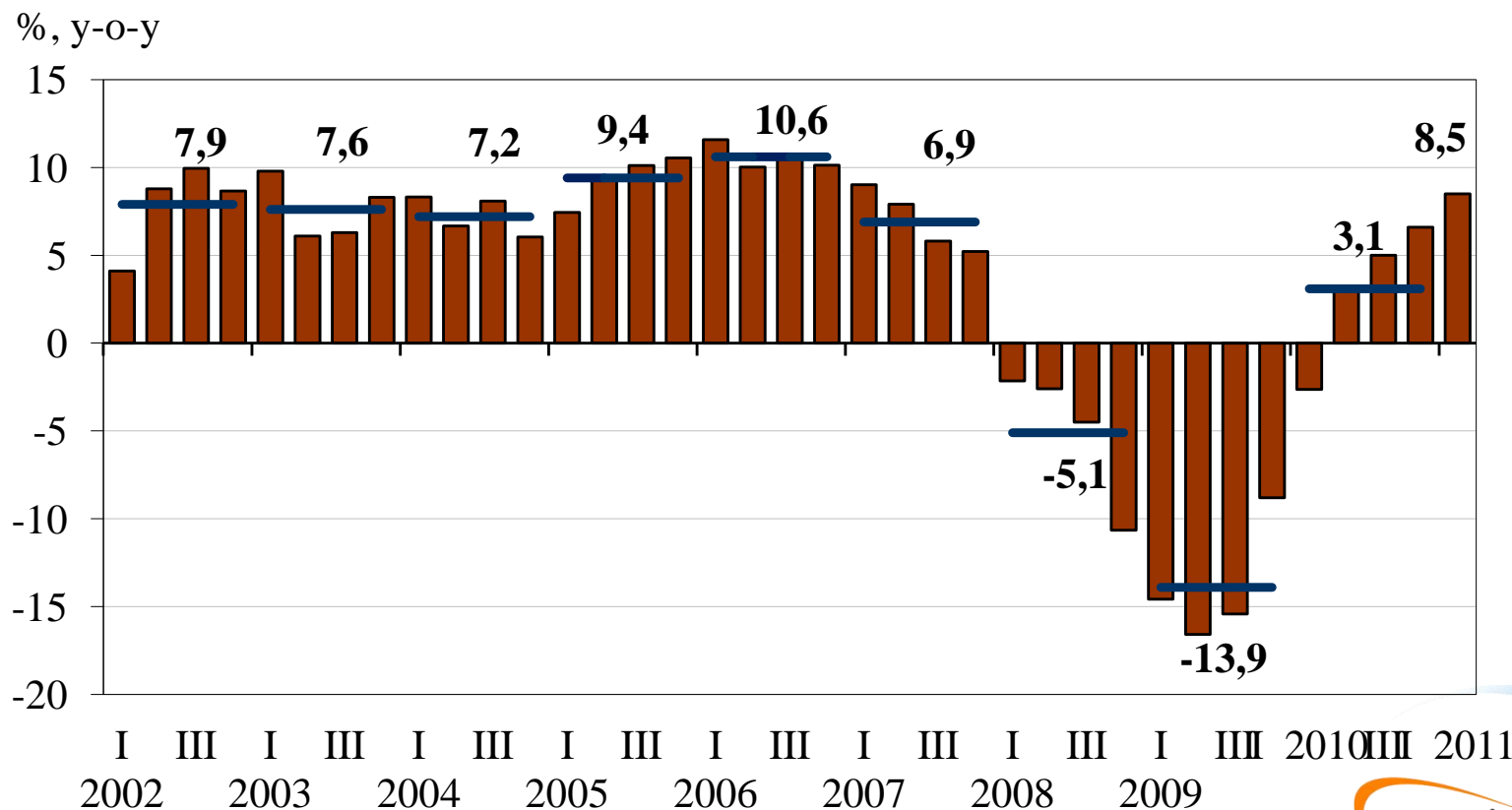
Corruption perception index
rankings 2010



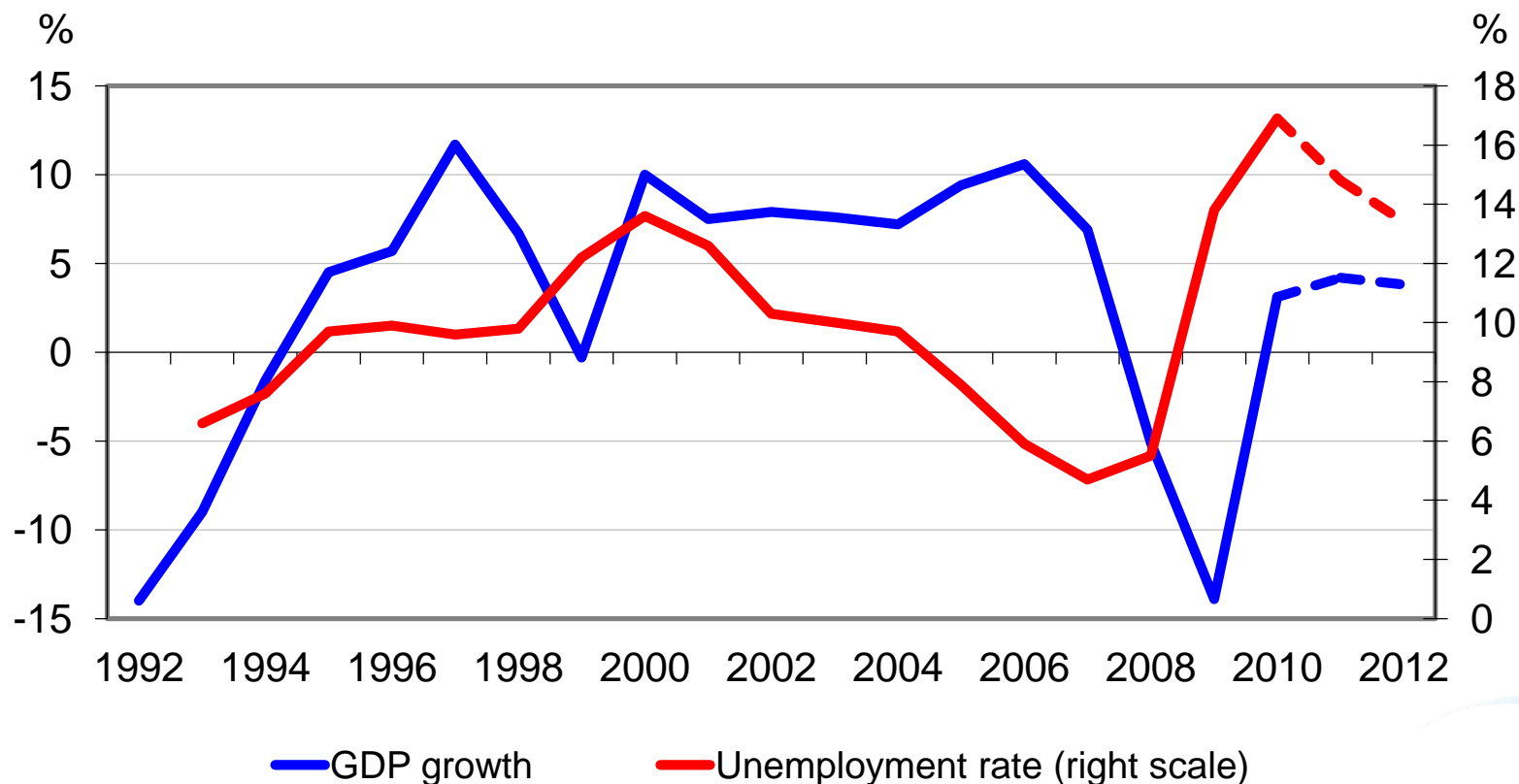
Source: Transparency International



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



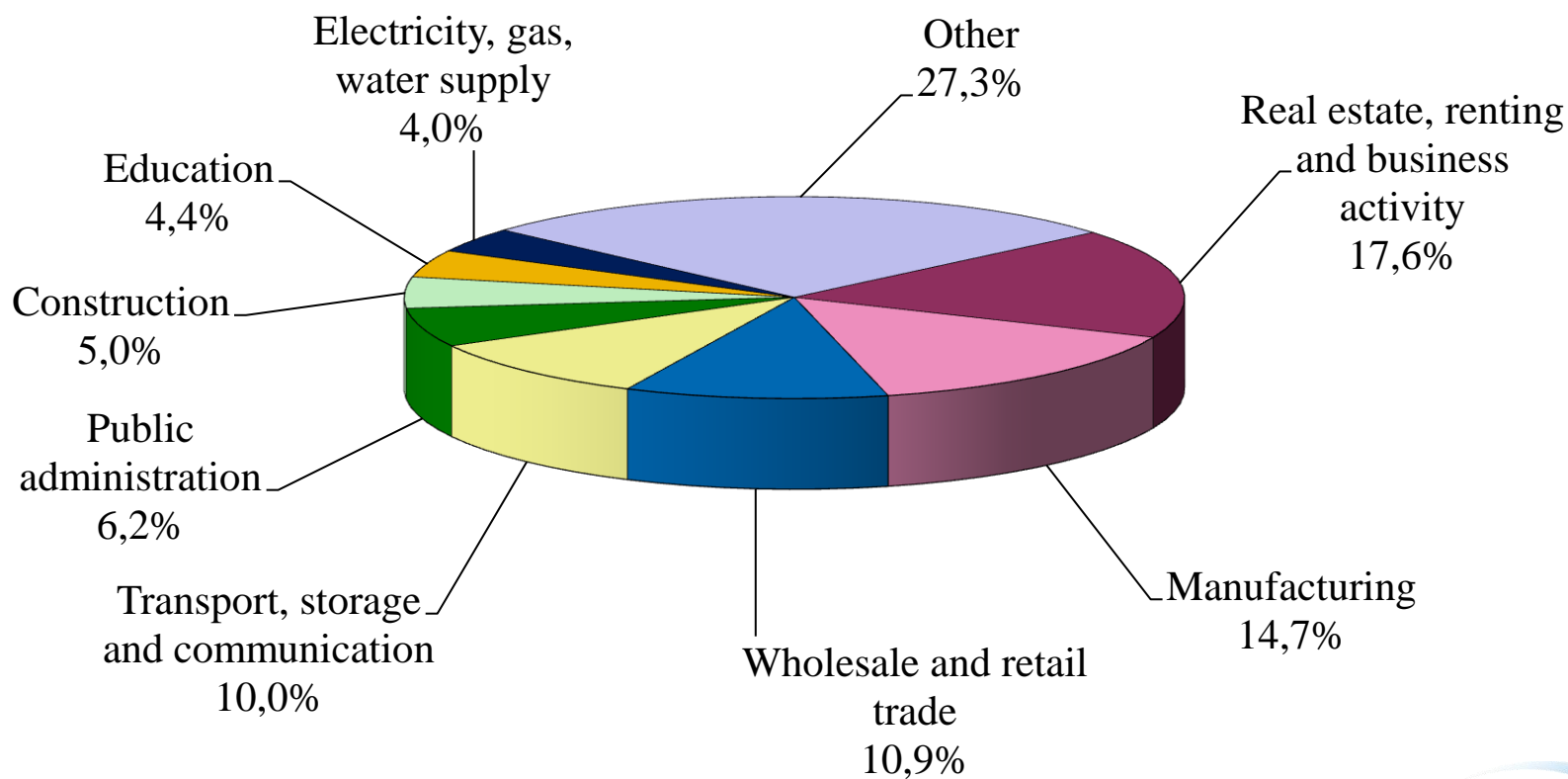
Impact of crisis: back to the sustainable growth track



Source: Statistical Office of Estonia, Bank of Estonia



GDP by Economic Activity, 2010

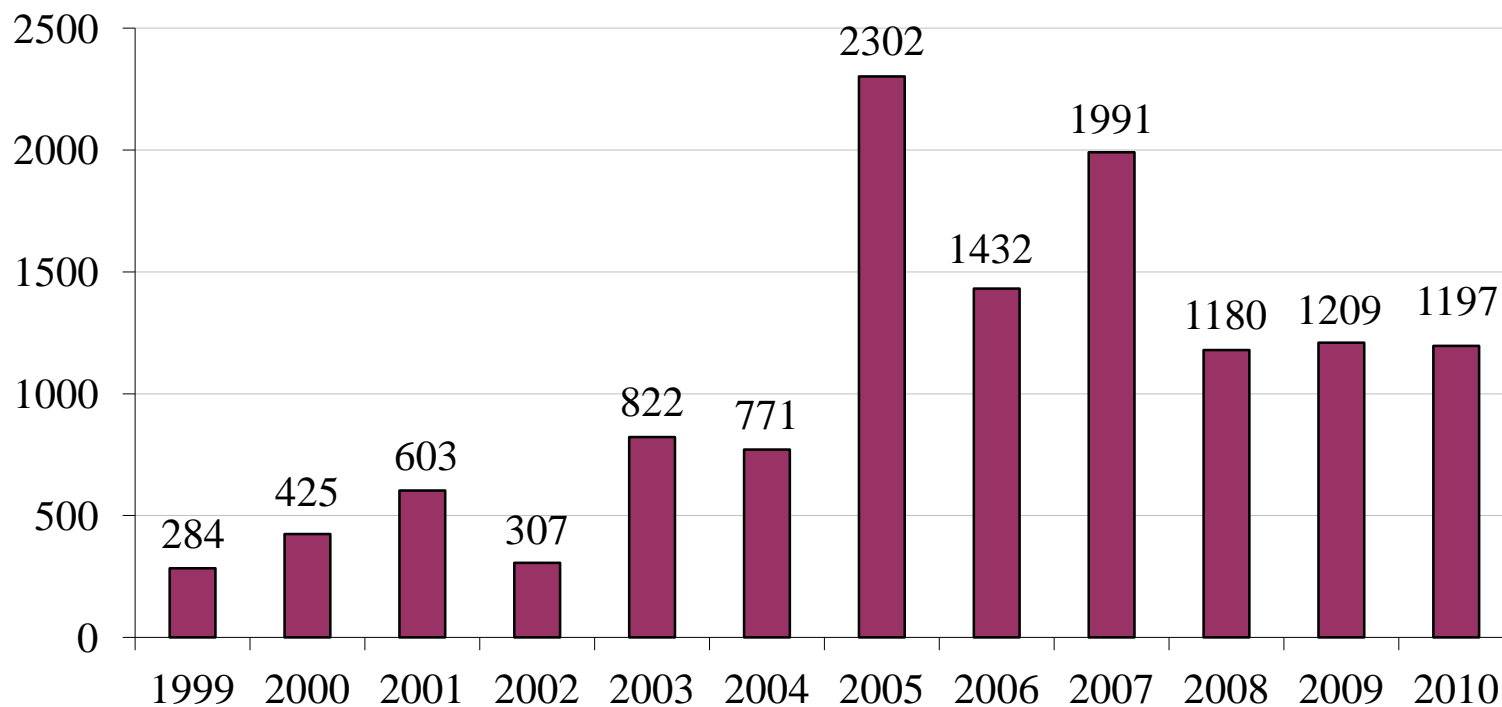


Source: Statistical Office of Estonia



Foreign Direct Investment (FDI) into Estonia

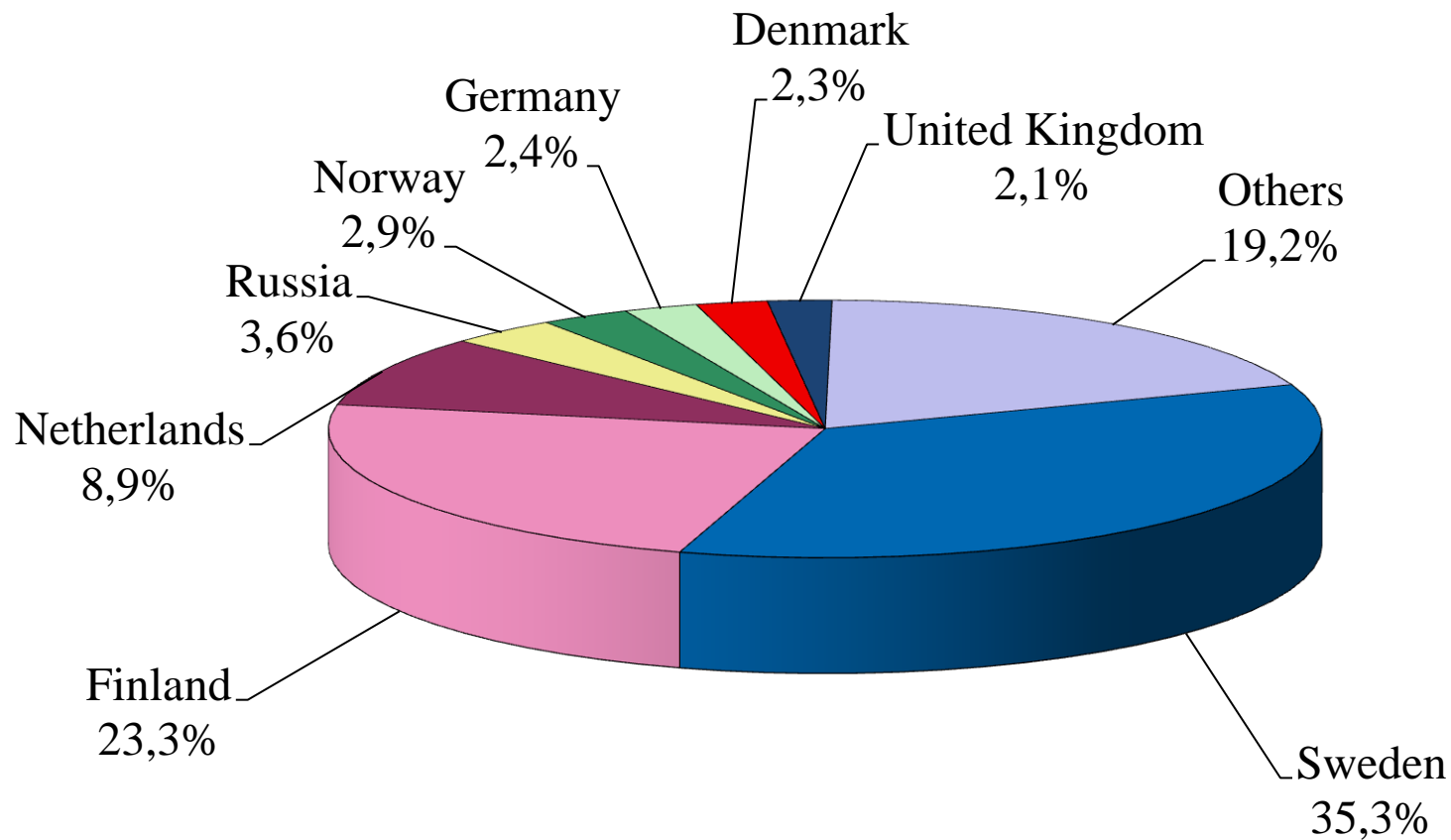
mln euro



Source: Bank of Estonia



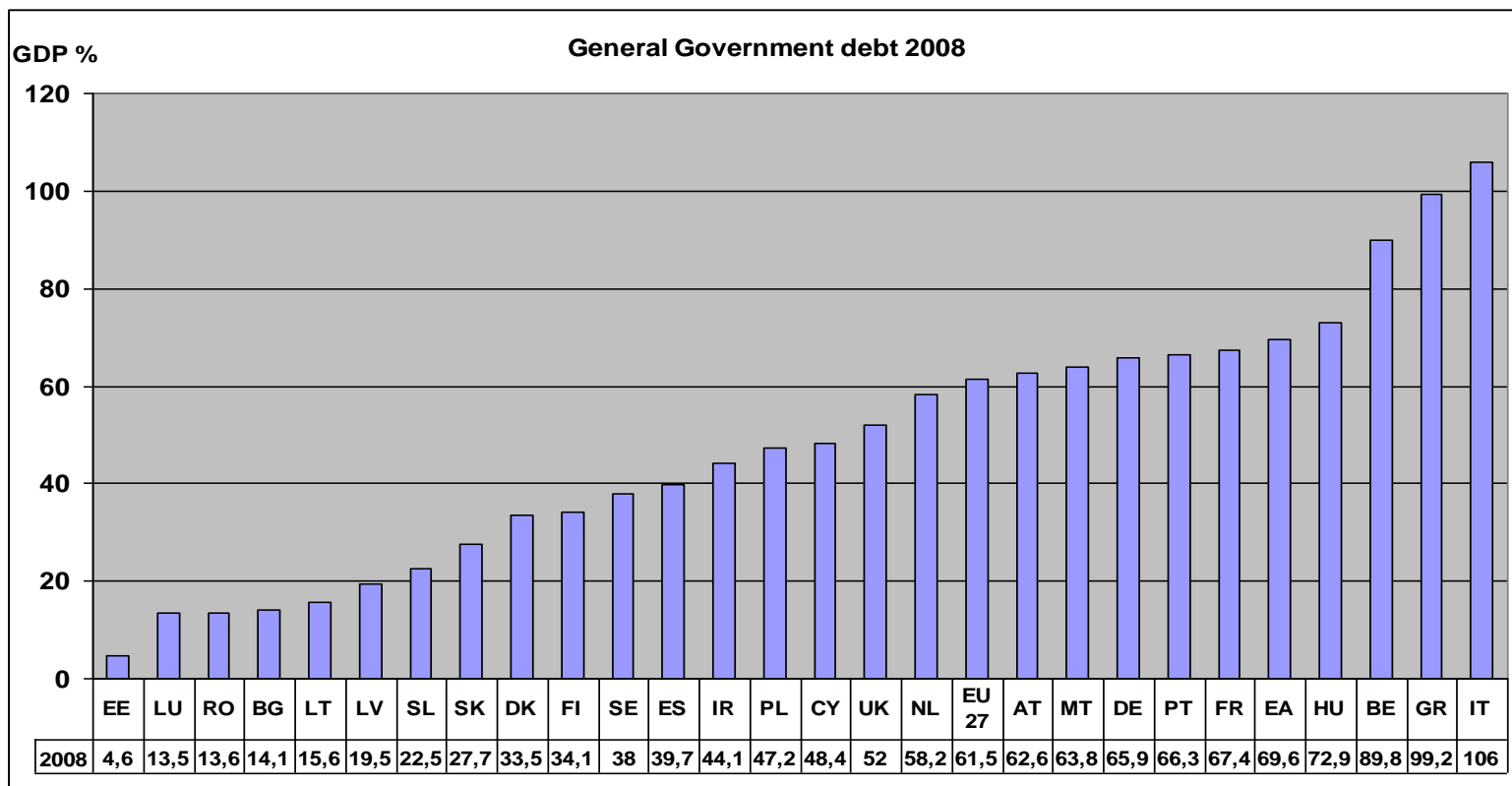
FDI into Estonia by Country as of 31.12.2010



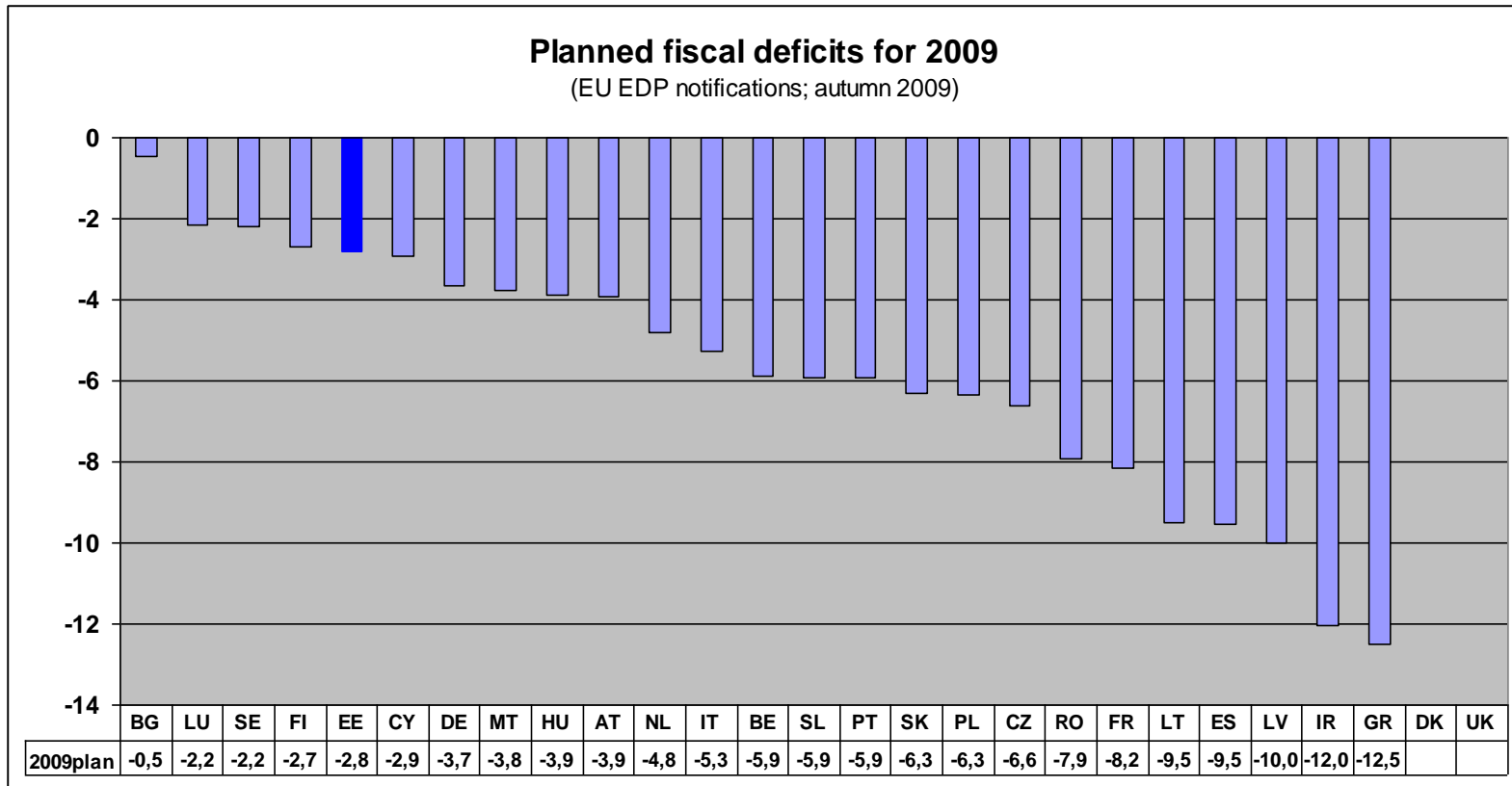
Source: Bank of Estonia



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



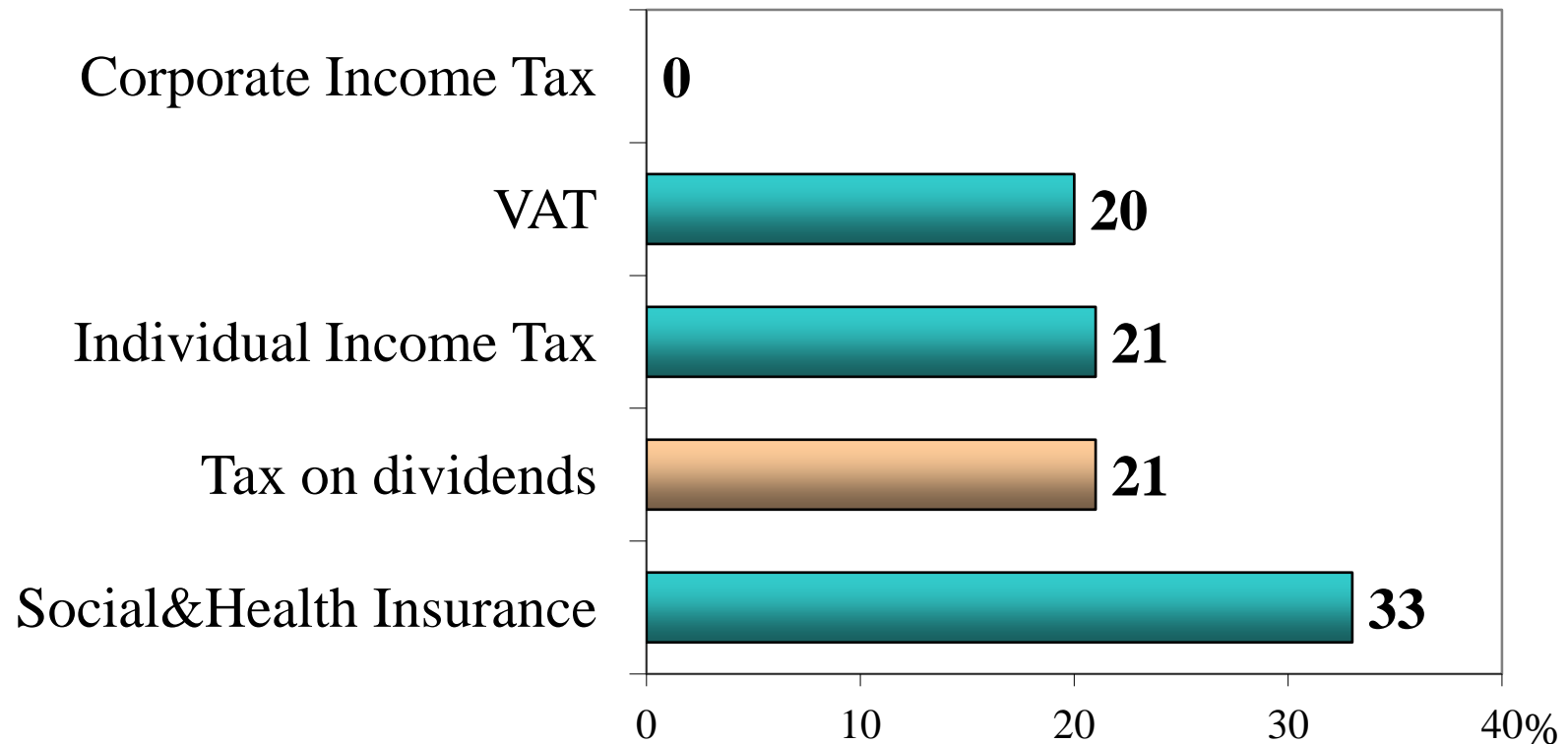
...and we are escaping excessive deficits during the crisis,
contributing to future competitiveness of the economy



January 1, 2011



Taxes in Estonia



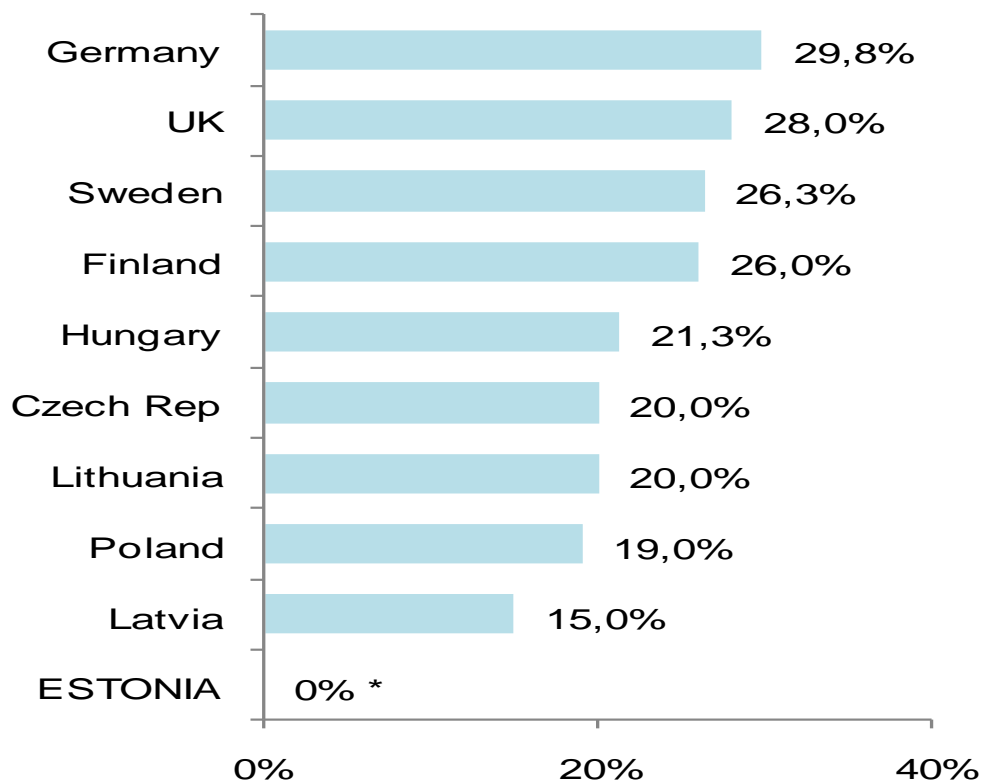
No corporate income tax on reinvested earnings

Source: European Commission



Simple and favourable tax system

Statutory tax rate on corporate income, 2009



Key sectors

ICT

Transport and logistics services

Business and financial services

Industrial machinery and metalworking

Electronics



Information society indicators

Simple and favourable tax system

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



Global success stories with Estonian touch



2011-12 – electromobility pilot project



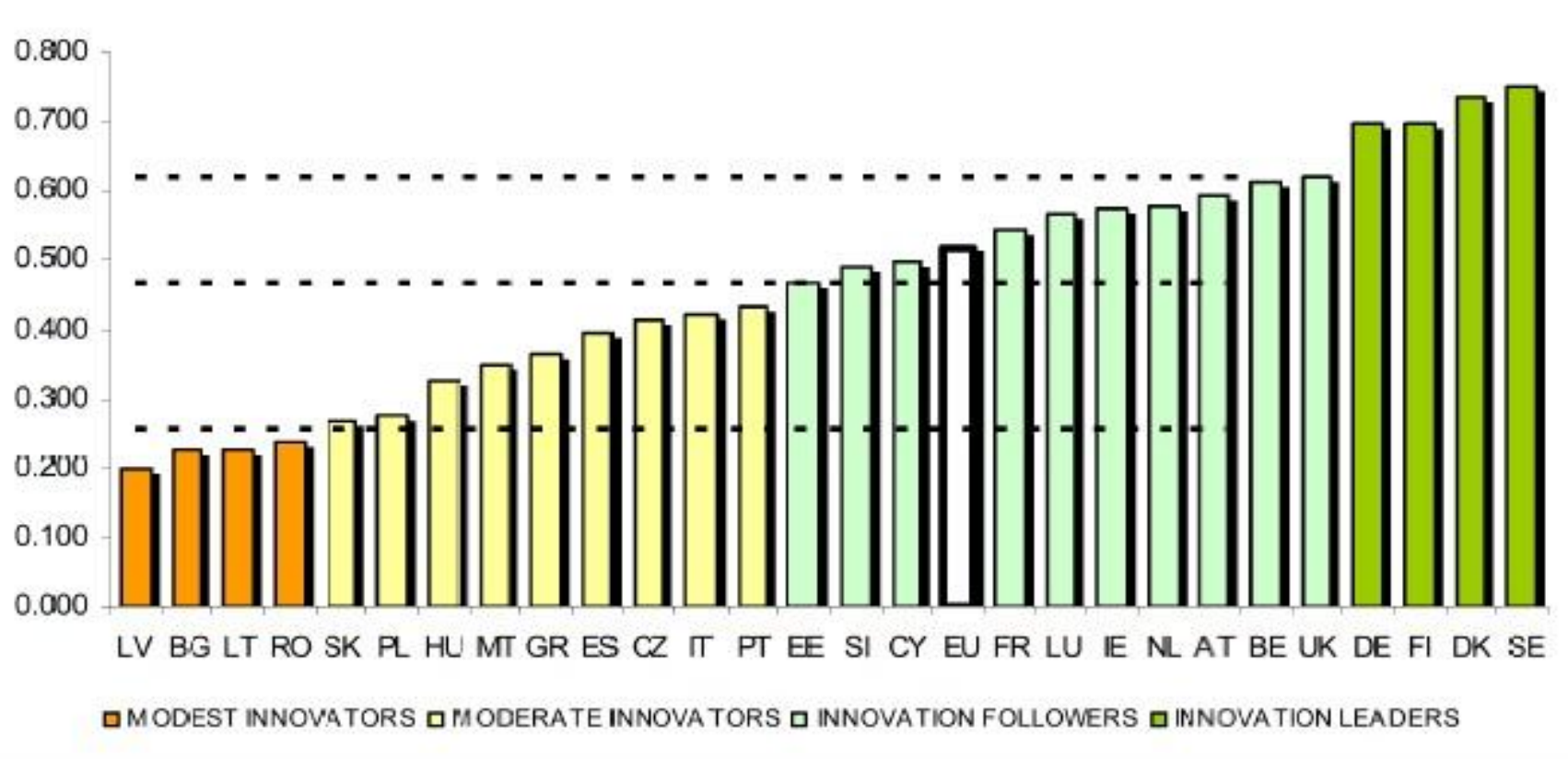
X 507

+ 250 fast charging stations

+ grant program for private individuals and companies



European Innovation Scoreboard 2010



Source: European Innovation Scoreboard 2010



Thank You!

More information: www.mkm.ee
eero.pargmae@mkm.ee



Why Estonia?

- Effective and efficient transport corridor 24/7@365
- Liberal trade and price policy
- No restrictions to the free movement of capital
- Simple and proportional tax system
- A unique location combining Nordic roots and Eastern influences
- 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



Market sizes and delivery times

Russia – 141.9 mln inhabitants

- to St.Petersburg – 24 hours (by train)
- to Moscow– 24 hours (by train)/48 hours (by truck)

Finland – 5.4 mln inhabitants

- to Helsinki – 3 hours (by ship/truck)

Latvia & Lithuania – 6 mln inhabitants

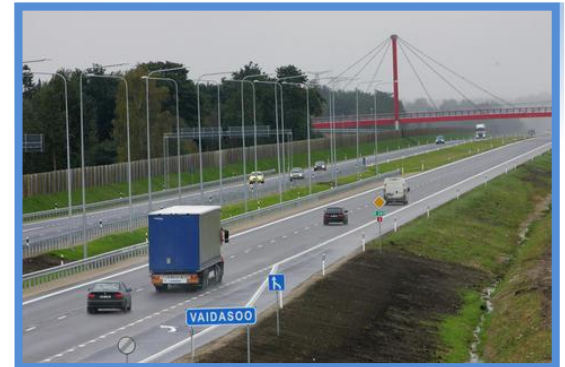
- to Riga – 4 hours (by truck)
- to Vilnius – 8 hours (by truck)

Belorus – 10 mln inhabitants

- to Minsk – 24 hours (by train) 48 hours (by truck)

Ukraine – 46 mln inhabitants

- to Black Sea – 2 days (by truck) 5 days (by train)



Effective and efficient transport corridor

Railway transportation:

- Transportation of rail cars in block-trains (shuttles)
- Loading and unloading speed of rail cars

Ports and terminals

- Storage capacity (incl. long term storage)
- Loading and unloading speed of the vessels
- Depth at the quay line

Sea transportation

- Large vessels (Post Panamax)
- Ice free ports



Advantages of Estonian Road Transport System for on-carriages

- Estonian roads are toll free
- Excellent road capacity
- Advanced infrastructure
- 10 border inspection posts to choose between, when going from Estonia to Russia
- Electronic pre-arrival customs processing for the European Union and Russia border checkpoints



The advantages of Estonian ports

- Deepest in the Baltics (-18m) and closest to the Russia (25km) ports navigable all year around
- An ideal location for distribution of cargo to be shipped to the neighbouring markets of 300 million consumers
- Most efficient and modern terminals. Plenty of development area for distribution, value added services and production
- Rapid development and customised approach
- EU tax exemption in the customs-free zones of the ports (3)



PORT OF TALLINN

The biggest and deepest port in the Baltics



Neinar Seli

Chairman of the Supervisory Board



Ain Kaljurand

Chairman of the Management Board



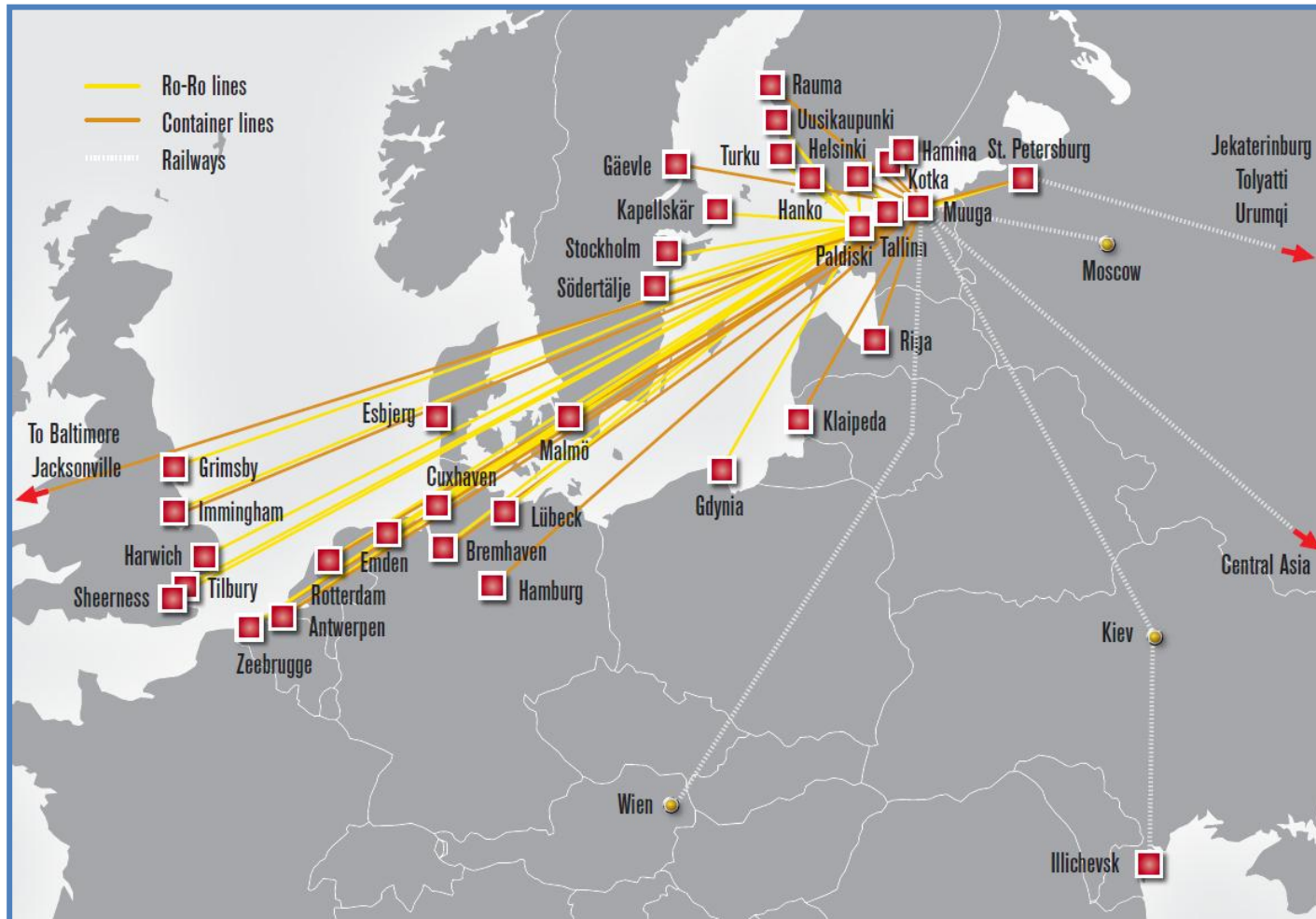
Erik Ringmaa

Chief Commercial Officer



Regular shipping lines to all major seahubs of Europe

with rail and road east- and southbound connections to important consumer and industrial regions



POSITION - WE ARE DIFFERENT!

- Unique geographical position
- Ideal natural conditions
- Well-developed infrastructure
- Highest quality and environmental concern
- European service standard, focus on safety
- Free zone
- Land availability



THE PRESENT CONTAINER TERMINAL

- 4 quays, total length 917m, draft up to -14.5m
- Terminal area 22 ha, maximum capacity 420 000 TEU
- Storage capacity 10 500 TEU
- Modern technology
- Railway loading capacity of 4 trains per day
- Frequent feeder connections to West European and Baltic Sea harbours



THE NEW (SECOND) CONTAINER TERMINAL

- Quay of 378m, draft -14.5m
- Terminal area 27 hectares
- Capacity ca 350 000 TEUs
- Operator Rail Garant Group
- Operational by the end 2012
- Russian export by rail, expected volume
- 270 000 TEU annually
- Possibilities: free capacity for “traditional” Russian imports,
- Free railway capacity (eastbound return cargo)



INDUSTRIAL PARK'S LOCATION WITHIN THE PORT'S FREE ZONE ENABLES:

- Good location, immediate closeness of the harbour
- Swift movement of cargo between industrial park and terminals
- Substantial cost effect by limiting customs procedures and avoiding customs securities
- Synergy between different add value centers located in the harbor area
- Good access from main roads
- Unlimited time of storage
- Unlimited transfer of cargo's ownership
- Easyness of procedures

More info: www.portoftallinn.com



Estonian Railways – an important link in Transatlantic Horseshoe



Kaido Simmermann

Estonian Railways

Chairman of the Management Board

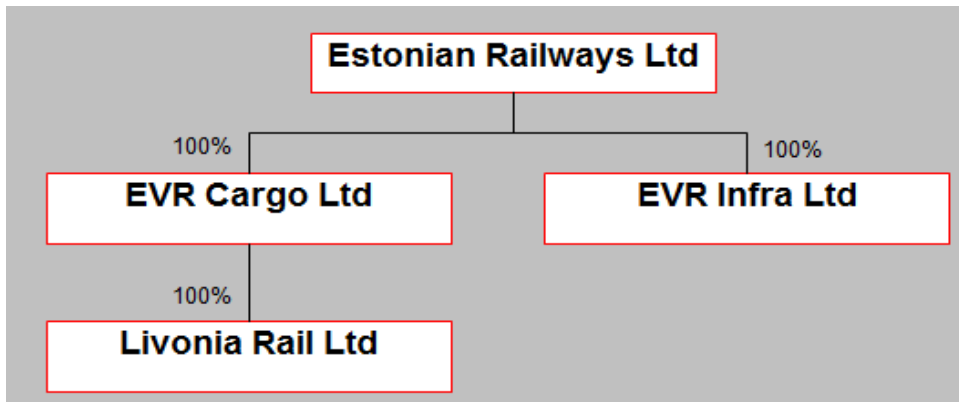
Jaanus Paas

EVR Cargo

Chairman of the Management Board



About us



We are part of 1520 mm network...

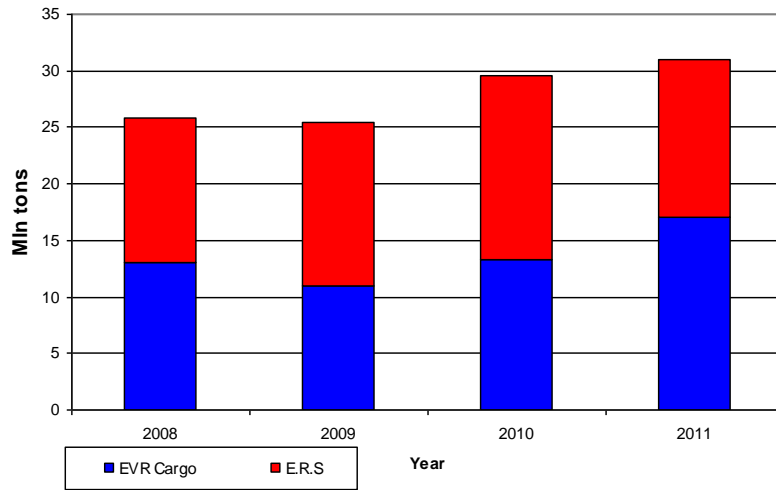
HISTORY OF ESTONIAN RAILWAYS

- 1870 First route opened between Paldiski – Tallinn – Narva – Gatshina (near St. Petersburg)
- 1918 Independent Estonian Railways (EVR) was established
- 1992 State-owned company AS Estonian Railways established
- 2009 Restructuring of Estonian Railways:
 - EVR Infra (infrastructure)
 - EVR Cargo (transport)

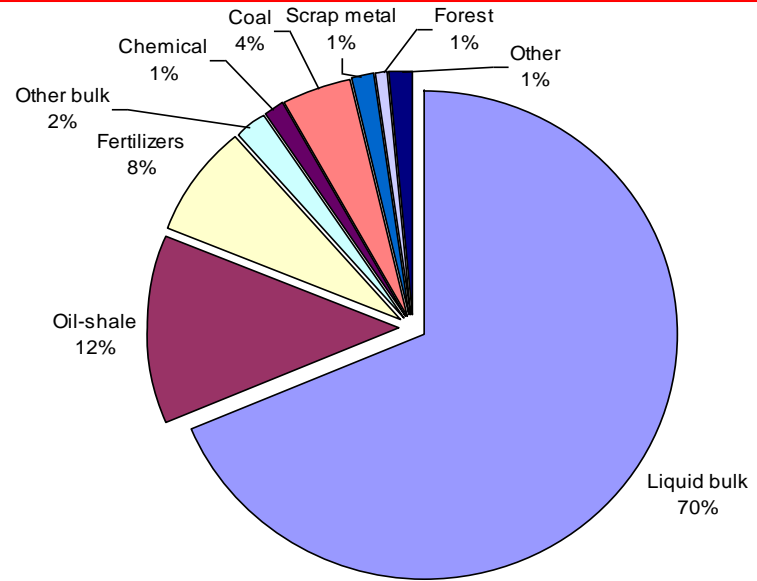
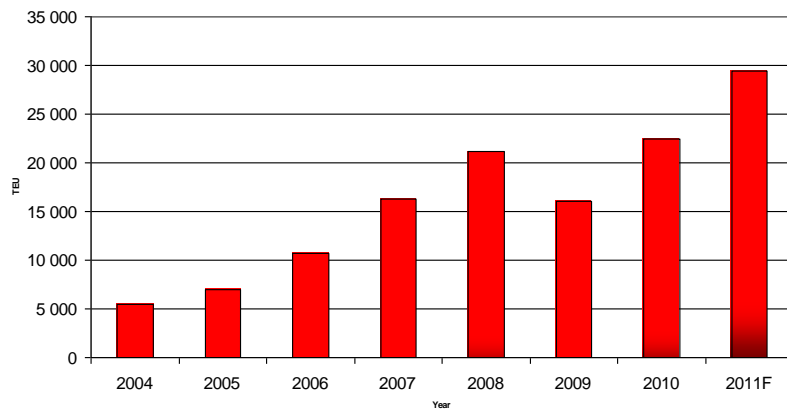


Historical bulk carrier...

Cargo volumes on Estonian Railway's infrastructure



Container volumes TEU



- Estonian Railways has historically been the carrier of Bulk from east to west
- Containers, mainly from west to east, are becoming more and more important



Variety of equipment for different cargo

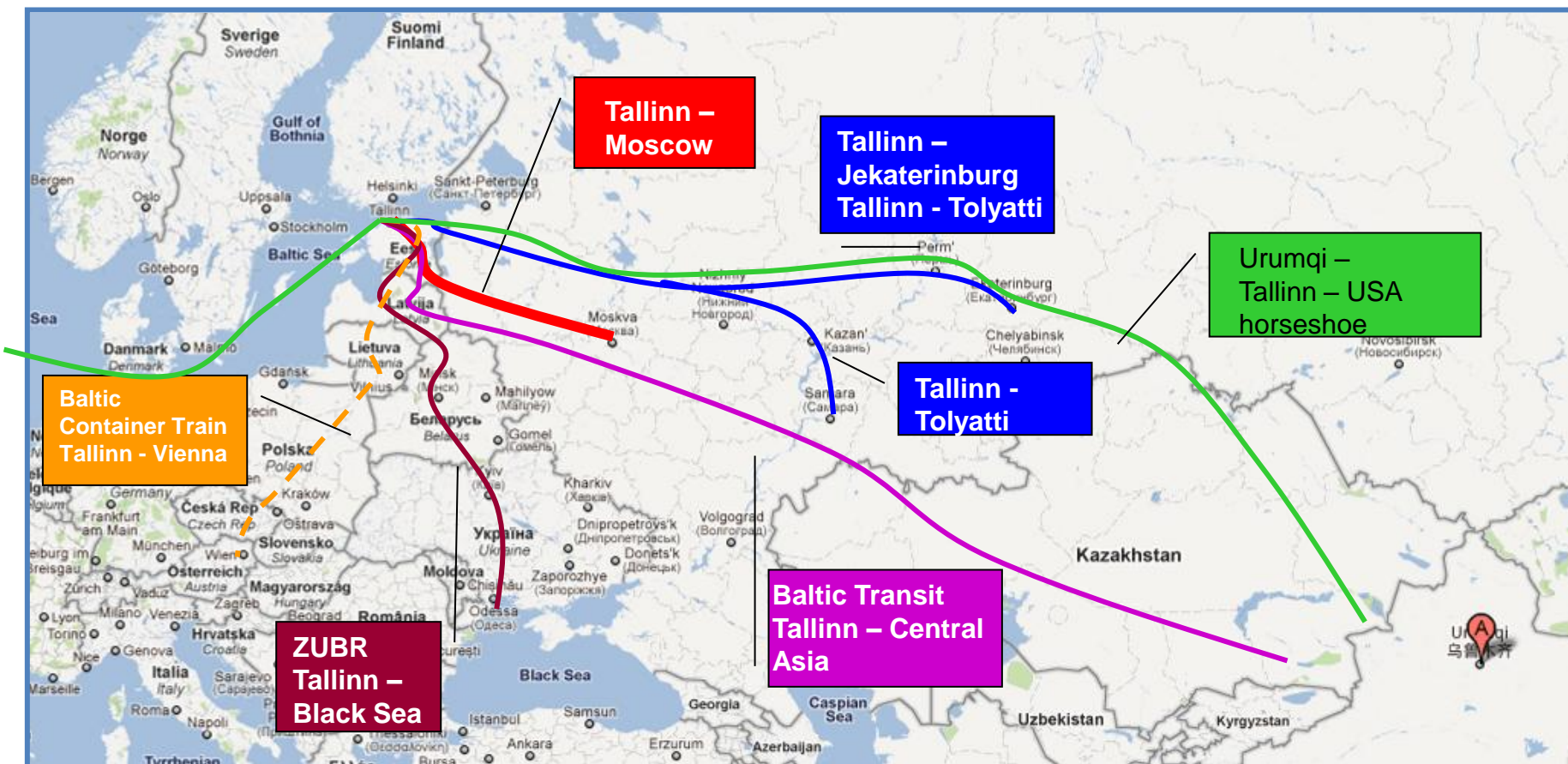


Total length of track (km):	1320
Gauge of track (mm):	1520
Length of EVR owned main railway lines:	691
Freight locomotives:	81
Shunting locomotives:	17
Wagon fleet:	3353

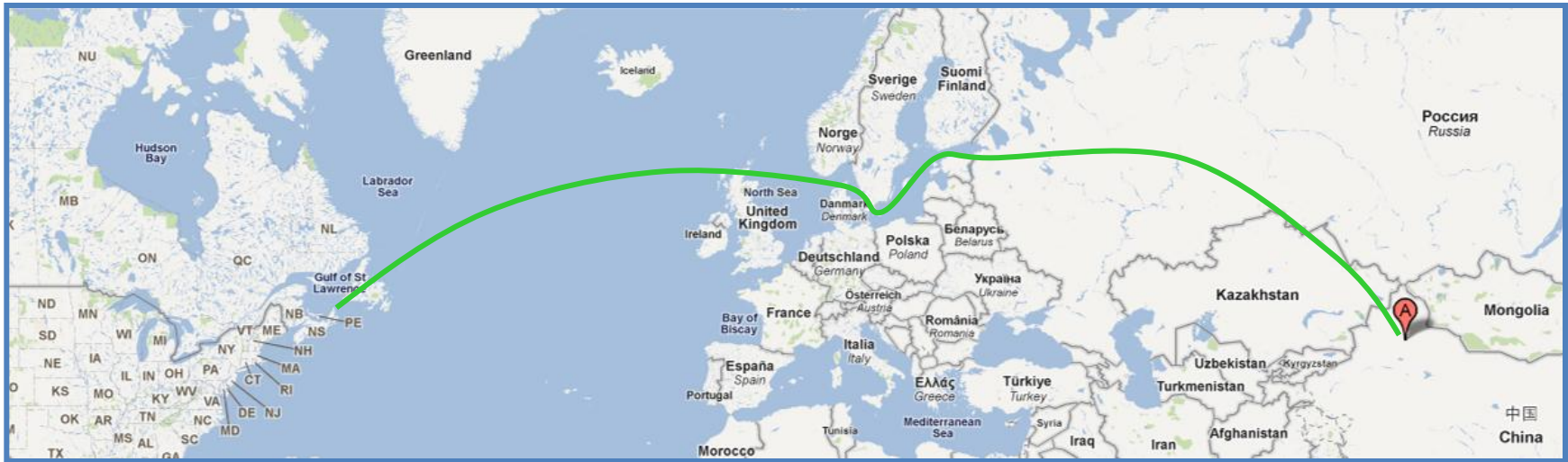
- Sufficient locomotive fleet (CME3, C-36, 2TE116)
- Variety of wagons for different cargo i.e heavy and oversized cargo, containers, liquid and dry bulk, fertilizers etc



Estonian Railways operates several container block trains



“Baltic Transit” block train as part of “Transatlantic Horseshoe”

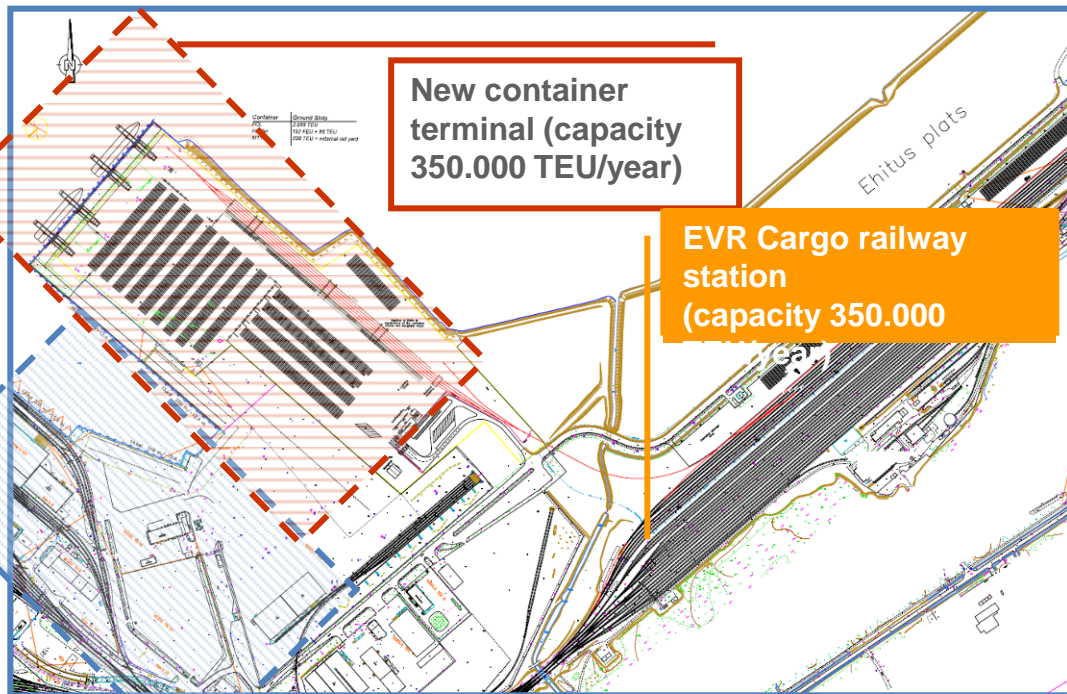


- Baltic Transit – a block train since 2003, connecting Tallinn and Central Asia
- Possibility to link North America with Asia
- Wagons loaded both directions, cost efficiency
- From Tallinn, containers can be shipped further to:
 - West- and Northbound (Scandinavian countries; Europe; North America)
 - East- and Southbound (Russia, Central Asia, Black Sea area)



New developments in Estonia will support new container train services

Muuga Container Terminal



Muuga Container Terminal

- Rail Garant, the new operator will add 250.000 TEU per year to the port, mainly export from Russia
- Will increase competition at Port of Muuga
- Will start operating in summer 2012

Existing container terminal
(capacity 450.000 TEU/year)



New developments in Estonia will support new container train services

Border Station Koidula



Koidula Border Station

- Official opening on 03.09.2011
- Most modern border station in Europe
- Will increase throughput capacity on the border from 15 to 23 trains per day
- Will enable transportation of frozen goods

More info: www.evr.ee

cargo@evr.ee

container@evr.ee



ESTEVE TERMINAL

Leading port operator in Paldiski South Harbour



Üllar Raad

Chairman of the Management Board



Services of the ESTEVE Terminal

- Stevedoring and storage services
- Customs warehouse and terminal operations
- Ship agency services
- Transshipment of transit cargoes to railway wagons and trucks: containers, oversize and overweight equipment, wheeled cargo, mining and agricultural equipment



ESTEVE Commodity Groups

- Project Cargoes
- High & Heavy Machinery
- New cars
- Other RoRo cargoes
- Shortsea Intermodal
- Break bulk cargoes
- Bulk cargoes

More info: www.esteve.ee



Estonian
Logistics Cluster

CF&S Group

Freight Forwarding

Tõnis Pohla

Chairman of the Supervisory Board



Kuno Väin

CEO, Member of the Management Board



CF&S is a wide-range provider of logistic services for transit cargoes to Russia, other CIS countries and Central Asia

- organization of sea, railway and road transportation
- organization of loading and unloading of ships in ports
- organization of goods processing in railway terminals and customs warehouses



Rail transportation

- Railway transport on the territory Baltic States, Russia, Belarus, CIS countries and Central Asia
- Operating with own 80 rail platforms used for transportation of own fleet of railway containers, long-length oversized cargo and different types of wheeled machinery



Sea transport

Forwarding of shiploads, Ship's agency, Chartering



RELIABLE & RESPONSIBLE

CF&S is able to execute any large-scale project, including transport of:

- agricultural and forestry machinery
- construction equipment
- mining machinery
- turbines
- generators and engines
- commercial and heavy vehicles
- windmills
- boats and yachts



Warehousing and distribution

OUR SERVICES INCLUDE

- loading and unloading services
- labeling and completing services
- distribution and transportation of goods



More info:

www@cfs.net



ALEKON CARGO

Logistics, Warehousing, CY and
Container Depot

Erkki Veismann

Member of the Management Board



Aleksei Shuba

Member of the Management Board



Customs Warehousing & Transshipment Services

- Goods arriving in containers/ breakbulk, are stored in our customs bonded warehouses
- Based on customer's orders, shipments are loaded and shipped by truck or rail (payload of a railcar up to 72 tons) to Russia, CIS and Central Asia



Alekon Cargo Business Proposal

- Loading, unloading, warehousing and storage of different kinds of cargo, including heavy and bulk
- Transshipment and storage of transit goods destined for Russia, CIS and Central Asia
- Container depot services: repair, maintenance, certification, cleaning, painting and labelling of the containers
- Full range of CY services, including pre/oncarriage



More info:
www.alekon.ee



RRK Logistics Parks

The Leading Developer and Landlord in Estonia



Teet Saarepera

Member of the Management Board



Logistics Parks

The Leading Developer and Landlord in Estonia

- ✓ Total area of land 1 200 000 sqm, total area of warehouses 160 000 sqm.
- ✓ Proximity of main Estonian Ports
- ✓ Existing railway infrastructure and good connection with bigger highways
- ✓ Costumers: expeditors, ship agents, logistics, storekeepers, merchants, etc.
- ✓ Categories of goods: consumer goods, cocoa, electronics, metal, etc.

metal, etc.

- ✓ Categories of goods: consumer goods, cocoa, electronics, storekeepers, merchants, etc.





Tallinn Logistics Park (Liiva Centre)

42 000 sqm of heated warehouse
5 000 sqm of heated terminal



Muuga Intermodal Railway Container Terminal (under development)

A 30 ha land estate located 3 km from the quay of
Port Muuga



Muuga Port Terminal (under development)

A 3,7 ha land estate at the central gate of
Muuga Port



Vana-Narva Logistics Park

40 000 sqm of non-heated warehouse
5 000 sqm of heated warehouse
22 000 sqm of equipped facilities under development



Paldiski Port Terminal (under development)

15 000 sqm of modern warehouse



Paldiski Logistics Park

15 000 sqm of modern warehouse
13,4 ha of undeveloped land estate



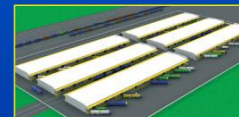
Narva Logistics Park (under development)

28,5 ha land estate
located 5 km from Russian border



Tapa Logistics Park

40 000 sqm of non-heated warehouse



Paide Keskus

A 4 330 sqm estate of small-scale production



Logistics Parks

The Leading Developer and Landlord in Estonia



The Leading Developer and Landlord in Estonia

Logistics Parks

Estonian
Logistics Cluster



RRK Logistics Parks
The Leading Developer and Landlord in Estonia



Estonian Logistics Cluster

www.transit.ee

illimar@transit.ee



Illimar Paul
Development Manager

Thank You and welcome to do business in ESTONIA!



