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# Norwegian companies in Estonia

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## Estonia at a Glance

Population:	1.36 million
Area:	45,000 km <sup>2</sup>
Language:	Estonian
Currency:	EUR 1 = EEK 15.65
GDP:	€ 8.78 billion (2004*) € 5952 per capita (2004*)
GDP growth:	6.2 % (2004)
Export:	55 % of GDP (2004*)



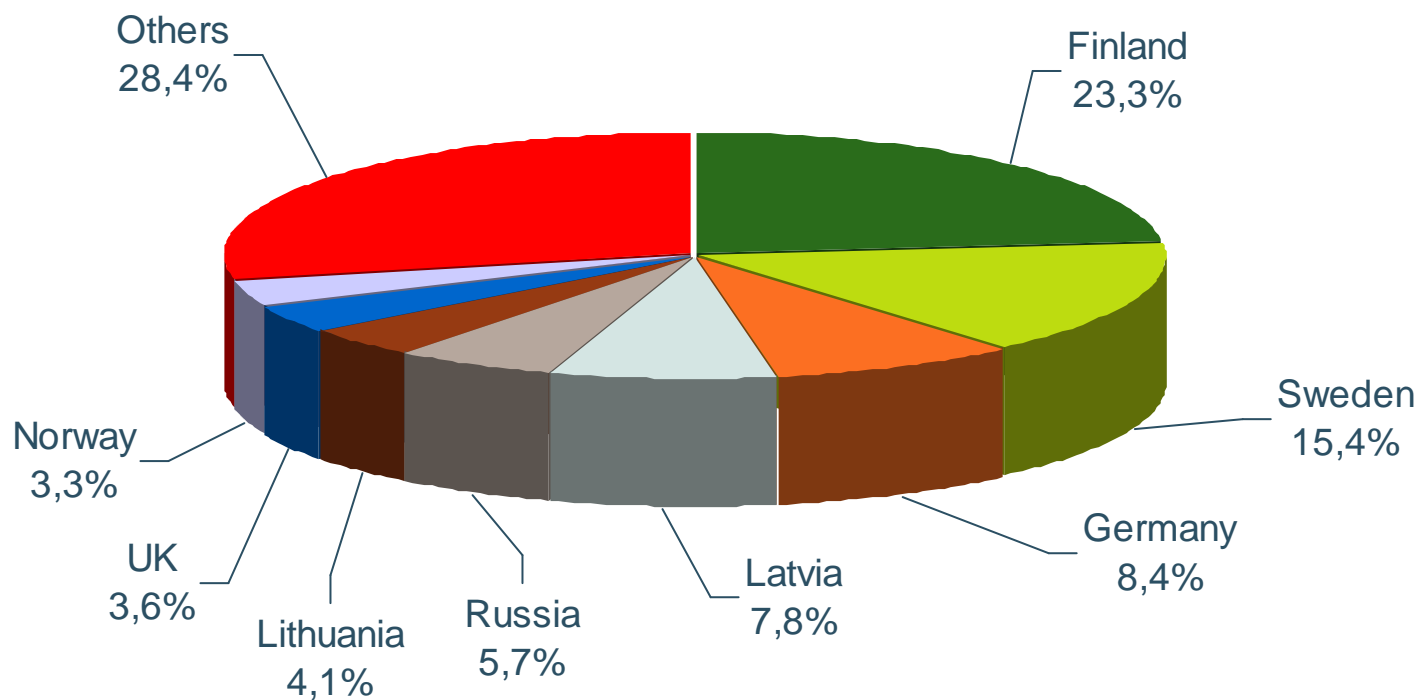
## ❖ GDP growth and inflation 1995-2004



Source: Statistical Office of Estonia



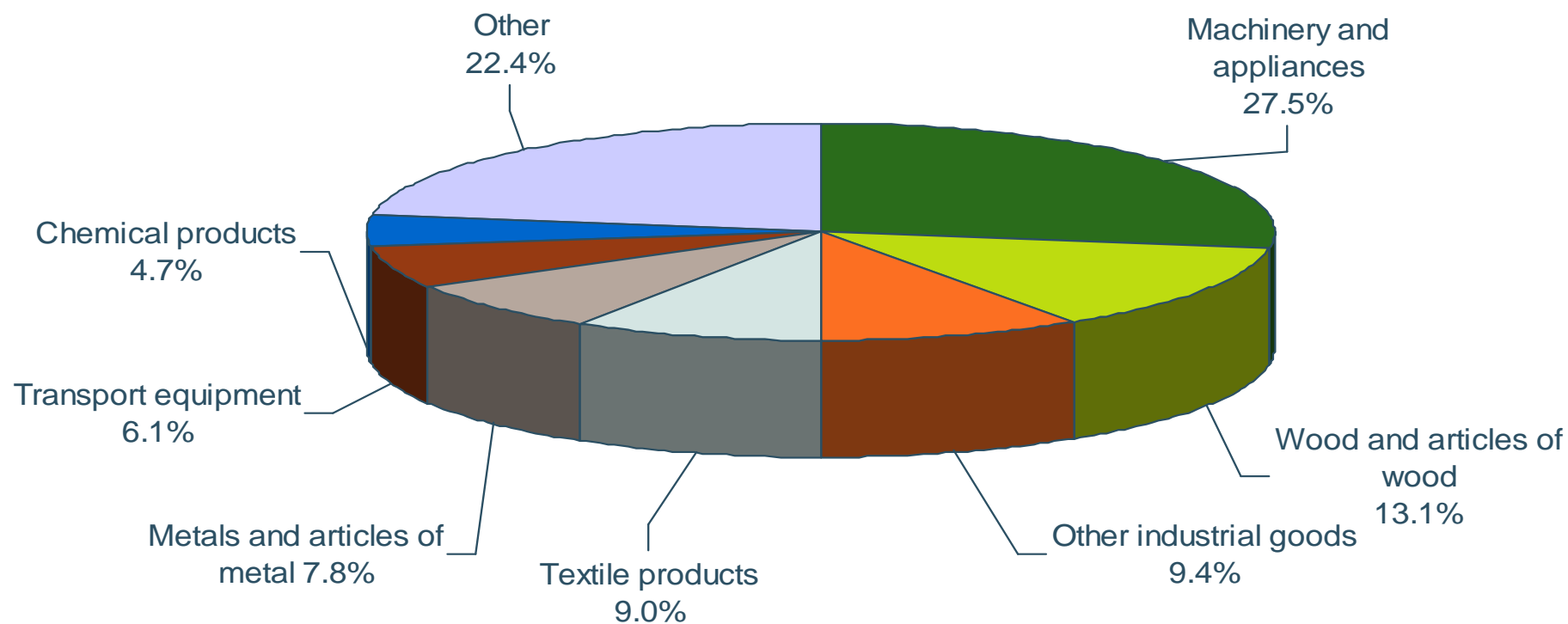
## Estonian Exports by Country, 2004



Source: Statistical Office of Estonia,  
special trade method



# Estonian Exports by Commodity Groups, 2004



Source: Statistical Office of Estonia,  
special trade method



## ❖❖❖ Innovation Norway

- Innovation Norway is the official agency of Norway created to promote Internationalisation and Innovation.
- Innovation Norway has replaced Norwegian Trade Council, Norwegian Tourist Board, the Regional Development Fund, and the Government Consultative Office for Inventors.

### Main services of the IN office in Tallinn:

- Market development (market research, identification of importers and customers)
- Identification of suppliers (finished products, subcontracting)
- Assistance in identification of investment opportunities and corporate establishment

## ❖ Visions vs. reality

We are an outpost of the Norwegian national enterprise development

### Visions:

- Certain priority industries in Norway: ICT, Maritime, Marine, Oil&Gas, etc
- Other priorities: internationalisation, entrepreneurs, SME-s, etc

### Reality:

- Need to meet concrete demand for assistance
- Demand may not always coincide with the priorities (potential conflict)
- Need to meet revenue targets

## ❖❖❖ Ballace - enterprise developer vs. consultant

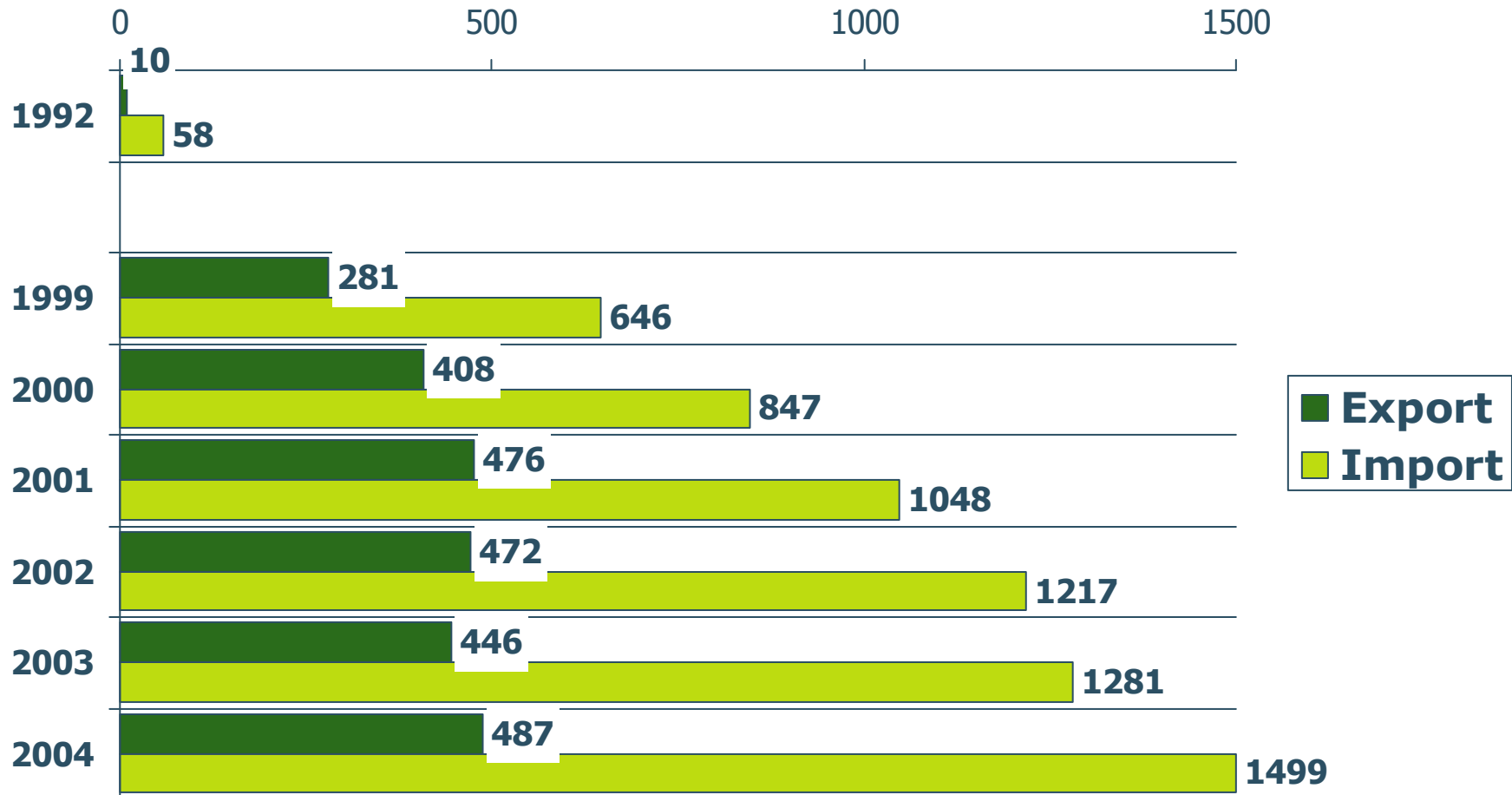
- Anything we do contributes to the internationalisation
- Special subsidised products for entrepreneurs and SME-s
- Internal funding for business development in priority sectors (identification of new opportunities and promoting them to Norwegian companies)
  
- Being consultants and meeting the demand
- Assisting the companies in increasing their competitiveness and revenues





# Trade between Norway and Estonia

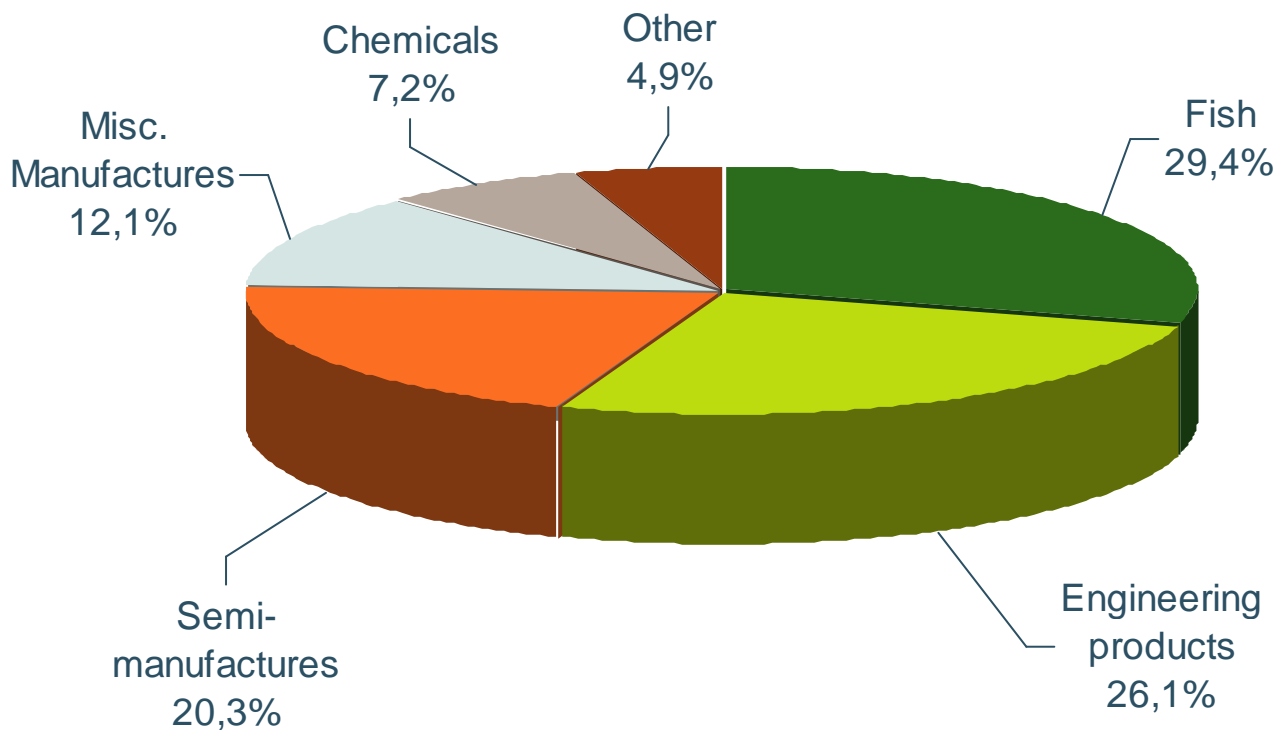
in million NOK, 1992-2004



Source: Statistics Norway

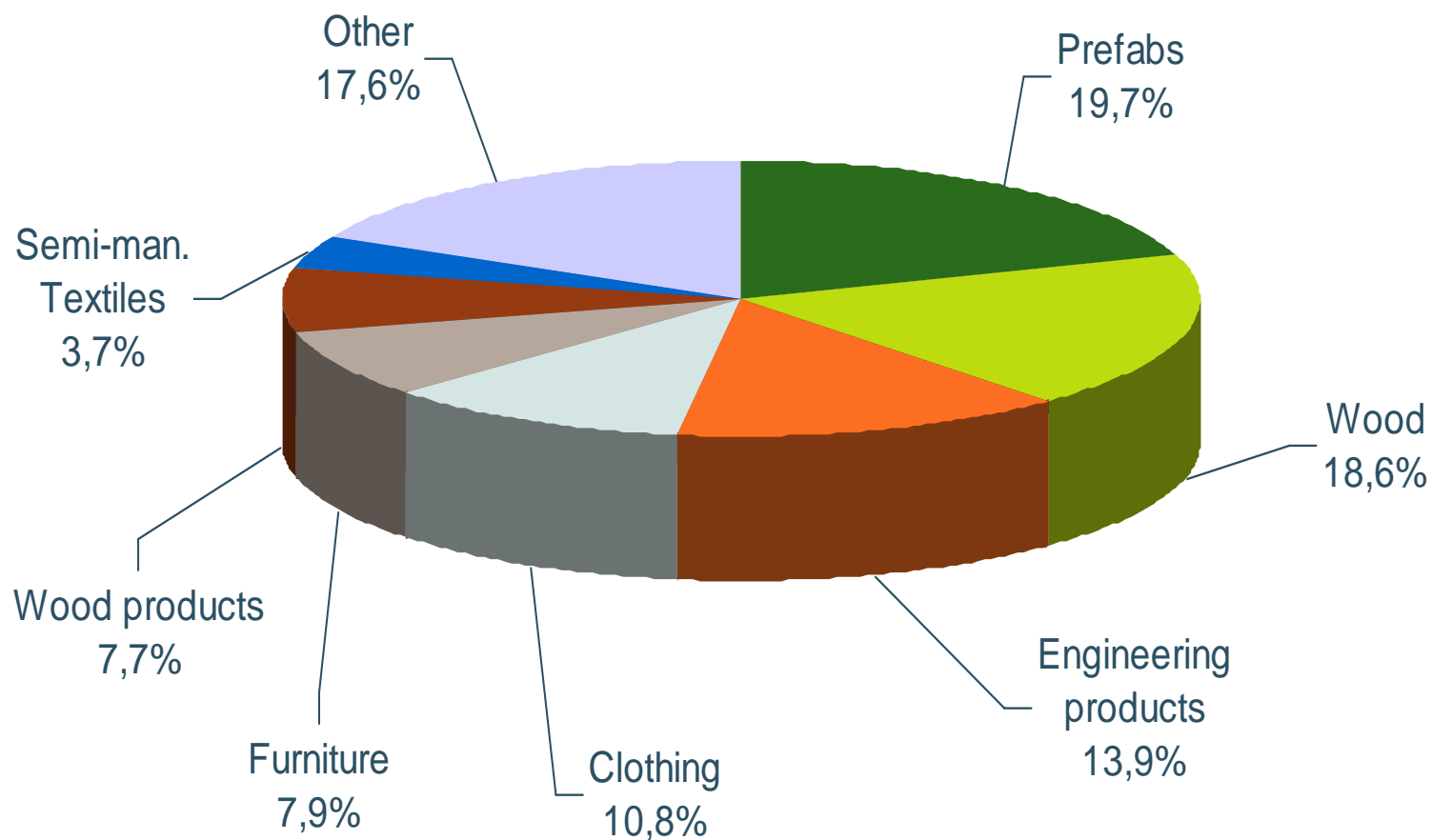


## ❖ Norwegian exports to Estonia, 2004



Source: Statistisk Sentralbyrå

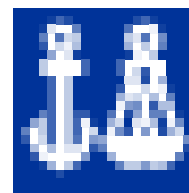
## ❖ Norwegian imports from Estonia, 2004



Source: Statistisk Sentralbyrå



200 Norwegian establishments in Estonia



## Why have they established?

- Market opportunities
- Cost advantages
- Raw materials (wood)
- Well-educated labour force and special competencies

## Enterprise development in Estonia

- Deep-rooted belief into liberal market economy (the almighty invisible hand)
- Deep-rooted dislike of planning
- If there is a vision, it is not converted into planning and implementation phases (see first two points)
- Substantial funds started to flow into enterprise development only after the EU-accession
- Implementation mainly through Enterprise Estonia – a governmental enterprise development vehicle ([www.eas.ee](http://www.eas.ee))

## Support schemes to Estonia

### EU-support

- € 386 million: ERDF, ESF, EAGGF, FIFG
- € 311 million: Cohesion Fund
- € 173 million: CAP + rural development
- € 69 million: Schengen Facility
- € 20 million: Transition Facility

Total: € 959 million (2004 – 2006)

### Norwegian and EEA financial mechanisms

- Priority areas including- Human resources development, health and child care, implementation of Schengen acquis, regional policy and cross border activities
- NOK 55 million annually

Source: Ministry of Finance of Estonia

Thank you and welcome to Estonia !

