

Estonia

Cleanest air as per World Health Organisation



Digitally savvy Estonia: A haven for startups



Jüri Ratas
Prime Minister of Estonia

Exporting Estonia: Smart economy for smarter people

Jüri Ratas, Prime Minister of Estonia, aims for mutual interest and trust with the UAE as the country diversifies its economic ventures

The UAE and Estonia established diplomatic relations 14 years ago. In the last two years, we have seen the rapid development of fruitful cooperation between our countries, including opening the Estonian Embassy in Abu Dhabi in June 2019; the visit of Kersti Kaljulaid, President of Estonia, accompanied by a business delegation in September 2019; the creation of the Estonian-UAE group in our Parliament. In February last year, I had the honour to inaugurate the Enterprise Estonia office in Dubai, and this year, our Embassy premises will be inaugurated, which allows us to facilitate contacts between people and enterprises even better.

Today, Estonia is widely recognised as one of the digital frontrunners in the world, also known as e-Estonia and an Education Nation. This success stands on three important pillars — smart people building a smart state with a smart economy. Our 15-year-olds have reached the top in Europe and are among the few leaders in the world of the OECD's 2018 Pisa Survey. Moreover, adult skills enable us to demonstrate an entrepreneurial mindset and the ability to bring value to our economies, and improve the life quality with technology, whether it concerns smart governance, personalised medicine or making urban life more convenient.

During my visit last year to the UAE, we agreed to increase bilateral cooperation in the IT field, where Estonia is happy to share its e-governance experience. Estonia has adopted a business-friendly regulatory framework and is a pioneer in digitalising government services. Information and communication, and scientific and technical activities experienced the fastest growth in value added in a decade. Only in 2019, the value added increased over a quarter in ICT.

Estonia is an open economy that continues to grow and expand against a difficult global backdrop. We have always recognised foreign direct investments as a powerful engine for economic growth. The gross domestic product of Estonia increased by 4.8 per cent in 2018 and by 4.3 per cent last year. Our export performance has been stable and exporting companies have stayed profitable by increasing volumes and improving non-cost competitiveness. Estonia has notably gained market share in exports of services of high quality, complexity and value.

During my upcoming visit, I will be accompanied by a business delegation, and our companies will take part in Expo 2020 Dubai. It is time for our mutual interest and trust to grow into partnership and investments.

The newly established Estonian embassy is mapping out bilateral cooperation in various sectors. The country holds investment potential with strong networks and ease of business for UAE-based entrepreneurs. Excerpts from an interview with **Jaan Reinhold**, the first Ambassador of Estonia to the UAE:

■ Farhana Chowdhury

Tell us a bit about yourself and appointment as the first Ambassador of Estonia to the UAE.

I have been a career diplomat for almost 20 years now with experience from my previous missions to Lithuania, China and Central Asian countries, and as Head of Business Diplomacy in HQ. Since last September, it has been my honour to serve as the first-ever residing Ambassador of my country to the UAE. The Estonian Embassy in Abu Dhabi is our first diplomatic representation in GCC countries, making this posting especially exciting.

From your perspective, tell us about the potential bilateral relations between the UAE and Estonia, and what you look forward to achieving during your tenure.

Since the establishment of diplomatic relations between our two countries, the development of our mutually beneficial partnership has been positive and rewarding in all means.

Both Estonia and the UAE are considered to be small states by population, which makes us like-minded and therefore closer to each other. Estonia has witnessed the active role of the UAE in terms of building peace and stability in the Gulf region as well as developing the country to be the centre of political and business initiatives.

Estonia is among the most networked nations in the world, being a member of EU, NATO, OECD and others. Aimed to take up more responsibility in the global arena, the country has been elected as a non-permanent member of the United Nations Security Council for 2020-2021.

This clearly shows us that there are many topics and initiatives on the agenda for bilateral discussions. I would also like to highlight our common efforts to assist third countries in their development. We are planning to kick off UAE-Estonian projects in Africa on digitalisation and help governments build better public services.

Tell us about the role the Embassy of Estonia aims to play in boosting economic, investment and cultural ties between the two countries.

As the Embassy just started its operation in the UAE, my colleagues and I are currently mapping out the opportunities for our business. Our nations share many similar quali-



His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai, with Jaan Reinhold.



Jaan Reinhold
Ambassador of Estonia to the UAE and Kuwait, Embassy of the Republic of Estonia in Abu Dhabi

ties, we are pro-business and enterprise with modern and consumer driven economies. With our shared agenda in embracing and advancing innovation, I see a huge opportunity for Estonian companies to bring their world-class innovations and services to the UAE market.

Estonia ranks high in terms of open Internet access. Please tell us more about its potential for investors.

Estonia is well-known for being one of the leader-countries for digital and knowledge-based businesses. Small by territory and population, we have never enjoyed abundant natural resources or a huge internal market. At the same time, according to the World Economic Forum, we are the most entrepreneurial country in Europe with a competitive and transparent economy where, with the help of modern e-solutions, setting up and running your business is quick and easy. About 98 per cent of companies are established online and it only takes a couple of

minutes. Afterwards, entrepreneurs can manage the company digitally, such as declaring taxes, signing documents, using e-banking. Even if you are too busy to visit Estonia, you may apply for e-residency, a government-issued digital identity, which allows you to run your business remotely and still be an integrated part of the EU market.

We also have a great start-up culture. Estonia is among the top countries in the world ranked by start-ups per capita, therefore becoming a place where new solutions and ideas are born.

In terms of tourism, what can visitors from the UAE look forward to and experience?

At 45,000 square kilometres, Estonia is just a little bigger than Denmark or The Netherlands. Culturally, it is located at the crossroads of Northern, Western and Eastern Europe. Every corner of the country is different. Half of the country is covered by forest and is therefore very green. The coastline is 3,800 km long with over 2,000 islands, and our capital Tallinn has a beautiful medieval Old Town, which is listed in UNESCO's World Heritage List.

There is much to discover for Emirati people and that is why we are currently working hard to establish a direct flight connection between Estonia and the UAE, in order to make the travel easier. Not to mention, mild Estonian summers are a perfect retreat from much higher temperatures in the Gulf.

To date, how many Estonian expatriates and organisations are present in the UAE?

We have a dynamic relationship with the UAE, which is currently a home to more than 300 Estonians. For years, it has also been one of the most beloved tourism destinations for my compatriots. More than 12,000 Estonians visit the UAE annually. I believe that the Dubai Expo 2020 will give a huge impetus, not only in terms of tourism, but also help our entrepreneurs to become more familiar with business climate in the UAE, such as, how to boost the businesses here and find Emirati partners for trade and investments in Estonia.

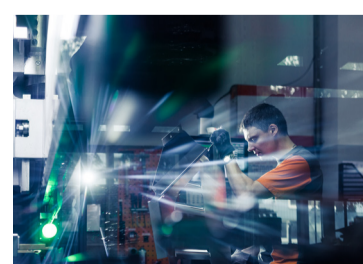
Why trade with Estonia?

Visit TRADEWITHESTONIA.COM for more information



Innovative

Estonia is one of the most advanced digital societies in the world, where 99% of state services are online. It's the first country to introduce a cross-border digital identity: e-residency.



Flexible

Estonia is a small country with an agile mindset. We are used to finding solutions and making decisions. Our workforce is highly qualified.



Fast

Estonia is known for low bureaucracy and result-driven mindset. As a global leader in financial activities, it is the perfect test bed to try out new ideas.



Low-risk and transparent

Estonia is a politically stable country with low government debt and highly developed cyber-security. Doing business in Estonia is predictable with low levels of corruption and paperless processes.

Business competency at its finest

EAS Enterprise Estonia serves as an interactive platform for business and trade opportunities.

Jukka Hahlanterä, head of Enterprise Estonia — Middle East, shares its speciality. Excerpts from the interview:

Tell us a bit about Estonia, and the various investment opportunities available there.

Estonia is a small and dynamic country that has been developing bespoke products and services, particularly in the ICT sector. The e-government and digital society solutions are well known all over the world. Its clean nature and historic tradition has also made it popular as a food and wood country. Adding competent and easy-going people to the above makes it a winning combination.

What are the current economic ties between the UAE and Estonia, and the importance of the UAE as a business partner.

Looking at the trade relations between the two countries, non-oil exports from the UAE to Estonia and Estonian exports to the UAE have been on a similar level of 60 million euros. The UAE as a very dynamic and fast developing country and its importance as a non-traditional trading partner will certainly increase in the future.



Jukka Hahlanterä

Head of Enterprise Estonia — Middle East

Tell us about Enterprise Estonia and the significance of its Dubai office.

Enterprise Estonia is the official trade promotion office of the Estonian state that falls under the Ministry of Economy and IT, and operates own offices in 13 countries. The main purpose of the Dubai office is to advise Estonian companies in establishing presence and entering the market and to identify relevant investors. Physical presence in the UAE and GCC is a must enabler. Cooperating with the Estonian Expo 2020 organisation is an important part of activities during 2020 and 2021 as is the overall cooperation with the Estonian Embassy.

What are the common obstacles faced by Estonian and Emirati enterprises, and how does Enterprise Estonia alleviate these?

For Estonian companies, the UAE is a

non-traditional export country and a market area where business dynamics and ways to enable establishment of presence differ from that in close-by markets like Europe. Enterprise Estonia helps companies with information to identify potential partners and investors and understand a company's readiness to enter the market.

Tell us about Estonian businesses currently operating in the UAE?

Few companies are physically present and some have direct exports, but the number is growing with the current efforts and help of EAS partners like the Dubai Future Foundation. Currently, various discussions between the UAE and Estonian companies are ongoing.

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PLATFORM FOR BUSINESS OPPORTUNITIES

The rapid development of the UAE has been a model to many countries of how to diversify the economy, increase the well-being of its citizens and ensure a good civil society.

The UAE 2021 Vision and the UAE 2071 Vision outline the targets and level of aspiration that the country has. Functioning civil society, world-class education, and affordable and reachable healthcare are among those targets, coupled with the rapid development and implementation of AI and blockchain solutions in a cyber secure environment.

The spearhead offering of Estonia matches perfectly with the above-mentioned targets. Estonia is known already for its world-class solutions in e-government and e-services in the UAE and the Middle East. The good image of a friendly, small but highly efficient country speaks for Estonia.

The best companies from across the world are interested in the UAE, due to its status as a hub and entry point for the whole GCC market area.

Personal relationships and a relevant network play an essential role in doing business in the UAE, thus finding the right partner and ability to invest time and resources on a personal level is the key to success, together with the right product or solution and a well-thought value proposition.

The UAE offers an excellent opportunity to grow, develop and prosper together with one of the leading countries in the world.

Jukka Hahlanterä

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An advanced digital society of the world

While in terms of population size and geographic characteristics Estonia may indeed seem to be a compact country, in the digital realm this northern European nation ranks as one of the most digitally advanced countries in the world. Rapid economic development in the last few decades has helped this Baltic Sea country evolve into a tech giant and a reliable trading partner

Estonia's unique geopolitical location allows it to act as a gateway for accessing a far greater marketplace, reaching from Scandinavia to Russia and Ukraine. Estonia combines elements of both, the old and new economy. While the success of the technology sector has made the start-up scene blossom, the country is also moving up in the value chain in more traditional sectors such as forestry and oil shale. Export of Estonian products and services forms over 77 per cent of the country's GDP, with electric machinery and equipment, wood and wood products, and mineral products featuring as the main articles for export.

What makes Estonia stand out as the most advanced digital society in the world is the fact that 99 per cent of state services are available online, and it is the first country to introduce a cross-border digital identity known as e-residency. Through this, Estonia is offering trusted digital identities to foreign nationals to allow them to benefit from Estonia's excellent business environment, with zero per cent income tax on retained or reinvested profits, skilled workforce, and the world's most innovative e-services.

Estonia is a politically stable country with low corruption and government debt, highly developed cyber security and an efficient public sector. Estonia consistently ranks as a global leader in indices for human capital, digital capability and ease of conducting business. This fosters a competitive environment, where solutions and services can be researched, developed and delivered globally. From multinationals to rapid growth start-ups, Estonia has a two-decade track record of successful investments and innovation, while also holding the world record for most unicorns per capita.

The Dubai Expo 2020 will offer unique opportunities for connecting Estonian entrepreneurs with global partners. Estonia's focus at the world exhibition will be on digital society issues, innovating smart solutions, sustainability, and the green economy. Estonia is looking forward to strengthening the relationship between the two countries and having a long-term cooperation with the UAE.

Enterprise Estonia already has a representative office in Dubai and acts as a link between Estonian exporters and potential export markets, with special development and growth programmes already in place for the UAE in 2020, providing up-to-date market analysis and establishing contacts with local business partners. It has never been easier to discover Estonia — a northern European hub for global business services.



About Estonia

- Estonia is located on the eastern coast of the Baltic Sea in northern Europe
- The territory of Estonia consists of the mainland and of 2,222 islands in the Baltic Sea, covering a total area of 45,227km, and influenced by a humid continental climate
- Estonia is just one hour flight or ferry away from Helsinki
- The official language of the country, Estonian, is the second-most-spoken Finnic language
- With a population of 1.3 million, Estonia is one of the least populous countries in the European Union
- Estonia is a developed country with an advanced, high-income economy that has been among the fastest-growing in the EU
- The country ranks very high in the Human Development Index and compares well in measures of economic freedom, civil liberties, education and press freedom.
- Estonian citizens receive universal health care, free education and the longest paid maternity leave in the OECD
- In 2007, Estonia joined the Schengen Area, and in 2011 the Eurozone
- The European Union Agency for large-scale IT systems is based in Tallinn, which started operations at the end of 2012
- Estonia held the Presidency of the Council of the European Union in the second half of 2017
- The GDP (PPP) per capita of the country was \$29,312 in 2016 according to the International Monetary Fund
- According to Eurostat, Estonia had the lowest ratio of government debt to GDP among EU countries at 8.4 per cent at the end of 2018



More interesting facts about Estonia's digital society

- Every Estonian resident has an electronic ID
- Personal data can be accessed, signed and managed, from banking to digital prescriptions, with an ID-card, mobile ID or smart ID
- The electronic ID is also issued to Estonian e-Residents (over 50,000 today)
- At least 2% of GDP-worthy time is saved due to digital signatures
- Ninety-nine per cent of Estonian public services are online and accessible 24/7. Only marriages, divorces and real-estate transactions are not possible online
- Most public services work via the 'X-Road' data exchange platform that saves over 1,400 years of working time annually for the Estonian population altogether
- People trust and use e-solutions, since they are fast, safe and convenient
- They have utilised blockchain-backed integrity throughout the government infrastructure and registries since 2012
- Almost all public e-solutions in Estonia are created by Estonian companies and state institutions

TRUST FACTOR:

- More than 700 million digital signatures have been provided in Estonia, which is more than in the entire European Union
- Over 46.7 per cent of Estonian voters from 110 countries used e-voting in European Parliament elections in 2019
- Estonia sees the natural next step in the evolution of the e-state as moving basic services into a digital mode. This means that things can be done for citizens automatically and in that sense, invisibly



Tallinn — the capital city set in north-western Estonia

The largest lake in Tallinn is Lake Ülemiste (944 sq km). It is the main source of the city's drinking water. Lake Harku is the second largest lake within the borders of Tallinn and its area is 1.6 sq km. Tallinn does not lie on a major river. The only significant river in Tallinn is Pirita River in Pirita, a city district counted as a suburb. It has a population of 434,562. Administratively part of Harju maakond (county), Tallinn is the main financial, industrial, cultural, educational and research centre of Estonia. The capital is located 80km south of Helsinki, Finland, 320km west of Saint Petersburg, Russia, 300km north of Riga, Latvia, and 380km east of Stockholm, Sweden. It has close historical ties with these four cities.



Tartu — the cultural capital of Europe for 2024

Tartu is often considered the intellectual centre of the country, especially since it is home to the nation's oldest and most renowned university, the University of Tartu. The city also houses the Supreme Court of Estonia, the Ministry of Education and Research, and the new building of the Estonian National Museum, opened to the public in October 2016. It is also the birthplace of Estonian Song Festivals and designated as the cultural capital of Europe for 2024.



Narva - the country's third largest city

Located in Ida-Viru County at the eastern extreme point of Estonia along the Russian border on the Narva River which drains Lake Peipus, Narva is the country's third largest city.