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2007/08 Exporters' Encyclopaedia

Overview

The *Exporters' Encyclopaedia* is a comprehensive guide for doing business in the global marketplace. The information published in the *2007/08 Exporters' Encyclopaedia* can help subscribers gain insight into the trading environment of more than 220 world markets so they can decide where to safely and profitably do business.

The *Exporters' Encyclopaedia* includes information on licensing, tariffs, import taxes, legislation affecting export commerce, documentation requirements, legislation affecting product standards and regulations, marking, labeling and packaging, intellectual property rights, transportation, shipping restrictions, passport and visa regulations, business etiquette and so much more.

Subscribers receive twice-monthly updates to the *Exporters' Encyclopaedia* to ensure that they are informed of changes and late-breaking developments.

For ease of use, the *Exporters' Encyclopaedia* is divided into six sections:

- **Section I, The Export Decision:** provides basic information on how to get started in exporting products. It also includes samples of principal forms used in exporting and a glossary of commonly used terms.
- **Section II, Export Markets:** comprises the bulk of the *Exporters' Encyclopaedia*. It provides subscribers with specific information on the trading environment of world markets from Afghanistan to Zimbabwe. Each country market is divided into Country Profile, Communications, Key Contacts, Trade Regulations, Documentation, Marketing Data, Transportation and Business Travel.
- **Section III, Export Know-How:** includes articles on general export information including a summary of U.S. Export Control Regulations; articles such as Financing Export Shipments, Carnets, Legal Aspects of Doing Business Abroad, Protocol Essentials, Cargo Insurance; and Export and Shipping Practice, including packing and labeling guidelines.
- **Section IV, International Communications:** provides information about international mail and postage.
- **Section V, Information Sources/Services:** includes information on U.S. government assistance to exporters, associations fostering trade, world trade centers association contacts and summaries of major international treaty organizations.
- **Section VI, Transportation Data/Services:** lists the major North American ports, U.S. Customs ports of entry and U.S. foreign trade zones.

Comments? Call Ellie Skehan at 610.882.6122

Estonia

Estonia, the smallest of the Baltic republics with a total area of 45,100 square kilometers, lies on the eastern shore of the Baltic Sea, sharing a border with Latvia in the south, Russia to the east and the Gulf of Finland to the north. The capital, Tallinn, is located on the north coast of Estonia, about 80 kilometers south of Helsinki. Estonia's terrain consists of lowlands and marshy areas. The maritime climate has wet, moderate winters and cool summers.

Estonia was incorporated into the Soviet Union after German occupation in World War II. Independence came with the collapse of the USSR in 1991; the last Russian troops left in 1994. Estonia thus became free to promote economic and political ties with Western Europe. The position of ethnic Russians (29 percent of the population) remains an issue of concern to Moscow.

Estonia has a modern market-based economy with strong ties to the West. It is a WTO and EU member and pegs its currency to the euro. The economy benefits from strong electronics and telecommunications sectors and is greatly influenced by developments in Finland, Sweden, and Germany, three major trading partners. The current account deficit remains high; however, the state budget is essentially in balance, and public debt is low.

COUNTRY PROFILE

Population: 1,324,333 (July 2006 est.).

➤ **Principal Cities:** Tallinn (capital), 399,850; Tartu, 101,240; Kohtla-Järve, 47,484; Pärnu, 44,978; Viljandi, 20,718.

Demographics:

➤ **Age Structure:** 0-14 years: 15.2 percent; 15-64 years: 67.6 percent; 65 years and over: 17.2 percent (2006 est.).

➤ **Life Expectancy:** Total population: 72.04 years; male: 66.58 years; female: 77.83 years (2006 est.).

➤ **Literacy:** Age 15 and over can read and write: 99.8 percent (2003 est.).

Language: Estonian (official), Russian and others.

Time: Add 8 hours to E.S.T.

Foreign Commerce (in U.S. Dollars): Total imports f.o.b.: \$12 billion; Total exports f.o.b.: \$9.7 billion (2006 est.).

Trade balance: \$(2.3) billion.

U.S. Imports (customs value): \$526 million; U.S. Exports (f.a.s. value): \$222 million (2006 est.).

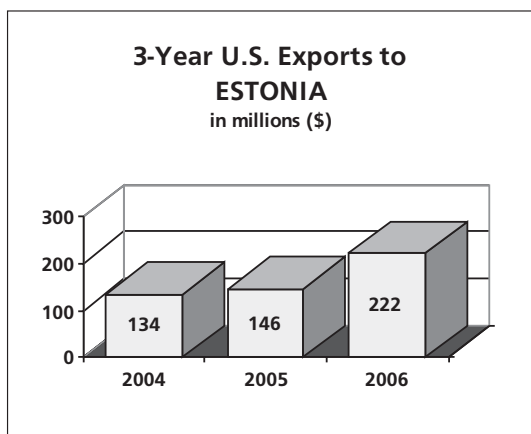
GDP: \$26 billion, per capita \$19,600; with a real growth rate of 9.8 percent (2006 est.).

Principal Trading Partners: Imports and Exports: Finland, Germany, Sweden, Russia, Latvia and Lithuania.

Currency: The Estonian kroon. The table below provides a three-year history of currency exchange rates for the Estonian kroon vs. the U.S. dollar, as of the first week of May each year.

	2005	2006	2007
Estonian Kroon vs. U.S. Dollar	12.1202	12.3751	11.5077

Government: Parliamentary republic.



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Legal system: Based on civil law system with no judicial review of legislative acts. Estonia accepts compulsory International Court of Justice jurisdiction, with reservations.

Weights and Measures: Metric system.

Membership: EBRD, EU, IBRD, IFC, IMF, MIGA, UN, UNCTAD, WCO, WHO, WIPO and WTO. See Section V for additional information on these organizations.

COMMUNICATIONS

Direct International Dialing: Dial in sequence (1) the international access code-011; (2) the Estonian access code-372; (3) city routing code; (4) the local telephone number.

Postal Regulations

Mail Services Available: Airmail (both letter class and parcel post), Economy (formerly surface rate - both letter class and parcel post), Global Express Guaranteed, and Global Express Mail. Complete information regarding all classifications, rates and special services that are available to users are given under *International Mail* in Section IV. See *Documentation Overview* for commercial documentary requirements. The following data pertains only to mail shipments from the U.S. to Estonia.

Conditions of Mailing:

- **Observations on Mail Shipments:** None furnished.
- **Restrictions on Mail Shipments:** Articles subject to customs duty may not be sent in ordinary or registered letter class. Flour and preparations of cereals are permitted to private individuals, subject to inspection by quarantine officials. Medicines, narcotic and psychotropic substances; other products used in medical treatment are subject to prior authorization by the Estonian Ministry of Social Maintenance Health Department or the Estonian State Department of Veterinary. Wireless transmission equipment is subject to the addressee's compliance with import restrictions, permits, or quota conditions.
- **Prohibitions on Mail Shipments:** Articles prohibited (or restricted) as parcel post are prohibited (or restricted) in the postal union mails as well as items prohibited by local regulations.

Coins; banknotes; currency notes; traveler's checks; securities payable to bearer; platinum, gold, or silver (manufactured or not), precious stones; jewelry and other valuable articles. Perishable infectious and non-infectious biological substances. Weapons of any kind; ammunition; explosives and pyrotechnics articles and combustible materials. Radioactive substances.

- **Maximum Size Limits:** *Parcel Post:* Greatest Single Dimension: 42 inches. Maximum Combined Length and Girth: 79 inches.
- **Maximum Weights:** *Economy letter class:* 4 lbs; *Economy Parcel Post:* 66 lbs; *Airmail letter class:* 4 lbs; *Airmail Parcel Post:* 66 lbs.
- **Postal Documentation:** *Letter Class:* PS Form 2976, Customs Sender's Declaration CN 22; and PS Form 2976-A, Customs Declaration and Dispatch Note CP 72, must be completed and placed by the sender on the following mail classes: dutiable letter or letter package. Only forms dated May 1997 or later can be used. Items under \$400 in value, PS Form 2976 (green label) should be used and affixed to the outside of the item. If the value of contents is \$400 and over, the upper left section of PS Form 2976 (green label) should be attached to the outside of the item, and a separate PS Form 2976-A must be completed and enclosed inside the package. *Parcel Post:* PS Form 2976-E, Customs Declaration Envelope CP 91, is used with PS Form 2976-A for parcel post packages regardless of value.
- **Special Mail Services Available:** (1) Insurance (maximum \$2020), (2) International Business Reply Service, (3) Registration, (4) Restricted Delivery, and (5) Return Receipt.

Global Express Service: Available between Estonia and the United States. See Express Mail International Service in *Section IV* for additional information regarding this service.

KEY CONTACTS

Contacts in the U.S.:

- **Embassy, Consular and other Government Offices**

Washington, DC: Embassy of the Republic of Estonia, 2131 Massachusetts Ave., N.W., 20008, (Tel: (202) 588-0101; Fax: (202) 588-0108; E-mail: Emb.Washington@mfa.ee; Internet: <http://www.estemb.org>).

Chicago, IL: Honorary Consulate, 410 N. Michigan Ave., 60611, (Tel: (312) 595-2526; Fax: (312) 337-7960; E-mail: karen.gavin@bbdoch.com).

Los Angeles, CA: Honorary Consulate, 5273 Tendilla Ave., Woodland, CA 91364, (Tel: (818) 340-5766; E-mail: j.treiman@att.net).

New York, NY: Consulate General of Estonia, 600 Third Ave., 26th Floor, 10016, (Tel: (212) 883-0636; Fax: (212) 883-0648; E-mail: nyconsulate@mfa.ee; Internet: <http://www.nyc.estemb.org>). Hours: 9 a.m. to 5 p.m., Monday through Friday. Legalization of documents on Tuesdays and Thursdays by appointment only.

Permanent Mission of Estonia, 600 Third Ave., 26th Floor, 10016-2001, (Tel: (212) 883-0640; Fax: (212) 883-0648; E-mail: Mission.NewYork@mfa.ee; Internet: <http://www.un.estemb.org>).

Portsmouth, NH: Honorary Consulate, 179 Pleasant St., 03801, (Tel: (603) 433-0929; E-mail: irjacilluffo@aol.com).

- **Business Information Sources**

Joint Baltic American National Committee, 400 Hurley Ave., Rockville, MD 20850-3121, (Tel: (301) 340-1954; Fax: (301) 309-1406; E-mail: jbank@jbank.org; Internet: <http://www.jbank.org>).

U.S.-Baltic Foundation, 71702 K St., N.W., Suite 903, Washington, DC 20006, (Tel: (202) 785-5058; E-mail: info@usbaltic.org; Internet: <http://www.usbaltic.org>).

Contacts in Estonia:

- **U.S. Foreign Service and other Government Offices**

American Embassy at Tallinn, Kentmanni 20, 15099; U.S. Mail: PSC 78, Box T, APO AE 09723; (Tel: (372) 668-8100; Fax: (372) 688-8134; E-mail: USASaatkond@state.gov; Internet: <http://www.usemb.ee>).

- **Estonian Government Offices**

Eesti Pank (Bank of Estonia), Estonia Bld. 13, Tallinn 15095; (Tel: (372) 668 0719; Fax: (372) 668 0836; E-mail: info@epbe.ee; Internet: <http://www.bankofestonia.info>).

Enterprise Estonia (Foreign Investment Agency), Liivalaia 13/15, Tallinn 10118, (Tel: (372) 627 9700; Fax: (372) 627 9747; E-mail: invest@eas.ee; Internet: <http://www.investinestonia.com>).

Estonian Tax and Customs Board, Narva mnt 9j, Tallinn 15176, (Tel: (372) 683 5700; Fax: (372) 683 5709; E-mail: emta@emta.ee; Internet: <http://www.emta.ee>).

Estonian Patent Office, Toompuiestee 7, Tallinn 15041, (Tel: (372) 627 7900/11; Fax: (372) 625 1342; E-mail: patendiamet@epa.ee; Internet: <http://www.epa.ee>).

Estonian Plant Production Inspectorate, Teaduse 2, Saku 75501, (Tel: (372) 671 2602; Fax: (372) 671 2604; E-mail: plant@plant.agri.ee; Internet: <http://www.plant.agri.ee>).

Ministry of Agriculture, Lai 39/41, Tallinn 15056, (Tel: (372) 625 6101; Fax: (372) 625 6200; E-mail: pm@agri.ee; Internet: <http://www.agri.ee>).

Ministry of Economic Affairs and Communications, Harju 11, Tallinn 15072, (Tel: (372) 625 6342; Fax: (372) 631 3600; E-mail: info@mkm.ee; Internet: <http://www.mkm.ee>).

Ministry of the Environment, Narva mnt. 7a, Tallinn 15172, (Tel: (372) 626 2802; Fax: (372) 626 2801; E-mail: min@ekm.envir.ee; Internet: <http://www.envir.ee>).

Ministry of Finance, Suur-Ameerika 1, Tallinn 15006, (Tel: (372) 611 3558; Fax: (372) 696 6810; E-mail: info@fin.ee; Internet: <http://www.fin.ee>).

Ministry of Foreign Affairs, Islandi Valjak 1, Tallinn 15049, (Tel: (372) 637 7000; Fax: (372) 631 7099; E-mail: vminfo@vm.ee; Internet: <http://www.vm.ee>).

National Standards Board, Aru 10, Tallinn 10317, (Tel: (372) 605 5050; Fax: (372) 605 5070; E-mail: info@evs.ee; Internet: <http://www.evs.ee>).

State Consumer Protection Board of Estonia, Kiriku 4, Tallinn 15071, (Tel: (372) 646 0123; Fax: (372) 620 1701; E-mail: consumer@consumer.ee; Internet: <http://www.consumer.ee>).

- **Business Information Sources**

American Chamber of Commerce Estonia, Tallinn Business Center, Harju 6, 10130 Tallinn, (Tel: (372) 631 0522; Fax: (372) 631 0521; E-mail: acce@acce.ee; Internet: <http://www.acce.ee>).

Estonian Chamber of Commerce and Industry, Toom-kooli 17, Tallinn 10130, (Tel: (372) 646 0244; Fax: (372) 646 0245; E-mail: koda@koda.ee; Internet: <http://www.koda.ee>).

TRADE REGULATIONS

Exchange Regulations and Import Licensing:

- **Exchange Regulations:** Foreign exchange may be freely held by all residents, whether individuals or enterprises, in accounts abroad or in any of the banks licensed for foreign exchange transactions in Estonia. There are no restrictions on the use of foreign exchange for imports. Foreign exchange in bank accounts may be freely moved into and out of Estonia.

In 2004 Estonia joined the EU's exchange-rate mechanism (ERM-II). ERM-II is often referred to as a waiting room for the euro. Countries wishing to adopt the euro must participate in ERM-II for a minimum of two years and must meet a number of fiscal and monetary targets before being judged ready to adopt the European single currency.

Estonia has accepted the obligations of Article VIII, Sections 2, 3, and 4 of the IMF Articles of Agreement. IMF members accepting these obligations agree to refrain from imposing restrictions on the making of payments and transfers for current international transactions or from engaging in discriminatory currency arrangements or multiple currency practices without IMF approval.

- **Import Licensing:** Open general licenses are required for alcohol, food, fuel, medicinal products, precious metal products, radioactive materials, plants, tobacco, and weapons. Special permits are required for explosives, weapons, plants, seeds, rare species of animals and plants, goods subject to veterinary or phytosanitary control, forages, fertilizers, medicinal products, narcotic drugs and psychotropic substances, lottery tickets, radioactive materials, motor vehicles, products that decrease the ozone layer, and dangerous chemicals and waste products.

As a consequence of EU membership, certain agricultural products imported from non-EU countries are governed by the Common Agricultural Policy (CAP).

Credit and Payment Conditions:

- **Usual Terms:** Minimum and recommended credit terms are sight draft. Usual credit terms of 15 to 30 days apply.
- **Transfer Situation:** Local currency delays of zero to one month reported. Foreign exchange bank delays are averaging zero to one month. The import cover is currently 2.2 months.

Extracted from the May 2007 edition of the monthly D&B publication, International Risk and Payment Review. The above extract is intended as a guide current only at the time of going to press.

For subscription information on International Risk and Payment Review or to request an online single Country Risk Report, call your local D&B sales representative or the D&B Customer Service Center at (800) 234-3867.

Customs Tariff: Estonia formally became a member of the European Union on May 1, 2004, and applies the EU common tariff. As a member of the EU, Estonia must fulfill a number of political, economic, and administrative criteria, and must also bring its legislation into line with the EU's *acquis communautaire*, or common body of law. The complex EU accession process affects development of Estonia's commercial rules and regulations, industrial and agricultural tariffs, and standards and certification procedures. EU accession also impacts areas as wide-ranging as government procurement, duty drawback policies, and intellectual property rights.

The EU is a customs union having free trade among member states, while levying a common tariff on imports coming from non-EU countries. The EU's Common Customs Tariff (CCT) applies to imports of goods across the external borders of the customs union. The CCT is common to all members of the EU, but the rates of duty depend on the product and the origination. Raw materials and semi-manufactured goods not produced within the EU and needed for manufacturing usually benefit from low duty rates. Duty suspensions may be made for imports needed to manufacture EU exports. The duties levied on imports from non-EU countries, including the U.S., are moderate. Most raw materials enter duty-free or at low rates, while most manufactured goods are subject to rates of between five and 17 percent.

Most agricultural product imports are covered by the Common Agricultural Policy (CAP), under which many items are subject to variable levies designed to equalize the prices of imported commodities with those produced in the EU.

In 2005, the U.S. and EU agreed on a package of EU trade concessions to compensate the U.S. for tariff increases implemented as a result of the EU's 2004 expansion. Ten countries acceded to the EU in 2004 and were required to change their tariff schedules to conform to the EU's common external tariff schedule, resulting in increased tariffs on certain imported products. Under GATT, the U.S. is entitled to compensation to offset some of those changes. The agreement reduces some EU tariffs and expands a number of tariff-rate quotas on a broad range of agriculture and industrial goods.

Estonia, as a member of the EU, has signed the Information Technology (IT) Accord under the WTO to eliminate tariffs on a range of IT products.

The tariff schedule utilizes the Harmonized System code. Information on EU import tariff rates is available on the Internet at http://europa.eu.int/comm/taxation_customs/index_en.htm.

As of January 2007 the 27 members of the EU are Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom.

► **EU Trade Agreements:** The European Economic Area (EEA) agreement eliminates trade barriers, allowing for the free flow of goods, services, capital and people among EU member states and three European Free Trade Association (EFTA) countries - Iceland, Liechtenstein and Norway. The EU also has Association Agreements, Customs Agreements, and Free Trade Agreements with a number of countries. In addition, the EU allows preferential treatment to select countries and products through its GSP and Cotonou Agreement programs. See *Section II, European Union*, for details of these agreements.

Value for Duty: The duty is assessed on cost, insurance and freight.

Customs Authority: Estonian Tax and Customs Board, Narva mnt 9j, 15176 Tallinn (Tel: 372 683 5700; Fax: 372 683 5709; E-mail: emta@emta.ee; Internet: <http://www.emta.ee>).

Taxes: A specific fee of 100 kroons is levied on all imports to cover the cost of customs administration. For food or raw material for food up to 30 tons the fee is .05 kroons per kilogram; and for each kilogram exceeding 30 tons .03 kroons per kilogram. For most live animals the fee is 450 kroons for the first animal and 145 kroons for each subsequent animal. For other animal products which are not food or raw material for food the fee is 600 kroons.

A value-added tax (VAT) is imposed on most goods and services at a uniform rate of 18 percent. A number of items are allowed a reduced VAT rate of five percent, including books, subscribed periodicals, medicine on a government-issued list, and medical equipment and pest control items imported by approved institutions.

As Estonia is a member of the EU, taxes, such as VAT and excise taxes, are levied in the country of final destination. The VAT is applied on a non-discriminatory basis to all goods and most services, whether imported or locally produced. For imports, the tax is levied at the time of customs clearance on the total value of the import including freight, insurance and duty.

An EU Directive on VAT for telecommunications services requires non-EU suppliers of telecommunications services to final consumers in the EU to register for and collect VAT in each member state in which they do business. A similar Directive applies to digital products, such as games and software, delivered online, and subscription-based and pay-per-view broadcasting.

Tobacco, alcohol, fuel, and packaging materials are subject to excise duties.

Anti-Dumping Duties, Subsidies and Countervailing Duties: No information available at this time.

DOCUMENTATION

Documentation Overview: See *Section I* for a general checklist of documents used in international trade. The number of copies required follows below; however, in general, comply with importer's or shipper's instructions when additional copies requested. Information in each document should correspond exactly to the details contained in other documents for the same shipment. Following are the documentary requirements subscribers must meet which are based on the laws and/or regulations when shipping to Estonia.

Mail and Parcel Post shipments require postal documentation (see *Postal Regulations* under *Communications* as well as the postal requirements and regulations contained in *Section IV* of the *Encyclopaedia*) in place of bills of lading.

Air cargo shipments require air waybills (in place of bills of lading).

For goods requiring an import license, shipping documents must bear the covering contract and import license number.

The Single Administrative Document (SAD) is a form accepted by all European Union (EU) countries for cross-border trade. The use of a SAD facilitates intra-EU cross-border commerce, allowing firms to ship products to a variety of national markets from a single gateway port with a minimal amount of paperwork. The SAD is completed by the importer.

Bill of Lading: No special requirements. Follow instructions in contract.

Certificate of Origin: Required according to the regulations of the European Community.

Commercial Invoice: Among other data which usually will be required under terms of a contract is the country of origin, details of packing materials, marks and numbers of packages, weights (net, gross and tare), quantity and description of goods, unit prices and total shipment value, selling price to purchaser and place of final dispatch from country of export. All data in the invoice must be in accord with contract terms and as requested in said contract.

Consular/Customs Invoice: No known requirement.

Import License: Open general licenses are required for alcohol, food, fuel, medicinal products, precious metals and stones, radioactive materials, tobacco, and weapons.

Special permits are required for explosives, weapons, radio broadcast equipment, plants, seeds, rare species of animals, goods subject to veterinary or phytosanitary control, plant preservatives and fertilizers, medicinal products, narcotic drugs and psychotropic substances, audiovisual equipment, lottery tickets, strategic goods, radioactive materials, motor vehicles, products that decrease the ozone layer, precious metals and stones, and dangerous and waste products.

Insurance Certificate: The terms of the contract determine whether the seller or buyer obtains insurance for the shipment in question. When seller (under the covering contract) has obtained the right to purchase insurance, follow instructions of importer and insurance company closely so no problems will arise.

Packing List: Required. Must contain a complete and explicit summary of the shipment in question.

Preshipment Inspection: No known government requirement. May be requested by importer.

Pro-Forma Invoice: May be requested by importing organization. Follow importer's instructions in this matter.

Steamship Company Certificate: No known requirement.

U.S. Shipper's Export Declaration: Required if value is more than \$2,500. The Electronic Export Information (EEI) record, which replaces the Shipper's Export Declaration and the Automated Export System record, is a formal declaration of an export. The Automated Export System (AES), an automated system developed jointly by Customs and Border Protection and the Foreign Trade Division of the Census Bureau, is the only means to file EEI. See *Section III* for full details on EEI. For additional information, contact the Foreign Trade Division, Bureau of the Census, Mailing Address: 4700

Silver Hill Road, Washington, DC 20233; Physical Address: 4700 Silver Hill Road, Suitland, MD 20746; (Tel: (301) 457-2238; Fax: (301) 457-3765; Internet: <http://www.census.gov/foreign-trade/regulations/forms/index.html>).

➤ **Export Controls:** Estonia is subject to special National Security and Crime Control restrictions. Export License or License Exceptions are required for items controlled for CB1; NP1; NS1, 2; MT or RS1 reasons. No license is required for items controlled only for CB3, NP2, FC, CC3 or AT reasons. Eligible for License Exceptions CIV, ENC and APP (for super computers, no top limit) for items identified in the CCL. BIS requires semi-annual reports of exports under license exceptions of items subject to NS2 controls. See *Section III, Export Control Regulations* for more information.

Other Documents: Estonia has strict quarantine, health, food and drug controls with high standards being maintained.

➤ **Animal and Plant Products:** All goods of animal or vegetable origin require appropriate sanitary or phytosanitary certificate indicating freedom from disease. The Estonian Veterinary and Food Board Border Inspection and the Estonian Plant Production Inspection Board are the relevant authorities. Most plants, seeds, and animals must be examined at the border before being allowed into Estonia, and may be imported only at specified border crossings. Contact importer for further information.

More information on inspection procedures may be obtained from the Animal and Plant Health Inspection Service (APHIS), U.S. Department of Agriculture, 4700 River Road, Riverdale, MD 20737, (Tel: (301) 734-8383; Fax: (301) 734-6402; Internet: <http://www.aphis.usda.gov/vs> (Veterinary Services) and Tel: (301) 734-8896; Fax: (301) 734-5786; Internet: <http://www.aphis.usda.gov/ppq> (Plant Protection and Quarantine)). See *Section III* for additional information on inspection procedures.

➤ **Diamonds:** Estonia, as a member of the EU, is a participant of the Kimberley Process and requires a Kimberley Process Certificate to accompany any shipment of rough diamonds.

Consular Fees: The legalization fee is usually \$10. Check policy of office used regarding this matter.

MARKETING DATA

Agency Agreements: Usually one exclusive agent or distributor is appointed to cover the entire country. Since importers often represent several different product lines, the exporter should check whether a company handles competing products. In all cases, legal advice should be obtained prior to entering into any such agreement.

Government Procurement: Estonia's Public Procurement Act was passed in October 2000. Government procurement is conducted through open tender and may be conducted through limited bidding with negotiations, or by government tender open to all bidders. Public procurement announcements are made by the Public Procurement Office, and published in daily newspapers and on the Internet.

For further information contact the Public Procurement Office, Kiriku 2, 10130 Tallinn, Harjumaa, Estonia (Tel: 372 6201 811; E-mail: info@rha.gov.ee; Internet: <http://www.rha.gov.ee>).

Estonia is bound by the WTO Government Procurement Agreement (GPA). The GPA enables suppliers from signatory countries to participate in the procurement of government projects in all signatory countries, according to the terms and conditions outlined in the Agreement.

Government procurement is regulated by four EU Directives: public works, public supplies, public services and utilities. The Directives cover contracts above a certain threshold in all public sectors except utilities, which is regulated by a separate Directive applicable to private as well as public undertakings.

On November 21, 2005 EU Defense Ministers agreed to a voluntary code of conduct for defense procurement. Defense equipment contracts are exempt from normal EU internal market rules. The new regime, which will cover contracts worth more than one million euros, takes effect from July 1, 2006.

Tenders Electronic Daily (<http://ted.eur-op.eu.int>) is the Internet version of the Supplement to the EU Official Journal and is the fastest way to receive information on public contracts for works, supplies and services from all EU member states, utilities contracts, and public contracts from EU and EFTA institutions.

Foreign Investment: Foreign investors have equal rights and obligations with local businesses. All foreign investors may establish a company in Estonia in the same way as local investors, no special restrictions are made. Foreign investments are protected by internal law and international agreements.

Estonia has concluded treaties for the protection of investments with several countries including U.S. In 2003 the U.S., EU, and eight EU acceding countries, including Estonia, signed a memorandum of understanding (MOU) to ensure a favorable environment for investors in acceding countries while making existing bilateral investment treaties (BITs) between acceding countries and the U.S. compatible with EU laws and regulations. Because a number of clauses in the existing BITs were contrary to EU legislation in some areas, they required amendments prior to accession. The MOU remedies the incompatibilities with EU law arising from the BITs between the accession countries and the U.S.; it will guide the process of amending the individual BITs.

In 1998 Estonia and the U.S. signed a convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. The agreement entered into force January 1, 2000.

For further information contact the Estonian Investment Agency, Enterprise Estonia, Liivalaia 13/15, 10118 Tallinn, (Tel: 372 6 279 700; Fax: 372 6 279 747; Internet: <http://www.investinestonia.com> or <http://www.eia.ee>; E-mail: invest@eas.ee).

The U.S. Export-Import Bank promotes the export of U.S. goods and services through a variety of loan, guarantee, and insurance programs. Short/medium term credit insurance is available as protection against political and commercial risks. Overseas Private Investment Corporation programs are also available in Estonia. OPIC's programs include loan guarantees, direct loans, and political risk insurance.

Estonia is a member of the Multilateral Investment Guarantee Agency (MIGA), which is part of the World Bank Group. MIGA encourages foreign investment in developing countries by providing investment guarantees against the risk of currency transfer, expropriation, and war and civil disturbance.

Consumer Protection: Estonia's Consumer Protection Act (CPA), as amended in 1998, mandates that goods and services comply with personal and environmental safety standards. Goods and services must be properly labeled in Estonian. The government has adopted legislation regarding this labeling which affects all products on the market. The CPA establishes the rights of consumers and the obligations of producers and sellers. Consumers are entitled to all necessary information to facilitate their decision making when faced with market decisions and to be protected against hazardous products. Sellers must facilitate the decision making of consumers and sellers are prohibited from promoting illegal goods or selling unlabeled goods or products whose date of expiration had passed. The sale of hazardous goods to consumer is punishable by a fine of up to 100,000 EEKs. Further information is available from the Consumer Protection Board (see *Key Contacts*, above).

In 2001 Estonia adopted the Law of Obligations Act, harmonizing the following EU directives in the field of consumer protection: Council Directive 85/374/EEC on the approximation of the laws, regulations and administrative provisions of member states concerning liability for defective products, Council Directive 85/577/EEC to protect the consumer in respect of contracts negotiated away from business premises, Council Directive 93/13/EEC on unfair terms in consumer contracts, Council Directive 90/314/EEC on package travel, package holidays and package tours, Council Directive 87/102/EEC for the approximation of the laws, regulations and administrative provisions of the member states concerning consumer credit, Directive 97/7/EC on the protection of consumers in respect of distance contracts, Directive 94/47/EC on the protection of purchasers in respect of certain aspects of contracts relating to the purchase of the right to use immovable properties on a timeshare basis, Directive 99/44/EC on certain aspects of the sale of consumer goods and associated guarantees.

The EU General Product Safety Directive sets safety requirements for consumer products such as sports and playground equipment, childcare articles, lighters and most household products such as textiles and furniture. Manufacturers and distributors are legally obliged to inform the authorities if a product they supply is dangerous, and must work with authorities to trace dangerous products and take them off the market. If necessary, companies may be required to organize a product recall. The EU has reinforced powers to order a recall or an emergency ban of dangerous products.

Product Standards, Regulations and Requirements: Products imported into Estonia should meet EU standards.

The Estonian Center for Standardization (Eesti Standardikeskus or EVS) is the national standards body. EVS approves and registers Estonian standards, which are mainly made up of adopted CEN standards. The WTO Enquiry Point has been under the administration of the EVS since 2001. For further information contact Eesti Standardikeskus

(Estonian Center for Standardization), 10, Aru Street, EE-10317 Tallinn; Tel: 372 605 5050; Fax: 372 605 5070; E-mail: info@evs.ee; Internet: http://www.evs.ee).

The EU harmonization of safety requirements and related standards is being implemented for industrial products through EU directives. During the transition period national requirements must be met. After the transition period the European wide "CE" mark supersedes all other compliance certificates, provided the products in question are covered by an EU directive. Many products now require CE marking before sale in the EU. See *Marking, Labeling and Packaging*, below, for information regarding the CE mark. U.S.-EU Mutual Recognition Agreements (MRA) allow mutual acceptance of decisions by testing and certification bodies in the U.S. and Europe.

For information on foreign, international and regional standards, technical regulations and conformity assessment procedures, contact the National Center for Standards and Certification Information, National Institute of Standards and Technology, 100 Bureau Drive, MS 2160, Gaithersburg, MD 20899-2160, (Tel: (301) 975-4040; Fax: (301) 926-1559; E-mail: ncsci@nist.gov; Internet: http://ts.nist.gov/ncsci).

► **Agriculture & Food:** Estonia is bringing its regulations into compliance with EU Directives. The Estonian Food Law, implemented January 2000, is based on EU directives, and regulates the production, trade and distribution of food products, as well as health issues, consumer protection and food control. EU agriculture and food requirements are extensive, and include restrictions on the use of hormones, pesticides, and genetically-modified foods. Estonia's Act to amend the Food and related Acts brings national legislation into compliance with EU law by removing some permit and import license requirements, and repealing provisions that are now covered by EU regulation. To bring the Act into line with applicable EU Directives, provisions of the Act regarding supervision, food for particular nutritional uses, additives and labeling have been supplemented. The amendments entered into force on May 1, 2004.

Where no EU legislation exists, Estonia can set its own requirements. EU law requires Estonia to accept a product which comes from another member state provided it meets the other country's food laws; products imported directly into Estonia must conform to Estonian food laws. Exporters should request detailed information from their importers or appropriate officials in Estonia as to current regulations covering their particular products.

A general EU food law was established in 2002. The basic framework Regulation EC No 178/2002 sets general principles and requirements of EU food law and particularly the concept of traceability, for all food and feed products. This regulation also created the European Food Safety Authority (EFSA).

On January 1, 2006 a large updated body of food and feed legislation entered into effect in the EU. The Food Hygiene Package, Regulation on microbiological criteria for foodstuffs, Regulation on official feed and food controls, and Feed Hygiene Regulation constitute a complementary set of rules to tighten and harmonize EU food safety measures. A key aspect of the new legislation is that all food and feed operators, from farmers to retailers, will have primary responsibility for ensuring that food entering the EU market meets the required safety standards. General rules are set for all food, while specific measures are included for other items. Food operators must apply compulsory self-checking programs and follow the Hazard Analysis and Critical Control Point principles in all sectors of the food industry. Imported products are required to meet the same standards as EU goods.

EU Directives on food safety and standards are extensive, and include rules on GMOs, as well as the use of pesticides, additive and chemicals. See *Section II, European Union*, for further details of EU regulations on food and agriculture standards and requirements.

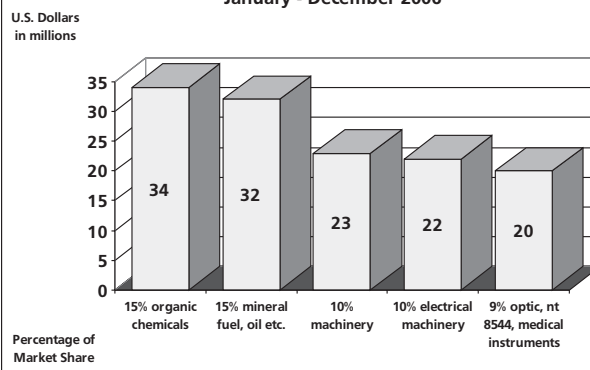
Live animals, birds, fish and other water organisms, products of animal, poultry and fish breeding, feed, veterinary medicines, diagnostics and vaccines are subject to border inspection by the Border Inspectorate of National Veterinary Control. In 2005 the EU adopted more stringent import controls in an effort to stop the spread of avian influenza. These measures affect trade in poultry, live animals, and related products, such as feathers.

Information on plant inspection can be requested from the Plant Products Inspectorate, Teaduse 2, Saku Harjumaa, EE3400, Estonia, Tel: 372 671 2613; Fax: 372 671 2604.

The Food Safety and Technical Services Division (FSTSD) is a division within the International Trade Policy program area of the Foreign Agricultural Service. Their mission is to coordinate the United States Department of Agriculture's (USDA) policy related to technical issues affecting international agricultural trade and offers guidance about foreign technical regulations and standards. For further information contact FSTSD at AG Box 1027, Room 5545, Washington, DC 20250-1027, (Tel: (202) 720-1301; Fax: (202) 690-0677; E-mail: FSTSD@fas.usda.gov; Internet: http://www.fas.usda.gov/itp/ofsts/ofsts.html).

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For further information on meat, poultry and egg inspection, shippers may contact the Food Safety and Inspection Service, Export Coordination Division, Technical Service Center, 1299 Farnam St., Landmark Center, Suite 300, Omaha, NE 68102, (Tel: (402) 221-7400; Fax: (402) 221-7438; E-mail: TechCenter@fsis.usda.gov; Internet: http://www.fsis.usda.gov).

- **Batteries:** EU Directive 2006/66 applies to all batteries and accumulators put on the EU market. It restricts the sale of batteries and accumulators that contain mercury or cadmium (with exemptions for emergency and alarm systems, medical equipment and cordless power tools) and places responsibility on producers to finance costs associated with collection, treatment, and recycling of used batteries and accumulators. The Directive includes provisions on the labeling of batteries and their removability from equipment. EU member states must implement the Directive into national law by September 26, 2008.
- **Chemicals:** In December 2006 the EU approved a new system for regulating the import, manufacture, marketing and use of chemicals. The new regulation for the Registration, Evaluation and Authorization of Chemicals (REACH) goes into effect June 1, 2007, and requires manufacturers and importers to gather information on the properties of the chemicals they use and register the information in a central database. A new EU Chemicals Agency will act as the central point in the REACH system. The policy affects a broad spectrum of companies across industry sectors such as pharmaceuticals, industrial chemicals, cosmetics and cleaning products. The regulation calls for substituting safer alternatives for the most dangerous chemicals whenever possible, and will eventually require use-specific authorization for many chemicals.
- **Cosmetics:** The EU Cosmetics Directive (Directive 76/768/EEC, as amended by Directive 93/35/EEC) regulates the composition, manufacturing, safety assessment, labeling and marketing of all cosmetic products. The EU has passed a law that will ban most testing of cosmetics on animals within the EU by 2009, although three types of toxicity tests will be allowed to continue until 2013 to allow time for development of alternatives.
- **Electrical and Electronic Equipment:** As of August 2005, companies selling many electric and electronic products in the EU must conform to the EU Waste Electrical and Electronic Equipment Directive (WEEE), and as of July 2006, must conform to the Restriction of Use of certain Hazardous Substances Directive (RoHS). In Estonia, the WEEE Directive is being implemented through the country's strategic waste management plan, June 2005 amendments to the Waste Act, Governmental Regulation No. 376 of December 24, 2004 "Requirements on marking, take-back, collection, recycling and disposal of WEEE, recovery targets and dates," and Order of the Minister of Environment No.99 Requirements for treatment of WEEE.
- **Pharmaceuticals:** Import of pharmaceuticals requires a license from the Ministry of Social Affairs, as well as a certificate or special permit issued by the State Agency of Medicines. Information is available from the State Agency of Medicines, Kalevi EE2400 Tartu, Tel: (372-7) 441-219, Fax: (372-5) 248-449, Internet: http://www.sam.ee.

There are three procedures in place to receive marketing authorization for pharmaceutical products in the EU - centralized, decentralized, and national. The centralized procedure provides one authorization, granted by the European Agency for the Evaluation of Medicinal Products (EMA), valid throughout the EU. Under the decentralized procedure, a company receives a marketing authorization in one EU member state, and that marketing authorization is valid, through mutual recognition, in all member

states. The national procedure provides marketing authorizations that are valid only in the member state granting the authorization. Products derived from biotechnology, also called A-list products, must receive marketing authorizations through the centralized procedure. All other products may be registered under either centralized or decentralized/national procedure. For further information contact EMEA, 7 Westferry Circus, Canary Wharf, London E14 4HB (Tel: (44-20) 74 18 84 00; Fax: (44-20) 74 18 84 16; E-mail: mail@emea.eu.int; Internet: http://www.emea.eu.int).

In 2005 EMEA and the U.S. Food and Drug Administration (FDA) extended confidentiality arrangements related to medicinal products for human and veterinary use for five years. The confidentiality arrangements allow FDA and EMEA to exchange information as part of their regulatory processes. The EU U.S. MRA includes two annexes covering pharmaceuticals and medical devices, products regulated by the FDA.

- *Other Consumer Goods:* The EU bans items for children, including soft toys, childcare articles and toys, that contain phthalates and are intended to be put in the mouth by children under three years old.
- *Electric Current:* A.C. 50 cycles, 220/380 volts.

Marking, Labeling and Packaging: Packaging and labeling legislation regulations include the Regulation on Provision of Information about Consumer Products in Estonia, adopted in 1994; the Procedure for Labeling of Packaged Foodstuffs, 1995; Rules for Labeling of Packaged Consumer Products and Cosmetics, 1994; and Rules for Labeling of Clothes and other Textile Products, 1995. Provisions of the 1993 Consumer Protection Act also apply (see *Consumer Protection*, above).

In general, retail packages must include, in Estonian, the name of product (indicating clearly the contents of the package); the name of the manufacturer; weight or volume (in metric measurements), as well as contents of product, care and operating instructions, and warning of possible danger related to the use or disposal of the product. Stickers are permitted.

As part of the single internal market program, the EU is attempting to remove technical barriers by harmonizing existing European legislation and establishing new rules, where necessary, so that goods sold in one EU country can be marketed easily in any other EU country. However, differences still exist from country to country.

The CE mark (an acronym for the French *Conformite Europeenne*) certifies that a product has met EU health, safety, and environmental requirements, which ensure consumer safety. Manufacturers, both in the EU and abroad must meet CE marking requirements where applicable in order to market their products in Europe. A manufacturer who has gone through the conformity assessment process may affix the CE marking to the product. With the CE marking, the product may be marketed throughout the EU. It is the manufacturer's responsibility to determine if a product requires a CE marking. The EU New Approach Directives contain the requirements that must be met for a particular product to be CE marked for sales in the EU. Directive 93/68/EEC entitled "Rules for the Affixing and Use of the CE Conformity Marking" is applicable.

CE marking does not eliminate the commercial need for a manufacturer to obtain other marks for a product, which may be recognized or expected by purchaser. These include performance marks, quality marks, and marks indicating environmental friendliness. The need for additional marks may be specified by a buyer in a contract.

All products for retail sale must mention, as applicable, net weight (in most cases, this means not including the weight of the packaging), volume, measurements (all given in metric system) and the number of units in the immediate container, either on the container or on the bill of sale.

The EU has established standardized packaging units for numerous products. Labeling must be in metric units. The EU deadline for accepting metric only labels has been extended to the year 2010.

In 2004 the EU adopted a proposal that deregulates packaging sizes for a range of consumer products that follows on from the recommendation of the panel on Simplification of Legislation on the Internal Market (SLIM) to make sizes mandatory only where necessary. On May 21, 2007 the Council of Member States came to a political agreement to simplify EU legislation on pre-packed goods, allowing free packaging sizes for all products, except wine and spirits.

The EU ecolabel, symbolized by a daisy, is a mark awarded to producers who can show that their product is less harmful to the environment than similar products. Use of the ecolabel is voluntary.

The EU ecolabeling program was established in 1992, and relaunched in 2000 by Regulation No 1980/2000. This regulation extends the ecolabel to cover services as well as goods and enables retailers to

apply for the ecolabel. Applications for an EU ecolabel must be addressed to an EU competent body and should include all necessary certification and documents. Each decision to award the ecolabel must be cleared with other EU member states competent bodies. Objections can be raised within a 30-day period. If there are none, the EU ecolabel is awarded, against a fee for application, for a specified period of use.

See *Section II, European Union*, for additional information on EU marking and labeling requirements, including details of requirements for food products.

- *Agriculture and Food:* Food packaged for shipping or handling prior to retail sale should be labeled with the name of the product, product expiration date, and address and seal of the manufacturer or packager on the transport packaging and on accompanying documents.

Retail food packages require labeling in the Estonian language stating the product name, manufacturer, origin, ingredients and additives, net weight, importer name and contact information, instructions for use, storage directions and the expiration or "best before" date.

EU guidelines for the labeling of conventional foods are outlined in EU Directive 2000/13/EC, which requires food labels to include name of product, list of ingredients, place of origin, use by date, net quantity, and special storage conditions. See *Section II, European Union*, for additional details of EU labeling requirements.

- *Medicines:* The Estonian State Agency of Medicines requires use of the Common Baltic Package Guidance. This Guidance is based on requirements of EU Directive 2001/83/EC as amended and Commission Guideline on the readability of the label and package leaflet of medicinal products for human use. In general, information should include the name of the medicinal product; statement of active substances; list of excipients; pharmaceutical form and contents; method and routes of administration; special warning that the medicinal product should be stored out of reach and sight of children; other special warnings, if necessary; expiry date (mm/yyyy); special storage conditions; special precautions for disposal of unused medicinal products or waste materials derived from such medicinal products, if appropriate; name and address of the marketing authorization holder; marketing authorization numbers; manufacturer's batch number; general classification for supply; and instructions on use.

Intellectual Property Rights: Estonia is a member of the World Intellectual Property Organization (WIPO), and adheres to the Berne Convention, the Geneva Convention on the Protection of Phonograms, the Geneva Act of the Hague Agreement Concerning the International Deposit of Industrial Designs, the Paris Convention, the Patent Cooperation Treaty, the Nice Agreement, the Budapest Treaty on the International Recognition of the Deposit of Microorganisms, the Rome Convention, and the WTO TRIPS Agreement.

Estonia and the U.S. concluded a Trade and Intellectual Property Rights Agreement in 1996.

Estonian Legislation includes the Patent Act, Utility Models Act, Trademark Act, Industrial Design Protection Act, and Act of the Protection of Layout Designs of Integrated Circuits (all of April 2004), as well as the Geographical Indication Protection Act and the Implementation of the Convention on the grant of European Patents Act.

Regulations include the Formal and Substantive Requirements for Application Documents for Registration of Industrial Designs and Procedure for Filing of such Documents; Formal Requirements for Application Documents for Registration of Layout-Designs of Integrated Circuits and Procedure for Filing of such Documents; and the Formal Requirements for Certificates of Layout-Designs of Integrated Circuits and Procedure for Completion of Forms thereof.

- *Patents:* Patents are granted for 20 years. Application is made at the Estonian Patent Office. Estonia also accepts patent applications translated into Estonian from abroad. Priority is the preferential right of the person who files the first patent application or registration application of a utility model or the legal successor of such person to apply for patent protection for an invention. The filing date of the first patent application or registration application of a utility model is considered to be the date of priority. For further information, contact the Estonian Patent Office, listed under Key Contacts, above.

- *Trademarks:* The Trademark Law stipulates what is protected by law and sets out a judicial proceeding. Companies can apply for trademark registration only through an authorized patent attorney. Trademark violations are punishable with fines of up to 100,000 EEK. For further information contact the Estonian Patent Office.

An EU directive regarding trademarks applies the principle of Community exhaustion, under which parallel imports into the EU are prohibited without the approval of the trademark holder or authorized distributor.

► **Copyrights:** Estonia's 1992 Copyright Act applies. The term of protection of copyright is the life of the author and seventy years after his or her death, irrespective of the date when the work is made available to the public, except in cases prescribed in §39 - 42 of the Act. Where the country of origin of a work, within the meaning of subsection 4 of Article 5 of the Berne Convention on Literary and Artistic Works, is a third country, and the author of the work is not a citizen or permanent resident of Estonia, the term of protection of copyright will run within a period prescribed by the law of the country of origin but may not exceed the term specified in the Act.

Copyright authority is located within the Ministry of Culture, Suur-Karja Street 23, 15076 Tallinn (Tel: (372) 6 282 222; Fax: (372) 6 282 200; Internet: <http://www.kul.ee>).

Product Marketing and Advertising: Estonia's 1998 Law on Advertising contains provisions for child-related advertisements and non-offensive advertisements as regards to gender and race. Advertising of tobacco and tobacco products is prohibited, and advertising of alcohol is strictly limited.

EU rules on marketing and advertising also apply, including EU directives on data protection, truth in advertising, consumer protection, and advertising of medical and tobacco products. See *Section II, European Union*, for this information.

The majority of advertising in Estonia is through newspapers and magazines. Major Estonian periodicals include *Postimees*, *Eesti Päevaleht*, *Sõnumileht*, *Õhtuleht*, *Eesti Ekspress*, and *Äripäev*.

About 20 percent of advertising is conducted via television. There are 31 television broadcast stations. The Ministry of Culture administers television licensing. Programming includes Estonian, European and Russian programs. By law 51 percent of shows must be produced within the EU.

Radio and outdoor media are also used for advertising. There are more than 25 commercial broadcast radio stations. Direct marketing, including both direct sales and mail order sales, is showing a steady growth in Estonia.

Customized information on public and private companies worldwide is available from D&B, 3 Sylvan Way, Parsippany, NJ 07054, (Tel: 800 440-3867 (inside the U.S.) or outside the U.S. call (1) 512 794-7768; Internet: <http://www.dnb.com>); or call your local D&B office.

Most international fairs take place at Estonian Fairs Ltd., located in Tallinn.

It is possible to obtain temporary exemption from duty for commercial samples and goods intended for public displays at exhibitions and fairs. If the goods are put to any unauthorized use or are not reexported within the prescribed time period (maximum one year) they must go through normal customs clearance and are then liable for relevant duties and taxes.

► **ATA Carnets:** Estonia admits, under cover of ATA Carnets, commercial samples, exhibitions/fairs materials, and professional equipment. See *Section III* for further information regarding the "Carnet System."

ATA Carnets are issued in the U.S. by the U.S. Council for International Business, 1212 of the Americas, New York, NY 10036, (Tel: 1-866-7-UNLOCK; Fax: (212) 944-0012; E-mail: atacarnet@uscib.org; Internet: <http://www.uscib.org>). If difficulties are encountered when using an ATA Carnet issued by the U.S. Council, contact: Estonian Chamber of Commerce and Industry, Toom-Kooli 17, 10130 Tallinn, Estonia, (Tel: 372/6/460.244; Fax: 372/6/460.245; E-mail: koda@koda.ee; Internet: <http://www.koda.ee>).

TRANSPORTATION

Entry and Warehousing: Article 40 of the Estonian Customs Law provides for customs warehousing of goods. It allows both public and private customs warehouses. There are eighty public bonded warehouses and eighteen private bonded warehouses, a number of which are located in border areas.

The free storage areas are available equally to both domestic and foreign firms. Goods may be stored in the warehouses for up to a year, free from import or export duties. The term of storage may be extended by the Customs Board. Processing of warehoused goods is prohibited; however, repair of the packing, assembly, sorting and preparation of goods for sale or transport is not considered as processing.

The Estonian Tax and Customs Board has introduced an Internet based system for electronic transmission of customs transit declarations. COMPLEX is a new, free Internet-based customs declarations' processing system, replacing the ASSOCIATE system. The new system was based on EU requirements for filing customs declarations. Transition to electronic customs clearance is one of the new requirements.

Goods can clear customs with an EU transit procedure that provides for issuance of a single transit document under which the goods may be easily shipped across frontiers of the EU member states. These transit documents are completed by the importer.

See *Documentation* section for the documentary requirements that must be met in order to clear goods through Customs.

Foreign Trade Zones: A free trade zone has been in operation since 1997 at Muuga Port, which is part of the Port of Tallinn complex. Two others exist, in Sillamae (an industrial area in Estonia's northeast), and in Valga (located in southern Estonia, near the Latvian border). At this time, only the Muuga Port and the Sillamae zones are actively working. Warehousing and assembly are allowed in the free trade zone, with permission obtained through the Customs Board.

Shipping Restrictions: The EU transport directorate requires ships to be compliant with the International Safety Management Code. Ships are subject to inspection those without certification may be banned from European ports.

In 2002 Estonia announced it will impose restrictions on single-hulled tankers. The measure is expected to follow EU restrictions.

The EU requires all unprocessed raw wood packaging materials entering the EU to be either heat treated or fumigated and officially marked under International Standard for Phytosanitary Measures for Wood Packaging (ISPM 15). For more information contact the USDA's Animal and Plant Health Inspection Service (APHIS) at the contact information listed under *Other Documents*, above, or online at http://www.aphis.usda.gov/import_export/plants/plant_exports/wpm/country/index.shtml.

Marking of Shipping Cases: No known regulations. According to sound shipping practice, packages should bear the consignee's mark, including port mark, and should be numbered unless the shipment is such that the contents of the packages can be readily identified without numbers.

TIR Carnets: Estonia is as an adherent to the TIR Customs Convention, a guarantee arrangement under which freight shipments are permitted to cross international borders of member-nations without discharge of the cargo from road vehicles or containers at border points for customs inspection, and accepts shipments from the U.S. made under TIR Carnets, whether destined for Estonia, itself, or enroute to another signatory to this Convention. See *Section III* for further information regarding "TIR Carnets," as well as the name and address of the organization issuing such Carnets in the U.S., fees charged, and some of the regulations which shippers must abide by.

Inland Transportation:

- **Roads:** There are 56,000 km of highways; about 14,000 km are paved.
- **Railways:** More than 90 percent of freight transit through Estonia is by rail. The most effective shipping route from Russia to Western Europe and North America is through the Baltic States. The length of the system is 950 km of broad gauge railway; gauge being increased from 1.520-m to 1.524-m to reduce wear on wheels and rails as lines are modernized.
- **Waterways:** 500 km.

Airports: Tallinn International Airport links with most Scandinavian and European cities.

Air Cargo Service: Documentary requirements for air cargo shipments are given under *Documentation Overview* above. The following carriers currently have service to this region: Estonian Air and SAS Scandinavian Airlines.

On April 30, 2007 EU and U.S. officials signed an open skies agreement under which all U.S. and EU airlines will be permitted to fly between every city in the EU and U.S. It will allow these airlines to set fares freely in accordance with market demand, and operate without restrictions on the number of flights, aircraft used, or routes chosen. The agreement enters into force March 30, 2008.

Ports and Trade Centers: The state enterprise *Tallinn Ports* was established in 1992 for administration of major Estonian ports. The enterprise administers three major ports in the capital city of Tallinn and six ports in other regions of Estonia.

Estonia has captured an increasing share of the rapidly growing trade through the Baltic Sea. There are approximately 100 ports along the coast of Estonia, 31 of which handle commercial shipping and are open to vessels from other countries.

The *Port of Muuga* is one of the largest and most modern equipped ports in the Baltic Sea. Muuga Port is located on the northern coast of Estonia, approximately fifteen miles from the city of Tallinn and can be entered all year round.

The *Port of Parnu*, located in the city of Parnu on the western coast of Estonia, has a long tradition as a trading port. It is an independent port and is not administered by Tallinn Ports.

Shipping Information: Ocean Cargo service is provided by the following steamship lines: ConFlo Lines and Latvian American Shipping.

BUSINESS TRAVEL

Entry Requirements: Nationals of the EU or the EEA member states, and Switzerland do not require visas to enter Estonia. Required travel documents are personal ID cards or passports.

The holders of passports of the following countries do not need a visa to enter Estonia for stays of no more than three months in a 6 month period: Andorra, Argentina, Australia, Bolivia, Brazil, Brunei, Bulgaria, Canada, Chile, Costa Rica, Croatia, El Salvador, Guatemala, Holy See, Honduras, Hong Kong Special Administrative Region, Israel, Japan, Macau Special Administrative Region, Malaysia, Mexico, Monaco, New Zealand, Nicaragua, Panama, Paraguay, Romania, San Marino, Singapore, South Korea, United States of America, Uruguay and Venezuela. Nationals of countries not listed require a visa to enter Estonia.

NOTE: The possession of a visa is only one of the prerequisites for entry into Estonian territory. The prerequisites for entry will be checked again upon entry into Estonian territory. The mere fact that a visa has been granted does not mean that the person will be entitled to compensation if entry is refused due to the failure of complying with relevant provisions.

The following types of visas are issued: Airport transit visa (type A) - given for entry into the international transit zone at an Estonian airport and for the stay therein allowing for the departure to the next transit country or arrival country, where the person has a legal basis to enter. This visa will not grant the alien the right to enter Estonia or stay in Estonia.

Transit visa (type B) - given for single- or dual-entry transit journey through Estonia to the next transit country or arrival country, where the person has a legal basis to enter. The transit visa may also be given for multiple journeys when necessary for the completion of professional or employment duties.

Short-term visa (type C) - given for single- or multiple-entry and stay in Estonia. Short-term visas may vary by validity of the visa: single-entry and stay in Estonia - validity of the visa up to 6 months; multiple-entry and stay in Estonia - validity of the visa up to 5 years. And secondly by duration of the stay: Single-entry and stay in Estonia - up to 90 days; Multiple-entry and stay in Estonia - up to 90 days in a six-month period (counted as of the date of the first registered entry in Estonia).

Long-term visa (type D) - given for single- or multiple-entry and stay in Estonia (e.g. for accredited journalists representing foreign mass media, Estonian Honorary Consuls, persons who have registered their short term employment before applying for visa, and their family members (spouse, minors and dependant adult children).

Applications for visas must include (1) a valid travel document, which must contain at least two blank pages for visas and be valid for at least 3 months after the end of the validity of the visa; (2) a completed visa application; (3) a color photograph (sized 40 x 50 mm; it should be possible to ascertain the identity of the person); (4) a health insurance policy valid in Estonia (with a coverage of at least 160,000 EEK for the entire duration of the stay in Estonia); (5) documents confirming the purpose and cause of the visit (visa invitation or letter of invitation from an international organization, a voucher from a registered tourist/travel agency, a document entitling entry to the country of arrival, a document proving employment in Estonia, transport tickets, or other similar documents); (6) documents confirming that accommodation and other expenses will be covered when staying in Estonia. While staying in Estonia, visa visitors must prove that they have adequate financial means equal to one fifth of the minimum monthly wage - currently 600 EEK (the minimum monthly wage is 3000 EEK as determined by the government of Estonia as of January 2006) - for every day that they plan to stay in Estonia; (7) a receipt proving payment of state fees.

Visa Fees: airport transit-\$20; transit visa-\$25; short-term visas-single entry/up to 30 day stay-\$20, single entry/up to 90 day stay-\$35, multiple entry/up to 30 day stay-\$25, multiple entry/up to 90 days stay-\$50; long term visa-\$80.

Applying by mail: If there is no Estonian Embassy in country of residence, visa applications may be submitted to the nearest Estonian representative. The applicant is obliged to appear personally if requested, to provide explanations on material circumstances or for identification before issuance of the visa.

For the most updated visa information, please visit <http://www.vm.ee>.

Business Customs and Etiquette: Business conduct in Estonia tends to be rather formal and courteous. Appointments should always be arranged in advance. A handshake is the customary greeting, and business cards are usually exchanged after initial introductions.

When dining out, a tip is usually included in the restaurant bill.

Travel Notes: The following travel notes have been supplied by the U.S. government.

► **Health:** Medical care is improving, but is not up to Western standards. There are highly trained medical professionals in Estonia. However, hospitals and clinics suffer from lack of equipment and resources. Doctors and hospitals often expect immediate cash payment for services. U.S. medical insurance is not always valid outside the U.S. Supplemental medical insurance with specific overseas coverage, including provisions for medical evacuation, has proven useful. Visitors to forest areas should beware of tick-borne encephalitis. Information on health problems can be obtained from the Centers for Disease Control and Prevention's International Travelers' Hotline at 1-877-FYI-TRIP (1-877-394-8747), their autofax service at 1-888-232-3299, or their Internet site at <http://www.cdc.gov>.

A worldwide list of English-speaking doctors is available from the International Association for Medical Assistance to Travellers (IAMAT), 1623 Military Road #279, Niagra Falls, NY 14304-1745, (Tel: (716) 754-4883; E-mail: info@iamat.org; Internet: <http://www.iamat.org>). IAMAT is a nonprofit organization that disseminates health and sanitary information worldwide for the benefit of travelers and to assist them in finding qualified medical care overseas.

► **Safety:** Travelers to Estonia should exercise the same precautions with regard to their personal safety and belongings as they would take in major U.S. cities. Robberies and violent crime continue to increase, and mugs, pickpocketing and car thefts are common, even during daylight hours. Travelers are also advised to avoid walking alone after dark, particularly when leaving bars. Although the Estonian police are improving, they lack equipment, training and resources. Many also do not speak English, which can make it difficult to obtain prompt assistance. Credit card fraud is on the rise. Travelers should take precautions to safeguard their credit card and report any suspected unauthorized transactions to the credit card company immediately.

The loss or theft abroad of a U.S. passport should be reported immediately to the local police and the nearest U.S. embassy or consulate.

U.S. citizens are subject to the laws of the country in which they are traveling. Penalties for possession, use or trafficking in illegal drugs are strict, and convicted offenders can expect jail sentences and heavy fines.

► **Transportation:** Bus service connects most major towns in Estonia, and connections between Tallinn and major European cities are good. Estonia is still well-connected to the former Soviet rail system, providing good rail service both within Estonia and with connections to neighboring countries. Urban public transport, including trams, trolley buses, buses and taxis, are available in Tallinn. Car rental facilities are available in major cities and at the Tallinn Airport. There are also regular ferry connections between Stockholm, Sweden and Helsinki, Finland and Tallinn.

Driving in Estonia is very aggressive, and many roads are not up to Western standards. Driving is done on the right side of the road (with passing on the left), and headlights must remain on 24 hours a day. Seatbelts are required for drivers and all passengers. Drinking and driving is discouraged, as the blood alcohol limit in Estonia is zero percent. U.S. citizens who plan to drive in Estonia must obtain an international drivers license in advance of their visit. The roadside vehicle assistance and towing service phone number is 118. For ambulance, fire or police assistance, the number is 112. However, operators may speak only minimal English.

Tourist Information: For tourist information contact: Estonian Tourist Board, Pikk 71, EE00001, Tallinn, (Tel: (371) 6411-420; Fax: (372) 6441-432; E-mail: info@turism.ee; Internet: <http://www.tourism.ee>) or the Tallinn Tourist Information Center at <http://www.tallinn.ee/turismiinfo>.

Holidays/August 1, 2007 through July 31, 2008: The following is intended as a working guide only. Certain holidays may be observed on different dates depending on the day of the week on which it falls. Corroboration of dates is suggested in final business travel planning. U.S. holidays should also be considered when appointments are made with U.S. Foreign Commercial Service Officers. August 20, Restoration of Independence; December 25, Christmas Day; December 26, Boxing Day; January 1, New Year's Day; February 24, Independence Day (1918); March 21, Good Friday; May 1, May Day; June 23, Victory Day (1919); June 24, St. John's Day.