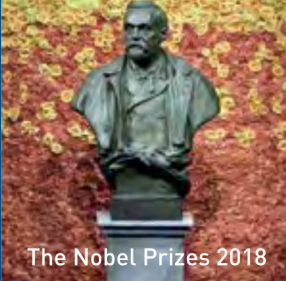


3/2018



Ambassador  
Mikael Eriksson:  
"A Common Heritage  
to Develop Even  
Further"



The Nobel Prizes 2018



The Power  
of Singing



Newsflashes

# fOCUS



In the World  
of Beauty,  
Fashion and  
Business



foCUS  
met:

Helina Eha  
and  
Cadrin Lokotar

Photo: HC Studio



TALLINK SHUTTLE MEGASTAR

# SHAPED TO BE PERFECT

FOR THE TWO-HOUR JOURNEY  
BETWEEN TALLINN AND HELSINKI



25%

less CO<sub>2</sub>

0

particles

85%

less NO<sub>x</sub>

0

SO<sub>x</sub>

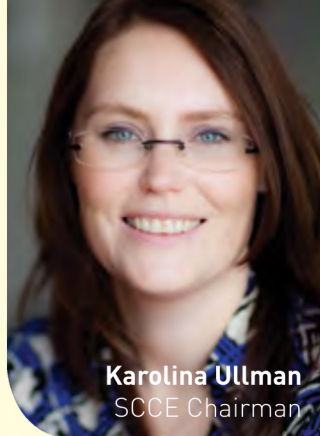
MS Megastar has the most modern navigational systems and safety solutions, seats for every passenger, a broad range of facilities and the largest floating shopping centre on the Baltic Sea.

But most importantly, this fast new generation ferry is powered by LNG.

 **TALLINK** *Shuttle*

TALLINK.EE





## Dear Reader,

At the time when I am writing this (2 November 2018) Sweden is still, soon two months after the general elections, without a government. Looking at the results from the election, where there are two major blocks and one big party the big blocks do not want to talk to, there is no surprise that we have no government formed yet.

One would have expected some of the party leaders to be “grown up” enough and started to form a government based on what political questions they could agree to by now but, no. The politicians seem not to be prepared for this situation at all and they have all locked their positions. So, what’s next? New elections? The recent polls show that the result of a new election would be the same again – locked positions in to two big blocks and one big party no one wants to talk to...

Starting to think about it, maybe the current situation is actually quite OK, at least for a couple of years or two? I mean that the transitional government (the former government that is still in office waiting for a new to form) will still do its day-to-day work by executing only non-political decisions or non-sensitive decisions. As the country seems to be torn up in these three main groups (social democratic/left/greens in one group, liberals, Christian democrats, conservatives and centre in the other and the “despised” Sweden democrats in the third) maybe this is the best government we can get, a non-political one? If nothing else, it is interesting to follow this farce from a bit of a distance. Estonia is up next (general elections March 2019) and perhaps the result of those could be similar to Sweden’s. Or?

**This autumn many companies in Europe have been struggling to understand what UBO:s are and why and how we need to register them (see the Legalities section in this issue of focus).**

When digging into the wording of new legislation it is easy to forget why such a law was created in the first place. If you can still recall the Panama Papers scandal and other international scandals, the idea from the legislators have been to make it more transparent who actually owns a company. As you may know, it could be perfectly legal and logical to have an off-shore company on some



The Riksdag building in Stockholm

channel island, but the general public should still be able to find out who such a company’s ultimate beneficial owner (UBO) and thereby make business more difficult for those whose main interest is to hide and to launder money earned from criminal activities or the like. It is difficult to say if these administrative measures as registering UBO:s will have the desired effect. But perhaps it is worth a try?

On another note, I would like to thank the Estonian Chamber of Commerce and Industry for arranging training on Corporate Governance — very much needed. I hope this training will set a new standard in the Estonian business life.

The autumn and winter programme in the Chamber is full of interesting events, I hope I will be able to meet many of you there!

**Karolina Ullman**  
Chairman of the Swedish Chamber  
of Commerce in Estonia



Royal Members:



Rödl & Partner



# focus

## Publisher

**focus** is published by the Swedish Chamber of Commerce in Estonia - SCCE.

## Address:

**focus**  
The Swedish Chamber of Commerce in Estonia  
c/o Embassy of Sweden  
Pikk 28  
15055 Tallinn  
Estonia

E-mail: [kristiina@swedishchamber.ee](mailto:kristiina@swedishchamber.ee)  
Tel: (+372) 501 9813

## Editorial content and articles

SCCE welcomes editorial content and articles for **focus** promoting Swedish - Estonian commerce, trade and investments. The author of editorial texts and articles published is responsible for the content. SCCE reserves the right to reject publishing of content not being in line with SCCE's Statutes.

## Advertising

SCCE's Ombudsman Kristiina Brodén will be happy to provide information on sizes, prices and technical requirements for advertising in **focus** and at our website [www.swedishchamber.ee](http://www.swedishchamber.ee). Welcome to contact Kristiina at: [kristiina@swedishchamber.ee](mailto:kristiina@swedishchamber.ee) or by phone: (+372) 501 9813. SCCE reserves the right to reject publishing of advertisements not being in line with SCCE's Statutes.

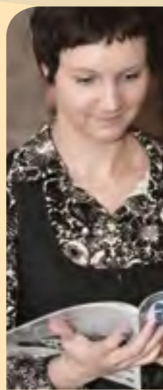
## Subscriptions and additional copies

**focus** magazine is distributed free of charge to the members of the Swedish Chamber of Commerce in Estonia as well as Swedish Chambers of Commerce in Sweden, Latvia, Lithuania and several other countries around the world.

SCCE also provides additional copies of **focus** for SCCE's members own distribution of the magazine to customers and business contacts to a net print run cost.

Please contact SCCE's Ombudsman Kristiina Brodén for further information: [kristiina@swedishchamber.ee](mailto:kristiina@swedishchamber.ee)

All rights reserved.



# The Swedish Chamber of Commerce in Estonia

The Swedish Chamber of Commerce in Estonia, SCCE, is a non-profit association registered in Estonia. Since its start, the SCCE has grown considerably and today the Chamber unite more than 130 member companies and organizations headquartered in Estonia, Sweden, as well as other countries.

SCCE is in many ways a mirror of the intensity in Swedish-Estonian commerce, trade and investments. Sweden is the biggest foreign direct investor in Estonia, and Sweden is also a major export market for Estonia.

A main task of SCCE is to create an environment for networking and exchange of information. The Chamber acts as a meeting place by arranging seminars, business lunches, company visits, meeting business delegations, as well as arranging social events for the members.

Following a SCCE initiative, FICE - Foreign Investors' Council in Estonia was founded in August 2008. FICE is a lobby group acting through contacts with the Estonian Government and Estonia's Governmental bodies. Together, the eight countries represented in FICE account for an impressive 70% share of the foreign direct investments in Estonia.

Special and unique SCCE member benefits include opportunities to further market their businesses in the News from Members section of the Chamber's website, as well as taking advantage of a steady flow of Member Bonuses.

The fee for Basic Membership in the Swedish Chamber of Commerce in Estonia is 449€ consisting of : a) Basic fee 200€, b) Service fee 249€ + VAT. The fee for Royal Membership is 1.349 € consisting of: a) Basic fee 200€, b) Royal Members' extended service package: 1.149€ + VAT. Membership is only granted to legal entities.

For more information about SCCE, please visit [www.swedishchamber.ee](http://www.swedishchamber.ee). You are also welcome to take a direct contact with SCCE's Ombudsman Kristiina Brodén: [kristiina@swedishchamber.ee](mailto:kristiina@swedishchamber.ee) , tel: (+372) 501 9813.

The Swedish Chamber of Commerce in Estonia  
c/o Embassy of Sweden  
Pikk 28 • 15055 Tallinn • Estonia  
[www.swedishchamber.ee](http://www.swedishchamber.ee) • [info@swedishchamber.ee](mailto:info@swedishchamber.ee):  
(+372) 501 9813



## IN THIS ISSUE:

- p. 3 Editorial
- p. 5 Ambassador Mikael Eriksson: A Common Heritage to Develop Even Further
- p. 7 The Nobel Prize Laureates 2018
- p. 9 Legalities
- p. 12 **focus** met: Helina Eha and Cadrin Lokotar
- p. 15 Economy: Research into factors driving and restraining economic growth
- p. 18 Healthcare
- p. 20 The first 100 years: The Power of Singing
- p. 24 La Cave: The Great Vintages – the True Story
- p. 26 Newsflashes
- p. 34 ps.



# A Common Heritage to Develop Even Further



Narva, 4 September: Ambassador Mikael Eriksson presenting his credentials to President Kersti Kaljulaid

- The relations between Sweden and Estonia are excellent and in terms of commerce, trade and investments, Sweden is indeed in the top league on the Estonian market. Furthermore, people are still referring to the 150 years when Estonia was part of Sweden as 'The Good Old Swedish Times'. Altogether, this creates a common heritage for us to develop even further, says Sweden's new Ambassador to Estonia, Mikael Eriksson.

- I presented my credentials to President Kersti Kaljulaid on the 4<sup>th</sup> of September. The ceremony took place in Narva as she had temporarily relocated her office there, right at the border between Estonia and Russia, continues Mikael Eriksson.

- Sweden is permanently represented in Narva through our Honorary Consul Ahti Puur and during my time in office here, I intend to put attention to Narva and the Ida-Virumaa area as well.

- Sweden is also very well represented all over Estonia with Swedish companies and organizations. As I now meet **focus** in mid-October, my travel schedule in Estonia is already pretty well filled up. So far, I have visited Volvo Trucks and Buses in Tallinn, and I have also been to Tartu and met Professor Daniel Sävborg and his team



Visiting Volvo Trucks and Buses in Tallinn

## Mikael Eriksson



Before taking office as Sweden's Ambassador to Estonia on 1 September, Mikael Eriksson was working at the Ministry for Foreign Affairs in Stockholm coordinating foreign and security policy aspects of international energy relations.

Earlier, he has been Sweden's envoy in Azerbaijan, based in Stockholm, and Head of the Foreign Ministry's Office.

Mikael Eriksson's previous foreign postings include the Embassy in Ottawa, Sweden's Permanent Representation to the European Union in Brussels, and the OECD Delegation in Paris.



►►► at the Skandinavistika at the University of Tartu. Furthermore, I have made a short but very interesting visit to the island of Naissaar (Nargö) in the Bay of Tallinn.

- On 12<sup>th</sup> October, I could welcome a big group of people to the Embassy, all of them representing companies and organizations in Estonia with links to Sweden. The background to the meeting was the three Anniversary Funds the Swedish Government has presented to Estonia, Latvia and Lithuania this Centennial Independence Jubilee Year. The funds were announced in May at Skansen in Stockholm in connection with the annual Baltikumdagen (The Baltic Day) by Sweden's Minister for Foreign Affairs Margot Wallström.



Introducing Sweden's Centennial Independence Jubilee gifts; The Anniversary Funds

- As a basic contribution to the Anniversary Funds, the Swedish Government has set aside SEK 10 million for each Baltic country. Here in Estonia, the fund will be used to create networks between people in both our countries promoting cohesion, creativity, innovation and new entrepreneurship.

- To ensure that the Anniversary Funds grow, the Swedish Government welcomes businesses, organizations and private individuals in Sweden and the Baltics to contribute. An interim committee, led by Sweden's former Minister for Finance Pär Nuder and also consisting of former PM and Foreign Minister Carl Bildt and former Foreign Minister Laila Freivalds, oversees the process of setting up the funds. Together with Sweden's former Ambassador to Estonia Anders Ljunggren, Pär Nuder introduced the Anniversary Funds at the 12<sup>th</sup> October meeting.

- Since many years by now, the Embassy has put special attention to the teaching of Swedish language in Estonia. And, in cooperation with the Swedish Institute, Riksföreningen Sverigekontakt (the Society for Swedish Culture Abroad) and the Swedish Embassies in Riga, Vilnius and Minsk, this support also covers Latvia, Lithuania and Belarus as well.

- In connection with the annual conference for Swedish language teachers from the Baltics and Belarus, this

year held in Tallinn, I was happy to host a reception for them at the Embassy and I also got the opportunity to make a speech to the teachers at Tallinn's Gustav Adolfs Gümnaasium. We counted around 60-70 teachers at the event in Tallinn, but I believe the total number is around 100 in the region.

- Not even a full week had passed since I presented my credentials to President Kersti Kaljulaid, as I met with members of the Swedish Chamber of Commerce in Estonia. Together with guests invited by the Embassy, we gathered for the 2018 Valvaka (Election Night) Sunday 9 September at the Ambassador's Residence in the middle of Tallinn's Old Town.

- It became a very exciting evening as the Swedish election outcome was that only one seat in the Riksdag differs between the two traditional political blocs. The Social Democrats, Green Party and Left Party got 144 seats, while the Centre Party, Liberals, Moderates and Christian Democrats got 143 seats. The remaining 62 seats of the Riksdag's 349 seats went to the Sweden Democrats.

- The mid-October situation is that Sweden has a transitional Government led by the pre-election Prime Minister and the other pre-election Ministers. They will remain in office until the process of forming a new Government has been concluded and takes office.

- A transitional Government primarily takes decisions on ongoing or urgent matters, but it should be underlined that the only explicit constitutional restriction on the powers of the transitional Government is that it may not decide to hold extraordinary elections.

- The standard period of time in office for a Swedish Ambassador abroad is three years with a possibility for prolongation, with one year at a time, up to five years. I now look forward to further develop Sweden's and Estonia's common heritage during at least three years, concludes Ambassador Mikael Eriksson.

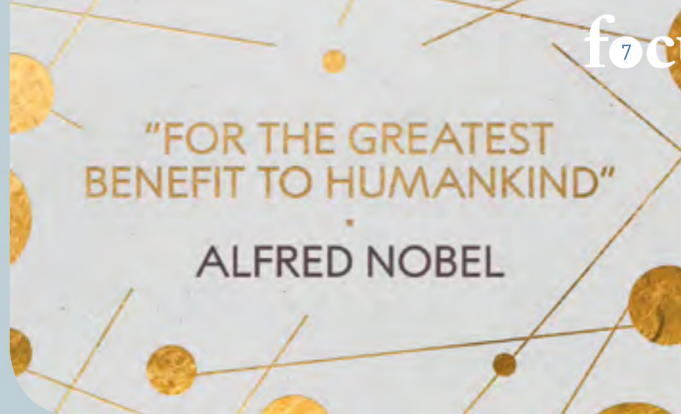


The 2018 Valvaka – Election Night at the Ambassador's Residence



# The Nobel Prize Laureates 2018

Except for the Nobel Prize in Literature, but otherwise following the traditions, this year's Nobel Prize Laureates were announced during the first workdays of October:



## Physiology or Medicine

**James P. Allison and Tasuku Honjo** *“for their discovery of cancer therapy by inhibition of negative immune regulation.”*



James P. Allison



and Tasuku Honjo

“James P. Allison studied a known protein that functions as a brake on the immune system. He realized the potential of releasing the brake and thereby unleashing our immune cells to attack tumors. He then developed this concept into a brand new approach for treating patients.

In parallel, Tasuku Honjo discovered a protein on immune cells and, after careful exploration of its function, eventually revealed that it also operates as a brake, but with a different mechanism of action. Therapies based on his discovery proved to be strikingly effective in the fight against cancer.

The seminal discoveries by the two Laureates constitute a landmark in our fight against cancer,” comments The Nobel Assembly at Karolinska Institutet.

## Physics

*“For groundbreaking inventions in the field of*



Arthur Ashkin, Gérard Mourou and Donna Strickland

*laser physics”* the Nobel Prize in Physics goes with one half to Arthur Ashkin “for the optical tweezers and their application to biological systems” and the other half jointly to Gérard Mourou and Donna Strickland *“for their method of generating high-intensity, ultra-short optical pulses.”*

“The inventions being honoured this year have revolutionised laser physics. Extremely small objects and incredibly rapid processes are now being seen in a new light. Advanced precision instruments are opening up unexplored areas of research and a multitude of industrial and medical applications.”

“The innumerable areas of application of these tools of light have not yet been completely explored. However, even now these celebrated inventions allow us to rummage around in the micro-world in the best spirit of Alfred Nobel – for the greatest benefit to humankind,” says The Royal Swedish Academy of Sciences.

## The 2018 Nobel Prize in Literature?



“The Swedish Academy has decided to postpone the 2018 Nobel Prize in Literature,” says a short line at The Nobel Foundation’s website.

In a press release this spring, the Academy comments:

“The Swedish Academy intends to decide on and announce the Nobel Prize in Literature for 2018 in parallel with the naming of the 2019 laureate. Seven times previously, the Swedish Academy has chosen to declare a “reserved prize”: in 1915, 1919, 1925, 1926, 1927, 1936 and 1949. On five of those occasions, the prize was delayed then awarded at the same time as the following year’s prize.”

“The present decision was arrived at in view of the currently diminished Academy and the reduced public confidence in the Academy. Work on the selection of a laureate is at an advanced stage and will continue as usual in the months ahead but the Academy needs time to regain its full complement, engage a larger number of active members and regain confidence in its work, before the next Literature Prize winner is declared.”





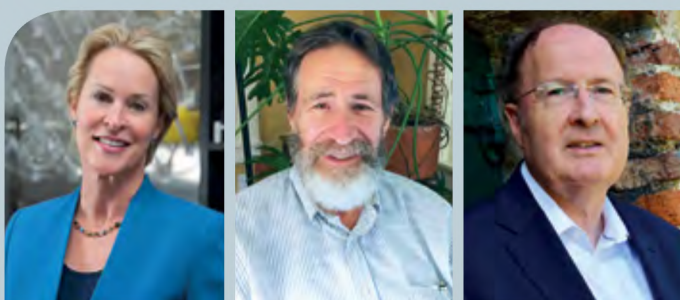
"FOR THE GREATEST  
BENEFIT TO HUMANKIND"

ALFRED NOBEL



## Chemistry

***"They harnessed the power of evolution" and the Nobel Prize in Chemistry goes with one half to Frances H. Arnold "for the directed evolution of enzymes" and the other half jointly to George P. Smith and Gregory P. Winter "for the phage display of peptides and antibodies."***



Frances H. Arnold, George P. Smith and Gregory P. Winter

"Since the first seeds of life arose around 3.7 billion years ago, life has spread to hot springs, deep oceans and dry deserts, all because evolution has solved a number of chemical problems.

This year's Nobel Laureates in Chemistry have been inspired by the power of evolution and used the same principles – genetic change and selection – to develop proteins that solve mankind's chemical problems. They have taken control of evolution and used it for purposes that bring the greatest benefit to humankind. Enzymes produced through directed evolution are used to manufacture everything from biofuels to pharmaceuticals. Antibodies evolved using a method called phage display can combat autoimmune diseases and in some cases cure metastatic cancer," comments The Royal Swedish Academy of Sciences.

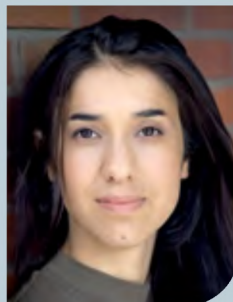
## Peace



Denis Mukwege

***Denis Mukwege and Nadia Murad "for their efforts to end the use of sexual violence as a weapon of war and armed conflict."***

"Both laureates have made a crucial contribution to focusing attention on, and combating, such war crimes. Denis Mukwege is the helper who has devoted his life



Nadia Murad

to defending these victims. Nadia Murad is the witness who tells of the abuses perpetrated against herself and others. Each of them in their own way has helped to give greater visibility to war-time sexual violence, so that the perpetrators can be held accountable for their actions," said The Norwegian Nobel Committee as the Nobel Peace Prize was announced in Oslo.

## Economy

***The Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel is awarded to William D. Nordhaus "for integrating climate change into long-run macroeconomic analysis" and Paul M. Romer "for integrating technological innovations into long-run macroeconomic analysis."***

"The Laureates have designed methods for addressing some of our time's most basic and pressing questions about how we create long-term sustained and sustainable economic growth.



William D. Nordhaus and Paul M. Romer

This year's Laureates do not deliver conclusive answers, but their findings have brought us considerably closer to answering the question of how we can achieve sustained and sustainable global economic growth," writes The Royal Swedish Academy of Sciences.

Karsten Staehr — Professor of International and Public Finance at Tallinn University of Technology, and also a part-time Research Supervisor at Eesti Pank – comments on the two Laureates' findings in the Economy section of this issue of **focus**.

Research: Magazine, Tallinn



# focus

on legalities

## Registration of UBO's – why and how?



Triin Kaurson, Lawyer, NJORD Law Firm, Tallinn



### Companies' obligation to define its beneficial owners and the state's inability to instruct the obligated persons

Following the Money Laundering and Terrorist Financing Prevention Act (hereinafter MLTFPA) that is implementing the so called Fifth Money Laundry Direc-

tive, all companies must disclose their beneficial owners. The deadline for submitting this information was 31 October 2018.

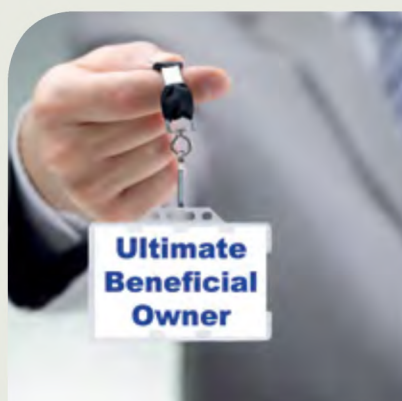
The rules are related to the implementation of new standards for international money laundering and terrorist financing prevention and their transposition into European Union law. In short, the idea from the legislator is: if it is

more transparent who owns what company, it would be more transparent to understand what are "real" business transactions and what could be considered money laundry, i.e. money earned from criminal activities or the black economy being transferred into the normal business life and the track is lost where the money derives from.

The Estonian Ministry of Finance has issued instructions on how to submit information regarding beneficial owners and has also managed to update them several times within the last couple of weeks creating a lot of confusion and stress among company managers and lawyers. The instructions were originally released only in Estonian but have now been translated into English as well. All instructions are available at <http://www.rik.ee/en/company-registration-portal/determining-beneficial-owners>.

### Who is a beneficial owner? Which information must be disclosed and by whom?

In the case of companies, the beneficial owner is the physical person who ultimately owns or controls the company through direct or indirect ownership. Direct ownership is a manner of exercising control whereby the person holds a shareholding of 25 percent plus one share, or an ownership interest of more than 25 percent in a company. Indirect ownership is a manner of exercising control whereby a company that is under the ►►►







Created by Marita Liivak

# NJORD

L A W F I R M

NJORD Advokaadibüroo  
Veerenni 24 D  
10135 Tallinn, Estonia  
Phone: +372 66 76 440  
tallinn@njordlaw.ee  
www.njordlaw.com

►►► control of a natural person holds, or multiple companies that are under the control of the same natural person hold, a shareholding of 25 percent plus one share, or an ownership interest of more than 25 percent in a company. In short, a person who can control a company is the UBO of that company. Several persons can be UBO's of the same company.

It is the company, meaning the company's management board, who is responsible for registering the company's UBO's. The company must submit the following information about the beneficial owner/s through the Commercial Register's data system: the UBO's name, ID code or birthday and country of residence, as well as data regarding the manner in which the person exercises control over the company.

Companies (meaning the management board) must document and store data about all measures that they have taken to identify the beneficial owners. If no beneficial owners can be identified and all measures to do so have been implemented, the company must name the highest member of its management organ as the beneficial owner. So, if the management board cannot find out who the owners of the company are, they should register the board of the company highest in the hierarchy of the company group. This is also what listed companies need to do, as they have many shareholders that also change constantly. If any information about the beneficial owners changes or is incorrect, the management board must amend the registration within 30 days. If the registered UBO's remains unchanged for the duration of a full financial year, the management board needs only to confirm the accuracy of the information when they submit the annual report.

Once the information about the beneficial owners has been submitted to the Commercial Register, it will automatically become visible on the Commercial Register website and is available to everyone for a fee of 1 euro.

## Who does not have to submit UBO data?

Apartment associations, building associations, companies listed on the regulated market and foundations with no economic activity, are not obligated to submit any UBO data in Estonia.

In situations, where a company registered in Estonia is not listed on the regulated market, but its major shareholder is, the question arises whether it is necessary to define the beneficial owner or not. Initially, the Ministry of Finance gave instructions that



if a company registered in Estonia has a listed parent company, the members of the controlling body of the listed company, that is the board, or the supervisory board, should be indicated as the UBOs. It is important to note that shortly before the deadline for submitting the data, the Ministry of Finance supplemented its guidelines so that a member of the controlling body of the listed company must be named the beneficial owner only in a situation where there are no natural persons with a holding of more than 25%. Hopefully this information has also been sent to the companies effected since many of them have surely already submitted the data to the register based on the information they first received.

### **To whom must the information about beneficial owners be submitted?**



All shareholders of all companies are obligated to inform the company's management board about the beneficial owners. The management board

in its turn shall forward this information to the Estonian Commercial Register, where the data will be made public. The management board has two options for submitting the data:

- (i) electronically through the company registration portal; or
- (ii) through an Estonian notary public.

The Ministry of Finance only recently gave instructions that a board member cannot authorize anyone else to submit the data of UBOs. It is regrettable that this kind of information is given to entrepreneurs even though the Estonian Commercial Code states that the management board of a company does not have to be located in Estonia and it is not mandatory to have an Estonian ID-card or residency card and it is completely legal to authorize another person to perform this action.

A week and a half before the deadline for the submission of the data, the Ministry of Finance changed its position again and it is now possible for other persons to notify the Commercial Register of beneficial owners through Estonian notaries and under a power of attorney. In the future, per good governance practice, the State should be able to issue appropriate guidelines for similar amendments to a law sooner.

### **Consequences for failure to submit data**

The companies were given 60 days after the new rules entered into force to submit the data about its beneficial

owners to the Commercial Register. Companies had to submit this data by 31 October 2018. The MLTFPA provides fines for intentional submission of false data or failure to submit data. For the failure to register and store data about beneficial owners, a management board member can be fined up to 1200 euros. For the legal entity, the fine can be up to 32 000 euros. These sanctions for failure to submit data will come into force on 1 January 2019.

This means that companies have until the end of this year to register their beneficial owners without getting fined. Since the Ministry of Finance has repeatedly changed their opinions and instructions, and entrepreneurs keep asking new questions about complying with the law, the actual implementation of the law is still an ongoing process. At the moment, (6 November 2018) about half of all registered legal entities have submitted their data about UBO's to the Commercial Register.

### **Rules are implemented differently in EU countries**

Many multinational companies in Estonia have difficulties with the Estonian UBO registration obligation since it differs from other countries' rules. All EU countries have based their UBO registration obligation on the very same EU Directive. However, countries have implemented the EU Directive with some differences.

In Sweden, for example, a limited liability company (Sw: aktiebolag, AB) must register a) any person who has more than 25% control over the company (through direct or indirect ownership) and b) any person who has the right to appoint or call back more than half of the company's board members. In case a company has for example 10 owners, and neither of them owns more than 25%, and neither of them have the right to appoint or call back more than half of the board members, this company has no UBO's and no obligation to register any UBO's.



**Triin Kaurson**  
Lawyer, NJORD Law Firm, Tallinn



# In the World of Beauty, Fashion and Business

**focus**  
met:

Helina Eha and  
Cadrin Lokotar



- We have a lot in common in addition to being sisters. Both of us are lawyers and mothers and we share an interest in nature and sports. We are also travelers and since some twenty years, we have been active in the world of beauty and fashion, said Helina Eha and Cadrin Lokotar, founders of HC Studio, as **focus** met them for a talk. ►►





HC Studio in Tallinn

- HC Studio is a smooth and easy way for women not only to look good, but also to feel good and enjoy life and the opportunities it offers, continued Helina and Cadrin.

- We focus on three main areas and together they form our Total Beauty Concept; beauty trainings and personal consultations, the Japanese Zogan facefitness massage as well as fashion. We are located in Tallinn and Tartu, but every now and then we offer our beauty trainings and events on cruises to Stockholm, Helsinki and Riga as well as in other places all around Estonia.

- Since twenty years we have been working with Oriflame Sweden and their renowned and well known beauty and wellness products. They suit very well with both the Nordic climate and skin and we mostly use their products in our trainings to get great results in an easy way.

- The Japanese Zogan facefitness massage is our latest



The Japanese Zogan facelift massage

baby. Some years ago, we met a very nice Japanese lady who turned out to be a Zogan coach, and we immediately decided to introduce this very effective technique in Europe, starting with Estonia.

- We specially loved the idea that everyone can practice Zogan on herself and thus wipe years off the face! Consequently we provide trainings for everyday and do-it-yourself use. But we also found out that some people like to get pampered and dive into the world of Japanese beauty for an hour or so and we do indeed have Zogan sessions on HC Studio's menu. We also organize trainings for those who like to learn Zogan more in depth, maybe even to become Zogan therapists themselves.



## Helina and Cadrin



- From 1992 to 1996, I studied law followed by studies in International Relations and European Integration at the Estonian School of Diplomacy to study, says Helina Eha.

- My first job was at Estonia's Government Office. It was a time when Estonia worked for becoming a member of the EU and very soon I got an offer from the European Commission to work for them to introduce EU values to the Estonian people. It was a true challenge! John Sparks described the situation very clearly in a 2002 article in The Independent:

*"The European Union Information Center in Tallinn is empty without any information seekers. The Director of the Center, Helina Lokotar, said that it is very difficult to create an interest for the EU because Estonians are skeptical about it, it is in their nature and history. Estonians question the EU's functions and*





►►► *needs, and believe that it is the same set up as the Soviet Union. Like many EU citizens, both Nordic Estonians and Estonian Russians have their doubts about the ability of EU politicians in Brussels to make their daily lives better."*

- The referendum on Yes or No to Estonian European Union membership took place on 14 September 2003. Just over two-thirds voted Yes and Estonia joined the EU on 1 May 2004. And, with that my mission at the EU Information Center was completed, smiles Helina.

- **I wanted to study law just like my sister, but back in 1993, Estonia's old law was not valid anymore a new legislation was not yet in place. So I went to study in London, from there to Cyprus and finalized my legal studies at the Coventry School of Law and International Studies. Even to my own surprise, I took my Post-Graduates Degree in European Economics at Odense University in Denmark, tells Cadrin Lokotar.**

- After finishing my studies, I started to work as a lecturer on International and European Law, European Economic Studies and Project Management at the Estonian Business School and thereafter at the Estonian Entrepreneurship University.

- I have also worked as a counselor on international law in the Ministry of Defense, and have been involved in the ratification of NATO related legislation and international conventions in Estonia. Furthermore, I have also worked with projects of the European Union at the Ministry of Finance.

- **We have never been afraid to try new things as interesting projects and people have come on our way. Once we decide to go for something, we do it with passion and dedication! We strongly believe that this is the key to success, says Helina and Cadrin.**



►►► **With Helina as designer, HE Design creates women's fashion Estonian origin lamb skin vests, jackets, coats and accessories. This year's blue-black-white collection is designed and dedicated to Estonia's Centennial Jubilee.**

- I started to make clothes for my dolls as a small girl and continued years later with sewing dresses for my sister and myself. Since a number of years by now, HE Design takes the collections to a somewhat bigger market, smiles Helina.

- We named our first collection The Clash of Civilizations and materials used included Estonian sheepskin coat with Moroccan national patterns and fabrics from Turkey and Italy. We received good feedback on the collection and were encouraged to continue. Thus HE Design took off with designs for those who respect nature and uniqueness in their outfit. Today we have appeared in fashion shows, not only in Estonia but also in Sweden and as far away as Japan.

- We started our business in a small but widespread way. Wide in that respect that we drove hundreds of kilometers all around Estonia to make treatments and trainings in local cities and villages. This created awareness and interest for our concept and really made our business take off and grow, says Helina and Cadrin.



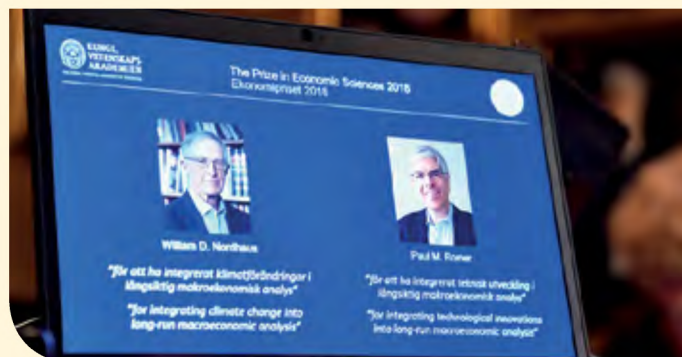
- We believe that everything is possible in life. However, some more self-confidence among Estonian women in business wouldn't do any harm. Do what you like and believe in yourself!, concludes Helina Eha and Cadrin Lokotar.

Report: Kristiina Brodén



# focus on the ECONOMY

## Research into factors driving and restraining economic growth



### Karsten Staehr on this year's Nobel Prize in Economics

This year the prize committee in Stockholm awarded the Nobel Prize in economics to two American economists who have worked on different dimensions of economic growth. William Nordhaus received the prize for “integrating climate change into long-run macroeconomic analysis” and Paul Romer received it for “integrating technological innovations into long-run macroeconomic analysis”.

The choice has been seen as surprising since at first glance the areas of climate change and technological progress that the two scientists have worked within seem very different. A closer inspection, however, reveals numerous overlaps between the research areas of the two prize winners.

William Nordhaus has spent his entire career at Yale University and has for a long time focused on the relationship between economic growth and the environment. He received the Nobel Prize for his work to quantify the effect of global warming on long-term economic growth.

Economic growth may lead to increased emissions of CO<sub>2</sub>, and this over time contributes to global warming. The warming may change the conditions for production, and this may then affect economic growth in the long term. Nordhaus has also emphasised that global warming is likely to affect different parts of the globe very differently; some tropical areas are likely to become uninhabitable whereas colder areas may actually benefit from higher temperatures.

Nordhaus' work is important because it makes it possible to compare the short-term economic



#### William D. Nordhaus



William D. Nordhaus was born in New Mexico in 1941. He received his Ph.D. in 1967 from Massachusetts Institute of Technology.

He has worked at Yale University since he received his Ph.D. and he is currently a professor at the Department of Economics and also in the School of Forestry & Environmental Studies.

#### Paul M. Romer



Paul M. Romer was born in Denver in 1955. He received his Ph.D. in 1983 from the University of Chicago.

He has taught at several universities but since 2011 he has worked as a professor at the Stern School of Business of New York University. He was the chief economist of the World Bank from 2016 to 2018.



►►► costs of reducing CO<sub>2</sub> emissions with the long-term economic benefits. A key question in this context is how future developments are discounted or converted back to present values. The present value of future costs from global warming is very dependent on the discount rate used to estimate those costs, especially given that they may be far into the future.

The work by Nordhaus has had a direct influence on policymaking. The Paris climate agreement from 2015 was an initiative from the United Nations that obliged many countries to reduce their CO<sub>2</sub> emissions starting in 2020. Nordhaus foresaw that such agreements would be difficult to implement because there is an incentive for individual countries to “free ride” by not participating in the agreement. Nordhaus suggested this could be solved by setting up “climate clubs” where a country that did not comply with the rules would be subject to small penalties from other countries such as restrictions on trade.

## Readings

Website of the Nobel Prize organization: [www.nobelprize.org](http://www.nobelprize.org)

Press release of the Nobel Prize committee: <https://www.nobelprize.org/uploads/2018/10/press-economicsciences2018.pdf>

Nordhaus, W. (1991): “To slow or not to slow: the economics of the greenhouse effect.” *Economic Journal*, vol. 101, no. 407, pp. 920-937.

Nordhaus, W. & Z. Yang (1996): “A regional dynamic general-equilibrium model of alternative climate-change strategies.” *American Economic Review*, vol. 86, no. 4, pp. 741-765.

Nordhaus, W. (2014): *A Question of Balance: Weighing the Options on Global Warming Policies*, Yale University Press.

Romer, P. (1986): “Increasing returns and long run growth.” *Journal of Political Economy*, vol. 94, no. 5, pp. 1002-1037.

Romer, P. (1990): “Endogenous technological change.” *Journal of Political Economy*, vol. 98, no. 5, pp. S71-S102.

Rivera-Batiz, L. & P. Romer (1991): “Economic Integration and Endogenous Growth.” *Quarterly Journal of Economics*, pp. 531-555.

Levenko, N., K. Oja & K. Staehr [forthcoming]: “TFP growth in central and eastern Europe before, during and after the global financial crisis.” *Post-Communist Economies*.

factor productivity (TFP), and empirical studies have shown that increases in TFP account for around half of economic growth. Economists have typically had problems explaining the sources or drivers of TFP growth and it is therefore sometimes referred to as “manna from heaven” or a “measure of our ignorance”.

Ideas proposed at the beginning of the 20<sup>th</sup> century by Joseph Schumpeter and others suggested that innovation plays a key role in the form of new products and new and more effective production methods. The question is then what drives innovation. Romer looked carefully at this question and reasoned that innovation is essentially new ideas about what can be done with the resources available. Ideas or innovations such as the shipping container, the supermarket, four-lane highways and the fax machine are well known examples.

An important characteristic of many innovations is that once the ideas have surfaced they are often easy for others to use. This gives an incentive to “free ride” and simply rely on innovations made by others, but this could result in a lack of innovation. Romer argued that ideas and innovations need to get adequate patent and design protection if sufficient investment in innovation is to be ensured. Governments must make sure that it is the innovators who get the fruits of their investment in innovation. In some areas, including basic science, such protection will not be sufficient and so the government may have to take measures to ensure that ideas within such areas are produced and disseminated.

Most countries, including Estonia, have policies that seek to stimulate innovation and protect innovation through patents and the legal system. Romer’s ideas on the conditions for ensuring adequate investment in innovation have been followed by scientists and government agencies that map innovation systems, government policies, business climates and university organisation. Romer has shown a particular interest in developing countries and how they can use innovation to achieve high rates of TFP growth.



The theme uniting the work of this year’s Nobel Prize winners is economic growth. Economic growth is arguably the most transformative feature of human endeavours in modern times. It

has lifted billions out of poverty and given them new opportunities, but it also has the potential to disrupt how people can live, through climate change and environmental degradation. In fact, as another Nobel Prize winner Robert Lucas put it, “once you start thinking about growth, it’s hard to think about anything else”.

There is an incentive for individual countries to “free ride” by not participating in the agreement. Nordhaus suggested this could be solved by setting up “climate clubs” where a country that did not comply with the rules would be subject to small penalties from other countries such as restrictions on trade. The CO<sub>2</sub> trading scheme within the EU might be an example of such a climate club.

**Paul M. Romer founded the theory of endogenous growth. Economic growth comes from the accumulation of additional production factors and the more effective use of production factors. The key production factors are labour, capital and land, but labour and land are in limited supply, so growth in the capital stock must play a key role in economic growth.**

How effectively production factors are used is called total



# focus on the **ECONOMY**

Another unifying theme is that both Nobel Prize recipients have investigated choices where there is great uncertainty. Immense uncertainty surrounds decisions on environmental policies and investment in knowledge, but those decisions must still be taken to unleash opportunities and avoid unwanted fallout. It is clearly important to understand and investigate this uncertainty so it can be reduced and appropriate measures can be taken.

An interesting feature of the awards this year is that they are shared by two scientists whose research emphasises the importance of cross-country spillovers and mutual interdependencies. Airborne pollution and ideas are difficult to see with the naked eye, but how they spread can have a great impact on the livelihood of people across the globe. This suggests that international rules-based cooperation is important in advancing human well-being.

Although the work by Nordhaus is well known by the academic community in Estonia, relatively few Estonian economists work on issues directly linking economic growth and climate change.

This may be partly because issues like climate change and resource utilisation have not been high on the political agenda in Estonia. The Estonian University of Life Sciences in Tartu is the main site for research on the economic aspects of climate change and environmental degradation.

Many Estonian scholars work on issues closely related to the endogenous growth theory of Romer and study how to promote innovation and how to use innovation to ensure economic progress. Several people at the Department of Economics and Finance at Tallinn University of Technology (TalTech) are doing this by working on the conditions for knowledge-intensive economic growth in Europe and Asia. The theme is also central to the Ragnar Nurkse Department of Innovation and Governance at TalTech, as is evident from the title of the department; key topics include digitisation and the use of IT in society. Finally, several scholars at the Faculty of Economics and Business Administration at Tartu University work on innovation, productivity and foreign direct investment.



Karsten Staehr  
Tallinn University of Technology  
Eesti Pank



## The University of Tartu welcomes you to our 2019 International Summer University programmes

- **Juri Lotman and the Semiotics of culture: contemporary applications** in Tartu 1-12 July
- **European Encounters: Diversity and Integration from West to East** in cooperation with the Utrecht University's Summer School in Utrecht (the Netherlands), Tartu and Tallinn 1-27 July
- **Craft Camp** in Olustvere 8-14 July
- **Understanding Russia: Insights into Contemporary Russian Culture and Politics** in Tallinn, Narva and Tartu 15-27 July
- **Estonian Language Summer Courses** with instruction in English in Tartu 22 July - 2 August
- **Estonian Language Summer Courses** for Finnish speakers in Tartu 25 July - 2 August
- **Current Social Issues in East Asia: Aging Societies and the Role of Women** in Tartu 12-23 August
- **Educational Change in Times of Rapid Technological Innovation** in Tartu 21-30 August



Spend your summer at a world's top 1.2% university  
or contact us for tailor-made programme

[info@isu.ut.ee](mailto:info@isu.ut.ee)

[www.isu.ut.ee](http://www.isu.ut.ee)





## Varicose veins occur not only on the legs

The term “varicose veins” commonly refers to the veins on the leg. However, various forms of varicose veins can also be found elsewhere – for example, haemorrhoids in the rectum, oesophageal varices and the so-called “broken” capillaries on the face. Veronika Palmiste-Kallion, a cardiovascular surgeon at East Tallinn Central Hospital, says that the causes and symptoms of the various forms of varicose veins are different.



A newer understanding of varicose veins on the legs and advanced research opportunities have shown that a pelvic varix, which has not caused any symptoms for years, may often be associated with repeatedly treated varicose veins on the leg. This could be the reason why varicose veins on the leg keep coming back even after treatment. Now we already know that if the vein feeding the varicose veins is not sealed off, it is very likely that the problem will return.

Pelvic varices or superficial venous insufficiency is a very common condition associated mainly with changes in a woman's lesser pelvis. As a result, the condition may be revealed by some other test – e.g., a gynaecological ultrasound. In most cases, such a diagnosis should not make people feel alarmed – some studies suggest that pelvic varices can affect 80–90% of women who have given birth.

However, pregnant women need special attention. A midwife or a gynaecologist should definitely explain to them that this is not a pathological change but a condition associated with a normal pregnancy.

### What are the symptoms of the disease?

Although most people suffering from pelvic varices have no complaints, there are exceptions. For example, pelvic varices can lead to chronic abdominal pain, which a particular patient may suffer from for years. In this case, pain is worse when standing or sitting, and sufferers get relief when they lie down and elevate their feet. Therefore, people try to manage the disease by changing their body positions or by lying down. Most of the patients who come to us with such complaints have already visited several doctors: a gynaecologist, a urologist, a gastroenterologist, a psychiatrist, a pain management specialist.





### How difficult is it to diagnose the disease?

Clinically, it is easier to understand patients who suffer from varicose veins with an unusual presentation or whose main complaint is discomfort associated with vulvar varices – it is clear that these varices are fed by sources other than the leg. It should be mentioned that when it comes to vulvar varices, I really do believe that they cause pain in the affected area.



It is much more difficult to identify varices that cause chronic abdominal pain. It should be taken into account that most of the varices in the woman's lesser pelvis are harmless and do not cause any problems for the patient. Therefore, it is important that in the case of chronic abdominal pain, the most common causes of abdominal pain are excluded. This, however, requires collaboration between specialists from different disciplines – the symptoms of the disease are discussed with gynaecologists, urologists, gastroenterologists, radiologists and vascular surgeons.

The tests that patients with pelvic varices need to undergo include a specific ultrasound examination and a CT scan.

### What are the treatment options and is intervention always necessary?

If we have been able to prove that the patient suffers from pelvic varices causing chronic abdominal pain or varicose veins on the leg or vulva, then further action

is to be decided by the patient. Sometimes the patient just needs to undergo some tests to understand what is happening to him or her. The next step involves invasive procedures, which may carry some risks. The aim of the invasive procedure is to seal off the damaged veins in the lesser pelvis so that the symptoms disappear.

### Can the disease lead to other health problems?

The team at the East Tallinn Central Hospital works in close cooperation with the Whiteley Clinic in the United Kingdom, which is committed to research into varicose veins. Drawing on the experience of the Whiteley Clinic, we know that the pain syndrome caused by pelvic varices can be very different in nature and depends primarily on the organ under pressure. An interesting observation is that patients with chronic cystitis, who have received treatment for various microbiological diseases, may actually suffer from varicose veins that exert pressure on the bladder. Another interesting point is that the development of pelvic varices is not necessarily associated with pregnancy and childbirth.

### Can varicose veins recur after treatment?

Varicose veins of the leg is a chronic condition associated with weakened connective tissue and there is always a possibility of recurrence. However, with proper surgical treatment and regular compression therapy, it is more likely that the disease remains under control and does not progress so quickly. If all affected veins are sealed off, the disease should not recur – especially when there are no new pregnancies.

### Does it affect only women?

We deal mainly with women, but pelvic varices and related complaints occur not only in women. A well-known analogous condition is a varicocele, which affects men and is treated by urologists and andrologists. I am convinced that varicose veins that affect women and occur in unusual places are also important and require attention.







# The Power



30 years ago, more precisely on 11 September 1988, the biggest gathering during the years of *The Singing Revolution* took place at Tallinn's Song Festival Grounds. It is estimated that some 300.000 people took part, at that time equaling 20% of Estonia's population which then was 1,5 million inhabitants.

Tallinn's Song Festival Grounds, 11 September 1988





# of Singing



Heinz Valk

Coined by the Estonian activist and artist Heinz Valk in an article, published one week after the 11 September 1988 spontaneous mass gathering, *The Singing Revolution* became the commonly used name for the non-violent struggle for restored independence. Together with its byline *One day, no matter what, we will*

*win! (Ükskord me võidame niikuinii!)* it became the emotional backbone of the independence movement.

One of the many songs spontaneously sung this September evening 30 years ago, was *Ei ole ükski ükski maa* (No country is alone) composed by Alo Mattiisen and with the lyrics written by the Estonian poet Jüri Leesment. It is one of the *Five Patriotic Songs* series, since then being sung at every celebration

of Estonia's 24 February 1918 independence, the 20 August 1991 restored independence, as well as at every important Estonian open-air concerts, including the big Song Festival in Tallinn every fifth year.



Alo Mattiisen and Jüri Leesment

Though being named *The Singing Revolution* in 1988, it is commonly considered that this peaceful step-by-step revolution, leading to restored Estonian independence, started

earlier. One important milestone is the *Phosphorite War* in 1987.

Despite its name, the *Phosphorite War* was an equally peaceful Estonian public environmental campaign against the Soviet regime's plans to excavate phosphorite in the Lääne-Viru County.

The plans were revealed in February 1987 in the Estonian national television's environmental programme 'Panda' where it was said that the phosphorite mining would start in 1997.

There was and is a consensus among expertise that this mining would have created catastrophic consequences for the environment. The massive campaign against the plans reached a peak on 23 August 1987 with the *Hirvepark meeting* in Tallinn.



Hirvepark in Tallinn, 23 August 1987

23 August marked that 48 years had passed since the Molotov-Ribbentrop Pact was signed in Moscow 1939, and thousands of people turned up to the *Hirvepark meeting*, not only to condemn the Soviet-Nazi Pact, ►►





►►►

but also to protest against the phosphorite mining plans. One of the songs performed at the Hirvepark meeting was *Ei ole ükski ükski maa*, and eventually the Soviet regime withdrew their mining plans.

*The Singing Revolution* and Estonia's, Latvia's and Lithuania's struggle for restored independence lasted for four years and finally reached headline status on the front pages of major international media on 23 August 1989, almost exactly two years before Estonia declared restored independence 20 August 1991.



The Baltic Way (Balti Kett), 23 August 1989

That day in 1989, 50 years had passed since the Molotov-Ribbentrop Pact was signed and a human chain, known as *The Baltic Way (Balti Kett)*, consisting of two million people was formed spanning from Tallinn via Riga to Vilnius.

The Power of Singing is still very much present in Estonia. A fact that Sweden's Crown Princess Victoria and her husband Prince Daniel could experience as they visited the Estonia 100 singing

event on Sunday 19 August at Tallinn's Song Festival Grounds together with President Kersti Kaljulaid and Estonia's Prime Minister Jüri Ratas.



At Tallinn's Song Festival Grounds, 19 August 2018: Sweden's then Ambassador to Estonia Anders Ljunggren, Prime Minister Jüri Ratas, Prince Daniel, Crown Princess Victoria and President Kersti Kaljulaid

The Royal Couple's visit to Estonia was part of Sweden joining the celebrations of Estonia's Centennial Jubilee this year. Earlier on that August Sunday, they had visited Naissaar (Nargö) in the Tallinn Bay, taking part in the reconsecration ceremony of St. Mary's Chapel on the island.



The Royal Couple arriving to St. Mary's Chapel on Naissaar (Nargö)



## THE FIRST 100 YEARS

Up until World War I, Naissaar was mainly a Swedish-speaking society. As the island is located quite close to Tallinn, more and more Estonians moved in during the times of the first Estonian Republic and the Swedish-speaking population decreased. The names on the graves at the island's cemetery still remind visitors of Naissaar's Estonian-Swedish history.

As the Soviet occupation became a tragic fact, Naissaar was declared as a military area. The inhabitants were forced to leave and the island was off-limits for civilians. When the last Russian troops left Estonia and Naissaar in 1994, St. Mary's Chapel was in a bad shape. Today, renovations are still ongoing but as the Chapel is now reconsecrated, it will now indeed be used as a Chapel.

**The Power of Singing also has a history being very much older than The Singing Revolution.**

**Arranged in Tallinn every fifth year, the Estonian Song and Dance Festival will take place in the summer next year. And 2019 will be a double jubilee year as the Song Festival will celebrate its 150<sup>th</sup> anniversary and the Dance Festival its 85<sup>th</sup> anniversary.**

Current plans are that 2019 will be a Festival-themed year, focusing on the Festivals' role in Estonian cultural and national self-determination, history, key personalities, traditions, and the development and birth of the Estonian Republic in general.

This autumn, winter and coming spring, extensive renovation and construction works are going on at Tallinn's Song Festival Grounds.

The iconic arch-shaped stage will get a thorough make-over following 55 years of service. The singers at next year's Song Festival can feel safe as they demonstrate The Power of Singing at this famous stage.

Research: Magazine, Tallinn







# The Great Vintages – the True Story



Wine freaks all know the great wines of the great vintages. Above the kind of Rolls Royce levels of wines, there is a heaven for great wines and great vintages.

During my years as a wine writer I have come across many of the world's leading wine experts and one of the questions always is; which has been the best wine you ever tasted?

Let's first make one thing clear, the phylloxera epidemic in the 1860's make up a very important difference. Very few people today have had the chance to try wine from pre-phylloxera times when they were at their best and it's also a fact that very few bottles remains from the 19<sup>th</sup> century (1800-1899). One monumental wine should be the Chateau d'Yquem 1810.

If to move forward, the Chateau Margaux 1900 , Chateau d'Yquem 1921 and 1937, Chateau Cheval Blanc 1947, Chateau Mouton Rothschild 1945 and 1961, Chateau Haut Brion 1989 and last but not least, Romanée Conti 1990 are all monumental vintages with their own place in heaven.

## But what actually makes up a great vintage?

Here I have listed six bullet points, which I have collected over the years:

1. An early and rapid flowering and a good fecundation assuring a sufficient yield and the hope of a homogenous ripening.



2. Sufficient hydric stress at fruit-set to limit the growth of the young berries and determine their future tannic content.



3. Cessation of vegetative growth of the vine before colour change, imposed by limited hydric stress and therefore allowing all the goodness from the root to flow into the grapes and not unproductive growth.





4. Complete maturity of the grapes (sugar content among other factors) assured by the optimum functioning of the canopy (leaves) up to harvest time without further vegetative growth (point 3).

5. Good weather during vintage without dilution or rot, allowing full maturity of all grapes including late ripening varieties.

6. Then there is the caveat, or what could be described as a silent sixth clause. It is that making a great wine is very closely related to cost. The numerous operations required in the vineyard to make great wine are extremely expensive.

Green pruning or crop thinning costs a fortune in time and labour, as was particularly shown during the Bordeaux 2014 vintage. That year, Vieux Chateau Certan and many others de-leafed a second time one week before harvest for maximum ripeness.



Secondary, bud removal, shoot removal, nipping off the tendrils that have wrapped themselves around the wires, de-leafing on both sides, pollarding, in some places removing the third cluster, tying up and all the other operations that have to be done by hand are often beyond the reach of small growers in less prestigious appellations.

Most of these are to remove unwanted growth so as not to waste nutrition from the roots and to help ripening.

One can aim at perfect grapes if one is able to cosset each and every vine from birth to death and also if one can afford the luxury of only putting the very best wine

in the final blend; if one has the potential to have more than one level of wine as do most of the Bordeaux classed growths. In 2014, Chateau Margaux put 36% of its yield into its first wine, 24% into their Pavillon and 40% into their 3<sup>rd</sup> and 4<sup>th</sup> wines.

Just like with everything in life, it's impossible to make a silk purse out of a sow's ear. Therefore, weather conditions tend to be more important to smaller growers.

**Are any great vintages available in Estonia today? Sadly to say, very few. In Estonia it's difficult to find wines older than 10 years. Secondly it differs from region to region.**



If to give you some hints, then good Bordeaux vintages are 1996, 2000, 2005, 2009, 2010 and 2016. If to look at Champagne then 1971, 73, 85, 88, 90, 96, 02. Best of them all 1971 and 1990, but only the 2002 I believe maybe still is possible to buy in Estonia.



Cheers!

**Anders Hedman**





# newsflashes

## A Ball at the Palace



- This was the second consecutive year that Svenska klubben i Reval [the Swedish club in Tallinn] arranged Revalska slottsbalen, a ball at Kadriorg Palace, says Anders Hedman, chairman of the club.

- This Saturday evening 29 September, we could welcome exactly one hundred guests from Sweden, Finland and Estonia, several of them members of the Swedish Chamber of Commerce in Estonia.

Honorary guest and dinner speaker this year was Estonia's former Prime Minister Taavi Rõivas, continues Anders Hedman.

- Following a welcome glass of champagne, a three course dinner rounded up with coffee and avec was served. And, observing the classic ball traditions, we ended the evening with Viennese waltzes.

- The ball will continue to be an annual event and next year it will take place on Saturday 14 September, concludes Anders Hedman.



The chairman of Svenska klubben i Reval, Anders Hedman and his daughter Matilda Hedman



Peter Olivensjö, A la Carte Uniforms, and Diana Buinova



Estonia's former Prime Minister Taavi Rõivas was the ball's honorary guest and dinner speaker



Erik Söderberg, Pakri Tarvas



# newsflashes



Robert Hellrand, ESTO Marine & Offshore, and Linda Broman



SCCE's chairman Karolina Ullman and her husband Gustaf Hertsius



# K

K O N R A D

## No words needed...

## Konrad bakery



Hotel Palace | Vabaduse 3, Tallinn  
[palace.tallinnhotels.ee](http://palace.tallinnhotels.ee)



&gt;&gt;&gt;

## The New Arvo Pärt Centre

In mid-October, the new Arvo Pärt Centre was opened in Laulasmaa, a coastal village some 40 km westward drive from Tallinn. The opening marked the latest in a, by now, long line of cultural events in Estonia this Centennial Jubilee Year.



Arvo Pärt

Born in 1935, Arvo Pärt is a world-renowned Estonian composer of classical and religious music. He is primarily known for his minimalist composition technique, known as the tintinnabuli style, which he has been cultivating since the second half of the 1970's.



The new Arvo Pärt Centre combines the composer's personal archive with an information and music centre. It is an open meeting place for musicians, researchers and music lovers, and for everyone interested in Arvo Pärt's music and world of ideas.

## Competitiveness

Ranked 9th, Sweden's position in World Economic Forum's 2018 Global Competitiveness Index remained unchanged compared to 2017, while Estonia dropped two positions and was ranked 32<sup>nd</sup>.



The Global Competitiveness Index 2018			Diff. from 2017	
Rank	Country	Score	Rank	Score
1	United States	85,6	-	+0,9
2	Singapore	83,5	-	+0,5
3	Germany	82,8	-	+0,2
9	Sweden	81,7	-	+0,1
10	Denmark	80,6	+1	+0,7
11	Finland	80,3	+1	+0,5
16	Norway	78,2	-2	-0,8
24	Iceland	74,5	-	-0,1
32	Estonia	70,8	-2	-
40	Lithuania	67,1	-2	+0,7
42	Latvia	66,2	-	+1,4
43	Russian Federation	65,6	+2	+1,7

Source: World Economic Forum

The Index assesses the microeconomic and macroeconomic foundations of national competitiveness, which is defined as the set of institutions, policies, and factors that determine the level of productivity of a country. World Economic Forum uses indicators from twelve categories in calculating a country's competitiveness, including infrastructure, higher education and training, labor markets, financial markets as well as innovation.

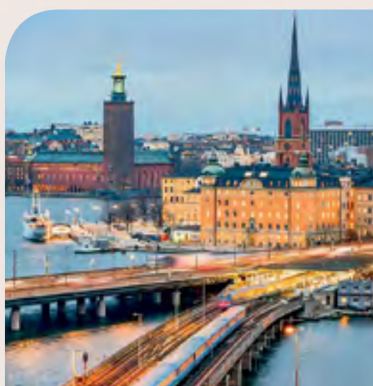
&gt;&gt;&gt;



## More Flights and Airlines

In addition to Nordica and SAS, Air Baltic and Norwegian have now started to fly between Tallinn and Stockholm-Arlanda.

In September, the month before the Tallinn – Stockholm route started to be served by four airlines, Stockholm as a destination had an 8% share of the total number of passengers at Tallinn Airport.



On a year-to-date basis, September 2017 to September 2018, the total number of all passengers at the airport showed an increase with 13,7%, reports Tallinn Airport.



---

**ABB. On the pulse**  
of digital revolution



Rödl & Partner

# CROSSING BORDERS



As attorneys, tax advisers, management and IT consultants and auditors, we are present with 111 own offices in 51 countries. Globally our clients trust our 4,700 colleagues.

In the Baltic States Rödl & Partner has offered its services for 25 years, with almost 150 professionals to our name in Riga, Tallinn and Vilnius.

Moreover, with offices in Hamburg, Copenhagen, Malmö, Stockholm and Helsinki as well as all of Poland, Russia and Belarus, counting nearly 800 staff, we rank among the top advisories around the Baltic rim and so reflect the growing integration of the Northern European markets – in lockstep with our client's needs and wishes.



**Estonia  
Tallinn**

Tartu mnt 13  
10145 Tallinn

Tel.: +3726805620  
Fax: +3726805621  
E-Mail: [tallinn@roedl.com](mailto:tallinn@roedl.com)

[www.roedl.com/ee](http://www.roedl.com/ee)

news**flashes**

## Menu Nordic Onboard

This autumn and winter, and created by the Estonian Chef Peeter Pihel, Menu Nordic will be served in selected restaurants onboard Tallink's and Silja Lines' cruise ferries in traffic on the Tallinn - Stockholm and Helsinki - Stockholm routes.



Peeter Pihel

As a former Chef and Sous Chef at renowned establishments like Pädaste Manor on the Muhu island in Estonia and Fäviken Magasinet, a 30 minutes drive north of Åre in Sweden, Peeter Pihel has a solid experience as a Gourmet Chef.

When creating the new five-course Menu Nordic, Peeter Pihel modernized traditional Estonian recipes and carefully selected ingredients and dishes that he considers to be typical of the Estonian food culture.

- I believe that the selection I have made is a good introduction to the Estonian culinary scene, and it will hopefully attract people to come and explore our food and restaurants locally in Estonia as well, says Peeter Pihel.





# newsflashes

## Spendings

In average, conference attendees in Estonia spend € 1.000 per person and visit, says a survey by Statistics Estonia. This put them on top of the list of visitor groups bringing in the biggest amount of money to the country.



The amount could be compared to tourists arriving by plane who typically spend € 400 in average, those arriving by ship € 300, and people travelling by car some € 200, according to the survey.

- Conference attendees usually stay a bit longer than tourists. A typical conference lasts for three to five nights and the participants usually stay at more expensive hotels and eat at more expensive restaurants, said Enterprise Estonia's Annely Vürmer, as she commented on the survey.

## Phasing Out Plastic Products

RIMI in all three Baltic countries and ICA in Sweden have adopted a new strategy which entails phasing out disposable plastic products. By 2020, disposable coffee cups, plates, cutlery, straws and cotton swabs will be made of paper or other biological material that does not risk ending up as plastic litter in the oceans.



In addition to the phase-out of disposable plastic products, all food packages for ICA's private label products will be recyclable or reusable by 2022, and by 2030 they will consist of recycled or renewable and sustainable material.

- In addition to sustainable material, another important aspect is that the packages will contribute to longer shelf life for the actual contents and thus reduce food waste," says Kerstin Lindvall, Chief Corporate Responsibility Officer at ICA Gruppen.

## Take the Fast Track

In November and December, the Fast Track at Tallinn Airport's Security Control is included in all Nordica's Corporate Customer ticket types.

As a special offer, the Fast Track will be available to all of Nordica's registered Corporate Programme Members between 1 November – 31 December 2018. From 1 January 2019, the Fast Track will, as usual, be available to Business Class ticket holders only.





# newsflashes



## Connected

91% of the Estonian households have an internet connection at home, and the share of internet users among people between 16 to 74 years of age has reached 89%, says an autumn report from Statistics Estonia.

Nine out of ten 16-74-year-old internet users send or read emails, use internet banking services and seek information on goods and services. 69% watched films and 66% listened to music online. 25% booked a taxi and one in five an accommodation service from a private person through a website or mobile app. 81% submitted applications or data, such as an e-tax declaration, and

78% sought information on the website or mobile phone app of a public sector authority.

In the last 12 months, 68% of the Estonian internet users bought or ordered a product or service online, which is 3% more than in 2017. Products ordered most through the internet were insurance policies (66%), travel and accommodation services (63%) and tickets to various events (58%).



**park inn**  
by Radisson

MERITON TALLINN

**feel  
good**

We are renovating the rooms to serve you better! Available as of April 2019.  
Uuendame oma tube, et sul oleks meie juures hea. Valmivad aprilliks 2019.

[parkinn.com](http://parkinn.com)



# newsflashes

## Ease of Doing Business

Sweden ranks 12<sup>th</sup> and Estonia 16<sup>th</sup> in the World Bank's report *Doing Business 2019* which investigates the regulations that enhance business activity and those that constrain it in 190 countries.



The report is founded on the principle that economic activity benefits from clear and coherent rules and covers regulations affecting main areas of the life of a business. Among them starting a business, dealing with construction permits, getting electricity, getting credit, trading across borders and labor market regulation.

- An economy cannot thrive without a healthy private sector. When local businesses flourish, they create jobs and generate income that can be spent and invested domestically. Effective business regulations afford businesses the opportunity to grow and innovate. Like its 15 predecessors, *Doing Business 2019* continues to enable regulators to assess and benchmark their domestic business regulatory environments, comments the World Bank.

## Boosting Swedish Language Teaching

To further mark the Baltic countries' Centennial Independence Jubilee this year, the Swedish Institute (SI) is providing grants to aid Swedish language teaching at the University of Tartu and Tallinn University.

The grants of 100.000 SEK each are to be used to offer teachers and students the opportunity to travel to Sweden, to pay for teaching materials as well as to cover the costs for guest lectures and other Sweden-related events.

- The teaching of Swedish language and culture in Estonia stimulates students' interest in and knowledge of Sweden and Swedish perspectives and contributes to continued good relations between the two countries. We are happy to provide these grants to further boost the language instruction in the region and look forward to continued cooperation, says Monika Wirkkala, Head of the Talent Attraction Unit at SI.





ps.

Quite often, I receive calls and e-mails from companies in both Estonia and Sweden looking for contacts and advice on the Swedish or Estonian marketplaces.



With that as a background and to highlight what SCCE's members can offer, we launched a new menu tab at our website [www.swedishchamber.ee](http://www.swedishchamber.ee) this autumn. It is headlined *SCCE Business Services* and the first paragraph reads:

"With more than 130 companies and organizations united as members of SCCE - the Swedish Chamber of Commerce in Estonia, we can offer a strong and competent supportive network establishing or taking businesses further on the Estonian, Swedish and international markets."



Kräftskivan – the Autumn Business Season Kick-Off

Active networking in a wide range of formats is a key issue for SCCE and is also reflected in the meetings, activities and events we arrange.

Following the traditions, this Autumn Business Season was duly Kicked-Off in the very beginning of September with SCCE's annual Kräftskiva/Crayfish Party.

Just like previous years,

we could welcome a full house of SCCE members with colleagues, partners and friends from all over Estonia and Sweden enjoying not only crayfish, but also a buffet with salads, meat skewers, knäckebröd and, mandatory at every real Swedish Kräftskiva; Västerbottensost and Västerbottensostpaj.

Sports, and maybe especially sports focusing on teamwork, are gaining popularity among our members.



On an end of June Saturday, the first ever SCCE Tennis Tournament took place at the Tallink Tennis Centre in Tallinn. The tournament was played in doubles and it was indeed tight games going on. A report from the tournament is available in the News section at our website [www.swedishchamber.ee](http://www.swedishchamber.ee).



And, just two days after the Crayfish Party in September, SCCE's Winning Team took the Gold at the ninth consecutive edition of the International Chambers' of Commerce Football Tournament. Including SCCE, eight teams played this year; Denmark, Finland, France, England, Georgia, USA, and an Army team from the NATO base in Tapa. A report from the tournament is also available at our website.



Valvaka/Election Night at the Embassy of Sweden

The beginning of September became extra intensive this year.

On the evening of 9 September, SCCE members together with invited guests of the Embassy of Sweden gathered at the Ambassador's Residence and followed the Swedish election outcome. In the middle of the election excitement, we also got the opportunity to meet and greet Mikael Eriksson, Sweden's new Ambassador to Estonia.

**focus** has also met Mikael Eriksson, and a report from the meeting is published in this issue of SCCE's magazine.



**Cyber security and cyber defence are important issues in the connected world we live in.**



Study visit to CCDCOE

As for myself, there is quite a lot turning up in my inbox that just make me click on delete without any hesitation. This skepticism of mine towards certain e-mails and websites got support at an end of September, and very interesting, SCCE study visit to the NATO Cooperative Cyber Defence Centre of Excellence – CCDCOE in Tallinn.

Following major cyber attacks on Estonian public and private institutions in 2007, CCDCOE was formed and opened in Tallinn in early 2008. In May 2017, Sweden joined CCDCOE as a Contributing Participant, a membership status eligible for non-NATO nations.

**Doing business means meeting people for negotiations and an insight in non-verbal communication, the body language, is always useful.**



Seminar on body language

- Our bodies react to all information, starting from ten milliseconds, while conscious thoughts arise in approximately twenty milliseconds or more. The time between those two reactions is the moment when our true feelings are exposed without any covering mask. Having the capability to understand body language will master our communications skills as well as give an early signal of opportunities or possible problems or even danger, said Ülli Kukumägi, our lecturer at a mid-October SCCE workshop on non-verbal communication.

This time of the year, scientific achievements are in focus as the Nobel Prize Laureates are announced in the beginning of October each year with the prize ceremony taking place on 10 December. This year's Laureates and their findings are presented in this winter issue of **focus**.

Science was also in focus as SCCE gathered for a November seminar, arranged in cooperation with the University of Tartu, on Synthetic Biology, a.k.a. Intelligent Design.



- Synthetic biology involves designing and creating new biological substances, such as new genes, proteins, new organs, or even a whole organism. Benefits achieved in this process include new ways to tackle genetic diseases, like cancer, Alzheimer's, Parkinson, and revolutionize transplantation of human organs, said Petri-Jaan Lahtvee, senior scientist, group leader and ERA Chair in Synthetic Biology at the University of Tartu.



**Christmas and New Year are more or less around the corner as this issue of **focus** is published, and as usual SCCE's traditional Christmas Party will start the Festive Season. I take this opportunity to wish you all a Very Merry Christmas and a Happy New Year 2019!**

I hope you enjoy reading this winter issue of **focus** and, as usual, latest news on SCCE events



to come and reports on events passed are always found at [www.swedishchamber.ee](http://www.swedishchamber.ee).



Sincerely,

Kristiina Brodén  
SCCE Ombudsman

Contributions to **focus** from the members of SCCE, both in terms of editorial content and advertising, are welcomed.

If you haven't already done it, please do put us on the mailing list for press releases, articles, as well as your point-of-view on issues of general interest for the commerce, trade and investments between Estonia and Sweden.

As for advertising opportunities in **focus** and on our website [www.swedishchamber.ee](http://www.swedishchamber.ee), I will be happy to provide information on sizes, prices and technical requirements. Welcome to contact me at: [kristiina@swedishchamber.ee](mailto:kristiina@swedishchamber.ee) or by phone: (+372) 501 9813.

Latest news on SCCE events to come and fresh reports on events passed are always found at [www.swedishchamber.ee](http://www.swedishchamber.ee), and you can reach me for further information on email: [kristiina@swedishchamber.ee](mailto:kristiina@swedishchamber.ee) or by phone: (+372) 501 9813.





# WE FURNISH YOUR SUCCESS

People who enjoy being at work are likely to do a better job. In addition, a good working environment makes it easier for you to recruit new, talented employees in the future. Discover a wide range of thought-out furnish solutions and over 15 000 products for office, school, warehouse and industry at [ajtooted.ee](http://ajtooted.ee)

6000 270    [ajtooted.ee](http://ajtooted.ee)



**SURPRISINGLY MORE™**