

An aerial photograph of a lake with numerous small, forested islands and peninsulas. The water is a deep blue, and the land is covered in dense green and yellowish-brown trees, suggesting an autumn or late summer setting. The islands are scattered throughout the lake, creating a complex, organic pattern.

# MINIFACTS ABOUT ESTONIA 2015



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# 1 Republic of Estonia

The Republic of Estonia is a parliamentary republic. The Head of State is the President, elected for five years. The incumbent President is Toomas Hendrik Ilves, who was elected for a new tenure on 29 August 2011.

The national legislature is a unicameral Parliament of 101 members – it is called the Riigikogu and elected for a term of four years. The 13th Riigikogu was elected on 1 March 2015.

The Republic of Estonia was proclaimed on 24 February 1918. In November of the same year, the War of Independence started, which ended on 2 February 1920 when the Tartu Peace Treaty was signed and Soviet Russia recognised the independence of the Republic of Estonia. On 22 September 1921, Estonia became a member of the League of Nations.

During World War II, the Republic of Estonia lost its independence – first it was occupied by the Soviet Union (1940–1941) and then by Germany (1941–1944). In autumn 1944, the Republic of Estonia was annexed by the Soviet Union for nearly 50 years. The occupation period lasted for decades and culminated with the Singing Revolution in 1988. The restoration of Estonian independence was declared on 20 August 1991.

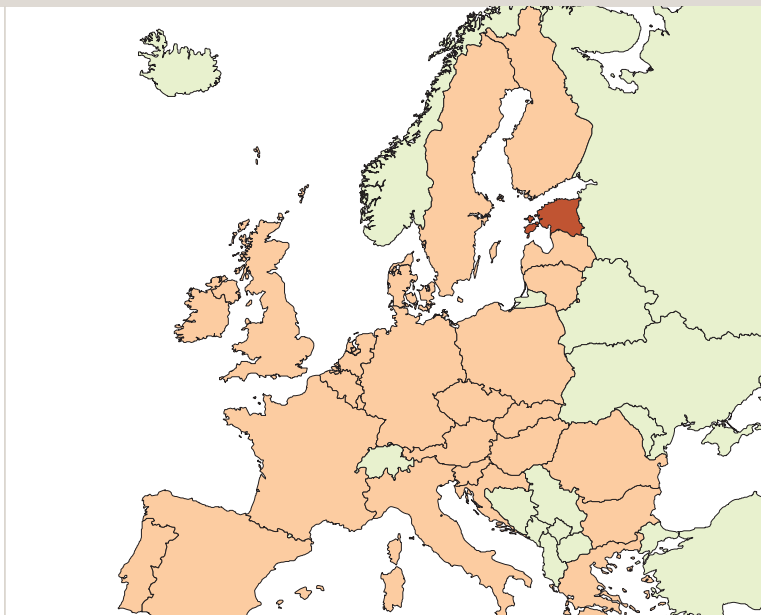
The Republic of Estonia is a member of the United Nations since 17 September 1991, a member of NATO since 29 March 2004 and a member of the European Union since 1 May 2004. Since 9 December 2010, Estonia is a full member of the Organisation for Economic Cooperation and Development (OECD).

On 1 January 2011, Estonia adopted the euro. Consequently, Estonia became the 17th Member State of the European Union where the single currency euro is in use. By now, Latvia and Lithuania have also joined the euro zone.

The official language is Estonian. The national flag is a tricolour of blue, black and white.

The Estonian national flower is the cornflower, the national bird is the swallow and the national stone is limestone.

The national coat of arms depicts three blue lions on a golden shield.



Population	1 316 000
Total area	45 227 km <sup>2</sup>
National currency	euro
Capital city	Tallinn
Administrative division	15 counties, 213 administrative units, including 30 cities and 183 rural municipalities
Number of islands	1 521
Largest islands	Saaremaa, 2 671 km <sup>2</sup> ; Hiiumaa, 989 km <sup>2</sup> ; Muhu, 198 km <sup>2</sup>
Longest rivers	Võhandu, 162 km; Pärnu, 144 km; Põltsamaa, 135 km
Largest lakes	Peipus, 3 555 km <sup>2</sup> (including the part belonging to Estonia 1 529 km <sup>2</sup> ); Võrtsjärv, 271 km <sup>2</sup>
Highest point	Suur Munamägi, 317.2 m
Average daily temperature	Annual mean +7.0 °C, in January -6.4 °C, in July +19.6 °C (2014)

# 2 Nature

Estonia is a maritime country with an approximately 3,800-kilometre-long coastline, and 1,521 bigger and smaller islands. The Estonian relief is mostly flat and differences between elevations are small. However, plateaus and uplands make flat areas more interesting.

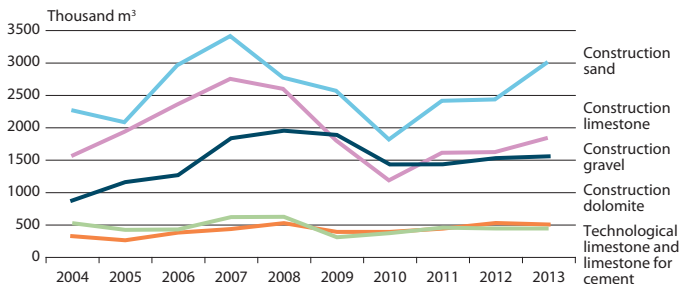
Slightly over 50% of the land territory of Estonia is covered by forest, which makes Estonia one of the most forested countries in Europe. In 2013, the area of stands was 2.1 million hectares: the most common stands were pine (33%), birch (31%) and spruce (16%) stands. Forests are an important habitat for various plant and animal species, therefore 10% of the total forest area is under strict protection.

At the end of 2013, there were approximately 790,000 hectares of protected land area in Estonia (18% of the total land territory). The protected water area totalled 754,000 hectares. At the end of 2013, there were a total of 3,883 protected natural objects in Estonia. The most well-known ones both in Estonia and internationally are national parks – Matsalu, Lahemaa, Soomaa, Karula and Vilsandi.

Estonia is a rather rich country in terms of mineral resources. The excavation volume of the most important mineral resource – oil shale – amounted to over 15 million tonnes in 2013. The most mined construction minerals in 2013 were construction sand, construction limestone and construction gravel.

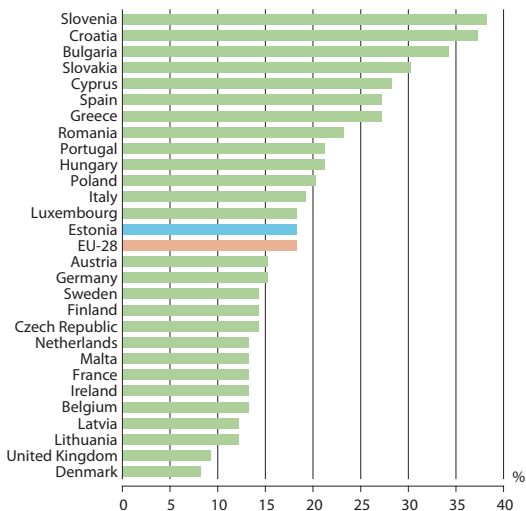
There are Bird, Animal, Tree and Orchid of the Year competitions held in Estonia every year to present the diversity of the Estonian nature, and also to contribute to species protection. In 2015, the buzzard is Bird of the Year, the wild boar is Animal of the Year, the common spindle and the European barberry are Trees of the Year and the fly orchid is Orchid of the Year. The fly orchid is mainly spread in the Western-Estonian mainland and islands.

## Excavation volume of construction minerals by type of mineral, 2004–2013





### Natura 2000 protected areas<sup>a</sup> in the European Union, 2013



<sup>a</sup> The area proposed in the Habitats Directive (92/43/EEC).

# 3 Population

As at 1 January 2014, the population of Estonia was 1.3 million, which makes us the fourth smallest country in the European Union (EU) after Malta, Luxembourg and Cyprus. The population of Estonia accounts for 0.26% of the total EU population.

The average population density in the EU is 116 inhabitants per square kilometre. Compared to the rest of Europe, Estonia is a sparsely populated country with an average of 31 inhabitants per square kilometre. In the EU, only Finland and Sweden are more thinly populated than Estonia. 411,000 inhabitants, i.e. 31% of the population of Estonia, live in the capital Tallinn. Tallinn with its vicinity is the main destination of internal migration.

The population of Estonia has been decreasing ever since the restoration of independence. The change in the population number is influenced by natural increase and external migration, which are both negative in Estonia. Natural increase rose in 2004–2010 due to an increase in the number of births and a decrease in the number of deaths, and became only just positive by 2010. Since then, natural increase has dropped because of the decreasing number of births, and in 2013 natural increase was –1,700 persons. The total fertility rate, which shows the number of children per woman, was 1.5 in 2013. Ten years ago this indicator was on the rise but in the last three years it has decreased again.

External migration influences the decline of the population of Estonia more than natural increase does. In recent years, the number of immigrants has increased somewhat, amounting to 3,000–4,000 persons, but that of emigrants has been more than 6,000 for three years already. Therefore, net migration was –2,600 in 2013. Most of the immigrants come from Finland and Russia, the main destination country for immigrants is Finland. Since the residents of Estonia mainly migrate to EU countries, then most people arriving from these countries are returning migrants and their children. New immigrants arrive from former Soviet areas.

As for the age structure in Estonia, the population is ageing. The dependency ratio started to rise in 2007 and continues to increase to this day. In 2013, the ratio was 49.9% and it is mainly rising due to the growing share of people over 65. The old-age dependency ratio has increased faster – in 2013, 27.9% of the working-age population was aged over 65.

In 2013, 4.3 marriages were contracted and 2.5 marriages were divorced per 1,000 inhabitants. The mean age at the first marriage has increased both for males and females, and was 31 years for men and 28 years for women in 2013.

## DEFINITIONS

Natural increase – the difference between the number of births and deaths in a year.

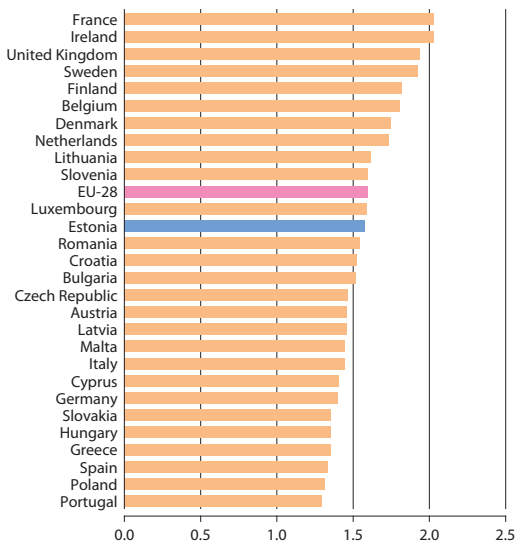
Dependency ratio = ((persons aged 0–14 + persons aged 65 and older) / persons aged 15–64)\*100.

Old-age dependency ratio = (persons aged 65 and older / persons aged 15–64)\*100.





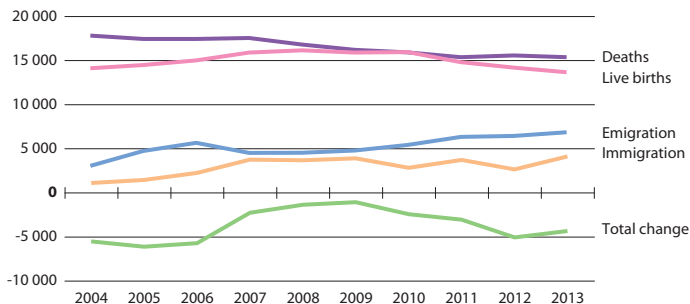
### Total fertility rate in the European Union, 2012



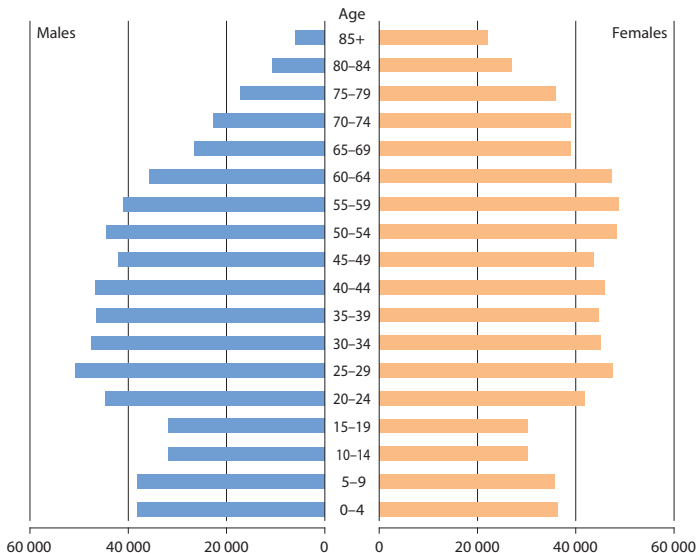
<b>Population, 1 January 2014</b>			
	Total	Males	Females
<b>Population</b>	1 315 819	614 919	700 900
aged 0–14	208 028	106 916	101 112
aged 15–64	866 008	426 978	439 030
aged 65+	241 783	81 025	160 758
in urban settlements	898 476	407 836	490 640
in rural settlements	417 343	207 083	210 260
Life expectancy at birth, 2013	77.3	72.7	81.3
<b>Population, %</b>			
aged 0–14	15.8	17.4	14.4
aged 15–64	65.8	69.4	62.6
aged 65+	18.4	13.2	22.9
Estonians	69.1	69.7	68.5
Russians	25.3	24.4	26.1
other ethnic nationalities	5.0	5.1	4.9
in urban settlements	68.3	66.3	70.0
in rural settlements	31.7	33.7	30.0

<b>Vital events, 2013</b>			
	Total	Males	Females
Live births	13 531	6 901	6 630
Deaths	15 244	7 232	8 012
Natural increase	–1 713	–331	–1 382
Immigration	4 098	2 208	1 890
Emigration	6 740	3 122	3 618
Net external migration	–2 642	–914	–1 728

## Births, deaths and migration, 2004–2013



## Population pyramid, 1 January 2014



2015 is a year of music in Estonia. During the year of music, more attention is paid to music in Estonia, the creators and performers of music are introduced, interest in music is promoted and the role of music in everyday life is highlighted.

According to the Eurobarometer of 2013, 15% of persons aged 15 and over in Estonia have sung alone or in a choir/ensemble in the last 12 months. The number of people engaging in singing is the greatest in Denmark (38%) and the smallest in Italy (4%) and Malta (2%).

Estonia is among the top countries by the share of inhabitants who attend concerts. In 2013, 54% of the inhabitants aged 15 and over attended a concert at least once (EU-28 40%). Estonia was outperformed by Latvia (56%), Denmark (60%) and Sweden (61%). 14% of the respondents in Estonia attended a concert of a musician from another European country (EU-28 16%).

According to the same survey, 58% of the inhabitants of Estonia used the Internet for listening to the radio or music, 42% for downloading music. In the European Union, the corresponding indicator levels were 46% and 36%.

There were more than 1,000 concert organisers in Estonia in 2013. Approximately 6,800 concerts were held and there were more than 1.4 million concert visits.

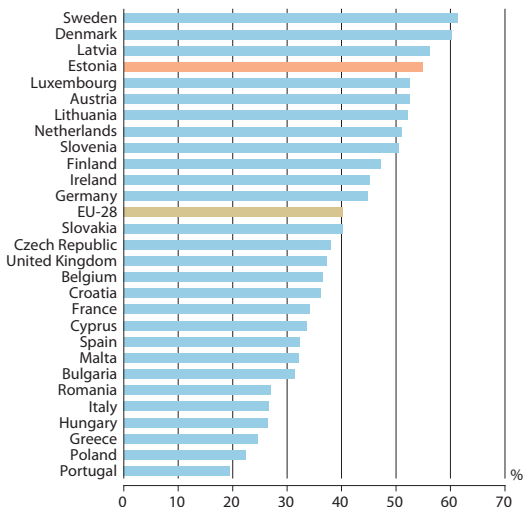
The Estonian tradition of song festivals together with the cultural space of Kihnu island, Seto polyphonic singing tradition and Võro smoke sauna tradition are on the UNESCO list of intangible cultural heritage. The next Youth Song and Dance Celebration will take place in 2017 and the next Song Festival will take place in 2019.

## Cultural institutions and their attendance, 2013

	Cultural institutions	Visits (attendance), thousands
Museums	250	3 693
local lore museums	84	353
archaeology and history museums	44	931
art museums	19	790
Public libraries	556	5 953
Cinemas	49	2 559
Theatres	41	1 091
state and city theatres	12	834
other theatres supported by the state	29	256



Share of persons aged 15 and over who have visited a concert at least once in the last 12 months in the European Union, 2013



# 5 Public health

Over the last decade, life expectancy at birth (average life expectancy) has increased by six years for males and by three years for females in Estonia. Special attention will be paid to prolonging the life expectancy of males, as the gap in life expectancy at birth between men and women (it was about 10 years in the period of 2003–2012) is one of the biggest ones in the European Union, together with the indicator of Latvia and Lithuania. In 2013, the gap decreased to 8.6 years. In 2013, the average life expectancy for males was 72.7 and a year earlier – 71.4 years of age; the corresponding rise by 1.3 years can be attributed to a decrease in accidents and violent deaths among men by 19%. The life expectancy gap between men and women narrows with age. A 65-year-old man will, on average, reach 80 years of age and a 65-year-old woman – almost 85 years of age.

Although the average life expectancy of men is shorter than that of women, the number of years lived healthy (i.e. without health problems that limit everyday activities) is greater for men. Men born in Estonia in 2013 are expected to live healthy for 53.7 years, i.e. 74% of their average life expectancy, and women – 56.7 years, i.e. 70% of their lifespan. In the EU on average, males can expect to live 79% of their lives free of activity limitations and females – 75%. Compared to 2007, the gap in healthy life years between men and women has narrowed by two years.

The most frequent cause of death in Estonia is diseases of the circulatory system, incl. heart disease. In 2013, diseases of the circulatory system caused 45% of the deaths of males and 62% of the deaths of females. This is followed by deaths caused by neoplasms (27.5% for men and 22% for women). Placing third for males are external causes of morbidity and mortality (accidents, injuries and poisonings), which – despite the indicator level having fallen significantly – caused 10% of the deaths of males. For females, accidents (2.9%) caused fewer deaths than digestive diseases (3.1%).

To maintain and improve the health of the population, it is important to ensure the high quality and availability of medical care. The number of physicians per 10,000 inhabitants in Estonia is close to the EU average (33 in Estonia, 35 in the EU). However, the number of nursing staff is insufficient. In Estonia, there are two nurses per each physician, while the EU average is 2.4. Estonian residents are quite satisfied with the quality of medical care and the households' expenditures on healthcare are moderate. One of the short-term aims is to shorten the queues for appointments with medical specialists.

## DEFINITIONS

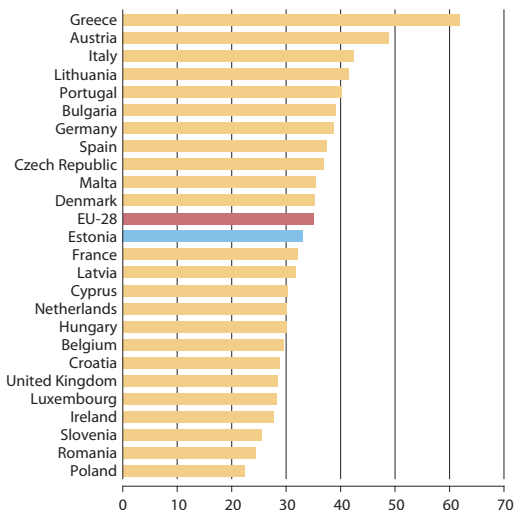
Life expectancy at given age – the average remaining number of years that a person of that age can expect to live, assuming that the age-specific mortality levels remain constant. Life expectancy at birth is used as the average life expectancy.

Healthy life years – the average number of years that a person of a certain age is expected to live without disability if current patterns of mortality and disability continue to apply.

Standardised death rate – the ratio used for comparing the mortality of the population, calculated on the basis of a standard age distribution to eliminate the impact of the actual sex-age distribution of the population.

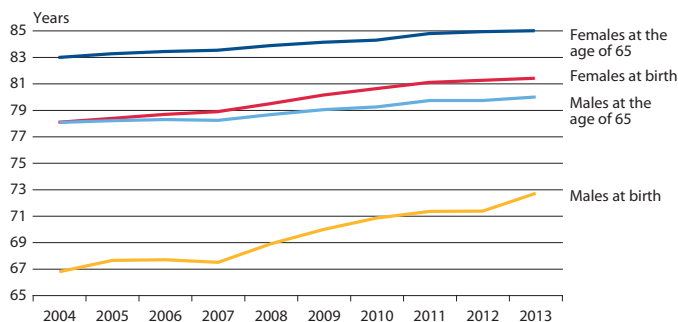


### Physicians per 10,000 inhabitants in the European Union, 2011<sup>a</sup>

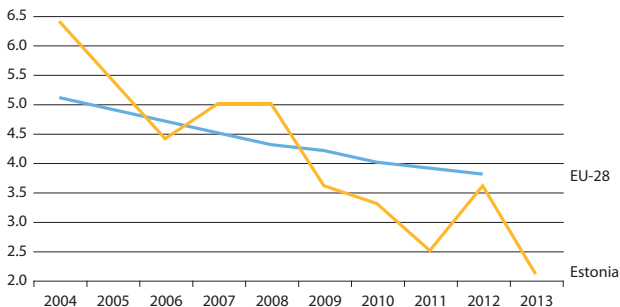


<sup>a</sup> Data from 2011 or latest available data. Data on Sweden, Slovakia and Finland are missing.

### Life expectancy at birth and at the age of 65 by sex, 2004–2013



### Infant deaths per 1,000 live births in Estonia and the European Union, 2004–2013





**Health care personnel, 31.12.2013**

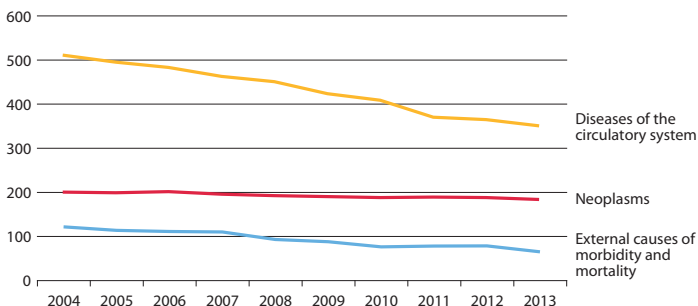
	Health care personnel	Per 10,000 inhabitants
Physicians	4 395	33.4
family doctors	897	6.8
Dentists	1 190	9.0
Nursing staff	8 648	65.7
Pharmacists	868	6.6

**Outpatient medical care, 2013**

	Visits, thousands	Per 100 inhabitants
Outpatient visits	8 317	631
visits to family doctor	4 185	318
Visits to dentist	1 450	110
Home visits	57	4
home visits of family doctor	50	4

**Inpatient medical care, 2013**

	Number	Per 10,000 inhabitants
Hospital beds	7 394	56.2
Inpatients	240 093	1 821.7

**Standardised death rate per 100,000 inhabitants by main causes of death, 2004–2013**

# 6 Education

At the beginning of the academic year 2013/2014, there were over 226,000 persons enrolled in formal education in Estonia. Over 140,000 of them were enrolled in general education, 25,700 in vocational education and 60,000 in higher education.

In the academic year 2013/2014, 68,684 children attended preschool institutions – over 1,000 children more than in the previous year. 75% of all children aged 1–6 in Estonia attended preschool institutions. The number of first-graders has been increasing steadily for the last five years. 14,152 children started school in the autumn of 2013 – over 1,500 more than in 2009.

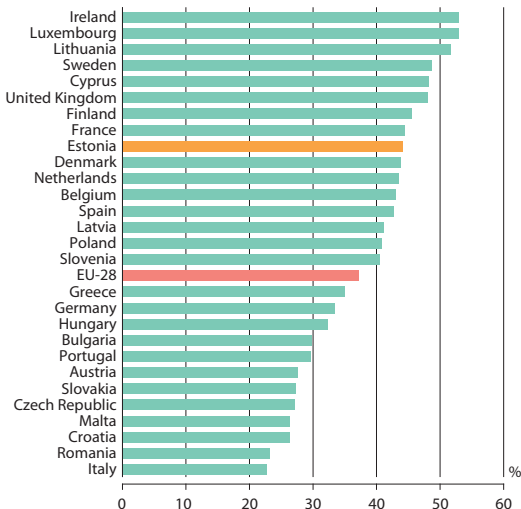
The number of teachers grew slightly, mainly in the younger age groups. This may be caused by the increase in the number of basic schools, but it could also be the result of several programmes, the goal of which is to promote the teaching profession and to invite talented people to study to become teachers.

Compared to the academic year 2012/2013, there were nearly 5,000 students fewer in higher education last academic year. The number of entrants has also decreased compared to that of the previous academic year. The decrease in the number of students and in admittance is presumably related to the higher education reform enforced in 2013. According to the reform, public and government-dependent private higher education institutions provide free (state budget-based) education. In the academic year 2012/2013, there were over 2,200 foreign students studying in Estonia. Compared to the previous academic year, there were slightly over 300 foreign students more in Estonia. Estonia has thus already been able to achieve the goal set in the strategy for the internationalisation of Estonian higher education – 2,000 foreign students by the year 2015.

To assess the success of the Europe 2020 strategy, five main targets have been agreed for the entire European Union. One of these targets concerns education and consists of different components, one of which is that the share of 30–34-year-olds with tertiary education should be at least 40%. While in the academic year 2012/2013 the share of 30–34-year-olds with tertiary education in Estonia was 40%, then in the academic year 2013/2014 it was 44%. The indicator is the highest in Ireland, Lithuania and Luxembourg, where more than a half of 30–34-year-olds have attained tertiary education; and the lowest in Turkey and in Italy, where the share is slightly over a fifth.

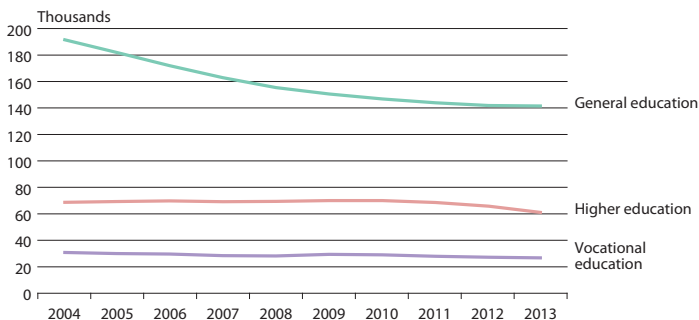


### Share of population with tertiary education among persons aged 30–34 in the European Union, 2013

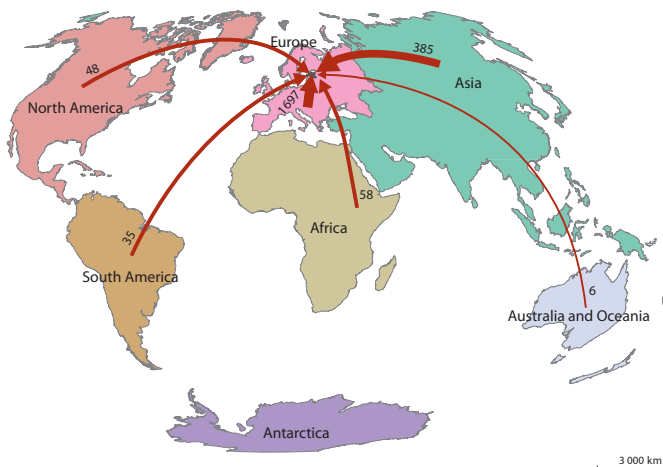


Attainment of formal education by sex, 2013			
	Total	Boys	Girls
<b>Persons enrolled in pre-primary education</b>	68 684	35 409	33 275
in urban areas	50 479	25 951	24 528
in rural areas	18 205	9 458	8 747
<b>Persons enrolled in general education</b>	135 392	68 050	67 342
in urban areas	102 551	50 936	51 615
in rural areas	32 841	17 114	15 727
At lower level of basic school	77 200	39 720	37 480
in 1st grade	14 152	7 354	6 798
studying in Estonian	11 463	5 941	5 522
studying in another language	2 689	1 413	1 276
At higher level of basic school	35 683	18 528	17 155
At gymnasium level	22 509	9 802	12 707
	Total	Males	Females
<b>Persons enrolled in vocational education</b>	25 699	13 912	11 787
Vocational courses with non-defined basic education	371	320	51
Vocational courses after basic education	14 250	9 306	4 944
Vocational courses after secondary education	11 078	4 286	6 792
<b>Graduates of vocational education</b>	7 861	4 064	3 797
Vocational courses with non-defined basic education	252	213	39
Vocational courses after basic education	3 558	2 357	1 201
Vocational courses after secondary education	4 051	1 494	2 557
<b>Persons admitted in higher education</b>	14 606	6 205	8 401
Students	59 998	24 768	35 230
Graduates of higher education	10 867	3 756	7 111

## Enrolment in formal education, 2004–2013



## Foreign students in higher education in Estonia by origin, 2013



# 7 Labour market

In Estonia, employment has been increasing and unemployment decreasing since 2011. While employment in the EU is experiencing a slight downturn, then unemployment, which had been increasing in the previous years, started to decrease in 2014: the average unemployment rate of the European Union decreased 0.7 percentage points (from 10.9% to 10.2%) compared to 2013. In Estonia, unemployment continued to decrease also in 2014, diminishing 1.2 percentage points and falling to the same level as the Netherlands (7.4%), which is 2.8 percentage points lower than the European Union average. In 2014, the unemployment rate decreased the most in Hungary (2.5 percentage points).

Compared to rural settlements, the number of unemployed persons has been higher in urban settlements (nearly three-quarters of all unemployed persons) for the last ten years, partly due to higher population density. Since 2011, the number of unemployed persons has been decreasing in both types of settlements; but it has diminished faster in urban settlements. While in urban settlements the number of unemployed persons decreased by 8,700 in 2014, then in rural settlements only by 400.

The European Employment Strategy has set the goal to raise the employment rate of the population aged 20–64 to at least 75% by 2020. In Estonia, this indicator was higher already in 2006–2008, but unfortunately it dropped below the target level during the economic crisis. Despite the fact that, in Estonia, employment has increased among 20–64-year-olds in the last four years, the goal was not reached in 2014 and the employment rate was 74%. The employment rate of 20–64-year-olds was 77.6% for males and 70.5% for females. Employment has increased slower among females – in 2014, it rose only by 0.5 percentage points.

The employment of the elderly population has grown among both males and females, although in the last decade the retirement age has increased only among women. However, among non-Estonians, the number of employed women decreased by 5,000 over the year, due to a large number of non-Estonians who reached retirement age. The number of non-Estonian females exiting the labour market is twice as high as the number of those entering the labour market.

In 2014, the number of persons employed increased the most in the tertiary sector (by 5,600) and also somewhat in the secondary sector (by 200). In the primary sector, the number of persons employed has decreased in the last two years.

## DEFINITIONS

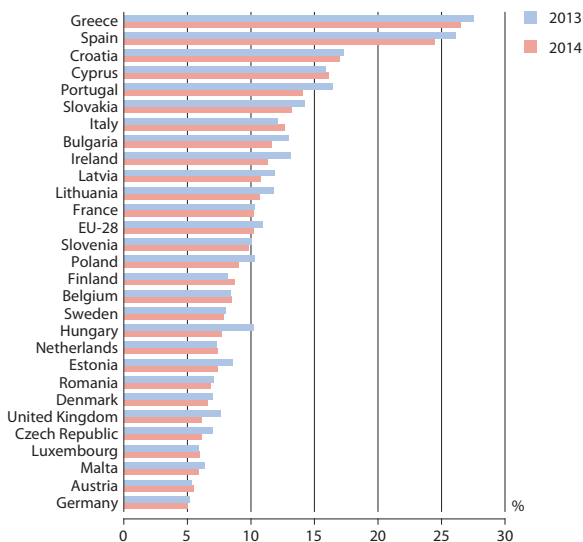
Primary sector – agriculture, forestry and fishing.

Secondary sector – manufacturing, electricity, gas and water supply, waste management, construction.

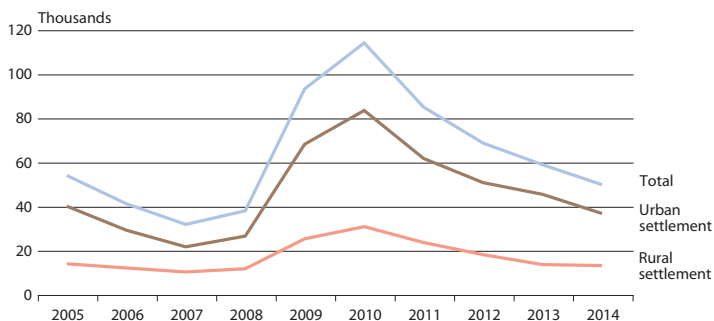
Tertiary sector – trade, services, etc.



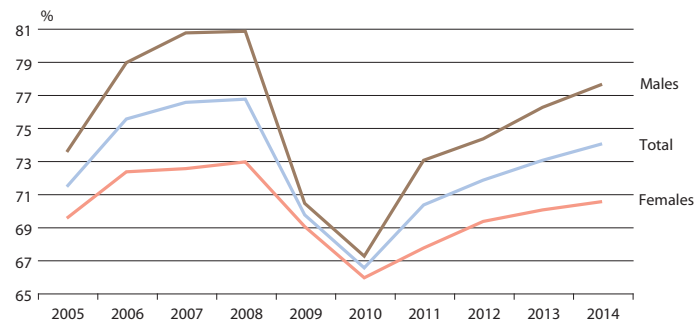
### Unemployment rate in the European Union, 2013, 2014



## Unemployed persons by place of residence, 2005–2014



## Employment rate of persons aged 20–64 by sex, 2005–2014





<b>Labour status of persons aged 15–74 by sex, 2014</b>			
	Total	Males	Females
Persons aged 15–74 total, thousands	991.3	475.3	516.0
Labour force, thousands	674.4	347.3	327.1
<b>persons employed, thousands</b>	624.8	320.0	304.8
primary sector	24.1	17.3	6.8
secondary sector	188.1	134.7	53.5
tertiary sector	412.6	168.1	244.5
urban settlement	435.2	220.0	215.2
rural settlement	189.6	100.0	89.6
public sector	165.8	55.4	110.4
private sector	459.0	264.6	194.4
Estonians	438.7	222.4	216.3
non-Estonians	186.1	97.6	88.5
<b>unemployed persons, thousands</b>	49.6	27.3	22.3
less than 6 months	19.7	9.2	10.4
6–11 months	7.5	4.4	3.1
12 months or more	22.5	13.7	8.8
24 months or more	11.6	7.0	4.6
Inactive population, thousands	316.9	128.0	189.0
studying	83.2	42.5	40.7
ill or with disability	58.5	28.5	30.0
taking care of children or other members of family	43.4	3.1	40.3
retirement-age	112.7	42.5	70.2
discouraged (lost hope to find work)	6.3	3.3	3.0
other reason	12.9	8.0	4.9
Labour force participation rate, %	68.0	73.1	63.4
Employment rate, %	63.0	67.3	59.1
Unemployment rate, %	7.4	7.9	6.8

In 2013, labour costs per employee and per hour continued to grow and increased 6.7% and 7.2%, respectively, compared to 2012. In 2013 compared to the previous year, the average labour costs per employee increased the most in mining and quarrying (10.6%) and decreased the most in professional, scientific and technical activities (2.3%). Compared to 2004, labour costs per employee were two times higher in 2013.

In the European Union, labour costs per hour varied significantly between the Member States in 2013. The highest costs were recorded in Sweden, Denmark and Belgium (40.1, 38.4 and 38.0 euros, respectively), while in Estonia they were 9.0, in Latvia 6.3 and in Lithuania 6.2 euros (the EU average was 23.7 euros).

An employee's monthly gross wages and salaries are the largest component of labour costs. Compared to 2004, the average gross wages and salaries have increased two times. In 2013, the average monthly gross wages and salaries were 949 euros – 7% higher than in 2012.

In 2013 compared to the previous year, the average monthly gross wages and salaries increased the most in the economic activity of agriculture, forestry and fishing (11.0%) and decreased the most in the economic activity of arts, entertainment and recreation (–1.9%).

In 2013, the average monthly gross wages and salaries were 967 euros in the public sector and 942 euros in the private sector, having increased in both sectors compared to 2012 – 7.9% and 6.7%, respectively.

Real wages, which take into account the influence of the change in the consumer price index and show the purchasing power of wages and salaries, grew by 4.1% in 2013. After the fall of 2009 and 2010, real wages increased for the third year in succession compared to the previous year.

During the economic crisis, when wages and salaries fell and the number of occupied jobs declined, the number of job vacancies also decreased rapidly. While before the crisis, in the 4th quarter of 2007, there were over 18,000 vacant posts, then in the same period of 2013 there were nearly 6,400 job vacancies. Manufacturing accounts for the largest share of posts in the total number of posts of all economic activities (nearly a fifth of the vacant and occupied posts).

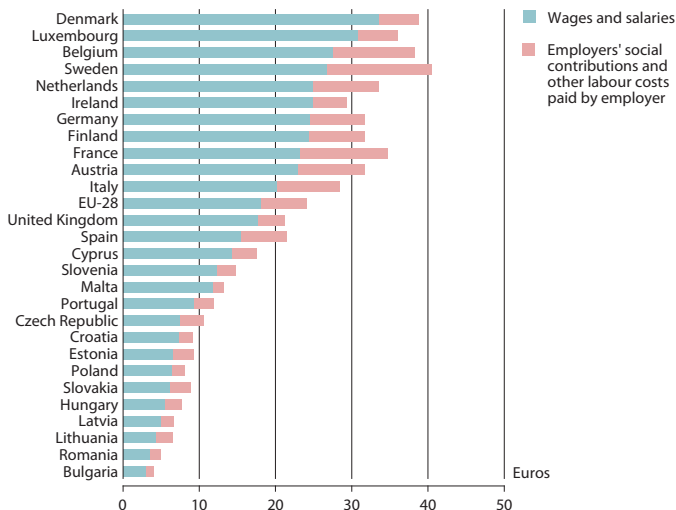
## DEFINITIONS

Labour costs – employers' direct and indirect expenditure on personnel.

Job vacancy – a paid post which is newly created, unoccupied or becomes vacant when an employee leaves, and for which the employer is actively trying to find a suitable candidate from outside the enterprise, institution or organisation concerned.



### Labour costs per hour in the European Union<sup>a</sup>, 2013



<sup>a</sup> Covers NACE activities B–S, excl. public administration and defence; compulsory social security; and enterprises and institutions with fewer than 10 employees. There are no 2013 data for Greece on the components of labour costs.

# Average monthly gross wages and salaries, and labour costs per employee by economic activity, 2013

Economic activity	Monthly gross wages and salaries, euros	Labour costs, euros	Change over previous year, %	
			Monthly gross wages and salaries	Labour costs
Agriculture, forestry and fishing	835	1 121	11.0	10.3
Mining and quarrying	1 259	1 709	10.9	10.6
Manufacturing	926	1 253	7.2	7.0
Electricity and gas supply	1 399	1 905	7.9	7.6
Water supply; waste management	973	1 319	7.8	7.6
Construction	1 003	1 352	6.9	6.5
Wholesale and retail trade	874	1 178	4.0	3.3
Transportation and storage	938	1 269	10.5	10.3
Accommodation and food service activities	592	797	6.3	6.1
Information and communication	1 576	2 187	8.8	8.9
Financial and insurance activities	1 552	2 142	8.3	7.9
Real estate activities	690	926	5.7	5.6
Professional, scientific and technical activities	1 130	1 518	-1.5	-2.3
Administrative and support service activities	846	1 145	7.8	8.3
Public administration and defence	1 130	1 526	9.0	8.4
Education	803	1 081	9.3	8.8
Human health and social work activities	948	1 273	7.5	7.2
Arts, entertainment and recreation	715	964	-1.9	-1.4
Other service activities	540	730	8.4	8.8
AVERAGE OF ECONOMIC ACTIVITIES	949	1 284	7.0	6.7

## Average monthly gross wages and salaries, and the change of average gross wages and salaries compared to the previous year, 2004–2013



## Job vacancies and occupied posts, 1st quarter 2005 – 4th quarter 2013



The entire year of 2014 was characterised by the slow but steady growth of the Estonian economy. In total, the Estonian GDP rose 2.1% in 2014, which was faster than the average growth of the Member States of the European Union.

Trade contributed significantly to the GDP growth, mainly due to an increase in the value added in retail trade. In addition to trade, manufacturing and professional, scientific and technical activities contributed the most to the GDP growth. Manufacturing grew mainly due to an increase in the exports of production; there was also a rise in the domestic sales of manufacturing production.

In 2014, the decrease in the value added in transportation and storage slowed the Estonian economy down the most. The decline in construction and accommodation and food service activities had a significant negative effect on the GDP as well. The construction volumes on the domestic construction market decreased 2%. The value added of construction decreased 4.1%, mainly due to a decline in the construction of structures.

Domestic demand grew 4.8%, mainly as a result of changes in inventories and an increase in household final consumption expenditures. In 2014, there was an increase in all types of inventories, but the increase in the inventories of goods contributed the most to the changes in inventories. The increase in household final consumption expenditures was mostly caused by a growth in the expenditures on food and transport but also on clothing and footwear.

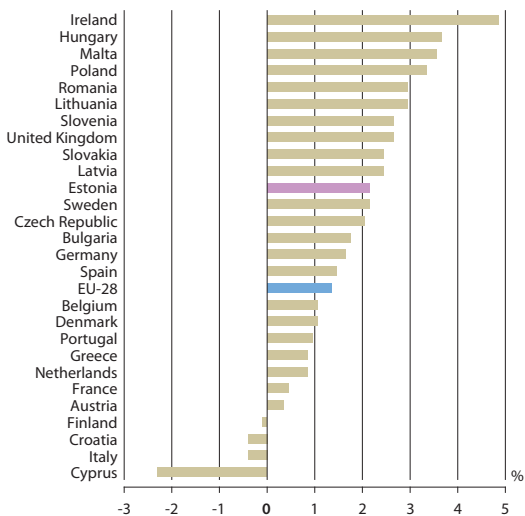
Real gross fixed capital formation fell 3%, primarily due to a decrease in investments in other machinery and equipment and in buildings and structures. Although domestic demand grew faster than the GDP, the total final consumption expenditures, gross fixed capital formation and changes in inventories were still smaller than the GDP by the output method – 99.4% of the GDP.

In 2014 compared to 2013, the real export of goods and services grew 2.6% in spite of the decrease in the 1st quarter. The import of goods and services increased 2.3% in 2014. The increased export and import of electronic products had the biggest positive impact on Estonian foreign trade.

Net export, i.e. the difference between export and import, was positive in 2014. The share of net export in the GDP was 2.5%, which was higher than in the previous two years.

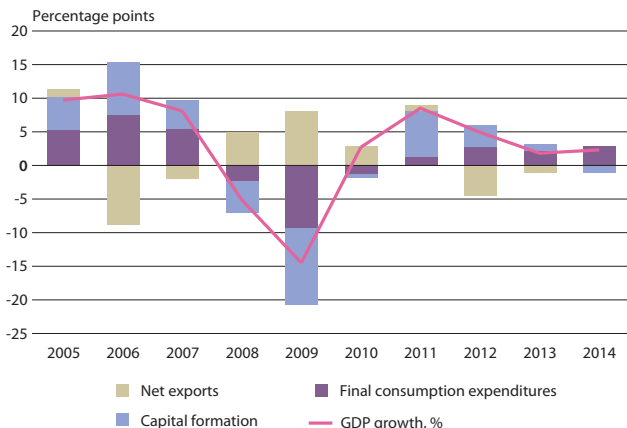


### Real GDP growth rate in the European Union, 2014<sup>a</sup>

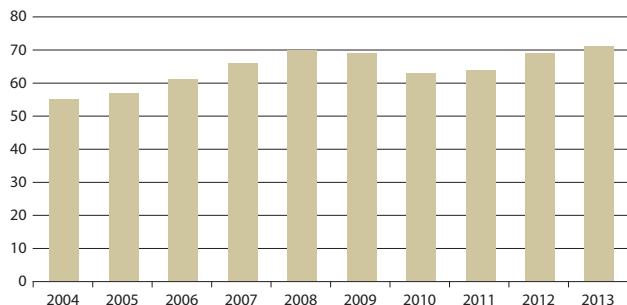


<sup>a</sup> 2014 data on Luxembourg are missing.

## Contribution to GDP growth, 2005–2014



## GDP per capita based on PPS in Estonia (EU-28 = 100), 2004–2013



### DEFINITIONS

PPS (purchasing power standard) – a unit which is based on the Eurostat estimates and eliminates the difference in price levels between countries.



**GDP by economic activity, and expenditure components, 2014**

	At current prices, million euros	Real growth, %
Agriculture, forestry and fishing	623.3	8.1
Mining and quarrying	223.0	-0.4
Manufacturing	2 722.1	3.0
Electricity and gas supply	500.3	6.4
Water supply; waste management	137.9	0.5
Construction	1 196.5	-4.1
Wholesale and retail trade	2 148.9	3.9
Transportation and storage	1 357.3	-8.6
Accommodation and food service activities	307.3	-3.4
Information and communication	826.5	1.1
Financial and insurance activities	587.0	4.5
Real estate activities	1 788.3	-0.5
Professional, scientific and technical activities	848.2	6.6
Administrative and support service activities	676.1	6.3
Public administration and defence	1 184.0	0.8
Education	788.8	0.8
Human health and social work activities	643.4	-1.0
Arts, entertainment and recreation	250.3	0.8
Other service activities	157.9	-3.2
<b>GROSS VALUE ADDED</b>	<b>16 967.2</b>	<b>1.1</b>
Net taxes on products	2 559.0	8.9
<b>GDP AT MARKET PRICES</b>	<b>19 526.2</b>	<b>2.1</b>
Household final consumption expenditure	9 866.8	4.5
General government final consumption expenditure	3 823.9	2.3
Final consumption expenditure of non-profit institutions serving households	298.0	8.5
Gross fixed capital formation and valuables	5 036.5	-2.8
Change in inventories	383.0	..
<b>DOMESTIC DEMAND</b>	<b>19 408.3</b>	<b>4.8</b>
Exports of goods and services	16 525.7	2.6
Imports of goods and services	16 039.2	2.7

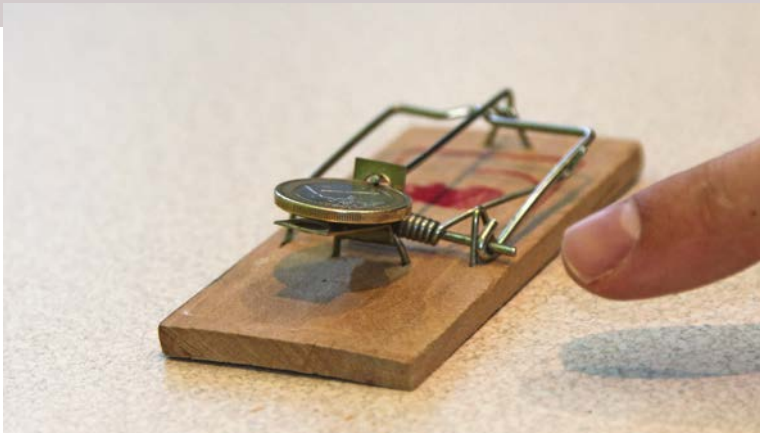
In 2014, the total revenue and expenditure in the state budget of Estonia were 7.82 and 7.77 billion euros, respectively. Revenue accounted for 97.5% and expenditure for 95.6% of the planned budget. Revenue was below the planned level mainly due to grants, which accounted for only 73.7% of the planned amount. Expenditure decreased primarily in terms of issued grants and other transfers. In comparison with 2013, budget revenue increased by 3% and expenditure by 0.4%. The budget surplus was 43 million euros.

Tax revenue constituted 85% of the state budget revenue. Social contributions and value added tax had the largest share in revenue, accounting for 28% and 21% of the state budget, respectively. The accrual of income tax (5%) and value added tax (1.4%) exceeded expectations while social contributions (−0.6%) and excise duties (−0.1%) were below the expected amounts. Compared to 2013, tax revenue increased in the case of all larger taxes, although most tax rates remained unchanged. As usual, alcohol and tobacco excise duty were the only more important taxes to see an increase in rates.

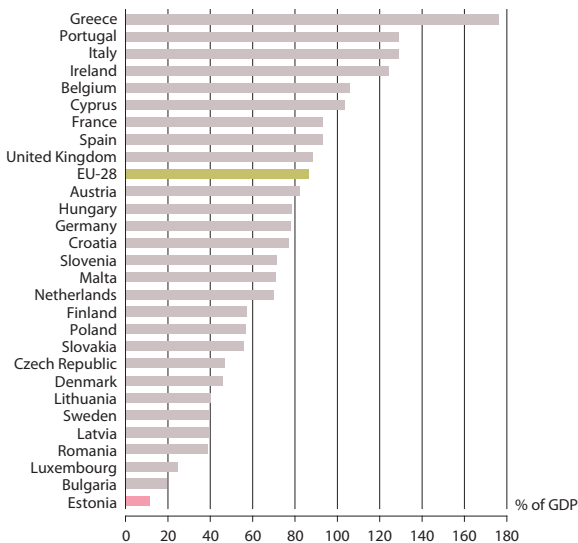
Grants accounted for 48%, operating expenses for 31% and labour and administrative costs for 17% of the budget expenses. Compared to 2013, expenditure on grants decreased by 7.7% and the acquisition and renovation of tangible and intangible fixed capital by 8.2%. Financial costs increased by 89%, labour and administrative costs by 12.5% and operating expenses by 10.3%.

In terms of the foreign direct investments in Estonia in 2014, the most favoured activities were financial and insurance activities, real estate activities, wholesale and retail trade. Nearly 50% of the direct investments were made by Swedish and Finnish investors. Foreign direct investments in Estonia rose by more than 0.3 billion euros compared to 2013.

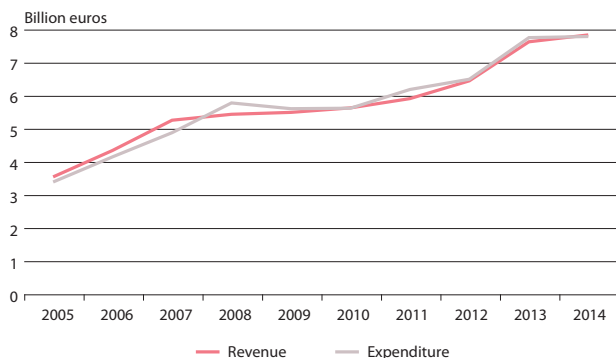
The Estonian direct investment position abroad has increased by more than 350 million euros compared to 2013. The largest amounts of investments were made in administrative and support service activities, real estate activities, and financial and insurance activities. Estonian investors invested mostly in Cyprus, Latvia and Lithuania.



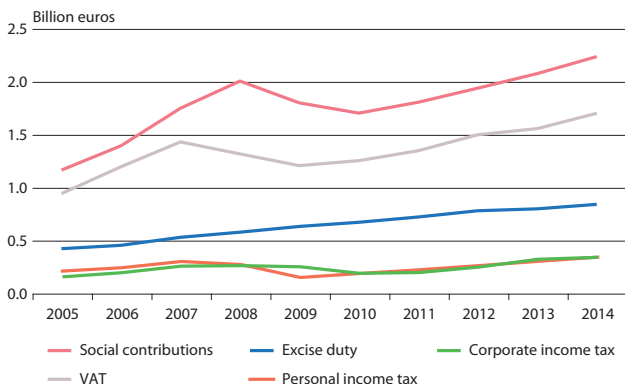
### General government debt level in the European Union, 2013



## State budget execution, 2005–2014



## State budget tax revenue by type of tax, 2005–2014



## State budget revenue, 2014

	Planned annual amount, million euros	Actual amount, million euros	Execution, %
<b>TOTAL</b>	8 018.2	7 815.1	97.5
Taxes	6 625.1	6 651.1	100.4
income tax	657.0	690.3	105.1
social contributions	2 245.7	2 232.4	99.4
VAT	1 672.9	1 696.9	101.4
excise duties	836.9	836.0	99.9
alcohol excise duty	225.0	220.0	97.8
tobacco excise duty	175.4	178.2	101.6
fuel excise duty	402.0	404.5	100.6
other tax revenues (incl. prepayments of taxes)	54.9	64.3	117.1
transferable taxes	1 157.7	1 131.1	97.7
Sale of goods and services	135.4	158.2	116.8
Grants	902.9	665.1	73.7
Sale of tangible and intangible assets	16.3	25.5	156.5
Revenues from property	12.7	56.4	444.3
Other income	325.8	258.8	79.4

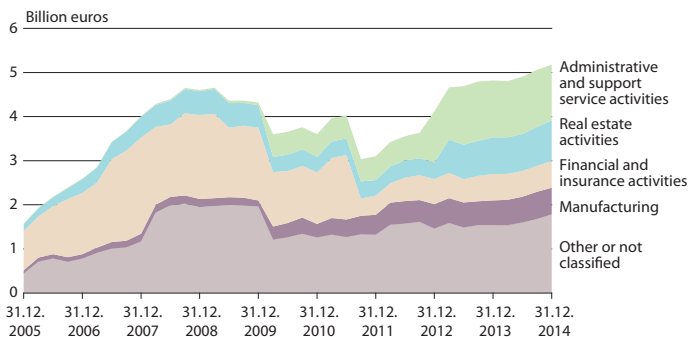
## State budget expenditure, 2014

	Planned annual amount, million euros	Actual amount <sup>a</sup> , million euros	Share of actual amount in total expenditure, %
<b>TOTAL</b>	8 127.5	7 771.2	100.0
Grants and other transfers	4 048.4	3 741.8	48.1
Administration and labour costs	1 330.1	1 336.8	17.2
Other operating costs	2 450.8	2 401.5	30.9
Financial costs	19.5	18.6	0.2
Acquisition and renovation of tangible and intangible assets	278.7	272.5	3.5

<sup>a</sup> Cash income, does not include financial transactions.

**Direct investment position by economic activity, 31 December 2014<sup>a</sup>**

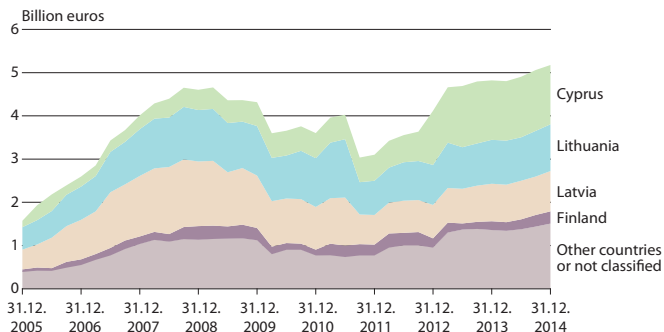
	Million euros	Share, %
<b>Foreign direct investments in Estonia, total</b>	<b>15 894.7</b>	<b>100.0</b>
Financial and insurance activities	4 310.0	27.1
Real estate activities	2 630.2	16.5
Wholesale and retail trade	2 351.6	14.8
Manufacturing	2 108.6	13.3
Professional, scientific and technical activities	1 344.4	8.5
Transportation and storage	892.9	5.6
Other or not classified	2 257.0	14.2
<b>Estonia's direct investments abroad, total</b>	<b>5 204.6</b>	<b>100.0</b>
Administrative and support service activities	1 259.3	24.2
Real estate activities	923.3	17.7
Financial and insurance activities	607.9	11.7
Manufacturing	601.3	11.6
Wholesale and retail trade	458.5	8.8
Construction	261.5	5.0
Other or not classified	1 092.8	21.0

**Estonia's direct investment position abroad by economic activity, 2005–2014<sup>a</sup>**

<sup>a</sup> Data have been presented according to the sixth edition of the International Monetary Fund's Balance of Payments and International Investment Position Manual.

**Direct investment position by country, 31 December 2014<sup>a</sup>**

	Million euros	Share, %
<b>Foreign direct investments in Estonia, total</b>	<b>15 894.7</b>	<b>100.0</b>
Sweden	4 190.0	26.4
Finland	3 470.2	21.8
Netherlands	1 654.6	10.4
Norway	880.4	5.5
Russia	876.7	5.5
Cyprus	544.2	3.4
Other countries or not classified	4 278.6	26.9
<b>Estonia's direct investments abroad, total</b>	<b>5 204.6</b>	<b>100.0</b>
Cyprus	1 370.6	26.3
Lithuania	1 082.1	20.8
Latvia	931.7	17.9
Finland	282.1	5.4
Ukraine	279.6	5.4
Russia	214.0	4.1
Other countries or not classified	1 044.6	20.1

**Estonia's direct investment position abroad by country, 2005–2014<sup>a</sup>**

<sup>a</sup> Data have been presented according to the sixth edition of the International Monetary Fund's Balance of Payments and International Investment Position Manual.

# Foreign trade

In 2014, the exports of goods from Estonia accounted for 12.1 billion euros and imports to Estonia for 13.7 billion euros at current prices. Trade in 2014 remained at the same level as in 2013.

In 2014, the trade deficit amounted to 1.7 billion euros. The biggest deficit was reported in the trade of transport equipment and raw materials and products of the chemical industry (both 0.5 billion euros). The biggest surplus was announced in the trade of wood and products thereof and in the trade of miscellaneous manufactured articles (incl. furniture) (0.7 and 0.6 billion euros, respectively).

Among commodity sections, the first place was held by the section of machinery and equipment accounting for 29% of the total exports of Estonia in 2014. It was followed by mineral products (incl. motor spirits, shale oil and electricity), which accounted for 11% of the total exports, and agricultural products and food preparations (10%). In the imports of goods to Estonia, machinery and equipment also held the biggest share (28% of Estonia's total imports), followed by mineral products (13%) and agricultural products and food preparations (11%). Compared to 2013, the turnover of exports increased the most in the commodity sections of wood and products thereof (5%) and machinery and equipment (2%). The largest decrease was reported in the exports of transport equipment (20%) and raw materials and products of the chemical industry (14%). In Estonia's total imports, the biggest increase occurred in the imports of mineral products (3%). As in the case of exports, the growth of imports was decelerated the most by the imports of transport equipment, which decreased 18%.

In 2014, European Union countries (EU-28) accounted for 72%, the euro area (EA-18) for 41% and CIS countries for 11% of Estonia's total exports. The main countries of destination were Sweden (18% of Estonia's total exports), Finland (15%) and Latvia (11%). In Estonia's total imports of goods, the share of European Union countries was 83%, that of the euro area – 51% and that of the CIS countries – 7%. Goods were imported to Estonia mainly from Finland (15% of Estonia's total imports), Germany (12%) and Sweden (9%).

The share of Estonia in both the total exports and imports of the European Union was 0.3% in 2014. In terms of both the turnover of exports and that of imports, Estonia outperformed Latvia, Malta and Cyprus. At the same time, in 2014, exports per capita amounted to 9,183 euros in Estonia, which is at the same level as the average of the EU countries (9,146 euros). Estonia's imports per capita (10,438 euros) exceeded the EU average (8,934 euros) by approximately 1,500 euros.

## DEFINITIONS

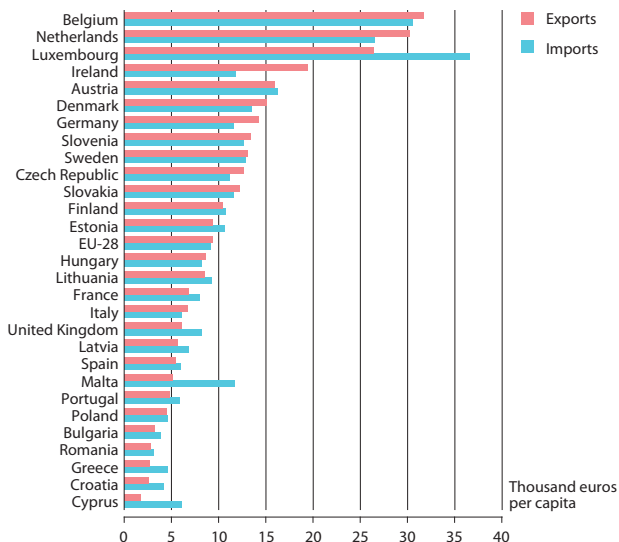
Exports – exportation of goods produced in Estonia (incl. processing), re-exports, supplies for foreign vessels and aircraft stores.

Imports – importation of goods into Estonia (incl. processing) both for domestic consumption and for resale to a foreign country.

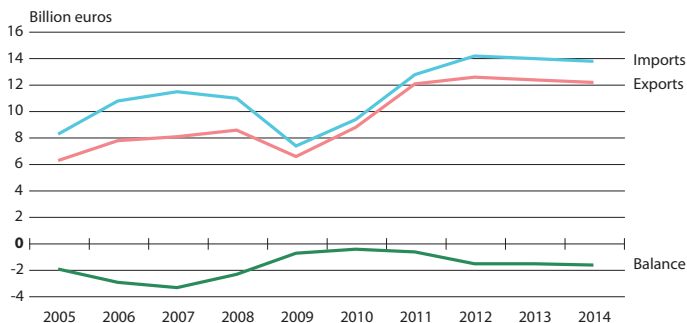
Exports and imports exclude transit and services.



## Exports and imports in the European Union, 2014



## Exports, imports and balance, 2005–2014



**Exports and imports by main partner country, 2014**

Country	Million euros	Share, %
<b>EXPORTS TOTAL</b>	<b>12 090.3</b>	<b>100.0</b>
Sweden	2 174.9	18.0
Finland	1 848.9	15.3
Latvia	1 295.7	10.7
Russia	1 186.8	9.8
Lithuania	637.2	5.3
Germany	587.5	4.9
Norway	469.1	3.9
United States of America	451.7	3.7
Netherlands	327.4	2.7
Denmark	318.1	2.6
Other countries	2 793.0	23.1
<b>IMPORTS TOTAL</b>	<b>13 744.3</b>	<b>100.0</b>
Finland	2 090.7	15.2
Germany	1 581.1	11.5
Sweden	1 190.7	8.7
Latvia	1 169.8	8.5
Lithuania	1 145.1	8.3
Poland	1 037.0	7.5
Russia	852.3	6.2
Netherlands	776.0	5.6
China	486.6	3.5
United Kingdom	444.3	3.2
Other countries	2 970.7	21.8

**Exports and imports by commodity section, 2014**

Commodity section by Combined Nomenclature (CN)	Million euros	Share, %
<b>EXPORTS TOTAL</b>	<b>12 090.3</b>	<b>100.0</b>
Machinery and equipment (XVI)	3 530.6	29.2
Mineral products (V)	1 336.2	11.1
Agricultural products and food preparations (I–IV)	1 221.1	10.1
Wood and products thereof (IX)	1 107.5	9.2
Miscellaneous manufactured articles (XX)	905.9	7.5
Metals and products thereof (XV)	873.5	7.2
Transport equipment (XVII)	652.0	5.4
Raw materials and products of chemical industry (VI)	604.2	5.0
Plastics and articles thereof (VII)	391.6	3.2
Textiles and products thereof (XI)	375.1	3.1
Paper and articles thereof (X)	327.3	2.7
Other	765.3	6.3
<b>IMPORTS TOTAL</b>	<b>13 744.3</b>	<b>100.0</b>
Machinery and equipment (XVI)	3 877.6	28.2
Mineral products (V)	1 765.7	12.8
Agricultural products and food preparations (I–IV)	1 478.2	10.8
Transport equipment (XVII)	1 185.7	8.6
Raw materials and products of chemical industry (VI)	1 107.2	8.1
Metals and products thereof (XV)	1 092.7	8.0
Plastics and articles thereof (VII)	729.1	5.3
Textiles and products thereof (XI)	632.7	4.6
Wood and products thereof (IX)	396.7	2.9
Miscellaneous manufactured articles (XX)	321.7	2.3
Optical, measuring, medical or surgical instruments and apparatus; parts and accessories thereof (XVIII)	299.2	2.2
Other	857.8	6.2

# 12 Industry

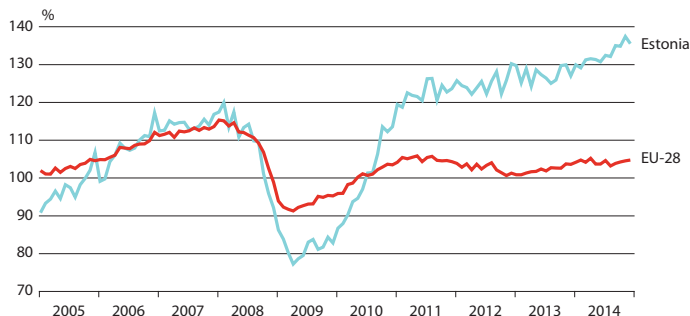
The stable growth of industrial production in 2013 continued also in 2014. Compared to the previous year, industrial output rose by 2%. Production increased thanks to exports, which started to rise in the second half of the year. The share of the foreign market in 2014 was more than 70% of the total manufacturing output. Exports increased by 2% compared to 2013. Gradually, the demand in the domestic market has started to pick up as well. Similarly to exports, the demand in the domestic market also grew about 2% compared to 2013.

In 2014, the volume of industrial production increased in more than two-thirds of the branches of industry. The growth of production was positively influenced by the three branches holding bigger shares – the manufacture of electronic products, wood processing and food production, where production increased 7%, 8% and 4%, respectively, compared to 2013. The growth of production was negatively affected by a decline in the manufacture of chemical products, furniture and building materials.

The largest exporter in 2014 was the manufacture of electronic products, where the majority of the total output is destined for foreign markets. The share of exports was also high in the manufacture of motor vehicles and transport equipment, textiles, chemicals and chemical products. Only the food and beverages industry is a sector which mainly focuses on the domestic market, with just one-third of the total production being exported.

In 2013, the number of enterprises engaging in manufacturing was the highest in the metal industry, but the greatest number of persons employed worked in the wood industry.

## Volume indices of manufacturing<sup>a</sup> in Estonia and the European Union, 2005–2014 (2010 = 100)



<sup>a</sup> Seasonally and working-day adjusted.



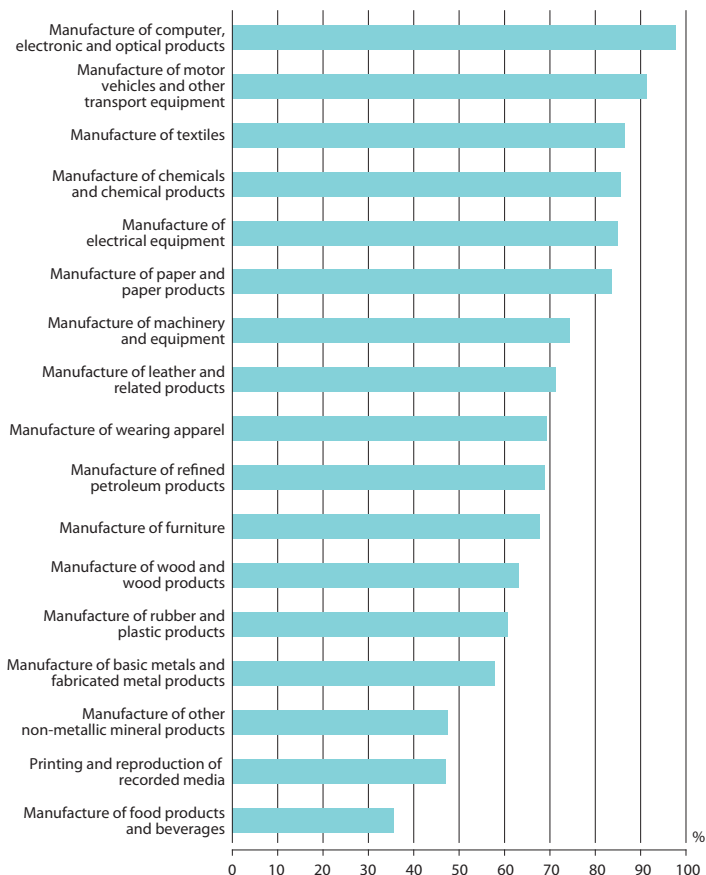
### Economic activities of manufacturing with the greatest number of persons employed, 2013

	Number of enterprises	Share, %	Number of persons employed	Share, %
<b>TOTAL</b>	6 381	100.0	104 554	100.0
Manufacture of wood and wood products	1 061	16.6	15 601	14.9
Manufacture of food products	451	7.1	12 871	12.3
Manufacture of basic metals and fabricated metal products	1 151	18.0	12 324	11.8
Manufacture of furniture	610	9.6	7 520	7.2
Manufacture of wearing apparel	462	7.2	6 355	6.1
Manufacture of computer, electronic and optical products	108	1.7	5 820	5.6

**Industrial production by economic activity, 2013**

	Production, million euros	Share, %
<b>TOTAL</b>	<b>11 156</b>	<b>100.0</b>
Electricity and gas supply	853	7.6
Mining and quarrying	410	3.7
Manufacturing	9 893	88.7
manufacture of food products	1 258	11.3
manufacture of beverages	196	1.8
manufacture of textiles	235	2.1
manufacture of wearing apparel	151	1.3
manufacture of leather and related products	32	0.3
manufacture of wood and wood products	1 441	12.9
manufacture of paper and paper products	197	1.8
printing and reproduction of recorded media	212	1.9
manufacture refined petroleum products	280	2.5
manufacture of chemicals and chemical products	503	4.5
manufacture of rubber and plastic products	309	2.8
manufacture of other non-metallic mineral products	350	3.1
manufacture of basic metals and fabricated metal products	955	8.6
manufacture of computer, electronic and optical products	1 743	15.6
manufacture of electrical equipment	528	4.7
manufacture of machinery and equipment	312	2.8
manufacture of transport equipment	350	3.1
manufacture of furniture	407	3.7
other	433	3.9

## Share of exports in the sales of manufacturing production, 2013



# 13 Agriculture

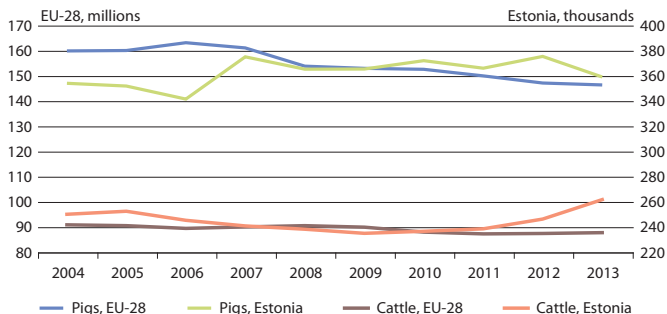
In 2013, the production of cereals was 975,500 tons in Estonia, i.e. 2% less than in the previous year. In the economic year which started on 1 July 2013 and ended on 30 June 2014, the share of imports in resources was 16% and that of exports – 44%. Wheat made up 30% of the total amount of imported cereals and 50% of all exported cereals.

The sown area of potatoes continues to decrease and totalled 6,600 hectares in 2013. The production of potatoes decreased 8% compared to 2012 and amounted to 127,700 tons. The share of imports in resources increased over the year from 19% to 22% and the share of exports from 4% to 5%.

The number of cattle was 6% and that of dairy cattle 1% greater than in the previous year. The number of pigs and poultry decreased, while the number of horses, sheep and goats increased. In 2013, 79,800 tons of meat was produced, which is 2% more than in the previous year. Pork accounted for 62%, poultry meat for 23% and beef for 14% of meat production. Out of the total supply balance of meat, the imports of meat and live animals made up 44%, the respective indicator for exports was 38%. The imports of pork and live pigs made up 53% of the total imports of meat and live animals; the respective indicator for exports was 65%.

The number of dairy cows has not changed significantly over the year but the production of milk rose by 7% in 2013, as the average milk production per cow has been increasing steadily. In 2013, the production of milk totalled 772,000 tons. In the supply of fresh milk products, the share of imports was 4% and that of exports 9%, the exports of cheese exceeded the imports of cheese several times. The production of eggs increased 6% compared to 2012. In 2013, imports accounted for 47% and exports for 17% of the resources of eggs.

**Number of cattle and pigs in Estonia and the European Union, 2004–2013**





**Supply balance of cereals and potatoes, 2013/2014**

(thousand tons)

	Wheat	Barley	Rye	Potatoes
Production	406.8	440.9	21.9	127.7
Imports	58.7	61.5	25.8	35.0
<b>Total resource / use</b>	465.5	502.4	47.7	162.7
Exports	256.1	190.9	23.9	8.4
Change in stocks	-2.6	14.9	0.1	-0.2
Domestic use	212.0	296.6	23.7	154.5

**Supply balance of meat, 2013**

(thousand tons in carcass weight)

	Total	Beef	Pork	Poultry meat
Gross indigenous production	82.1	11.5	49.5	18.1
Imports of live animals	0.0	0.0	0.0	0.0
Imports of meat	64.2	4.2	33.8	21.8
<b>Total resource / use</b>	146.3	15.7	83.3	39.9
Exports of live animals	15.3	3.0	11.6	0.5
Exports of meat	41.0	3.6	25.2	9.0
Change in stocks	-0.9	-0.1	-0.4	-0.2
Domestic use	90.9	9.2	46.9	30.6

**Supply balance of milk, milk products and eggs, 2013**

(thousand tons in product weight)

	Fresh products	Cream	Cheese	Eggs <sup>a</sup>
Production	183.4	9.6	44.0	11.9
Imports	7.3	0.7	4.7	10.7
<b>Total resource / use</b>	190.7	10.3	48.7	22.6
Exports	16.3	5.1	20.4	3.9
Change in stocks	0.0	0.0	0.1	0.0
Domestic use	174.4	5.2	28.2	18.7

<sup>a</sup> The average weight of an egg is 62.5 grams.

# 14 Energy

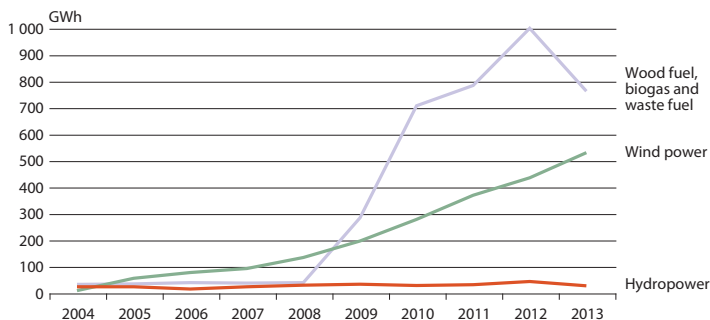
In 2014, the production of electricity totalled 12.4 TWh, which is over 6% less than in the previous year. Electricity generation decreased due to an increase in the transit flows from Nordic countries passing through the Estonian electricity system, as this reduced the role of Estonian producers in the market. At the same time, due to the colder autumn and winter period, electricity consumption increased more than 2% compared to 2013.

Local fuels hold a large share in Estonia's total energy resources, mainly due to oil shale. The potential to use local oil shale significantly reduces the share of imported energy in meeting energy needs (i.e. energy dependency). Among the countries of the European Union, this indicator (11.9%) places Estonia at the top of the list. The majority of oil shale is consumed in power plants and as raw material for shale oil.

In recent years, there has been a significant increase in the production of electricity from renewable sources. While in 2009 the share of electricity generated from renewable sources was 6.2% in total electricity consumption, then in 2013 this share was more than twice as big – 13.6%. There has been a considerable increase in the consumption of waste fuel and biogas for electricity generation. The introduction of renewable sources has somewhat reduced the importance of waste-intensive oil shale in electricity production.

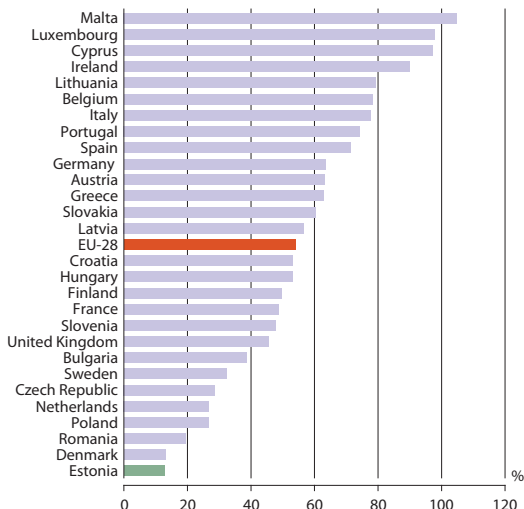
The production of hydro- and wind power has also increased year by year. In 2013 compared to 2012, both increased 16% in total, with nearly one-fourth of this growth resulting from the increased production of wind power.

## Electricity production from renewable sources, 2004–2013



**Production and consumption of electricity, 2013–2014 (gigawatt-hours)**

	2013	2014 <sup>a</sup>	Change, %
Gross production	13 275	12 372	–6.8
Net production	11 823	11 096	–6.1
Imports	2 712	3 730	37.5
Latvia	335	108	–67.8
Finland	2 377	3 622	52.4
Consumption	7 332	7 500	2.3
Losses	903	842	–6.8
Exports	6 300	6 484	2.9
Latvia	5 739	6 390	11.3
Finland	561	94	–83.2

<sup>a</sup> Preliminary data.**Energy dependency rate<sup>a</sup> in the European Union, 2013**

<sup>a</sup> Energy dependency rate shows the extent to which an economy relies upon imports in order to meet its energy needs. The indicator is calculated as net imports divided by the sum of gross inland energy consumption.

# 15 Innovation

According to Eurostat's Community Innovation Survey of 2012, 47.6% of Estonian enterprises were innovative. Estonia's rate of innovativeness was lower than the EU average (48.9%), but Estonia outperformed Latvia and Lithuania. The Estonian indicator value was 5 percentage points lower than that of Finland, although in the previous study in 2010 Estonian enterprises left Finnish ones behind. Despite the fact that, by the rate of innovativeness, Estonia has lost its top ranking, Estonia continues to belong to the leading group of the EU Member States by the ratio of innovative expenditure to turnover.

Compared with the previous Innovation Survey, the share of innovative enterprises in 2012 had decreased in almost all economic activities. The only exception was the manufacture of food products and beverages, and activities related to water collection, treatment and supply, where the share of innovative enterprises increased by 1 and 21 percentage points, respectively.

Innovativeness has decreased slightly differently by type. While the share of enterprises with organisational and marketing innovation fell in 2012 compared to 2010 by 2.0 and 3.7 percentage points, respectively, then the share of product innovative enterprises decreased by 4.8 and that of process innovative enterprises by 7.4 percentage points. In other words, while in 2010 every fourth enterprise was product innovative, then in 2012 only every fifth.

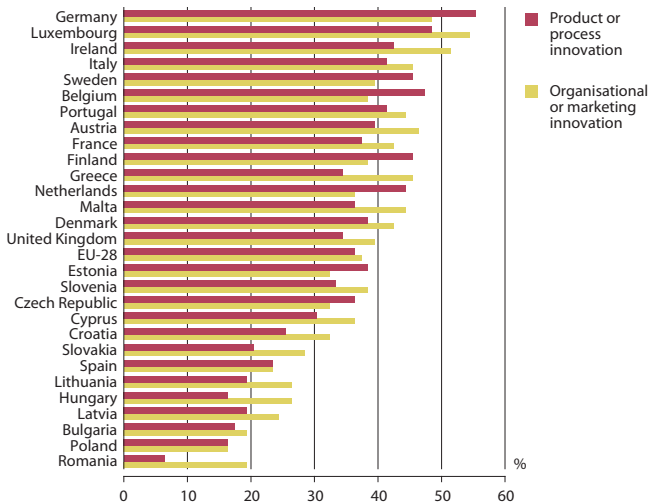
## Share of innovative enterprises<sup>a</sup> by economic activity, 2012

Economic activity	Total, %	Product or process innovation, %	Organisational or marketing innovation, %
<b>TOTAL</b>	<b>47.6</b>	<b>38.4</b>	<b>31.8</b>
Industry (excl. construction)	50.2	43.1	30.7
mining and quarrying	33.3	28.6	19.5
manufacturing	50.6	43.3	31.6
electricity and gas supply	35.7	33.7	12.8
water supply; waste management	61.2	53.0	31.2
Services (surveyed activities)	45.0	33.6	33.0
wholesale trade	47.0	29.7	37.3
transportation and storage	33.7	26.6	22.6
information and communication	63.3	52.6	43.6
financial and insurance activities	68.6	50.5	58.2
professional, scientific and technical activities (surveyed activities)	43.3	37.8	30.2

<sup>a</sup> Enterprises with at least ten persons employed.



### Share of innovative enterprises<sup>a</sup> in the European Union by type of innovation, 2012



<sup>a</sup> Enterprises with at least ten persons employed.

# 16 Information technology

Estonia with its functional IT solutions and e-services has become a pioneer for several countries. Today, a number of daily activities have become faster and more flexible thanks to electronic authentication and the digital signature system. In ten years, e-voting has taken root and the concept of the digital ID of an Estonian e-resident, which gives foreigners the opportunity to apply for a secure e-residency of Estonia, is also causing a sensation.

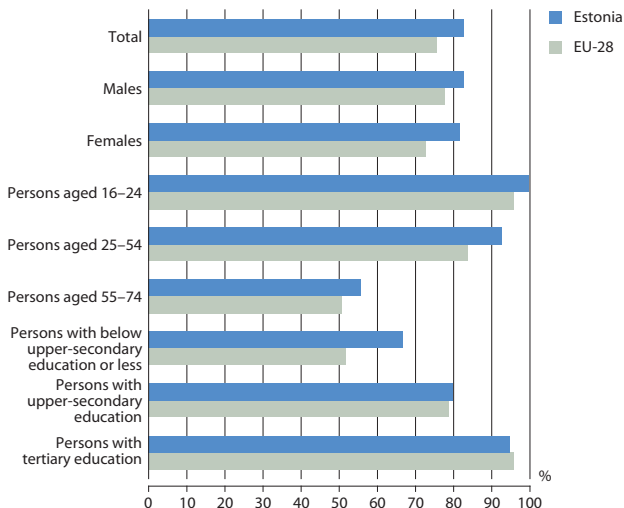
The most widely used e-service provided by the public sector is the submission of income tax returns via the e-Tax Board – 71.5% of Internet users do so. A considerable number of Internet users also make use of digital prescriptions (56%), the web sites of local governments (53%), the e-School (30%), and the website [www.eesti.ee](http://www.eesti.ee) (43%).

In the 1st quarter of 2014, 84% of the residents of Estonia aged 16–74 used the Internet, in the European Union – an average of 78%. Young people aged 16–34 are the most active Internet users but, in recent years, Internet use has started to rapidly increase in older age groups as well. Estonian residents use the Internet mainly for reading newspapers and magazines and seeking information, but also for communication via e-mail and online banking services.

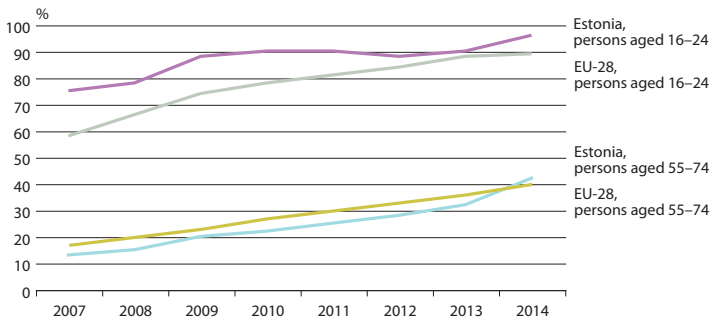
The business sector has witnessed the increasing spread of cloud computing services, the aim of which is to share resources via the web – software, hardware, or a combination of the two. 14% of Estonian enterprises have used paid cloud computing services. The most common cloud service is the e-mail service (8.4%), followed by financial or application software, office software and the storage of files. Cloud services are used the most actively by information and communication enterprises (42.6 %), who are also the providers of cloud services. Compared with other European Union countries, Estonia is in the middle group in terms of using paid cloud services, but falls significantly behind its northern neighbour Finland, where 51% of enterprises use cloud services. The factors limiting the wider use of cloud services generally include security risks but also the higher price of cloud computing services. The main reason given for not using cloud services is insufficient knowledge as well as security risks.



**Share of 16–74-year-olds having used the Internet at least once a week in Estonia and in the European Union, 1st quarter 2014**



### Share of persons having used the Internet daily in Estonia and the European Union by age, 1st quarter 2007 – 2014

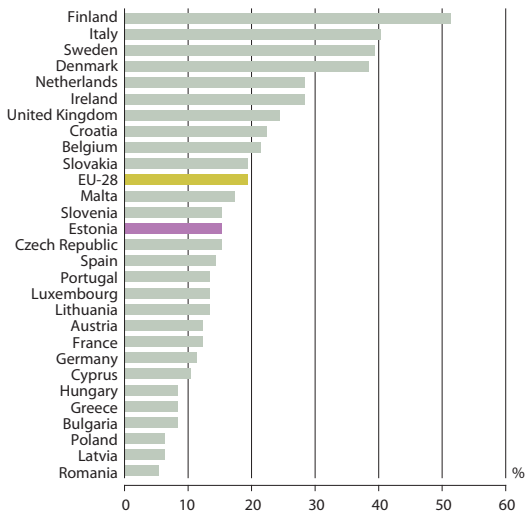


### Share of households connected to the Internet at home by type of household, 1st quarter 2014

Type of household	Share of households with Internet connection, %	Share of households with broadband connection, %
<b>Households, total</b>	82.9	81.2
One adult	70.9	69.1
Two adults	82.1	80.3
Three or more adults	95.4	93.7
One adult with children	95.3	91.5
Two adults with children	98.9	98.0
Three or more adults with children	98.5	97.8



## Share of enterprises<sup>a</sup> having bought cloud computing services over the Internet in the European Union, 2014



## Share of enterprises<sup>a</sup> having bought cloud computing services over the Internet in Estonia and the European Union by economic activity, 2014



<sup>a</sup> Enterprises with at least ten persons employed, excl. financial and insurance activities and veterinary activities.

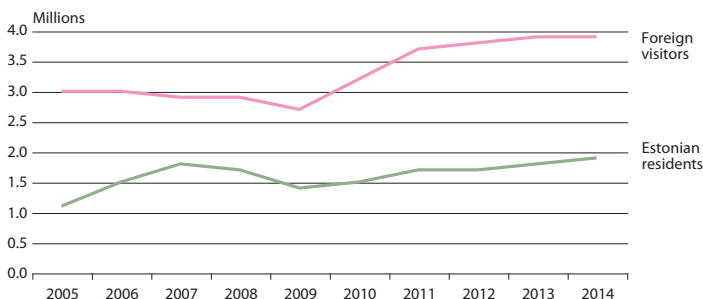
# 17 Tourism

In 2014, 6 million foreign visitors arrived in Estonia, 47% of whom stayed in Estonia for more than one night. 68% of foreign tourists used the services of accommodation establishments. In 2014, over 3 million domestic and foreign tourists stayed in accommodation establishments, which is 4% more than in 2013. Tourists spent a total of 5.8 million nights in Estonian accommodation establishments. In 2014, the nights spent in the accommodation establishments of European Union countries totalled 2.7 billion. Tourist nights spent in Estonian accommodation establishments make up 0.2% of the number of nights spent in the accommodation establishments of the EU countries.

The neighbouring countries are still the main tourism partner countries of Estonia. Two-thirds of all accommodated foreign tourists arrived from Finland, Russia and Latvia. The number of accommodated tourists from Russia decreased for the first time in six years – 10% on a year-over-year basis. The decrease in the number of Russian tourists staying in accommodation establishments was compensated for with the help of tourists from Latvia, Finland, Germany and Asian countries. Compared to 2013, the number of accommodated tourists from Finland, Latvia and Germany increased 2%, 7% and 11%, respectively, and the number of tourists from Asian countries increased 36%.

A very important target group for accommodation enterprises is domestic tourists, who account for more than a third of the clients of accommodation establishments. In 2014, 1.1 million domestic tourists used the services of accommodation establishments – 6% more than in 2013. The number of domestic tourists having stayed in accommodation establishments increased for the fifth year in succession.

## Tourist nights spent in accommodation establishments, 2005–2014





### Accommodated tourists by country of residence, 2014

Country	Accommodated tourists	Nights spent	Average number of nights spent per tourist
<b>TOTAL</b>	3 087 070	5 809 464	1.88
<b>Estonia</b>	1 103 755	1 890 165	1.71
<b>Foreign visitors</b>	1 983 315	3 919 299	1.98
Finland	915 540	1 689 115	1.84
Russia	275 405	613 868	2.23
Germany	112 877	242 102	2.14
Latvia	112 703	170 279	1.51
Sweden	71 963	149 721	2.08
Lithuania	52 522	93 359	1.78
Asian countries	50 098	84 543	1.69
United Kingdom	46 189	101 394	2.20
Norway	36 272	86 999	2.40
United States	32 261	74 249	2.30
Other countries	277 485	613 670	2.21

# 18 Data sources

## Data sources:

Statistics Estonia, Eurostat, Estonian Land Board, European Health for All database (HFA-DB) of WHO (World Health Organization), National Institute for Health Development, Estonian Environment Agency and Eesti Pank (central bank of Estonia).

## Web sites on Estonia:

The State Portal	<a href="http://www.eesti.ee">www.eesti.ee</a>
Office of the President	<a href="http://www.president.ee">www.president.ee</a>
Riigikogu (Parliament)	<a href="http://www.riigikogu.ee">www.riigikogu.ee</a>
Government of the Republic of Estonia	<a href="http://www.valitsus.ee">www.valitsus.ee</a>
Ministry of Foreign Affairs	<a href="http://www.vm.ee">www.vm.ee</a>
Eesti Pank	<a href="http://www.eestipank.ee">www.eestipank.ee</a>
Estonian Institute	<a href="http://www.estinst.ee">www.estinst.ee</a>
Encyclopaedia about Estonia	<a href="http://www.estonica.org">www.estonica.org</a>
Tourist Information	<a href="http://www.visitestonia.com">www.visitestonia.com</a>
Enterprise Estonia	<a href="http://www.eas.ee">www.eas.ee</a>
Official Gateway to Estonia	<a href="http://www.estonia.eu">www.estonia.eu</a>
Estonian Cultural Events	<a href="http://www.culture.ee">www.culture.ee</a>
Estonian Investment Agency	<a href="http://www.investinestonia.com">www.investinestonia.com</a>
Estonian Development Fund	<a href="http://www.arengufond.ee">www.arengufond.ee</a>
Estonia for Researches	<a href="http://www.euraxess.ee">www.euraxess.ee</a>
Study in Estonia	<a href="http://www.studyinestonia.ee">www.studyinestonia.ee</a>
National Library of Estonia	<a href="http://www.nlib.ee">www.nlib.ee</a>
Information Centre of Estonian Museums	<a href="http://www.muuseum.ee">www.muuseum.ee</a>
The Digital Society	<a href="http://www.e-estonia.com">www.e-estonia.com</a>
Statistics Estonia	<a href="http://www.stat.ee">www.stat.ee</a>

## Explanation of symbols:

..	category not applicable
0.0	magnitude less than half of the unit employed
EU-28	28 Member States of the European Union
EA-18	18 Member States of the euro area

### European Union (EU) countries:

Austria, Belgium, Bulgaria, Croatia, Czech Republic, Cyprus, Denmark, **Estonia**, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom.

### Euro area countries:

Austria, Belgium, Cyprus, **Estonia**, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Portugal, Slovakia, Slovenia, Spain.

### Member countries of the Organisation for Economic Co-operation and Development (OECD):

Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, **Estonia**, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom, United States of America.

### Member countries of the Commonwealth of Independent States (CIS):

Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, Uzbekistan.

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