

Press Information

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For immediate release

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## FICE met with Prime Minister Andrus Ansip

**Friday, May 21st, FICE - Foreign Investors' Council in Estonia, met with Prime Minister Andrus Ansip for a third round table dialogue.**

During the 1,5 hour dialogue FICE and Prime Minister Ansip discussed various topics in an open and informal setting. The dialogue focused on the topics that FICE identifies as major issues for the community of foreign investors in Estonia.

Topics discussed included the following

- Estonia's successful progress during the last 10 years and the development of some of the economic key indicators relatively to that of other EU countries and new entrants.
- Outlook for upcoming EURO accession and market forces that will likely keep inflation in check.
- Steps being taken by the Government to revive and restructure Estonian Air as one of the key players with regards to accessibility of the country for the business community.
- The benefits of the recently acquired member status of the OECD.
- Impact that any abrupt change in legislation that would alter business conditions might have on investors' confidence.
- The importance of past budget discipline for the relatively comfortable position of Estonia now and the guidance this gives to the current Government with respect to desired prudence in budget policy in the future.
- Prime Minister confirmed that the course of the existing Government will not alter significantly after EURO accession. Speculations that the cap on public spending might be loosened somewhat are unfounded, factual undesired and will not happen under Prime Ministers' watch. Prime Minister mentioned the high voters' confidence and is convinced that voters would see through votes bought by 'electoral gifts'.
- Economic growth and labour market friction. The meeting took its time to discuss and reflect on what is maybe one of the most important issues; Investors notice the great difficulty to find sufficient well-qualified employees already in this period of economic stagnation and high unemployment. As all are convinced that the economy will start to grow soon again this brings up the scare that a new period of labour shortage might be around the corner with highly negative effects on labour costs and

productivity. A better match between educational programs and needs for specific skills by the industry are necessary. All present agreed that this issue should have a high priority indeed.

- Vocational education in particular could benefit from improvements along the line of so called 'dual education', a partnership between employers, student and educational institution. FICE and the Prime Minister agreed that it is worth to deepen out this topic.

The Foreign Investors' Council in Estonia and the Prime Minister decided to continue the round table dialogue as participants consider them beneficial.