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**Notes from FICE's meeting with
the Economic Affairs Committee
at Riigikogu, October 6th, 2008****FICE met with the Economic Affairs Committee at Riigikogu**

October 6th representatives of FICE - Foreign Investors' Council in Estonia - Jens Christiansen, Anders Hedman, Martin Breuer, Heikki Mäki and Kristiina Sikk, participated at a session of the Economic Affairs Committee in Riigikogu to present and discuss FICE's proposals for the development of Estonia's economy and business environment.

FICE was greeted by the Chairman of the Committee Urmas Klaas, Vice Chairman Kalev Kallo and the Committee members Marek Strandberg, Taavi Veskimägi, Aivar Riisalu, Ester Tuiksoo, Jüri Tamm, Toomas Tõniste and Margus Lepik.

FICE's Chairman Jens Christiansen gave a presentation on FICE and its goals.

-Foreign investors want to cooperate - to have a dialogue and a common focus for a better business climate in Estonia, said Jens Christiansen.

- The big advantage of Estonia is that the country is small and flexible and should be able to turn things around fast, continued Jens. The key factor is efficiency and thinking out of the box.

Lack of strategy and common efforts

- Estonia was very successful in the beginning of 1990's when the two big goals were to join NATO and EU, said Anders Hedman. After this the goals have been somewhat hazy and the political messages to the Estonian people as well as to foreign investors have often contradictory. Estonia wants to adopt the Euro soonest possible but at the same time nothing has been done to restrain inflation.

- The business community as well as the Estonian people need true and factual information, not only good information and that is what we have been lacking here recently, continued Anders. The foreign investors in Estonia are ready to support such an approach and also to share our experiences. Keep us involved!

- It is important to have the full picture, added Martin Breuer. The economy has slowed down not only in Estonia; it is a world-wide problem. Estonia should be a leader in re-evaluating the priorities. Take for example the Estonian labour situation. There is a big gap between the needs of the businesses community and the expectations and skills of young people coming to the labour market today.

- Compare the cost of running a business in the Swedish countryside out of the bigger urban areas and the cost of running a similar business in Estonia; the costs are more or less on the same level, said Anders Hedman. At the same time Swedish employees are not expecting more than a 2 % salary increase per year while Estonian employee expectations have been at least 10 %.

Tax system, education and labour

The Estonian tax system, the education and the labour situation are major concerns of FICE.

The tax system should be kept simple and transparent to secure long term investments to Estonia.

Today's investors here do not look for a tax paradise; they look for long term policies and security.

Implement a true and solid collaboration between the education system and the needs of the business community. Put focus on high quality vocational education. Secure international expertise by setting up well functioning student exchange programmes between universities in Estonia and abroad and provide good starting packages for foreign professors, scientists and specialists willing to come to Estonia for sharing and teaching their knowledge and experiences.

Common focus and continued work

FICE and the Economic Affairs Committee of Riigikogu agreed to continue to meet regularly for further discussions on improving Estonia's economy and business climate.

Notes:

Kristiina Sikk
FICE Secretary
SCCE Ombudsman

The Economic Affairs Committee of the Riigikogu:

The Economic Affairs Committee is one of the standing committees of the Riigikogu and has the following tasks:

- Proceeding as leading committee of the draft legislation relating to:

- General economic policy of Estonia, entrepreneurship and business activities, including advertising and competition
- Foreign borrowing by the state and granting of state guarantee to external loans
- Ratification of free trade agreements, agreements on the grant of incentives and protection of investments, on the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, on the legal protection of industrial property rights and of various other international treaties
- The problems emerging in the result of changing ownership relations and the reform in housing
- Issues of transport and postal service and electronic communications, including traffic and traffic insurance;
- Legal protection of industrial property, patents, trademarks, utility models etc.
- Consumer protection, product safety and other similar issues
- Harmonisation of legislation regulating economic environment and its functioning with that of the European Union
- Tourism economy

- Resolving of the transfer of state assets and of other transactions with state assets in the cases provided for in the State Assets Act.

The greater part of such cases consists of the review of applications of the administrators of state assets, i.e. of the Riigikogu, the President of the Republic, the State Audit Office, the Chancellor of Justice, the Supreme Court, Ministries, County Governments and the State Chancellery, to the effect of the transfer of state assets without charge to local governments and public legal persons;

- Replying to the letters and inquiries of citizens.

- Upon legislative proceeding of draft legislation, the Economic Affairs Committee **cooperates** with government agencies, the Association of Estonian Cities, the Estonian Association of Tenants, the Estonian Association of Owners by Title, entrepreneur's confederations, professional unions and other third sector organisations that promote participatory democracy in the society.

The functions of the officials of the Committee include consulting of the members of the Committee during the legislative proceeding of bills and the transfer of public assets, preparing of documents for the sittings of the Committee and of the plenary assembly of the Riigikogu, and, after discussion at the committee, preparing of replies to the letters and inquiries of citizens.

Source: Riigikogu, 06.10.2008