

LIFE IN **Estonia**

SPRING | 2013

SPECIAL!
**Global
Business
Services**

**Estonian
Culinary
Powers**

**Mobile Payments
And Parking**

**Music Scene
Is Buzzing**

**A Billion-Euro
Success Story**

**Diana Mikita:
Come Film
In Estonia!**

**Tanel Veenre's
Kingdom And Trophies**

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Estonia.eu
Positively surprising



Estonia's secret to success: smart, dynamic, and global from the start

My favourite compliment for Estonia came from an American investor – Estonia punches far above its weight class.

While innovative projects like eHealth and eRx records, national ID cards, and eVoting have dwindled or died elsewhere even with Google's patronage and financing, in Estonia all of these innovations have already been successfully implemented country-wide for almost five years. Over the same period, Estonia has also been leading the European Union with the fastest growth in investments into research, development and innovation. Estonia takes its innovation to heart, and even the President Toomas Hendrik Ilves lends his support for the cause, by making a point of actively promoting innovative Estonian companies in speeches and on his foreign visits. These successes and more have led the Wall Street Journal, Financial Times and other observers to applaud the Estonian entrepreneurial spirit and exceptional speed with which innovations can be created and adopted in Estonia.

For Estonians really there was no other way - while the sparsely populated Nordic countryside is beautiful, there are no natural resources to fall back on. Fortunately, the age of smokestacks and concrete is past, and now intellectual and intangible capital accounts for over 90% of the value of successful companies. Now, the Estonian economy is able to scale and compete on an international level through speed of innovation, flexibility, and specialisation in high-value services.

Already 50% of the added value in the Estonian GDP is produced by "knowledge based" businesses such as those in the IT, design, finance, advisory, medicine, and biotech sectors. Estonian leaders have supported the switch to a knowledge economy by supporting the creation on venture capital funds, reforming the higher education system to align skills with the job market needs while providing free university tuition for everyone, and are implementing additional measures to further catalyse key knowledge sectors. Estonia now offers a dynamic pool of exciting companies, each of which is bringing innovation to the global markets.

The Estonian Service Industry Association is a lobby organisation that unites the best of the Estonian knowledge economy. We believe that creating, exploiting and commercialising new ideas, designs and technologies is essential to succeed in the global race for competitiveness. Our members are the key drivers of Estonia's economic growth and productivity. We are proud that some our members like Skype and Nortal have become household names, and excited about our members' achievements in the past year: Fortumo (mobile billing solutions) for receiving a \$10 million A-round investment from Intel Capital and Graycroft, and Grab-Cad (worlds largest engineering and design community) raising over \$13 million in two rounds from Charles River Ventures, Atlas Ventures and Matrix Partners. The fact that international Tier 1 investors of this calibre see exceptional value in Estonian companies shows how internationally competitive our knowledge economy has become.

Yrjö Ojasaar

Estonian Service Industry Association,
Chairman of the Board



LIFE IN Estonia



COVER

Diana Mikita

Photo: Jaanar Nikker

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In 2010, the road transport fuel retailer Statoil Fuel & Retail established its finance centre in Tallinn. Veiko Haavapuu, Director of Statoil Fuel & Retail Finance Centre, says that Estonia continues to offer many advantages as a location for them.

24 ERGO Brings Its Baltic Head Office To Estonia

ERGO decided to merge all non-life insurance companies in the Baltics into one European company and establish the head office in Estonia. *Life in Estonia* asked Dr. Kęstutis Bagdonavičius, Chairman of the Management Board of the ERGO Insurance Group in the Baltic states, what the reasons for such a decision were.

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Five years ago Fujitsu moved its IT management department from Finland to Estonia. As the IT service centre has proven successful, Fujitsu has decided to also open its financial services centre in Estonia.



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For the last seven years, the industrial gas company AGA has been serving its customers in the Nordics from Tallinn. The Estonian back office of the company continues to expand as jobs are being moved across the Gulf of Finland to Estonia.



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The SEB Wealth Management Competence Centre for Eastern Europe is situated in Estonia. How is daily cooperation with the head office organised and what are the main challenges? Read what Sven Kuning, Board member of the SEB Wealth Management Estonia, has to say.

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Fortumo is the largest mobile payments provider in the world in terms of coverage, operating in 73 countries and working with companies such as Microsoft, Rovio and Electronic Arts. What exactly are mobile payments and how has Fortumo managed to capture the market?

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Üllar Jaaksoo, Head of NOW!Innovations, a company developing mobile payment solutions, reveals why internationally, Estonia and mobile parking have become almost synonyms.



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Cleveron, a company which develops and produces automated parcel delivery systems, has its roots in the small provincial town of Viljandi. The company considers such giants as Amazon and Google to be among its potential customers.



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The success story of Quattromed HTI, which is the largest private capital-based biotechnology company in Estonia, active for 16 years, reads as a textbook case...

42 Estonian Scientist Designs Mutant Mice With Human Genes

Scientist Mario Plaas has spent the last couple of years modelling the world's first mouse with human genes, which would be infect-able with the hepatitis virus C (HCV). As no effective medication exists to date, pharmaceutical companies want to test future medications on the rodents designed by Plaas.

44 Estonia Innovates in Higher Education

A unique master's degree programme for creating and growing global online businesses – DDVE – has been functioning at the University of Tartu for two years. The curriculum combines theory with practice in an interdisciplinary mix of entrepreneurship, technology, art and design.



48 Improving The Competitiveness Of The Nation

All nations seek to become more competitive and universities play a key role in this effort. The School of Economics and Business Administration of TUT has a new master's level business programme in Finance and Economic Analysis in pursuit of that goal.



50 Tanel Veenre's Kingdom And Trophies

Tanel Veenre (36) is a jewellery designer who has made an international breakthrough. Yet Veenre is also a design journalist, book author, photographer, initiator of fashion events and projects, and a lecturer. How does he manage it all?

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62 Nafta Attracts International Film Producers To Estonia

Nafta, a film production company founded eight years ago, has recently started looking for foreign partners. Their aim is to attract film producers to come and shoot in Estonia. What has Estonia to offer? Read what producers Esko Rips and Diana Mikita have to say.



66 The Grand Old Man of Freaky Film History

The Estonian-American film director and producer Bill Rebane, who will soon celebrate fifty years in the movie business, wrote himself into the history of freaky films with his bloodsucking giant spiders.

68 Estonian Music - The Best Kept Secret

Recently there has been talk of Estonian music as "the best kept secret" in international music circles. Why Estonia has suddenly become a magnet for music experts and music lovers? Helen Sildna, the organiser of Tallinn Music Week which will take place on 4-6 April 2013 might know the answer.

72 "Rock Summer 25" Unites Generations



In 2013, Estonia celebrates its 95th birthday. But there are many more memorable and emotionally charged events designed to remind us of the re-establishment of our freedom, independence and the blue-black-white national flag. One of them is the first ever international rock festival held not only in Estonia but in all of the former Soviet Union: the legendary "Rock Summer".

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VKG
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presents

Jõhvi
Ballet festival
May 10–12 2013

lof

Moscow Classical Ballet

10.05.
Prokofiev “ROMEO AND JULIET”

11.05.
Petrov /Kasatkina /Vassilyov
“CREATION OF THE WORLD”

12.05
CHILDREN’S GALA



//// Eesti Kontsert

Jõhvi
Concert Hall

TALLINN
KEEMWICSIUM
4/5/6 April 2013

TMW.EE

Tallinn Music Week /4-6 April 2013/

The first weekend in April will turn the best music clubs, theatres, concert halls, bars and cafes in Tallinn into a buzzing festival scene. Taking place for the fifth time, the talent festival Tallinn Music Week presents 233 artistes from 20 countries, among them 165 performers from Estonia. In five years, Tallinn Music Week has become the largest indoor music festival of the northern Baltic region, and it brings audiences a selection of our best music from all genres: indie folk, metal, pop, jazz and classical.

See the line up and artists at www.tallinmusicweek.ee

ESTI KUNSTIMUSEUM

KUMU

European Museum of the Year Award 2008



Come In. Interior Design as a Medium of Contemporary Art in Germany
UNTIL 02.06.2013

The exhibition examines interior design elements and everyday objects as fundamental items in our surrounding environment. The viewer is shown a selection of German contemporary art that looks like design, but operates on the border between design and art.

DOROTHEE GOLZ. COMMUNICATION MODEL (FROM RECEPTION ROOM). 1997/2001. © VG BILD-KUNST, BONN



Afterlives of Gardens
10.05.–08.09.2013

This international exhibition examines gardens and parks as places with nature designs by humans, and their functioning in culture and contemporary society.

GARDEN VISION FROM THE 16TH CENTURY. FROM THE BOOK TEADUS JA TÄNAPÄEV. EESTI RAAMAT 1979



KUMU ART MUSEUM
Weizenbergi 34 / Valge 1, Tallinn. Phone +372 602 6000, www.kumu.ee
Open: Oct–Apr Wed 11am–8pm, Thu–Sun 11am–6pm
May–Sept Tue 11am–6pm, Wed 11am–8pm, Thu–Sun 11am–6pm



Zara McFarlane



JAZZKAAR /19- 28 April 2013/

For the 24th time, the Tallinn International Jazz Festival JAZZKAAR will present the best sounds of today's jazz to jazz-lovers. Artistes from 12 countries will give up to 60 concerts in Tallinn and nine other Estonian towns at the Jazzkaar Festival from 19- 28 April. Legendary festival participants are the US saxophonist-flutist and composer **Charles Lloyd** (75) and the saxophonist and accordionist **Michel Portal** (77) who has taken European jazz onto a new level. The young line-up includes stars like **Zara McFarlane**, **Nils Frahm**, **Hiroimi**, **Dwele** and many others.

LA BAYADÈRE

Ballet by Ludwig Minkus

World premiere on 23 January 1877 at Maria Theatre, St. Petersburg
Premiere at the Estonian National Opera on 16 May 2013

Libretto and original choreography: **Marius Petipa and Sergei Hudekov**
Choreographer and Stage Director of the new production: **Thomas Edur**
Conductors: **Risto Joost** and **Mihhail Gerts**
Designer: **Peter Docherty** (England)

"La Bayadère" is a story of eternal love, vengeance and justice. The ballet recounts the story of the impossible love between the temple dancer Nikiya and the noble warrior Solor. In a moment of forgetfulness, Solor becomes engaged to the rajah's daughter Gamzatti and, in order to assure the young man's love for Gamzatti, the rajah decides to kill Nikiya...

"La Bayadère" is an important connection between the romantic and classical eras of ballet. Although a major work in the Russian tradition, the ballet remained unknown for a long time in the West. It was only in 1961, in the course of a Kirov appearance at the Palais Garnier, that a stunned Western public was able to discover its beauty.

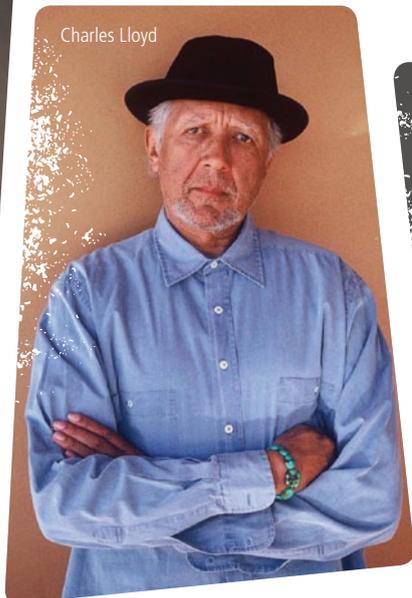
The most notable numbers in the ballet include the incredibly demanding men's variation "The Golden Idol" and the scene of "The Kingdom of the Shades", which has become a symbol of ballet and is quite often performed on its own.

www.opera.ee



Age Oks and Thomas Edur in the production of "La Bayadère" at the English National Opera, in 1994.

Charles Lloyd



Hironi



Festival weekends with children's concerts and boat trips bring joy also to younger audiences, as will club music evenings with **Dwele**, **Ultima Thule**, **Naturally 7** and **Faye Houston**. There will be a day of free concerts in interesting venues of the Old Town where people can meet beloved poets and musicians.

Jazzkaar brings the spring and offers everyone some joy!

www.jazzkaar.ee

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Logistics-Themed Summer School in Estonia

Summer schools promoting cultural exchange and mutual understanding, and creating networks essential for cooperation are rather popular around the world. Though several European and US universities provide logistics- and transport-themed summer courses, such an international summer programme was not previously found in our area.

There are numerous reasons for launching a logistics summer school in Estonia at this time, and particularly in partnership with the Logistics and Transit Association (LTA). Alar Kolk, Pro-Rector of the Tallinn University of Technology (TUT) in charge of Innovation and International Affairs, has mentioned that drawing foreign students to Estonia would increase the research potential, and financial and human resources of our universities, and the success of such involvement would increase the general export success and economic growth of our country.

According to Kolk, about 3,000 international PhDs in Estonian universities, if distributed in the right way, would yield at least one thousand internationally oriented new start-up companies and provide a foundation for a boost in development to the existing ones. That, in turn, would translate into a remarkable increase in GDP and national wealth within the next decade. The logistics sector is a branch of the economy with great potential for growth, accounting for 10 to 15 per cent of the GDP. According to the Bank of Estonia, logistics services make up the largest percentage of the export of Estonian services, accounting for 40 per cent of the total export capacity of Estonian services.

This June, TUT Logistics and the LTA are planning to launch a course in the format of a summer programme focused on international logistics, supply chain students and practitioners in logistics sector companies. The objective of the programme is to teach logistics and supply chain management and, at the same time, to introduce Estonia as a potential partner country, emphasising our geographic advantages, with visits to infrastructure providers and local enterprises.

Alar Kolk has suggested a potential formula for success for entrepreneurs: Estonian exporter + an Indian (or Chinese) MA programme student of the TUT = best product development today + best sales representative in India (or in China) in two years' time. Expanding on this idea and including people already employed in the companies, the formula might be as follows: Estonian logistics entrepreneur + employee of an international company attending the summer school of the TUT = best relationships and higher awareness of our investment climate and the advantages of our transport corridor.

The summer school programme, intended for anyone interested in professional development or in expanding their horizons, is planned to run for 10 days, of which intensive teaching would be offered for seven days. In addition to the intensive training, it would be possible to provide interesting non-academic activities prior to or after the intensive school days.

In organising and convening the study group, special attention would be given to inviting students from Asia, the Americas, the European Union and Russia, creating a solid mix and synergy of cultures, regions and countries.

In the same way as the advantages of Estonia's geographic location have enabled us to evolve into a corridor of different trade routes and transit trade, the experiences stemming from that very geographic location enable us to introduce students to the specialities of different business cultures and entrepreneurship.

Both the TUT and the LTA hope that, due to the summer school programme, it will be possible to state in the future that we now literally have a friend in each "harbour".

Kati Kõrbe / Department of Logistics and Transport, Tallinn University of Technology (TUT Logistics)

Margot Ots / Estonian Logistics and Transit Association (LTA)

For more information, see www.ttu.ee



Intel Capital bought into the Tartu company Fortumo

After 13 years of looking for an appropriate investment opportunity in Estonia, the venture capital company belonging to the technology giant Intel has found a company to invest in – the Tartu-based mobile payment company Fortumo.

Intel Capital was already looking for investment opportunities in Estonia as we entered the new century. Back then agreement was nearly reached with the information portal Delfi.

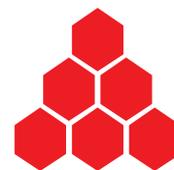
“We were involved in negotiations with Intel Capital from 1999-2000 for a likely investment in Delfi. But then came the .com crash and Delfi decided not to take on the investment,” explains Allan Martinson, a venture capitalist who as a representative of Microlink was one of the founders of Delfi. Hence Fortumo is the first Estonian company where Intel Capital has invested.

“The cooperation with Intel Capital and Greycroft allows us to realize our growth plans faster, and helps us to consider other strategic partnerships and buying of other companies,” said Rain Rannu, Head of Fortumo.

“The investment from the USA helps to create more jobs in Estonia. Currently Fortumo employs 40 people. The plan is to grow to 60 people by the end of the year. The head office and management will stay in Tartu,” confirmed Rannu.

The new investors have a minority share in Fortumo and the mobile services company Mobi Solutions will still remain the main shareholder. In addition the key staff members of Fortumo are among the group of owners.

Fortumo's service allows to make mobile payments for digital goods, without the need for a bank card. Fortumo has mobile telecommunication operator connections in 73 countries and with 300 mobile operators. Over four billion people have access to mobile payments all over the world. “Mobile payments have a huge potential and Fortumo has all preconditions to profit quickly on the growing market of mobile operator-based payments,” said Marcin Helka, Executive Director of the Central- and East European and Near East and African Regions of Intel Capital.



KATOEN NATIE

Katoen Natie builds the biggest logistics centre in Estonia

In July 2012, Katoen Natie, one of the world's leading logistics companies started the construction of the biggest, 65 000 m2 covered logistics centre in Estonia in the Port of Muuga with a total investment of 30 million Euros.

The Director of Katoen Natie Estonia Mart Melles claims that the company chose the Port of Muuga for the location of the new logistics centre because the tax system in Estonia is straightforward and favourable and the position of the Port of Tallinn is clear and understandable. “We had previously purchased land in Muuga and some cargo was already passing through Estonia – these circumstances lead to a decision to build the logistics centre servicing the Baltic Sea region in Muuga. By creating our own hub in Muuga, we hope to offer a reliable quality service to our clients, bridging the East and the West and enabling cargo flows to Russia, Belarus, and Ukraine,” explained Melles.

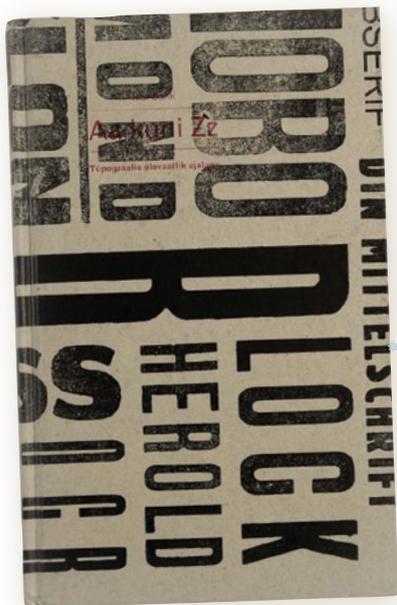
The logistics centre will be constructed in three phases – the first phase consists of a 25 000 m2 warehouse equipped with a railway connection and a 300 m2 administrative building. An additional 40 000 m2 warehouse will be added in the second stage and the third stage envisages the construction of 44 silos for the handling of plastic granules. The first phase of the storage and distribution centre will be completed in the first quarter of 2013. The new logistics centre will service the transportation of various product groups in the Baltic Sea region, especially cocoa products, consumer goods, plastic goods, etc.

The constructed warehouse will be completely environmentally friendly and safe, because no noise or smell is produced as the goods are processed. The processing and storage of specific products is carried out in different warehouses and special warehouse sections

After the project is completed, Katoen Natie will become the biggest logistics service provider in the Port of Muuga that will create jobs for a total of 60 people.

Katoen Natie is a Belgian company that was founded in 1854 and presently has 159 logistics centres in 31 countries worldwide. The company offers logistics solutions for a variety of industries, such as industrial commodities, automotive, general cargo, etc. The staff of Katoen Natie amounts to 10,000 people.





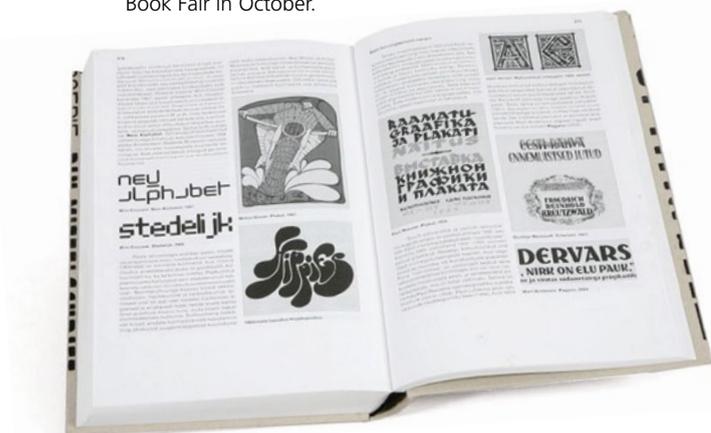
Estonian book designer wins international award

The internationally important and unique competition Best Book Design From All Over The World has been organized in Leipzig since 1963 already. 575 books from 32 countries were nominated for the competition this year. The Bronze Medal went to **Ivar Sakk's** book **"Aa kuni Zz. Tüpoograafia ülevaatlik ajalugu"** (*From A to Z. The historical overview of typography* – ed.). This is the first important international recognition of Estonian book design since Estonia regained independence.

Professor Ivar Sakk who heads the Graphic Design Department of the Estonian Academy of Arts compiled the book on the history of typography as part of his PhD at the same Academy. "Creating a book is normally a collective undertaking. With this book on typography I was the author of the text, the photographer, the editor, the publisher and the designer. Colourful photos, glossy paper, golden cover titles and fancy fonts did not have a place. The result is a 'libra povera', a 'poor book' of sorts. It pleases me that others also understood my idea," comments Ivar Sakk.

Sakk's works have been exhibited at various international exhibitions like the Colorado Poster Biennale, Warsaw Poster Biennale, Brno Graphic Design Biennale etc. Sakk's posters can be found at the Victoria & Albert Museum, the Warsaw Museum of Posters, The Arts Museum of Toyama and elsewhere.

All entries to the book design competition can be seen at the Frankfurt Book Fair in October.



The first doorknob designed by an Estonian will be manufactured by Abloy

In November 2012, the winners of the Abloy design contest were announced in the Design and Architecture Gallery in Tallinn. First prize was awarded to a doorknob designed by the young designer Mihkel Mäll

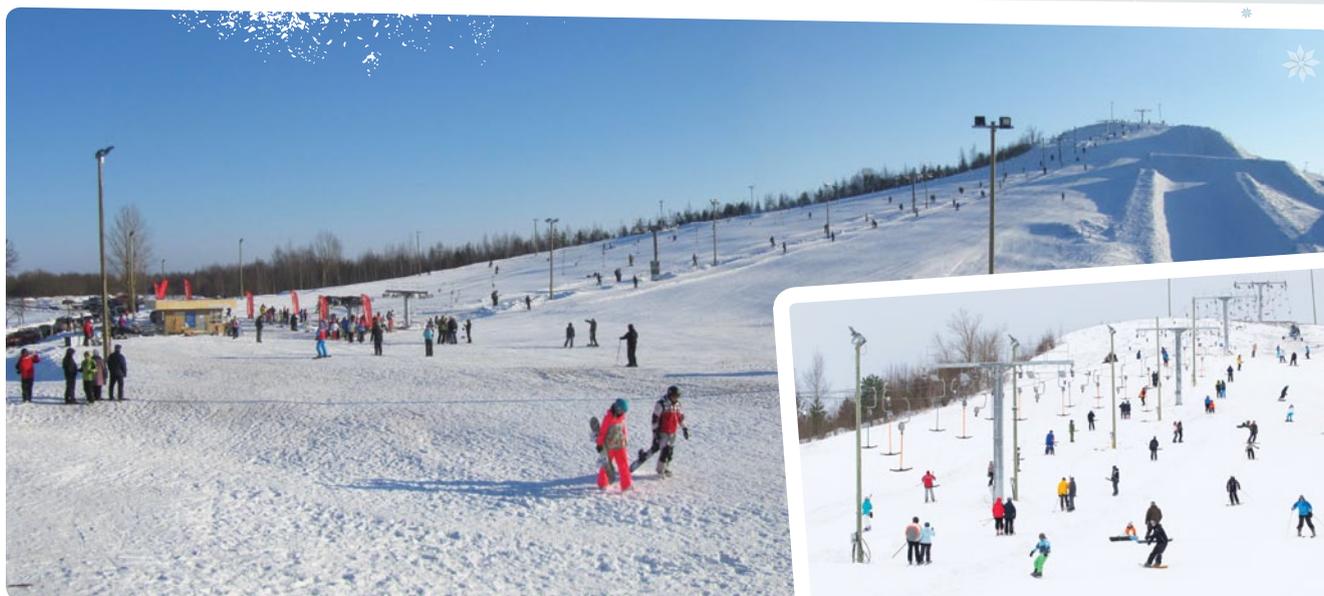
Sixty-five works were submitted to the first design contest of doorknobs held in Estonia, out of which the jury selected the winner: 1st prize was awarded to Mihkel Mäll, a student of product design at the Estonian Academy of Arts. The doorknob is timeless, classy and has two different levels: looking at it from afar it seems faceted, but at close range it is warm and useful. The doorknob suits well in different premises and goes well with many different surfaces.



Mihkel Mäll, who is currently serving in the Estonian Defence Forces, received inspiration while cooking. "I tested several kitchen knives, a hunting knife and as many handles as possible in order to find the shape which would be ergonomic and comfortable. I believed that the shape of the doorknob should blend well with the shape of the human hand and feel comfortable while opening a door. I tried to find a balance between the technical side and the human side," says Mäll, who sees a future as a product designer.

Mihkel Mäll's awarded doorknob will be added to Abloy's selection under the name "Abloy Tunne" (Abloy Feeling), and production and sales starts in 2013. In Abloy's 105 years of history, this is the first doorknob model designed by an Estonian.





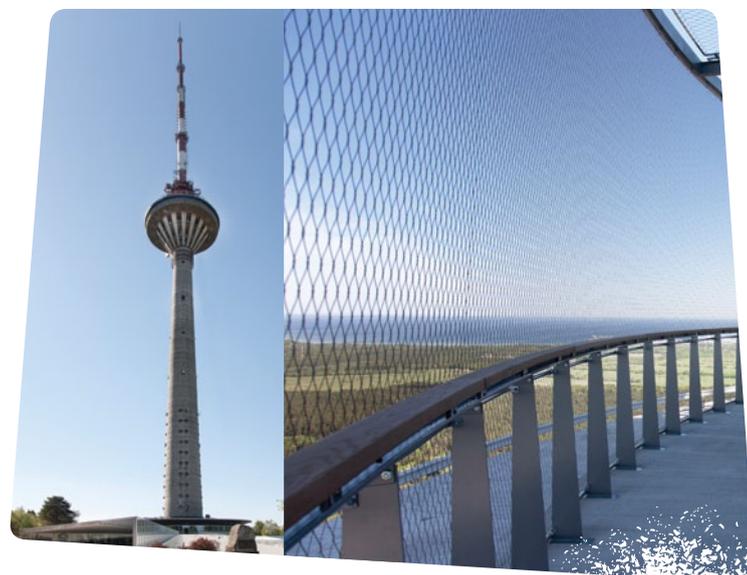
Downhill and snowboarding centre opens its doors in Kiviõli

In February 2013, an adventure tourism park established on an old semi-coke hill opened its doors to visitors in Kiviõli after development work spanning over a decade. With support from European funds, the highest artificial mountain in the Baltic states was turned into a place where skiing-, motorsport- and cycling tournaments can be held. The reconstruction of the ash mountain resulted in the longest ski slopes in Estonia – 700 metres – and a snowboarding park which meets all international standards. Future plans include opening a snowtubing track and a fitness trail.

Janek Madar, board member of the Kiviõli Adventure Tourism Centre explains that visitors will also be able to enjoy the park in the summer. There are plans to create a track for mountain cars and a zip-line. There will also be a track of rental ATVs and the health and fitness trail where people can exercise.

Creating this unique sports and adventure tourism centre in the Baltic Sea region will cost approximately 6 million euro. The centre predicts that about 80,000 tourists from Estonia and abroad will visit the centre each year.

www.tuhamagi.ee



Tallinn TV Tower listed among the great towers of the world

On 1 January 2013, Tallinn TV Tower became an official member of the reputable World Federation of Great Towers. Height alone is not a sufficient pre-condition for membership - the towers of the federation need to be open to the general public. The highest tower in the federation is Burj Kalifa with 828 metres. Tallinn TV Tower with its 314 metres ranks 19th among the 40 members of the federation. It is also the highest building with public access in the northern Europe.

“In the name of our members, I am pleased to welcome the 40th member of The World Federation of Great Towers – Tallinn TV Tower,” said Daniel Thomas, Executive Director of WFGT. “The fact that the highest building in Estonia has joined our ranks, demonstrates that the team of Tallinn TV Tower has done an excellent job. All WFGT members have to meet technical criteria set by WFGT and, in addition, offer a great experience to visitors by world standards, which all our 40 million visitors have enjoyed.”

www.teletorn.ee

The grand master and promoter of Estonian gastronomy, the cuisinier Dimitri Demjanov, has been on a courageous mission, taking local cooking from its black earthy roots to the stars of the culinary world.

Dimitri Demjanov, who was born in St. Petersburg and moved to Estonia with his parents in his first weeks of life, could not predict at such an early age the course that his life would take – it was only as he cooked grub for his fellow students in the dormitory of the Tallinn Marine College when it dawned on him that his destiny was to offer the pleasures of fine dining to people.

First steps in the culinary world

His path to becoming a chef took some time. First the young man found himself working as a waiter at the restaurant Gloria. Next he became the barman at the *über*-popular Mündi Bar. He received recognition from various places and was awarded the title of best waiter on many occasions in Estonia and the former Soviet Union. In between, he managed to graduate in industrial design from the Tallinn University of Technology, and in the mid-1980s he was invited to take up the position of Vice Director of the then state-owned restaurant Gloria. But as the heart of a restaurant is its kitchen, Demjanov decided to break

into the heart of Gloria and began to train himself to become the best chef possible.

Demjanov has always been a man of many jobs and activities. Since 1997 he has been a member of the world's oldest gastronomic society, La Chaîne des Rôtisseurs. In addition to founding the Culinary Institute of Estonia in 2005, he has also led Bocuse d'Or Estonia since then. Estonia has already participated three times at the Bocuse d'Or, which has been called the Olympic Games of chefs, or the Oscars of the culinary world, and which is held in Lyon, the home town of Paul Bocuse. Estonia won its best place to date last January.

Text: Mari Kodres
Photos: Brand Manual, Johannes Arro,
Culinary Institute of Estonia



Taking Estonian Cuisine To New Heights



The Estonian platter was created in cooperation with artists from the Estonian Academy of Arts

The set of ceremonial dishes that the Estonian team headed by Chef Heidi Pinnak used to present the final entries was created in cooperation with the artists from the Jewellery and Blacksmithing Department of the Estonian Academy of Arts. The set of elements was created in six months. A complete, conceptual set that complimented the food and excited all of the senses of a professional observer had to be created for a meat dish, and it was garnished on a compulsory oval platter. The author of the ceremonial dishes was Nils Hint.

Local Estonian ingredients

Heidi is by nature attracted to local ingredients. Beetroot, Jerusalem artichoke, Spanish salsify and pumpkin enthuse her with their taste qualities and exciting colours. "I also like asparagus very much. It is clearly underused in Estonia," she notes. The restaurant Egoist is also characterised by seasonal cuisine and of course it is the Head Chef who is in charge.

At Bocuse d'Or, where garnishing and sauces are chosen by the competitors themselves, Estonia has always followed the principle of introducing local tastes. Estonian vegetables, cranberries, apples, potatoes, quail eggs, local cream and butter were transported to Lyon. In addition, the sauce was spiced with Vana Tallinn liqueur.

"The long and winding road that leads to your door," the Beatles sang. It has not been easy for Estonian cuisine or its agents, but they have finally managed to open the door and Estonians have been accepted as heavyweights among global gastronomers. "The meaning of such victories is always larger than just the medal. I really hope that Estonia's success gives us self-confidence and provides momentum for young chefs who are still learning the tricks of their trade. This triumph showed that we are on the right track; we have sweated and toiled for the right goal," says Dimitri Demjanov. He adds that success at the competition would have been impossible without a strong team, which consisted of the coach, Ragnar Ómarsson from Iceland, a two-time finalist at Bocuse d'Or, and the commis, the young and talented Ari Gunnarsson, who also comes from Iceland. In total, there were eight people in the Estonian team.



Coach Ragnar Ómarsson from Iceland, Heidi Pinnak, Estonia's representative in Bocuse d'Or 2013, and cuisiner Dimitri Demjanov



The first lady, Evelin Ilves, presented the invitation of the Bocuse d'Or Estonian Academy to Raymonde, the wife of Paul Bocuse, in Lyon

New directions

The Bocuse d'Or Estonian Academy has set the goal of organising the next European qualification round in 2018 in Estonia. The first lady, Evelin Ilves, presented the invitation to Raymonde, the wife of Paul Bocuse, in Lyon. It would be the icing on the cake to organise the 30th Anniversary of Bocuse d'Or in Estonia in the same year that the Republic of Estonia celebrates its 100th birthday and Estonia holds the presidency of the European Union. "Of course, this is a huge responsibility, but also a great chance to show what else we have to offer in addition to medieval sites, our e-state and pure nature," explains Demjanov.

One has to continuously promote the image of good food and the people who make it. Demjanov and Pinnak believe that children should be encouraged to become interested in cooking and in cuisine from an early age, which would have an effect on society as a whole. Despite their busy lives, both have found the time to visit Estonian schools to talk to pupils about food, and also cook some simpler dishes with them, such as the classic French *tarte tatin*. Within the framework of the project "Back to School", Demjanov has visited several Estonian schools, and talked about becoming a chef and about gastronomy in general. Mostly he begins his presentations with questions, asking if they who Gerd Kanter, Arvo Pärt, and Neeme Järvi are. Then he asks about Heidi Pinnak. "Whereas kids answer the first questions fast, knowing the best Estonian discus thrower, and the world-renowned Estonian composer and conductor, they have trouble with the last question, and then I am able to explain to them that the best chefs also have their own world championships and a world-class chef is also an ambassador for

Estonian culture, just like the other famous names," explains Demjanov. Next he asks the students who see themselves as chefs in the future to raise their hands. As a rule, there are no hands raised; at most there may be one or two. "The reputation of the profession of chef is low, and this reflection of adult attitudes is something I feel when I visit schools. Becoming a chef is not prestigious, and kids tend to dream about becoming lawyers or doctors," Demjanov explains. By the way, the Paul Bocuse Institute, the springboard for top chefs, also has training programmes for school cooks.



Estonia has participated since 2008

Estonia was first invited to participate in the world's most famous cooking competition, Bocuse d'Or, during the 2008-2009 cycle. The Estonian representative, **Vladislav Djachuk**, came in 7th in the European qualifiers and 15th among the world's best in the finals. In the following year, **Dmitri Rooz** from Estonia came in 14th out of 20 in the European round.

The Estonian representative **Heidi Pinnak** came in 11th at the European semi-finals held in Brussels in the spring of 2012, being the only woman who advanced to the finals, where she came in 14th out of 24 finalists.





Dimitri Demjanov:
For a small country, cuisine is an important component of cultural diplomacy
What does participation in Bocuse d'Or mean to Estonia?

This competition, which takes place every two years, is an important trend setter in world gastronomy. Willingness to participate is not enough; only countries that are already successful in gastronomy or that show a lot of potential are invited to participate. When we received the invitation, it was also proof that we had made the right decisions in our training of chefs, but of course this was only a minor achievement compared to the challenges that lay ahead. An invitation to participate is a great honour and it means a lot to a small country that is still unknown in the world of gastronomy. Around every chef, there is a whole team working, and our success will create motivation in other chefs to aspire further. This example should reach all cooking schools. Only in this way can we make a qualitative jump and create something new and extraordinary ourselves. It's not only the chef's personal ambitions at stake in the competition; it's the competing country's good name and reputation as a well-known gastronomy destination that hang in the balance. Participation in Bocuse d'Or takes vigorous training and specific skills that require a lot of enthusiasm, attention to detail, commitment, and collaboration between many individuals and organizations.

In addition to being a source of inspiration for the next generation of chefs, the international success of Estonian cuisine influences us all; it affects anyone who likes to eat well. When we value our chefs, it makes them more eager to introduce and develop Estonian cuisine locally and globally, gaining admiration from tourists and locals alike.



Back to the classics

But where is the dignified lady Gloria in her 76th year of life heading with regard to world food trends? "I want to say that she keeps moving. Just simply and elegantly," says Demjanov, who claims that it has always been the trademark of Gloria and Egoist to offer good and acclaimed international cuisine without making any compromises. Demjanov points to the home restaurant of Paul Bocuse, where innovation means maintaining the status quo. "When you dine there, you eat history," he claims. Skilfully combining different cuisines may produce a powerful effect if done by a pro, but surprises and experimentation perse do not always mean quality. With the best chefs in the world, for example Joël Robuchon, who has collected 28 Michelin stars with his restaurants, it tends to be the rule that experimentation is done at an early age but as one matures one returns to the

classics. "Then they return to the basics of the art of cooking: how to boil an egg, how to make great mashed potatoes, and how to cook the best sauce," explains Demjanov.

Often people draw a parallel between cooking and art: like an artist, chefs too are always suffering the artistic pains of creation, thinking that someone else is doing a better job, being more successful, marketing themselves better. Yet Demjanov compares the job of the chef more with that of a handicraftsman than an artist. "I think cooking is like beautiful national handicrafts, like a pretty piece of knitting," he claims. Whereas an artist places primary importance on the idea, handicraftsmen have less room to play with, fewer chances to make mistakes in the implementation. Yet Demjanov does not consider himself to be a traditionalist.





Restaurant Gloria, founded in 1937 as the night pub "Dancing Paris", has shared its hospitality for more than 75 years

Tallinn - the flagship of Estonian gastronomy

When asked to say a few words about the quality of food on a geographical basis, Demjanov praises not Estonia as a whole, but Tallinn in particular. There has been a real leap in quality in the food landscape in Tallinn within the last few years. "I admit that I thought it would take much longer," says Demjanov, and mentions the quality family restaurants which have mushroomed in Estonia within a short period of time, the virtuosos of Nordic cuisine, specialists of French cooking and different ethnic cuisines. Demjanov recalls a recent meeting with a well-known Finnish tourism expert who remembered the 1990s in Tallinn, light-years away today, when even the good restaurants served Uncle Ben's sauces. "It was just recently that all the main courses looked the same and the garnishing always included potatoes, tomatoes and a slice of cucumber. Those days are definitely over in Tallinn, but there is plenty of room for development outside the capital," he says. This is where he returns to thinking aloud about the profession of a chef and to analysing the current state of affairs.

Demjanov is being diplomatic when he says that the individual development and ambitions of Estonian chefs are far ahead of official training. The big drawback is a narrow view of the world, a lack of knowledge about gastronomic history and how tastes are created. "In addition there is a lack of disciplinary subjects in schools on the restaurant business as business. But that goes hand in hand with cooking know-how," he claims. As a positive change, Demjanov notes that on the initiative of chefs themselves many

restaurants have been established in Estonia where the chefs are the owners. "Such direct responsibility is definitely more difficult, but it adds motivation. The feedback from customers then means something else than it does when you are just a paid employee," he believes.

Do what you are good at

When asked what advice he would give chefs just starting out in their careers, Demjanov thinks a little and then says: "do not try to jump over your own shadow!" In other words, one has to find one's own niche and create one's own philosophy as a chef. "It is not possible to know it all at once, you cannot be a top chef simultaneously in Italian, Indian and French cuisine. You have to be sure about your choice and dedicate yourself to it; only then can you be successful," he adds.

In parallel with better educational opportunities for chefs, the food related know-how of the general public has increased. Demjanov sees a slight contradiction here: the emphasis in global cuisine is currently on the presentation of food, on how it looks, but intelligent eaters value the purity of tastes more and more.

Therefore, one should always remember that the devil is in the details, and that genius involves simplicity. "Besides the top culinary trends, one should not forget how to bake a truly good black bread or how to fry home-made pancakes," says Demjanov. Those simple truths are part of the reason why this man who juggles Estonian foods at cosmic heights has been selected as one of the cultural heritage ambassadors for Estonia.

Paul Bocuse together with the present member of the French Academy of Culinary Arts, Dimitri Demjanov



Dimitri Demjanov

is the grand old man of Estonian restaurant culture and the promoter and initiator of the principles of New Nordic Cuisine in Estonia. He is the founder of the Culinary Institute of Estonia and manages two restaurants in Tallinn: Gloria, the oldest continuously operated restaurant in Estonia, which celebrated its 75th anniversary last year, and Egoist, which focuses on French haute cuisine. Demjanov has shaken hands and served dinner to Pope John Paul II, Charles, Prince of Wales and many other distinguished guests who have visited Estonia over the years.

In addition to the desire to achieve a place in world gastronomy for a country on the periphery of Europe, one additional personal memory connects Demjanov to Bocuse d'Or. During his studies in various countries, the present member of the French Academy of Culinary Arts, Dimitri Demjanov, landed in the kitchen of Paul Bocuse himself, where he sliced and diced onions starting at six o'clock in the morning. "I started by learning from the best," he recollects with a smile. Later he advanced his skills in Michelin star restaurants in London, Strasbourg and Stockholm, as well as in the academy of the personal cook to Elizabeth II, Anton Mosimann.





The World of Shared Services

Text: **Tom Bangemann**
Senior Vice President Business Transformation
The Hackett Group

It all began by accident

When the Ford Motor Company “invented” (together with General Electric) shared services in Europe in the early 1980s, it was more by accident than strategy. In Ford’s Finnish subsidiary, a large group of finance people left the company at the same time. Hiring a group of new finance people that fast was not possible, so Ford was faced with practical problems in keeping up operations support, for example closing the books on time. A task force was set up, consisting of several Swedish finance people (Sweden being the nearest geographic location with available resources), supported by some other European employees. In the end, the task force cleared the situation and it was found that it was possible to perform a major part of the finance activities for Finland from another location (in this case Sweden). Since Ford was reluctant to hire a whole new finance department, several activities were kept permanently in Sweden. Ford had successfully solved the practical resource issues and reduced both future risk and cost. Over time, this “accidental solution” was found to work well and was implemented for other countries as well. About 20 years later, Ford moved the first finance process on a global basis to India.

From SSO to GBS

The development in shared services from an

“accident” to the most successful service delivery model of all time is remarkable. The Shared Service Organisation (SSO) model has been purposely utilised for over 20 years and has hence developed significantly faster than operating models in other areas, e.g. production. SSO copies, in many ways, the production logic of concentrating similar products/services into one “production location”. In finance today, almost all companies utilise the SSO model, and over half of the volume within the companies is handled through the SSO.

The 2008/2009 economic crisis has left many organisations wondering what it is they need to do to prepare for the next downturn, as well as the next upturn. All research seems to suggest that volatility in markets is increasing. Research from The Hackett Group suggests that while revenues (in Europe) dropped 19.7% in Q3 2009 vs. Q3 2008, the ability of companies to adjust their G&A costs (general and administrative costs, encompassing finance, IT, HR, procurement and corporate services) was only 3.1%. Organisations are therefore looking for ways to make their back offices more flexible in order to respond to the next wave of change requirements.

In G&A (general and administrative) functions, the finance function has had a forerunner

role over the past 20 years in performance improvements. This has led to a significant cost gap of approximately 50% between a world-class company and a median company. This gap between very good performance levels and median performance levels is higher in finance than in any other area. At the same time, the performance improvement opportunity in finance is larger than in most other areas. When looking at this on a process-by-process level, it is striking that in accounts payable, for example, the gap between the best and the worst is up to eight times the cost. The process improvement opportunity is still significant and the average automation levels are hovering around 20-40% for the median company, while the best companies (world-class) manage double that.

Recent years’ trends in shared services have been based on the fact that there is currently no alternative to shared services as a delivery model. Hence, the scope has become both deeper and broader. Shared services is now utilised across all of G&A and is becoming multi-functional, which makes it possible to seriously strive for the “end-to-end process” - previously just “consulting talk” but now a real opportunity. In finance, the trend is to “move up the value chain” and handle more “value-adding” activities. Based on these

developments, SSO has become more mature in scope and nature and we now refer to SSO as GBS (Global Business Services).

Shared services centres as fast track development platforms

In finance, the original shared services was thought to be a “transaction factory” approach, focusing on transactional processes only, i.e. sub-ledgers (AP and AR) and parts of the general ledger. In the more mature GBS world, the scope has increased radically to include all accounting, but also decision support processes, i.e. planning processes and parts of treasury. As a result, the requirements on centres, work content and people working there have changed dramatically. Shared service centres are today, without doubt, “fast track development platforms”. Companies increasingly realise that the centres house some of their best talent and use centres as enablers rather than factories. The boundaries between organisational units have diminished so that the career path for a finance person in a GBS environment is today often better than being in the business unit.

As part of the consolidation of activities into fewer production locations, there is always a component of location competition. Since cost is a major driver, most activities have moved from Western Europe and North America to Central Eastern Europe (CEE) and select Asian locations. Companies with headquarters in Europe somewhat prefer CEE locations over Asian locations, although global competition is tight. The preferred locations in Europe used to be the V4 countries (Poland, the Czech Republic, Slovakia and Hungary), but parts of the Balkans and all of the Baltics are catching up.

Estonia as one of the hottest location options available

The Baltics are doing very well compared to the size of the labour markets and availability of staff. Estonia has been very successful in attracting shared service work in recent years, despite being 10-20% higher in cost (for a typical size and skill mix) compared to the other Baltic countries. In the eyes of the companies making location decisions, Estonian cost levels are still on a competitive level within Europe, and only slightly higher than Asian locations.

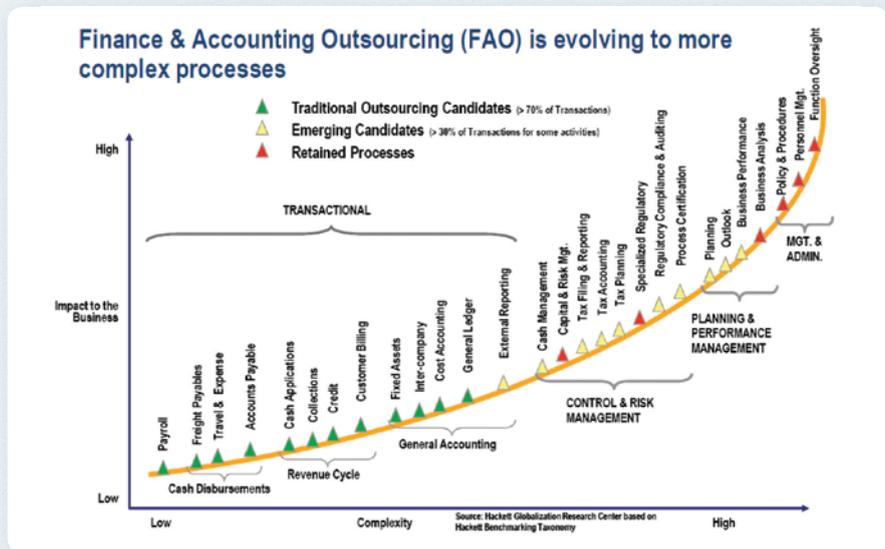
More importantly, while cost is the number one criteria, it is not the only one. Effectiveness is increasingly becoming more and more



important, and Estonia scores well on this scale. Estonia is the leading location in basically all areas of the e-economy, from the number of wireless hotspots to e-government. This makes extremely effective processes and high automation levels possible in all areas of the shared service business, from setting up an entity to communicating with suppliers, customers and employees. The advanced technology environment often outweighs direct cost criteria in company decision making, as the overall benefits are assumed to be larger and overall the environment is very cost-efficient.

The size of the Estonian labour market poses restrictions on how many centres can be accommodated and how large they can be, but the diversity of the labour force skill sets fits the requirements of the current market very well. Estonia has a well-educated and

multilingual young labour force that shared services operations typically target. Estonians are mobile, and the distances are short, so they pose few problems. Strategically, the location within the EU but with a potential to enlarge scope towards Russia is attractive to many companies, even if the current shared services scope does not yet include Russia. The multi-functional trends in shared services lead to more comprehensive content and skill requirements, and often several smaller groups with more variable task profiles than in a very traditional SSC. Estonians respond very well to flexibility requirements and are eager to learn and advance. Especially in cases of smaller and medium centres with broad scope, including both transactional and decision support activities, Estonia has become one of the hottest location options available.





Country with a great business environment

Estonia ranks **#21** globally in the World Bank's **Ease of Doing Business Index** thanks to its business friendly policy-making and low levels of red tape, and **#3** in terms of countries with small populations. More importantly, within this index it ranks as the seventh best global location for "trading across borders".

Country with a technologically advanced business platform

Estonia benefits from a modern business and technological infrastructure. This is supported by a simple, stable tax system: there is no tax on retained profits, no withholding tax on interest or dividends, and there are numerous double taxation treaties, facilitating efficient flows and long-term planning.

Estonia ranks among the most wired and technologically-advanced countries in the world, and is the host of NATO's Cyber Defence Centre of Excellence. With a high Internet penetration rate and widespread e-commerce and e-government services, Estonia has become a model for free Internet access as a development engine. For instance, registering a company has never been easier: in Estonia it can be executed online within 10 minutes!

Emerging Nordic country

Estonia benefits from its strategic location at the intersection of the European, Nordic and Russian markets, providing a unique set of trade, language and cultural linkages. Despite its comparatively small size, it is one of the fastest growing economies in Europe, with **GDP growth** of 7.6% in 2011 and **3.2% in 2012**, in contrast to the respective EU 27 growth indicators of 1.5% and -0.3%.

What Does Estonia Offer for Doing Business in the Financial Sector?

With a total population of 1.3 million and a GDP of 16 bn EUR, Estonia is miniscule in the global community of 7 bn, with a GDP of 70 tr EUR. Nevertheless, one should not be deceived by the tiny market size, as a small economy is in a constant fight for survival. Just as with small fish the key to survival lies in the ability to swim faster, the same applies for small economies. Estonia has put notable effort into developing a beneficial business environment and the outcome of these endeavours is visible in numerous facts and global indices

Estonia was among a group of ten countries incorporated into the European Union on 1 May 2004 and adopted the Euro in January 2011. It has **the lowest level of sovereign debt to GDP** in the EU, at **6.6%** versus an 83.4% average (Q1 2012), has a government committed to balanced budgets, and has an AA- credit rating.

Stable and sustainable financial sector

Besides its beneficial business setting, Estonia offers a stable and sustainable financial industry environment with potential, which is already being utilised. The country's banking sector is well consolidated, as depicted in its Herfindahl Index of 0.29, contrasted with 0.1 for the EU 27. The capital buffer already exceeded that of the EU 27 prior to the crises, where 9.1% in Estonia was contrasted with 5.1% for the EU 27 (2008). In 2010 the same indicator was 13.6% for Estonia versus 7.0% for the EU 27. Tallinn as an aspiring financial centre is continuously climbing in the Global Financial Centre's Index, with its latest ranking of 66 in 2012 versus 74 in 2010.

The industry's potential is reflected in numerous examples like Statoil Fuel & Retail's Finance Centre (Tallinn) and SEB Eastern European fund management (Tallinn).



FinanceEstonia is a public-private cluster initiative with the aim of promoting Estonian financial services exports and continuously enhancing the development of local capital markets. FinanceEstonia aims to build awareness of Estonian advantages in four priority niches: Corporate Treasury & Shared Service Centres, Financial Technology, Fund Services, and International Private Banking.

FinanceEstonia supports the establishment of new companies in Estonia, creating new jobs, and increasing capital availability, especially in small and medium-size companies. Our ambition is to be one of the cornerstones of the Estonian financial sector's successful development. Through such co-operation, we support establishing Estonia as a vibrant and innovative location for financial services.

Mae Hansen, CEO of FinanceEstonia



Photos: Age Dupikov

FinanceEstonia International Forum 2013

will be hosted from June 6th to 7th in Tallinn, Estonia. It gathers international senior financial decision makers for a dialogue on efficiency increase opportunities in Fund Administration, Private Banking, Treasury and Shared Services. Beyond these topics, the event encompasses live discussions on Capital Market development in a small economy like Estonia.

FinanceEstonia International Forum elaborates on Estonian financial environment as local companies introduce their best practices and guests get a chance to meet with top-level business and political executives. Aside of the business exposure, all participants get acquainted with magnificent Tallinn and Estonia.

The audience of the forum consists of senior level decision makers, who 1) consider outsourcing financial functions or fund administration 2) are making investment or wealth management decisions (including private equity) 3) are interested in understanding the opportunities in Estonia.

The Forum provides a chance to meet key players in the region, as altogether nearly 300 participants will gather in Tallinn.

The event is organised by FinanceEstonia, which is a public-private cluster initiative with the aim of promoting Estonian financial services exports and continuously enhancing the development of local capital markets. The key activities of FinanceEstonia aim at increasing Estonia's competitiveness while establishing it as a vibrant and innovative location for financial services.

Additional information about the forum can be found at

www.financeestonia.eu

FinanceEstonia is public-private cluster initiative. It's activities are financed by membership fees and European Regional Development Fund.



What is your vision for making Estonia more attractive as a finance centre?

Veiko Haavapuu: “We should consider our opportunities in detail and consider which niche areas can be realised quickly. We should also use our existing success stories, as they make it much easier to attract new companies. These could be call-centres, support units for accounting etc. The names of companies operating these create trust and those success stories should be marketed actively. It would probably be difficult to bring the units of some UK company to Estonia, but it is totally realistic to attract the support functions of Scandinavian enterprises. The potential companies should be mapped one by one, personal offers should be made and international specialists should be included in this process. ”

Statoil Fuel & Retail Enjoys Having Estonia as a Location for its Finance Centre

The road transport fuel retailer Statoil Fuel & Retail established its finance centre, which operates as an internal bank for the group, in Tallinn on 1 October 2010. Veiko Haavapuu, Director of Statoil Fuel & Retail Finance Centre, says that Estonia continuously offers many advantages as a location for finance centre.

“The finance centre acts as a competence centre within the group companies, developing and performing such financial services as treasury services, cash management services, centralised treasury accounting and group financing services,” describes Veiko Haavapuu the daily work of Statoil Fuel & Retail Finance Centre.

In 2010, when Statoil Fuel & Retail was established as a separate legal entity within the Statoil ASA Corporation, the decision to create a finance centre for the newly established company was taken. All eight markets where Statoil Fuel & Retail operates—the Scandinavian countries, the Baltic states, Poland and Russia—were evaluated in selecting the location for the finance centre. Estonia scored well on important location attractiveness factors, such as a well-developed financial and IT infrastructure, a favourable regulatory and tax regime, and the introduction of the Euro on 1 January 2011.

“All these factors are still present in Estonia. Therefore, we are pleased to have our finance centre in Estonia,” adds Haavapuu.

What is what:

Statoil Fuel & Retail

Statoil Fuel & Retail AS

Statoil Fuel & Retail is a leading Scandinavian road transport fuel retailer, with over 100 years of operations in the region. Statoil Fuel & Retail has a broad retail network across Scandinavia, Poland, the Baltics and Russia, with approximately 2,300 full-service (fuel and convenience) or automated (fuel only) stations that serve one million customers at its stations every day.

Statoil Fuel & Retail's other products include stationary energy, marine fuel, aviation fuel, lubricants and chemicals. In Europe, Statoil Fuel & Retail owns and operates 12 key terminals and 38 depots in eight countries, and it operates approximately 400 road tankers. It also delivers aviation fuel at 85 airports in ten countries and produces and sells 750 different lubricant products.

Including employees at Statoil-branded franchise stations, about 18,500 people work at Statoil Fuel & Retail's retail sites across Europe, in its corporate headquarters, its eight regional headquarters, its terminals and its depots.



Statoil ASA

Statoil is an international energy company with operations in 35 countries and is the former mother company of Statoil Fuel & Retail. Building on

40 years of experience from oil and gas production on the Norwegian continental shelf, Statoil is committed to accommodating the world's energy needs in a responsible manner, applying technology and creating innovative business solutions. Statoil is headquartered in Norway, with approx. 21,000 employees worldwide, and is listed on the New York and Oslo stock exchanges.



Alimentation Couche-Tard Inc

On 19 June 2012, Statoil ASA completed the sale of its 54 per cent holding in the company, and Statoil Fuel & Retail became part of the Alimentation Couche-Tard Inc. (TSX: ATD.A and ATD.B) group of companies. The Statoil Fuel & Retail share was formally de-listed from the stock exchange in Oslo following the close of business on 12 July 2012. As a result of this transaction, Statoil Fuel & Retail has become part of a network of more than 8,100 stations and 70,000 passionate retailers.

Alimentation Couche-Tard Inc. is the leader in the Canadian convenience store industry. In North America, Couche-Tard is the largest independent convenience store operator (whether integrated with a petroleum corporation or not) in terms of the number of company-operated stores. In Europe, Couche-Tard is a leader in convenience store and road transportation fuel in Scandinavian countries and in the Baltic states, and it has a growing presence in Poland.

In addition, under licensing agreements, about 4,100 stores are operated under the Circle K banner in nine other countries (China, Guam, Hong Kong, Indonesia, Japan, Macau, Mexico, Vietnam and the United Arab Emirates).

As a result of establishing the new finance centre in Estonia, Statoil Fuel & Retail made an investment of 270 million EUR into its local subsidiary, Statoil Fuel & Retail Eesti AS. The finance centre finances the activities of the Statoil Fuel & Retail AS group operations in its retail markets in Scandinavia, the Baltics, Russia and Poland.

The availability of skilled and experienced employees is also one of the key factors when establishing a new organisation. According to Haavapuu, the recruitment of finance specialists was carried out according to the initial plan and was successful.

"Statoil Fuel & Retail has a good reputation as an employer; therefore,

we had an advantage to attract good finance professionals. We saw that there were people who had worked for various banks and consulting firms and were experienced in the field of banking and financial markets in Estonia. We had a thorough personnel selection process, and we knew exactly what personal qualities and professional skills we were looking for," explains Haavapuu, adding that the core team was recruited within six months.

Today the finance centre employs nine people who are based in Tallinn. "We have a strong team and we have achieved good results. We are an equal partner to the group's head office team in Oslo, Norway, confirming that the decision in 2010 was the right one," says Haavapuu.



This year ERGO decided to merge all non-life insurance companies in the Baltics into one European company and establish the head office in Estonia. Life in Estonia asked Dr. Kęstutis Bagdonavičius, Chairman of the Management Board of the ERGO Insurance Group in the Baltic states, what the reasons for such a decision were



ERGO Brings Its Baltic Head Office To Estonia

Why did ERGO merge in the Baltics?

The owner of ERGO sees Estonia, Latvia and Lithuania as a unified geographical and commercial unit. Separately, we are three relatively small countries and three relatively small markets; together, however, we represent a bigger market, with approximately six million people (the population of Austria). Unification simplifies management, reporting and communication with the owner.

Capital optimisation, which becomes possible though the merger, is a very important factor for stakeholders. Another very important reason is that the merger provides clear advantages for implementation of Solvency II in the near future. Implementing Solvency II in one company instead of three decreases the amount of reporting to financial supervision authorities, which in turn saves time and money.

The merger of insurers is a clearly visible trend in the insurance market. The four main

competitors of ERGO in the non-life insurance market conduct business by the same model: one risk carrier with two branches.

The merger definitely puts us in a better position not only in the Baltic states, but in the whole ERGO group. Synergy can be found in integrated processes, in the exchange of knowledge and in operating costs. Unified business has better growth potential in high competition markets.

Clients should expect new initiatives in service, and for employees these changes open up opportunities to develop in a multicultural team, exchange good practice, enhance their competence and participate in international projects in all the Baltic states. For the company itself, this step helps manage the business even more effectively, optimise capital allocation and capital employment, increase competitiveness in the market, and invest in further positive and sustained development.

In summary, we see these advantages in the merger:

Long-term advantages for regional steering in the Baltic states:

- The major argument for regional steering is achievement of the economy of scale and thus optimisation of costs and more attractive pricing for customers. At the same time, this cost optimisation does not harm the high quality of service, which is a priority.
- The opportunity to develop and introduce insurance solutions for clients in the region, which include some risks for the whole territory, but makes the winning of pan-Baltic tenders more likely.
- The opportunity for employees to broaden their experience and grow professionally through engagement in cross-border assignments.
- Increased power of market position when negotiating with partners (when buying re-insurance, assistance, goods & services).
- ERGO Baltic positions itself within the shareholder's portfolio and thus the shareholder's attitude towards ERGO Baltic is stronger.
- Savings and risk capital optimisation within Solvency II and overall less reporting (via legal merger)

Why SE, when there are different types of companies?

A European company (*Societas Europaea* - SE) is a type of company created through the Statute for a European Company, which is registered in one member state of the European Union, and through local offices can easily operate in other member states. Then the owner can change the location of the head office or make other changes much more easily.

Why establish the head office in Estonia?

Mainly due to the attractive investment framework, e.g. taxation: in Estonia only profit is subject to taxation. If the profit is reinvested in the company, then it is tax exempt. The tax rate in Latvia and Lithuania is 15%.

Since the merger, the Estonian head office has been responsible for capital (required capital) and management (e.g. requirements for managers, internal audits, risk management, an internal control system and conformity checks), and is supervised by the Estonian Financial Supervision Authority.

What is the biggest challenge in dealing with three different cultures?

There are more opportunities than challenges. We had several workshops on cultural diversity. Everybody had a chance to share their thoughts and see us as others do.

There were some key ideas that most Latvians and Lithuanians agreed on: Estonians always ask "why?", while Lithuanians are used to a more German style: their leaders are well informed and know exactly why without any doubt. Estonians are sceptical about almost

every change, but if they are "in" they do not care if it is day or night; they will contribute more than 100%.

A recent internal communication survey in the Baltic states showed that we even prefer to receive information differently: Estonians like news on the Intranet and they want more "face to face" meetings, Lithuanians prefer to receive information via e-mail, and Latvians love Intranet above all, and then e-mails.

Estonians like everything that is short and simple, while Lithuanians and Latvians need more emotion in texts. We see value in our diversity.

Personally, I very much enjoy the fact that a lot of employees from Estonia in our organisation are taking successful regional responsibility within important functions.

At the end of 2012 the ERGO brand was recognised as the most loved insurance brand in the Baltic states. You must be proud.

We can be grateful that residents in the Baltics have ranked ERGO as the most loved insurer, choosing our services among many other alternatives. This recognition is proof that ERGO in the Baltic states stands behind sustainable values that are appreciated by our customers. We made the Baltic TOP list of the most loved brands this year for the first time, but we have made the Latvian TOP list of the most loved brands since 2004.

We are glad not only that clients love our brand but that recent customer satisfaction surveys showed that the main reason for preferring ERGO is our pleasant service.



ERGO in Estonia looks to contribute to making society a safer and more caring place and sees it vital to support the promotion of good health, safety and security within society, sports and culture.

ERGO

ERGO in Estonia

Three companies operate under the name ERGO in Estonia: the non-life insurance company ERGO Insurance SE, the life insurance company ERGO Life Insurance SE Eesti filiaal and the 2nd and the 3rd pillar pension funds manager ERGO Funds AS.

ERGO has an extensive sales network in Estonia, with 43 branches, and offers the broadest range of life, pension and property insurance. ERGO serves 140,000 clients and manages more than 200,000 contracts in Estonia. ERGO was the second largest company of its kind in non-life insurance in 2012, with an 18.3% market share, in life insurance it has a 7% market share, and in second pillar pension funds it has a 4% market share.

ERGO Insurance Group in the Baltic states

ERGO is among the leading insurance groups in the Baltic states and is the only one to offer a complete range of coverage, including property insurance and accident insurance, along with life, pension and health insurance. Premiums of ERGO Baltic totaled EUR 150.2 million in 2012. Last year, customers in the Baltic countries were paid more than EUR 96.3 million in insurance claims. ERGO Insurance Group is also present in Belarus, offering services in the non-life sector. Over 550,000 customers in the Baltic states trust the services, know-how and financial stability of ERGO Group.

ERGO companies operating in the Baltic countries are part of the international ERGO Group – one of the largest insurance corporations in Europe. Worldwide, the Group is represented in over 30 countries, concentrating on Europe and Asia.

ERGO is part of **Munich Re**, one of the leading re-insurers and risk carriers worldwide.



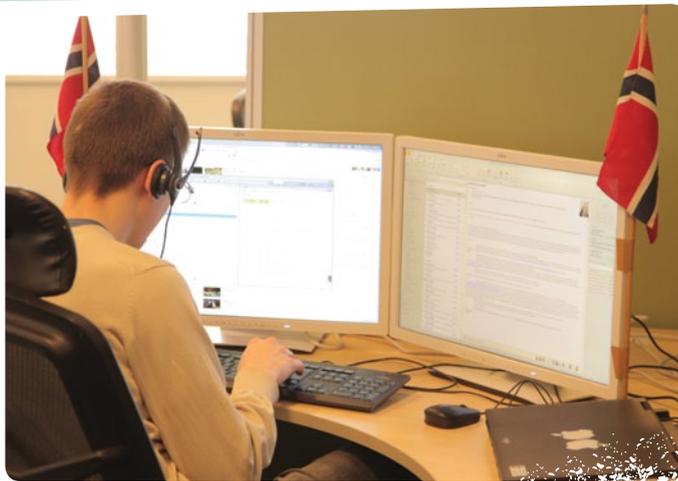
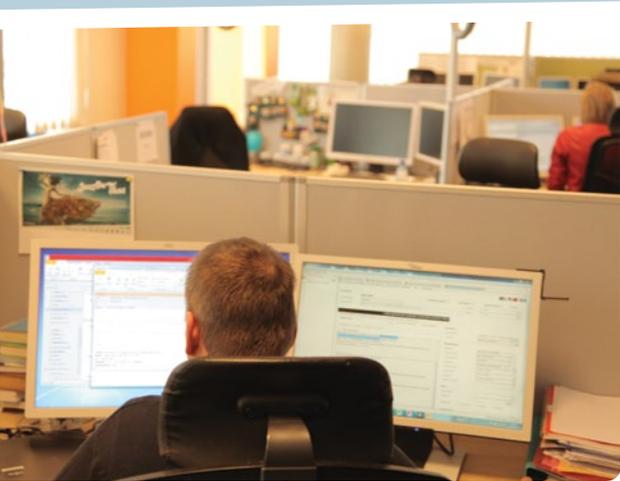
Fujitsu Manages Scandinavian IT From Estonia And Is Planning To Establish A Financial Services Centre

“Even if you happen to be an expert - one in a million - there are still 4,500 people in India who can do the same job as you ten times cheaper,” said Glen Koskela, Chief Technology Officer of Fujitsu Nordic, last autumn in his presentation to the couple of hundred staff members of the Estonian branch of the company. **“A mere one per cent of Chinese people with the highest IQs accomplish ten times more than the entire population of Estonia,”** he continued.

With these two provocative examples, Koskela made it obvious that the workers of the Estonian branch find themselves in great international competition. But it seems that Estonians are managing very well, as sales revenue is growing steadily at 20% a year. What other reason could there be for the Japanese technology giant to establish its regional service centre in Tallinn? According to **Ülle Kivirähk**, Head of Sales of Fujitsu Estonia, the final result of the current financial year will be 9.5 million Euros in revenue. “Even during the deepest time of crisis, we continued to grow and expand, as 65% of our services are exported,” she says proudly.

“I used to think that everything would not happen so fast [in Estonia] but it turns out that, indeed, it does,” says **Juhani Kuusinen**, Head of IT User Support Services of Fujitsu Estonia. Kuusinen, himself a Finn, is the one directly responsible for the fact that the IT management department, which moved from Finland to Estonia five years ago, is growing so rapidly. During this time, a team of five has grown into a team of 150, and the clientele of the company ranges from Scandinavian companies and public bodies to international corporations residing in Singapore and New York. The biggest international clients cannot be mentioned as this is a business secret. However it is no secret that the customers of Fujitsu Services include two of the largest Finnish retail chains: Prisma and Stockmann.

Fujitsu Service Desk offers full IT management services to its customers, including everything from solving simple problems of e-mail exchange to thorough network maintenance services. “Our policy is that a problem of a customer must be solved during one telephone conversation,” states Kuusinen. Service Desk also solves many problems occurring on different platforms; for example, there are dozens of different phones



on the staff desks, so that they can pick up the appropriate phone for the current customer and find the right solution step by step. "There are so many different gadgets and appliances today that an average person cannot know all the nuances. This is where we can help," explains Kuusinen.

Each month the company receives approximately 28,000 different requests (or tickets) from all over the world, mostly from Nordic countries, and each needs to be solved in one telephone call. About 150 customer support specialists are employed to solve the problems and altogether they speak nine different languages. Most of the staff members are Estonian, but there are also people who have moved here from Finland, Norway, Sweden and Denmark. On a ten-point scale, the evaluation of the speed, efficiency and friendliness in solving the problems within one month is not allowed to fall under 9.2. "The feedback received from customers in January rated us as 9.4," he says.

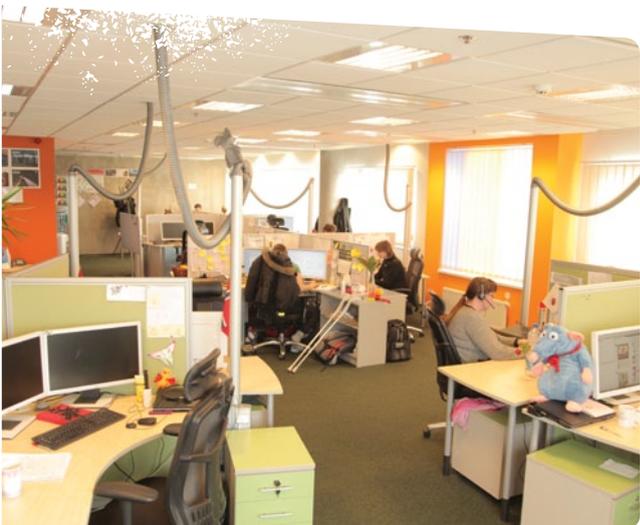
Both Kuusinen and Kivirähk see enormous growth potential in terms of customers and the labour market when it comes to offering user support services. "It makes no sense for small companies to buy various services from different companies. It is our advantage that as a large company we are able to offer all services in one place," says Kuusinen, and offers the striking example of buying cheese from one shop and sausages from another shop every day.

Although it may seem that the Estonian labour market is too small for a service centre of this size, Ülle Kivirähk claims otherwise. "We continue to create smart job positions and smart employees in Estonia. For example, we expanded our Service Desk to Tartu, where there are many smart young people due to the university." She says that typically people think

of programming jobs when they think of IT, but according to research those make up only 15-16% of all IT jobs. "Half of the jobs are in the service centres and this is the main area of work where there will continue to be the most demand in the future," she explains. Kivirähk says that there may be fierce competition for IT specialists in development companies in the small Estonian labour market, but Service Desk opportunities in employing staff are much broader. "We are able to provide an opportunity to people who today are not great IT specialists. The most important thing is language skills, and once that is there we train our specialists ourselves."

The Fujitsu IT Service Desk in Estonia functions so well that the company decided last April to open its financial services centre in Estonia. Ülle Kivirähk quotes research which demonstrates that the Estonian labour market is even more promising when it comes to financial specialists. "There are many more people with this know-how than there are IT specialists," she says. Currently the Fujitsu Financial Services Centre offers simple services, such as the administration of purchase and internal checks, but soon back office functions will be added. All these jobs are done with the use of SAP economic management software, and the company has already trained ten new licensed specialists and is planning to recruit 15 new people during the spring.

With his experience as a foreigner in Estonia, Kuusinen is happy to recommend Estonia to potential new investors. "Estonia has great infrastructure: networks, electricity and public utilities," he says, and adds that, more importantly for him, Estonians have a Scandinavian-type business culture. "People stick to their promises and they are very accurate. I like the work motivation of Estonians. You are used to working, not like some of your neighbours," he says, with a smile.



Text and photos: Toivo Tänavsuu



The Nordic Customers of the Gas Giant AGA Serviced From Estonia

For the last seven years, the industrial gas company AGA has been serving its customers in the Nordics from Tallinn. The Estonian back office of the company continues to expand as jobs are being moved across the Gulf of Finland to Estonia.

The North-European Region for AGA contains eight countries: Estonia, Latvia, Lithuania, Finland, Sweden, Denmark, Norway and Iceland. If a customer from one of those countries (with the exception of Iceland) contacts the AGA customer service by fax, email or over the web with a question or order, the issue is most likely dealt with by our SSC in Estonia, not by the local team in Sweden or Norway. Since 2007, the unit with a complicated name - AGA Region Europe North Shared Service Centre - with forty staff members, has been

operating in Estonia. The unit is managed by the Finn **Johan Ginman**.

The AGA Group sells various gases for welding, cooling, heating, cleaning, laboratory analyses etc. in the metallurgy industry, the chemical industry, the food industry, environmental protection, electronics, construction, the pharmaceutical industry etc. This means that the company works with thousands of different customers from diverse fields in many countries and cultural environments. The clientele

includes businesses - large factories and production units - as well as domestic users.

AGA's market share in most countries of the Region Europe North is 60-70 per cent. "The carbonation in your drinking water, and foods packaged in a modified atmosphere - AGA delivers the necessary gas. Not a day goes by when an average citizen in Estonia who shops for food or visits a restaurant does not have something to do with AGA products," claims Johan Ginman.



Linde Gas) AGA

AGA REN SSC is a totally independent unit which has nothing to do with gas production, but instead deals with the questions, requests and orders from the customers. AGA's mechanism of servicing requests is rather interesting. Local customer service centres in Sweden, Finland, Norway and other countries receive phone calls from customers, in other words handle requests where you have to deal with customers directly on the phone. But if a request is sent electronically via e-mail, fax or web order, it is dealt with in Tallinn. The Tallinn back-office never deals with end customers directly on the phone, but the unit staff knows enough Finnish, Norwegian, Swedish and Latvian to handle electronic requests.

Ginman says that, in this way, the Tallinn office deals daily with thousands of customer requests, such as a customer needing a copy of a bill, needing a bill to be credited, or someone sending a purchase order. "Usually, the customer doesn't even notice that his request is not being dealt with by a local team, as the customer has either called or faxed a local number, sent an e-mail to a local address or logged onto a local website to place a web order. In reality, we deal with as many requests as possible," describes Ginman. "This is not meant to fool anybody; it's just the way we are set up!" he adds.

Ginman says that such a way of sharing the load of customer service between units in different countries does not mean that responsibility fades away. The Tallinn unit is responsible for all requests which arrive in written form.

But how does AGA benefit from such a process?

Ginman says that people tend to believe that shared service centres (SSC) are located in countries with lower wages only in order to save costs, but the achieved scale effect is one more important part of the benefits. However, for AGA the benefits lie also elsewhere: in developing internal processes of the company. "By having big centralised units like these, we are continually proactively developing our processes. If things end up on separate tables in seven different countries and we see that there are differences in how different tasks are processed and worked with, then together with the local units we look into best practices and develop our processes. That means increased efficiency and quality in client support!" says Ginman.

The Tallinn back-office was created over six years ago. Back then, there was still an economic boom in Estonia. By that time, AGA had centralised many of its customer service centres in different countries. Ginman himself took part in the process of uniting AGA units in Finland, in Espoo. Several units were also brought together in Sweden. The company realised that this increased efficiency. The next logical step was creating a regional SCC unit.

AGA weighed the pros and cons of creating a back-office in Tallinn or Riga. Ginman says that Estonia is ideally located to act as a hub for the Baltic states and Scandinavia. But Tallinn was mainly chosen over Riga because Estonians

have a more similar mentality to Scandinavians and closer relations with Nordic countries than Latvians do. "We have employed fifty people in Estonia and we have been fortunate enough to find dedicated and responsible staff. I am not saying that Latvians and Lithuanians are any different, but I can only say good things about Estonians!" says Ginman.

In relation to staff specifications, AGA REN SCC has a special niche in the Estonian job market: in order to serve customers all over the region one does not really have to speak Estonian, which is a necessary prerequisite with other employers. Therefore, the unit also employs Russians, two Latvians, a Lithuanian, a Finn and a Norwegian. Ginman says that the company trains people from scratch: the main prerequisite is the will to work.

In the future, AGA is planning to bring more jobs from Scandinavia and other Baltic states to Estonia. The unit managed by Ginman has been growing by five to ten persons annually. The latest developments have been bringing the IT help-desk to Tallinn, which services AGA employees, as well as advising them by phone. "The most important for us is not the costs, but to find a good concept. For example, in the case of the Tallinn IT help-desk things are turned upside down: this unit really serves as a front desk, as they receive all phone calls from AGA personnel in our region and if necessary transfer them to specialists in other countries," explains Ginman.



Sven Kuning

The Billion-Euro Success Story

The SEB Wealth Management Competence Centre for Eastern Europe is situated in Estonia. Why was Estonia selected as the preferred location and how is daily cooperation with the head office organised? What are the main challenges and experiences? Sven Kuning, Board member of the SEB Wealth Management Estonia, considers it essential to focus on developing already existing competence without pushing to conquer the world.



How did it come about that SEB decided to use an Estonian team to manage Eastern European assets?

Sven Kuning (SK): The first mandate to manage a Luxembourg-domiciled mutual fund was given to SEB Wealth Management Estonia by the headquarters in June 2003. The decision was based on the fact that the Estonian subsidiary of SEB had local competence, but SEB had always outsourced the management of Eastern European equities to a global institutional asset manager based in London. One fund manager and a supporting team of analysts were employed in Estonia to take care of the portfolio. This was a small mutual fund worth 130 million Swedish kroner, and our investment decisions and results were observed from Sweden with great interest for a couple of years. At first we had an advisory role – we had an investment advisory agreement and on the basis of our advice, a Stockholm-based fund manager carried out actual transactions.

After a certain period, we suggested to the head office that we could redesign the whole Eastern European fund offering to make it more attractive to customers. By 2005, we had won the trust of the headquarters and took over the management of two other, much larger, funds from the same London company which had managed the first fund. In late 2006 we launched the SEB Russia Fund in Luxembourg and reorganised other funds. We ended up with four different products to offer clients: two general Eastern European funds covering the whole region, one focusing on small-cap and another on large-cap companies, and two separate funds covering Russia and converging Europe.

In order to ramp up the coverage of our investment universe, we initially included our Polish and Lithuanian SEB colleagues and also shared the revenues. In 2008 the economic crisis kicked in and together with the headquarters we decided to reorganise our business in Eastern Europe. The Polish asset management company was sold, together with a part of our team. This led to a decision to concentrate the investment management of all Eastern European assets in Estonia. This decision also made sense from an organisational point of view, because having a team of ten people distributed between three countries would not have made practical sense in the longer term.

Today we have a team of six professionals working in Tallinn being in charge of Eastern European equity funds with assets under management of approx. 1 billion EUR. In addition, two fund managers are managing Eastern European bond investments, where the current value of assets is 65 million EUR and there is a clear growth perspective. Our most important competitor is East Capital, primarily in SEB's home market in Sweden, where before the crisis they used to be the household name in regard to Eastern European investments.

What is your main focus today and how do you cooperate with the head office?

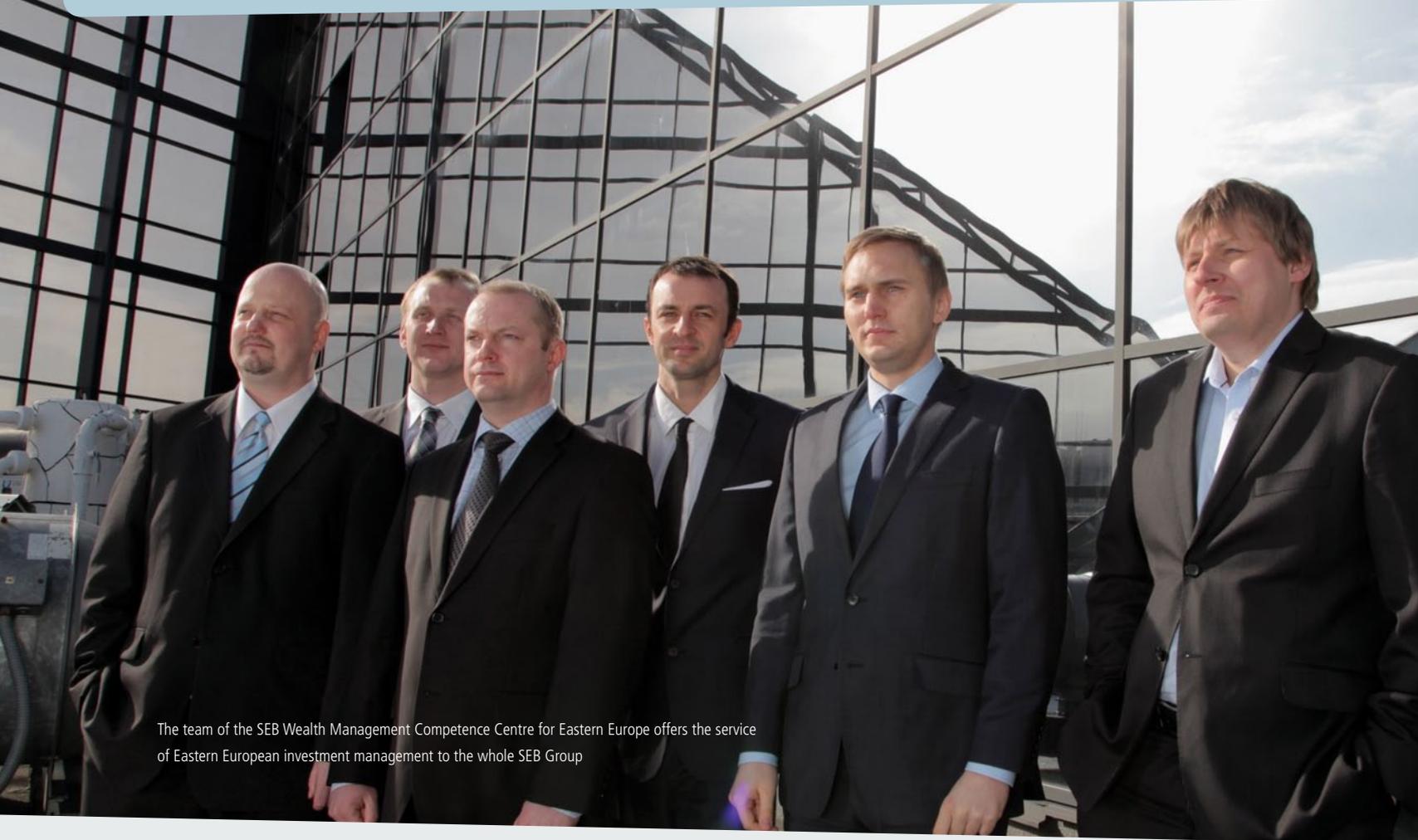
SK: Today we offer the service of Eastern European investment management to the whole SEB Group. This applies to stocks and bonds. Management of the Group's funds is organised on the Group's IT platforms. We log onto the Swedish computer systems and the work in fact happens in Sweden, although the people are physically based in Estonia.

In addition, we have a third small team to primarily manage pension funds in Estonia, which to a large extent uses the know-how of the Group, participates in a Stockholm-led multi-management team and implements its strategy in Estonian portfolios. This is the Eastern European teams' cooperation model turned on its head, as we receive the know-how from the head office and use it in Estonia for Estonian clients.

Our cooperation model with the headquarters looks like this: the general working principles and business strategy come from the headquarters, we have a say in the development of products for Eastern Europe and of course we are responsible for the investment results. There are clear investment guidelines which we have to follow, but at the same time we have the opportunity to provide feedback to the head office when we feel that in order to increase our competitiveness we need to change our products or broaden the existing guidelines.

What are your main challenges?

SK: Actually, in the context of global financial markets, Eastern Europe is too narrow a niche to really make a global breakthrough. For that it would be necessary to focus on global emerging markets. A couple of years ago this function was also outsourced by SEB, but it has been brought back into the company, similarly to Eastern European investment management. We also thought about participating in the emerging markets team but, to be honest, we do not currently have the competence to have a say in, for example, Chinese issues. In addition, the investment processes of the global emerging markets team and the Eastern European equity team principally differ from each other. Our process is bottom-up: it focuses on single companies and concentrates on stock picking; the Swedish global emerging markets team has a top-down process: it focuses on macro trends and allocation of assets between countries. Hence, we decided not to try to conquer the world from Tallinn, but instead to focus on developing our competence and on perfecting what we're already good at. In the past we decided to make sure that the new products we brought to market were not direct competitors of the solutions offered by the headquarters. There have been such examples of product development by our competitors and, of course, in an international group this creates confusion, bad blood and in the end it is the local and not the head office which loses out.



The team of the SEB Wealth Management Competence Centre for Eastern Europe offers the service of Eastern European investment management to the whole SEB Group

We have also talked about moving our unit to Sweden but, as there are eight people in the two teams and those people have families, this has turned out to be too complicated. From the point of view of corporate structure, management and IT, this would perhaps make sense, but from the perspective of individual employees it does not.

What do you consider to be the one most important reason why Estonia is the location for wealth management in Eastern Europe?

SK: I am confident that this is because of the competence in Eastern European markets and the tested know-how of our people. We are good at it, which does not mean we are good at everything. This is also illustrated by the fact that we were not light-heartedly selected to take over the global emerging markets area, as the head office was not convinced that we had the necessary competence. We are talking about the management of hundreds of millions of euros, and those kinds of decisions by the headquarters are taken only after thorough consideration.

But we should not underestimate the role of coincidences either. Ten years ago it was a lucky coincidence that we had the competence, the people, the product and a good track record. And, at the same time, there were people in the head office who understood this and decided to give us this great opportunity.

What other locations were considered?

SK: Of course, the people from the head office looked at the map and saw Poland, where SEB also had a functioning asset management company and which would have been a logical location for managing Eastern European investments. But the Polish market itself is so large that the asset managers there can just concentrate on their home country and not on the whole region. In Estonia we are more open and dynamic, our local market has always been too small and has decreased over time in terms of the choice of investments. Therefore, we always looked at the whole Eastern European region as our home market, and Estonia and the Baltic states are just one part of that. In Poland, that sort of thinking was secondary and the local market always came first. When we brought in our Polish colleagues to our team in 2005, they

were great specialists on Poland but they had not done much analysis of the other Eastern European markets before, not to speak of analysing or visiting any companies there.

How would you sum up your experience to date?

SK: As we have managed well, the headquarters has concentrated the Eastern European investment management function in one place and has even added new functions to the Estonian operations every couple of years. Although 2008 was a difficult year for everyone, especially for Eastern Europe, it did not shake the belief that the head office had in us. In the aftermath of the crisis, we were actually given additional responsibilities in 2009: in addition to equity investments, also the management of Eastern European fixed income investments was relocated fully to Tallinn. Although today this team deals mainly with managing institutional money sourced from the Baltic states, they have done this really well and it could be that history will repeat itself and that, as early as 2013, we will start to offer this competence actively to the global clients of SEB. That may easily lead to the next one billion euros finding its way to a Tallinn-based investment team.



Powering Mobile Payments for the World

Fortumo is a mobile payments company which started out as a homework assignment for a university class in 2000 in the city of Tartu, Estonia. It has now grown to be the largest mobile payments provider in the world in terms of coverage, operating in 73 countries and working with companies such as Microsoft, Rovio and Electronic Arts. What exactly are mobile payments and how has Fortumo managed to capture the market?



Why mobile payments and not credit cards

If you have ever played a game on your phone or tablet, you've probably seen an option to buy virtual gold or unlock additional levels at some point in the game. Or maybe you've thought about purchasing a virtual Facebook birthday gift for your friend. Digital goods and services like these are where Fortumo operates: by enabling users to make micro-payments with their mobile phone and charging the amount to their phone bill.

While previously the most popular method of paying for goods online was the credit card, mobile payments are growing at an enormous pace: the worldwide gross transaction volume for digital goods through mobile payments is expected to more than double by 2015 to 268 billion USD. There are several reasons why mobile payments have proven to be superior to credit cards in the digital economy.

There are 4.7 billion mobile phone owners in the world, compared to 1.3 billion credit card owners. In emerging markets, the ratio of mobile phones to credit cards can be tenfold. This means that mobile payments give access to 3.4 billion additional customers, who would otherwise have no access to making payments online.

The other reason for growth in mobile payments is the ease and speed of transactions. While credit cards require filling out long forms to make purchases, mobile payments take anywhere between one click and one message. Conversion for payments as small as \$0.49 can be up to ten times higher with mobile payments due to the improved payment experience.

Angry Birds helped to put Fortumo on the global map

With a huge potential customer base and double-digit growth, mobile payments are a fruitful market and Fortumo has managed to capture a large portion of it. Not least amongst Fortumo's customers is Rovio, the most successful mobile games developer of all time. Rovio's Angry Birds franchise has received more than 1 billion downloads over the past few years.

It was with Rovio that Fortumo initially put itself on the global map in 2010 by becoming the payment provider for Angry Birds on Android. The company's advantage was being the first to market on the relatively new operating system. Embracing new technologies and aggressively expanding into growing markets has proven to be a success so far.

At the end of 2012, Fortumo was the first to launch on a new platform again, this time with Windows 8, just five days after the general availability of Microsoft's new operating system. Now the company is closely looking at the developer audience to see whether they will take on the new platform like they did with Android, something which was not certain in 2010 with Android.

Intel Capital investment leads to quicker growth

Operating in uncertain environments is where Fortumo thrives and, though the numbers show that it has grown beyond a start-up, the company has still kept its start-up mentality. Only measurable steps are taken and inefficient activities are cut off, new employees are required to read "Lean Start-up" and the office environment is kept casual, but highly productive.

The strategy has proven to be a success. Fortumo was selected as the Best Estonian Company by the Estonian Chamber of Commerce and Industry in 2011 and, at the beginning of 2013, welcomed on board new investors from Intel Corporation and the venture capital firm Greycroft Partners. With backing from such high-profile shareholders, Fortumo plans to extend its lead over its competitors even more.

In January 2013, the company created an internal testing laboratory and aims to create at least one minimum viable product per month. It is also in the final stages of closing deals with three of the five largest mobile phone operators in the world and is talking with several major Asian mobile phone manufacturers to get games using Fortumo's payments preloaded into their devices.

No plans to leave Estonia

Even though Fortumo has set its sights on global expansion, with offices in San Francisco and Beijing, its headquarters and the heart of its activities are still located in Tartu, an Estonian university town with approximately 100,000 inhabitants. **Martin Koppel**, the co-founder of Fortumo explains why: "Per capita, Estonia probably has one of the largest start-up communities in the world, so the business climate is really great for running an IT company. In addition, there is a lot of talent coming out of the universities in Tallinn and Tartu, which allows us to expand our growing team. The small size of the country, combined with a strong IT infrastructure, allows us to react to change very quickly, which gives us a huge competitive advantage in the international market."

You can get more information about Fortumo by visiting

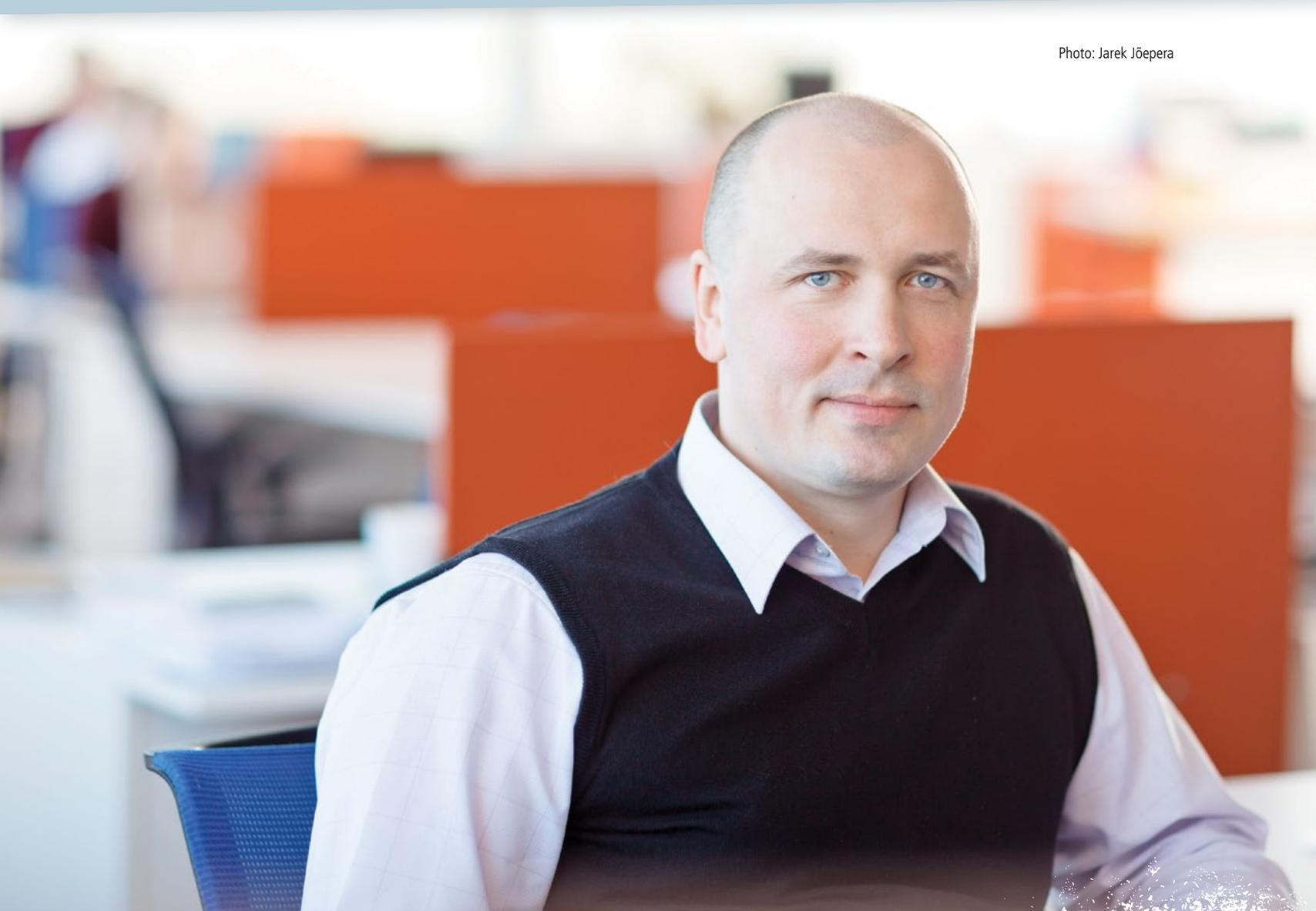
www.fortumo.com

For insights into the mobile payments industry, check out their blog at

blog.fortumo.com



President Ilves visited Fortumo, the Best Estonian Company of 2011, on 3 May 2012.



“Already My Grandpa Knew How To Park His Horse With His Mobile Phone”

Üllar Jaaksoo, Head of NOW!Innovations, a company developing mobile payment solutions, likes to use this phrase in order to break the ice when he is introducing his company to potential partners. This icebreaker tends to work because, internationally, Estonia and mobile parking have become almost synonyms, and the idea is already old to Estonians.

Life in Estonia asked Jaaksoo to talk about what it has been like to build up a globally ambitious company from an office space near the Tallinn Airport, and to share his vision of his business area's global future. This is what Üllar Jaaksoo had to say:

Into business by chance

We found the first customer for mobile parking somewhat by chance, when the town of Antwerp in Belgium announced a public procurement to find a mobile parking operator. The procurement rules stated that there had to be more than two applicants and so, almost by chance, we entered the procurement with a local partner and won. We developed a parking system in 14 Belgian towns, but as we did not want to be the operators but focus on developing the technology instead, we sold our share. We then used the opportunity to invest in an m-parking company in the USA founded by entrepreneurs with foreign Estonian backgrounds, and this is currently our main and only market as a service provider. In all other markets in the world where we operate, we are the platform service provider.

On global ambitions

What country does Skype come from? What about ABB? Oracle? Nobody says that ABB is a Swiss company and Oracle a US one. They are international enterprises. This also applies to us. Our platform is licensed in our office in Amsterdam; in the USA, we are present in 45 different towns as ParkNOW! and the US office is located in New York. We have licensed our platform to several Central and East European states - Ukraine, Macedonia and Russia - and we have a partner in Shanghai. Software development is done in Estonia. When you look at the homepages of companies, you realise that they all use the Wordpress engine. Anyone who wants to create a web shop uses Magento. We want our area to develop the same way: everyone who wants to organise a parking system will use the payment technology we have developed. Why should a local government in Macedonia or an office building in New York create the entire information system from scratch if they can simply order it from us, so that in a month a system specifically geared to their needs is up and running? We believe that we offer the best service at the best price, and this is what makes a winner.

On the opportunities they offer

Our goal is to make parking so comfortable and fast for drivers that they will not notice any problems. Why do people drive cars? In order to park! For example, it is possible to enter a parking garage so that the barrier opens via an RFID code or NFC so quickly that one does not have to wait at all. We also offer a solution where the barrier opens immediately after automatically recognising the license plate. It is also possible to open a gate by showing the appropriate QR code to the scanner. When parking on a city street, one can pay for parking by calling a phone number or by simply sending a text message. We are also working to make the payment after parking as simple as possible. Leaving a parking area is also something that can be recognised automatically and customers do not necessarily have to go to a specific kiosk to show their ticket. You can pay by mobile phone bill, PayPal, credit card or direct bank payment, or sometimes with a prepaid parking card. We offer technology which crosses platforms to make it as convenient as possible for customers.

In the long term, it is possible to develop technology which will inform drivers of the location of free parking spaces. Do you know that up to 40% of traffic in cities is related to looking for a free parking space? It would be too expensive to install a sensor which would recognise a car leaving. And it would not always be helpful, as by the time you get to the spot, there would already be a queue of cars waiting to park there and this may actually make traffic worse. People tend to stop paying for mobile parking several minutes before they actually get to their cars! We can use this information successfully in order to give people who are looking for parking spaces a longer time to react. That is all just around the corner!

In Estonia, we also offer the service of charging electric cars in cooperation with ABB, and this follows the same logic.

On the future of mobile parking

Although we in Estonia cannot imagine our lives without mobile parking, in most of the world it is still a utopia. Our problem is partly due to the fact that we are too far ahead of the times! Even a couple of years ago, our ideas were too utopian for many potential partners and many projects did not get the go-ahead. But today we are witnessing a boom in mobile parking globally. At the moment 45 cities in the USA are using our technology to organise parking, and more and more cities are announcing public procurements. Our definite ambition is to become the first choice in the US market. Our current position does not guarantee victory, as only a small part of the market potential is being used. The real dividing of the market is still ahead, probably within the next couple of years.

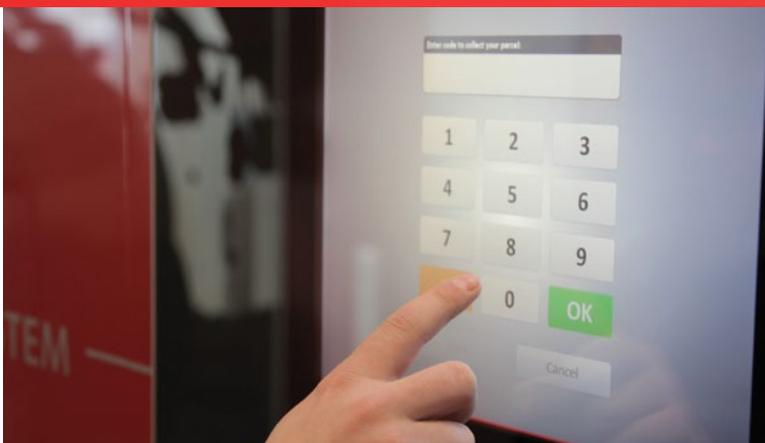
On investors

In order to be there when the market is divided up, we are looking for a new investment round for our company. In two rounds, investments have been made by Enterprise Estonia, the furniture producer Bellus and the forestry company Artiston. We will definitely bring more international members into our leadership team. We are currently looking for about ten new people for the team. We are growing fast, and sales profits are multiplying each year. Cars have been parked tens of millions of times using our technology. I am convinced that this number will soon add an additional zero!

** On the eve of sending the magazine Life in Estonia to the printing house, we received the news that the BMW iMobility Services had signed an agreement with NOW! Innovations. It sees BMW extending the scope of ParkNow beyond parking garages to include on-street parking as well. "In the era of smartphones, applications and platforms we are fascinated by the opportunity to improve the daily lives of all motorists. Seamless parking payments and personalised services are our ultimate goal. In partnership with such a visionary company as the BMW Group we will have a greater chance to accommodate the transition from analogue to digital parking. We are looking forward to providing a game changing solutions for BMW Mobility Service," comments Üllar Jaaksoo, NOW! Innovations CEO.*



The New Generation Parcel Terminal Set To Conquer Europe



Not all smart business solutions created in Estonia originate in the capital Tallinn or the main university town Tartu. One such example is Cleveron, a company which develops and produces automated parcel delivery systems: it has its roots in the small provincial town of Viljandi. The company considers such giants as Amazon and Google to be among its potential customers.

Like many great ideas in the world, Cleveron was born out of the need to find a practical solution for problems which the founders of the company were experiencing. In 2006, **Arno Kütt**, Peep Kuld and Indrek Oolup were running the online interior decoration store on24.ee. Purchases made by the customers of the online shop were delivered to them via the national postal company Eesti Post. However, the service offered by Eesti Post was not of sufficient quality for Kütt, who then decided to create a courier service attached to on24.ee which delivered products to clients. Soon such well-established catalogue retailers as Quelle and Hobby Hall started to use the courier service created by Kütt.

This is how the first network of parcel delivery systems, called SmartPost, was born. In 2008, when SmartPost launched its network, the company had 30 parcel terminals all over Estonia. "Customers took to us quickly and we started to develop fast. Our network of terminals also expanded," recalls Kütt, who has now moved to Tallinn, where the sales and IT centre of the company is based. Development work and

production are still based in Viljandi, where the company plans to start building a new and more powerful factory in the near future. "I could not have dreamt of a more ideal environment for our product than the one we ourselves created in shopping centres all over Estonia," says Kütt.

The network of parcel terminals grew so fast that in just two years every fifth Estonian had used the service. Soon the investors Estonian Development Fund and the investment company WNB came on board. As the system quickly proved itself, it was decided to find a new owner to handle the daily operation of business and to focus energies on perfecting the technology and on export. "We offered the network of parcel terminals to six different postal companies and the best offer came from the Finnish firm Itella." The network was sold to Itella, which has expanded the network in Estonia to a hundred terminals and has built an even larger operation in Finland. Kütt's company focuses on perfecting the technology and is cooperating closely with Itella in this regard.



Arno Kütt by the prototype of the Cleveron parcel terminal 2.0

“Our goal is to offer a solution to the problem of how customers can receive products they have ordered over the Internet in the most convenient way,” says Kütt. He explains that the system of parcel terminals is beneficial to end users of e-shopping, to retailers and to the postal company. “Customers do not have to be at home waiting for the courier, the retailers can organise the logistics of goods more comfortably, and it is cheaper, as it reduces the need for expensive labour.”

The parcel terminals are mostly located in places which are on most people’s daily routes, for example in large shopping centres. This means that courier companies do not have to take parcels to people’s homes, which is why they save time and kilometres. Customers, on the other hand, can pick up their goods in their own time as part of their daily rhythm. “The most expensive bit of the business model is renting the area in large shopping centres,” says Kütt, adding that with automated parcel systems currently a person does not have to reach higher than 1.5 metres. This however elongates the row of terminals. Kütt notes that rooms in shopping centres are often at least four metres in height and this means a lot of potential space is wasted.

To tackle this problem, Cleveron has developed the prototype of its parcel terminal 2.0, which will be piloted in Finland in the next few months. Kütt confirms that the new terminal saves four times more space, as it grows upwards and not sideways. The terminal no longer has dozens of separate drawers for various parcels, but just one door which can be used to insert a parcel you want to send and to receive a parcel which has been sent to you. The rest of the work - where to put the right parcel and how to access the parcel for the customer - is done by internal robotics. The terminal, which takes up an area of a couple of square



metres, can hold up to 720 different parcels. This terminal has also been developed in Viljandi, a town of less than 20,000 inhabitants. Naturally, the concept of the new terminal is currently being patented.

One of the shareholders of Cleveron is the investment company WNB. “For us the business idea of the company was simple and it made sense,” says **Ivar Siimar** from WNB. He says that for postal companies this is the most comfortable and economical existing solution and therefore Cleveron has great potential. “The business model of parcel terminals is set to boom in the next few years,” he says, and gives the example of Amazon and Google going down the same road. “They are not big competition for us; we tend to see them more as potential customers.”

He considers Cleveron to have two main goals at the moment: to get the new generation terminal ready for the “production line”, and to enter the market in other countries than Estonia, Finland and Russia, where the company currently operates. “We are looking towards Scandinavia and towards western Europe, where labour costs are high and our advantages are therefore more obvious,” says Siimar. He doesn’t reveal any specific plans but says that the company wishes to develop its own network of terminals in the new markets, and not just remain a technology provider. “For this reason, we plan to bring in local partners or investors.”

Siimar has no doubts about the potency of Cleveron. “We have spent the last three years making a profit and once a year the company’s council is faced with the question of how much to pay out in dividends.”



Ivar Siimar

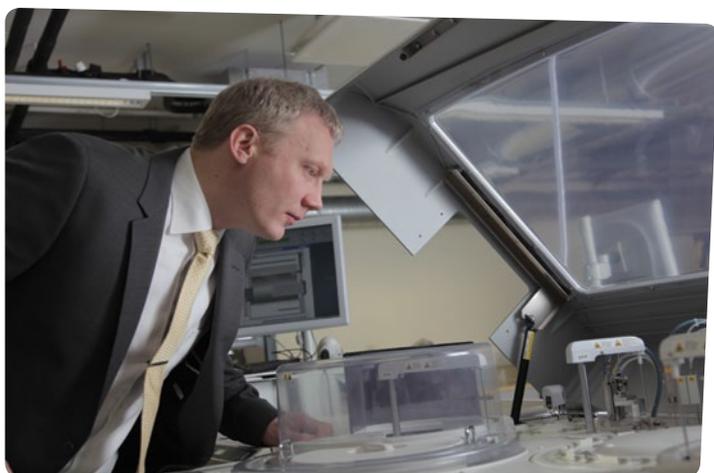


The Breakthrough of Quattromed: From University Basement To International Medical Company

Text: Eve Heinla



Although Estonia is a small country, with 1.3 million inhabitants, there are dozens of well-known biomedical and biotechnology companies here. The Estonian Biotechnology Association has 30 members, including companies and research institutions. The success story of Quattromed HTI, which is the largest private capital-based biotechnology company in Estonia, active for 16 years, reads as a textbook case...



Erki Mölder (37), the long-time Executive Director and current Chairman of the Council, recalls that the company was started by Mart Ustav, Professor of Biomedical Technology. It was Professor Ustav who in 1999 asked a fresh graduate of the Department of Economics – Mölder – to come assist him.

“In hindsight, it is quite comical to think about how it all began,” says Mölder, with a laugh. “At first there were two lab assistants working in a tiny basement room at the university, with a single laminar hood in the corner... Our first client was the private hospital Fertilitas. In the morning, they would send a dozen tests in plastic bags from Tallinn on the cargo bus to Tartu, where the girls picked them up at the bus station, then returned to the lab and ran the first procedures, then went to the park to have some ice cream until the tests were finished,” Mölder recalls the early days.

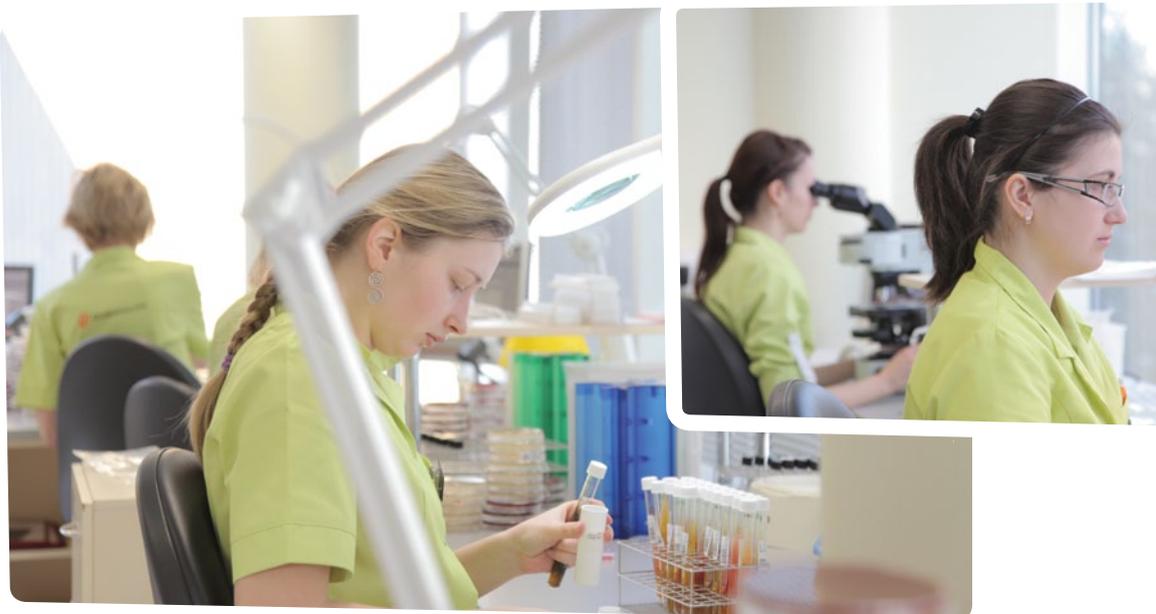
Quattromed HTI Laboratories

is the largest private capital based medicine laboratory in Estonia, with more than 16 years of experience

The company's main area of activity is offering laboratory services to its customers – family physicians, providers of ambulatory care and specialised medical care, centres of workplace health-care, various public institutions and private persons. The laboratory service includes collecting and transporting test materials, carrying out laboratory analyses, validating results and providing required information to customers, consultations of laboratory specialists upon request, providing information to clients for the better organisation of work and implementing new strategies.

The company employs over 100 staff who work in the central laboratories in Tallinn and Tartu and in network laboratories and blood testing stations all over Estonia. 2.2 million laboratory analyses are carried out annually. Over 4,500 different samples are handled on a daily basis.

The list of laboratory analyses includes up to 200 different routine clinical analyses which can be carried out on location. But with the help of different partner labs, clients have access to practically all very specific, rarely ordered laboratory analyses from all fields of contemporary laboratory medicine.



Fertile ground to start

He admits that there were certainly people who wondered what they were doing in that basement and says that today it would not be possible to start this kind of a company under similar conditions. The situation in Estonia in the late 1990s was quite different from today. But the medical lab got off to a good start because future clients – doctors from every field – were involved in the development of each test.

“They were opinion leaders in Estonian society. If you need to develop something, do it together with your customers. At the same time, the Estonian Genome Centre was being founded in Estonia on the initiative of Professor Andres Metspalu. [The Estonian Genome Centre of the University of Tartu manages a collection of health, heritage and gene data on the Estonian people, combining data from over 50,000 donors.] This helped to raise public awareness, there was a lot of talk about biotechnology, and at that time, as a young lad, I jumped on the bandwagon of biotechnology and went along for the ride! After all, the impact of the Genome Centre on our society was huge and attractive! It can be said that the market in this field in Estonia was empty and it was shouting for such companies. Large international corporations were selling such tests for about 40 dollars each. But the price of our services was 10 Euros – three to four times cheaper!”

Today Quattromed employs 100 people who work in a 1,000 sq metre lab in Tallinn and a 600 sq metre one in Tartu. In addition there are about ten other labs all over Estonia.

In reality there is quite a high chance of failing like most start-ups do, because the founders of such

companies are very enthusiastic and they love their “baby” so much that they become blind, they fall in love with their own technology. This is especially true for scientists who are so attached to their creations that they do not see the business as a whole.

“What is important is not only what the lab workers are doing in their labs, but how it is all presented to the customer, how it is logistically organised, what is the concept of the service...In other words, how to sell and this is often what is lacking for research-heavy spin-offs. They think that if we do something new, everyone will line up and want to buy it. You can create whatever you want in your lab, but if the world knows nothing about you, you won't get anywhere. In Quattromed we were able to work in a way which benefited the clients.”

Path to the international market

Entering the Finnish market required thorough preparations and research. The work on reaching our northern neighbours began already in 2005-2006. “We visited the Finnish labs, offered to collaborate... everyone was polite, but nothing came of it... In 2010, we attended a trade fair which was visited by doctors and heads of clinics, in other words the customers of services. Again they politely listened to what we had to say, but there was no result.”

The breakthrough came in the end of 2011 when the Estonians saw a result for their hard work. “We started negotiations with some private hospital chains in Finland. They had just announced a public procurement. And as we had just employed a Finnish project manager, we were able to participate in the procurement together with Finnish labs, and in September 2012 they selected us for the contract!”



The testing period is currently in process, there is still time until July when Quattromed will begin to offer its lab services in Finland. "We have taken ten years to develop the concept of our services and what we offer is partly even better and faster than what's available in Finland."

Mölder emphasises that trust plays a huge role in medicine and in biotechnology. "The medical market is quite local and national. The markets have been conservative."

Then he suddenly asks: "Would you be willing to send your blood sample to Russia, to Pskov? No? But if a Pskov company creates a subsidiary, hires Estonian managers and sells its services with an Estonian face thereby creating trust, would you not say why not and do it? This is exactly what we are trying to do in Finland – the management of Finnish units consists of Finns, of people who are established in Finland."

"Or take Lithuania where we are also active. 99 per cent of our turnover in Estonia comes from family physicians, hospitals, and clinics. But in Lithuania, 60 per cent comes from patients directly, as the system is different. In Lithuania a doctor gives you a referral and tells you to take some tests and find a lab yourself!"

After the breakthrough in Finland, Quattromed has no plans to rest on its laurels but is looking into the future. Of course things do not happen overnight in the biomedical business...

Finland...we used to have a market with 1.3 million inhabitants and now we are already looking at 12 million. The next step will be Sweden. At least we are thinking about it, but even Finns have a hard time establishing themselves in Sweden," Mölder talks about the next challenge.

There are quite a few companies in Estonia which have established themselves in biomedicine. And the Estonians have their own special trump card.

Mölder says that the problem of 'old Europe' is that people may be great specialists in their fields but they are quite helpless when pulled out of their specific fields.

"The people who have received their education and experiences during the Soviet times and the 1990s, were forced to work with different methodologies and therefore they have a bigger set of skills. We have the apparatus, the technology and the people and we have absolutely nothing to be embarrassed of in the field of biomedicine and biotechnology in comparison to Finns, Swedes or anyone else in the world!"

Has Mölder ever been back to the little basement room where Quattromed started all those years ago? "No, I haven't had a nostalgic moment where I wanted to go visit it again," he laughs.

And why should he – there are new things to look forward to.

Blood testing of athletes

Erki Mölder, Chairman of the Council of Quattromed, explains that they have a cooperation agreement with the national ski team, to research if there are blood tests which would clarify whether athletes should train less or more.

"This is perhaps more an issue in amateur sports – there are after all many people who participate in ski marathons, etc. It enables to analyse whether to train and how to train and whether there is a set of indicators which would enable to evaluate the training load."



Testikodus.ee

For several years, Quattromed HTI Laboratories have offered the unique service of testing oneself at home for Sexually Transmitted Infections (STI's). A test kit can be ordered via the webpage, and it is then sent to the customer by post in a neutral envelope.

The test involves taking a sample with the help of the accompanying guidelines and sending it to the laboratory. After three or four days, the test result can be seen when logging in to the online platform. If a STI is found, the client is referred to specialists.

Via the webpage www.testikodus.ee you can order test kits for the herpes virus, urogenital chlamydia, gonorrhoea, mycoplasmosis, and trichomoniasis with specific guidelines on how to test oneself.



Estonian Scientist Designs Mutant Mice With Human Genes

Text: Roald Johannson
Photos: Ove Maidla

Mario Plaas, a scientist at the University of Tartu, has spent the last couple of years modelling the world's first mouse with human genes, which would be infect-able with the hepatitis virus C (HCV). It is estimated that 150-200 million people worldwide suffer from this chronic infection of HCV, and each year up to four million new cases of the disease are registered. As no effective medication exists to date, pharmaceutical companies are desperate for the rodents designed by Plaas in order to test future medications on them.





It is quite late in the morning, but during this darkest time of the year the daylight has not yet triumphed over the darkness. On a narrow street, there is a tall building with a very bright light on in one window. Behind the window is the operating table and a man clad in a white robe and rubber gloves is at work. Gently, but firmly he lifts the cute little mouse girl onto the table whilst his other hand reaches for the scalpel.

"This is the place now where you cannot have a shaky hand, as there is no room for mistakes," he whispers and with a swift cut opens up the skin of the anaesthetized rodent and then the stomach lining. "To get HCV into mouse liver, you just have to replace some of the mouse genes with human ones!"

You might think that this scene comes straight out of a surreal story of animal testing by the mad genius doctor Moreau, but no – these events are not taking place on an island isolated from the rest of the world, but right here in the Main Lab of Transgenic Technology of the University of Tartu.

"Mice have exactly the same genes as humans, with some modifications, and those differences prevent HCV from entering. My task is to just replace a part of mouse CD81 and Occludin gene with human genetic material and theoretically that should be enough for hepatitis to enter the rodent's liver cells" explains the Head of the Lab, the 32-year-old Mario Plaas.

Lifting the genetically modified cell stems into the embryo is real precision work. First, Mario pulls about 10-15 cells inside a tiny needle, and then with another pin grabs the embryo, makes a tiny hole in it with a needle and injects the new cells. Then the same embryos with modified cells have to be transplanted back inside the mouse's uterus. The operation does not last long. It only takes three minutes, the uterus is carefully replaced back inside the stomach, a couple of stitches and it's done. When the animal wakes up, it is slightly dozy but pregnant! And only some weeks later a new genetically modified life form has come into being with the fate of being a testing animal for pharmaceutical companies and serving humankind.

For the well-being of the whole planet

In the words of Professor Sulev Kõks, who is a colleague of Mario's and the Vice Dean of Science of the University of Tartu Faculty of Medicine, Plaas lab works for the good of the whole planet. "There are no other people like Mario, not in Estonia or in surrounding areas. He is the only person who can carry out transgenic technology to the last detail. In addition, he is able to develop new models and have his own intellectual input into them," says Kõks.

Mario Plaas's next intellectual input, "C-hepatitis mice", promises a breakthrough in the world's pharmaceutical industry. More than a million people die annually as a result of the chronic infection of HCV. Frequent consequences of the illness are liver cirrhosis and liver cancer and the results of these are the main reason for liver transplant operations. In 2009, HCV medication was sold in the sum of 4.4 billion US dollars globally, and it is predicted that this sum may grow to 8.5 billion USD by 2016.

"Currently there are no good medicines and vaccines against HCV. The development of those has been significantly hindered by the lack of a small and cheap test animal who could be infected with hepatitis virus C. Mice are ideally suited for this," explains the young Estonian scientist who has dedicated ten years to designing live rodents. "Mice are the only animals whose genes we can switch like this. Other animals have to be cloned, but with mice it is easy."

Scientist, not businessman

Currently, the spin-off company KPA Scientific OÜ, which is managed by Plaas, has reached a stage in its R&D project that they have begun cooperative projects with Rockefeller University in the States, where one of the leading labs in the field of human HCV research and infection is situated. In addition to Rockefeller University, large contributions to the project have come from the Archimedes Foundation. In addition, KPA Scientific OÜ was selected as one of the finalists of the first Estonian-American Innovation Award.

As the first infection tests of the genetically modified mice look promising, several top European labs have already shown interest in Mario Plaas's designed creatures. The fruits of the breakthrough of the young Estonian on the global drug development market can probably be reaped in four to five years.

"From the business point of view, I want to finalise the mice here, but I do not want to sell them myself," Plaas says about his future plans. "My idea would be to sell the service. I am looking for scientists or representatives of pharmaceutical companies who will give me the molecules to test and I will then provide them with information about whether and what kind of effect they have on a concrete animal."

What should potential customers know before they go mice-shopping in Plaas's lab? For one thing, the price of a transgenic mouse equals the cost of a proper car. But considering that three per cent of the people in the world suffer from liver damage caused by hepatitis virus C, large pharmaceutical companies should not consider the price of a super-mouse modelled by Mario Plaas too high.



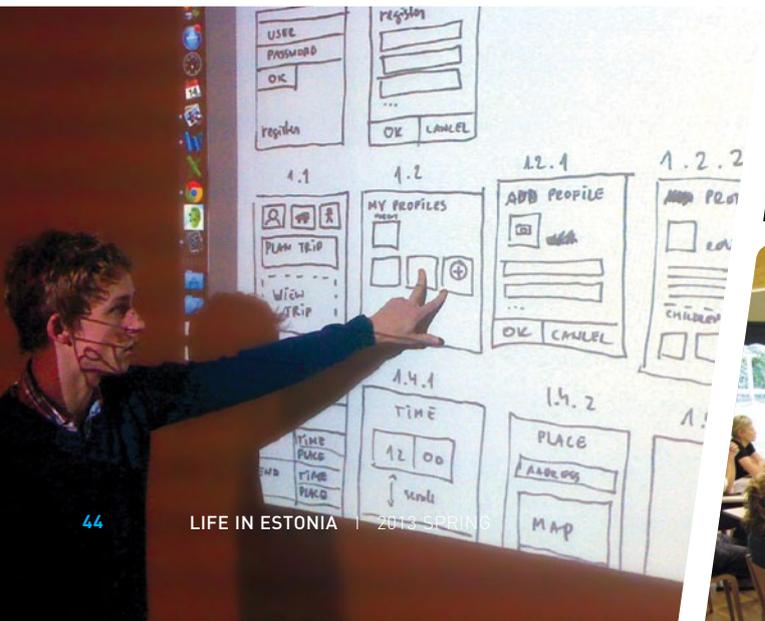
Text: Toivo Tänavsuu / photos: DDVE

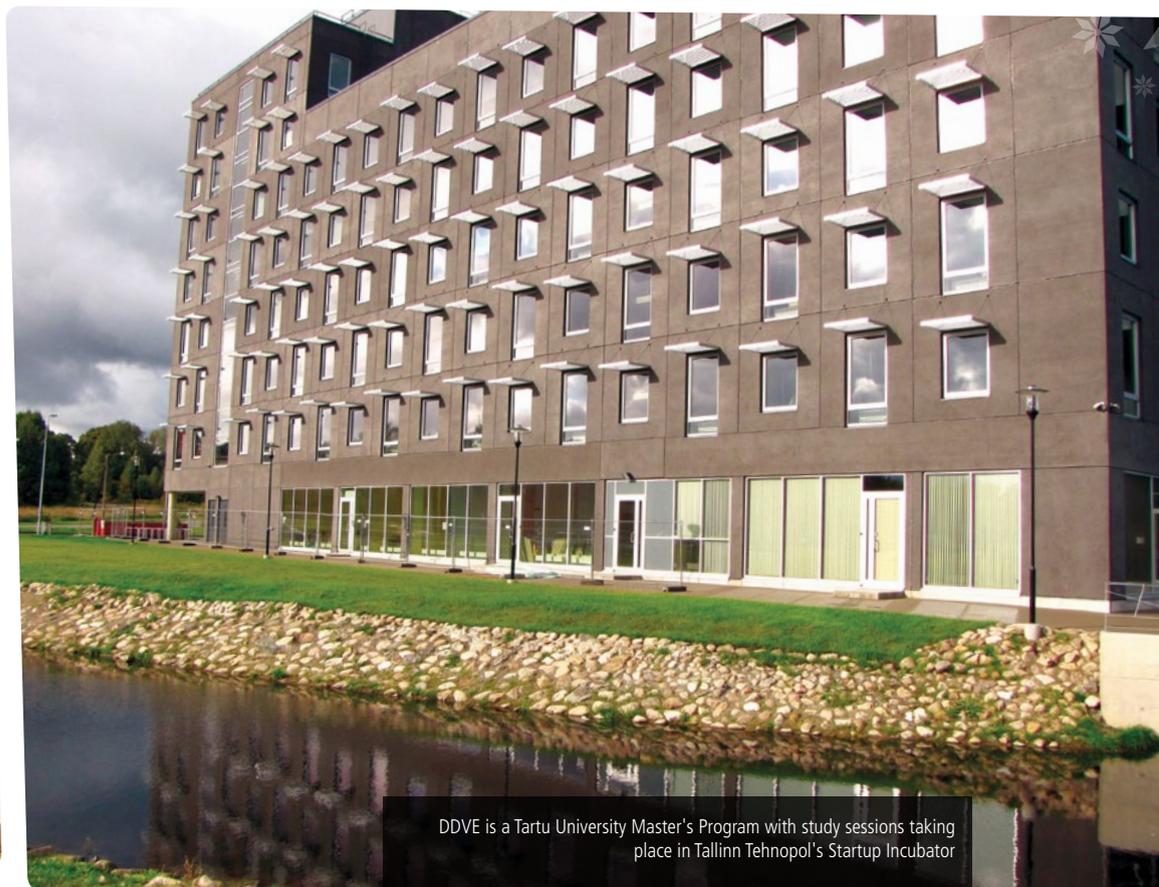
Estonia Innovates in Higher Education: First Interdisciplinary And Practical Entrepreneurship Programme In The World



DDVE students pay careful attention to evaluating the worth of their business concepts.

A unique master's degree programme for creating and growing global online businesses – DDVE – has been functioning at the University of Tartu for two years. The curriculum combines theory with practice in an interdisciplinary mix of entrepreneurship, technology, art and design.





DDVE is a Tartu University Master's Program with study sessions taking place in Tallinn Tehnopol's Startup Incubator

“Google, Facebook and Skype – these global giants all sprang from a good idea. The ideas themselves were not unique: many people had thought of creating a proper search engine or improving social interaction online. It isn't sufficient to have an innovative technological solution to create a successful IT product. It is also necessary to understand how viable the idea is, what the needs of users are, to know product and business development, to be able to effectively manage a team, to understand product packaging and sales - and all of this in the context of international competition.”

This is how the topic is presented in the introduction of the new master's curriculum Design and Development of Virtual Environments (DDVE) of Tartu University Viljandi Culture Academy. The University of Tartu, established in 1632 by King Gustavus Adolphus of Sweden, is one of Europe's oldest universities, but it ranks first in innovation by providing modern practical education to its students.

It is an “unprecedented entrepreneurial, interdisciplinary and practical programme, designed to teach international IT product and business development in a modern way”. Many graduates of business programmes are

finding that the knowledge they acquired is not very marketable, as these schools produce people strong in theory, but lacking in practical experience and applied skills.

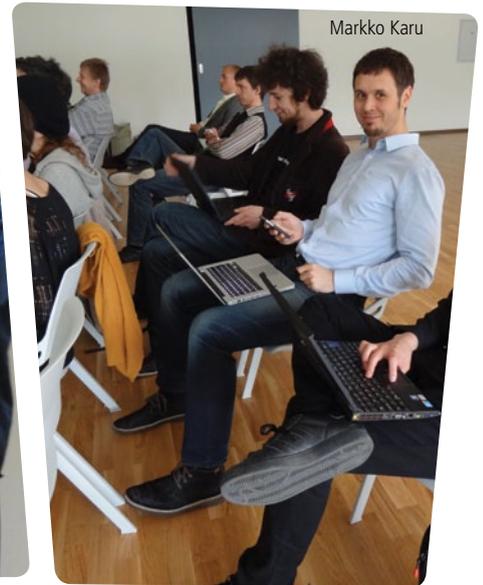
The DDVE programme was born seven years ago from the “I have a dream” idea of Anzori Barkalaja, Rector of the Viljandi Cultural Academy. He wanted to properly innovate the established cultural higher education institution, to complement existing areas (traditional handicraft, stage design etc.) with such 21st century “arts” as robotics, and video and light technology, uniting arts and technology with the aim of producing new “smart” teaching aids and other solutions.

The developers of the new master's programme DDVE then talked with Estonian IT entrepreneurs, who complained that their businesses were not only lacking quality workers but that existing workers could benefit from a wider world-view and better cooperation skills. In general, developers are excited about writing their code, but they couldn't care less what happens afterwards. Business people are good at numbers, but do not have a clue about technological nuances. Both developers and business people have a limited understanding

of design and user-centred thinking. Thanks to the input of the Estonian ICT industry, the new programme focuses on tech entrepreneurship.

Financed by the Social Fund of the EU, DDVE brings these different areas together; it links arts and design with business and technology, offering students a wide spectrum of knowledge, the “skill of orienting oneself”, which is so important these days, producing an interdisciplinary approach! The Programme Manager of DDVE, **Kristjan Mändmaa**, says that in the global educational landscape it is unique to comprehensively link these three areas in one programme; even the much-praised Aalto University in Finland, the forerunner of the multi-disciplinary approach to higher education, has not yet fully succeeded.

In autumn 2011, the first twenty students commenced work on the DDVE degree. From the very beginning, the student mix has been international: there are students from Latvia, Finland and India in the programme. DDVE is, above all, different from other MBA programmes in that the teaching takes place on weekends, enabling all students to work full-time.



From the first lecture on, theory and practice go hand in hand: by the end of each semester, every student team develops a start-up project. They work in parallel on business models, researching customers' problems and looking for solutions, focusing in depth on questions of technology and design. Students regularly pitch their ideas to each other and to visiting mentors. They smooth over their Business Model Canvases and put their heads together to find paying customers.

The students also learn how to sharpen their focus. They learn how not to try to solve all problems at once with their start-ups. Most businesses, after all, do not die out because they don't have products, but because they are unable to sell their products. Everybody wants to invent something, without asking how those inventions improve the world, and who will pay for them. The goal of DDVE students, as budding entrepreneurs, is to sell their projects to investors by the end of the year, thus launching their live prototypes. This all goes hand in hand with intensive team-building work.

What is most interesting about the DDVE programme is that many of the tutors are not academic professors, but leading experts in their

fields, and some of them do not even have university degrees.

Among the tutors and mentors of DDVE to date are the US venture capitalist Bill Payne, the Estonian MP and founder of Rate.ee Andrei Korobeinik, and former key workers at Skype, including the co-founder of the company Ahti Heinla.

Mändmaa says that DDVE is an experiment which will develop over time. As the programme was not copied from Aalto in Finland, Stanford in the USA or MIT, it's hard to learn from the mistakes of others.

One person who got immediately hooked on the idea of DDVE is **Yrjö Ojasaar**, who has worked in the USA as a lawyer and is today the Chairman of the Board of the Estonian Service Industry Association and one of Estonia's most esteemed experts on entrepreneurship.

"When I first heard about the idea of DDVE, I thought: courageous guys; they are going for the most revered and oldest of systematically established institutions: the university system. The Western world's universities persist largely unchanged from medieval times, with a monopoly on power and a clear hierarchy: PhDs

who have the right to teach master's students who have the right to teach bachelor's students and so on," says Ojasaar, who is a tutor and mentor at DDVE.

"Now they are going to shake those foundations! Enterprise and technology today do not allow for a rigid hierarchical system, i.e. if you are fast and dynamic, you will surpass the giants: we no longer use AOL or take photos with a Kodak! Education too has to keep up. The experience of the industry must find its way to the classroom."

Ojasaar has witnessed the fact, in Estonia and elsewhere, that, on one hand, there are many unemployed people and, on the other hand, employers complain that they cannot find people who are good enough: clearly there is a mismatch in the education market. This is the dilemma which DDVE is trying to tackle.

Ojasaar and Mändmaa are convinced that interdisciplinarity is one of the most important skills of future leaders. People need to learn to do different things, to orientate themselves in several fields and to work together with diverse people and changing projects. In this way they will find brand new opportunities in areas where different disciplines overlap.



Products and services invented by DDVE students aim to solve real problems, and make life better for everyone

"It is also important for such a small country as Estonia to achieve as high value as possible. We will never win by training armies of programmers and scientists in a country of 1.3 million: China and India will always be larger! We have to focus on training leaders with high added value skills, and they will be able to bring together Chinese developers, Swedish designers and British managers," says Ojasaar.

Of the start-up projects born as part of the DDVE master's programme, many have just remained "school homework". But the most successful project to date, the mobile queue manager Qminder for remote queuing, is trying to enter several foreign markets. Qminder enables one to book a place in any queue (e.g. in a bank, government office or another service provider) via a mobile phone and know when it will be your turn, while taking care of business somewhere else. The project has grown into a company which has received funding from Seedcamp and the prototype funder Prototron, among others.

Markko Karu, the co-founder of Qminder and a DDVE student, says that the project began in August 2011, when the students were given their first task, participating in the hackathon Garage48 in Tartu. This is where the Qminder team met and the application was born.

"In the case of Qminder, I have been able to apply many DDVE lecture topics and tools straight away. I have definitely benefited from this

education, perhaps not in places where I was expecting, as the knowledge and skills tend to be such that you can see the logical chain only in hindsight. DDVE was originally meant to prepare IT-project leaders, and the whole start-up topic came up unexpectedly for me and for many others," Karu comments. Now Qminder is the topic of Karu's master's thesis!

This spring the first 10-12 students will graduate from the DDVE master's programme, which holds its lectures in the Tehnopol business incubator in Tallinn, next to the Skype headquarters, IT College, and the Tallinn University of Technology. Thanks to DDVE, many students have already found jobs which are better, more interesting or carry more responsibility than the ones they had before, as they are now able to ask the right questions and see hidden nuances. They win out in disagreements or negotiations with colleagues by using knowledge gained from the DDVE programme.

"And even if a DDVE graduate does not become a technology start-upper, every employer wants to have someone on their team who is able to manage him or herself and motivate others, bring the team along, stick to the budget and understand the needs of customers. Those characteristics are eternal!" says Ojasaar.

Applications for academic year 2013-14 in the DDVE programme can be submitted until 16 April. Hurry up!



Himshwet Gaurav, a DDVE student from India, who lives and works in Estonia:

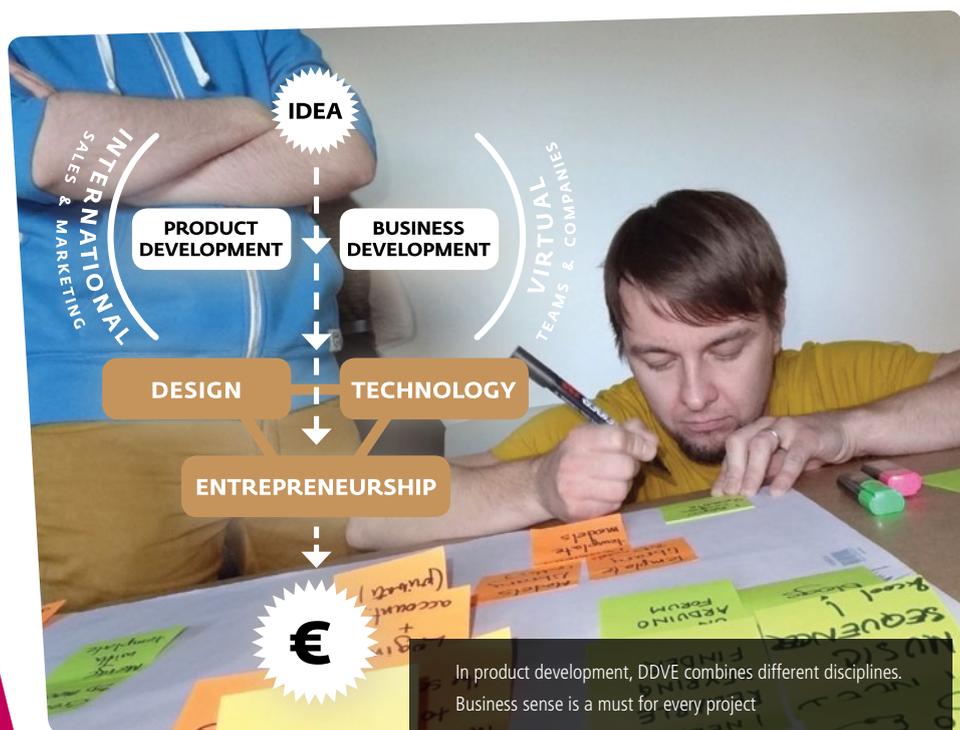
"I had been working on my ideas and approaching investors for over a year and a half. Gradually, with each failure, it dawned on me that I was making novice mistakes repeatedly and needed to educate myself in the field of entrepreneurship. I also felt the need for a vibrant ecosystem for start-ups, with like minded people.

"Estonia" appeared in numerous blogs, and the websphere was full of stories about its rising start-up scene. Through my search, I came across the DDVE programme and it was a Godsend.

DDVE is nothing like an MBA programme. While an MBA curriculum focuses on how to manage an already established business, DDVE focuses on creating new SAAS-based products and services with viable and scalable business models. It is about creating an enterprise, not managing it, and this craft is very different from normal management practices.

DDVE's hands-on approach is what sets it apart from other master's programmes. Students work in teams to develop a new product every semester and practice the craft of creating enterprises in a real environment.

From an academic point of view, DDVE is a very bold and innovative step. Our professors are practitioners from industry, and lectures are held in a workshop format, lasting one day, where we are introduced to tools and the best practices of the trade, beyond the fundamentals."



In product development, DDVE combines different disciplines. Business sense is a must for every project



Improving The Competitiveness Of The Nation

Text: **Enn Listra**
/ Professor of Finance and Banking at TUT

All nations seek to become more competitive and try to create a better life for their citizens. Being more competitive in today's world means being internationally competitive. Universities play a key role in the cooperative effort between business and public entities. The School of Economics and Business Administration of the Tallinn University of Technology has introduced a master's level business programme in Finance and Economic Analysis in pursuit of that goal.

Competition researchers will, and top managers in the majority of companies all over the world should, celebrate next year the 35th anniversary of the publication in the Harvard Business Review of Porter's "How Competitive Forces Shape Strategy". For researchers, the article functions as a unifying tool for a new avenue of research and for managers it is a systematic, well-founded practical tool for the creation of competitive strategies.

The most important factor in the competitiveness of nations is productivity and universities have a key role to play there. They create new knowledge that later becomes the basis for innovation. Universities provide input into the competitive structure of the country and act as providers and improvers of an innovation-friendly business environment. This environment has been improved directly by the Tallinn University of Technology (TUT) through its technical faculties and indirectly through the better management and internal cooperation practices that have been introduced by the School of Economics and Business Administration.

Competitiveness and Universities

Small nations and regions of bigger countries with finite resources can only prosper in the global economy by increasing their competitiveness. Among the solutions is developing readiness for both technical and organisational innovation.

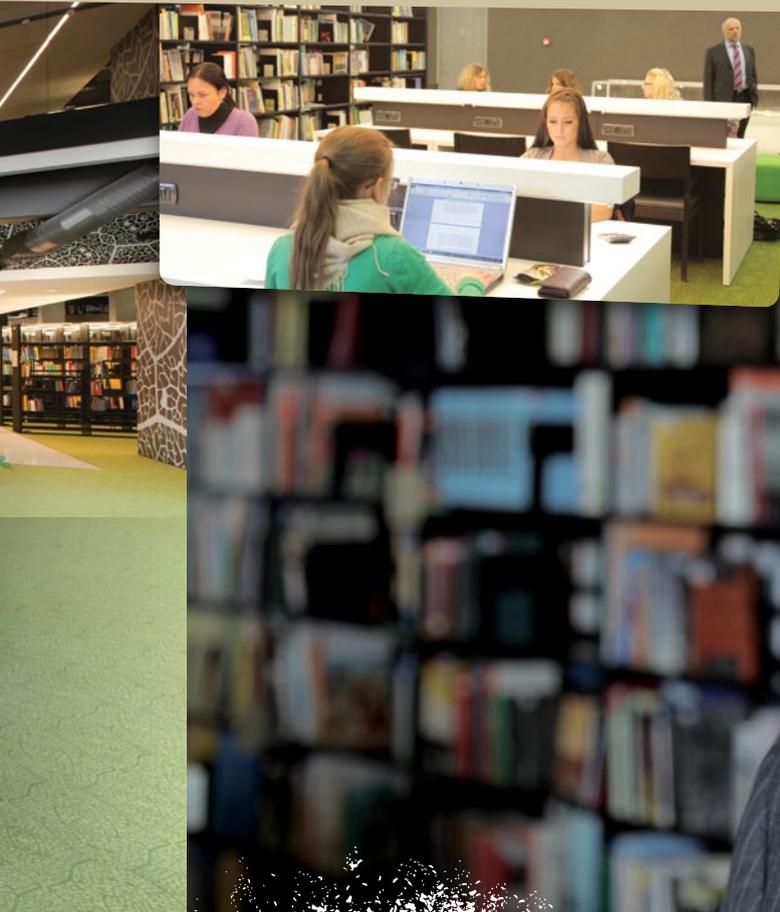
Strengthening the capacity for innovation is one of most important roles of TUT in Estonia. The process of innovation and its outcomes are essential for productivity growth and for increasing national income. The process itself is associated with the creation of attractive, well-paying jobs.

The links between universities, productivity growth in countries and increasing prosperity are well recognized around the world. Such higher education institutions as TUT are primary sources of the most valuable assets in the economy: highly educated people, knowledge and new ideas, and the ability to implement them.

Cooperation, internationalisation and analytical skills

For smaller countries such as Estonia and their firms, the rules of the game are often set outside of their borders and beyond their influence. In such an environment, hard work is needed locally to cope with the challenges of international competition.

Recent empirical findings and the endogenous growth theory explain one of innovation's sources as being derived from a suitable combination of labour and knowledge. Another major source of innovation is the combination of human capital and enhancement through university research.



The basis for innovation and productivity growth is high levels of technical skills, which must be supported by organisational efficiency. The personnel in firms must have economic knowledge, and be capable of (international) cooperation and high level business analysis to compete in the present changing business environment.

A new curriculum adding to competitiveness

In a research project carried out recently in the US, Finland, the UK and Norway, and led by the MIT Industrial Performance Centre, five of the 16 university roles in regional innovation-led growth pathways were the following: promoting and assisting entrepreneurial businesses, education and manpower development, global best practice scanning, convening forecast exercises, and constantly developing responsive curricula.

Indeed, all of these are present in the Tallinn University of Technology. Business education is important and one of the recent developments in the TUT curriculum portfolio is the new programme of Finance and Economic Analysis. The programme is taught in English in the most international learning environment in Estonia, in the new building where the School of Economics and Business Administration is located. The programme sets high requirements for students and is the only master's level business programme in Tallinn that has a daytime format. However, the schedule is structured in a way that enables students to have part-time jobs.

The programme in TUT satisfies both local needs and international standards of business education. Designed to meet the high level of requirements set by international accrediting bodies, the

programme also incorporates most of the professional knowledge seen as necessary by such professional organisations as the CFA Institute.

The programme became possible because the demand for specialists with high analytical skills was met by the university's resources. At the moment, TUT has the best human resources and infrastructure in the three Baltic countries, providing financial and quantitatively oriented business analysis education that is interdisciplinary and connects knowledge and skills in the business, economic and IT areas.

The programme Finance and Business Analysis does this based on recommendations received from future employers during the development process of the curriculum. And indeed, employers of the programme's graduates are already using the courses provided in it in their training.

Programme's quality and competitiveness

Rosalind Williams of MIT has stated that "knowledge is global but learning is local". In the new programme, the two levels are interconnected in a unique way, which creates quality at an international level and also takes into account local needs.

The graduates of the programme have high analytical skills, and the capability of international cooperation. The seeds of future business networks are planted by the opportunity to study with people from a number of different countries. Graduates have all the necessary skills to work in the increasingly challenging internationally connected environment of competition.

Tanel Veenre's Kingdom And Trophies

Text: Anneliis Aunapuu

In June 2012, the President of Estonia, wearing a bow tie, presented the Young Cultural Achievement Award to Tanel Veenre (36), also wearing a bow tie. The award recognised Veenre as a jewellery designer who had made an international breakthrough. Yet Veenre is also a design journalist, book author, photographer, initiator of fashion events and projects, and a lecturer. What is his secret?





Trophy V | Neckpiece 2012
balsa wood, oak, marble,
artificial resin, silver, cosmic dust

PORTFOLIO_TANEL VEENRE

Photos: Tanel Veenre / styling: Aldo Järvsöo / models: Hedvig, Birgit



Heart V | Brooch 2012
wood, bone, silver



Heart VI | Brooch 2012
wood, ebony, silver



Crown 2012
balsa wood, artificial resin,
cosmic dust



Trophy XII | Neckpiece 2013
balsa wood, artificial resin, silver, cosmic dust



Trophy I | Neckpiece 2012
balsa wood, artificial resin, silver, cosmic dust



Wild Beast III, IV, V & VI | Brooches 2012
balsa wood, artificial resin, silver, cosmic dust



Trophy VII | Neckpiece 2012
balsa wood, oak, artificial resin, silver, cosmic dust



Dust, Universe & Queen | Ear-rings 2010
balsa wood, agate, artificial resin,
silver, cosmic dust

Lessons in survival

Coming from a family of musicians, Tanel Veenre believes that his life has just taken its natural course, like that of a plant which flourishes inland. Having commenced his course in jewellery design in 1995, his talent was soon spotted by Professor Kadri Mälk, whose recommendation enabled the young and inexperienced student to study at the Gerrit Rietveld Academy in the Netherlands. He spent a complicated year in Holland, as it involved not only a course in his chosen speciality but also a lesson in survival in a foreign environment. Perhaps the tough university of life laid the foundation for his amazing resilience?

As a jewellery designer, Veenre is riding the carousel of international exhibitions. Besides participating in more than a hundred international group exhibitions, he has had personal exhibitions in many European countries and, a couple of years ago, also in New York.

At the grand jewellery design event “Schmuck 2013” in Munich, Tanel’s works were exhibited in four shows. One of those was his personal exhibition “My Kingdom”, which was also shown at the Tallinn Art Hall some months ago. Another exhibition, which the artist considers to be the most important one in terms of his career, was with 17 other invited classics of the jewellery world at the impressive museum Staatliche Antikensammlungen. “The opportunity to spend a week in Munich and receive immediate feedback from those who admire my designs—the visitors ranged from students from all over the world to powerful art collectors—enabled me to put myself in the big picture,” explains Tanel.

Like an orchestra

As a productive jewellery designer, Tanel Veenre manages to be equally visible in creating, exhibiting and representing. For the readers of the daily Eesti Päevaleht, he keeps his thumb on the pulse of Estonian design. In addition, he is a lecturer at the Estonian Academy of Arts, developing and expanding the curriculum. Besides his daily work, he is always involved in some one-off challenge. At the same time, he admits that he has become increasingly selective about what he commits himself to: he tends to avoid all kinds of social events, preferring to spend time working in his studio.



How does he manage it all? “I am able to really focus,” Tanel admits, “I manage my time without any waste. For example, when I arrive at my work desk, I am totally present and my fingers start to create immediately.”

Tanel considers it increasingly important to write his own story. Images are no longer just images, and jewellery is no longer just jewellery. To create means to allow access to the artist’s world. This is also a reason why Tanel persists in making Facebook entries both in text and images (see www.facebook.com/tjewellery). He is always accurate and concise in his words, but never dull.

A different kind of jewellery

In his review of the jewellery exhibition “The Coolest Corner”, published in the daily Eesti Päevaleht on 30 January 2013, Tanel describes how the Dutch gallerist Paul Derrez credited the uniqueness of Estonian jewellery design in his opening talk at the Oslo Design Museum by saying, “There are two countries in the world where contemporary jewellery design has a clear identity: New Zealand and Estonia.”

The interesting question is why? During the decades that Estonia was cut off from Europe, Estonian jewellery design continued to develop strongly and followed its own course. Today it has returned to Europe, dragging behind it the clinking chain which blacksmiths decorated, redesigned and engraved for decades. Perhaps it was elitist in spite of the difficult times? Or perhaps the decisive factor was the fact that, beginning in the early 1980s, people started to look for inspiration from ethnic sources? Students went on excursions to visit the Finno-Ugric peoples in Siberia. Fortunately, the result was not copy-pasting ethnic ornaments; instead, the creative crowd became more educated about symbols, deeper meanings and different ways of looking at the world.

“Mythological mindset” was also something that Leili Kuldkepp, a leading figure in the Metal Art Department of the Academy of Arts, submerged herself in. She always injected her students with a sense of independent intelligence and a deep respect for fossils.



Kadri Mälk
Mid-day of Life | brooch
 jet, silver, almandines, smoky quartz



Screamingly Silent | neckpiece
 wood, silver, cosmic dust



Rabbit who has not decided whether to be gray or pink | brooch
 wood, silver, cosmic dust

The leading role of Kadri Mälk

Tanel Veenre praises the current state of affairs in the Jewellery and Blacksmithing Department of the Estonian Academy of Arts, where as a tutor he helps to create a strong foundation for students. The department is headed by Professor Kadri Mälk, whose work is constructive and well thought-through. Mälk continues the leadership example of Kuldkepp, especially with regard to independence of thought. The most important factors are considered to be spirituality, humanity, caring and a broad world-view.

Instead of trips to Siberia, the students' world-views are broadened by creative contacts with the rest of the world. But the students have been even more influenced by Kadri Mälk's own example and works, which possess an amazing force.

Estonian jewellery had been, for a long time, on a course towards artistic independence, but Kadri's works—independent art works with a strong ancient mythical charge—were the first ones bold enough to announce honestly that their main aim was not to decorate their wearer, but to be a friend, like a pet or a protector, like an impressive armoury. Each piece of jewellery is like a personality surrounded by a strong energy force.

Although it is innovative in form and in the handling of materials, Kadri's jewellery gives the impression of being an ancient talisman, telling a story which is larger than words.

From material shift to spiritual quality

Contemporary jewellery no longer needs to be resilient or pretty. Instead, it has a social dimension, expressing a manifesto: elitism, a game, a joke, a challenge for the audience, which may make you lose sight of everything else. Estonian jewellery design long ago gave up traditions in terms of material and function. Orthodox jewellers probably shake their heads when confronted with the choice of materials today...

Kadri Mälk comments on this: "I have noticed that people often approach jewellery by emphasising the choice of material, as if there is no other access. They first look at how the jewellery is made and what it is made of and only then do they ask why. Of course, materials carry a certain metaphoric metatext. But the feeling, the emotion or the after-taste created by a piece of jewellery – this is much more difficult to describe."

Tanel's creations are also characterised by a great freedom when it comes to materials, but this is not the most important thing. "He

excels at mixing all sorts of materials with almost violent elegance, using precious stones and acrylic wax, organics and minerals all together without giving it a second thought. But the impact of his works, a certain grand arrogance, the combination of precision of shape and arbitrariness all evoke emotions. The idea works. The quality of the soul has an impact," confirms Kadri Mälk.

Courage, energy and cosmic dust

Tanel has no prejudices when it comes to materials, but he has always been attracted by everything organic. Even as a student he used bugs, seahorses, and bird heads in his works. The jewellery modelling has become increasingly complicated; interesting additions from the world of shapes have been added – *objet trouvé* – which he processes and melts into his compositions with acrylic wax, precious metals and stones.

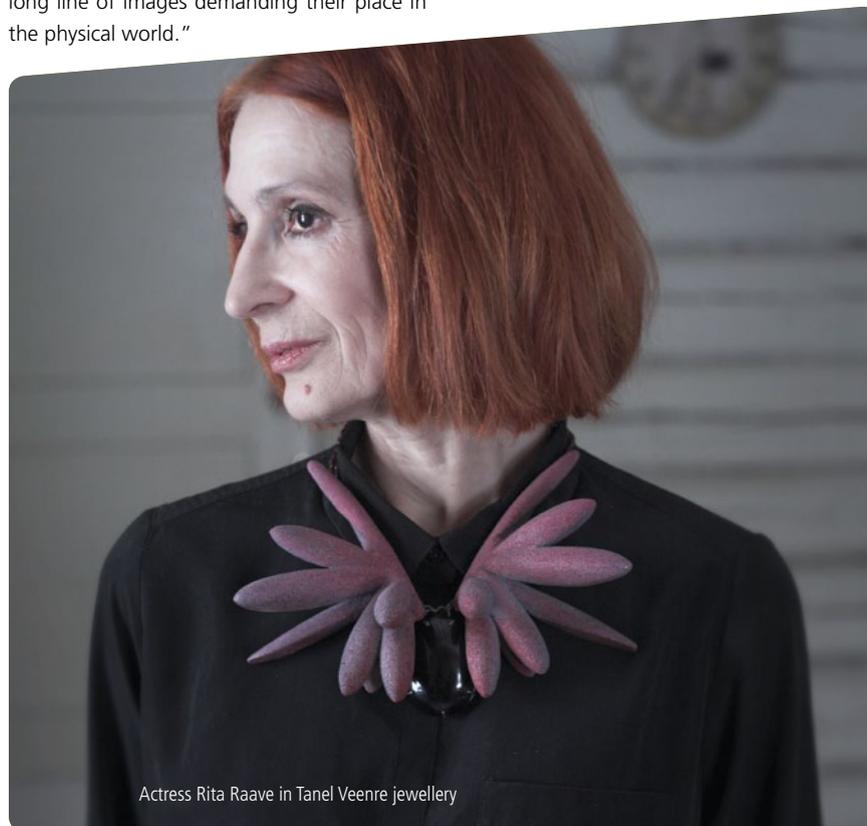
But he is increasingly attracted by pure materials. Chunks of jet, also known as gagate (a compact and very light carbon fossil), which he has recently received from Asia, make the artist's fingertips itch with excitement. "I love to mould, engrave and grind, giving the shape I want to wood, bone and stones," admits Tanel. And this play of materials is always crowned by some precious gem, even if very small, which has been properly caged.

Often the final shape of Tanel's jewellery recalls a heart, a crown or a mask: such are the symbols which creep up on you.

These days he likes playing around with pellets made of balsa (fishing corks), which he became familiar with in his childhood, as his father was a passionate fisherman. He joins them into jewellery like Lego bricks, covers them with artificial resin and colours them with dust. Some shine as if they are polished and wet, but mostly he leaves them misty and pastel-coloured, sometimes adding a passionately shining and gradient shade (which for the monochromatic style of Estonian jewellery is quite rare) and scattering fine cosmic dust all over. Very symbolic indeed!

Emotion and explosion

What does the planning process of these multi-material jewellery pieces look like? "I don't start with technique. Nor with material. My way of working is totally different," says Tanel. "Others usually have one or two pieces in process; my workbench is full of stuff. I carry them around, think, dream, search, until my hands put something together and my mind suddenly recognises the right thing. I trust my hands. But when the piece is ready, I don't really care about its fate, as I can already see a long line of images demanding their place in the physical world."



Actress Rita Raave in Tanel Veenre jewellery

He has described his working method to Aaron Decker from the American publication Art Jewellery Forum: "Sometimes when I sit at my workbench, all suddenly becomes clear, and I say, "Yes. I have to make it this way!" It becomes so huge. It is everything. All-encompassing. And when it's done, it's not so clear any more. It has lost its clarity during birth. So, I have to start all over again. And again. Again." (You can read the entire piece on: <http://www.artjewelleryforum.org/ajf-blog/aaron-decker/tanel-veenre-interview.>)

This has such charming creative passion, doesn't it? Yet besides his creative, bold and courageous nature, Tanel seems to be constructive, sustainable and consistent – a strong pillar which can lift his intuition-fed creativity as high as one can imagine.

Kadri Mälk sums up Tanel's strengths: "The human side of things is equally important. Tanel is a great communicator, and intelligent; he's a thinker who can analyse quickly, a sensitive philosopher. Despite his rapid shot to fame, he has remained sincere and warm-hearted, a person who does not step on others but supports those who are weaker. He has an amazing ability to work. A rare talent."



Jewellery--fashion--photography--book

Those design disciplines get along well with each other and Tanel Veenre's journey follows this winding road. A glance at the list of his activities, from fashion shows to exhibitions, from picture series to book editing, could suggest that he is already a pensioner, or at least has been cloned.

As with fashion, photography adds to jewellery. For his exhibition "My Kingdom", Tanel asked his best friends to pose with hearts shaped of wood. For the exhibition poster, the photographer Toomas Volkman also portrayed the creator of the jewellery. The inner tension of this extremely sensitive photo is relieved by humorous regal qualities, closed eyelids hiding a slight smile, the artist seeming to balance himself on top of the artistic ivory tower with elegant stability.

Whereas it is customary to show jewellery and fashion on young and fresh models, Tanel lately got the idea of making his jewellery relate to a more multilayered, perfect, experienced beauty. It is with this thought in mind that he went to visit the actress Rita Raave and the artist Enn Põldroos. Now you can admire a series of beautiful double portraits on his homepage: portraits of the well-known actress with portraits of jewellery by Veenre. One cannot help but get lost in admiring the multilayered beauty of these still lifes.

As photographs, jewellery arrives on paper. Since 1999, the strong jewellery designers Kadri Mälk, Piret Hirv, Eve Margus-Villems, Tanel Veenre, Kristiina Laurits and Villu Plink have come together in the creative group õhuLoss (Castle in the Air – ed.). Recently the book *Castle in the Air*, bringing together their works, was published by the publishing house Arnoldsche Art. This valuable edition complements the body of publications on Estonian jewellery design.

Look further: www.tanelveenre.com

"Why shouldn't international film producers come to shoot their films in Estonia?" asks Esko Rips, a producer and one of the owners of the film production company Nafta. "Not only will you likely pay less here than in a number of other countries, but you receive much more for your investment and the services are of excellent quality."

Nafta

Attracts International Film Producers To Estonia

Text: Jaanus Kulli
Photos: Nafta





Esko Rips

Nafta, a film production company founded eight years ago, has recently started looking for foreign partners. “At the moment, we are researching the market and promoting ourselves. Our aim is to attract film producers to come and shoot in Estonia,” explains producer Esko Rips. “Why should international film studios come to produce in Estonia? One of the reasons is our stable political system. Money does not simply vanish into thin air, as has been known to happen in some other countries where labour costs are cheaper,” adds Diana Mikita, a junior producer at Nafta. “We work together with some of the most talented directors and cinematographers, and our experienced specialists have versatile technical skills that allow our clients to order both pre- and post-production services all from one place, saving time and money.”

“The name Nafta (*in translation* “oil” – ed.) was selected as it is short, clear and memorable,” explains Esko Rips. “Whether we want it or not, oil is something we come into contact with directly or indirectly every day,” he says, with a smile.

Nafta produces commercials, shorts and full-length feature films, as well as TV series. Therefore, Nafta is able to offer the whole range of services of producing moving images, which includes pre-production, creating the storyboard, casting actors and securing shooting locations, costumes and props. This is followed by the production process up to editing the

film material and colour grading. In addition, Nafta also offers sound mixing, after which the finished work is delivered to customers.

“This is the range of our services. Considering our technical basis, I believe we are able to compete with foreign competitors in every phase of film production,” confirms Esko. And Diana adds, “Anyone interested in making a commercial or feature film can get a full package from us, from the creative side and technical implementation to post-production.”

Best acknowledgement: cooperation with Disney Channel Russia

Therefore, Nafta is not only a service provider but a film production company in its own right. During its first years of existence, the company mainly produced TV commercials. However, in 2007 Nafta started producing short and feature films more actively, while also engaging in the development and production of series. Today’s Nafta has co-produced the feature film “Bad Hair Friday” (“*Vasaku jala reede*”, 2012), which attracted the 2nd largest audience to Estonian cinemas, and produced six short films, two TV series, two documentary films and about 250 commercial clips.

“With reference to short films, we’re proud to note that “Must Peeter” (Black Peter – ed.) won the award for Best Estonian Short Film in 2008,” says Diana Mikita. She adds that their largest TV series to date, the science-fiction comedy “IT Planet”, which was contracted by the Estonian commercial TV station TV3, was produced solely by Nafta Films, whereas the youth series “Posle Shkoly” (After School – ed.) was co-produced with the Disney Russia representation and was aired on the Russian Channel One.





“Working with Disney Channel Russia meant offering our whole range of production services: budgeting, compiling the shooting schedule, the technical team, finding locations and actors, procuring equipment, bookkeeping and so on. This is one of our success stories we are proud of. Our co-operation ran so smoothly that Disney Russia decided to do the post-production, as well as the colour grading and sound, with our company as well – which wasn’t actually their initial plan”, explains Esko Rips. “As mentioned above, we are able and prepared to produce films from pre-production to the final product.”

“While there are production companies in the world who deal only with a special genre or a particular part of the work-flow, in Estonia, where the market is much smaller, it is not profitable to specialise in a narrow niche yet. It is much more effective to produce a moving picture from beginning to end because that way you can control the whole work-flow more easily” say the producers. Due to the small size of Estonia, we’ve learnt to be more diverse.

“Before commercial clips go into production, our director and designer prepare their vision of what the clip will look like, including mood images of characters, environments, costumes, the visual tone, technical camera tricks and the storyboard. For a client it is crucial to visualise the final product as vividly as possible and we invest a lot of time and energy in pre-production to minimise possible misunderstandings”, says Diana Mikita, explaining the pre-process.

“One of our next projects is likely to be a co-production for a foreign feature film. However, as it is in pre-production it is too early to reveal any details,” says Mikita. “Their contribution is providing the budget, the director and the producer. Our role is to find the art director, locations, actors and the entire shooting crew. Therefore, the whole production and possibly the post-production might take place in Estonia.”

Old Town, Soviet times, modernism

We move on to discuss questions surrounding film locations. “It should be emphasised that many film-makers from abroad have been positively surprised when they arrive. You get off the aeroplane and can be on location in five minutes and often you can fly back home the same evening,” says Rips. “In many European countries, it is unheard of that you can reach the location so fast. Another thing worth mentioning is that we still have some nostalgic Soviet locations, abandoned factory buildings etc.”

“Especially our Russian partners couldn’t believe how easy it was here to get permission to shoot in the centre of the town at one of the main squares, for example,” continues Diana. “Tallinn has a superb looking Old Town, which has been part of UNESCO World Heritage since 1997, and its main value is its medieval character and structure, which have disappeared from other northern European cities. Tallinn’s Old Town has an almost complete network of streets and land plot borders dating back to between the 11th and 15th centuries, and lots of buildings built in the 14th and 15th centuries, which have been preserved in their original form. It can be said that Tallinn is one of the best preserved medieval cities in the whole of Europe.”

In contrast, Tallinn has a contemporary modern city centre with high-rise buildings. People from abroad have been impressed by our modern business city. "The city's trump-card is the diversity of locations: the Tallinn Old Town, Soviet-era locations and the modern business city. It is added value that those locations are all easily accessible," Diana sums up. "Not to mention that production-wise we work 24/7 and our partners have been impressed by our commitment."

Estonia is not merely Tallinn though. "We have a wonderful untouched landscape, plenty of forests, lakes, islands, idyllic seaside villages and romantic manor houses," explains Diana. "We have a lot to offer which cannot be found elsewhere in Europe. In addition, our average population density is 30 people per square kilometre. There are places in Estonia where you can spend days without encountering another human being," she continues.

This is where Esko Rips adds with a smile, "Also, last but not least, as international directors have pointed out, Estonia has many beautiful people. Perhaps even if those young people are not ready for big roles in feature films yet, they are certainly perfectly suited for commercials. Estonia has produced supermodels since the late 90s, starting with Carmen Kass, Karmen Pedaru and Kätlin Aas."

Today Nafta's main foreign partner is Russia. They like the fact that we still speak Russian. In addition to the fact that our crew speaks English, Finnish and German. Another big market is certainly Finland, but Nafta is also keeping an eye on Germany, Ireland and other Scandinavian countries. A more exotic example of cooperation has been our collaboration with the Egyptian film market.

Nafta offers:

- Budgeting and research
- Location scouting and permits
- Regional and international casting services
- Best English/Russian-speaking crews and technicians in the region
- Experienced set designers and construction teams
- Visual and sound post-production, VFX effects



Diana Mikita sums up their experience to date: "As the market is small, we are looking outwards. There was hesitation at first about whether we would be equal partners. But our experience shows that we are competitive and our partners want to continue their cooperation with us."

At the end of the day, cooperation between countries always comes down to relationships between people – which Esko emphasises is everything in the film business. "It all depends on the kind of connections you form with people. We try to be open, friendly and conscientious. I believe this is also what characterises Estonians on the whole," says Esko Rips, a producer from one of Estonia's leading new generation production companies.



The Grand Old Man of Freaky Film History

Text: Mihkel Kärmas

The Estonian-American film director and producer Bill Rebane, who will soon celebrate fifty years in the movie business, wrote himself into the history of freaky films with his bloodsucking giant spiders.

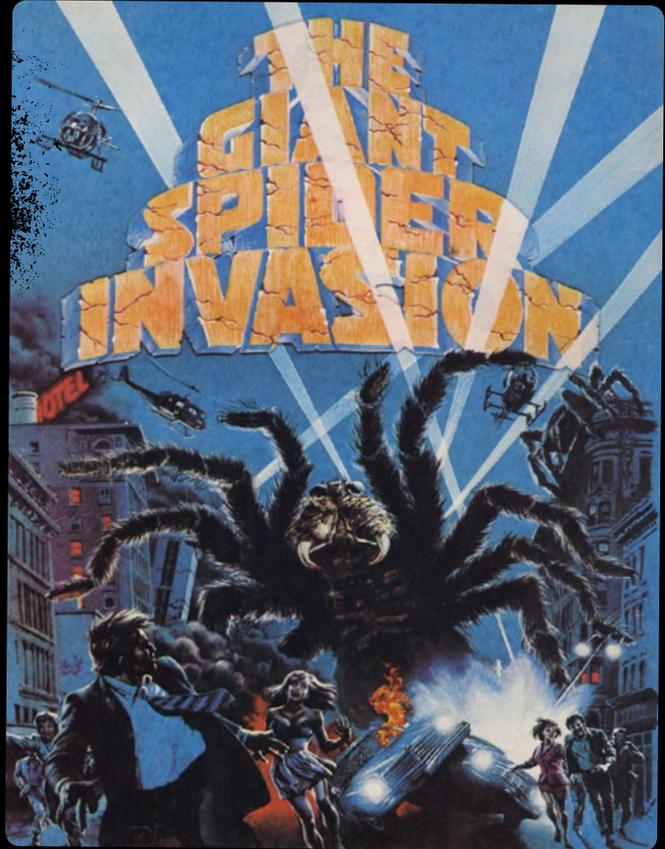
The attack of house-size spiders, a killer virus which makes human brains boil, a bloodthirsty yeti and a mass murderer in a clown costume are just some examples of stories director Bill Rebane has screened. Add to this plenty of fireworks, amateur special effects and abundant shrill screams. All in all, the films of Bill Rebane are so bad that they are in a class of their own. Those are scary movies which make you laugh.

The 76-year-old author is unknown to the masses, but for horror-film fans he is a living legend. In his homeland, the United States, he goes by the name Bill Rebane, but this is also one of his many disguises, as his birth name is Ito.

"It started when I came to this country and went to school here and every kid in school mispronounced my name," says Rebane. "So finally a friend of mine solved the problem and simply said – why don't we just call you Bill. And that's how it stuck."

Ito was born in 1937 in Riga, Latvia, to an Estonian father and Latvian mother. But his family also has Prussian and Scottish blood. The Japanese sounding name was given to him by his mother, who was inspired by crossword puzzles.

"Therefore, there is always the question: who am I?" says Rebane, showing old family documents. "By heart and by nationality I am very definitely Estonian," says the man of movies, who has both US and Estonian citizenship.



His life story reads like an international adventure film, where wild success alternates with great suffering. His father, Arnold Rebane, who was recruited into the Waffen-SS during the Second World War, managed to get his family over to Germany where, in 1952, they emigrated across the Atlantic, to Chicago. As a 15-year-old, Ito's first concern was to learn English.

"I started going to movies and I sometimes watched as many as six to seven movies in one day. And that's how I learned English very quickly."

After US Army service, Bill, now fluent in English, German and Estonian, dived into the film business, travelling between studios in Germany and America. At first he dreamt of a career as an actor, but was clearly more talented in the business side of movies, and as a 21-year-old he was already moving millions in the international film technical equipment business. There are still some cinema technology patents in his name.

The first movie studio in the dairy state

His life changed 50 years ago when he happened to go on a fishing trip to Wisconsin, near the Canadian border. On an impulse, he bought an old farm and a plot of land and moved his wife and children from the city to the countryside. The farm, where horses and chickens were kept, became the first official film studio, known as the Shooting Ranch, in the state of Wisconsin. Wisconsin was better known for its cheese than its movies.

The money earned from shooting educational and chronicle films was invested in increasingly ambitious projects. In 1975, Rebane shot his second independent feature film, "The Giant Spider Invasion", for which he is still famous.

"The spiders were very small all the way through the original idea, until the distributor in Hollywood got hold of the script and said – can you make me a 10-foot spider? Then it became 15 feet, then 20, and finally it became a 35-foot spider. So we did the best we could with the budget," Rebane says, recalling how the six-legged creepers were born.

The attack of the house-size spiders, who entered our dimension via a black hole ripped by a comet, was shot with the help of local Wisconsin people and the shooting locations were all within a radius of a few miles.

"We decided that the only way we could make a spider that size was by using an existing vehicle of some sorts. And the Volkswagen Beetle was the answer. And then we had the problem of how to motorise the legs. We decided to put nine kids inside the Volkswagen and put the legs on springs and keep moving them up and down. Actually from a distance the effect was reasonably good. But the moment you got closer and actually saw what it was, of course we were lost," Rebane says, with a laugh.

Against all reason, the amateur film with very bad special effects and a minimal budget became a big hit. During its first year of release, the film, with a budget of 300,000 USD, earned 23 million dollars and was one of the top 50 films screened in the USA. The giant spiders still bring in money for Rebane. In 2011, he announced that he would start working on a musical based on the cult film!

Tasteless stuff sells too

Bill was no fool. He learned an important fact: you can also make money with bad films.

"Horror and science fiction were in and saleable. And I was not about to make something to try to prove my artistic abilities and lose money. I would rather look at it from a business standpoint. I'd rather make something that is maybe mediocre, but makes a lot of money."

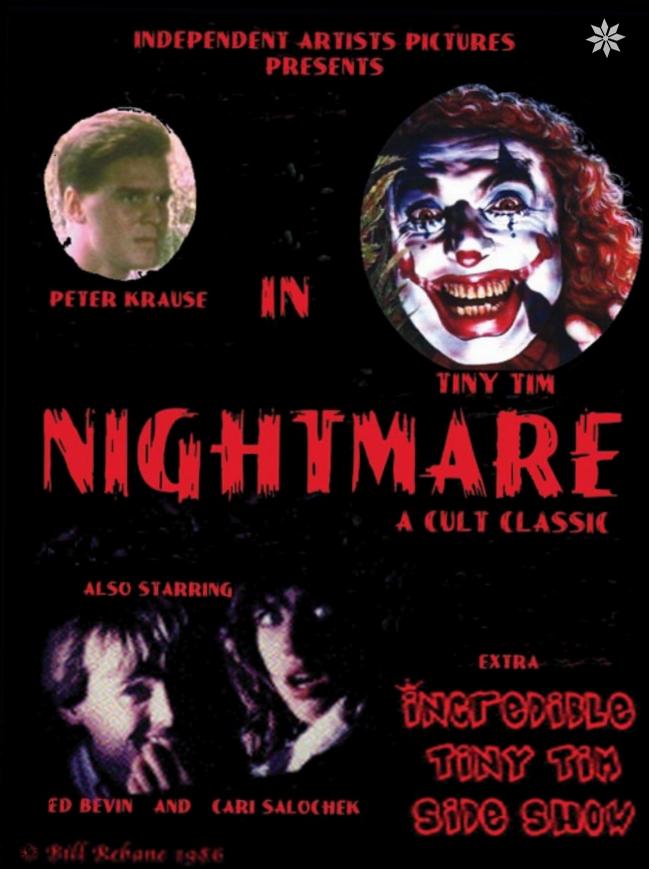
This is how a bunch of curious anti-heroes made their way to the big screen, starting with a toad-man with acid saliva and ending with a monster-car bringing destruction in its wake. The critics may have frowned but Rebane's obscure films became a phenomenon. During peak times, nearly 100 people were employed in his Wisconsin studio.

In 1989, when everything seemed to be on the way up, Rebane suffered a sudden stroke. As this father of four had no health insurance, banks started to ask for rapid repayments of their loans. The sad story ended in bankruptcy.

After the debilitating illness and the court saga, Rebane—feeling disappointed in the system—stood for election as governor of Wisconsin in 2002 as a protest candidate. Without success. In 2012, he announced that he was running for US Congress, but his campaign never got off the ground. He remains politically active, sharing his views on such issues as gun control in his blog.

Movie guy and trade representative

In 1992, Bill Rebane made his first visit to Tallinn since WWII. The country still recovering from Soviet power struck him as gloomy.



"It was horrifying. I remember all the stories my parents told me and I stood on the 14th floor of the Viru Hotel, looked down on the city that was half there and it was very sad."

One of the stranger episodes in Rebane's colourful biography is his short career as a trade representative of the Estonian Congress to the United States in the early 1990s. The first and only transaction during this career is the unbelievable-sounding attempt to sell 26 Russian military planes to the West.

"I had all the instruction manuals and what have you. But that ended up bringing me nothing but aggravation because, I think, the CIA wanted to buy them and that was the wrong connection. So I'd rather not talk about that," Rebane says mysteriously.

It took another twenty years from his visit to his fatherland before his chef d'œuvres were shown on the big screen in independent Estonia. In addition to screening a retrospective of his films at the Haapsalu Horror and Fantasy Film Festival, in 2012 Rebane was awarded a Lifetime Achievement Award, which the colourful cinematographer could not come to receive due to health and financial reasons.

The foreign Estonian, who has shot twelve feature-length and a hundred shorter films during a 48-year career, is currently living a low-key life in the town of Saxon (200 inhabitants), in a roadside house, where only the UFO figures in the yard bear testimony to his out-of-the-ordinary life.

TALLINN
KEEMWCIJUM
4/5/6 April 2013
TMW.EE

Recently there has been talk of Estonian music as “the best kept secret” in international music circles. Why Estonia has suddenly become a magnet for music experts and music lovers is a question best answered by the young woman responsible for it all: **Helen Sildna**, the organiser of Tallinn Music Week.

Estonian Music - The Best Kept Secret

Text: Piret Järvis
Photos: TMW



Iris



Vaiko Eplik & Eliit



Rubik



Iris



Just five years ago, the Estonian music scene was a bit chaotic. Everyone was trying to make it on their own, to find out how to break out of Estonia. But there was no big breakthrough. Then you started Tallinn Music Week and suddenly things started to move. Today our bands are touring in neighbouring countries and many even further afield. What recipe did you use to make this caravan move?

Something which Risto Juvonen, the boss of the largest Finnish concert management company Live Nations, said made me think: a music market will not function stably until you learn how to manage your own local talent. After all, concert activity based on an international programme will always be somewhat arbitrary: we cannot take it for granted that Madonna will come perform here every summer.

If you look at Finnish music companies, most of them are working with Finnish artists: organising their concerts, album sales and publishing. The goal is to have a lively club music scene every week. Otherwise, people will not even get used to listening to music. At the same time, I started to visit festivals that were similar to what Tallinn Music Week is today. In Finland, there is "Musiikki ja Media", in Holland "EuroSonic" and so on. I was startled to find everywhere how many interesting local artistes came to these festivals. When I saw that, I decided that unless I did it here, something like this might never happen in Estonia.

Tallinn Music Week takes place for the fifth time this year. How well has the festival been received by foreign specialists, the music press and the music industry?

Many people experience a total wow-effect when they come here. They are amazed that nobody knows what's going on in Estonia. They come to a festival where they can see at least a hundred Estonian artistes, and this year 165. The names on the programme are totally unknown and people expect the worst. For example, in the first years people just knew that Estonia had won the Eurovision once and the expectation of the festival matched that: we were considered to be a europop country. Therefore, the excitement about what was going on in our music scene was huge afterwards. People are amazed that we have so much unique, special and original music. What people value most is artistes who do not copy some international format, but are unique and talented in what they do.

Every country has its own music face. For many people, Finland is the country of metal. Sweden is the kingdom of quality pop music. Iceland is the domain of fairies. Does Estonian music already have its own face?

This face is created by success stories. In other words, by those artistes who have already reached fame. Like HIM and Nightwish from Finland. Like Björk and Sigur Ros from Iceland.

I think in the Estonian case it is a combination of very many different components. Our music is frosty, northern, experimental and melodious. At the same time, I believe that it is not a question we really have to rack our brains over; it will just develop on its own. It would be terrible if we decided that this was our face and then attempted to squeeze ourselves into some box at any cost.

But what is the common denominator which gives an impulse to our contemporary music?

If we are looking for such influences in Estonia, we need to return to our traditions. I think that the vocal skills that have developed out of our choral music tradition are very important and significant. On the other hand, it has been a strong classical music education which has shaped the face of our music. Others are also benefiting from our classical education. In Iceland, they have a saying that every music school in Iceland has at least one Estonian music teacher, and that is a fact.



Tallinn Music Week 2012 Opening. President Ilves

What are the pluses and minuses of making music in Estonia today?

Once we saw a presentation by a very inspiring Icelandic manager of music export, Anna Hildur, where the first slide said that the motto of each Icelandic musician is: "Export or die!" The population of Iceland is 300,000. In this sense we are in a much better position with our 1.3 million inhabitants. But it is still a fact that we have very many artistes and they can not all fit into the local market, at least not so that they can live off of their work. It is a fact that if you want to make music professionally and also live off of it, your only chance is to work in the international market. We have maybe five to ten artistes who manage to earn their living by doing music only in Estonia. For the rest, there is not enough work.

But the advantage which is really making things easier at the moment is the fact that Estonian music is becoming internationally famous as "the best kept secret". Everyone is always looking for the next interesting thing and in this sense we are managing to get a lot done. It is a fact that people are really positively interested in Estonia at the moment, in what is happening here. I would even say that at the moment Estonian artistes have a better chance of international fame than some British indie bands. This positive image and the appealing story that you are a band from Estonia making northern indie rock gives you a great advantage.

Leslie Da Bass



Tenfold Rabbit



Nevesis



Bedwetters



Frankie Animal



Elephants from Neptune



Svjata Vatra

You said that people in international music circles are very positively interested in Estonian music at the moment. How is this expressed?

When I used to visit foreign festivals and events, it was a rule that I was the only Estonian people had ever seen in their lives. Nobody knew anything about Estonian music. Of course they knew Arvo Pärt, but the general situation was that we did not exist on the world's pop music map. This situation has radically changed today. When someone says today that they have not heard of Estonia, they are the one that looks silly.

Of course, such an awareness differs in different circles. We are currently well known with specialists, the music press and the music industry. But we have to reach the next level. We cannot yet say that we have entered the mainstream media and appeal to the masses. But the current state of affairs is a precondition for that happening in the future.

When will you feel that your dreams and goals of promoting Estonian music in the wide world have come true?

It is my goal that there will be a critical mass of Estonian artistes working internationally according to their own goals in a free and organic way. I cannot say that I want to see 10 Estonian artistes at the top of Billboard or touring in Europe. I would rather see a critical mass of musicians who have found their own way and their own audiences abroad and that have managed to do it in accordance with their principles and their music styles. I would like to see them all find their place in the world. And I consider it very realistic that that will indeed happen.

In 2013, Estonia celebrates. First and foremost its 95th birthday. But there are many more memorable and emotionally charged events designed to remind us of the re-establishment of our freedom, independence and the blue-black-white national flag.



"Rock Summer 25" Unites Generations

We celebrate the 25th birthday of the Singing Revolution, night song fests at the Tallinn Song Festival Grounds, the Estonian Sovereignty Declaration and, last but not least, the first ever international rock festival held not only in Estonia but in all of the former Soviet Union: the legendary "Rock Summer".

The Feeling

...Nearly 60,000 people were listening so silently that you could have heard a pin drop. On the stage was Steve Hackett, with his acoustic guitar, playing songs of his former years with the world famous band Genesis. ...John Lydon, formerly of the Sex Pistols, could, to his enormous surprise, perform his songs together with the crowd – the audience knew and sang along all the way through. These are just some flashbacks of the feeling at "Rock Summer '88", or "Glasnost Rock" as the festival was also called.

Let's travel 25 years back in time. It is 1988. Estonia is still part of the Soviet Union but not for long. A sense of freedom is in the air and in people's hearts. In spring it bursts forth at the Tartu Pop Music Days, when "Five Patriotic Songs" by Alo Mattiisen and Jüri Leesment,

specially written for the occasion, have their premiere, accompanied by the first timid waving of blue-black-white flags. Three months later, at the "Rock Summer" festival, an estimated crowd of 60,000–80,000 people join hands and sing, with tears in their eyes and lumps in their throats, "Estonian I am and Estonian I will stay...". For the first time in more than 40 years, Estonia's national flag is hoisted above the radio tower of the Song Festival Grounds, and the number of smaller flags in the hands of people is countless. For the first time in decades, we could shout out loud "Freedom for Estonia!" without fear of being sent to jail. Some years before, that would have led to repression from the militia and intelligence service.

Everything that had been bubbling inside – the urge for freedom, novelty, liberation, joy and rock music – forced its way out. The beloved Estonian singer Ivo Linna, who also sang the "Five Patriotic Songs", recalls: "No rock concert in the world can be compared to the first "Rock Summer" festival. We could already sense freedom, which some years before nobody would have even dreamed of. And artists from abroad performing at the festival shared our excitement. It is really impossible to put all that emotion into words."



The Festival

A rock festival in the Soviet Union with foreign artists was a total utopia. Estonians had never seen anything like that, even through their “window to the world”: Finnish TV. And now all that – rock music, foreign artists, a huge stage, professional sound and a lighting system in your own backyard! Three days in August gave people behind the Iron Curtain the opportunity for the first time to feel as part of the world.

To come and perform on the other side of the notorious Iron Curtain was equally utopian for the foreign artists: Big Country, Public Image Ltd. and Steve Hackett from Great Britain, Leningrad Cowboys/Sleepy Sleepers and Juice Leskinen from Finland, to name just a few. For them, the feeling of unity flowing at the Song Festival Grounds was something extraordinary, something they had never felt before. People thirsty for rock music, singing many of their songs, no violence, generous hospitality... although there was a lack of even the most elementary commodities people in the Western world took for granted.

“The most important common denominator was the Singing Revolution. The urge for freedom brought people together, and made the hearts of the musicians and the audience sing,” says Jüri Makarov, the organiser of the rock event, in summing up the first “Rock Summer”.

“Rock Summer”, which became the biggest rock festival in Eastern Europe, was held nine times altogether. Only once, in 1990, was it cancelled due to political instability. The last one was held in 1997. The time for big festivals in Estonia was over.

The Faith

This summer, on 15-16 June, a group of former team members have decided to organise a one-time event – “Rock Summer 25” – to celebrate the 25th birthday of the first festival, with the desire to recreate once again that magical festival feeling, which cannot be described, only experienced.

“Although it is impossible to restore all that now, a quarter of a century later, and that is not our aim, we would still like to create that indescribable feeling as much as possible. For former fans to live it through again and for younger ones, who have only heard about it from their parents, to have the opportunity to feel it for themselves,” explains the promoter Jüri Makarov, describing the idea of “Rock Summer 25” as a meeting place for younger and older generations.

The two-day festival will be held, as is traditional, at the Tallinn Song Festival Grounds. There will be three stages, with music varying from guitar to heavy rock, from blues to electronic dance music, from metal to hip hop, with more than 30 artists. So far, 23 artists have been announced – Bryan Adams, John Lydon and the Public Image Ltd. and Zucchero, to name a few – but there is a promise of more to come.

Keep an eye on www.rocksummer.ee

Text: Maria Vakkrõõm
Photos: Mart Anderson





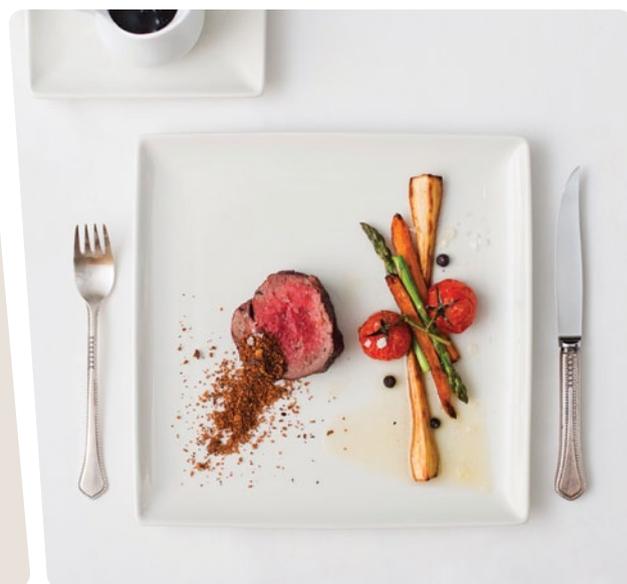
The history of Restaurant Gloria goes back to 1936, when the night pub "Dancing Paris" opened in a building completed in the early 1930s. It was the grandest in Tallinn at that time. In 1944 it was renamed Gloria, and thus the restaurant has shared its hospitality for more than 75 years. Gloria has offered hundreds of thousands of memorable taste experiences and happy moments to important guests to Estonia: Prince Charles, Pope John Paul II, the Rolling Stones and Sting, among others.

Situated in the Old Town, the mission of Gloria, based on the traditions of Estonian and French gastronomy, is to introduce its guests to different cuisines and classic Old European tastes. Innovative in form but conservative in content, Gloria has always offered the best ingredients found in Estonian nature throughout the four seasons. The magazine *Condé Nast Traveller* selected Gloria among the 100 most interesting restaurants out of 2,000 entries, emphasising its unique interior, the rich choice of wines, professional service and unforgettable tastes.

Restaurant Gloria

Müürivahe 2, Tallinn, Estonia
Reservations +372 640 6800
www.gloria.ee

GLORIA





GLORIA WINE CELLAR

The Wine Cellar is situated in the cellar of Restaurant Gloria, inside the ancient city wall. It is the oldest of its kind in Tallinn. The vinoteque is the best guard of wine quality, meeting the requirements of the most demanding wines, as the lighting, temperature and humidity of the cellar are most suited to this. Wine enthusiasts from all over the world have enjoyed the cosy setting and the generosity of our sommeliers. The selection of wines at the Gloria Wine Cellar is considered to be the best in the Nordic countries. The selection includes Vega Sicilia and La Nieta from Spain, Sassicaia, Solaia and Gaja wines from Italy, and the French legends Petrus and Le Pin. Most producers from the Grand Cru manors are represented here.

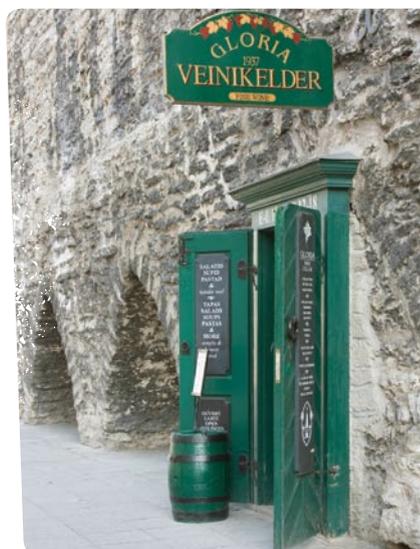
In addition to wine, the treasure chamber includes a wide selection of grappa, brandy, calvados, port and Armagnac brandy. The best ideas for gifts can be found in the row of armagnacs from 1955 to 1992.

Gloria Wine Cellar

Müürivahe 2, Tallinn, Estonia

Reservations +372 640 6804

www.gloria.ee





EGOIST

The building at Vene St 33, now hosting the beautiful Restaurant Egoist, was once owned by Baron Johann Carl Girard de Soucanton. The baron was, due to his French and German origin, an admirer of good food, a great traveller and very popular among the people. The descendants of the Soucanton, who currently reside in Baden-Baden, Germany, highly value the milieu of Egoist, which maintains the lifestyle and heritage of their forefathers.

Since 1998, Egoist has entertained those who have a small and curious egoist in them that does not tolerate mediocrity and is not satisfied with anything less than the best. We have hosted kings and princes, presidents and admirers of good food. Egoist has been recognised as the Best Restaurant in Eastern Europe by the San Pellegrino List of the World's 50 Best Restaurants and as the Best Estonian Restaurant offering coastal cuisine, according to the Skärgårdsmak Competition. Two chefs from the Egoist's kitchen have earned a spot at the most prestigious international cooking contest, Bocuse d'Or. Restaurant Egoist is for those who are looking for something more than a hectic lifestyle has to offer. It is our mission to preserve original flavours of world gastronomy and the traditional restaurant culture of Old Europe.

Restaurant Egoist

Vene 33, Tallinn, Estonia
Reservations +372 646 4052
www.egoist.ee





Estonia in brief

Official name:	Republic of Estonia
State order:	Parliamentary republic
Area:	45,227 sq kilometres (17,500 sq miles)
Population:	1,294,236 inhabitants: 67.9% Estonians, 25.6% Russians and 6.5% others
Population density:	28.6 people per square kilometre. Over 70% reside in urban centres
Capital:	Tallinn with 392,331 inhabitants (as of 2011)
Other major towns:	Tartu (98,514), Narva (65,706), Pärnu (44,437), Kohtla-Järve (41,992)
Administrative divisions:	15 counties (<i>maakond</i>), divided further into 226 local municipalities, incl 33 towns and 193 rural municipalities (<i>vald</i>)
Islands:	1521, the biggest being Saaremaa 2,671 sq km, Hiiumaa 989 sq km, and Muhu 198 sq km
Biggest lakes:	Lake Peipsi 3,555 square km (1,529 sq km belong to Estonia), Lake Võrtsjärv 271 square km
Longest rivers:	the Võhandu River 162 km, the Pärnu River 144 km, and the Põltsamaa River 135 km
Highest point:	Suur Munamägi (Great Egg Hill) 318 m
Air temperature:	annual average +7°C; January -3.5°C, July +20.3°C (2011)
Official language:	Estonian, a member of the Finno-Ugric group. Russian is widely spoken. Many Estonians speak English, German, and Finnish
Alphabet:	Latin
Religion:	Predominantly Protestant (Lutheran)
Currency:	euro (EUR)
Average salary (1st quarter of 2012):	792 EUR
Driving:	Right hand side of the road. Speed limits in town 50 km/h, out of town 90 km/h. International driving licence required
Weights and measures:	Metric system
Electricity:	220 volts, 50 Hz
Country calling code:	372
National flag:	Blue-black-and-white
National holiday:	24 February (Independence Day)
National anthem:	<i>Mu isamaa, mu õnn ja rõõm</i> (My fatherland, my joy and happiness)
National flower:	Cornflower (<i>Centaurea cyanus</i>)
National bird:	Chimney swallow (<i>Hirundo rustica</i>)

Member of EU, NATO, OECD, WTO, Schengen area



Practical information for visitors



For more travel details, please consult the sources below: www.visitestonia.com (Estonian Tourist Board), www.riik.ee/en. Tourist information centres are located in all larger towns.

The Tallinn Tourist Information Centre in the Old Town is located at 4 Kullassepa Street - no more than 10 steps from the Town Hall Square (ph.: + 372 645 7777, e-mail: turismiinfo@tallinnlv.ee). The Tallinn Tourist Information Centre in Viru Keskus (ph: + 372 610 1557, 610 1558), open every day 9 am - 9 pm, is located in the centre of the city. A wide selection of maps, brochures and publications in several languages (largest selection in English) can be found at local bookstores and tourist information centres.

Visa

As of 21 December 2007, Estonia is a part of the Schengen visa area.

Nationals of EU and EEA member states are free to enter Estonia. The required travel document for entry is a national ID card or passport. Nationals of the following countries do not need visa to enter Estonia, and can stay for up to 90 days in any 6-month period: Andorra, Argentina, Australia, Brazil, Brunei, Canada, Chile, Costa Rica, Croatia, El Salvador, Guatemala, Holy See, Honduras, Hong Kong, Israel, Japan, Macao, Malaysia, Mexico, Monaco, New Zealand, Nicaragua, Panama, Paraguay,

San Marino, Singapore, South Korea, USA, Uruguay, Venezuela. The required travel document for entry is a valid passport.

Citizens of countries not mentioned above require a visa to enter Estonia. Visitors arriving in Estonia with visa must have national passports valid at least 3 months after their planned departure from Estonia.

Children aged 7 to 15 years must have their own passport when travelling to Estonia or, if they are registered in their parent's passport, must have their photo next to the name. Children under 7 years need not have a photo if they are registered in their parents' passports. Persons above 15 years must have a separate travel document with photo.

For detailed information on visa requirements and entry rules, please consult the Ministry of Foreign Affairs website at www.vm.ee/eng.



Arrival

By plane: Recently renovated, the Tallinn Lennart Meri Airport, just 3 km from the city centre, is welcoming, modern and user-friendly. Among other amenities, travellers have access to a free WiFi area in the transit zone. The airport's 24-hour customer service telephone is +372 6058 888.

Tartu Airport is situated at Ülenurme, near Tartu. Flights from Tartu to Helsinki depart six times a week.

Regional airports are located in Kuressaare (Saaremaa), Kärdla (Hiiumaa), and Pärnu; these provide no regular international connections.

By ship: With over 6 million passengers annually, the Port of Tallinn is undoubtedly Estonia's main gateway. Large passenger ferries arrive from and depart for Helsinki and Stockholm regularly. The 85-km Tallinn-Helsinki line is served by ferries that make the journey in 2 hours; hydrofoils and catamarans make the trip on 1.5 hours and operate between April to November-December, depending on weather conditions. Travellers should note that different ferry lines depart from different terminals and harbours. The City Port with its four terminals is a 10-15 minute walk from Tallinn Old Town; the Paldiski-Kapellskär line uses the Port of Paldiski, about 50 km from Tallinn.

By car: Border checkpoints greet travellers entering or departing the country by way of the Estonian-Latvian border points at Ikla (the Tallinn-Riga highway) and Valga, as well as on the Estonian-Russian border at Narva (the Tallinn-St. Petersburg highway), Luhamaa, Koidula and Murati. On the Estonian-Russian border, all traffic is subject to border formalities both when entering and leaving Estonia.

By bus: Not only is travel by bus the fastest and most convenient mode of international public transportation in the Baltic states, it also offers excellent value for your money. Regular connections service all major cities in the Baltic countries and St. Petersburg. Eurolines Lux Express and Hansabuss offer comfortable Riga Airport transfers from Tallinn, Pärnu, Klaipeda, Vilnius, Panevezys, and Šiauliai. Prices start from €20.00. A useful tip: Regular passenger buses have priority at the border checkpoints, so travel is smooth.

By train: There is only one international overnight train to Moscow.

Customs

We suggest travellers consult with the Estonian Customs Board help desk (ph.: +372 880 0814 or www.customs.ee) for details. The limit on import of alcoholic beverages from outside the EU is one litre for beverages over 22% alcohol content, and two litres for beverages up to 22%, and four litres for wine. Import of tobacco and tobacco products from non-EU countries is limited to 40 cigarettes or 100 cigarillos or 50 cigars or 50 g of tobacco products. Counterfeit goods, including pirated CDs, video and audio tapes, are prohibited by law. A special export permit is required for specimens of plants and animals of endangered species, protected species and hunting trophies (please contact the Nature Conservation Department, Ministry of the Environment for details). Articles of cultural value produced in Estonia more than 50 years ago also require special permits (please contact the National Heritage Board).



Getting Around Estonia

Inter-city public transportation

Public buses are the easiest, cheapest and most convenient solution for visiting Tartu, Pärnu or any other of the larger towns. Buses from Tallinn to Tartu depart every 15-30 minutes, to Pärnu every hour. On weekdays, seats to these destinations are almost always available even immediately before departure (watch out for special events). For weekend travel or trips to more remote locations with fewer connections, it is advisable to buy tickets in advance. The Tallinn Bus Terminal is located at Lastekodu 46. The timetable is also available online at

www.bussireisid.ee and ticket information is available at telephone +372 6800 900.

Travelling by car

Travellers hoping to see more of the country and the rural areas it would be best advised to travel by car. The roads are quite good and traffic is light. Crossing Estonia from north to south or west to east by car takes approximately three to four hours. All major car rental agencies have offices in Tallinn. It is also possible to rent the car in Estonia and drop it off at a rental agency in Latvia or Lithuania, or vice versa. The speed limit in rural areas is 90 km/h and in cities 50 km/h. In some areas the highway speed limit is increased during the summer months. Headlights and seatbelts (front and back) must be on at all times. Driving under the influence of alcohol or other intoxicating substances is punishable by law.



Local transport

Taxis: Taxis must clearly display their fares, driver's taxi service licenses, and a meter. The initial charge for entering a cab ranges from 2 to 3.5 euros. Different taxi companies have different rates, but the average charge per kilometre is 0.5 euros. There is no additional charge for ordering the taxi by phone, and it usually takes the cab just five to ten minutes to arrive. All taxi drivers must give you a receipt (in Estonian, ask for "Kviitung, palun"). Locals usually give the exact fare and no tip. As in most major cities, some dishonest drivers attempt to overcharge unsuspecting passengers. If in doubt, note the taxi company and license plate number.

Public transportation: Tallinn has a public transport network of buses, trams and trolley-buses. Other Estonian towns have buses. Check the time schedule for Tallinn bus lines for any bus stop at www.tallinn.ee/eng.

Free public transport: As of 2013, all residents of Tallinn, students and passengers 65 years and over are entitled to free travel on Tallinn public transport.

Tickets for visitors: The Public Transport Card Ühiskaart may be purchased for the price of €2. This smart card, onto which you can load money, or e-tickets can be purchased from post offices and online at www.pilet.ee. Personalise the card for €1 at the point of sale or for free at www.pilet.ee/yhiskaart.



If you are using pay-as-you-go credit, your smart card automatically calculates the cheapest fare within the next 24 hrs (never more than one-day travel card). Validate your journey with Ühiskaart immediately after entering the public transport vehicle. You can also buy tickets from kiosks and from the driver (single ticket €1.60 and student ticket €0.80). Try to have precise change (cash only) for the driver. The ticket is valid for one journey only in that specific vehicle. Discounts only for ISIC Scholar and Student Card holders. Holders of a validated TallinnCard are entitled to a free ride.



Accommodations

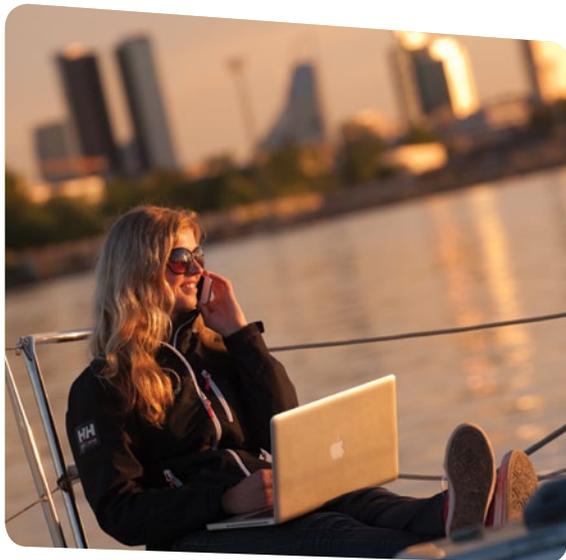
All major hotels in Tallinn have been newly built or completely renovation in recent years. Despite annual additions to the number of hotels and rooms, it can nonetheless be difficult to find a hotel room on short notice (particularly over the week-end). For the best selection, we urge visitors to Tallinn and the rest of Estonia to book hotel rooms in advance. For more details, see the Estonian Tourist Board website at www.visitestonia.ee.

Money

On 1 Jan 2011, Estonia adopted euro as its currency thus replacing the Estonian kroon which had been the only valid currency in Estonia since 1992.

Most larger hotels, stores and restaurants accept Visa, MasterCard, Eurocard, Diner's Club and American Express. However, it is advisable to carry some cash with you.

Traveller's checks can be exchanged in most banks but are less likely to be accepted in shops. Eurocheque is the most widely accepted traveller's check, but American Express and Thomas Cook are also accepted. Banks are plentiful and easy to find in Tallinn. Most are open from 9:00 to 18:00 on weekdays, while some offices are also open on Saturday mornings. All banks offer currency exchange services. Exchange offices can also be found in larger hotels, the airport, harbour, railroad station and major shopping centres. ATMs are conveniently located around town; instructions are in English, Russian and Estonian.



Telephones and Internet

The country code of Estonia is 372. Dial 00 for outbound international calls.

The GSM mobile phone system is available; please check compatibility with your operator. Public Internet access points have been set up all over Estonia. They are located in local

libraries and post offices. There are over 100 wireless free Internet zones around the country, many of them in rather unexpected places - beaches, Old Town squares, stadiums, and concert halls.

Emergencies

112 is the emergency number for ambulance, police and fire department. The police can also be reached directly at 110. Emergency numbers can be dialled free of charge. Select pharmacies are open 24-hours-a-day in many major towns. The one in Tallinn is located at 10 Pärnu Road (opposite the Estonian Drama Theatre); the one in Tartu is located in the Town Hall building (Town Hall Square).



National Holidays

Estonians celebrate January 1 as New Year's Day, a rather slow and quiet day as people recover from the festivities. Shops open late and banks are closed. February 24, Independence Day, is celebrated with a parade of the Estonian Defence Forces at Vabaduse väljak (Freedom Square). May 1 is a bank holiday, similar to Good Friday and May Day. June 23 is the biggest holiday of the year as Estonians celebrate Midsummer Eve and the Victory Day in commemoration of the 1919 Battle of Võnnu, and June 24 is St. John's Day (Midsummer). August 20 is the Day of Restoration of Independence (1991). December 24 (Christmas Eve), December 25 (Christmas Day) and December 26 (Boxing Day) are usually spent at home with families.



Food

Traditional Estonian cuisine consists of simple peasant food, such as cottage cheese, potatoes and bread, all of which are still important components of the local diet. The Estonian dark bread is the main staple missed by Estonians abroad. Typical Estonian dishes do not feature prominently on restaurant menus, and traditional home cooking is more likely to appear at small eateries in remote areas. Still, a few establishments have made Estonian specialities their niche; to sample Estonian cuisine, try the Vanaema juures, Kaerajaan and Kolu Tavern (Open Air Museum) in Tallinn, and the highly recommended Muhu Kalakohvik and Lümända söögimaja on the Island of Saaremaa.

The list of the top 50 Estonian restaurants can be found at www.flavoursofestonia.com





Drinks

The main drinks in Estonia are beer, wine and vodka. While many young city residents opt for beer or wine, the older generation and rural folk tend to prefer vodka. In the 1930s Estonian vodka made it into the Guinness Book of Records as the strongest vodka in the world (96°). Local brands of beer enjoy a very strong market position in Estonia. The two main breweries are Saku and A. Le Coq. Saku is Tallinn-based, and its corporate colour is navy blue while A. Le Coq is brewed in Tartu and its colour is red. There are also many smaller breweries. A full list of Estonian beers is posted at www.BeerGuide.ee



Spirits also include some traditional liqueurs. The famous Vana Tallinn (Old Tallinn) has a 45° alcohol content, and is coincidentally made from 45 ingredients - the recipe is known only to a handful of people. Indeed, the legendary

19th-century *kristallkummel* (caraway liqueur) has made its long-awaited comeback.

Estonian wines, made from currants or other local berries, are rather sweet. Wine lovers

Even the most sceptical museum-goer is bound to find something intriguing in Estonia's large selection of museums, which feature everything from history, art, photography to toys, chocolate, musical instruments, even wax fig-



usually prefer imported wine, of which there is an ever-increasing selection at stores and vinoteks. A very popular and refreshing non-alcoholic drink is *kali*, made of bread, malt, rye or oats flour and yeast; it has a characteristically dark brown colour. It was with this drink that the Estonians forced the Coca-Cola company into submission, or at least into a business deal. *Kali* was enjoying phenomenal sales, while Coke was not selling up to expectations. It was then that Coca-Cola decided to broaden its horizons by buying one of the local *kali* trademarks in order to make a profit on the stubborn Estonians.

Entertainment

The entertainment scene in Estonia is vibrant year-round, providing visitors and locals alike with a long list to choose from. Concerts, festivals theatre, street raves, DJ competitions – Estonia has it all. It is not by chance that both Tallinn and Tartu have their own opera and ballet theatre. Tickets are an excellent value for the money; concert tickets cost around 10 euros, and best seats at the opera are yours for about 25 euros. For more information on the concert schedule see www.concert.ee; the programme for the national opera is posted at www.opera.ee. Tickets can be bought at the box offices or via ticket agencies located in all larger supermarkets, or via Internet www.piletilevi.ee.



ures and many other topics. Most museums are closed on Tuesdays and many on Mondays as well. It is advisable to have cash on hand as many museums do not accept credit cards. Tallinn is also bustling well into the night with booming and blooming club scene. Clubs are usually open and packed with energised vibes from Thursday to Sunday, with Friday and Saturday drawing the liveliest of crowds. In addition to local and resident DJs, clubs frequently present guest performers from London, the US and other club hubs. For those looking for a more mellow night on the town, Tallinn's street are brimming with pubs, vinoteks and bar-restaurants, many of which offer live music even on weekdays. Rather take in a movie? Films in cinemas are shown in the original language with subtitles.



Shops

Souvenir shops in Tallinn and most other tourist locations are open seven days a week, 10:00-18:00 or 19:00. Big supermarkets and hypermarkets are open seven days a week from 9:00-21:00 or 10:00-22:00. Department stores close a few hours earlier on Sundays or, in smaller towns, may be closed on Sundays. Smaller food shops may have shorter opening hours. Some 24-hour shops can be found as well. Other shops usually open at 9:00 or 10:00 and close at 18:00 or 19:00; they often close early on Saturdays and are closed on Sundays. The majority of shops accept credit cards, with the exception of smaller stores and stores in rural areas.



Souvenirs

Souvenir and shopping preferences vary hugely but there are certain souvenir gifts that have gladdened many a heart. Estonian handicraft comes in many forms. There are woollen

sweaters and mittens with local ethnic patterns, linen sheets and tablecloths, crocheted shawls and veils, colourful woven rugs, hand-made jewellery and glassware, baskets, and an array of wooden spoons and butterknives made from juniper. Fine and applied art for show and purchase is on display at art galleries around the country, featuring graphics, glass, ceramics, hand-painted silk scarves and leatherwork. Various herbal teas from wild plants are available at pharmacies. Local honey – pure or flavoured, e.g. ginger, is another delicious treat. In rural areas, you may find hand-milled flour. And those who keep coming back swear by the Estonian black rye bread. To bring home local spirits, popular choices include Vana Tallinn or *kristalkümmel* liqueur or local beer. And there is no place better than Estonia to buy Estonian music.

Crime

Although common sense is advisable in all destinations, Estonia gives no particular reason to be excessively worried. Do not walk the unlit and abandoned areas alone at night. Do not leave bags or items of value in the car, as not to tempt car thieves or robbers. Pickpockets may operate at crowded tourist destinations in Tallinn, so make sure your wallet and documents are stored safely.

Language

Estonian is not widely spoken in the world, so Estonians do not expect short-term visitors to master the local language. Still, local people are thrilled and pleased to hear a foreigner say "Tere!" (Hi!) or "Aitäh" (Thank you) in Estonian. Knowledge of foreign languages is naturally a must for hotel staff and numerous other professions in the service sector. Many people are fluent in English, particularly the younger urban generation, and a great number of people also speak Finnish, due to Finnish TV, Finland's close proximity to Estonia and the great number of Finnish tourists. German is less widely spoken in Estonia, although previous generations have often studied German, not English, at school. Russian-language use has dropped to a point where older people no longer speak the language well and the younger generation have already chosen other languages to learn at school. Studying French has become more popular over the last few years but the number of people who speak French is still quite small.

An English-Estonian dictionary is available online at www.ibs.ee/dict.

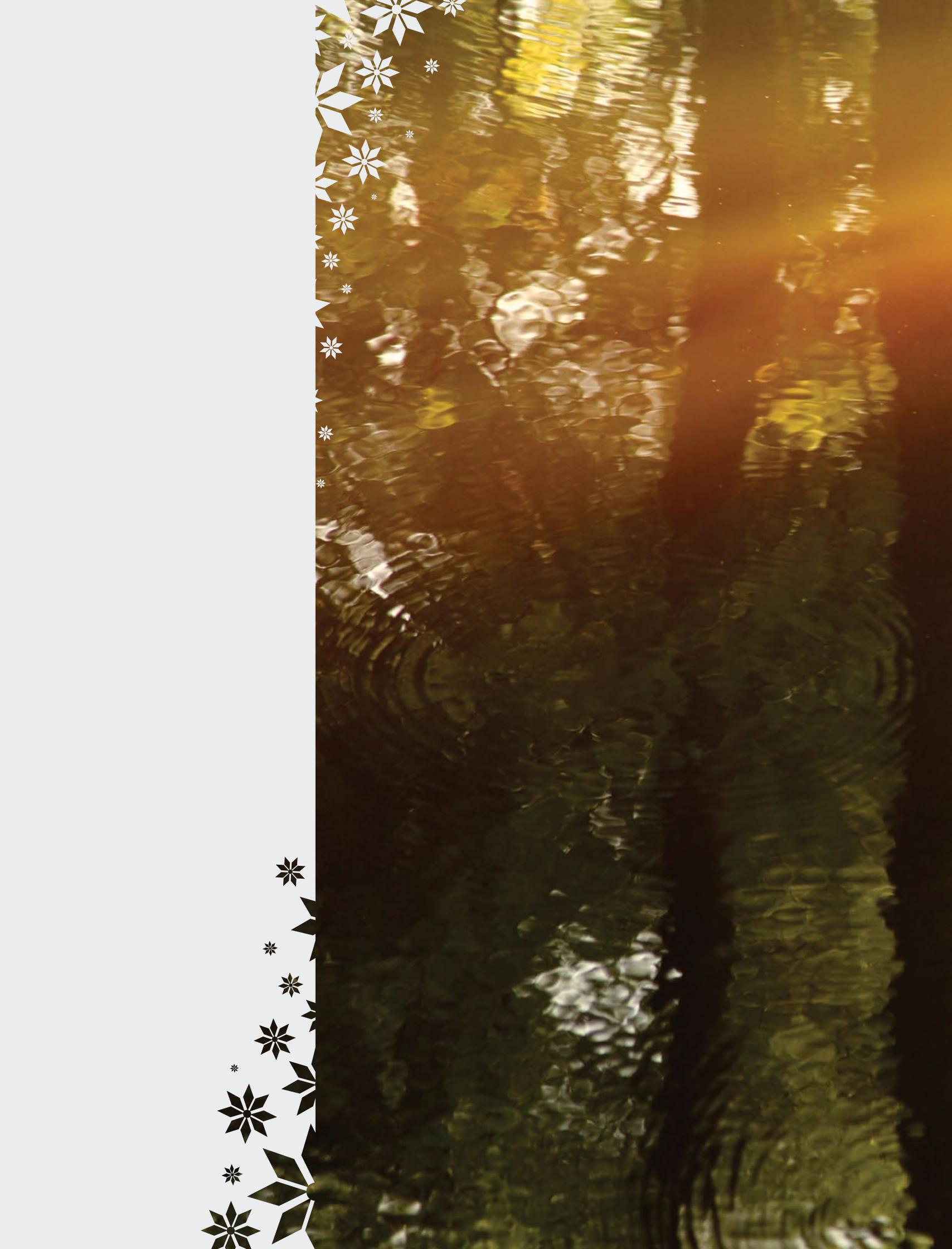
Estonians

Estonians are typical Nordic people – they are reserved, not too talkative and speak rather monotonously, with very little intonation. All this may give one the impression of coldness bordering on rudeness. But rest assured, this is not the case, and the speaker may actually be extremely well-meaning, even excited. There are several well-known Estonian sayings, such as "Think first, then speak", "Weigh everything carefully nine times before making a move", and "Talking is silver, silence is gold". It is, therefore, no wonder that the people are not very good at small talk, do not waste too much time on grand introductions, and usually come straight to the point. This is why Estonians' English may sometimes sound shockingly direct. There is, however, often a subtle irony involved in Estonians' utterances - delivered with a serious face and just the slightest twinkle of the eye.



Estonians are relatively individualistic. There is a saying that five Estonians mean six parties. Even though people agree on the final objective, they insist on reaching it in their own ways. Estonians also value their privacy. In the old days, it was said that the neighbour's house was close enough if you could see the smoke from the chimney. Modern, tight-packed urbanites flock to remote countryside on the weekends to enjoy more space and privacy.

Even though guests at birthday parties and concerts are rather quiet and subdued in the onset, they warm up eventually and turn into a direct opposite of their day-character, as you are likely to see in Tallinn's clubs.





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