


Kunda Nordic Cement Ltd

BUSINESS OPPORTUNITIES IN **EASTERN ESTONIA**



Endla Nature Reserve

EXISTING FOREIGN COMPANIES IN EASTERN ESTONIA

HEIDELBERGCEMENT



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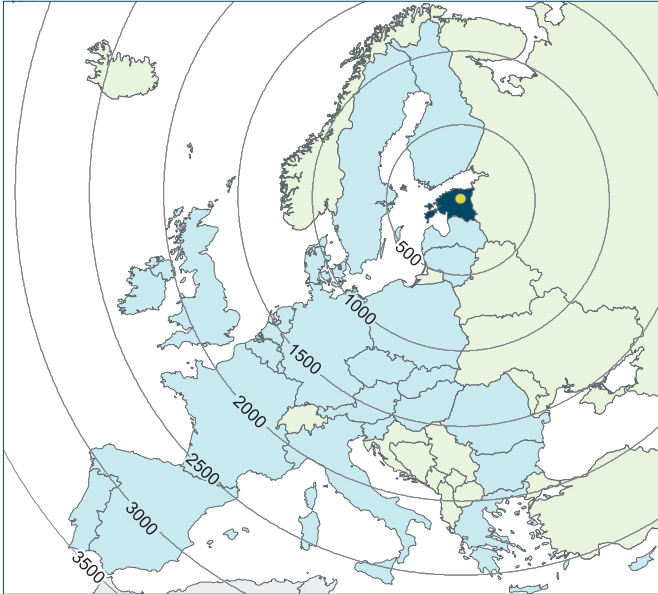
TRENDSETTER

HOME FURNISHINGS



PORT OF SILLAMÄE

ABOUT ESTONIA



- Population: 1,316,000
- Total area: 45,339 km²
- Population density: 30 inhabitants per km²
- Capital city: Tallinn
- Length of sea border of continental Estonia: 1,242 km
- Member of UN, EU, NATO, OECD, WTO, euro area, Schengen area
- Time zone: GMT +2 hours
- The official language is Estonian. English, Russian, Finnish and German are widely spoken as well.
- Daytime temperature: 0 °C to -30 °C in winter and +15 °C to +30 °C in summer

Why invest in Estonia

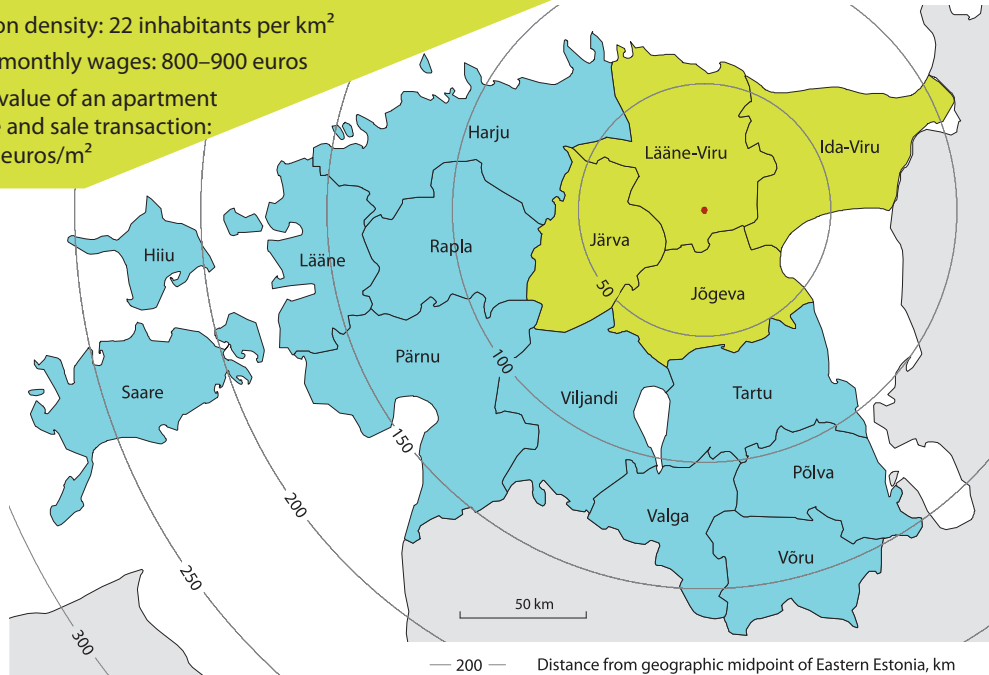
Foreign enterprises are attracted to Estonia for the following reasons:

- Good business climate
- Corporate income tax rate for reinvested profit is 0%
- Access to the EU Single Market
- Low level of corruption
- Low manufacturing setup costs and the presence of supporting industries, a highly-developed infrastructure and a smooth transportation system (inland transport, rail connections, ports)
- Entrepreneurial tradition
- Estonia is politically and economically stable and has a flexible, well-educated and comparatively low-cost labour force:
 - 1st on the Tax Competitiveness index (Tax Foundation 2016)
 - 3rd on the Index of Economic Freedom in the EU (9th in the World), (The Heritage Foundation 2016)
 - 12th on the Ease of Doing Business Index (World Bank 2016)



ABOUT EASTERN ESTONIA

- Eastern Estonia consists of four very distinct counties: Ida-Viru (with Jõhvi city as its centre), Jõgeva (Jõgeva city), Järva (Paide city) and Lääne-Viru (Rakvere city) counties.
- Largest cities: Narva (58,200 inhabitants), Kohtla-Järve (35,900)
- Population: 268,000, share in population of Estonia 20.4%
- Area: 12,030 km², share in total area of Estonia 27.7%
- Population density: 22 inhabitants per km²
- Average monthly wages: 800–900 euros
- Average value of an apartment purchase and sale transaction: 150–280 euros/m²



- Ida-Viru county is one of the easternmost county of the EU Single Market and the location of the most important border control posts with Russia. Ida-Viru county plays a vital role in the Estonian economy – nearly a half of the electricity consumed in Estonia is produced here. Oil shale is an important resource in terms of the economy of the county. Oil shale is used in energy production but it is also a significant raw material of the chemical industry (production of shale oil). Ida-Viru county has a long tradition of light industry. Wood processing, the manufacture of building materials and the metal industry have an essential role in the economy of the county. The Port of Sillamäe is capable of serving all vessels coming through the Danish Straits. In recent years, Ida-Viru county has become a major tourist destination in Estonia.
- The largest enterprises of Lääne-Viru county operate in the manufacture of food products, wood products, furniture, metals and building materials. In addition to the county capital Rakvere, other major entrepreneurial regions include the cities of Kunda and Tapa, where several important industries can be found thanks to the Port of Kunda and Tapa Army Base. Lääne-Viru county is also where the largest foreign investment in Estonia – an aspen pulp factory owned by Heinzel Group – was made. In Rakvere, there is the Rakvere Smart House Competence Centre, which helps the enterprises, public authorities as well as research and development institutions of the sector create, develop and implement smart house technologies, making our everyday environment more convenient, energy-efficient and safe.
- Jõgeva county is traditionally an agricultural region and the county still boasts the largest number of primary sector enterprises. Other major business sectors include wood processing, the manufacture of household chemicals, food processing and the metal industry. Jõgeva county is the location of the Estonian Crop Research Institute, which continues the long-established traditions of field crop breeding and agrotechnical research on the environmental-friendly and effective agrotechnologies of field crops, on the impact of field crop breeding and agrotechnologies on yield and quality, but also on plant protection, plant health and fertilisation.
- In geographical terms, Järva county is situated in the middle of Estonia. Järva county is known for enterprises engaged in wood processing and engineering. Thanks to fertile soils, there are also several agricultural enterprises and food industries in the region; the manufacture of building materials and the metal industry are well-developed as well.

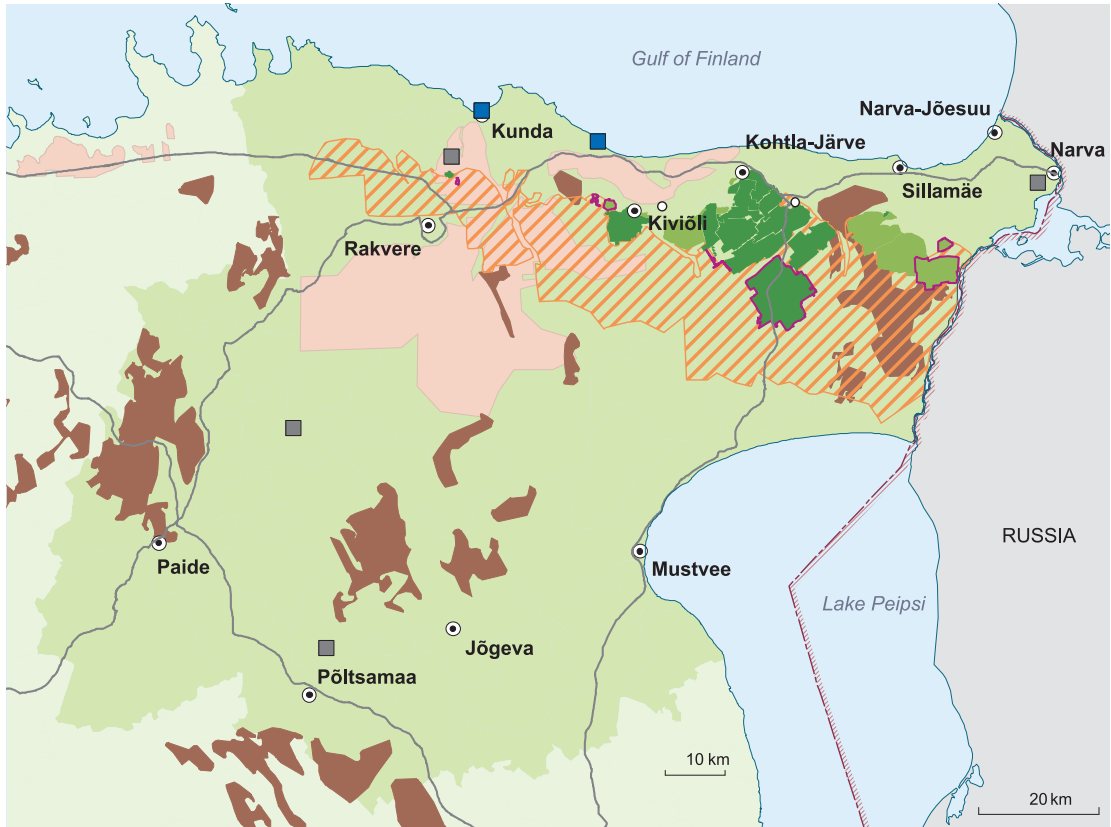
Infrastructure






- | | | | |
|---|---|---|--|
| <ul style="list-style-type: none"> Kunda Port Vergi Small port Aseri Port development area Airport or airfield | <p>Electric lines</p> <ul style="list-style-type: none"> 220 kV 330 kV 110 kV 35 kV | <ul style="list-style-type: none"> Gas pipeline Gas distribution station Main road Basic road Railway | <ul style="list-style-type: none"> Narva City <i>Türi</i> City without municipal status |
|---|---|---|--|
- Sources: Elering, Estonian Land Board, State Port Register, Statistics Estonia






Natural resources




Deposits

-  Oil shale
-  Peat
-  Phosphate rock

Mined-out areas

-  Surface mine
-  Underground mine
-  Operating mines

-  Limestone
-  Clay

-  Narva City
-  Main road

Sources: Estonian Land Board, Statistics Estonia

Mineral reserves, 2015

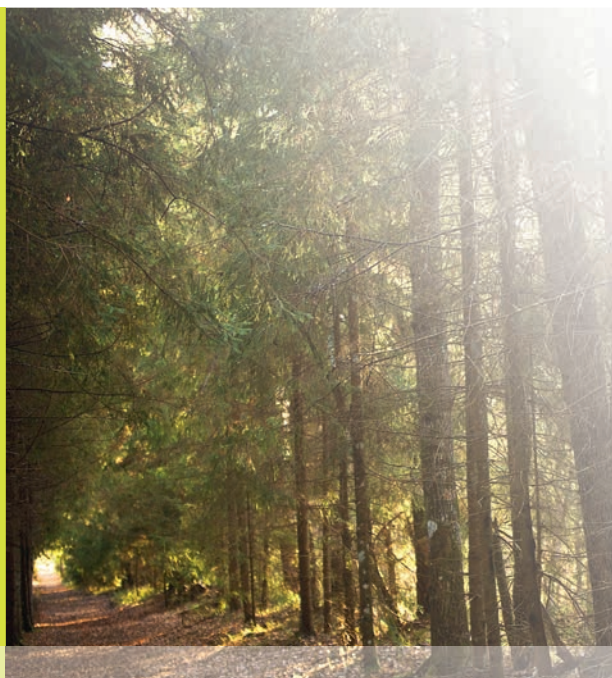
- Oil shale: 4.7 billion tonnes
- Phosphorite: 2.9 billion tonnes
- Peat: 0.6 billion tonnes

Forest land, 2014

- Area: 639,100 ha, 28.1% of total forest land in Estonia
- Forest ratio: 53%; in Estonia: 52.4%
- Most common tree species: birch, pine, spruce and alder
- Growing stock: 77.8 million m³
- Felling volume: 3.7 million m³

Agricultural area, 2015

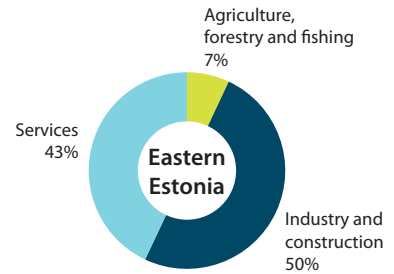
- Agricultural lands with the most fertile soils in Estonia are found in Lääne-Viru, Järva and Jõgeva counties.
- Sown area of cereals: 124,000 ha (35.3% of total sown area of cereals in Estonia)
- Sown area of forage crops: 51,000 ha (33.8%)
- Sown area of industrial crops: 30,000 ha (41.6%)
- The area is suitable for growing open-field and greenhouse vegetables and greens.



Gross domestic product, 2014

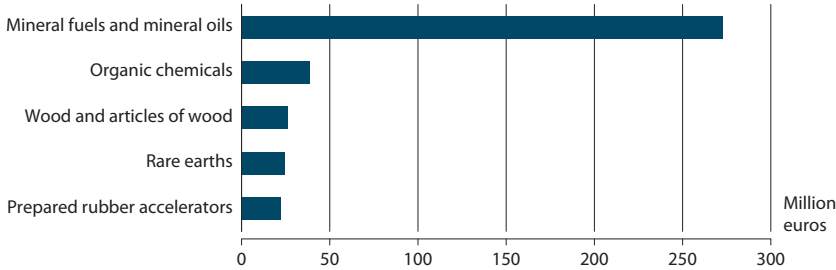
Structure of value added

GDP at current prices, million euros	2,692.9
Value added total, million euros	2,347.0
Agriculture, forestry and fishing	158.3
Industry and construction	1,185.3
Services	1,003.3
Net taxes on products, million euros	345.9
Region's share in GDP, %	13.5
GDP per capita, euros	10,006.7
GDP per capita, % of Estonian average	65.9



Exports by commodity chapter, 2015

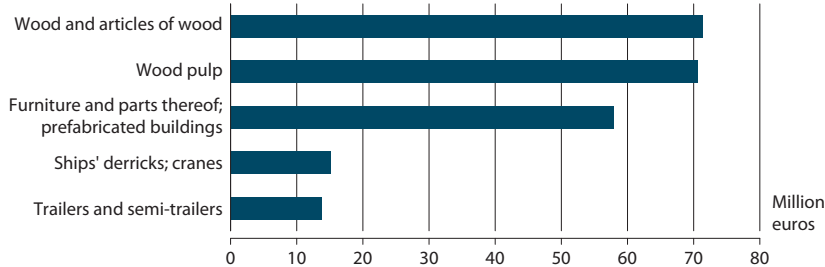
Ida-Viru county



Top countries of destination:

- **Netherlands**
- **Russia**
- **USA**

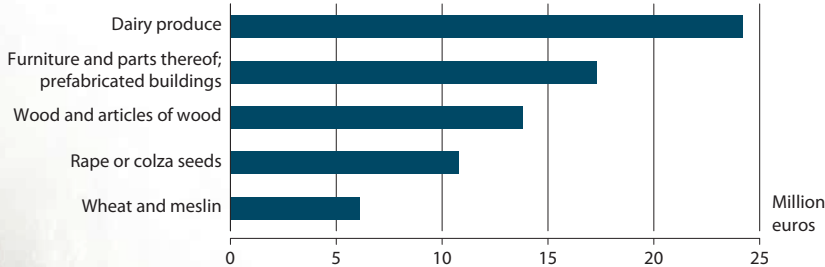
Lääne-Viru county



Top countries of destination:

- **Latvia**
- **Finland**
- **Denmark**

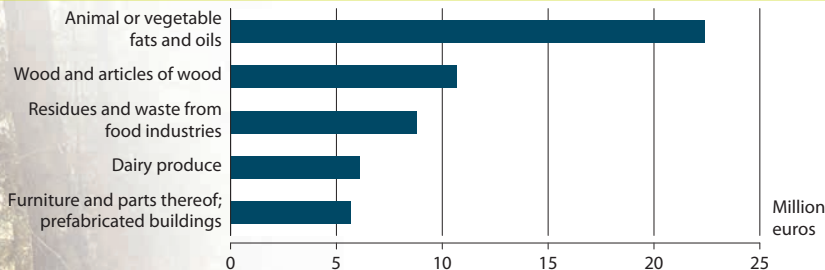
Järva county



Top countries of destination:

- **Finland**
- **Germany**
- **Netherlands**

Jõgeva county



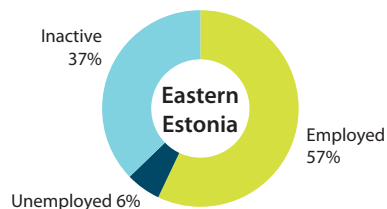
Top countries of destination:

- **Finland**
- **Lithuania**
- **Sweden**

Labour market, 2015

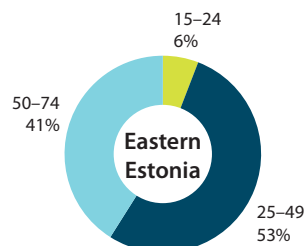
General labour market indicators in counties, thousands

	Ida-Viru	Jõgeva	Järva	Lääne-Viru
15–74-year-olds	110.8	23.2	22.5	43.9
Labour force	66.6	14.8	15.4	29.1
employed persons	59.3	13.7	14.2	27.2
unemployed persons	7.3	1.1	1.2	1.9
Inactive persons	44.2	8.4	7.1	14.9



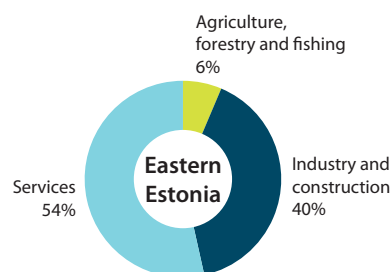
Employed persons in counties by age, thousands

	Ida-Viru	Jõgeva	Järva	Lääne-Viru
Employed persons	59.3	13.7	14.2	27.2
15–24	2.2	1.5	1.4	1.6
25–49	31.5	6.7	7.4	15.1
50–74	25.5	5.5	5.4	10.5



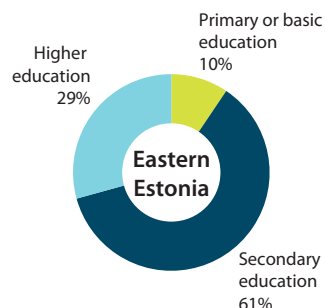
Employed persons in counties by economic sector, thousands

	Ida-Viru	Jõgeva	Järva	Lääne-Viru
Employed persons	59.3	13.7	14.2	27.2
agriculture, forestry and fishing	1.3	2.3	1.5	2.2
industry and construction	25.4	4.2	6.5	9.8
services	32.6	7.2	6.2	15.2



Educational level of labour force in counties, thousands

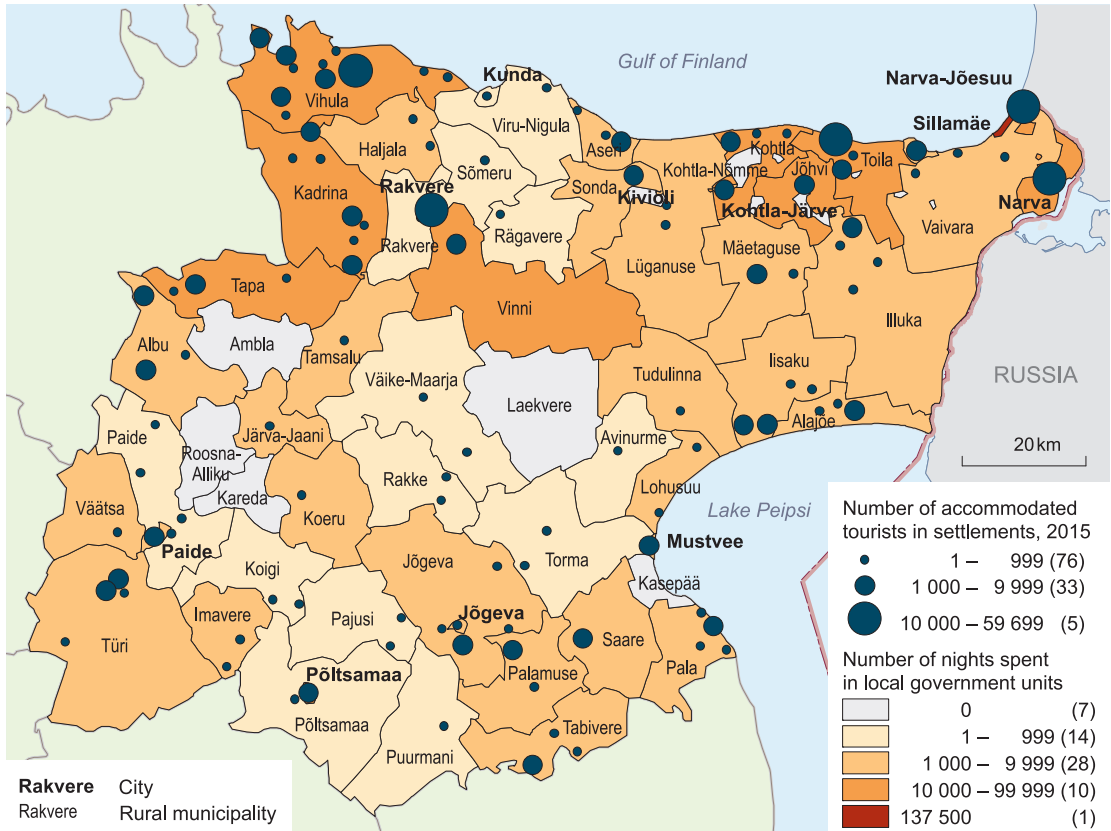
	Ida-Viru	Jõgeva	Järva	Lääne-Viru
Labour force	66.6	14.8	15.4	29.1
primary or basic education	3.2	1.7	2.6	4.3
secondary education	41.6	9.2	9.9	16.5
higher education	21.8	3.8	3.0	8.3



Vocational and higher education institutions and competence centres

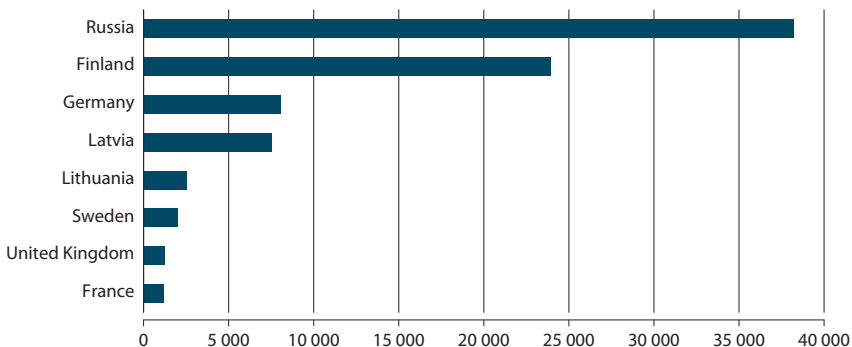
Ida-Virumaa Vocational Education Centre	http://www.ivkhk.ee/en/about-us/
Järvamaa Vocational Training School	http://jkhk.ee/pages/school-introduction.php
Luuva Forestry School	https://luua.kovtp.ee/web/eng
Rakvere Vocational School	http://www.rak.ee/general-information/
Sillamäe Vocational School	http://www.svtc.ee/
Väike-Maarja Vocational School	http://vmok.v-maarja.ee/
Lääne-Viru College	http://www.lvrkk.ee/?lang=en
Tallinn University Rakvere College	http://www.tlu.ee/en/rakvere-college
University of Tartu Narva College	http://www.narva.ut.ee/en
Virumaa College of TTU	http://www.ttu.ee/en/?id=64614
Estonian Corp Research Institute	http://etki.ee/index.php/eng/
Oil Shale Competence Centre	http://www.pkk.ee/en
Rakvere Smart House Competence Centre	http://en.rakveretarkmaja.ee/index.html

Accommodated tourists and their nights spent



- In 2015, there were 225 accommodation establishments (incl. 26 hotels) with 3,332 rooms (1,223) in Eastern Estonia. Total number of accommodated tourists: 332,000 (229,000). Room occupancy rate: 32% (50%). Average cost of a guest night: 29 euros (35).
- 71% of all tourists accommodated were inhabitants of Estonia.
- 60% of all tourists accommodated were on a holiday trip and 23% – on a business trip.
- Average number of nights spent per accommodated tourist: 1.83.
- Compared to 2010, the number of tourists accommodated in Eastern Estonia has grown by 100,000.

Accommodated tourists by country of residence (excl. Estonia), 2015



Why invest in Eastern Estonia

- Eastern Estonia would be a great location for Asian companies who are looking for possibilities to have access to the EU Single Market and at the same time be close to the Russian market (it is an area with the highest concentration of Russian population). Eastern Estonia is the easternmost region in the EU.
- Eastern Estonia would be a great location for European enterprises who are looking for a nearshoring relationship in order to bring manufacturing closer to their customers and to make the supply chain more predictable or for those who are afraid that their intellectual capital will get stolen.
- There are plenty of attractive locations (Narva, Jõhvi, Kohtla-Järve, Sillamäe, Kunda, Tamsalu, Tapa, Rakvere, Paide, Põltsamaa, etc.) with the right mix of transportation links, potential partners and resources. Our industrial sites have all the necessary utilities, enable fast and low-cost manufacturing setup and offer fast logistical connections. The largest developer of industrial parks in the region is the Foundation Ida-Virumaa Industrial Areas Development (www.ivia.ee), which owns about 500 hectares of land with the necessary utilities in five industrial parks and offers soft-landing services for entrepreneurs.

Your investments will be assisted by



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For all information about business in Estonia:

Estonian Investment Agency

www.investinestonia.com

www.tradewithestonia.com

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Investor Consultant of Eastern Estonia

Who we are

- The Investor Consultant of Eastern Estonia works in close cooperation with the Estonian Investment Agency (Enterprise Estonia) as well as county development centres. The Investor Consultant provides free-of-charge information, advice, contacts and solutions to foreign enterprises intending to invest or considering expanding their business in Eastern Estonia. Confidentiality is maintained in all client relationships.

What we do

- We help investors prepare and implement strategic investment decisions, but also provide investors with post-decision support and encourage them to reinvest. We offer company consultancy services, recommend locations and organise site visits. We act as a mediator between foreign enterprises and Estonian firms in facilitating supplier relationships and maintaining regular contact with utility providers, trade associations and relevant authorities.



Distances from central cities of Eastern Estonia to major destinations, km

	Tallinn	Tartu	Pärnu	Luhamaa	Riga	St Petersburg
Narva	213	181	297	284	423	158
Sillamäe	187	155	271	257	398	185
Jõhvi	166	132	250	234	375	205
Rakvere	100	123	180	229	345	283
Kunda	109	150	209	256	373	263
Paide	95	102	105	204	268	353
Jõgeva	152	55	158	161	297	319

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