



Fact 1: Emerging Nordic country with a strong and stable economy

Despite its comparatively small size, Estonia 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 performance of 1.5% and -0.3%.

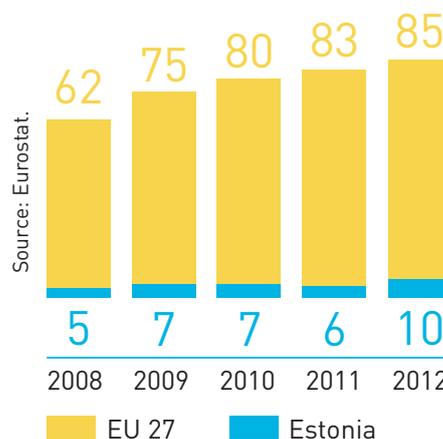
Estonia was among a group of ten countries incorporated into the European Union on 1 May 2004 and adopted the Euro in January 2011. It depicts the **lowest level of sovereign debt to GDP in the EU, at 10% versus an 85% average for EU 27 (2012)**. Estonian has a government committed to balanced budgets, and has an **AA- credit rating**.

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. Its strategic location and business-friendly environment mean Estonia is increasingly **used as a base from which to access some of the world's largest and most advanced markets**. These include the EU thanks to the harmonized legal environment and Euro currency; Russia thanks to language skills and geographic proximity and the Nordic region due to long-standing trade and cultural linkages.

The economy is highly flexible, open to international capital and trade flows and supported by a modern business infrastructure. Opportunities provided by Estonia's business environment and role as a gateway to growth will drive further investment and deeper regional linkages.

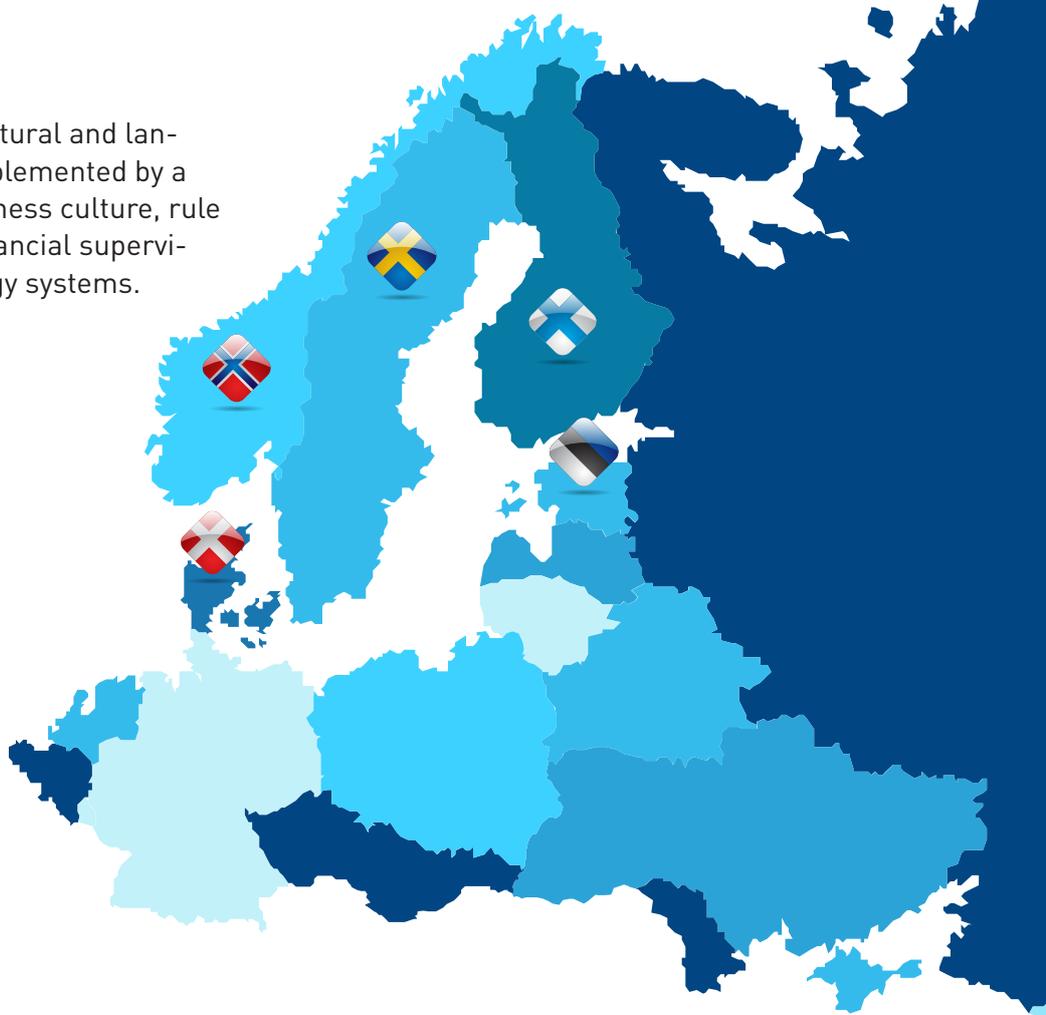
Sovereign Debt; % of GDP



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AA-

Long-standing trade, cultural and language linkages are complemented by a modern day shared business culture, rule of law and integrated financial supervision, telecoms and energy systems.



Estonia's Foreign Trade Flows; % of total; 2012

	Exports	Imports
Sweden (#1)	16	10
Finland (#2)	15	14
Norway (#8)	3	1
Denmark (#10)	2	2

Estonia's FDI Inflow

	% of total; 2012
Sweden (#1)	28
Finland (#2)	23
Norway (#4)	5
Denmark (#8)	2

Source: Statistics Estonia, Bank of Estonia.