

ESTONIAN FOREIGN TRADE IN 1999

Unlike in previous years, both export and import of goods decreased in 1999. Special export of goods amounted to 35.8 billion kroons, which is by 4.6% less

than in 1998. The volume of special import was 50.5 billion kroons, ie by 8.6% smaller than in 1998 (see Table 1 and Figure 1).

Table 1. Special export and special import of goods

Period	Exports (EEK mn)	Change (%) ¹	Imports (EEK mn)	Change (%) ¹	Balance (EEK mn)
Q1 1995	4,485.4		6,087.0		-1,601.6
Q2 1995	4,637.7	3.4%	6,660.1	9.4%	-2,022.4
Q3 1995	4,648.4	0.2%	6,499.8	-2.4%	-1,851.4
Q4 1995	5,237.3	12.7%	8,178.1	25.8%	-2,940.8
1995	19,008.9	-	27,425.0	-	-8,416.2
Q1 1996	4,675.2	-10.7%	7,323.4	-10.5%	-2,648.2
Q2 1996	5,110.0	9.3%	8,211.7	12.1%	-3,101.6
Q3 1996	5,356.2	4.8%	8,682.7	5.7%	-3,326.5
Q4 1996	6,105.4	14.0%	10,448.8	20.3%	-4,343.3
1996	21,246.9	11.8%	34,666.5	26.4%	-13,419.6
Q1 1997	6,328.6	3.7%	9,636.1	-7.8%	-3,307.5
Q2 1997	7,710.3	21.8%	11,721.5	21.6%	-4,011.2
Q3 1997	7,962.0	3.3%	12,449.8	6.2%	-4,487.8
Q4 1997	9,606.5	20.7%	15,061.5	21.0%	-5,455.0
1997	31,607.4	48.8%	48,868.9	41.0%	-17,261.5
Q1 1998	9,086.1	-5.4%	13,106.4	-13.0%	-4,020.3
Q2 1998	9,686.2	6.6%	14,711.4	12.2%	-5,025.2
Q3 1998	8,959.9	-7.5%	13,903.7	-5.5%	-4,943.8
Q4 1998	9,812.8	9.5%	13,493.9	-2.9%	-3,681.1
1998	37,545.0	18.8%	55,215.4	13.0%	-17,670.4
Q1 1999	8,168.5	-16.8%	11,036.4	-18.2%	-2,867.9
Q2 1999	8,841.4	8.2%	12,154.6	10.1%	-3,313.2
Q3 1999	9,070.7	2.6%	12,439.4	2.3%	-3,368.8
Q4 1999	9,732.6	7.3%	14,846.2	19.3%	-5,113.6
1999	35,813.1	-4.6%	50,476.7	-8.6%	-14,663.5

¹ Change compared to previous period

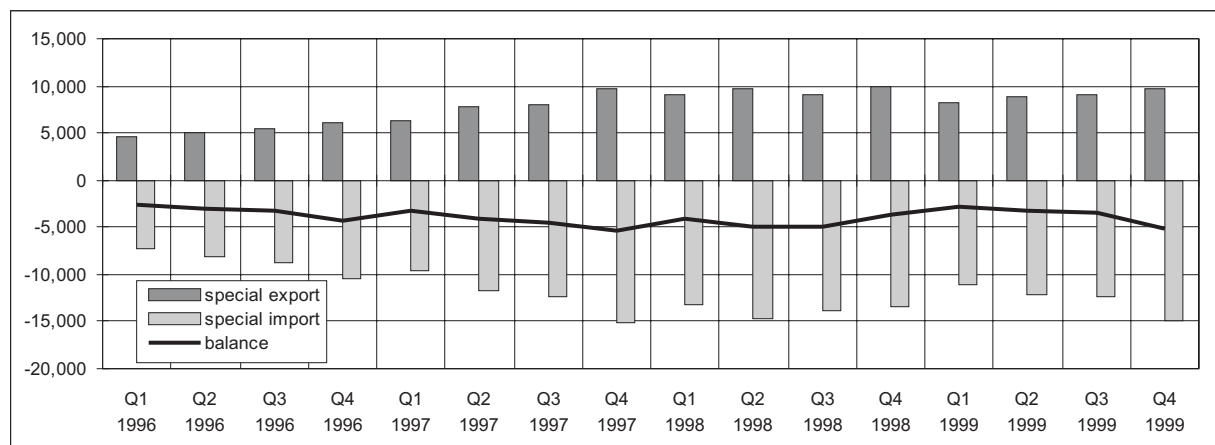


Figure 1. Foreign trade balance (EEK mn)

Due to imports decreasing more than exports, the trade deficit also decreased and amounted to 14,7 billion kroons. Trade deficit was 17% smaller than in 1998 and 15% smaller than in 1997. The volume of imports was low almost throughout the year, with a sudden jump occurring only in the fourth quarter (see

Figures 2 and 3). This can partly be attributed to stockpiling prior to the increase of excise taxes and the introduction of the import duty.

In 1999 the share of **processed goods** continued to increase in both special export and import, reaching 32% and 22%, respectively (see Table 2).

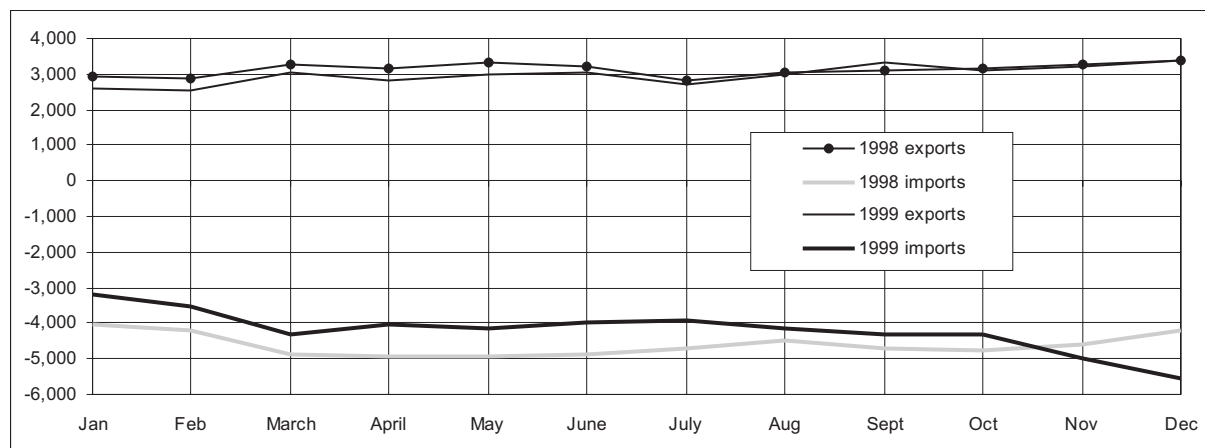


Figure 2. Special export and special import of goods in 1998 and 1999 by months (EEK mn)

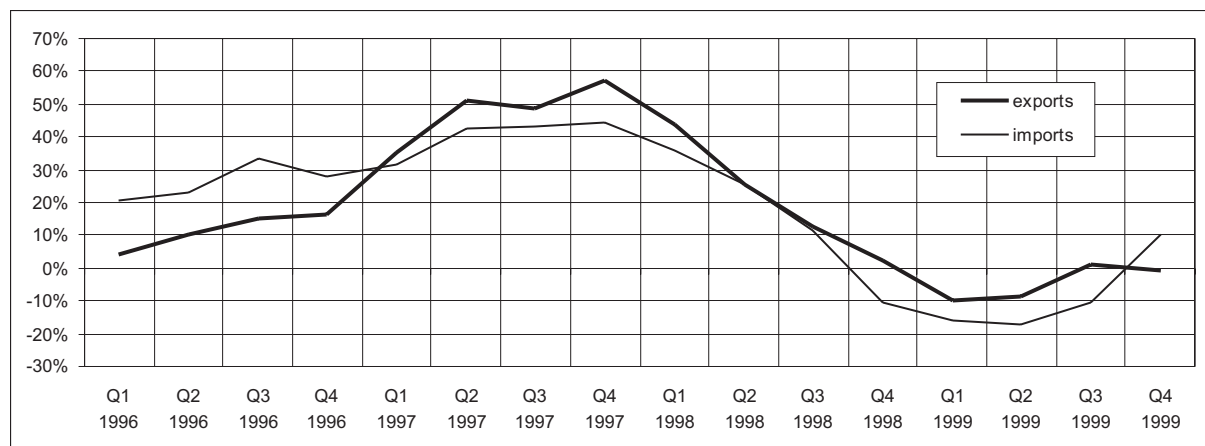


Figure 3. Special export and special import of goods (% compared to respective quarter of previous year)

Table 2. Special export and special import by the breakdown of customs procedures

Customs procedures	Volume (EEK mn)			Share (%)			Change (%)	
	1999	1998	1997	1999	1998	1997	1999/1998	1999/1997
Final export ¹	24,370.0	26,263.3	23,686.2	68.0	70.0	74.9	-7.2	2.9
Processed goods ²	11,443.1	11,281.7	7,921.2	32.0	30.0	25.1	1.4	44.5
Special export total	35,813.1	37,545.0	31,607.4	100.0	100.0	100.0	-4.6	13.3
Final import	39,341.4	44,822.1	41,398.0	77.9	81.2	84.7	-12.2	-5.0
Processed goods ²	11,135.2	10,393.3	7,470.9	22.1	18.8	15.3	7.1	49.0
Special import total	50,476.7	55,215.4	48,868.9	100.0	100.0	100.0	-8.6	3.3

¹ Direct export, export through customs warehouses and free trade zones and deliveries for the stock of sea and air transport vehicles.

² Export (import) for processing and reexport (reimport) after processing.

Exports decreased in the majority of groups of goods, with the exception of furniture and wood and paper (see Table 3). As compared to the first three quarters, the export of machinery and equipment increased in

the fourth quarter (see Figure 4), although annual growth remained relatively modest (1.7%). The fall was the steepest in the case of food export – 36%. The export of transport vehicles, chemical products, metals

and mineral products also decreased considerably. The decline in the export of these goods can, first of all, be attributed to the impact of the Russian crisis.

Import increased only in the case of chemical products but even here the rise was just 0.9%. In all other major

groups of goods the volume of imports was down (see Table 4). The fall was the steepest in transport vehicles – 27.8%. This could partly be put down to the decreasing export of transport vehicles to Russia. At the same time, the import of transport vehicles from Russia increased.

Table 3. Special export by groups of goods

Groups of goods	Volume (EEK mn)			Share (%)			Change (%)		Impact of changes ¹ (%)	
	1999	1998	1997	1999	1998	1997	1999/1998	1999/1997	1999/1998	1999/1997
Machinery and mechanical appliances, electrical equipment	8,477.7	8,335.3	5,725.2	23.7	22.2	18.1	1.7	48.1	-8.2	65.4
Wood, paper and products thereof	7,065.2	6,424.1	5,221.5	19.7	17.1	16.5	10.0	35.3	-37.0	43.8
Textiles and textile articles	5,946.3	6,018.0	5,138.0	16.6	16.0	16.3	-1.2	15.7	4.1	19.2
Foodstuffs	3,176.1	4,968.5	5,120.6	8.9	13.2	16.2	-36.1	-38.0	103.5	-46.2
Furniture, sportswear	2,755.9	2,391.5	1,862.4	7.7	6.4	5.9	15.2	48.0	-21.0	21.2
Metals and articles thereof	2,719.1	3,022.1	2,159.5	7.6	8.0	6.8	-10.0	25.9	17.5	13.3
Products of chemical industry	2,390.2	2,760.4	2,673.6	6.7	7.4	8.5	-13.4	-10.6	21.4	-6.7
Vehicles, aircrafts, vessels	1,041.5	1,248.2	1,126.4	2.9	3.3	3.6	-16.6	-7.5	11.9	-2.0
Mineral products	880.2	976.9	1,393.3	2.5	2.6	4.4	-9.9	-36.8	5.6	-12.2
Other	1,360.8	1,400.1	1,186.8	3.8	3.7	3.8	-2.8	14.7	2.3	4.1
Total	35,813.1	37,545.0	31,607.4	100.0	100.0	100.0	-4.6	13.3	100.0	100.0

¹ Impact of changes shows the share of a component in total change.

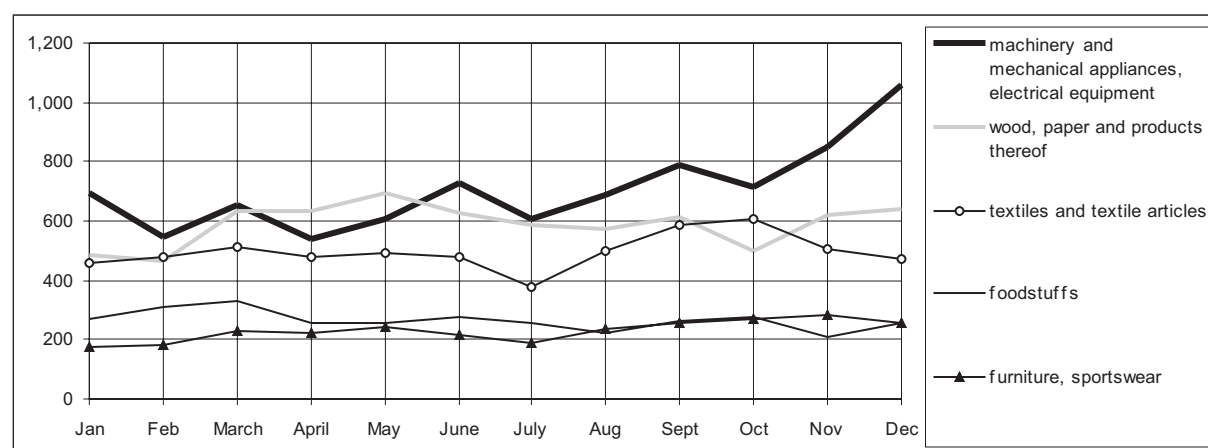


Figure 4. Special export in 1999 by major groups of goods (EEK mn)

Table 4. Special import by groups of goods

Groups of goods	Volume (EEK mn)			Share (%)			Change (%)		Impact of changes ¹ (%)	
	1999	1998	1997	1999	1998	1997	1999/1998	1999/1997	1999/1998	1999/1997
Machinery and mechanical appliances, electrical equipment	15,524.9	16,262.2	12,348.7	30.8	29.5	25.3	-4.5	25.7	15.6	197.6
Products of chemical industry	6,437.5	6,381.6	5,980.3	12.8	11.6	12.2	0.9	7.6	-1.2	28.4
Textiles and textile articles	5,666.3	6,070.0	5,358.2	11.2	11.0	11.0	-6.7	5.7	8.5	19.2
Foodstuffs	5,454.2	6,260.4	6,205.9	10.8	11.3	12.7	-12.9	-12.1	17.0	-46.8
Metals and articles thereof	4,133.7	5,114.1	4,137.4	8.2	9.3	8.5	-19.2	-0.1	20.7	-0.2
Vehicles, aircrafts, vessels	3,829.5	5,305.0	5,173.3	7.6	9.6	10.6	-27.8	-26.0	31.1	-83.6
Mineral products	3,028.5	3,198.4	3,857.4	6.0	5.8	7.9	-5.3	-21.5	3.6	-51.6
Wood, paper and products thereof	2,642.4	2,728.9	2,300.6	5.2	4.9	4.7	-3.2	14.9	1.8	21.3
Furniture, sportswear	1,288.8	1,440.3	1,278.7	2.6	2.6	2.6	-10.5	0.8	3.2	0.6
Other	2,470.9	2,454.4	2,228.4	4.9	4.4	4.6	0.7	10.9	-0.3	15.1
Total	50,476.7	55,215.4	48,868.9	100.0	100.0	100.0	-8.6	3.3	100.0	100.0

¹ Impact of changes shows the share of a component in total change.

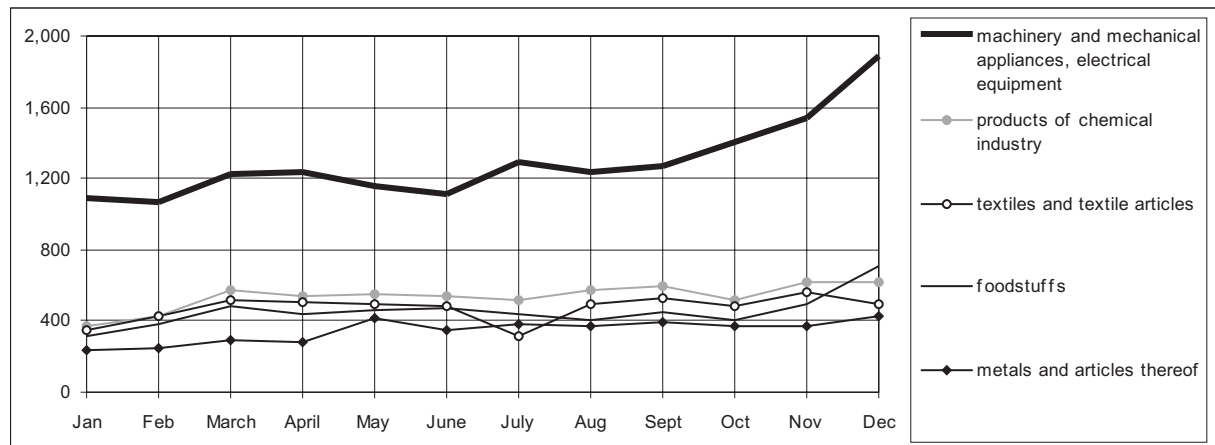


Figure 5. Special import in 1999 by major groups of goods (EEK mn)

Table 5. Foreign trade balance by groups of goods

Groups of goods	Balance (EEK mn)		
	1999	1998	1997
Wood, paper and products thereof	4,422.8	3,695.2	2,920.9
Furniture, sportswear	1,467.1	951.2	583.7
Textiles and textile articles	280.0	-52.0	-220.2
Metals and articles thereof	-1,414.6	-2,092.1	-1,977.9
Mineral products	-2,148.2	-2,221.5	-2,464.1
Foodstuffs	-2,278.1	-1,291.9	-1,085.3
Vehicles, aircrafts, vessels	-2,788.0	-4,056.8	-4,046.8
Products of chemical industry	-4,047.3	-3,621.2	-3,306.7
Machinery and mechanical appliances, electrical equipment	-7,047.2	-7,927.0	-6,623.4
Other	-1,110.0	-1,054.3	-1,041.6
Total	-14,663.5	-17,670.4	-17,261.5

The import of machinery and equipment increased sharply in the fourth quarter, just like it had been with their export (see Figure 5). The import of foodstuffs, too, increased rapidly in the fourth quarter. Such increase in imports can partly be explained by stockpiling in order to avoid introduced higher taxes, but it also indicates the growth of both investments and consumption.

The **foreign trade balance** was positive for wood and paper and furniture, just like it had been in 1998. Unlike in two previous years, trade in textiles also had a surplus in 1999 (see Table 5).

By groups of countries, exports to the European Union increased by 6.4%, while exports to the CIS countries

Table 6. Special export by groups of countries

	Volume (EEK mn)			Share (%)			Change (%)		Impact of changes ¹ (%)	
	1999	1998	1997	1999	1998	1997	1999/1998	1999/1997	1999/1998	1999/1997
European Union	24,974.8	23,476.5	18,406.3	69.7	62.5	58.2	6.4	35.7	-86.5	156.2
Central and Eastern European countries	4,519.2	5,243.9	4,498.7	12.6	14.0	14.2	-13.8	0.5	41.8	0.5
CIS countries	2,810.7	5,685.3	6,322.7	7.8	15.1	20.0	-50.6	-55.5	166.0	-83.5
Other	2,983.7	3,139.2	2,379.7	8.3	8.4	7.5	-5.0	25.4	9.0	14.4
Free zone ²	524.7			1.5					-30.3	12.5
Total	35,813.1	37,545.0	31,607.4	100.0	100.0	100.0	-4.6	13.3	100.0	100.0

¹ Impact of change shows the share of a component in total change.

² Free zones have been in use since spring 1999.

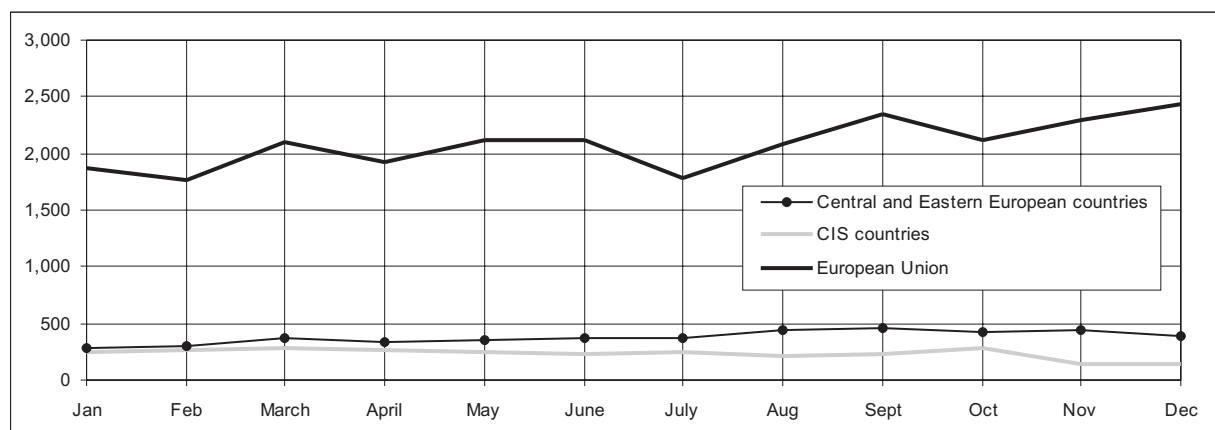


Figure 6. Special export by groups of countries in 1999 (EEK mn)

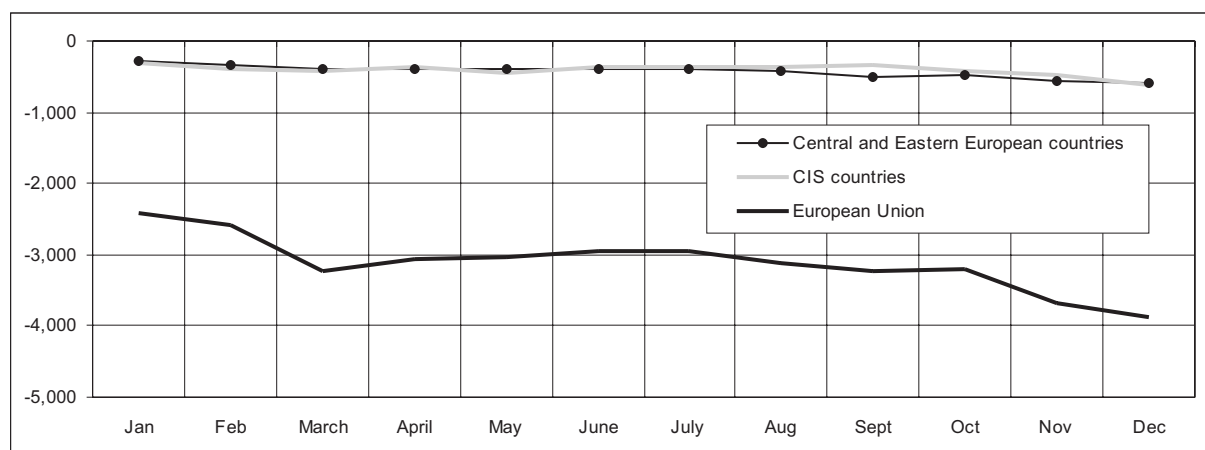


Figure 7. Special import by groups of countries in 1999 (EEK mn)

Table 7. Special import by groups of countries

	Volume (EEK mn)			Share (%)			Change (%)		Impact of changes ¹ (%)	
	1999	1998	1997	1999	1998	1997	1999/1998	1999/1997	1999/1998	1999/1997
European Union	37,334.2	41,779.7	36,795.4	74.0	75.7	75.3	-10.6	1.5	93.8	33.5
Central and Eastern European countries	5,166.8	4,984.2	3,986.5	10.2	9.0	8.2	3.7	29.6	-3.9	73.4
CIS countries	4,925.4	5,180.5	5,077.3	9.8	9.4	10.4	-4.9	-3.0	5.4	-9.4
Other	3,050.2	3,271.0	3,009.6	6.0	5.9	6.2	-6.8	1.3	4.7	2.5
Total	50,476.7	55,215.4	48,868.9	100.0	100.0	100.0	-8.6	3.3	100.0	100.0

¹ Impact of changes shows the share of a component in total change.

Table 8. Foreign trade balance by groups of countries

	Balance (EEK mn)		
	1999	1998	1997
Central and Eastern European countries	-647.6	259.7	512.2
CIS countries	-2,114.7	504.9	1,245.3
European Union	-12,359.4	-18,303.1	-18,389.1
Other	-66.5	-131.8	-629.9
Free zone ¹	524.7		
Total	-14,663.5	-17,670.4	-17,261.5

¹ Free zones have been in use since spring 1999.

was down by nearly half and by 14% to Central and Eastern European countries (see Table 6 and Figure 6). Although in the second half of the year **imports** from the European Union began to increase (see Figure 7), the annual decline of imports was the biggest in the case of the European Union – 10.6%. Imports from the CIS countries was down by nearly 5%, but up by 3.7% in the case of Central and Eastern European countries (see Table 7). Estonia's foreign trade balances across the groups of countries can be seen from Table 8, export and import by groups of goods and groups of countries is characterised in Tables 9-12.

Table 9. Special export by groups of goods and groups of countries in 1999 (EEK mn)

Groups of goods	European Union	Change ¹ (%)	CIS countries	Change ¹ (%)	Central and Eastern European countries	Change ¹ (%)	Other	Change ¹ (%)	Free zone
Machinery and mechanical appliances, electrical equipment	7,593.5	6.7	111.2	-62.0	510.7	-22.8	259.8	-3.2	2.5
Wood, paper and products thereof	5,627.9	9.3	109.3	-68.5	316.8	5.6	784.2	-0.7	227.0
Textiles and textile articles	4,687.0	1.4	120.2	-31.3	442.9	-0.9	694.6	-8.6	1.6
Foodstuffs	779.7	-9.1	1,106.5	-47.9	876.4	-16.7	319.5	-8.4	94.1
Furniture, sportswear	2,265.2	18.5	60.8	-55.8	163.5	19.0	259.1	20.1	7.4
Metals and articles thereof	1,751.1	4.1	183.4	-16.3	381.3	-34.6	339.0	21.0	64.3
Products of chemical industry	686.4	4.5	362.8	-27.3	1,035.9	-17.5	190.3	-6.2	114.8
Vehicles, aircrafts, vessels	360.7	30.8	483.7	-21.8	136.1	-46.0	56.7	-35.2	4.4
Mineral products	401.1	-9.3	156.7	-54.7	297.5	33.0	19.2	-22.5	5.6
Other	822.3	8.6	116.1	-52.3	358.1	8.4	61.2	-28.2	3.1
Total	24,974.8	6.4	2,810.7	-43.8	4,519.2	-13.8	2,983.7	-2.6	524.7

¹ compared to 1998

Table 10. Share of groups of countries in the special export by groups of goods in 1999 (%)

	European Union	CIS countries	Central and Eastern European countries	Other	Free zone
Machinery and mechanical appliances, electrical equipment	89.6	1.3	6.0	3.1	0.0
Wood, paper and products thereof	79.7	1.5	4.5	11.1	3.2
Textiles and textile articles	78.8	2.0	7.4	11.7	0.0
Foodstuffs	24.5	34.8	27.6	10.1	3.0
Furniture, sportswear	82.2	2.2	5.9	9.4	0.3
Metals and articles thereof	64.4	6.7	14.0	12.5	2.4
Products of chemical industry	28.7	15.2	43.3	8.0	4.8
Vehicles, aircrafts, vessels	34.6	46.4	13.1	5.4	0.4
Mineral products	45.6	17.8	33.8	2.2	0.6
Other	60.4	8.5	26.3	4.5	0.2
Total	69.7	7.8	12.6	8.3	1.5

Table 11. Special export by groups of goods and groups of countries in 1999 (EEK mn)

Groups of goods	European Union	Change ¹ (%)	CIS countries	Change ¹ (%)	Central and Eastern European countries	Change ¹ (%)	Other	Change ¹ (%)
Machinery and mechanical appliances, electrical equipment	13,891.4	-4.3	173.8	-28.8	703.3	2.5	756.4	-6.7
Products of chemical industry	4,581.0	-0.5	462.9	-3.8	1,072.8	15.2	320.9	-11.8
Textiles and textile articles	4,363.3	-4.3	145.5	-51.1	686.9	-16.0	470.6	19.5
Foodstuffs	3,414.6	-17.2	340.2	4.0	1,187.9	7.8	511.5	-27.9
Metals and articles thereof	2,763.8	-22.7	1,023.1	-4.6	272.4	-28.2	74.4	-14.2
Vehicles, aircrafts, vessels	2,899.6	-32.8	308.9	40.0	165.3	-22.0	455.7	-18.6
Mineral products	1,001.5	-7.6	1,715.5	-11.0	296.7	80.1	14.7	-32.4
Wood, paper and products thereof	1,551.7	-13.2	674.1	27.2	345.9	4.8	70.6	-12.9
Furniture, sportswear	1,053.2	-14.8	10.8	149.3	144.7	23.6	80.0	-3.5
Other	1,814.1	-8.1	70.6	-6.2	290.9	18.8	295.3	83.1

¹ compared to 1998**Table 12. Share of groups of countries in the special import by groups of goods in 1999 (%)**

	European Union	CIS countries	Central and Eastern European countries	Other
Machinery and mechanical appliances, electrical equipment	89.5	1.1	4.5	4.9
Products of chemical industry	71.2	7.2	16.7	5.0
Textiles and textile articles	77.0	2.6	12.1	8.3
Foodstuffs	62.6	6.2	21.8	9.4
Metals and articles thereof	66.9	24.7	6.6	1.8
Vehicles, aircrafts, vessels	75.7	8.1	4.3	11.9
Mineral products	33.1	56.6	9.8	0.5
Wood, paper and products thereof	58.7	25.5	13.1	2.7
Furniture, sportswear	81.7	0.8	11.2	6.2
Other	73.4	2.9	11.8	11.9
Total	74.0	9.8	10.2	6.0

Among Estonia's ten major trade partners the Ukraine was replaced by Italy, with exports to Italy increasing 30% against 1998. Estonia's main **export partners** were still Finland and Sweden, with exports to Finland slightly down and to Sweden slightly up (see Table 13). Exports to Germany increased considerably

– by 26.6%. Exports to Russia decreased by nearly half in 1999, exports to Lithuania was down by 24% and to Latvia by nearly 13%. The share of free trade zones in exports was 1.5%. The free trade zones were introduced in Estonia in the spring of 1999. When goods are exported through a free trade zone, their destination is usually

impossible to determine because the customs declarations do not require it. Hence the difference in the special export data of the State Statistical Office (SSO) and Eesti

Pank because the SSO does not reflect exports through free trade zones as exports unless the destination of the goods is indicated.

Table 13. Structure of special export by major foreign trade partners

	Volume (EEK mn)			Share (%)			Change (%)		Impact of changes ¹ (%)	
	1999	1998	1997	1999	1998	1997	1999/1998	1999/1997	1999/1998	1999/1997
Finland	8,136.4	8,310.1	5,994.2	22.7	22.1	19.0	-2.1	35.7	10.0	50.9
Sweden	7,874.6	7,333.4	5,395.3	22.0	19.5	17.1	7.4	46.0	-31.2	59.0
Germany	2,967.7	2,344.3	2,123.9	8.3	6.2	6.7	26.6	39.7	-36.0	20.1
Latvia	2,872.6	3,294.6	2,662.0	8.0	8.8	8.4	-12.8	7.9	24.4	5.0
Russia	1,884.2	3,939.7	4,551.6	5.3	10.5	14.4	-52.2	-58.6	118.7	-63.4
Denmark	1,639.8	1,500.4	1,214.8	4.6	4.0	3.8	9.3	35.0	-8.1	10.1
Great Britain	1,599.5	1,707.1	1,382.9	4.5	4.5	4.4	-6.3	15.7	6.2	5.2
Lithuania	1,174.0	1,543.5	1,449.2	3.3	4.1	4.6	-23.9	-19.0	21.3	-6.5
Netherlands	899.2	823.3	1,032.0	2.5	2.2	3.3	9.2	-12.9	-4.4	-3.2
Italy	394.0	302.9	272.4	1.1	0.8	0.9	30.1	44.7	-5.3	2.9
Other	5,846.4	6,445.8	5,529.0	16.3	17.2	17.5	-9.3	5.7	34.6	7.5
Free zone	524.7			1.5					-30.3	12.5
Total	35,813.1	37,545.0	31,607.4	100.0	100.0	100.0	-4.6	13.3	100.0	100.0

¹ Impact of changes shows the share of a component in total change.

Table 14. Structure of special import by major foreign trade partners

	Volume (EEK mn)			Share (%)			Change (%)		Impact of changes ¹ (%)	
	1999	1998	1997	1999	1998	1997	1999/1998	1999/1997	1999/1998	1999/1997
Finland	18,684.1	20,542.8	18,095.5	37.0	37.2	37.0	-9.0	3.3	39.2	36.6
Sweden	5,042.1	5,572.2	5,168.6	10.0	10.1	10.6	-9.5	-2.4	11.2	-7.9
Germany	4,775.2	5,751.4	5,098.7	9.5	10.4	10.4	-17.0	-6.3	20.6	-20.1
Russia	3,932.7	4,172.7	4,152.6	7.8	7.6	8.5	-5.8	-5.3	5.1	-13.7
Latvia	2,174.4	2,193.8	1,749.0	4.3	4.0	3.6	-0.9	24.3	0.4	26.5
Netherlands	1,636.4	1,940.9	1,887.8	3.2	3.5	3.9	-15.7	-13.3	6.4	-15.6
Denmark	1,581.3	1,849.8	1,545.5	3.1	3.4	3.2	-14.5	2.3	5.7	2.2
Italy	1,434.2	1,494.5	1,200.5	2.8	2.7	2.5	-4.0	19.5	1.3	14.5
Lithuania	1,051.5	1,160.0	981.7	2.1	2.1	2.0	-9.4	7.1	2.3	4.3
Great Britain	1,025.9	1,375.2	1,206.8	2.0	2.5	2.5	-25.4	-15.0	7.4	-11.3
Other	9,138.9	9,162.1	7,782.0	18.1	16.6	15.9	-0.3	17.4	0.5	84.4
Total	50,476.7	55,215.4	48,868.9	100.0	100.0	100.0	-8.6	3.3	100.0	100.0

¹ Impact of changes shows the share of a component in total change.

Table 15. Foreign trade balance by countries

	Balance (EEK mn)		
	1999	1998	1997
Sweden	2,832.4	1,761.3	226.6
Latvia	698.2	1,100.8	913.0
Great Britain	573.6	331.9	176.1
Lithuania	122.5	383.5	467.5
Denmark	58.5	-349.4	-330.7
Netherlands	-737.2	-1,117.6	-855.8
Italy	-1,040.2	-1,191.6	-928.2
Germany	-1,807.5	-3,407.1	-2,974.8
Russia	-2,048.5	-233.0	399.0
Finland	-10,547.7	-12,232.7	-12,101.3
Other	-3,292.4	-2,716.3	-2,253.0
Free zone	524.7		
Total	-14,663.5	-17,670.4	-17,261.5

Estonia's main **import partners** were also Finland, Sweden and Germany. Imports decreased from all the major partner countries, with biggest declines registered for Great Britain (25.4%) and Germany (17%), which placed Germany behind Sweden (see Table 14).

Estonia's 1999 **foreign trade balance** was positive with Sweden, Latvia, Great Britain, Lithuania and Denmark. Trade deficit was the biggest with Finland (10.5 billion kroons) but this was 13–14% smaller than in 1998 and 1997 (see Table 15).