

CHRONICLE OF MONETARY POLICY OF 2000

SEPTEMBER

4 September

Eesti Pank marked the beginning of the new school-year with a **reception where students and teachers of the economy classes of Tallinn secondary schools were invited**. The guests were greeted by **Vahur Kraft**, Governor of Eesti Pank; they were introduced to with the bank's work and opportunities of seeking banking and other economic information from the web site and publications of the central bank. The guests were also taken to the bank's museum and guided through the banks' premises.

The libraries of all Estonian secondary schools were donated a three-volume book on the history of Estonian banking in 1919–1999, to mark the beginning of the new school-year.

5 September

An exhibition of the Ukrainian orders and commemorative coins was opened at the Museum of Eesti Pank to mark the anniversary of the Republic of Ukraine. The exhibition was opened by the Governor of Eesti Pank **Vahur Kraft** and the Ukrainian Ambassador to Estonia **Nikolai Makarevich**. The exhibits were explained to the guests by representatives of the Ukrainian central bank. It was the first coin exhibition of a foreign country in Estonia after the restoration of independence. The majority of the exhibited 150 coins were also on sale. The exhibition closed on 9 September.

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Regulation of the Governor of Eesti Pank

On the Formation of a Work Group Monitoring the Fulfilment of the Sales Agreement of Optiva Pank Shares

Under the Regulation, a three-member work group was set up to observe that the interests of Eesti Pank are protected in the sale of risk assets and fulfilling other obligations deriving from the sales contract of Optiva Pank shares.

7 September

Traditional three-day **joint seminar of Eesti Pank and Suomen Pankki** began in Kuressaare, devoted to **economic policy and European integration**. The economic situation in Estonia and Finland, the ongoing reform of the operational framework of Estonian monetary policy and Finnish central bank's experience in the euro zone and the European System of Central Banks were also discussed.

13 September

Estonian Government established **the procedure of drawing up the programme of state investments**. A state investment is interpreted as **a project or a programme of state strategic importance with the total cost exceeding 50 million kroons and financed from the state budget**. The size of a state investment can also be smaller if the Government so decides.

14 September

At the meeting of the Board of Eesti Pank members of the Board heard the economic policy summary of the first half of 2000, a survey of the central bank's financial results in the first six months and a report of the activities of the Internal Audit Department of the Bank. The Board also made some changes in the year 2000 budget of Eesti Pank.

19 September

Two-day **international seminar on e-money** started in Tallinn, attended by representatives of eight European Union applicant countries. The seminar was organised by Eesti Pank and TAIEX (Technical Assistance Information Exchange Office of the European Commission).

21 September

The Supervisory Board of the Deposit Guarantee Fund elected Governor of Eesti Pank Vahur Kraft as their new chairman. The other members of the five-member Board are Minister of Finance **Siim Kallas**, Managing Director of the Estonian Banking Association **Katrin Talihärm**, and MPs **Jaan Põör** and **Tiit Sinissaar**. So far Helo Meigas, former Deputy Governor of Eesti Pank, had chaired the Supervisory Board.

22 September

Regulation of the Governor of Eesti Pank

On the Publication of Articles in the Working Papers of Eesti Pank

The Regulation simplified the procedure of publishing research results in the central bank's publication series called Working Papers of Eesti Pank in English and *Eesti Panga Toimetised* in Estonian. The aim of publishing research results is to get feedback and commentaries and to launch discussions. Therefore, the papers published in this series do not necessarily reflect the official views of Eesti Pank. Whether an article is to be published in Estonian, English or in both languages will be decided separately in every case.

26 September

Annual meeting of the International Monetary Fund (IMF) and the World Bank began in Prague. Governor of Eesti Pank **Vahur Kraft**, Director **Valdur Laid**, Head of the Banking Supervision Department **Andres Trink**, Head of the Central Bank Policy Department **Märten Ross** and Economist **Ingrid Toming** represented Eesti Pank at the meeting. Estonia held the deputy chairmanship at the meeting and a representative of Estonia participated in the work of the procedure commission.

Of global problems, the annual meeting focussed on the IMF's role in the changing world as well as on keeping the price of oil on "a reasonable level". Estimations of the Estonian economy were

generally positive, but the need to continue a balanced fiscal policy and maintain external economic balance in the new growth cycle was also emphasised.

28 September

The international rating agency Fitch IBCA upgraded Estonia's ratings from BBB to **BBB+** for long-term foreign currency debt, and from F3 to **F2** for short-term foreign currency debt. Estonia's local currency long-term rating was kept at level **A**.

Fitch IBCA noted Estonia's good outlook of economic growth in its press release, reorientation of trade towards the European Union, decrease of the current account deficit, overcoming of the banking problems of 1997, improved management of banks as well as better regulation and supervision. At the same time the agency pointed out the need to control the loan burden in order to maintain the balance of the current account, in the longer run to pay attention to neutralising the environmental damage caused by oil-shale industry, to reduce unemployment, narrow the gap of regional differences and to complete the reforms necessary for joining the European Union.

The BBB+ rating has also been given to **the Czech Republic, Hungary, Korea and Poland**. Latvia's rating is BBB, Lithuania's BB+ and Russia's B. Fitch IBCA sovereign ratings can be found on http://www.fitchibca.com/sovereigns/sovereign_ratings/.

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The *Riigikogu* (Parliament) appointed **Sirje Endre, Rein Järvelill, Jevgeni Tomberg and Heido Vitsur as members of the Board of Stabilisation Reserve Fund**.

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A referendum on joining the European Economic and Monetary Union and the introduction of the euro was held in Denmark. 53.1% of Danes voted against joining and 46.9% were in favour.