

# CHRONICLE OF MONETARY POLICY OF 2001

## MARCH AND APRIL

### 8 March

Winners of the contest for the best concept of Eesti Pank's Art Calendar were announced. The jury consisting of Jüri Kaarma, Krista Kodres, Heiki Pärdi, Liina Siib and Andres Tali decided to award **the first prize** (10,000 kroons) to **Ants Hein**; **the second prize** (3,000 kroons) to **Laura Hein**; and **the third prize** (2,000 kroons) to **Sigrid Saarep**.

The jury considered the winning entry to be *the widest in scope and most educational in its treatment of the subject matter*, as well as *firmly and expertly linked to the historical high culture of Estonia*. A total of 17 works were entered in the contest.

### 12 March

**Under the authorisation of the European Central Bank, Eesti Pank published the Estonian translation of the information kit *The Euro Banknotes and Coins* on its web site (<http://www.ee/epbe>).** It contains information on the euro banknotes and coins to be put into circulation in the 12 Eurozone countries on 1 January 2002.

On 23 March Eesti Pank began distributing the same publication to the Bank's regular subscribers, including the libraries of rural counties and major towns. The printed version of the booklet can be ordered by phone (6680 900) or e-mail ([info@epbe.ee](mailto:info@epbe.ee)), or acquired at the Museum of Eesti Pank at 11 Estonia Boulevard.

### 16 March

**The Banking Supervision Department of Eesti Pank and the respective department of the Bank of Lithuania concluded an agreement of co-operation.** The agreement, ever so important in the conditions of deepening integration of the Baltic markets, was signed by the Governor of Eesti Pank **Vahur Kraft**, Chairman of the Board of the Bank of Lithuania **Reinoldijus Šarkinas** and Head of the Banking Supervision Department of Eesti Pank **Andres Trink**.

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In order to meet the requirements of the Public Information Act, the rules of managing the register of queries set up at the Bank were imposed by the Decree of the Governor of Eesti Pank.

### 20 March

Under the Decree of the Government of the Republic of Estonia, the average amount of individually registered social tax to be included in the pension insurance register was set at 16,606 kroons for the year 2000, and the value of a pensionable service year and the pension insurance annual factor were set at 27.40 kroons. Both are applied since 1 April 2001.

### 23 March

**A regular meeting of the Board of Eesti Pank.** The agenda featured a survey of the accession negotiations with the European Union and Eesti Pank's participation in these negotiations and pre-unification projects.

### 3 April

Due to the fact that Andres Sutt assumed office as Deputy Governor of Eesti Pank, the Executive Management of the Bank specified the division of responsibilities of its members, which was confirmed by the Regulation of the Governor of Eesti Pank.

Governor **Vahur Kraft** is responsible for the general management of the activities of the Bank, overseeing the management mechanisms and control.

Deputy Governor **Rein Minka** is responsible for co-ordinating cash circulation-related activities and safety of the work environment, managing the reliable and cost effective functioning of the payment and settlement system of Eesti Pank and its all-round development, forming the information technology and legal environment, as well as for personnel management.

Deputy Governor **Märten Ross** is responsible for preparing and carrying out monetary policy decisions, managing financial assets of Eesti Pank, co-ordinating collection, compilation and publication of national statistics as well as co-ordinating economic research and activities related to economic in-service training.

Deputy Governor **Andres Sutt** is responsible for international and public relations of Eesti Pank, collection, compilation and disclosure of financial sector statistics, supervision and development of payment and settlement system, financial accounting and reporting, internal administration and physical work environment.

Head of the Banking Supervision Department **Andres Trink** is responsible for drafting and implementing the principles of securing financial stability, including the arrangement of supervision over the credit institutions located in Estonia.

### 18 April

**The regular mission (under Article IV) of the International Monetary Fund (IMF) arrived in Estonia for economic policy consultations, headed by Peter Keller.** The main topics discussed by the mission were the slowdown of global economic growth and its possible impact on Estonia, the impact of European integration-related investments on the external balance, unemployment, the risks involved in the rapid growth of borrowing and progress made in strengthening banking supervision. **Åke Törnquist**, Deputy Director of the Nordic and Baltic Constituency, arrived in Estonia together with the mission.

The mission completed its work in Estonia on 25 April. The same day the IMF published its preliminary conclusions on Estonia's economic situation and policy (see the IMF web site at <http://www.imf.org>).

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**8<sup>th</sup> seminar of the central banks of the Baltic states opened in Riga, Latvia.** The three-day seminar discussed monetary policy issues, management of the central bank foreign currency reserves and public relations.

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In order to optimise the structure of Eesti Pank the Establishment Department and the Governor's Office were merged into the Administrative Department. The new department is headed by **Kristjan Kukk**.

### 19 April

#### **Decisions of the Board of Eesti Pank**

#### ***On the 2000 Annual Report of Eesti Pank***

Having examined the 2000 Annual Report of Eesti Pank, including the Balance Sheet and the Statement of Profit and Loss, and considering the results of the 2000 audit carried out by the international auditors Deloitte & Touche, and proceeding from Article 9, Section 2, Clause 8 and Article 30, Sections 1–5 of the Central Bank Act, the Board of Eesti Pank approved **the 2000 Annual Report, consisting of the Balance Sheet of Eesti Pank as of 31 December 2000 and the Statement of Profit and Loss.** At the end of 2000, the assets and liabilities of the Bank stood at **17,220,403,000 kroons.** The 2000 profit amounted to **158,327,000 kroons.**

Under Article 34, Section 3 of the Central Bank Act, **the Annual Report and the Auditor's Report were submitted to the Riigikogu for approval.** Of the 2000 profit, 99.4 million kroons was allocated to the reserve capital of the Bank, 23.927 million was put into a special reserve and 35 million kroons was transferred into the State budget.

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#### ***On the Regular Reviewing of the Profit Distribution Strategy of Eesti Pank***

Having evaluated **the Profit Distribution Strategy of Eesti Pank**, endorsed by the 23 September 1999 Decision of the Board of Eesti Pank (see Eesti Pank Bulletin No 5, 1999, p 22), in view of the forecasted ratio of Eesti Pank's liabilities-free foreign currency reserve to the gross domestic product and the broad monetary aggregate (M2), and proceeding from Article 9, Section 2, Clause 1 of the Central Bank Act, the Board of Eesti Pank decided **to continue the profit distribution strategy of Eesti Pank endorsed by the Decision of 23 September 1999.**

#### **25 April**

**Exhibition of Latvian banknotes and coins opened at the Museum of Eesti Pank.** The exhibition was put together by the Bank of Latvia and the Latvian History Museum. The exhibition was opened by Governor of Eesti Pank **Vahur Kraft**, the Latvian Ambassador to Estonia **Gints Jegermanis** and head of department of the Bank of Latvia **Uldis Klauss**.

The exhibition featured Latvian banknotes and their designs as well as coins in circulation from the period 1914–2001. Commemorative coins of the past decade were on sale for the visitors. The exhibition closed on 4 May.

#### **26 April**

Chairman of the Finance Committee of the Riigikogu **Kalle Jürgenson** and the leading European Union experts of Eesti Pank **Anu Randveer** and **Tõnu Mertsina** answered hotline **questions on the Estonian currency and the European single currency.**