

METHODOLOGICAL CHANGES IN COMPILING BALANCE OF PAYMENTS STATISTICS

The methodological changes in compiling balance of payments statistics are primarily related to three entries. The change in the entry “*goods*” derived from alterations in the foreign trade statistics reporting system due to the accession to the European Union; the entry “*reinvested earnings*” changed as a result of the implementation of the new EU balance of payments statistics guidelines, which are mandatory for Member States to follow; and the entry “*real estate*” as a result of the availability of more representative data. The 2003 and 2004 time series of the reinvested earnings and real estate entries have been retroactively adjusted based on the existing data.

The changes are the following:

- Entry “*goods*”

From 1 May 2004 foreign trade statistics is based on the combination of two reporting systems: trade with non-EU countries is still calculated on the basis of customs declarations submitted to the Tax and Customs Board (the so-called Extrastat), whereas trade with other EU countries is registered through the so-called Intrastat survey organised by the Statistical Office (see www.stat.ee/125965). While Extrastat still enables the use of the special trade system, which excludes trade through customs warehouses, then Intrastat provides no way of excluding goods moving through intermediate warehouses that actually do not reach the Estonian domestic market, thus rather reflecting the principles of the general trade system. Therefore, the general level of imports and exports of goods is higher than in previous periods and this peculiarity has to be taken into account when comparing time series. The credit and debit of the balance of payments goods account include, in addition to official foreign trade statistics, also various amendments and assessments deriving from the methodology, which are related to the possible undercoverage of the Intrastat data. .

- Entry “*reinvested earnings*”

In calculating reinvested earnings, the All-Inclusive Concept (AIC), which concentrated on the net profit/net loss, was replaced by the Current Operating Performance Concept (COPC), which includes operating earnings/operating loss. In the case of the AIC, retained profit, which constitutes the basis for calculating reinvested earnings, is formed including unrealised gains/losses from exchange rate differences and revaluation of financial assets, other extraordinary income/expenses, and doubtful receivables (incl. loan provisions), whereas all of the above-listed are excluded in the case of the COPC, which is preferred¹ in the international standards. The scope of retroactive adjustments is below 10%.

- Entry “*real estate*” as part of equity capital of direct investment

Pursuant to the agreement with the Estonian Land Board, it is now possible to use considerably more representative data concerning real estate transactions by non-residents in Estonia in compiling this entry.

¹ IMF *Balance of Payments Manual 5th Edition*; OECD *Benchmark Definition of Foreign Direct Investment Statistics*.

SHORT OVERVIEW

- **Despite the decline in global economic activity, Estonia's external balance slightly improved in the first quarter of 2005 – the current account deficit of the balance of payments constituted 9.7% of GDP (see Table 1 and Figure 1)¹. In absolute value, the deficit amounted to 3.5 billion kroons, which is 0.1 billion kroons less year-on-year.**
- **The credit turnovers of goods, income, and current transfers grew faster than their debit turnovers.**
- **The remarkably high inflow of foreign capital (13.9 billion kroons) as direct investment was accompanied by almost equal amount of capital decrease in the form of portfolio investment.**
- **The balance of payments reserves increased by 2.7 billion kroons.**

The largest component of the **CURRENT ACCOUNT** deficit, the **goods account**, had a deficit of 4.2 billion kroons, which was 0.3 billion kroons less year-on-year. Exports of goods amounted to 21.5 billion kroons, and imports of goods to 25.7 billion kroons. The year-on-year rise in the goods turnover was caused by the accession to the European Union as well as by a change in the reporting system (transition to Intrastat reporting in declaring intra-Community trade), which is why foreign trade statistics before and after the accession are not directly comparable.

The main groups of export goods traditionally included machinery and equipment, timber and timber products, furniture, and textile products. Machinery and equipment dominated also in imports, followed by chemical products, metal products, and transport vehicles.

Estonia's main trading partner was the enlarged European Union, whose share amounted to 78% of exports and 74% of imports of goods. Finland, Sweden, Germany and Latvia were the largest exports partners, and Finland, Germany, Russia and Sweden the major imports partners.

The **services surplus** decreased by 17% year-on-year and totalled 2.3 billion kroons. Services exports grew by 9% and imports by 24%. The decline in the services surplus was most affected by transport services, especially marine and rail transport – the growth in exports was surpassed by that in imports. The dynamics of travel services displayed a similar trend. Transport services constituted 45%, travel services 24%, and other business services 16% of the total services turnover. The turnovers of communications, construction, and financial services increased.

As regards services, Estonia's major business partners were the EU Member States, which accounted for 65% of services exports and 73% of services imports in the first quarter of 2005. Estonia had the biggest surplus with Finland (1.1 billion kroons) and the biggest deficit with Germany (0.2 billion kroons).

The **income deficit** decreased by 15%, amounting to 1.9 billion kroons. This arose from the faster growth in income earned by Estonian investors abroad (credit turnover) compared with the growth in

² The current account deficit without reinvested earnings, which include no actual movement of funds, constituted 4.5% of GDP. Different from the balance of payments press release of 27 June 2005, this overview uses for the first quarter of 2005 not the expected but real GDP, which was published on 29 June 2005.

Table 1. Estonia's balance of payments (EEK m)*

	2002	2003	2004				2005	
	Total	Total	Q1	Q2	Q3	Q4	Total	Q1
Current account	-11,882.9	-15,401.9	-3,625.7	-6,217.5	-1,924.9	-6,194.9	-17,963.0	-3,535.8
Goods and services	-8,318.2	-9,700.5	-1,776.8	-4,526.2	-1,132.3	-3,629.4	-11,064.7	-1,918.8
Goods	-17,995.6	-21,483.1	-4,568.2	-8,348.4	-5,525.8	-6,360.8	-24,803.2	-4,246.9
credit (f.o.b.)	58,333.6	63,599.8	16,952.4	18,124.9	19,254.4	20,729.3	75,061.0	21,491.1
debit (f.o.b.)	-76,329.2	-85,082.8	-21,520.6	-26,473.3	-24,780.1	-27,090.1	-99,864.2	-25,738.0
Services	9,677.4	11,782.6	2,791.4	3,822.2	4,393.5	2,731.4	13,738.5	2,328.1
credit	28,279.7	30,819.9	7,330.0	9,469.9	9,924.7	8,866.7	35,591.3	7,957.7
debit	-18,602.3	-19,037.3	-4,538.6	-5,647.7	-5,531.2	-6,135.3	-21,852.8	-5,629.5
Income	-5,423.1	-7,411.2	-2,226.0	-2,197.9	-1,389.4	-3,166.2	-8,979.6	-1,888.3
credit	3,339.3	3,422.1	640.0	1,231.1	1,904.3	1,678.3	5,453.6	1,562.0
debit	-8,762.4	-10,833.3	-2,866.0	-3,429.0	-3,293.7	-4,844.5	-14,433.2	-3,450.3
Transfers	1,858.4	1,709.7	377.2	506.6	596.8	600.7	2,081.2	271.3
credit	2,876.3	3,221.4	851.1	1,388.9	1,487.0	2,007.7	5,734.7	1,349.0
debit	-1,017.9	-1,511.7	-473.9	-882.3	-890.1	-1,407.0	-3,653.4	-1,077.7
Capital and financial account (reserve assets excluded)	12,739.6	18,232.9	3,534.8	7,544.1	4,290.7	7,077.8	22,447.3	6,638.5
Capital account	320.7	655.7	27.7	154.7	554.5	317.8	1,054.7	462.8
Financial account	12,418.9	17,577.2	3,507.1	7,389.4	3,736.2	6,760.0	21,392.6	6,175.7
Direct investment	2,611.8	10,716.7	2,344.7	2,205.7	1,068.1	4,104.3	9,722.7	12,881.8
Abroad	-2,188.4	-2,149.2	-1,007.9	-834.5	-988.9	-557.3	-3,388.6	-976.3
In Estonia	4,800.2	12,865.9	3,352.5	3,040.3	2,057.0	4,661.6	13,111.3	13,858.0
Portfolio investment	2,442.4	2,431.7	-700.4	5,628.1	-2,228.7	6,431.5	9,130.5	-5,323.8
Assets	-3,182.9	-5,351.6	-767.7	-183.7	-2,419.0	-1,381.2	-4,751.6	-3,492.3
Equity securities	9.1	-1,028.9	-441.6	-565.5	-544.6	-1,341.8	-2,893.5	-1,198.9
Debt securities	-3,192.0	-4,322.7	-326.2	381.7	-1,874.3	-39.4	-1,858.1	-2,293.4
Liabilities	5,625.3	7,783.3	67.3	5,811.8	190.2	7,812.7	13,882.1	-1,831.6
Equity securities	912.2	1,526.9	147.3	459.6	707.1	891.3	2,205.3	-9,703.5
Debt securities	4,713.1	6,256.3	-80.0	5,352.2	-516.9	6,921.4	11,676.8	7,871.9
Financial derivatives	-63.7	-19.3	68.1	-42.6	-62.2	28.3	-8.3	46.8
Assets	-43.2	-139.2	56.5	-5.5	-18.7	-67.4	-35.1	63.3
Liabilities	-20.5	120.0	11.7	-37.1	-43.5	95.7	26.8	-16.5
Other investment	7,428.4	4,448.1	1,794.7	-401.9	4,959.0	-3,804.1	2,547.8	-1,429.1
Assets	695.1	-2,284.6	-1,763.9	-4,918.3	2,163.0	-6,649.6	-11,168.8	-11,582.2
Long-term	-1,083.0	-565.7	-1,154.6	-1,903.9	250.0	-3,244.1	-6,052.6	-1,826.3
Short-term	1,778.1	-1,718.9	-609.3	-3,014.4	1,913.0	-3,405.5	-5,116.1	-9,755.9
Liabilities	6,733.3	6,732.7	3,558.6	4,516.4	2,796.0	2,845.5	13,716.5	10,153.1
Long-term	1,829.0	4,310.4	690.0	1,001.2	-514.1	2,563.5	3,740.6	2,800.5
Short-term	4,904.3	2,422.3	2,868.6	3,515.2	3,310.1	282.0	9,975.9	7,352.6
Errors and omissions	70.1	-518.9	-377.5	-601.5	-348.0	268.1	-1,058.9	-411.3
Overall balance	926.8	2,312.1	-468.4	725.1	2,017.7		3,425.4	2,691.4
Reserve assets	-926.8	-2,312.1	468.4	-725.1	-2,017.7	-1,151.0	-3,425.4	-2,691.4

* After additional information is received, data of the earlier periods have been adjusted accordingly.

income earned by foreign investors in Estonia (debit turnover) – 2.4 and 1.2 times, respectively. The income earned by non-residents on the capital invested in Estonia and on compensations of employees stood at 3.5 billion kroons, while the residents' income on investment abroad totalled 1.6 billion kroons. Direct investment income formed 77% (85% thereof was reinvested earnings) of the non-residents' investment income and 48% (82%) of the residents' investment income. Excluding reinvested earnings, which involve no real movement of funds, from the income account, the net outflow of income stood at only 0.1 billion kroons.

The majority of residents' income earned on investment and compensations of employees came from the Baltic States, Finland, and the US (65% in total). The share of the European Union was 81%. Financial intermediaries earned 44% of the income. 92% of income earned on investment into Estonia

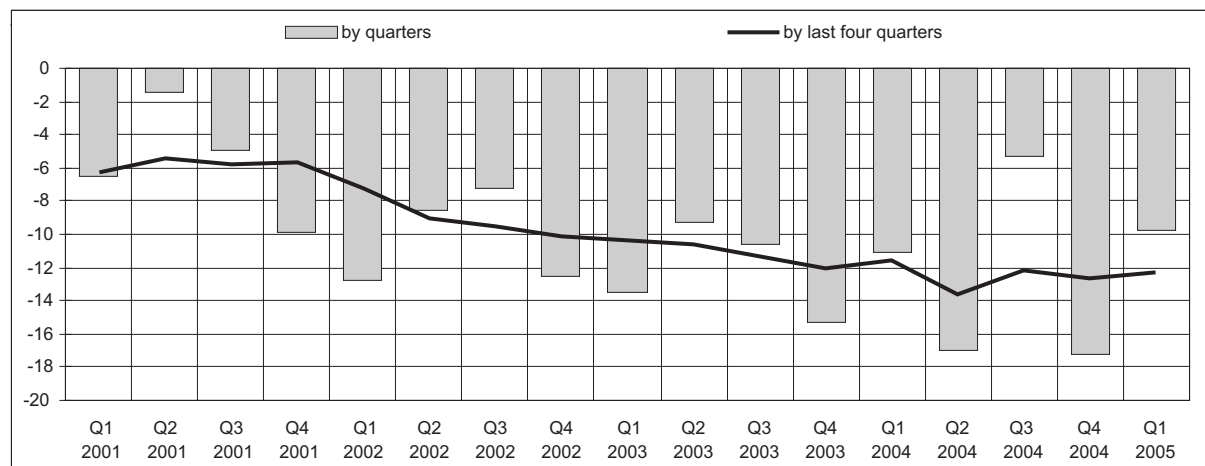


Figure 1. Current account deficit (% of GDP)

belonged to investors from the EU Member States (mostly Sweden, Finland, the United Kingdom, and the Netherlands). Majority of the income was earned on financial intermediation (70%) and transport, storage and communications (18%).

The surplus of the **transfers accounts** (current and capital transfers) grew nearly twice; the same applies to both incoming and outgoing transfers. The growth in turnover was mainly due to transfers from the EU structural funds, contributions to the EU budget, and value added tax paid by and refunded to non-residents.

The surplus of the **FINANCIAL ACCOUNT** slightly decreased compared with the last quarter of 2004, constituting 6.6 billion kroons. The first quarter of 2005 witnessed extraordinary capital movements between accounts, which were mainly related to the decrease in portfolio investment and increase in direct investment in Hansapank due to the buying up of shares.

Owing to the above-mentioned reason, the growth in the surplus of **direct investment** was record high for the quarter – 12.9 billion kroons. Foreign direct investment into Estonia increased by 13.9 and direct investment of Estonian residents abroad by 1 billion kroons.

Equity capital investment accounted for 90% of the direct investment inflow, the rest was reinvested earnings and other direct investment capital. 94% of the investment came from Sweden and was made into financial intermediation.

Investment into equity capital constituted 41% and reinvested earnings 37% of residents' foreign direct investment capital. Most of the investment went to Latvia, Russia and Italy. The share of the European Union was 57%. The largest investments were made by financial intermediaries (60%), real estate, renting and business activities investors (23%), and wholesale and retail trade investors (13%).

The net outflow of **portfolio investment** amounted to 5.3 billion kroons. Portfolio investment claims increased by 3.5 billion, and liabilities decreased by 1.8 billion kroons. The claims increased due to investment of the general government, credit institutions as well as other sectors into foreign equity and debt securities. The decrease in credit institutions' liabilities related to equity securities by 10.9 billion kroons arose from the aforementioned increased share of direct investment in Hansapank. Credit institutions' liabilities related to money market instruments grew by 6.7 billion kroons.

Although the net outflow of **other investment** was not substantial (1.4 billion kroons), the turnovers were remarkable. Other investment claims increased by 11.6 billion kroons, primarily in the form of short-term capital (mainly cash and deposits of credit institutions and other claims). Other investment liabilities increased by 10.2 billion kroons and also in the form of short-term capital, mostly via credit institutions. At the same time, long-term loans granted to other sectors grew by 3.6 billion kroons.

CURRENT ACCOUNT

Against the background of declining global economic activity, Estonia's external balance slightly improved in the first quarter of 2005, and the current account deficit amounted to 9.7% of GDP, i.e. 3.5 billion kroons. The deficit growth was curbed by the faster pace of goods, income, and transfers credit turnover as compared with their debit turnover (see Figure 2). The current account deficit without reinvested earnings, which include no actual movement of funds, constituted 4.5% of GDP.

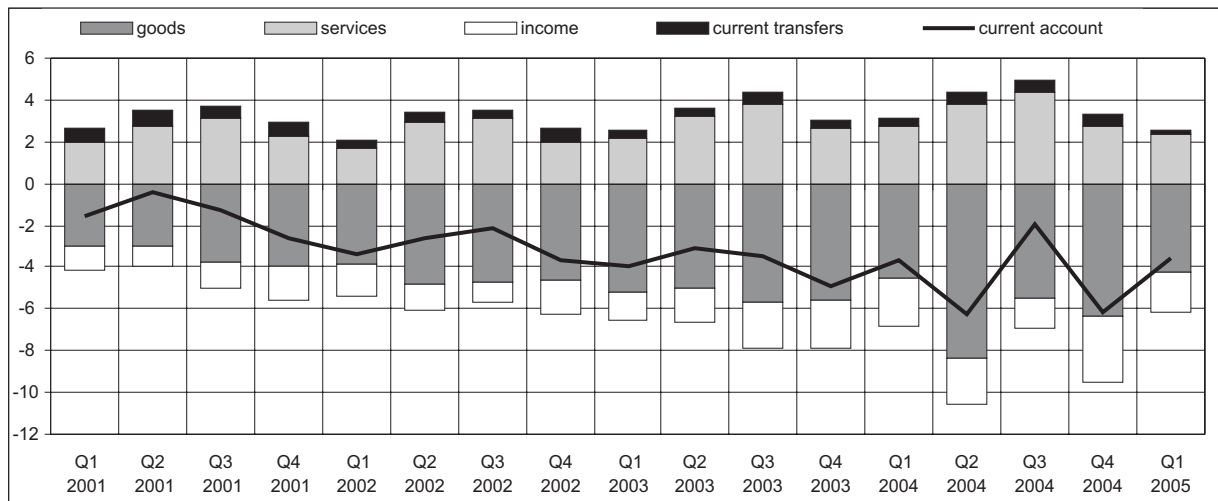


Figure 2. Current account structure (EEK bn)

The EU Member States (EU-25) accounted for the majority of the current account turnover – 75% of the credit and 77% of the debit turnover. The five most important partners in Estonia's foreign trade turnover were Finland, Sweden, Germany, Latvia, and Russia, whose share was 58% in both the credit turnover and the debit turnover. In the first quarter of 2005, Estonia's current account deficit was the biggest with Germany and Sweden, whereas the highest surplus was registered with Finland, the USA, and Latvia (see Table 2).

Table 2. Current account balance by groups of countries (EEK m)

	Q1 2004	Q4 2004	Q1 2005
EU-25*	-2,731.4	-5,756.6	-3,227.2
Germany**	-1,122.2	-1,965.5	-1,867.8
Sweden	238.7	-822.8	-1,056.4
Finland	353.8	-1,147.6	848.7
Latvia	396.7	486.3	795.9
Poland	-501.2	-680.2	-563.1
EU-15	-2,579.6	-5,270.9	-3,286.2
CIS	-1,262.9	-697.1	-1,183.0
Russia	-1,126.3	-491.3	-945.3
Belarus	-205.3	-314.2	-260.2
Kazakhstan	2.2	17.6	80.2
Other	368.6	258.8	874.4
USA	187.1	820.4	802.2
Hong Kong	-172.4	-308.3	-545.1
Japan	-291.7	-251.9	-524.9
British Virgin Islands	556.9	427.3	500.4
Norway	345.8	-37.5	494.4
Total	-3,625.7	-6,194.9	-3,535.8

* Here and below the 15 EU Member States and 10 acceding countries have been analysed before 1 May 2004.

** Countries are ranked by the absolute value of last period's current account balance.

Goods

The trade account deficit of the balance of payments amounted to 4.2 billion kroons in the first quarter of 2005, having decreased by 300 million kroons compared with the first quarter of 2004 and by 2 billion kroons quarter-on-quarter (see Table 3). Exports of goods, which amounted to 21.5 billion kroons, once again reached a record high, growing 4% quarter-on-quarter and 27% year-on-year. The imports of goods decreased by 5% compared with the previous quarter, but increased by 20% year-on-year, constituting 25.7 billion kroons.

According to the **foreign trade statistics**³, goods exports totalled 21.2 billion and imports in c.i.f. prices 27.3 billion kroons (see Figure 3). The foreign trade deficit remained approximately at the same level as in the first quarter of the previous year, amounting to 6 billion kroons. In analysing the goods turnover data, it has to be taken into account that due to changes in the reporting system (transition to Intrastat reporting in declaring the intra-Community trade) foreign trade statistics before and after the accession are not directly comparable (see "Methodological Changes in Compiling Balance of Payments Statistics" p 5).

Year-on-year, **exports of goods** grew by a quarter across all the main groups of goods (excl. clothing, footwear and headgear; see Table 4). The export growth was most affected by the increased exports of mineral products, machinery and equipment, metal products and transport vehicles. 78% of the exports of mineral products consisted of re-exports of motor fuel imported from Russia, Lithuania, and Belarus to the USA, Gibraltar, and EU Member States. The sale of another substantial article, electricity, to Latvia and Russia decreased quarter-on-quarter and year-on-year, constituting only 9% of the exports of

Table 3. Changes in the exports and imports of goods

	Goods – credit			Goods – debit			Balance (EEK m)
	Volume (EEK m)	Change compared to the previous period (%)	Share in total exports of goods and services (%)	Volume (EEK m)	Change compared to the previous period (%)	Share in total imports of goods and services (%)	
Q1/2001	16,192.8	-2.2	73.6	19,233.9	-9.9	83.6	-3,041.1
Q2/2001	15,967.7	-1.4	68.5	18,994.9	-1.2	80.5	-3,027.2
Q3/2001	12,306.9	-22.9	60.8	16,093.5	-15.3	77.0	-3,786.6
Q4/2001	14,199.7	15.4	64.6	18,128.7	12.6	76.7	-3,929.0
2001 total	58,667.1	4.1	67.0	72,451.0	4.3	79.5	-13,783.9
Q1/2002	13,156.1	-7.3	69.9	17,060.8	-5.9	81.0	-3,904.7
Q2/2002	14,766.6	12.2	64.8	19,587.5	14.8	79.5	-4,820.9
Q3/2002	14,238.5	-3.6	64.8	18,920.5	-3.4	80.4	-4,682.0
Q4/2002	16,172.4	13.6	70.1	20,760.4	9.7	80.8	-4,588.0
2002 total	58,333.6	-0.6	67.3	76,329.2	5.4	80.4	-17,995.6
Q1/2003	14,335.5	-11.4	70.4	19,491.5	-6.1	83.3	-5,156.0
Q2/2003	16,111.1	12.4	66.9	21,154.2	8.5	81.7	-5,043.1
Q3/2003	15,530.7	-3.6	63.8	21,219.5	0.3	80.7	-5,688.8
Q4/2003	17,622.4	13.5	68.8	23,217.6	9.4	81.3	-5,595.2
2003 total	63,599.7	9.0	67.4	85,082.8	11.5	81.7	-21,483.1
Q1/2004	16,952.4	-3.8	69.8	21,520.6	-7.3	82.6	-4,568.2
Q2/2004	18,124.9	6.9	65.7	26,473.3	23.0	82.4	-8,348.4
Q3/2004	19,254.4	6.2	66.0	24,780.1	-6.4	81.8	-5,525.7
Q4/2004	20,729.3	7.7	70.0	27,090.1	9.3	81.5	-6,360.8
2004 total	75,061.0	18.0	67.8	99,864.1	17.4	82.0	-24,803.1
Q1/2005	21,491.1	3.7	73.0	25,738.0	-5.0	82.1	-4,246.9

³ The following analysis does not include the adjustments made to the goods account (repair of capital goods, provisions purchased from abroad, etc) made by the Balance of Payments and Economic Statistics Department of Eesti Pank. Imports are in c.i.f. prices and analysed by the trading country. As of the moment of accession, the terms "exports" and "imports" are only applicable in reference to trading with third countries, while the Intrastat reporting system uses the terms "dispatch of goods" and "arrival of goods". Since the following analysis covers both intra-Community and non-Community trade, the terms "exports" and "imports" have still been used for the sake of simplicity and clarity.

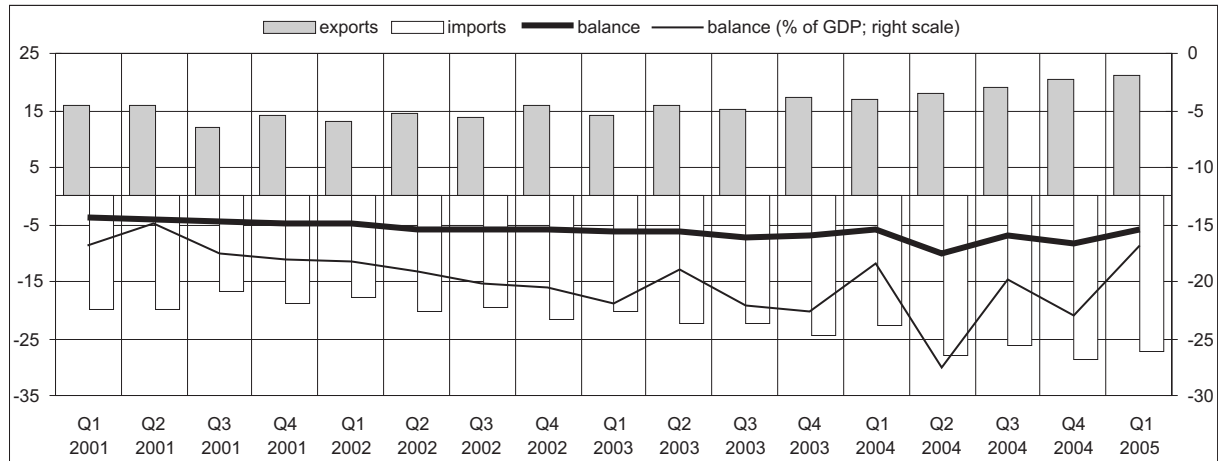


Figure 3. Estonia's foreign trade balance (EEK bn)

Table 4. Exports by main groups of goods

	Volume (EEK m)			Share (%)			Change (%)	
	Q1 2004	Q4 2004	Q1 2005	Q1 2004	Q4 2004	Q1 2005	Q1 2005 / Q4 2004	Q1 2005 / Q1 2004
Food	1,163.8	1,803.0	1,577.5	6.9	8.8	7.4	-12.5	35.5
Mineral products	485.0	1,277.2	1,636.1	2.9	6.2	7.7	28.1	237.3
Chemical products	1,251.4	1,395.5	1,489.8	7.4	6.8	7.0	6.8	19.0
Clothing, footwear and headgear	2,070.0	2,090.7	1,972.0	12.3	10.2	9.3	-5.7	-4.7
Timber, paper and products	2,674.3	2,697.9	2,909.4	15.9	13.2	13.7	7.8	8.8
Metals and metal products	1,303.2	1,534.9	1,882.9	7.7	7.5	8.9	22.7	44.5
Machinery and equipment	4,819.1	5,709.5	5,699.4	28.6	27.9	26.8	-0.2	18.3
Transport vehicles	901.6	1,325.3	1,383.5	5.3	6.5	6.5	4.4	53.4
Furniture, toys, sporting goods	1,622.8	1,835.5	1,911.9	9.6	9.0	9.0	4.2	17.8
Other	568.1	790.1	766.4	3.4	3.9	3.6	-3.0	34.9
Total	16,859.3	20,459.4	21,228.9	100.0	100.0	100.0	3.8	25.9

this group of goods. As regards the machinery group, means of mobile communication and their parts, whose exports grew 5% year-on-year and which were channelled to Finland, Germany, Hungary, and Russia, constituted more than a half. Metal product exports mainly consisted of scrap metal, whose exports increased more than twice year-on-year (the Republic of Korea as the target country), metal constructions (Denmark, Finland) and galvanised steel products (Belgium, the UK, Latvia). The growth in the exports of transport vehicles was underpinned by the exports of motor cars and their parts, which had been imported from Finland, Germany, and Sweden – the cars went to Latvia and Lithuania, the car parts to Sweden and Russia.

Imports of goods grew by approximately 20% year-on-year (see Table 5). The increase in imports was affected by the same product groups as that of exports: machinery and equipment, mineral and metal products. The machinery group constituted 30% of the total imports, the main articles of imports being parts of electrical and electronics industry and mobile phones from Finland, Sweden, Germany, Hungary, and Russia. The machinery and equipment group was followed by chemical (medicines, fertilizers, plastic products from EU Member States) and metal products (steel from the USA, Taiwan, Russia), whose share accounted for 11–12%.

External trade had a surplus in two traditional groups of goods – timber and timber products and furniture (see Table 6) – the former witnessed a slightly decreased and the latter increased surplus.

Table 5. Exports by main groups of goods

	Volume (EEK m)			Share (%)			Change (%)	
	Q1 2004	Q4 2004	Q1 2005	Q1 2004	Q4 2004	Q1 2005	Q1 2005 / Q4 2004	Q1 2005 / Q1 2004
Food	2,021.0	2,527.4	2,206.3	8.9	8.8	8.1	-12.7	9.2
Mineral products	1,266.2	2,192.1	2,488.1	5.6	7.7	9.1	13.5	96.5
Chemical products	2,897.4	3,188.5	3,256.7	12.7	11.1	11.9	2.1	12.4
Clothing, footwear and headgear	2,179.0	2,252.8	2,145.8	9.6	7.9	7.9	-4.7	-1.5
Timber, paper and products	1,357.3	1,514.6	1,669.6	6.0	5.3	6.1	10.2	23.0
Metals and metal products	2,281.8	3,380.6	3,019.1	10.0	11.8	11.1	-10.7	32.3
Machinery and equipment	6,417.5	8,574.6	8,210.3	28.2	29.9	30.1	-4.2	27.9
Transport vehicles	2,837.1	3,227.0	2,708.9	12.5	11.3	9.9	-16.1	-4.5
Furniture, toys, sporting goods	584.3	667.2	567.6	2.6	2.3	2.1	-14.9	-2.9
Other	932.4	1,107.4	985.0	4.1	3.9	3.6	-11.1	5.6
Total	22,774.0	28,632.1	27,257.4	100.0	100.0	100.0	-4.8	19.7

Table 6. Foreign trade balance by main groups of goods (EEK m)

	Q1 2004	Q4 2004	Q1 2005
Food	-857.1	-724.5	-628.8
Mineral products	-781.2	-914.9	-852.0
Chemical products	-1,645.9	-1,793.0	-1,766.9
Clothing, footwear and headgear	-109.1	-162.1	-173.7
Timber, paper and products	1,317.0	1,183.3	1,239.8
Metals and metal products	-978.7	-1,845.7	-1,136.2
Machinery and equipment	-1,598.4	-2,865.1	-2,510.9
Transport vehicles	-1,935.5	-1,901.7	-1,325.4
Furniture, toys, sporting goods	1,038.5	1,168.2	1,344.2
Other	-364.3	-317.3	-218.6
Total	-5,914.7	-8,172.7	-6,028.4

By groups of countries, exports of goods to the European Union as well as to other groups of countries increased (see Table 7), whereas exports to the CIS countries grew as much as 75%. The EU Member States accounted for 78% of the exports of goods, the major trade partners were Finland and Sweden. The share of the CIS countries grew mainly on account of Russia, which received twice the volume of exports. This process has apparently been influenced by the abolishing of double duties, as well as registration of product flows from the EU Member States to Russia via Estonian intermediate warehouses.

Table 7. Exports of goods by groups of countries

	Volume (EEK m)			Share (%)			Change (%)	
	Q1 2004	Q4 2004	Q1 2005	Q1 2004	Q4 2004	Q1 2005	Q1 2005 / Q4 2004	Q1 2005 / Q1 2004
EU-25	14,132.9	16,041.5	16,638.2	83.8	78.4	78.4	3.7	17.7
Finland	4,224.2	4,526.4	5,071.2	25.1	22.1	23.9	12.0	20.1
Sweden	3,014.7	2,915.1	3,047.0	17.9	14.2	14.4	4.5	1.1
Germany	1,570.7	1,736.3	1,708.8	9.3	8.5	8.0	-1.6	8.8
Latvia	1,204.3	1,523.6	1,641.0	7.1	7.4	7.7	7.7	36.3
Lithuania	557.9	923.4	1,019.5	3.3	4.5	4.8	10.4	82.8
EU-15	11,463.1	12,343.6	13,016.6	68.0	60.3	61.3	5.5	13.6
CIS	904.6	2,056.3	1,586.2	5.4	10.1	7.5	-22.9	75.4
Russia	560.7	1,611.9	1,230.0	3.3	7.9	5.8	-23.7	119.4
Ukraine	290.2	325.3	260.8	1.7	1.6	1.2	-19.8	-10.1
Other	1,821.9	2,361.7	3,004.4	10.8	11.5	14.2	27.2	64.9
USA	368.1	653.5	969.0	2.2	3.2	4.6	48.3	163.3
Norway	562.2	667.2	606.9	3.3	3.3	2.9	-9.0	7.9
Republic of Korea	65.1	213.6	367.7	0.4	1.0	1.7	72.1	464.6
Total	16,859.3	20,459.4	21,228.9	100.0	100.0	100.0	3.8	25.9

Imports of goods also increased across all groups of countries (see Table 8). The top five of trade partners included Finland, Germany, Russia, Sweden, and Lithuania.

Table 8. Imports of goods by groups of countries¹

	Volume (EEK m)			Share (%)			Change (%)	
	Q1 2004	Q4 2004	Q1 2005	Q1 2004	Q4 2004	Q1 2005	Q1 2005 / Q4 2004	Q1 2005 / Q1 2004
EU-25	17,162.7	22,178.7	20,283.3	75.4	77.5	74.4	-8.5	18.2
Finland	4,646.8	6,363.5	5,337.7	20.4	22.2	19.6	-16.1	14.9
Germany	2,909.1	3,678.6	3,567.3	12.8	12.8	13.1	-3.0	22.6
Sweden	2,281.0	2,709.8	2,647.0	10.0	9.5	9.7	-2.3	16.0
Lithuania	932.8	1,662.5	1,630.9	4.1	5.8	6.0	-1.9	74.9
Latvia	1,081.7	1,242.8	1,183.7	4.7	4.3	4.3	-4.8	9.4
EU-15	13,859.4	17,483.1	16,045.3	60.9	61.1	58.9	-8.2	15.8
CIS	3,049.1	3,511.9	3,602.2	13.4	12.3	13.2	2.6	18.1
Russia	2,370.7	2,726.1	2,964.0	10.4	9.5	10.9	8.7	25.0
Belarus	235.3	357.0	287.0	1.0	1.2	1.1	-19.6	22.0
Other	2,562.3	2,941.5	3,371.8	11.3	10.3	12.4	14.6	31.6
Japan	396.9	338.0	607.8	1.7	1.2	2.2	79.8	53.2
Hong Kong	194.4	306.5	548.1	0.9	1.1	2.0	78.8	182.0
China	375.7	607.7	480.5	1.6	2.1	1.8	-20.9	27.9
Total	22,774.0	28,632.1	27,257.4	100.0	100.0	100.0	-4.8	19.7

¹ Analysed by trading country.

Foreign trade balance was negative for all groups of countries (see Table 9).

Table 9. Foreign trade balance by groups of countries (EEK m)

	Q1 2004	Q4 2004	Q1 2005
EU-25	-3,029.8	-6,137.2	-3,645.1
EU-15	-2,396.4	-5,139.5	-3,028.7
CIS	-2,144.5	-1,455.7	-2,016.0
Other	-740.4	-579.8	-367.3
Total	-5,914.7	-8,172.7	-6,028.4

Services

The surplus of the services account amounted to 2.3 billion kroons in the first quarter of 2005, decreasing by 17% over the year (see Figure 4 and Table 10).

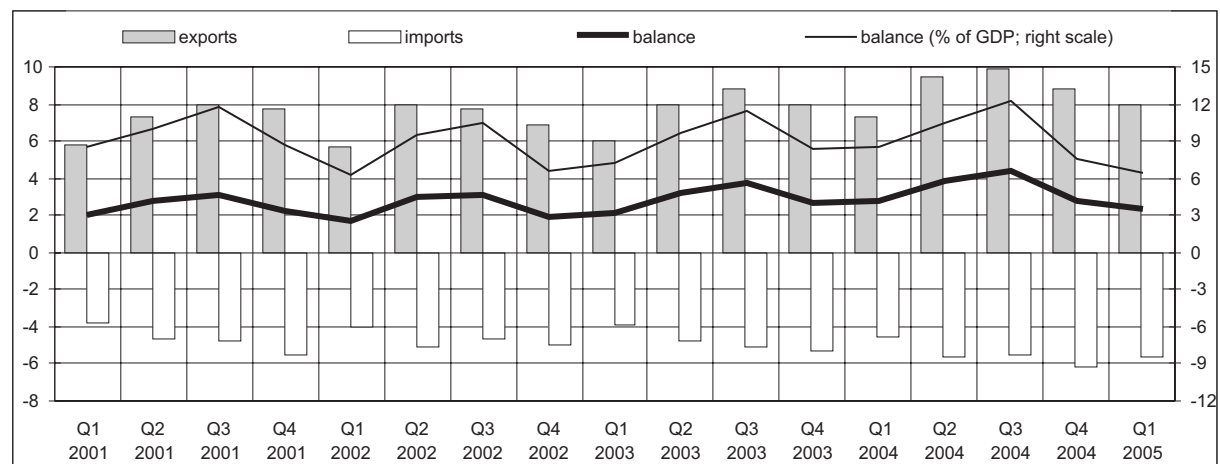


Figure 4. Changes in services (EEK bn)

Table 10. Exports and imports of services

	Exports			Imports			Balance	
	Volume (EEK m)	Change compared to the previous period (%)	Share in total turnover of goods and services (%)	Volume (EEK m)	Change compared to the previous period (%)	Share in total turnover of goods and services (%)	Volume (EEK m)	Change compared to the previous period (%)
Q1/2001	5,802.1	-12.4	26.4	3,784.8	-12.7	16.4	2,017.3	-11.6
Q2/2001	7,351.0	26.7	31.5	4,611.1	21.8	19.5	2,739.9	35.8
Q3/2001	7,925.7	7.8	39.2	4,807.8	4.3	23.0	3,117.9	13.8
Q4/2001	7,787.7	-1.7	35.4	5,502.6	14.5	23.3	2,285.1	-26.7
2001 total	28,866.5	13.3	33.0	18,706.3	17.6	20.5	10,160.2	6.1
Q1/2002	5,653.4	-27.4	30.1	3,997.7	-27.3	19.0	1,655.7	-27.5
Q2/2002	8,004.7	41.6	35.2	5,043.7	26.2	20.5	2,961.0	78.8
Q3/2002	7,730.1	-3.4	35.2	4,622.9	-8.3	19.6	3,107.2	4.9
Q4/2002	6,891.5	-10.8	29.9	4,938.0	6.8	19.2	1,953.5	-37.1
2002 total	28,279.7	-2.0	32.7	18,602.3	-0.6	19.6	9,677.4	-4.8
Q1/2003	6,030.4	-12.5	29.6	3,902.2	-21.0	16.7	2,128.2	8.9
Q2/2003	7,969.2	32.2	33.1	4,737.1	21.4	18.3	3,232.1	51.9
Q3/2003	8,818.5	10.7	36.2	5,065.7	6.9	19.3	3,752.8	16.1
Q4/2003	8,001.8	-9.3	31.2	5,332.2	5.3	18.7	2,669.6	-28.9
2003 total	30,819.9	9.0	32.6	19,037.2	2.3	18.3	11,782.7	21.8
Q1/2004	7,330.0	-8.4	30.2	4,538.6	-14.9	17.4	2,791.4	4.6
Q2/2004	9,469.9	29.2	34.3	5,647.7	24.4	17.6	3,822.2	36.9
Q3/2004	9,924.7	4.8	34.0	5,531.2	-2.1	18.2	4,393.5	14.9
Q4/2004	8,866.7	-10.7	30.0	6,135.3	10.9	18.5	2,731.4	-37.8
2004 total	35,591.3	15.5	32.2	21,852.8	14.8	18.0	13,738.5	16.6
Q1/2005	7,957.7	-10.3	27.0	5,629.6	-8.2	17.9	2,328.1	-14.8

The decrease was caused by the diminished surplus of the two categories of services with the biggest share – transport and travel services – by 24% and 22%, respectively (see Table 11). The surplus of the services account offset the foreign trade deficit by 55%, which is slightly less than in previous years.

Table 11. Services balance by major categories

	Balance (EEK m)			Share (%)			Change (%)	
	Q1 2004	Q4 2004	Q1 2005	Q1 2004	Q4 2004	Q1 2005	Q1 2005 / Q4 2004	Q1 2005 / Q1 2004
Transportation	1,596.3	1,306.2	1,213.0	57.2	47.8	52.1	-7.1	-24.0
Travel	722.0	983.5	563.2	25.9	36.0	24.2	-42.7	-22.0
Construction services	-11.1	53.8	-89.6	-0.4	2.0	-3.8	-266.5	707.2
Business services	468.4	361.3	494.2	16.8	13.2	21.2	36.8	5.5
Government services	32.6	1.0	79.3	1.2	0.0	3.4	7,830.0	143.3
Other	-16.8	25.6	68.0	-0.6	0.9	2.9	165.6	-504.8
Total	2,791.4	2,731.4	2,328.1	100.0	100.0	100.0	-14.8	-16.6

The services exports amounted to 8 billion kroons in the first quarter, increasing 9% year-on-year (see Table 10). The services structure has not changed much over the year (see Table 12), only the exports of construction services and other services increased faster than the average.

The favourable impact of joining the European Union continued: providing services to the EU Member States (especially to the old Member States) grew considerably faster over the year than the total of services exports (see Table 13). Exports of services to Sweden and Latvia increased especially fast. The decline in the services turnover compared with the fourth quarter of the previous year represents a customary seasonal change.

Imports of services reached 5.6 billion kroons in the first quarter, increasing 24% over the year, which is considerably faster than exports of services (see Table 14). Growth in services imports was most affected by the increase in the imports of transport and travel services – 39% and 28%, respectively. Although construction services imports grew 2.3 over the year, it did not affect the total services imports that much.

Table 12. Services exports by major categories

	Volume (EEK m)			Share (%)			Change (%)	
	Q1 2004	Q4 2004	Q1 2005	Q1 2004	Q4 2004	Q1 2005	Q1 2005 / Q4 2004	Q1 2005 / Q1 2004
Transportation	3,368.3	3,899.5	3,682.1	46.0	44.0	46.3	-5.6	9.3
freight	1,923.8	2,270.1	2,103.6	26.2	25.6	26.4	-7.3	9.3
passenger	562.7	699.0	575.0	7.7	7.9	7.2	-17.7	2.2
other transport services	881.8	930.4	1,003.5	12.0	10.5	12.6	7.9	13.8
Travel	1,780.9	2,280.2	1,918.2	24.3	25.7	24.1	-15.9	7.7
Construction services	142.0	501.3	266.6	1.9	5.7	3.4	-46.8	87.7
Business services	1,532.6	1,517.6	1,352.4	20.9	17.1	17.0	-10.9	-11.8
Government services	124.9	117.9	151.6	1.7	1.3	1.9	28.6	21.4
Other	381.3	550.2	586.8	5.2	6.2	7.4	6.7	53.9
Total	7,330.0	8,866.7	7,957.7	100.0	100.0	100.0	-10.3	8.6

Table 13. Services exports by groups of countries

	Volume (EEK m)			Share (%)			Change (%)	
	Q1 2004	Q4 2004	Q1 2005	Q1 2004	Q4 2004	Q1 2005	Q1 2005 / Q4 2004	Q1 2005 / Q1 2004
EU-25	4,672.6	6,018.7	5,211.3	63.7	67.9	65.5	-13.4	11.5
Finland	2,110.4	2,621.8	2,229.9	28.8	29.6	28.0	-14.9	5.7
Sweden	424.1	606.7	607.5	5.8	6.8	7.6	0.1	43.2
United Kingdom	456.9	717.9	512.4	6.2	8.1	6.4	-28.6	12.1
Germany	418.1	481.5	389.8	5.7	5.4	4.9	-19.0	-6.8
Latvia	259.0	355.6	342.8	3.5	4.0	4.3	-3.6	32.4
EU-15	3,964.7	5,269.1	4,535.9	54.1	59.4	57.0	-13.9	14.4
CIS	977.5	1,160.2	1,002.0	13.3	13.1	12.6	-13.6	2.5
Russia	902.2	932.1	829.4	12.3	10.5	10.4	-11.0	-8.1
Ukraine	44.9	136.5	42.3	0.6	1.5	0.5	-69.0	-5.8
Other	1,679.9	1,687.8	1,744.6	22.9	19.0	21.9	3.4	3.9
offshore regions	750.1	525.4	687.1	10.2	5.9	8.6	30.8	-8.4
Switzerland	303.0	446.5	328.6	4.1	5.0	4.1	-26.4	8.4
USA	393.1	398.4	325.9	5.4	4.5	4.1	-18.2	-17.1
Total	7,330.0	8,866.7	7,957.9	100.0	100.0	100.0	-10.2	8.6

Table 14. Services imports by major categories

	Volume (EEK m)			Share (%)			Change (%)	
	Q1 2004	Q4 2004	Q1 2005	Q1 2004	Q4 2004	Q1 2005	Q1 2005 / Q4 2004	Q1 2005 / Q1 2004
Transportation	1,772.0	2,593.3	2,469.0	39.0	42.3	43.9	-4.8	39.3
freight	1,159.4	1,636.2	1,600.0	25.5	26.7	28.4	-2.2	38.0
passenger	213.3	251.5	241.3	4.7	4.1	4.3	-4.1	13.1
other transport services	399.3	705.6	627.7	8.8	11.5	11.2	-11.0	57.2
Travel	1,058.8	1,296.6	1,354.2	23.3	21.1	24.1	4.4	27.9
Construction services	153.1	447.4	356.2	3.4	7.3	6.3	-20.4	132.7
Business services	1,064.2	1,156.2	858.1	23.4	18.8	15.2	-25.8	-19.4
Government services	92.4	116.9	72.3	2.0	1.9	1.3	-38.2	-21.8
Other	398.1	524.9	519.7	8.8	8.6	9.2	-1.0	30.5
Total	4,538.6	6,135.3	5,629.5	100.0	100.0	100.0	-8.2	24.0

Whereas the exports of services to the EU Member States increased more promptly, the imports witnessed a faster growth from the CIS countries (mainly from Russia) and other countries outside the EU (39% and 60%, respectively; see Table 15).

Table 15. Services imports by groups of countries

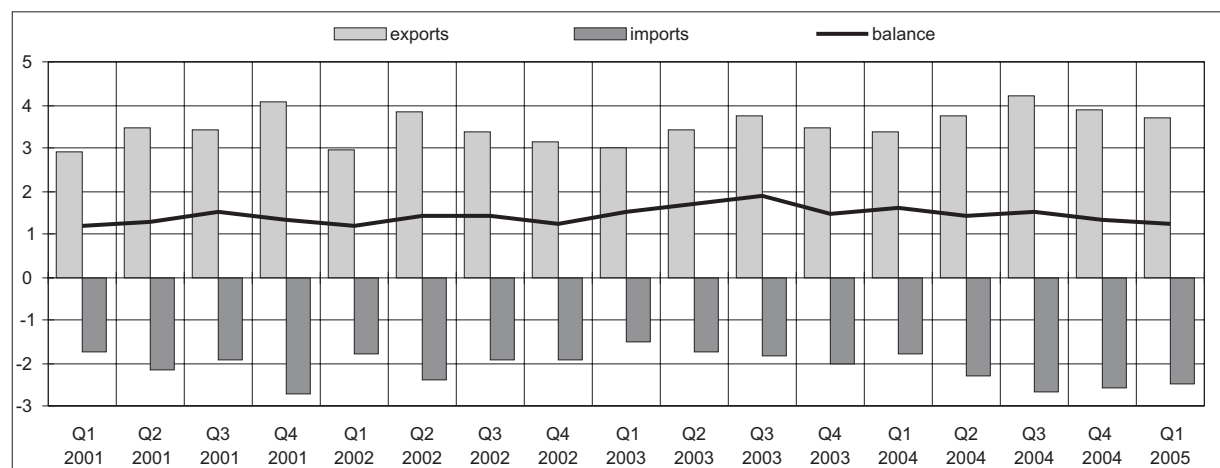
	Volume (EEK m)			Share (%)			Change (%)	
	Q1 2004	Q4 2004	Q1 2005	Q1 2004	Q4 2004	Q1 2005	Q1 2005 / Q4 2004	Q1 2005 / Q1 2004
EU-25	3,534.0	4,615.2	4,121.9	77.9	75.2	73.2	-10.7	16.6
Finland	865.2	1,116.3	1,101.0	19.1	18.2	19.6	-1.4	27.3
Germany	411.2	836.4	626.1	9.1	13.6	11.1	-25.1	52.3
Sweden	310.8	465.5	400.0	6.8	7.6	7.1	-14.1	28.7
Latvia	229.1	362.7	334.5	5.0	5.9	5.9	-7.8	46.0
United Kingdom	325.5	364.9	357.0	7.2	5.9	6.3	-2.2	9.7
EU-15	2,870.0	3,876.8	3,432.1	63.2	63.2	61.0	-11.5	19.6
CIS	466.6	664.3	647.1	10.3	10.8	11.5	-2.6	38.7
Russia	393.6	560.6	475.7	8.7	9.1	8.5	-15.1	20.9
Ukraine	37.8	47.3	66.3	0.8	0.8	1.2	40.2	75.4
Other	538.0	855.8	860.5	11.9	13.9	15.3	0.5	59.9
USA	173.5	220.8	190.0	3.8	3.6	3.4	-13.9	9.5
Egypt	51.2	151.4	173.4	1.1	2.5	3.1	14.5	238.7
Hong Kong	4.8	51.7	65.6	0.1	0.8	1.2	26.9	1,266.7
Total	4,538.6	6,135.3	5,629.5	100.0	100.0	100.0	-8.2	24.0

Transport services accounted for slightly more than a half of the services surplus in the first quarter of 2005. At the same time, the surplus of transport services declined by a quarter over the year, mainly due to the faster import growth (see Tables 11, 12, 14 and Figure 5). A considerable amount of the transport services turnover was formed by freight transport – 57% of the exports and 65% of the imports. Marine and rail transport dominated the transport categories. The increase in the road transport debit was affected by the increased expenditure transport operators had to bear due to the heavy goods vehicle tax established in Germany at the beginning of the year (see Figure 6).

Exports of transport services to the EU Member States increased by 18% year-on-year in the first quarter of 2005 (see Table 16). Finland still purchased the most of the transport services, although the volume of transport services provided to Germany increased the most during the year. Exports to the CIS countries decreased – by 23% as regards Russia.

The EU Member States, which bought 27% more services than in the first quarter of 2004, were the most significant partners in purchasing transport services. The share of the CIS countries in providing transport services grew as well.

Travel services exports increased by 8% year-on-year (see Figure 7), whereas the number of foreign visitors to Estonia grew as much as 24%. The considerably subdued exports growth was caused by the fact that the share of one-day visitors from Finland, the main tourism partner, increased (55%), and the

**Figure 5. Transport services (EEK bn)**

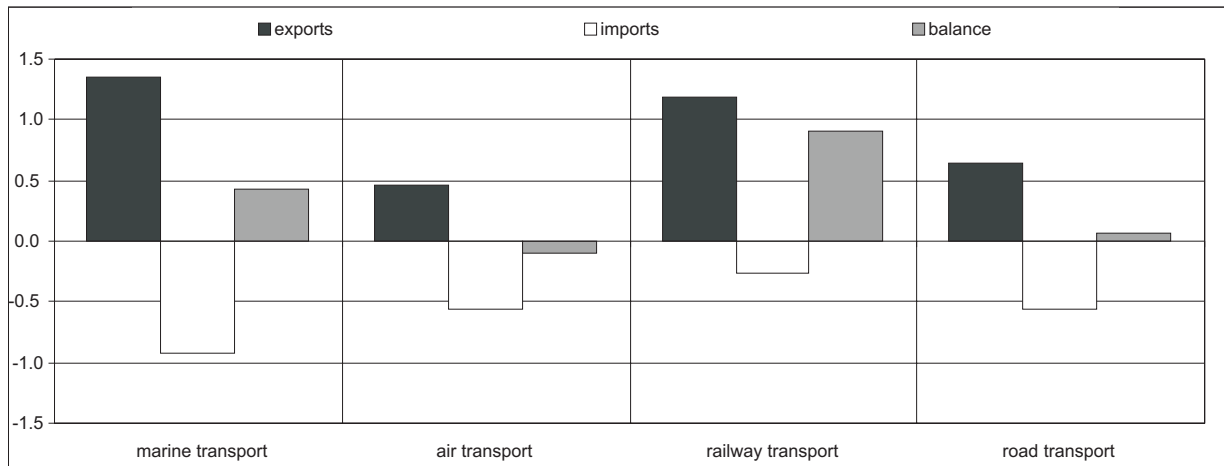


Figure 6. Transport services structure in the first quarter of 2005 by transport type (EEK bn)

Table 16. Transport services by groups of countries in the first quarter of 2005

	Exports				Imports		
	Volume (EEK m)	Share (%)	Change (%), Q1 2005 / Q1 2004		Volume (EEK m)	Share (%)	Change (%), Q1 2005 / Q1 2004
EU-25	2,125.8	57.7	18.2	EU-25	1,697.8	68.8	27.4
Finland	760.4	20.7	12.2	Finland	473.6	19.2	44.7
United Kingdom	342.6	9.3	6.9	Germany	246.6	10.0	10.6
Sweden	226.5	6.2	12.9	Sweden	150.0	6.1	13.4
Germany	225.8	6.1	43.0	United Kingdom	129.4	5.2	49.0
Netherlands	128.4	3.5	21.9	Latvia	127.2	5.2	114.7
EU-15	1,933.8	52.5	18.3	EU-15	1,371.7	55.6	20.4
CIS	413.7	11.2	-15.5	CIS	356.6	14.4	41.4
Russia	364.3	9.9	-22.7	Russia	276.2	11.2	34.2
Belarus	18.3	0.5	12.2	Ukraine	33.7	1.4	72.3
Other	1,142.6	31.1	5.8	Other	414.6	16.8	121.6
offshore regions	569.6	15.5	-11.1	USA	71.6	2.9	41.8
British Virgin Islands	442.8	12.0	-22.3	Egypt	48.9	2.0	247.2
USA	188.3	5.1	-8.9	China	46.4	1.9	138.5
Total	3,682.1	100.0	9.3	Total	2,469.0	100.0	39.3

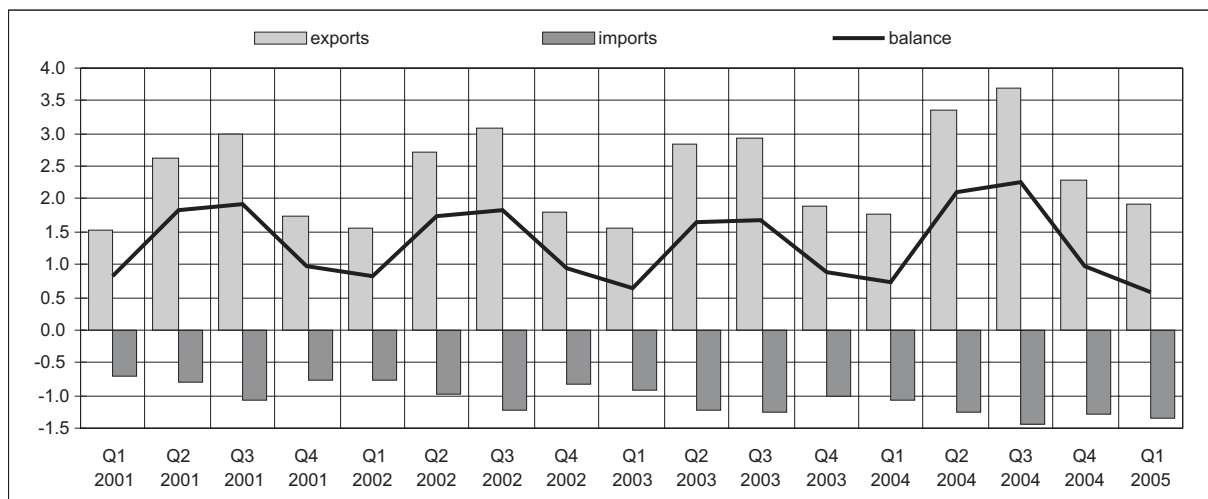


Figure 7. Travel services (EEK m)

volume of overnight tourists, who spend more money, decreased. As the number of foreigners staying at accommodation establishments grew by 30%, the decrease took place in the share of the foreigners using home accommodation (visiting friends and family). In addition, the latest survey conducted among foreign tourists indicated that the expenditure made in Estonia per tourist have declined compared to earlier periods, only the spending made by one-day visitors has increased.

The expenditure of visitors from the EU Member States increased by 6% year-on-year, but the spending of Finnish tourists has diminished. However, the spending of tourists from Sweden, Latvia, and the UK grew fast. Among other bigger tourism partners, exports of travel services to Russia increased the most (19%; see Table 17).

Table 17. Travel services by groups of countries in the second quarter of 2004

	Exports				Imports		
	Volume (EEK m)	Share (%)	Change (%), Q1 2005 / Q1 2004		Volume (EEK m)	Share (%)	Change (%), Q1 2005 / Q1 2004
EU-25	1,489.5	77.7	6.0	EU-25	-896.0	66.2	9.8
Finland	932.8	48.6	-4.6	Finland	-209.8	15.5	84.0
Sweden	159.1	8.3	51.7	Sweden	-92.9	6.9	68.6
Latvia	129.9	6.8	68.2	United Kingdom	-87.1	6.4	-22.5
United Kingdom	59.5	3.1	115.0	Spain	-79.4	5.9	58.5
EU-15	1,303.7	68.0	7.2	EU-15	-760.2	56.1	17.8
CIS	332.8	17.3	16.9	CIS	-162.6	12.0	154.9
Russia	321.3	16.8	19.4	Russia	-101.8	7.5	68.4
Other	95.9	5.0	5.3	Other	-295.6	21.8	65.0
Norway	28.8	1.5	5.6	Egypt	-121.9	9.0	276.9
USA	16.0	0.8	-40.9	USA	-41.5	3.1	-13.7
Japan	5.0	0.3	33.4	Thailand	-15.1	1.1	47.1
Total	1,918.2	100.0	7.7	Total	-1,354.2	100.0	27.9

Imports of travel services grew by 28% year-on-year, whereas spending while on long-distance (and more costly) trips increased the most. The most popular destinations of this winter were Finland and Egypt. In addition, the warmth and sunshine were sought for from Spain (the Canary Islands) and Thailand – the annual growth of travel services imports was 59% and 47%, respectively. Whereas the aforementioned survey indicated a decline in expenditure made by foreign tourists, the survey conducted among Estonians on their spending abroad revealed the opposite – the expenditure has increased as compared with earlier surveys.

Income

The income deficit of the first quarter of 2005 was 1.9 billion kroons (see Table 18 and Figure 8), **which was 15% less year-on-year**. The income deficit included 5.2% of GDP, i.e. a half of the current account deficit.

The decline in the income account deficit was caused by the 3.1-time growth in the surplus of labour income as compared with the previous year (see Table 19). Whereas the number of foreigners working in Estonia has not changed much during the year, the number of Estonians employed abroad has increased remarkably. Another reason behind the improvement of the income account was growth in the profitability of direct investment from Estonia to abroad.

The **income inflow** grew 2.4 times year-on-year, whereas the inflow of direct investment increased by 3.6 times and the compensation of the employees who have been working abroad less than a year by three times (see Table 20). Reinvested earnings, which include no real movement of funds, formed 82%, i.e. 360 million kroons, of the direct investment income.

The EU Member States headed by Finland and Latvia constituted the greatest share in the income inflow (see Table 21). The income from Finland tripled mainly on account of the labour income. 44% of the income was earned by the financial sector and 6% by the public sector (see Figure 9).

Table 18. Changes in income

	Inflow		Outflow		Balance	
	Volume (EEK m)	Change compared to previous period (%)	Volume (EEK m)	Change compared to previous period (%)	Volume (EEK m)	Change compared to previous period (%)
Q1/2001	594.6	3.6	1,731.4	41.8	-1,136.8	75.7
Q2/2001	657.3	10.5	1,573.2	-9.1	-915.9	-19.4
Q3/2001	707.6	7.7	1,930.6	22.7	-1,223.0	33.5
Q4/2001	1,035.2	46.3	2,685.6	39.1	-1,650.4	34.9
2001 total	2,994.7	49.1	7,920.8	44.2	-4,926.1	41.4
Q1/2002	638.8	-38.3	2,142.8	-20.2	-1,504.0	-8.9
Q2/2002	763.1	19.5	2,033.8	-5.1	-1,270.7	-15.5
Q3/2002	1,239.5	62.4	2,190.6	7.7	-951.1	-25.2
Q4/2002	697.9	-43.7	2,395.2	9.3	-1,697.3	78.5
2002 total	3,339.3	11.5	8,762.4	10.6	-5,423.1	10.1
Q1/2003	637.7	-8.6	2,003.1	-16.4	-1,365.4	-19.6
Q2/2003	994.6	56.0	2,616.1	30.6	-1,621.5	18.8
Q3/2003	1,132.3	13.8	3,286.0	25.6	-2,153.7	32.8
Q4/2003	657.4	-41.9	2,928.1	-10.9	-2,270.7	5.4
2003 total	3,422.0	2.5	10,833.3	23.6	-7,411.3	36.7
Q1/2004	640.0	-2.6	2,866.0	-2.1	-2,226.0	-2.0
Q2/2004	1,231.1	92.4	3,429.0	19.6	-2,197.9	-1.3
Q3/2004	1,904.3	54.7	3,293.7	-3.9	-1,389.4	-36.8
Q4/2004	1678.3	-11.9	4844.5	47.1	-3,166.2	127.9
2004 total	5,453.7	59.4	14,433.2	33.2	-8,979.5	21.2
Q1/2005	1,562.0	-6.9	3,450.3	-28.8	-1,888.3	-40.4

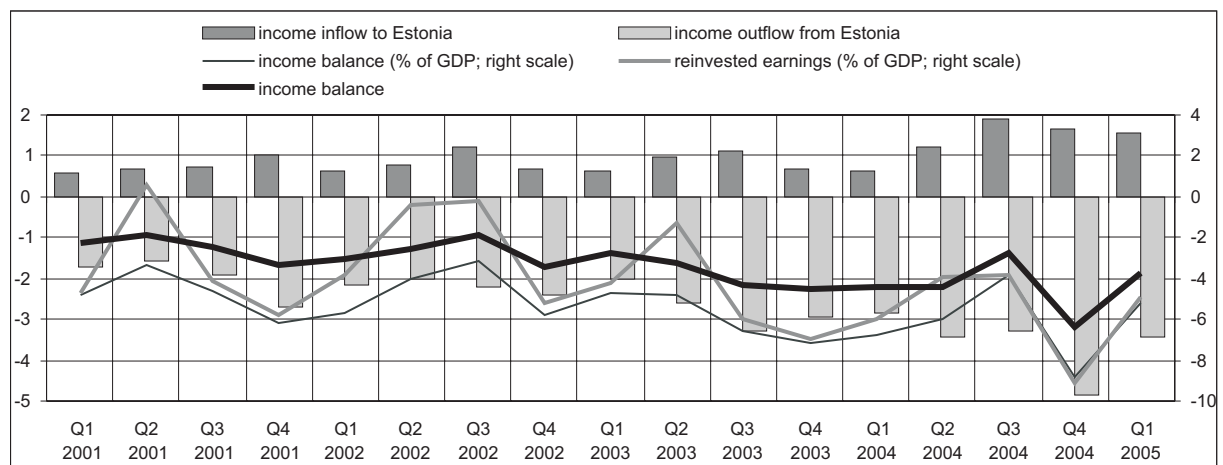


Figure 8. Income (EEK bn)

Table 19. Structure of income account

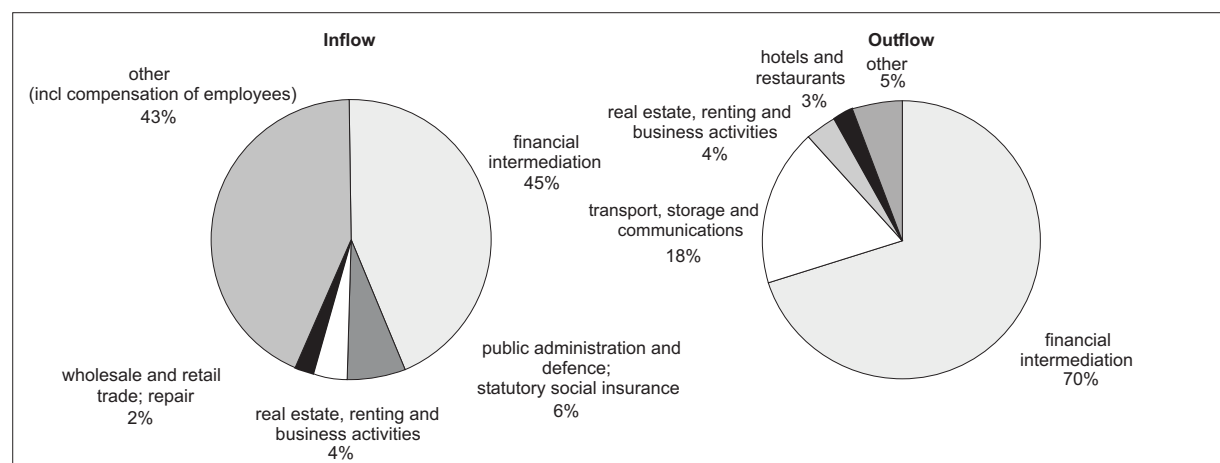
	Volume (EEK m)			Share (%)			Change (%)	
	Q1 2004	Q4 2004	Q1 2005	Q1 2004	Q4 2004	Q1 2005	Q1 2005 / Q4 2004	Q1 2005 / Q1 2004
Income on direct investment	-2,264.8	-3,532.4	-2,098.5	101.7	111.6	111.1	-40.6	-7.3
income on equity	-2,179.3	-3,435.5	-2,032.7	97.9	108.5	107.6	-40.8	-6.7
reinvested earnings	-1,947.7	-3,287.9	-1,799.5	87.5	103.8	95.3	-45.3	-7.6
dividends	-231.6	-147.6	-233.2	10.4	4.7	12.3	58.0	0.7
income on debt (interests)	-85.4	-96.9	-65.7	3.8	3.1	3.5	-32.2	-23.1
Income on portfolio investment	17.7	20.7	-166.8	-0.8	-0.7	8.8	-905.8	-1,042.4
Income on other investment	-140.8	-136.5	-128.6	6.3	4.3	6.8	-5.8	-8.7
Other income	161.9	481.9	505.5	-7.3	-15.2	-26.8	4.9	212.2
Total	-2,226.0	-3,166.2	-1,888.3	100.0	100.0	100.0	-40.4	-15.2

Table 20. Income inflow to Estonia

	Volume (EEK m)			Share (%)			Change (%)	
	Q1 2004	Q4 2004	Q1 2005	Q1 2004	Q4 2004	Q1 2005	Q1 2005 / Q4 2004	Q1 2005 / Q1 2004
Income on direct investment	122.5	574.0	439.0	19.1	34.2	28.1	-23.5	258.4
income on equity	95.7	488.3	403.0	15.0	29.1	25.8	-17.5	321.1
reinvested earnings	67.0	451.9	360.4	10.5	26.9	23.1	-20.2	437.9
dividends	28.7	36.4	42.6	4.5	2.2	2.7	17.0	48.4
income on debt (interests)	26.8	85.7	36.0	4.2	5.1	2.3	-58.0	34.3
Income on portfolio investment	167.3	240.5	263.9	26.1	14.3	16.9	9.7	57.7
Income on other investment	135.4	234.4	218.2	21.2	14.0	14.0	-6.9	61.2
Other income	214.8	629.4	640.9	33.6	37.5	41.0	1.8	198.4
Total	640.0	1,678.3	1,562.0	100.0	100.0	100.0	-6.9	144.1

Table 21. Income by groups of countries in the first quarter of 2005

	Inflow				Outflow		
	Volume (EEK m)	Share (%)	Change (%), Q1 2005 / Q1 2004		Volume (EEK m)	Share (%)	Change (%), Q1 2005 / Q1 2004
EU-25	1,269.9	81.3	132.8	EU-25	3,161.8	91.6	32.3
Finland	306.9	19.6	218.0	Sweden	1,887.2	54.7	145.5
Latvia	300.8	19.3	13.8	Finland	479.1	13.9	-39.8
Lithuania	242.8	15.5	107.7	United Kingdom	294.6	8.5	3.0
Germany	98.6	6.3	35.7	Netherlands	225.6	6.5	128.7
EU-15	724.1	46.4	361.5	EU-15	3,103.1	89.9	38.7
CIS	81.4	5.2	92.0	CIS	21.2	0.6	-83.0
Russia	70.0	4.5	148.1	Russia	20.8	0.6	-83.3
Ukraine	9.2	0.6	-35.9		0.0		
Other	210.7	13.5	304.4	Other	267.3	7.7	-22.9
USA	157.0	10.1	327.1	offshore regions	97.2	2.8	39.9
offshore regions	31.3	2.0	682.5	USA	80.9	2.3	-48.7
Total	1,562.0	100.0	144.1	Total	3,450.3	100.0	20.4

**Figure 9. Inflow and outflow of income by fields of activity in the first quarter of 2005**

The **income outflow** from Estonia increased 20% year-on-year, and this was mainly affected by the nearly threefold growth in the portfolio investment income. This, in turn, was influenced by the substantial increase of shareholding by the core investor in Hansapank. Direct investment income grew by 6%, mainly on account of reinvested earnings (see Table 22).

Table 22. Income outflow from Estonia

	Volume (EEK m)			Share (%)			Change (%)	
	Q1 2004	Q4 2004	Q1 2005	Q1 2004	Q4 2004	Q1 2005	Q1 2005 / Q4 2004	Q1 2005 / Q1 2004
Income on direct investment	2,387.2	4,697.0	2,537.5	83.3	97.0	73.5	-46.0	6.3
income on equity	2,275.0	4,106.4	2,435.8	79.4	84.8	70.6	-40.7	7.1
reinvested earnings	2,014.7	3,739.8	2,160.0	70.3	77.2	62.6	-42.2	7.2
dividends	260.3	184.0	275.8	9.1	3.8	8.0	49.9	6.0
income on debt (interests)	112.2	182.6	101.7	3.9	3.8	2.9	-44.3	-9.4
Income on portfolio investment	149.6	219.7	430.6	5.2	4.5	12.5	96.0	187.8
Income on other investment	276.2	370.9	346.8	9.6	7.7	10.1	-6.5	25.6
Other income	52.9	147.5	135.4	1.8	3.0	3.9	-8.2	156.0
Total	2,866.0	4,844.5	3,450.3	100.0	100.0	100.0	-28.8	20.4

The income outflow increased mostly to the old EU Member States, and decreased to the CIS countries and other countries. By fields of activity, the income outflow was bigger in the financial sector (70% of the total income outflow), followed by the transport, storage and communications sector (18%; see Table 21).

Current and Capital Transfers⁴

The surplus of the **current transfers** account was 0.3 billion kroons in the first quarter of 2005, decreasing by 28% year-on-year (see Table 23). The inflow of current transfers reached 1.3 billion kroons. The funds channelled into the Estonian economy via the general government, which included allocations from the EU structural funds, as well as pension and other payments, were smaller than usual, including 53% of the inflow of current transfers. 89% of other sectors' transfers were made from the EU Member States (European Commission, Germany, Finland, the UK), followed by the USA and Russia. The general government accounted for 66% of the outflow of current transfers (payments into the EU budget and refund of value added tax). Other sectors' transfers were also mainly made to the EU (Finland, Germany, and the UK).

Table 23. Current transfers by groups of countries

	Received (EEK m)			Paid (EEK m)			Balance (EEK m)		
	Q1 2004	Q4 2004	Q1 2005	Q1 2004	Q4 2004	Q1 2005	Q1 2004	Q4 2004	Q1 2005
Current transfers	851.1	2,007.7	1,349.0	473.9	1,407.0	1,077.7	377.2	600.7	271.3
government transfers	384.9	1,371.0	714.8	11.8	949.8	708.1	373.1	421.2	6.7
EU-25	246.4	1,231.7	612.5	6.0	924.6	696.1	240.4	307.1	-83.6
EU-15	225.8	1,220.7	587.9	3.9	915.3	690.5	221.9	305.4	-102.6
CIS	102.0	98.5	98.8	0.6	1.0	0.8	101.4	97.5	98.0
other	36.5	40.7	3.6	5.2	24.2	11.2	31.3	16.5	-7.7
private transfers	466.2	636.7	634.2	462.1	457.2	369.6	4.1	179.5	264.6
EU-25	243.4	497.2	565.0	403.4	351.0	296.1	-160.0	146.1	268.9
EU-15	227.0	482.7	546.7	387.6	334.5	278.7	-160.6	148.2	268.0
CIS	161.9	13.0	10.4	15.5	14.1	13.3	146.5	-1.1	-2.9
other	60.9	126.6	58.8	43.2	92.1	60.3	17.6	34.4	-1.5

The capital transfers were also in surplus by 0.5 billion kroons. Most of the capital transfers to Estonia consisted of EU assistance to the general government for various infrastructure projects.

⁴ Although capital transfers are reflected under the capital and financial account in the IMF methodology, the present analysis treats them together with current transfers. The distribution of European Union structural funds available for Estonia into current and capital transfers is not clearly distinguishable and is, therefore, based on the expert estimates of the Ministry of Financial Affairs, the Ministry of Agriculture, and Eesti Pank (according to the purpose of structural funds).

FINANCIAL ACCOUNT

The surplus of the financial account⁵ was 6.6 billion kroons in the first quarter of 2005. The given period witnessed extraordinary capital movements between accounts, which were related to the substantial increase in foreign shareholding in Hansapank. The structure of the financial account by categories and maturities can be seen in Figures 10 and 11.

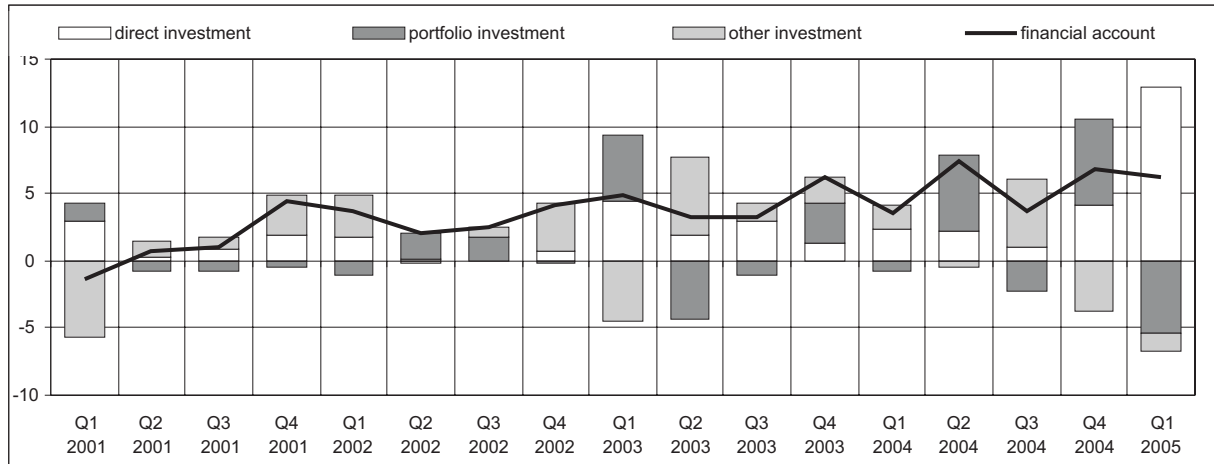


Figure 10. Changes in the structure of foreign investment capital flows (EEK bn)

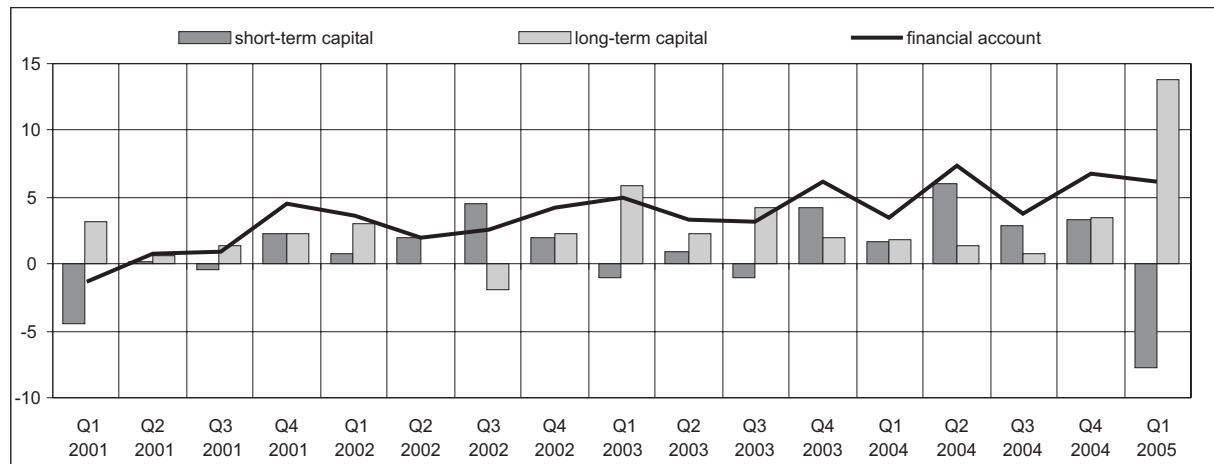


Figure 11. Maturity structure of the financial account (EEK bn)

Direct Investment

The **balance of direct investment** was positive by 12.9 billion kroons in the first quarter of 2005, surpassing the financial account surplus by three times. Non-residents invested 13.9 billion kroons into Estonia and Estonian residents' direct investment abroad grew by a billion kroons (see Figure 12).

The **volume of direct investment into Estonia** reached 13.9 billion kroons in the first quarter of 2005, which is so far the highest level in the history of compiling the balance of payments. The majority thereof

⁵ Without reserve assets.

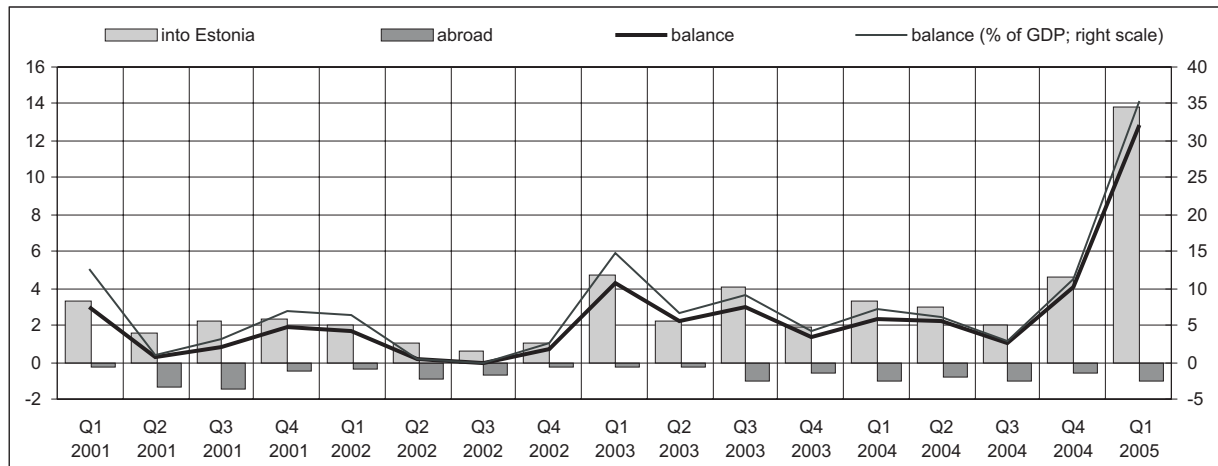


Figure 12. Direct investments (EEK bn)

comprised the buying up of shares from foreign minority shareholders by Hansapank's core investor, which is why portfolio investment witnessed a decrease of 10.9 billion kroons in the liabilities related to equity securities. Investment into equity capital constituted 90% of the total direct investment growth. The increase in reinvested earnings remained at the same level year-on-year, amounting to 2.2 billion kroons. As the calculation of reinvested earnings is based on the proportional share of the direct investor in the operating earnings or loss, the income of non-resident owners in the financial intermediation turned out to be remarkably high – 2 billion kroons, of which credit institutions accounted for 80%. Excluding the transfers related to Hansapank, the equity capital increased by 1.7 billion kroons. Direct investors were granted long-term and short-term loans worth 0.7 billion kroons. Although the inflow of investment in the form of loans was considerably larger than in the previous periods, loan liabilities did not increase as a result of extensive repayments (see Tables 24 and 25).

Table 24. Structure of direct investments into Estonia

	Share capital		Reinvested earnings		Other capital				Total	
	Volume (EEK m)	Share (%)	Volume (EEK m)	Share (%)	Claims		Liabilities		Volume (EEK m)	Share (%)
					Volume (EEK m)	Share (%)	Volume (EEK m)	Share (%)		
Q1/2001	1,586.0	48.6	1,131.4	34.6	-489.2	-15.0	1,037.8	31.8	3,266.0	100.0
Q2/2001	393.6	24.8	-222.3	-14.0	-82.8	-5.2	1,498.8	94.4	1,587.3	100.0
Q3/2001	362.4	16.2	1,253.3	56.2	-40.3	-1.8	656.6	29.4	2,232.0	100.0
Q4/2001	1,299.2	55.4	1,716.5	73.2	-338.4	-14.4	-333.0	-14.2	2,344.3	100.0
2001 total	3,641.2	38.6	3,878.9	41.1	-950.7	-10.1	2,860.2	30.3	9,429.6	100.0
Q1/2002	554.7	27.3	1,087.8	53.5	-269.8	-13.3	661.7	32.5	2,034.4	100.0
Q2/2002	388.9	36.7	180.8	17.1	-14.3	-1.4	503.7	47.6	1,059.1	100.0
Q3/2002	49.3	7.5	439.0	67.0	-195.1	-29.8	362.3	55.3	655.5	100.0
Q4/2002	-171.9	-16.4	1,662.7	158.2	-293.4	-27.9	-146.2	-13.9	1,051.2	100.0
2002 total	821.0	17.1	3,370.3	70.2	-772.6	-16.1	1,381.5	28.8	4,800.2	100.0
Q1/2003	2,320.8	49.7	1,299.8	27.8	-207.0	-4.4	1,259.1	26.9	4,672.7	100.0
Q2/2003	596.5	27.2	429.9	19.6	-167.7	-7.6	1,333.8	60.8	2,192.6	100.0
Q3/2003	1,799.7	44.4	2,474.1	61.1	-569.9	-14.1	346.4	8.6	4,050.3	100.0
Q4/2003	612.9	31.4	2,203.5	113.0	-389.5	-20.0	-476.7	-24.4	1,950.3	100.0
2003 total	5,329.9	41.4	6,407.3	49.8	-1,334.1	-10.4	2,462.7	19.1	12,865.9	100.0
Q1/2004	1,075.1	32.1	2,014.7	60.1	-682.1	-20.3	944.8	28.2	3,352.5	100.0
Q2/2004	1,669.3	54.9	900.5	29.6	-775.4	-25.5	1,245.9	41.0	3,040.3	100.0
Q3/2004	695.7	33.8	2,310.2	112.3	-729.9	-35.5	-219.0	-10.6	2,057.0	100.0
Q4/2004	1,198.5	25.7	3,739.8	80.2	733.4	15.7	-1,010.2	-21.7	4,661.6	100.0
2004 total	4,638.6	35.4	8,965.1	68.4	-1,454.0	-11.1	961.6	7.3	13,111.3	100.0
Q1/2005	12,513.4	90.3	2,160.0	15.6	-938.4	-6.8	123.0	0.9	13,858.0	100.0

Table 25. Loan capital claims and liabilities to foreign direct investors (EEK m)

	Claims				Liabilities			
	Long-term		Short-term		Long-term		Short-term	
	Grantings	Repayments	Grantings	Repayments	Drawings	Repayments	Drawings	Repayments
Q1 2003	68.8	69.9	98.3	79.7	816.3	418.8	858.2	444.3
Q2 2003	97.0	75.1	321.8	195.9	1,044.2	509.4	1,354.0	1,336.8
Q3 2003	84.5	48.1	258.0	50.1	1,943.9	501.4	400.5	1,420.5
Q4 2003	158.1	53.2	332.6	173.0	1,351.2	1,237.5	408.1	525.3
2003 total	408.4	246.3	1,010.7	498.7	5,155.6	2,667.1	3,020.8	3,726.9
Q1 2004	120.6	76.7	480.1	148.1	842.8	718.4	636.0	320.6
Q2 2004	189.2	105.7	528.8	220.4	1160	1004.9	670.3	289.3
Q3 2004	72.8	37.4	342.2	293.3	1285.2	1401.2	949.5	723.9
Q4 2004	110.1	151.3	422.9	200.3	1,313.5	1,757.7	835.9	863.4
2004 total	492.7	371.1	1,774.0	862.1	4,601.5	4,882.2	3,091.7	2,197.2
Q1 2005	180.8	55.5	540.9	296.1	1,560.2	2,054.6	1,365.6	938.4

The contribution of Swedish investors amounted to 13.1 billion kroons. Finland and Ireland were also among the biggest investors. Nearly all of the direct investment into Estonia originated from the EU. As regards other countries, direct investment decreased by 0.6 billion kroons. The inflow of direct investment mainly concerned financial intermediation (96%), but manufacturing (4%) is also worth mentioning here (see Figures 13 and 14 and Table 26).

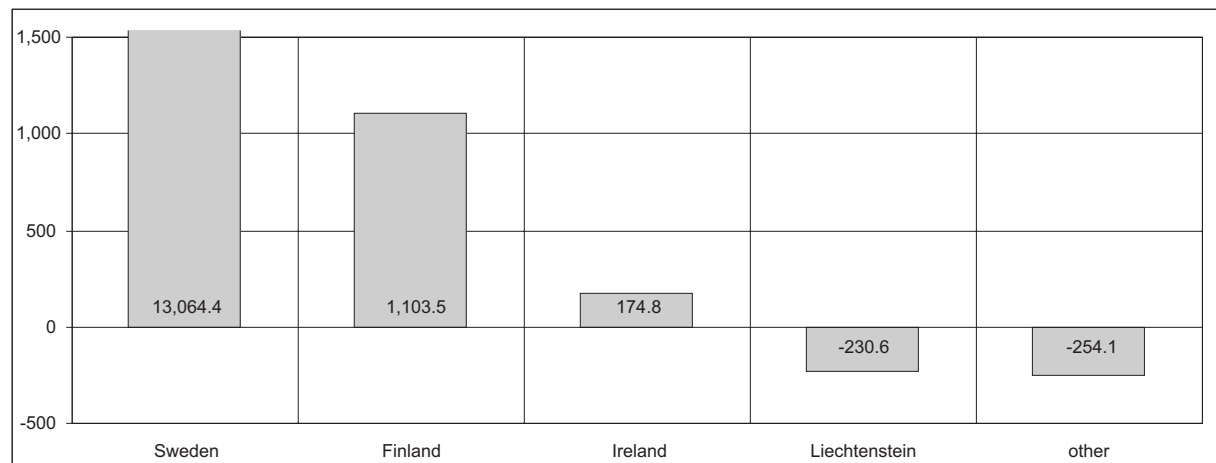
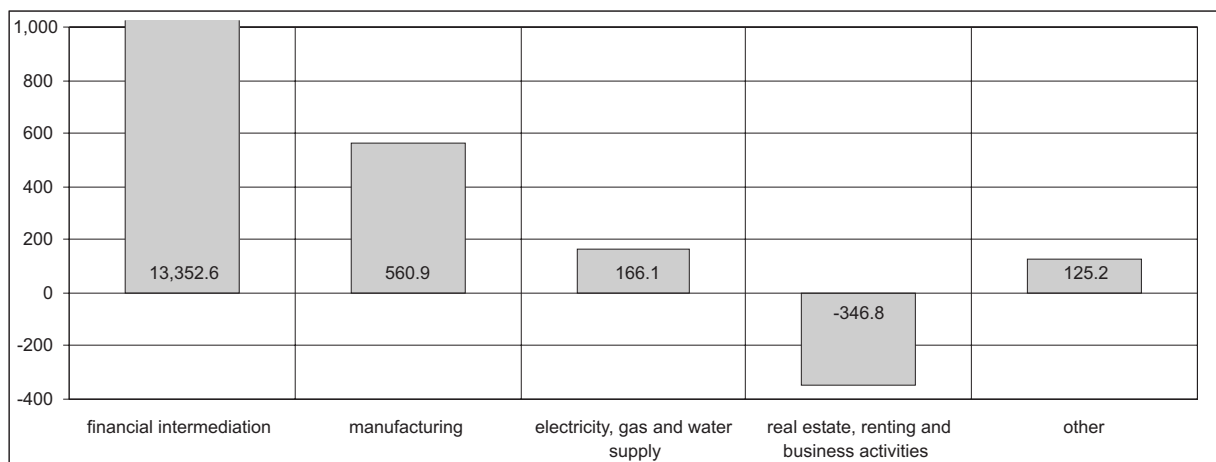
**Figure 13. Direct investment into Estonia by countries in the first quarter of 2005 (EEK m)****Figure 14. Direct investment into Estonia by fields of activities in the first quarter of 2005 (EEK m)**

Table 26. Direct investments into Estonia by groups of countries

	Volume (EEK m)		Share (%)		Change (%)
	Q4 2004	Q1 2005	Q4 2004	Q1 2005	Q1 2005 / Q4 2004
EU-25	4,064.8	14,454.9	87.1	104.3	255.6
EU-15	3,870.7	14,404.4	83.0	103.9	272.1
CIS	406.2	-54.6	8.7	-0.4	-113.4
Other	193.4	-542.3	4.1	-3.9	-380.4
Total	4,664.4	13,858.0	100.0	100.0	197.1

Direct investment abroad surpassed the previous period by 75%. 41% of the outflow of direct investment worth ca 1 billion kroons accounted for equity capital investment, and the proportional share of the net profit of Estonian enterprisers, which affects the outflow, increased by 37%. Long-term and short-term loan claims grew by 50 million kroons. Both liabilities and claims for goods and services increased ca 100 billion kroons (see Tables 27 and 28).

A third of the direct investment abroad went to Latvia, followed by Russia (23%), Italy (15%), and Ukraine (7%). The largest investments were made by financial intermediaries (60%), real estate, renting and business activities investors (23%), and wholesale and retail trade investors (13%). 57% of the outflow was invested in the EU, out of which 67% went to the new Member States (see Figures 15 and 16, and Table 29).

Table 27. Structure of direct investments abroad

	Share capital		Reinvested earnings		Other capital				Total	
	Volume (EEK m)	Share (%)	Volume (EEK m)	Share (%)	Claims		Liabilities		Volume (EEK m)	Share (%)
					Volume (EEK m)	Share (%)	Volume (EEK m)	Share (%)		
Q1/2001	-80.8	27.5	-5.1	1.7	-214.4	72.9	6.0	-2.0	-294.3	100.0
Q2/2001	-1,036.7	78.1	52.5	-4.0	-388.0	29.2	44.9	-3.4	-1,327.3	100.0
Q3/2001	-728.3	51.2	-166.4	11.7	-393.6	27.7	-134.5	9.5	-1,422.8	100.0
Q4/2001	-51.3	10.6	-186.2	38.5	-246.8	51.0	0.4	-0.1	-483.9	100.0
2001 total	-1,897.1	53.8	-305.2	8.7	-1,242.8	35.2	-83.2	2.4	-3,528.3	100.0
Q1/2002	-83.4	26.1	-82.7	25.9	-141.3	44.3	-11.9	3.7	-319.3	100.0
Q2/2002	-283.5	31.8	-50.6	5.7	-591.2	66.4	34.3	-3.8	-891.0	100.0
Q3/2002	-79.5	11.6	-384.8	56.1	-308.9	45.0	86.9	-12.7	-686.3	100.0
Q4/2002	-457.5	156.8	-147.4	50.5	314.2	-107.7	-1.1	0.4	-291.8	100.0
2002 total	-903.9	41.3	-665.5	30.4	-727.2	33.2	108.2	-4.9	-2,188.4	100.0
Q1/2003	-80.7	29.4	-72.0	26.2	-193.2	70.4	71.6	-26.1	-274.3	100.0
Q2/2003	111.9	-51.2	-134.2	61.4	-321.8	147.3	125.7	-57.6	-218.4	100.0
Q3/2003	-282.9	26.3	-528.1	49.1	-228.7	21.3	-35.0	3.3	-1,074.7	100.0
Q4/2003	-808.3	138.9	-7.1	1.2	97.9	-16.8	135.7	-23.3	-581.9	100.0
2003 total	-1,060.0	49.3	-741.4	34.5	-645.8	30.0	297.9	-13.9	-2,149.2	100.0
Q1/2004	-102.8	10.2	-67.0	6.6	-804.0	79.8	-34.1	3.4	-1,007.9	100.0
Q2/2004	-1,458.4	174.8	526.5	-63.1	112.6	-13.5	-15.3	1.8	-834.5	100.0
Q3/2004	-508.9	51.5	-927.3	93.8	92.3	-9.3	354.9	-35.9	-988.9	100.0
Q4/2004	-105.2	18.9	-451.9	81.1	165.0	-29.6	-165.2	29.6	-557.3	100.0
2004 total	-2,175.2	64.2	-919.6	27.1	-434.2	12.8	140.3	-4.1	-3,388.6	100.0
Q1/2005	-401.1	41.1	-360.4	36.9	-149.2	15.3	-65.4	6.7	-976.3	100.0

Table 28. Loan capital claims and liabilities to foreign subsidiaries and associated companies (EEK m)

	Claims				Liabilities			
	Long-term		Short-term		Long-term		Short-term	
	Grantings	Repayments	Grantings	Repayments	Drawings	Repayments	Drawings	Repayments
Q1 2003	244.9	62.1	54.7	107.5	1.3	1.2	8.4	5.8
Q2 2003	233.3	73.8	131.7	78.4	1.5	0.0	38.4	22.1
Q3 2003	220.0	102.1	103.3	229.1	0.5	4.6	0.2	49.1
Q4 2003	408.9	478.6	182.4	88.8	0.8	5.8	37.3	21.7
2003 total	1,107.1	716.6	472.1	503.8	4.1	11.6	84.3	98.7
Q1 2004	171.2	180.1	86.2	59.9	0.3	3.3	7.3	12.2
Q2 2004	212.9	575.3	444.8	37.8	7.8	25.2	15.8	17.5
Q3 2004	134.5	193.2	122.1	91.0	3.5	0.9	1.6	6.3
Q4 2004	416.3	283.9	299.2	180.2	6.3	31.9	3.2	1.2
2004 total	934.9	1,232.5	952.3	368.9	17.9	61.3	27.9	37.2
Q1 2005	236.2	305.1	203.6	82.3	5.9	3.0	1.4	0.9

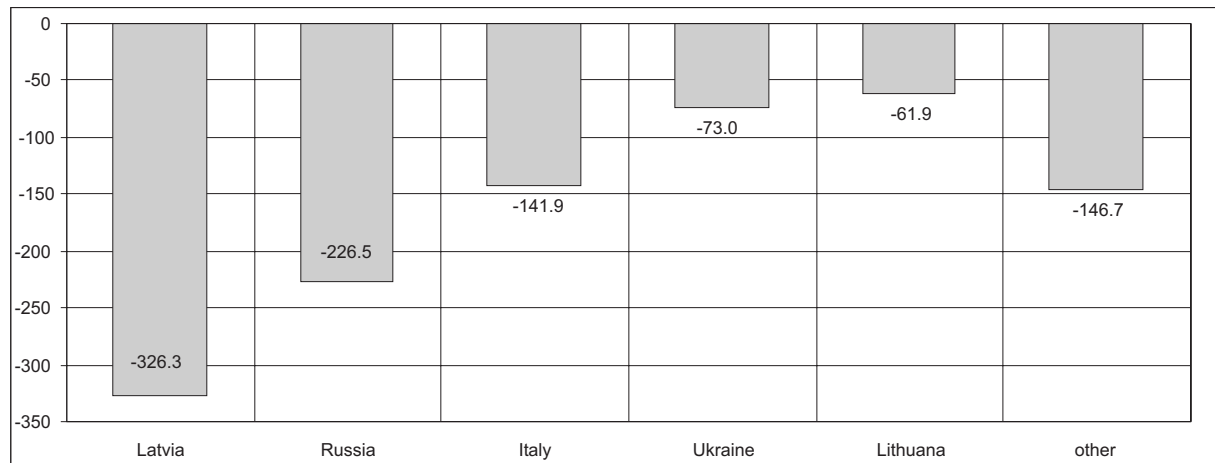
**Figure 15. Direct investment abroad by countries in the first quarter of 2005 (EEK m)****Figure 16. Direct investment abroad by fields of activity in the first quarter of 2005 (EEK m)**

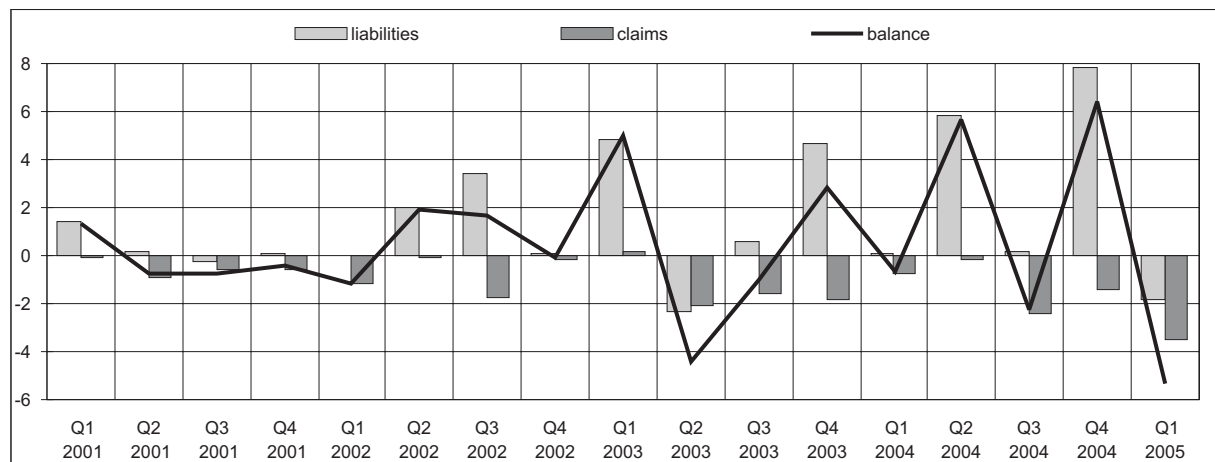
Table 29. Direct investment abroad by groups of countries

	Volume (EEK m)		Share (%)		Change (%)
	Q4 2004	Q1 2005	Q4 2004	Q1 2005	Q1 2005 / Q4 2004
EU-25	-499.2	-558.9	89.6	57.2	12.0
EU-15	-265.0	-182.9	47.6	18.7	-31.0
CIS	-94.0	-309.4	16.9	31.7	229.1
Other	35.9	-108.0	-6.4	11.1	-400.8
Total	-557.3	-976.3	100.0	100.0	75.2

Portfolio Investment

The net outflow of **portfolio investment** was 5.3 billion kroons in the first quarter of 2005, the largest transactions included credit institutions' equity and debt securities (see Figure 17 and Table 30).

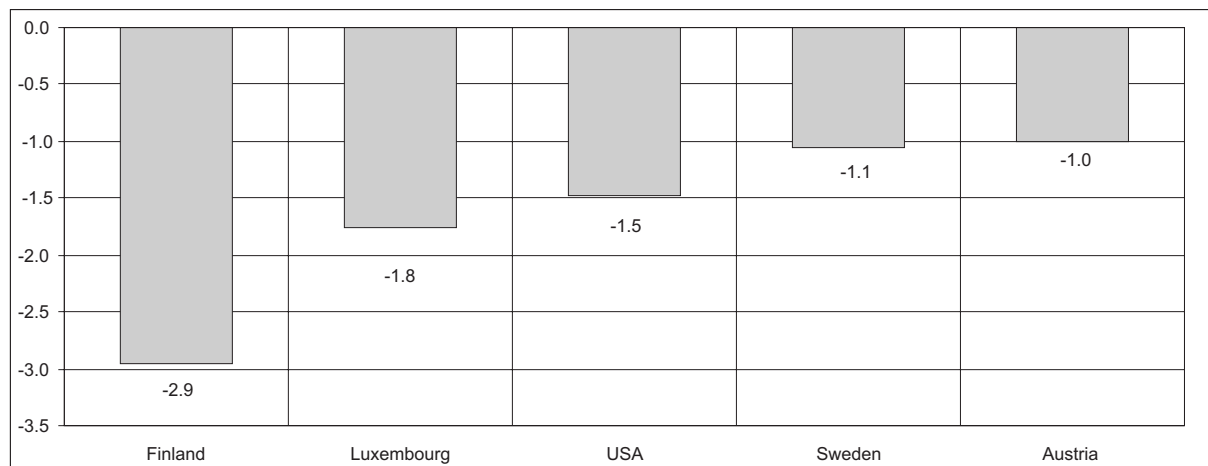
Portfolio investment liabilities (see Table 31) decreased by 1.8 billion kroons in the given period. Debt securities liabilities increased, and the capital inflow arising therefrom reached 7.9 billion kroons. Equity securities liabilities declined by 9.7 billion kroons and were mainly associated with the above-mentioned buying up of shares of Hansapank. By countries, portfolio investment liabilities to the EU Member States and the USA decreased the most (see Figure 18 and Table 32).

**Figure 17. Portfolio investment (EEK bn)****Table 30. Portfolio investment by types of securities and sectors (EEK m)**

	Claims			Liabilities			Balance		
	Q1 2004	Q4 2004	Q1 2005	Q1 2004	Q4 2004	Q1 2005	Q1 2004	Q4 2004	Q1 2005
Equity securities	-441.5	-1,341.7	-1,198.9	147.3	891.2	-9,703.4	-294.2	-450.5	-10,902.3
general government	0.4	16.6	0.1				0.4	16.6	0.1
credit institutions	-14.6	-10.2	-63.9	44.7	22.6	-10,886.5	30.1	12.4	-10,950.4
other sectors	-427.3	-1,348.1	-1,135.1	102.6	868.6	1,183.1	-324.7	-479.5	48.0
Debt securities	-326.1	-39.2	-2,293.4	-79.9	6,921.4	7,871.8	-406.0	6,882.2	5,578.4
central bank									0.0
general government	3.0	109.5	-1,733.6	0.3	-2.8	28.4	3.3	106.7	-1,705.2
credit institutions	-134.1	-189.3	-7.2	43.2	6,406.3	7,734.3	-90.9	6,217.0	7,727.1
other sectors	-195.0	40.6	-552.6	-123.4	517.9	109.1	-318.4	558.5	-443.5
Total	-767.6	-1,380.9	-3,492.3	67.4	7,812.6	-1,831.6	-700.2	6,431.7	-5,323.9

Table 31. Structure of portfolio investment liabilities

	Equity securities		Debt securities		Total	
	Volume (EEK m)	Share (%)	Volume (EEK m)	Share (%)	Volume (EEK m)	Share (%)
Q1/2001	-1.9	-0.1	1,387.7	100.1	1,385.8	100.0
Q2/2001	502.6	314.5	-342.8	-214.5	159.8	100.0
Q3/2001	-143.7	57.9	-104.5	42.1	-248.2	100.0
Q4/2001	211.4	205.0	-108.3	-105.0	103.1	100.0
2001 total	568.4	40.6	832.1	59.4	1,400.5	100.0
Q1/2002	299.2	1,341.7	-276.9	-1,241.7	22.3	100.0
Q2/2002	517.0	25.4	1,517.7	74.6	2,034.7	100.0
Q3/2002	-103.6	-3.0	3,530.1	103.0	3,426.5	100.0
Q4/2002	199.6	255.6	-121.5	-155.6	78.1	100.0
2002 total	912.2	16.4	4,649.4	83.6	5,561.6	100.0
Q1/2003	83.9	1.7	4,731.2	98.3	4,815.1	100.0
Q2/2003	733.8	-31.3	-3,075.6	131.3	-2,341.8	100.0
Q3/2003	563.1	92.1	48.3	7.9	611.4	100.0
Q4/2003	146.1	3.1	4,552.5	96.9	4,698.6	100.0
2003 total	1,526.9	19.6	6,256.4	80.4	7,783.3	100.0
Q1/2004	147.3	218.9	-80.0	-118.9	67.3	100.0
Q2/2004	459.6	7.9	5,352.2	92.1	5,811.8	100.0
Q3/2004	707.1	371.8	-516.9	-271.8	190.2	100.0
Q4/2004	891.3	11.4	6,921.4	88.6	7,812.7	100.0
2004 total	2,205.3	15.9	11,676.7	84.1	13,882.0	100.0
Q1/2005	-9,703.5	529.8	7,871.9	-429.8	-1,831.6	100.0

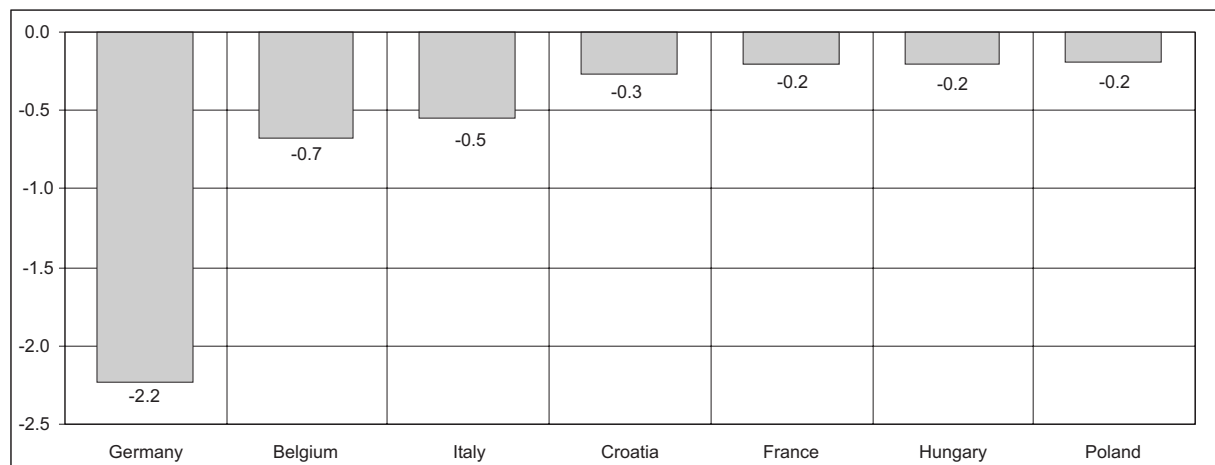
**Figure 18. Increase in portfolio investment liabilities by countries in the first quarter of 2005 (EEK bn)****Table 32. Structure of portfolio investment by groups of countries in the first quarter of 2005**

	Volume (EEK m)		Share (%)	
	Claims	Liabilities	Claims	Liabilities
EU-25	-2,923.3	-327.3	83.7	17.9
EU-15	-2,360.5	-282.1	-	-
CIS	0.0	25.4	0.0	-1.4
Other	-569.0	-1,529.7	16.3	83.5
Total	-3,492.3	-1,831.6	100.0	100.0

Portfolio investment claims (see Table 33) increased by 3.5 billion kroons during the quarter. The general government invested 1.7 billion kroons and enterprises in other sectors invested 0.5 billion kroons into debt securities issued by non-residents. Investment into foreign equity securities were mainly made by enterprises in other sectors, investing 1.1 billion kroons in total. By countries, portfolio investment were mostly channelled to Germany, Belgium, and Italy (see Figure 19).

Table 33. Structure of portfolio investment claims

	Equity securities		Debt securities		Total	
	Volume (EEK m)	Share (%)	Volume (EEK m)	Share (%)	Volume (EEK m)	Share (%)
Q1/2001	431.4	-691.3	-493.8	791.3	-62.4	100.0
Q2/2001	-5.9	0.6	-902.2	99.4	-908.1	100.0
Q3/2001	-30.9	5.7	-511.8	94.3	-542.7	100.0
Q4/2001	-158.1	26.9	-428.9	73.1	-587.0	100.0
2001 total	236.5	-11.3	-2,336.7	111.3	-2,100.2	100.0
Q1/2002	-5.4	0.5	-1,155.4	99.5	-1,160.8	100.0
Q2/2002	74.5	-84.6	-162.6	184.6	-88.1	100.0
Q3/2002	-52.4	3.0	-1,678.8	97.0	-1,731.2	100.0
Q4/2002	-7.6	3.7	-195.2	96.3	-202.8	100.0
2002 total	9.1	-0.3	-3,192.0	100.3	-3,182.9	100.0
Q1/2003	-124.5	-65.6	314.2	165.6	189.7	100.0
Q2/2003	-263.4	12.7	-1,811.4	87.3	-2,074.8	100.0
Q3/2003	-199.0	12.3	-1,424.9	87.7	-1,623.9	100.0
Q4/2003	-442.0	24.0	-1,400.6	76.0	-1,842.6	100.0
2003 total	-1,028.9	19.2	-4,322.7	80.8	-5,351.6	100.0
Q1/2004	-441.7	57.5	-326.2	42.5	-767.9	100.0
Q2/2004	-565.5	307.7	381.7	-207.7	-183.8	100.0
Q3/2004	-544.6	22.5	-1,874.3	77.5	-2,418.9	100.0
Q4/2004	-1,341.8	97.1	-39.4	2.9	-1,381.2	100.0
2004 total	-2,893.6	60.9	-1,858.2	39.1	-4,751.8	100.0
Q1/2005	-1,198.9	34.3	-2,293.4	65.7	-3,492.3	100.0

**Figure 19. Increase in portfolio investment claims by countries in the first quarter of 2005 (EEK bn)**

Other Investment

The net outflow of **other investment** totalled 1.4 billion kroons in the first quarter of 2005; liabilities increased by 10.2 billion, and claims by 11.6 billion kroons (see Figure 20 and Table 34).

Other investment liabilities (see Table 35) increased by all entries and the capital inflow resulting therefrom reached 10.2 billion kroons. Loan liabilities increased by 5.3 billion kroons and deposits by 1.3 billion kroons in the given period. Other capital and trade credit liabilities grew by 2.9 and 0.7 billion kroons, respectively. By countries, other investment liabilities to Sweden, the UK, and Finland increased the most (see Figure 21 and Table 36).

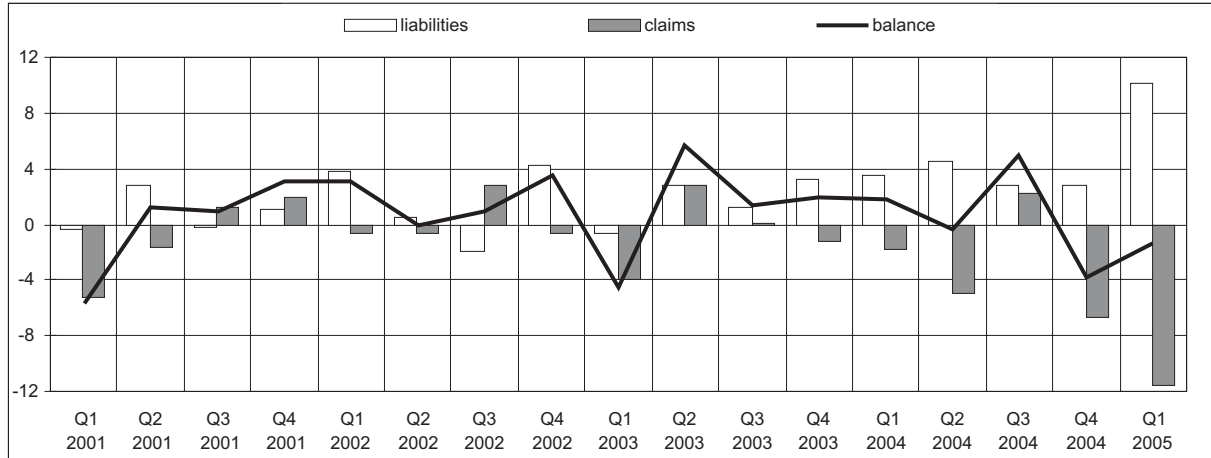


Figure 20. Other investment (EEK bn)

Table 34. Other investment by maturity (EEK m)

	Claims			Liabilities			Balance		
	Q1 2004	Q4 2004	Q1 2005	Q1 2004	Q4 2004	Q1 2005	Q1 2004	Q4 2004	Q1 2005
Long-term capital	-1,154.6	-3,244.2	-1,810.4	690.0	2,563.4	2,800.5	-464.6	-680.8	990.1
central bank	-0.3	0.5	-0.3				-0.3	0.5	-0.3
general government				-34.3	-50.2	-255.8	-34.3	-50.2	-255.8
credit institutions	-840.2	-2,347.4	-1,685.1	152.7	1,832.3	-181.8	-687.5	-515.1	-1,866.9
other sectors	-314.1	-897.3	-125.0	571.6	781.3	3,238.1	257.5	-116.0	3,113.1
Short-term capital	-609.2	-3,405.4	-9,771.9	2,868.6	282.0	7,352.7	2,259.4	-3,123.4	-2,419.2
central bank				-68.8	598.0	-23.5	-68.8	598.0	-23.5
general government	13.5	-63.4	403.0				13.5	-63.4	403.0
credit institutions	-253.1	-2,775.4	-8,837.2	3,041.1	677.4	6,371.0	2,788.0	-2,098.0	-2,466.2
other sectors	-369.6	-566.6	-1,337.7	-103.7	-993.4	1,005.2	-473.3	-1,560.0	-332.5
Total	-1,763.8	-6,649.6	-11,582.3	3,558.6	2,845.4	10,153.2	1,794.8	-3,804.2	-1,429.1

Table 35. Structure of other investment liabilities

	Trade credit		Loans		Deposits		Other capital		Total	
	Volume (EEK m)	Share (%)	Volume (EEK m)	Share (%)	Volume (EEK m)	Share (%)	Volume (EEK m)	Share (%)	Volume (EEK m)	Share (%)
Q1/2001	-480.2	-1,655.6	536.0	-134.3	-315.9	79.2	-139.0	34.8	-399.1	100.0
Q2/2001	789.9	-614.2	367.1	13.1	1,098.6	39.2	544.5	19.4	2,800.1	100.0
Q3/2001	-217.4	-69.4	750.0	-320.9	-752.1	321.8	-14.2	6.1	-233.7	100.0
Q4/2001	10.6	26.4	917.3	81.8	50.8	4.5	142.2	12.7	1,120.9	100.0
2001 total	102.9	3.1	2,570.4	78.2	81.4	2.5	533.5	16.2	3,288.2	100.0
Q1/2002	160.2	4.2	2,313.4	60.6	1,340.0	35.1	3.0	0.1	3,816.6	100.0
Q2/2002	877.2	155.9	-1,821.3	-323.6	775.3	137.8	731.6	130.0	562.8	100.0
Q3/2002	1,049.1	-54.9	-1,911.0	100.0	-760.9	39.8	-287.7	15.1	-1,910.5	100.0
Q4/2002	-1,305.4	-30.6	3,382.2	79.3	2,409.1	56.5	-221.5	-5.2	4,264.4	100.0
2002 total	781.1	11.6	1,963.3	29.2	3,763.5	55.9	225.4	3.3	6,733.3	100.0
Q1/2003	44.5	-7.2	199.7	-32.1	-305.6	49.1	-560.9	90.1	-622.3	100.0
Q2/2003	502.9	17.5	1,165.4	40.6	1,139.1	39.7	63.7	2.2	2,871.1	100.0
Q3/2003	-684.1	-53.4	1,150.6	89.8	1,300.6	101.5	-485.9	-37.9	1,281.2	100.0
Q4/2003	21.0	0.7	705.2	22.0	2,453.8	76.6	22.8	0.7	3,202.8	100.0
2003 total	-115.7	-1.7	3,220.9	47.8	4,587.9	68.1	-960.3	-14.3	6,732.8	100.0
Q1/2004	-41.7	-1.2	1,650.1	46.4	1,833.4	51.5	116.7	3.3	3,558.5	100.0
Q2/2004	1,108.1	24.5	34.9	0.8	3,418.3	75.7	-44.9	-1.0	4,516.4	100.0
Q3/2004	-159.1	-5.7	1,315.0	47.0	1,305.0	46.7	335.1	12.0	2,796.0	100.0
Q4/2004	-282.1	-9.9	1,564.7	55.0	2,248.0	79.0	-685.1	-24.1	2,845.5	100.0
2004 total	625.2	4.6	4,564.7	33.3	8,804.7	64.2	-278.2	-2.0	13,716.4	100.0
Q1/2005	650.5	6.4	5,273.2	51.9	1,326.0	13.1	2,903.4	28.6	10,153.1	100.0

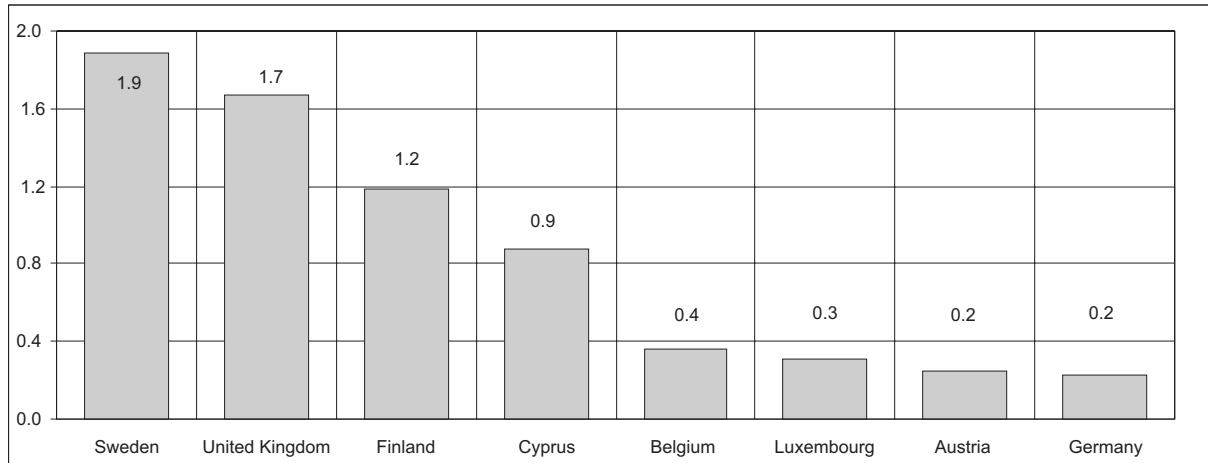


Figure 21. Increase in other investment liabilities by countries in the first quarter of 2005 (EEK bn)

Table 36. Structure of other investment by groups of countries in the first quarter of 2005

	Volume (EEK m)		Share (%)	
	Claims	Liabilities	Claims	Liabilities
EU-25	-4,958.1	6,818.6	42.8	67.2
EU-15	-2,861.0	6,057.6	24.7	59.7
CIS	-171.8	111.5	1.5	1.1
Other	-6,452.3	3,223.0	55.7	31.7
Total	-11,582.2	10,153.1	100.0	100.0

Other investment claims (see Table 37) increased by 11.6 billion kroons during the quarter. Deposits with foreign banks grew by 3.8 billion kroons and other capital claims by 4.5 billion kroons. Loans

Table 37. Structure of other investment claims

	Trade credit		Loans		Deposits		Other capital		Total	
	Volume (EEK m)	Share (%)	Volume (EEK m)	Share (%)	Volume (EEK m)	Share (%)	Volume (EEK m)	Share (%)	Volume (EEK m)	Share (%)
Q1/2001	-301.4	-1,655.6	-1,655.6	31.4	-3,156.4	59.9	-157.9	3.0	-5,271.3	100.0
Q2/2001	-777.1	-614.2	-580.3	36.3	-128.0	8.0	-114.8	7.2	-1,600.2	100.0
Q3/2001	342.2	-69.4	-69.4	-5.8	802.0	66.9	123.8	10.3	1,198.6	100.0
Q4/2001	151.5	26.4	26.4	1.3	1,744.4	89.2	33.9	1.7	1,956.2	100.0
2001 total	-584.8	15.7	-2,278.9	61.3	-738.0	19.9	-115.0	3.1	-3,716.7	100.0
Q1/2002	-22.8	3.2	-1,081.9	153.4	392.2	-55.6	7.2	-1.0	-705.3	100.0
Q2/2002	-208.2	31.0	1,540.6	-229.1	-1,413.1	210.1	-591.8	88.0	-672.5	100.0
Q3/2002	-464.6	-16.7	-329.0	-11.8	3,121.2	112.3	452.1	16.3	2,779.7	100.0
Q4/2002	1,743.2	-246.6	-1,454.2	205.7	-1,357.7	192.1	361.9	-51.2	-706.8	100.0
2002 total	1,047.6	150.7	-1,324.5	-190.5	742.6	106.8	229.4	33.0	695.1	100.0
Q1/2003	-901.1	23.1	-6,337.1	162.2	3,367.7	-86.2	-35.8	0.9	-3,906.3	100.0
Q2/2003	-765.5	-26.9	2,349.2	82.7	1,353.3	47.6	-96.5	-3.4	2,840.5	100.0
Q3/2003	-31.6	-224.1	1,962.6	13,919.1	-612.6	-4,344.7	-1,304.3	-9,250.4	14.1	100.0
Q4/2003	670.0	-54.3	-1,495.1	121.3	-1,899.0	154.0	1,491.2	-121.0	-1,232.9	100.0
2003 total	-1,028.2	45.0	-3,520.4	154.1	2,209.4	-96.7	54.6	-2.4	-2,284.6	100.0
Q1/2004	-161.9	9.2	-1,010.0	57.3	-374.9	21.3	-217.0	12.3	-1,763.8	100.0
Q2/2004	-571.9	11.6	-2,436.1	49.5	-490.6	10.0	-1,419.8	28.9	-4,918.4	100.0
Q3/2004	-91.7	-4.2	-1,300.1	-60.1	2,533.9	117.1	1,020.9	47.2	2,163.0	100.0
Q4/2004	-206.5	3.1	-3,709.4	55.8	-3,213.5	48.3	479.7	-7.2	-6,649.7	100.0
2004 total	-1,032.0	9.2	-8,455.6	75.7	-1,545.1	13.8	-136.2	1.2	-11,168.9	100.0
Q1/2005	-365.2	3.2	-2,980.4	25.7	-3,770.8	32.6	-4,465.8	38.6	-11,582.2	100.0

granted to non-residents also increased remarkably, amounting to ca 3 billion kroons. By countries, other investment were mainly channelled to the USA, Latvia, and France (see Figure 22). Table 38 provides a more specific overview of loan capital claims and liabilities.

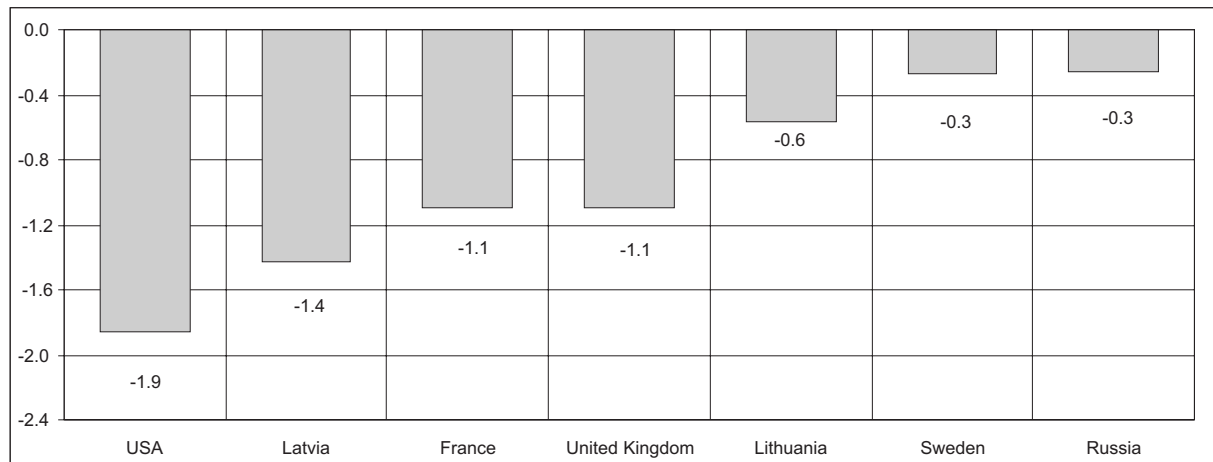


Figure 22. Other investment claims by countries in the second quarter of 2004 (EEK m)

Table 38. Claims and liabilities of loan capital (EEK m)

	Claims			Liabilities		
	Granting	Repayments	Balance	Drawings	Repayments	Balance
Q1 2003	-11,076.1	4,739.0	-6,337.1	8,547.9	-8,348.2	199.7
Q2 2003	-8,846.0	11,195.2	2,349.2	6,449.4	-5,284.0	1,165.4
Q3 2003	-9,902.7	11,865.4	1,962.7	5,717.6	-4,566.9	1,150.7
Q4 2003	-5,094.3	3,599.2	-1,495.1	9,297.6	-8,592.4	705.2
2003 total	-34,919.1	31,398.8	-3,520.3	30,012.5	-26,791.5	3,221.0
Q1 2004	-6,702.8	5,692.8	-1,010.0	9,105.6	-7,455.4	1,650.2
Q2 2004	-8,219.5	5,783.5	-2,436.0	10,135.7	-10,100.7	35.0
Q3 2004	-5,910.9	4,610.8	-1,300.1	9,606.2	-8,291.2	1,315.0
Q4 2004	-8,949.4	5,240.0	-3,709.4	16,536.8	-14,972.1	1,564.7
2004 total	-29,782.6	21,327.1	-8,455.5	45,384.3	-40,819.4	4,564.9
Q1 2005	-13,051.5	10,071.1	-2,980.4	16,418.4	-11,145.2	5,273.2

Reserve Assets

The **balance of payments reserves** increased by 2.7 billion kroons in the first quarter of 2005 (see Table 39). Figure 23 provides an overview of the imports covered by reserve assets.

Table 39. Structure of changes in reserve assets

	Volume (EEK m)			Share (%)		
	Q1 2004	Q4 2004	Q1 2005	Q1 2004	Q4 2004	Q1 2005
Gold	0.0	0.0	0.0	0.0	0.0	0.0
Currency and deposits	1,541.0	-859.1	-2,784.6	329.0	74.6	103.5
Securities	-1,054.3	-287.8	103.5	-225.1	25.0	-3.8
equity securities				0.0	0.0	0.0
bonds and notes	-273.8	-557.7	-845.5	-58.5	48.5	31.4
money market instruments	-780.5	269.9	949.0	-166.6	-23.4	-35.3
Other claims	-18.3	-4.1	-10.4	-3.9	0.4	0.4
Total	468.4	-1,151.0	-2,691.5	100.0	100.0	100.0

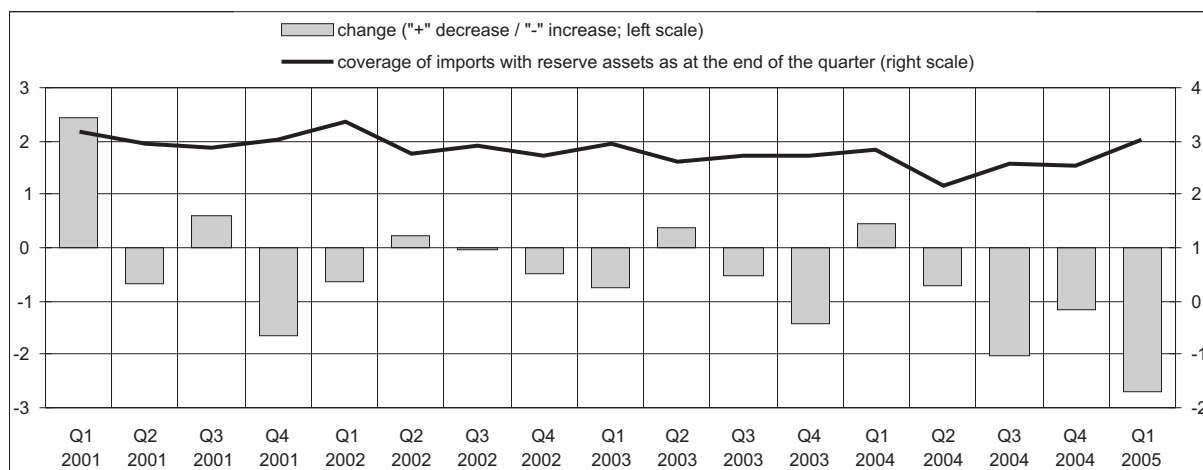


Figure 23. Change of Estonia's gold and foreign exchange reserves (EEK bn) and coverage of imports (by months)

ESTONIA'S INTERNATIONAL INVESTMENT POSITION AND GROSS EXTERNAL DEBT

31 March 2005

In the first quarter of 2005, all foreign investment into Estonia increased by a fifth, amounting to 272.6 billion kroons by the end of the quarter (see Table 40). 57% thereof was invested into financial intermediation and to a lesser extent into real estate, renting and business activities, manufacturing, wholesale and retail trade, and the transport, storage, and communications sector (see Table 41). A third of investment into Estonia was made by Swedish, 18% by Finnish, and 16% by British investors.

Quarter-on-quarter, the share of direct investment increased in the structure of **foreign investment into Estonia**, whereas the share of portfolio investment decreased. The change resulted from the substantial increase of foreign shareholding in Hansapank. Direct investment constituted more than a half of the total investment, amounting to 141.2 billion kroons; portfolio investment formed a fifth, and the rest were other investment. The most preferred fields of activity for **foreign direct investment into Estonia** were financial intermediation (42% of direct investment), real estate, renting and business activities (19%), manufacturing (15%), and wholesale and retail trade (8%; see Table 42). Approximately 55% of the direct investment was made by Swedish and 20% by Finnish investors.

Estonian investment abroad totalled 119 billion kroons. 73% of the investment abroad was made by financial intermediaries. Investors of the public sector, real estate, renting and business activities, transport, storage and communications, and wholesale and retail trade invested abroad as well. The majority of Estonian investment went to Lithuania, Latvia, and Germany.

Compared to the end of 2004, the share of other investment increased in the structure of investment abroad, and that of direct and portfolio investment and reserve assets decreased. Loans, deposits and the central bank's gold and foreign exchange reserves covered 61% of the external claims. **Direct investment** accounted for 15% of all investment abroad. The most active direct investors abroad were those of financial intermediation (41%), real estate, renting and business activities (29%), and transport, storage and communications (13%). 79% of all direct investment abroad was made into three countries – Lithuania, Latvia, and Cyprus (see Table 42).

Table 40. Estonia's international investment position (EEK m)

	31/12/2004	%	31/03/2005	%
EXTERNAL ASSETS	99,735.0	100.0	119,049.2	100.0
Direct investment abroad	16,275.0	16.3	17,399.4	14.6
Equity capital and reinvested earnings	12,128.7	12.2	13,022.1	10.9
Other direct investment capital	4,146.4	4.2	4,377.3	3.7
Portfolio investment	24,717.0	24.8	28,436.6	23.9
Equity securities	5,136.0	5.1	6,550.0	5.5
Debt securities	19,581.1	19.6	21,886.7	18.4
Bonds and notes	12,352.6	12.4	13,912.3	11.7
Money market instruments	7,228.4	7.2	7,974.4	6.7
Financial derivatives	368.6	0.4	305.7	0.3
Other investment	37,769.9	37.9	49,592.1	41.7
Trade credit	6,986.7	7.0	7,468.4	6.3
Loans	22,359.2	22.4	25,434.7	21.4
Long-term	11,408.2	11.4	13,266.4	11.1
Short-term	10,951.0	11.0	12,168.3	10.2
Currency and deposits	7,664.6	7.7	11,461.0	9.6
Other assets	759.4	0.8	5,227.9	4.4
Reserve assets	20,604.3	20.7	23,315.4	19.6
EXTERNAL LIABILITIES	230,543.6	100.0	272,642.9	100.0
Direct investment in Estonia	115,483.2	50.1	141,171.0	51.8
Equity capital and reinvested earnings	100,593.8	43.6	126,658.8	46.5
Other direct investment capital	14,889.4	6.5	14,512.2	5.3
Portfolio investment	51,627.3	22.4	57,582.3	21.1
Equity securities	22,276.7	9.7	20,360.1	7.5
Debt securities	29,350.6	12.7	37,222.1	13.7
Bonds and notes	26,577.3	11.5	27,713.0	10.2
Money market instruments	2,773.3	1.2	9,509.1	3.5
Financial derivatives	238.0	0.1	223.1	0.1
Other investment	63,195.1	27.4	73,666.5	27.0
Trade credit	8,273.3	3.6	8,888.4	3.3
Loans	28,649.3	12.4	34,271.6	12.6
Long-term	25,081.9	10.9	28,164.7	10.3
Short-term	3,567.4	1.5	6,106.9	2.2
Currency and deposits	25,251.9	11.0	26,577.9	9.7
Other liabilities	1,020.7	0.4	3,928.6	1.4
NET INVESTMENT POSITION	-130,808.6		-153,593.7	
Long-term	-100,372.4		-124,584.7	
Short-term	-30,436.3		-29,009.0	

Due to the fact that external liabilities were prevailing and growing faster than assets, Estonia's net investment position of the first quarter of 2005 was negative by 153.6 billion kroons, surpassing for the first time the volume of GDP based on the last four quarters (by ca 6%). The share of long-term capital increased in the net investment position, constituting 81% of the latter.

Estonia's gross external debt increased by 16% over the quarter, amounting to 133.7 billion kroons (ca 92% of GDP) on 31 March 2005. Estonia's net external debt (assets less liabilities) constituted 26.3 billion kroons (18% of GDP; see Table 43 and Figure 24). The gross external debt formed a half of the volume of external liabilities. Leaving aside intercompany lending of direct investment companies, long-term debts accounted for 55% of the gross external debt. Debt assets mostly consisted of short-term capital.

Table 41. Estonia's international investment position by fields of activity and countries (%) as at 31 March 2005

Claims		Liabilities	
Fields of activity			
Financial intermediation	73.1	Financial intermediation	57.0
Public administration and defence	10.8	Real estate, renting and business activities	11.5
Wholesale and retail trade	5.3	Manufacturing	9.8
Real estate, renting and business activities	4.9	Wholesale and retail trade	6.6
Manufacturing	4.1	Transport, storage and communications	4.7
Other	7.1	Other	20.2
Total	100.0	Total	100.0
Countries			
Lithuania	12.7	Sweden	34.7
Latvia	12.3	Finland	17.5
Germany	12.2	United Kingdom	16.2
United Kingdom	9.3	Germany	4.9
USA	6.1	USA	4.7
Other	47.4	Other	22.0
Total	100.0	Total	100.0

Table 42. Direct investment position by fields of activity and countries (%) as at 31 March 2005

In Estonia		Abroad	
Fields of activity			
Financial intermediation	42.1	Financial intermediation	40.7
Real estate, renting and business activities	19.2	Real estate, renting and business activities	29.4
Manufacturing	14.5	Transport, storage and communications	12.6
Wholesale and retail trade	8.1	Wholesale and retail trade	7.2
Transport, storage and communications	4.3	Manufacturing	5.4
Other	11.8	Other	4.7
Total	100.0	Total	100.0
Countries			
Sweden	54.5	Lithuania	36.8
Finland	19.9	Latvia	32.5
USA	4.2	Cyprus	9.9
Netherlands	2.8	Russia	5.5
Norway	2.4	Finland	4.5
Other	16.2	Other	10.8
Total	100.0	Total	100.0

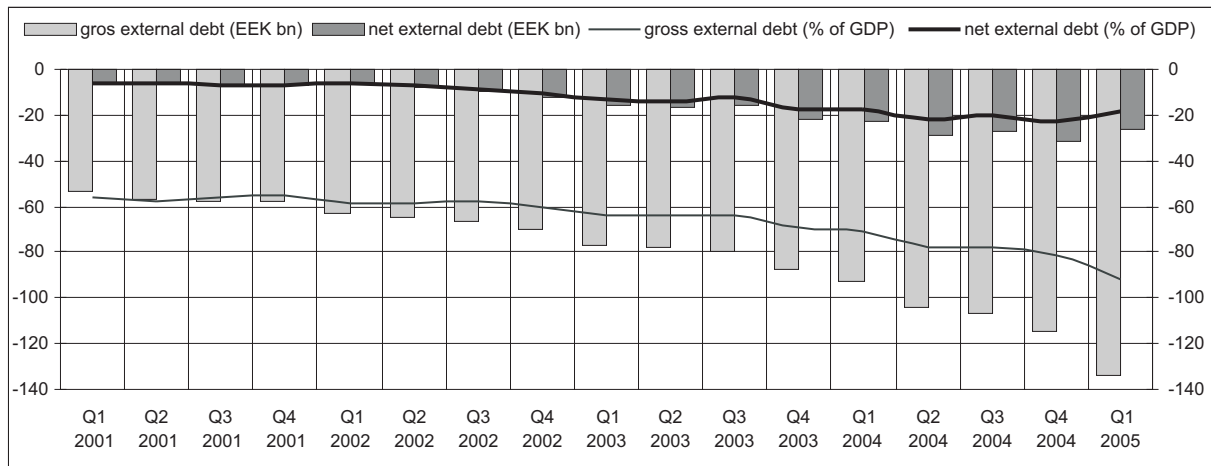

Figure 24. Estonia's gross and net external debt

Table 43. External debt (EEK m)

	31/12/2004	%	31/03/2005	%
LIABILITIES				
I. General government	3,891.0	3.4	3,663.3	2.7
Short-term				
Long-term	3,891.0	3.4	3,663.3	2.7
II. Monetary authorities (NCB)	507.7	0.4	530.3	0.4
Short-term	507.7	0.4	530.3	0.4
Long-term				
III. Credit institutions	59,932.7	52.3	73,855.9	55.3
Short-term	21,982.8	19.3	37,806.6	28.4
Long-term	37,950.0	33.0	36,049.3	26.9
IV. Other sectors	28,214.3	24.5	32,839.2	24.5
Short-term	10,549.7	9.2	11,544.2	8.6
Long-term	17,664.6	15.3	21,295.0	15.9
V. Direct investment: intercompany lending	22,299.0	19.4	22,762.0	17.0
GROSS EXTERNAL DEBT	114,844.8	100.0	133,650.7	100.0
ASSETS				
I. General government	11,552.0	13.9	12,882.6	12.0
Short-term	5,818.6	7.0	6,237.2	5.8
Long-term	5,733.4	6.9	6,645.3	6.2
II. Monetary authorities (NCB)	20,582.0	24.7	23,292.5	21.6
Short-term	16,879.4	20.3	18,709.8	17.4
Long-term	3,702.6	4.4	4,582.6	4.3
III. Credit institutions	23,030.2	20.2	33,578.9	31.5
Short-term	14,970.9	10.6	23,777.2	22.4
Long-term	8,059.3	9.6	9,801.8	9.1
IV. Other sectors	22,747.0	27.3	24,995.3	23.2
Short-term	12,598.7	15.1	14,067.5	13.1
Long-term	10,148.3	12.2	10,927.7	10.1
V. Direct investment: intercompany lending	11,556.0	13.9	12,627.1	11.7
TOTAL ASSETS	89,467.3	100.0	107,376.3	100.0
NET EXTERNAL DEBT (assets less liabilities)				
I. General government	7,661.0		9,219.3	
Short-term	5,818.6		6,237.2	
Long-term	1,842.4		2,982.1	
II. Monetary authorities (NCB)	20,074.3		22,762.1	
Short-term	16,371.7		18,179.5	
Long-term	3,702.6		4,582.6	
III. Credit institutions	-36,902.5		-40,276.9	
Short-term	-7,011.9		-14,029.4	
Long-term	-29,890.6		-26,247.5	
IV. Other sectors	-5,467.3		-7,843.9	
Short-term	2,049.0		2,523.4	
Long-term	-7,516.3		-10,367.3	
V. Direct investment: intercompany lending	-10,743.0		-10,135.0	
TOTAL NET EXTERNAL DEBT	-25,377.5		-26,274.3	