MINISTRY OF ECONOMIC AFFAIRS AND COMMUNICATIONS

Estonia on its Way to the Information Society

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Deputy Secretary General

General Information

Population:	1.4 million
Area:	45 000 km²
Language:	Estonian
Currency:	EUR 1 = EEK 15.65
GDP:	EUR 5 082 per capita (2002)
GDP growth:	6.0 % (2002)
Export	84 % of GDP (2002)

Estonia 12 years ago

- Outdated infrastructure
- No regulatory environment in place
- No competition

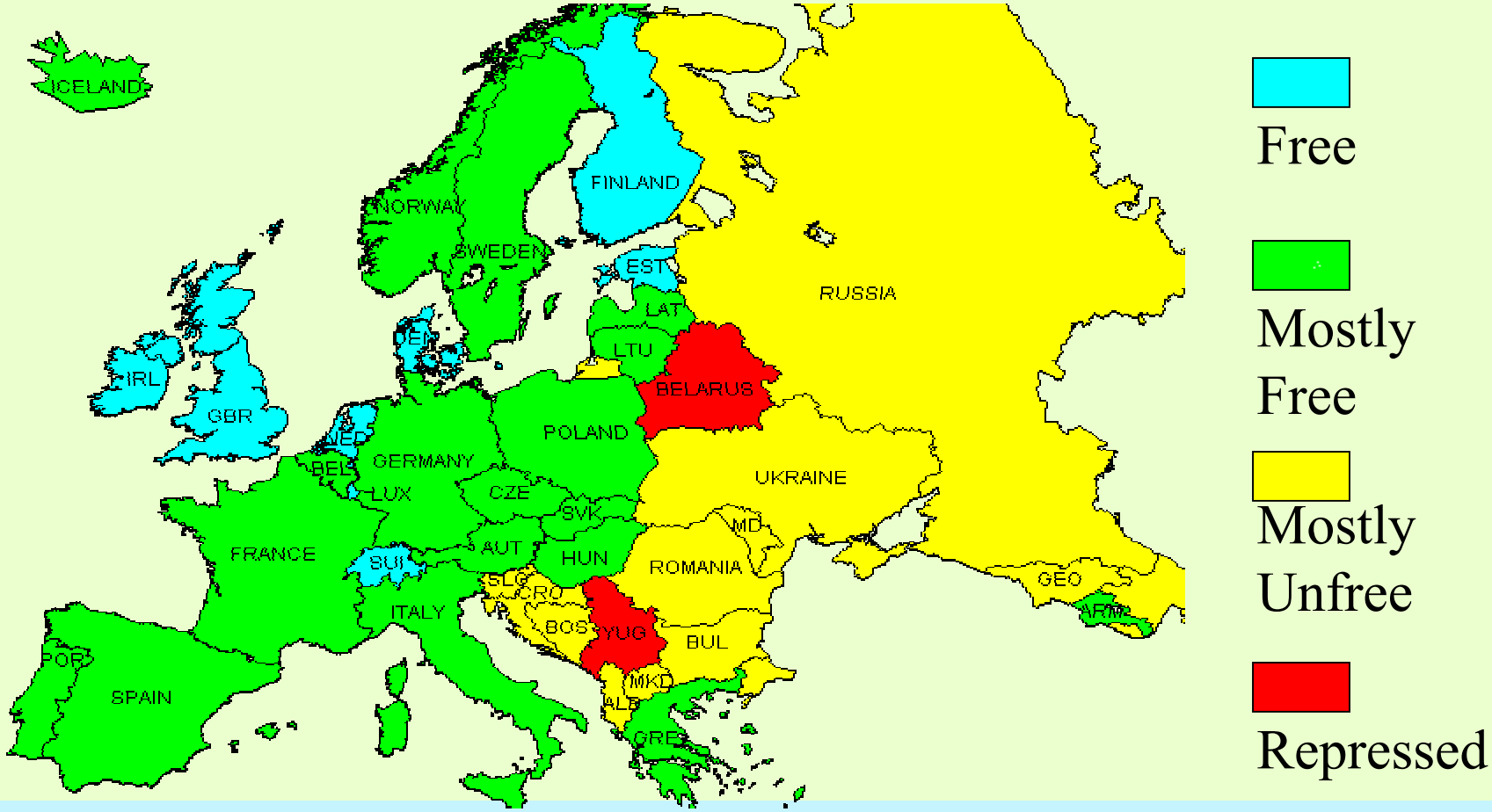
… but …

- Developed Scandinavian neighbours
- Open-minded and innovative people

Estonia´s competitive advantages today

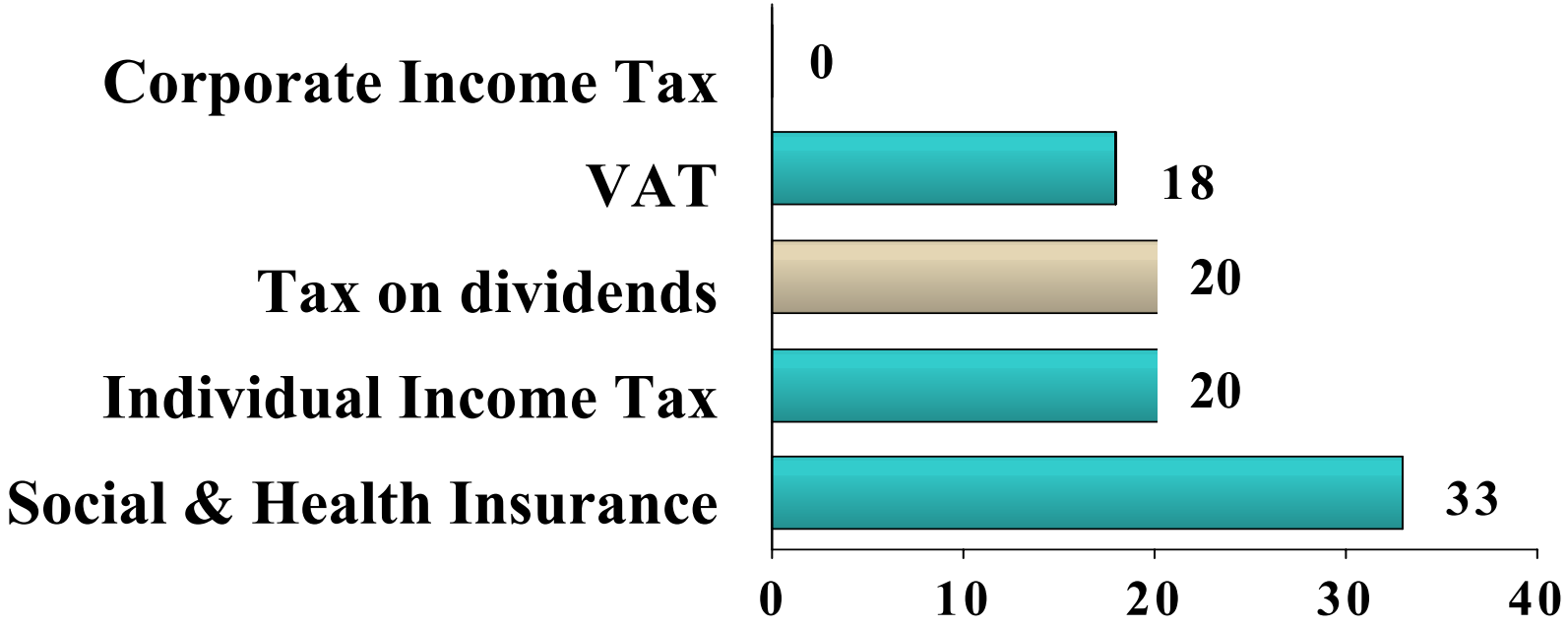
- Liberal trade and price policy
- Fixed exchange rate system
- No restrictions to the free movement of capital
- Balanced budget of central government
- Conservative foreign borrowing policy
- Simple and proportional tax system
- Well-developed ICT infrastructure

Economic Freedom



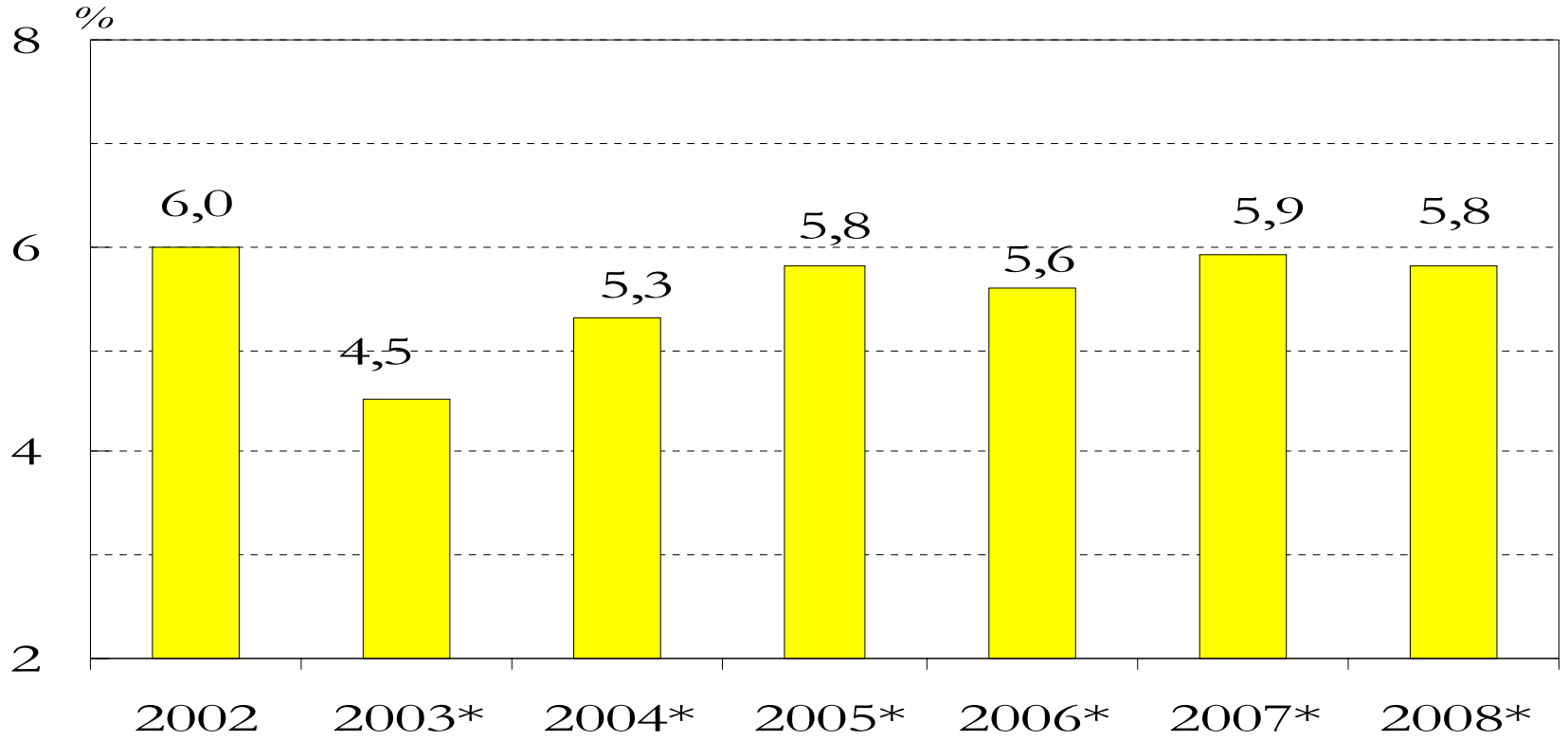
Source: 2002 Index of Economic Freedom

Taxes in Estonia



No corporate income tax on reinvested earnings

Forecast of GDP growth



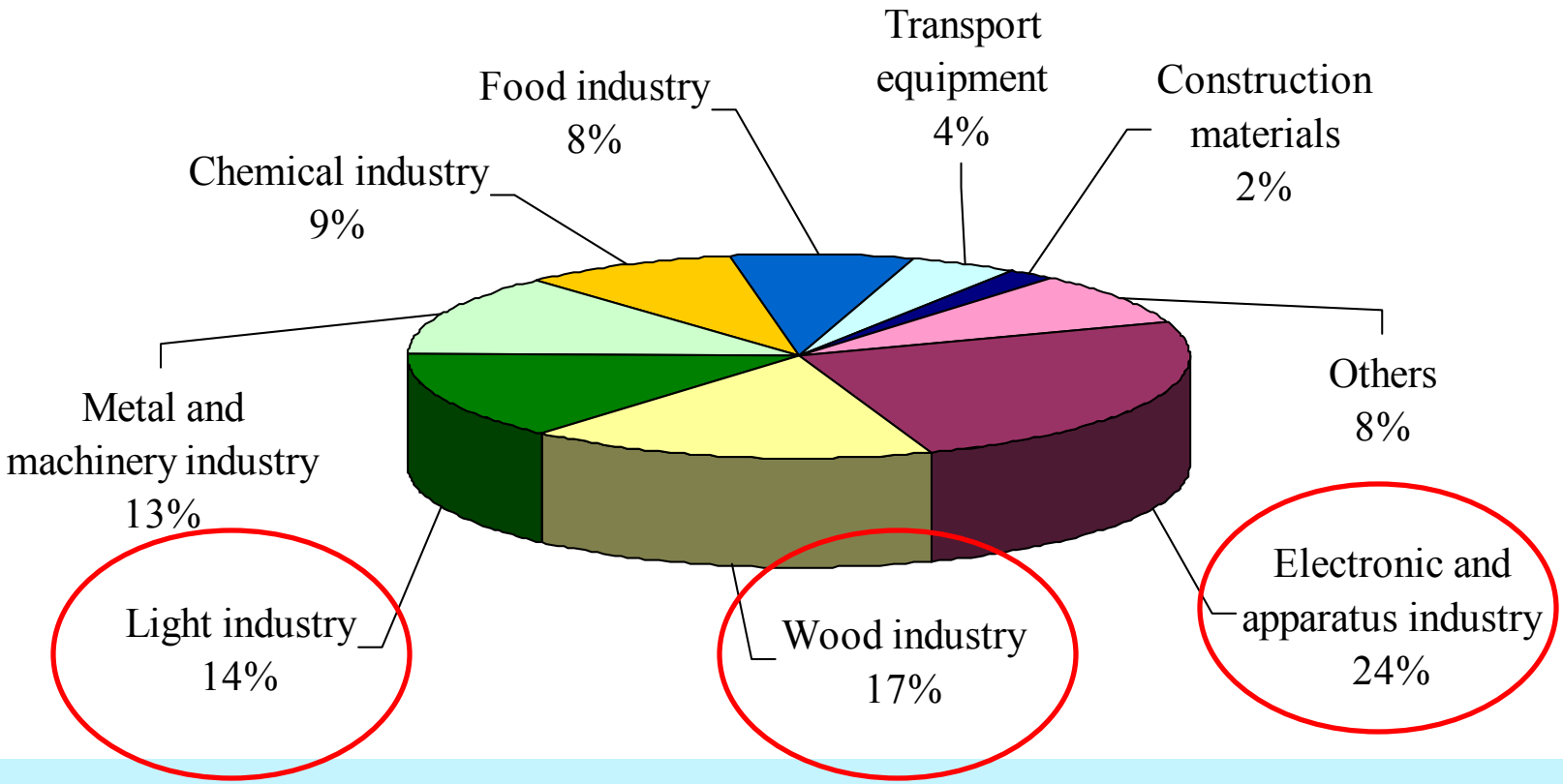
Source: Ministry of Finance, 2004

World Competitiveness Ranking 2003

1. Finland
2. Singapore
3. Denmark
4. Hong Kong
6. Luxembourg
7. Sweden
8. Netherlands
10. Austria
11. Ireland
12. Norway
13. Belgium
17. ESTONIA
21. Czech Republic
22. Israel
23. Hungary
25. Portugal
26. Greece
28. Slovenia

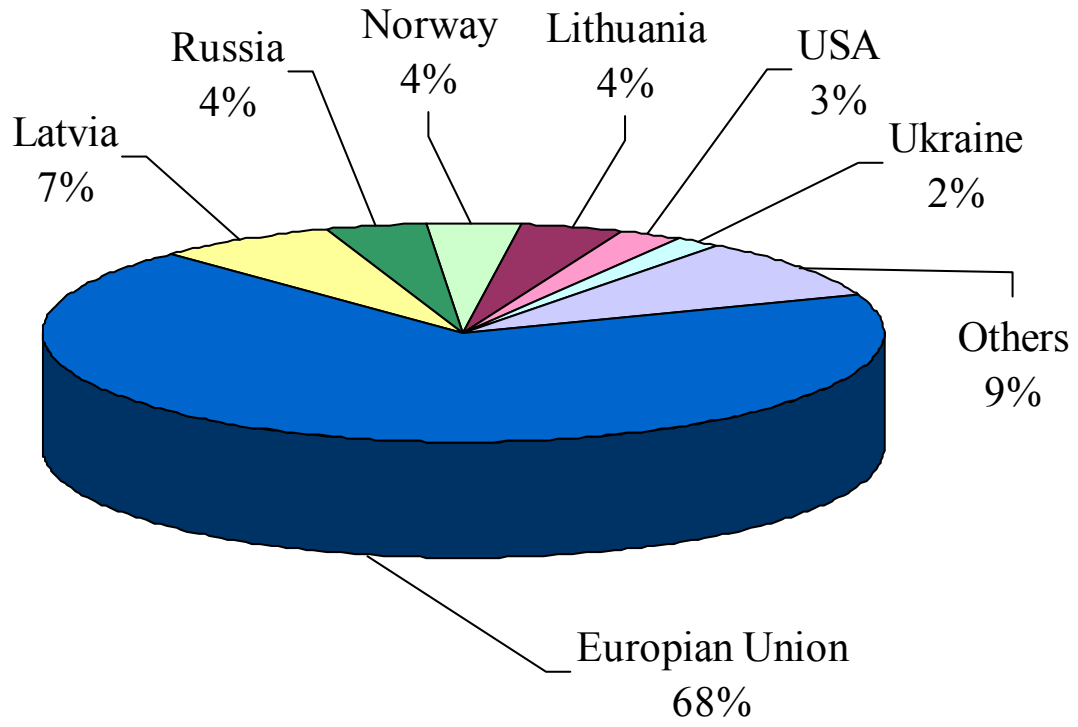
Source:IMD

Structure of Exports by Industries in 2003



Source: Statistical Office of Estonia

Share of EU in Estonian Exports 2003



Source: Statistical Office of Estonia

ICT developments

The role of Government?

- Building legal and fiscal framework
- Implementing and promoting Internet-based communications and applications
- Support in IT field for education and local communities
- Ensuring free access to telecommunications market

Estonia's IT policy

- First IT policy document approved in 1998
- "Principles of the Estonian Information Policy 2004-2006" approved in June 2004
- Implementation of IT policy based on annual IT policy action plans

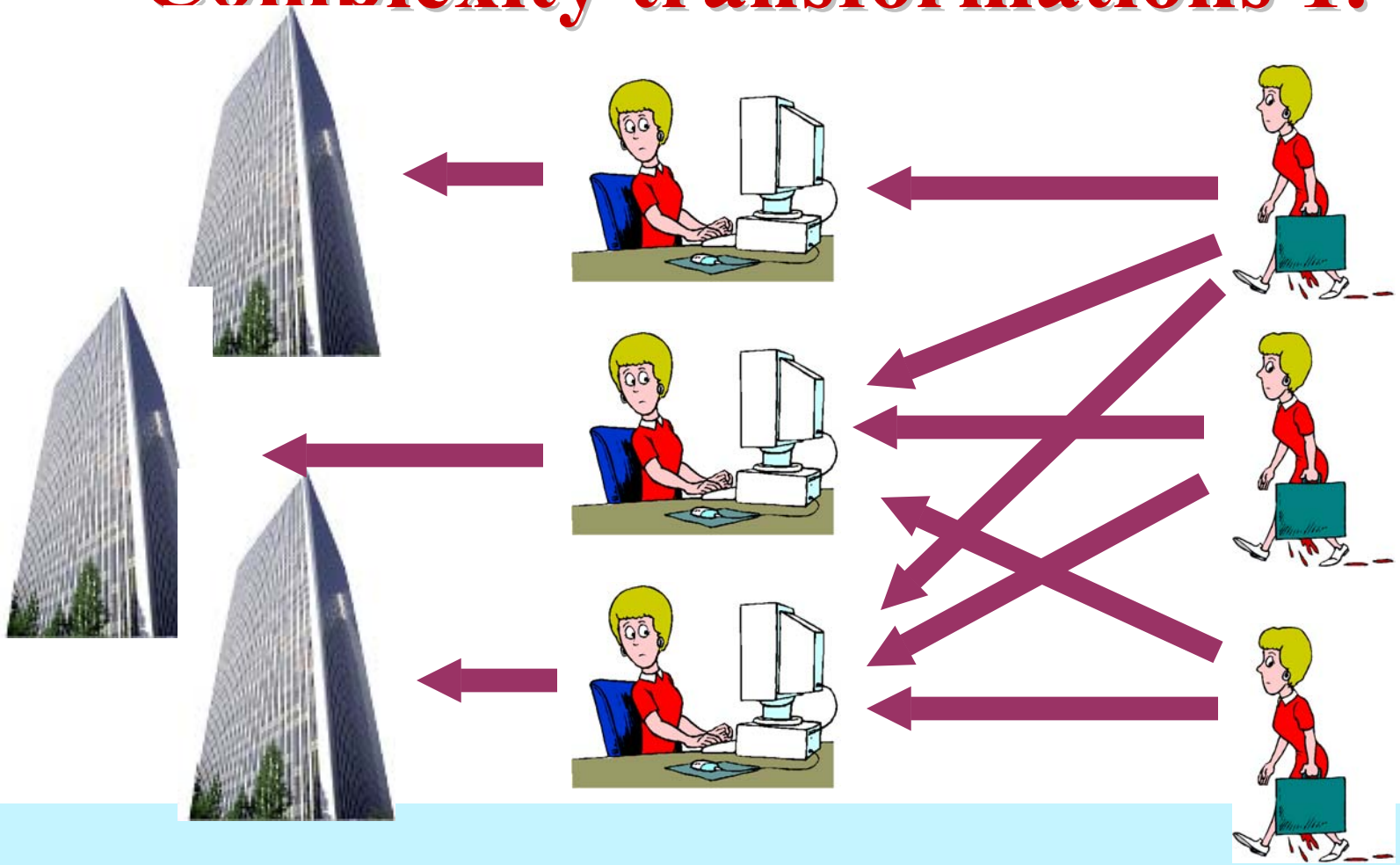
General objectives of the Estonian IT policy

- Introduction of e-services in all state agencies
- Keeping the level of ICT use in Estonia at no less than the average level of the EU;
- Increasing the export capacity of the Estonian IT sector

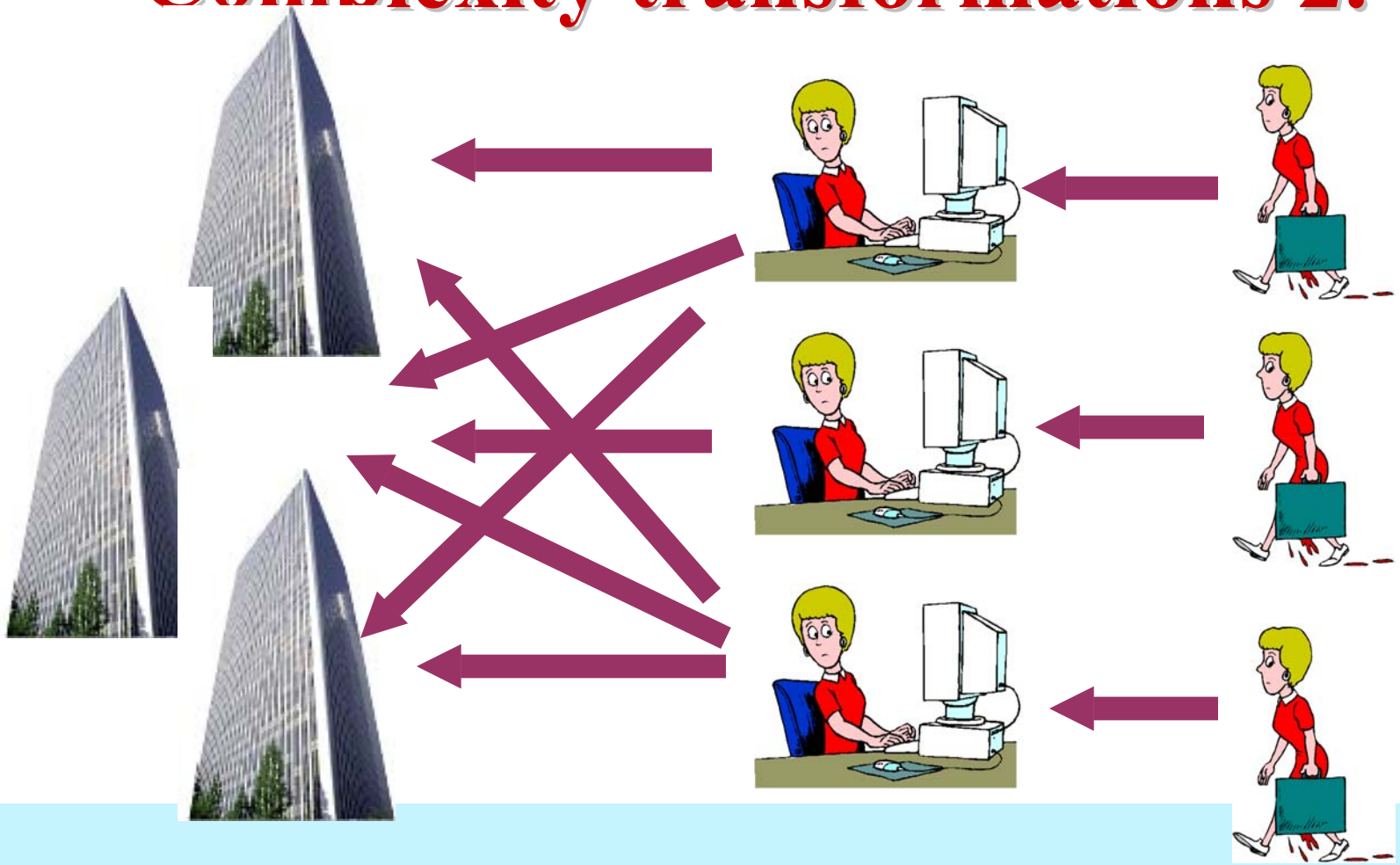
eBusiness

- Improving legislation related to eBusiness and developing IT support structures
- Promoting the use of authentication methods based on ID card, digital signature and digital information
- Elaboration of eBusiness related standards and organising awareness-raising activities

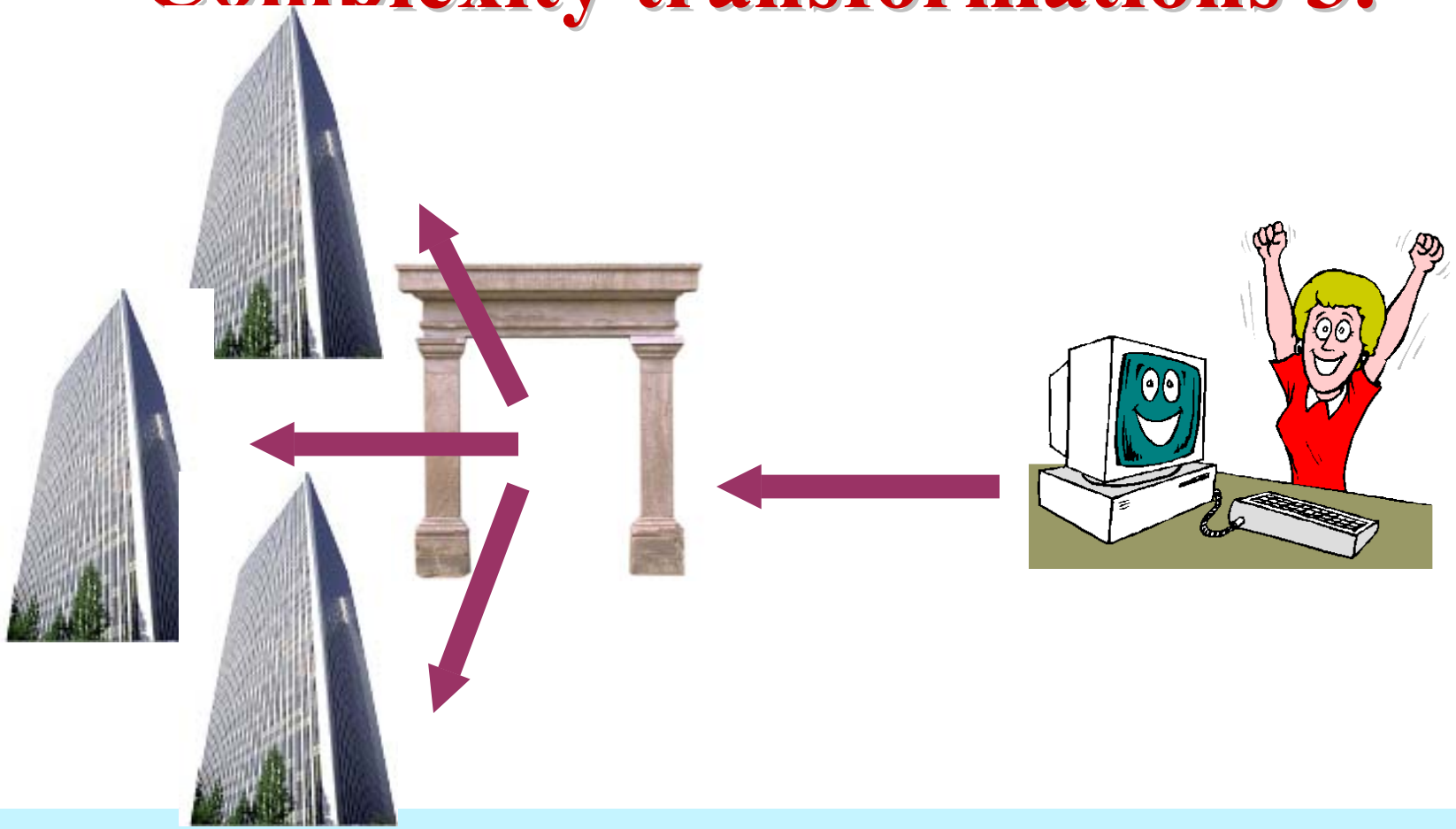
Complexity transformations 1.



Complexity transformations 2.



Complexity transformations 3.



E-Government Index

Country	e-Government	Rank
Singapore	5, 43	1
Finland	5, 40	2
Iceland	5, 35	3
Sweden	5, 10	4
Estonia	4, 95	5
Canada	4, 93	6
Hong Kong SAR	4, 90	7
Taiwan	4, 90	8
Denmark	4, 88	9
United States	4, 88	10
United Kingtom	4, 83	11
Norway	4, 70	12
Netherlands	4, 65	13
Austria	4, 63	14
Australia	4, 58	15
Brazil	4, 58	16
Ireland	4, 58	17
Korea	4, 38	18
France	4, 35	19
New Zealand	4, 33	20
Spain	4, 30	21
Germany	4, 28	22
Switzerland	4, 28	23
Chile	4, 18	24
Hungary	4, 13	25

Balanced result card

Benefit Which services are being offered?	**Effeciency** In which way and how well the services are being offered?
Transparency How transparent are the activities of the organization?	**Participation** How an individual can influence the entire organization?

eGovernment services

- Data exchange layer – X-Road
- eCitizen portal
  - ✓ applying for child benefit
  - ✓ applying for European health insurance card

eGovernment services

- eBusiness portal: single point entry for enterprises
- eTax Board – more than 60% of all declarations submitted electronically in 2004

Estonian ID card

- By October 1, 2004 – more than 600 000 ID cards have been issued

Objectives of the ID-card:

- Authentication tool for e-services both in public and private sector
- For giving digital signature

Access

Privatisation and liberalisation of telecom market

Schools – “Tiger Leap” programme (1998)

Local governments – “Village road” (2000)

Public libraries – Public Information Act (2002)

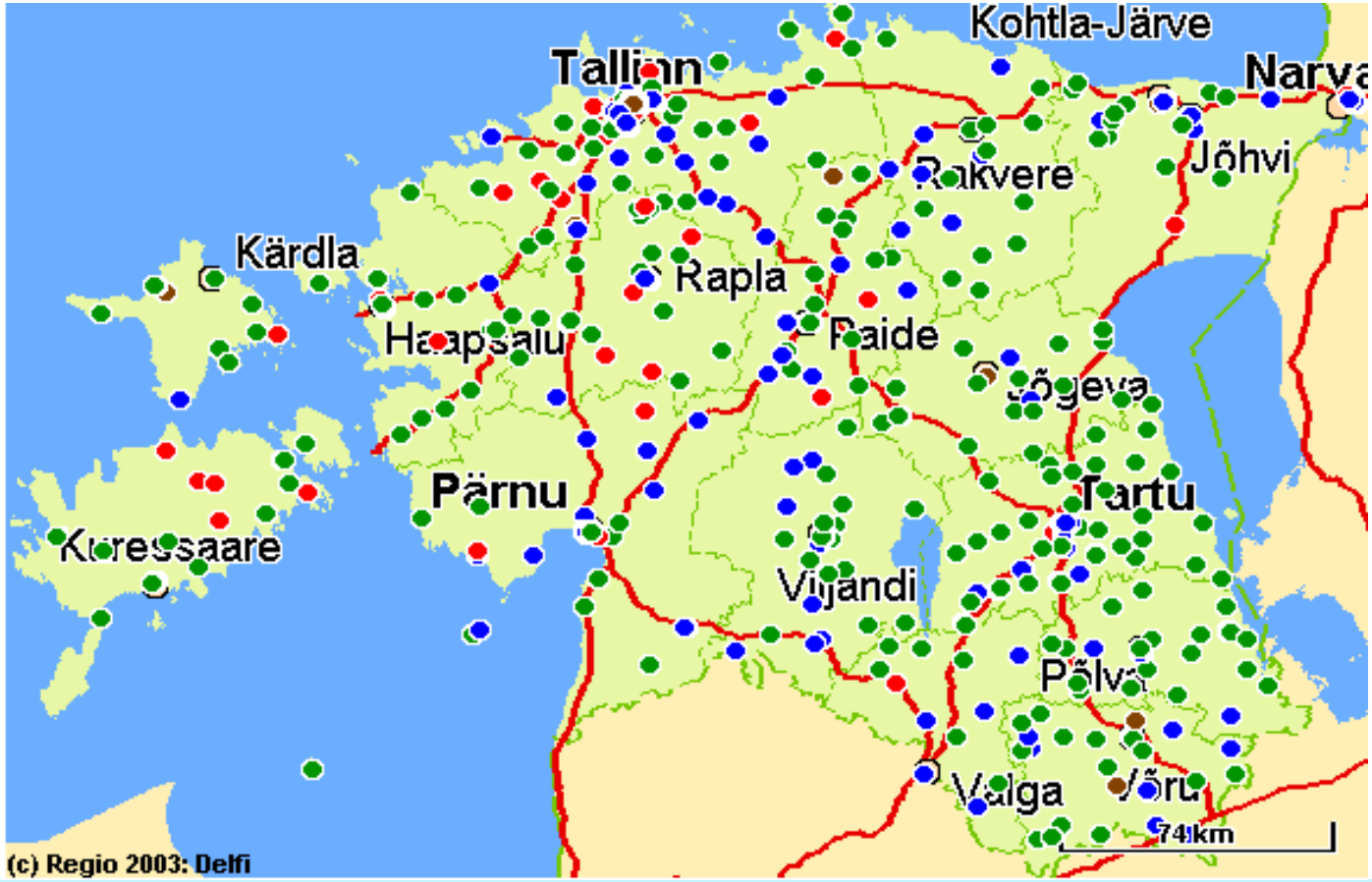
Public Private Partnership

- Look@world project - private initiative to bring people online
- Common use of authentication services
- Joint PKI development

Look@World

- Private initiative supported by complementing actions by state
- Basic ICT training for 100 000 citizens
- Creation of PIAP-s
- Innovative common applications for education, business and public services

Public Internet Access Points



700m
wifi ee
Area of wireless Internet
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Government Sessions Information