

OVERVIEW 2004

15 January

The Estonian **government decided to move towards fast transition to the euro.**

focuses on securing smooth joining with the European System of Central Banks and the European Economic and Monetary Union (EMU).

27 January

The Governor of Eesti Pank Mr Vahur Kraft had a meeting with the President of the Republic.

10 March

The Financial Supervision Authority issued Latvian **Parex Banka** a licence to set up a branch in Estonia.

23–26 February

Vice-President of Eesti Pank Mr Märten Ross made a presentation at a seminar “Challenges on the road to EU and EMU” held by the Joint Vienna Institute.

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Estonia submitted its **first budget statement** (general government budget and debt statement) to the European Commission. The statement showed a general government surplus of nearly 3 billion kroons in 2003.

26 February

The fifth Supervisory Board of Eesti Pank approved at their first meeting the minting of a **silver collector coin with a 10-kroon nominal value dedicated to the 120th anniversary of the Estonian national flag and a gold collector coin with a 100-kroon nominal value dedicated to the Olympic games.**

15 March

The list of currency exchange rates fixed by Eesti Pank was supplemented by the **Icelandic krona (ISK), Korean won (KRW), Thai baht (THB), and the Croatian kuna (HRK).**

The Museum of Eesti Pank sold more than 6,000 of both of these coins in 2004. Thus, year 2004 was the record year of collector coin sales for the museum.

19 March

The **spring prognosis of Eesti Pank** forecasted a 5.2% real GDP growth for 2004 and 5.8% for 2005.

9 March

The Supervisory Board of Eesti Pank took note of the **Strategic Development Plan of Eesti Pank for 2004–2006**, which

23–25 March

The Governor of Eesti Pank Mr Vahur Kraft made a presentation “Enlarged EU – Strengths and Weaknesses” at the European Banking and Financial Forum held in Prague.

25 March

At a joint discussion on the adoption of the euro, the Supervisory Board and the Executive Board of Eesti Pank found that transition to euro cash in Estonia is a logical follow-up to Estonia's accession to the EU and the exchange rate mechanism ERM II.

27 April

The World Economic Forum published a survey which points **Estonia** out as the **most competitive EU accession country**, outpacing four "old" Member States (Spain, Italy, Portugal and Greece).

1 May

Estonia became a member of the European Union.

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Eesti Pank became a member of the European System of Central Banks (ESCB).

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Amendments to the **Eesti Pank Act** entered into force, including amendments to the provisions on the objectives of Eesti Pank and the collection of statistics, as well as to the provisions on the autonomy of the central bank so as to allow Eesti Pank to participate in the work of the ESCB.

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Joining of the customs information systems of Estonia and the European Union.

3 May

The "**Euro Conference of Eesti Pank 2004**" dedicated to the 85th anniversary of Eesti Pank and to Estonia's accession to the European Union was held at the Estonian National Opera House in Tallinn.

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Eesti Pank started to **fix the exchange rate of the Estonian kroon in six significant digits instead of the seven digits** used before. The change was related to Estonia's preparations for joining ERM II, since the exchange rate of the Estonian kroon against the euro was to be fixed in six significant digits upon joining ERM II.

13 May

The Supervisory Board of Eesti Pank **approved the 2003 Annual Report of Eesti Pank and noted the implementation of the budget for 2003.** The profit of Eesti Pank in 2003 totalled 275.751 million kroons, of which the Supervisory Board decided to channel 206.813 million kroons into the special reserves of Eesti Pank and 68.938 million kroons (25%) to the state budget.

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Due to the accession to the European Union the **Estonian Statistical office changed the methodology of macroeconomic statistics** and thus the numerical values of the time series of Estonia's GDP changed as well.

28 May

The laureate of Eesti Pank's **research award** (30,000 kroons) in 2004 is Jaanika

Meriküll, doctoral candidate at the University of Tartu with her research on **macroeconomic modelling on the basis of Estonian economy**.

31 May

Eesti Pank issued a **silver collector coin with the nominal value of 10 kroons dedicated to the 120th anniversary of the Estonian national flag**.

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A new **coin set of the Estonian circulation coins** was issued, which includes the following uncirculated coins: **10 senti, 20 senti, 50 senti, 1 kroon and 5 krooni**.

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The Governor of Eesti Pank Mr Vahur Kraft gave a lecture in the University of Tartu on the economic policy priorities of present Europe and Estonia's interests.

18 June

The International Monetary Fund (IMF) mission stated that Estonia's economic development is generally favourable but the current account deficit still remains high and raises concerns.

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Eesti Pank announced the **design competition for the national side of the Estonian euro coins**.

28 June

Estonian kroon joined the **exchange rate mechanism ERM II**. The central parity of

the Estonian kroons was fixed at 1 euro = 15.6466 kroons.

5 July

Eesti Pank issued a **gold collector coin with the nominal value of 100 kroons dedicated to the Olympic games**.

4 September

Another **Open Door Day of Eesti Pank** took place.

7 September

At the meeting of the Supervisory Board of Eesti Pank, the Board took note of the **overview of the bank's budget implementation in the first six months**. In addition, the statement on the first half-year of the Internal Audit Department of Eesti Pank was presented to the Board, as well as an overview of the risk management processes in the bank.

21 September

The Tallinn City Court convicted five fuel merchants for **money laundry**, thus establishing a precedent in the Estonian court history.

27 September

The Governor of Eesti Pank Mr Vahur Kraft held a presentation on economic policy options in a knowledge-based society at the conference "Science and Knowledge-Based Society" held within the framework

of German-Estonian academic week "Academica".

2–3 October

Representatives of Eesti Pank participated in the autumn meeting of the **Monetary and Financial Committee of the International Monetary Fund** in Washington.

12 October

At the meeting of the Supervisory Board of Eesti Pank, the Board took note of the **overview of the current Estonian economic situation and outlooks**. In addition, the Board decided to make amendments to the Statute of Eesti Pank and adopted the new statutes of the Internal Audit Office of Eesti Pank.

13 October

The World Economic Forum published a report which places Estonia on the **20th position as regards competitiveness**.

14 October

The World Bank's report "Doing Business in 2005" placed Estonia on the **30th position as regards the development of business environment**. The World Bank considered slow (notarial) procedures for starting business and registering real estate to be the main obstacles in further development of the business environment.

19 October

134 designs were submitted to the design competition for the Estonian national euro coins.

20 October

The European Central Bank and the European Commission published the convergence report on the non-euro area Member States of the European Union. Both reports provided a positive evaluation on Estonia's ability to meet the Maastricht criteria.

26 October

The President of Deutsche Bundesbank Prof Axel Weber paid a visit to Eesti Pank.

5 November

A joint seminar of the Supervisory Boards of Eesti Pank and the Financial Supervision Authority on the **Estonian financial sector** was held.

9 November

The jury of the Estonian national euro coin design competition chose the ten final designs for the national vote out of the 134 designs submitted.

11 November

The International Monetary Fund (IMF) published its annual report on the Estonian economic and political situation.

IMF regards Estonia's economic growth as one of the fastest among the EU candidate countries. GDP per capita has almost doubled compared to 1993. The current account deficit, however, has significantly deteriorated since 2002 and remains high. Nevertheless, it was mentioned that

the current account deficit can be partly explained by one-off factors and that a large share of deficit is financed by foreign investment. Estonia's competitiveness is considered strong on the international markets.

12 November

The exhibition "The Making of the Euro" by photographer Claudio Hills was opened in the arts centre of Rotermanni Soolaladu in Tallinn. The exhibition also introduced the **ten final designs of the Estonian national euro coins**.

23 November

At the meeting of the Supervisory Board of Eesti Pank the Board had an **overview of the bank's budget implementation in the first nine months**. In addition, the **Financial Stability Review of the Estonian financial sector developments** was presented to the Board, as well as the **summary of the convergence** reports published by the European Central Bank and the European Commission.

24 November

Horst Köhler, President of the Federal Republic of Germany paid a visit to Eesti Pank.

26 November

The Governor of Eesti Pank Mr Vahur Kraft held a presentation on knowledge-based economy at a joint seminar organised by Riigikogu and the Centre for Strategic Initiatives.

1 December

The **autumn prognosis of Eesti Pank** forecasted a 6.2% real GDP growth for 2004 and 5.6% for 2005.

4–11 December

The **ten final Estonian national euro coin designs** chosen by the jury of experts were put to **national telephone vote**.

8 December

Riigikogu adopted, with 57 votes in favour, the **state budget** for 2005 with revenue being 53.073 billion kroons and expenditure 53.042 billion kroons.

13 December

The Executive Board of the Bank of Finland paid a visit to Eesti Pank.

17 December

Disclosure of the winner of the Estonian national euro coin design competition called Hara 2 by Lembit Lõhmus. The winning design received 12,482 votes in favour out of the 45,453 votes given during the national telephone vote.

21 December

At the meeting of the Supervisory Board of Eesti Pank, the Board took notice of the **central bank's strategic development plan for 2005–2007**, which mainly focuses on ensuring readiness for the full

membership of the European Economic and Monetary Union (EMU) and joining the euro area in 2006. The plan foresees ensuring readiness for competent participation in the decision-making and cooperation mechanisms of the single European monetary policy.

Arising from the Eesti Pank Act, the Board had an overview of the central bank's draft

budget for 2005 with the volume of 217.5 million kroons.

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The Heritage Foundation and the Wall Street Journal ranked **Estonia on the fourth position out of 155 countries as to the Index of Economic Freedom**. Estonia was outpaced by Hong Kong, Singapore and Luxembourg.