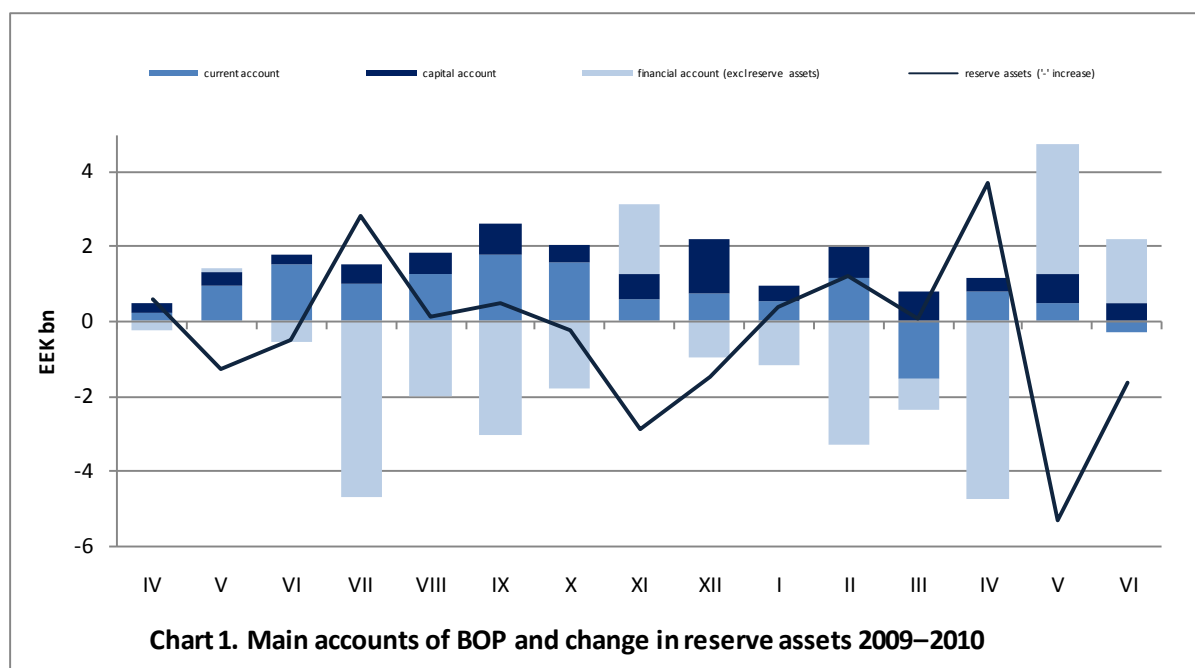


Balance of Payments Flash Estimate, June 2010

In June 2010, the current account (CA) credit turnover decreased by 6% and debit turnover by 1%.month-on-month. As a result, the CA posted a small deficit amounting to 0.3 billion kroons. Compared to June 2009, CA credit turnover increased by 4% and debit turnover by 18%. The faster growth of debit turnover was mainly caused by an increase in goods imports. Based on the balance of payments flash estimates of the previous three months, the estimated CA surplus of Q2 2010 was 1 billion kroons.

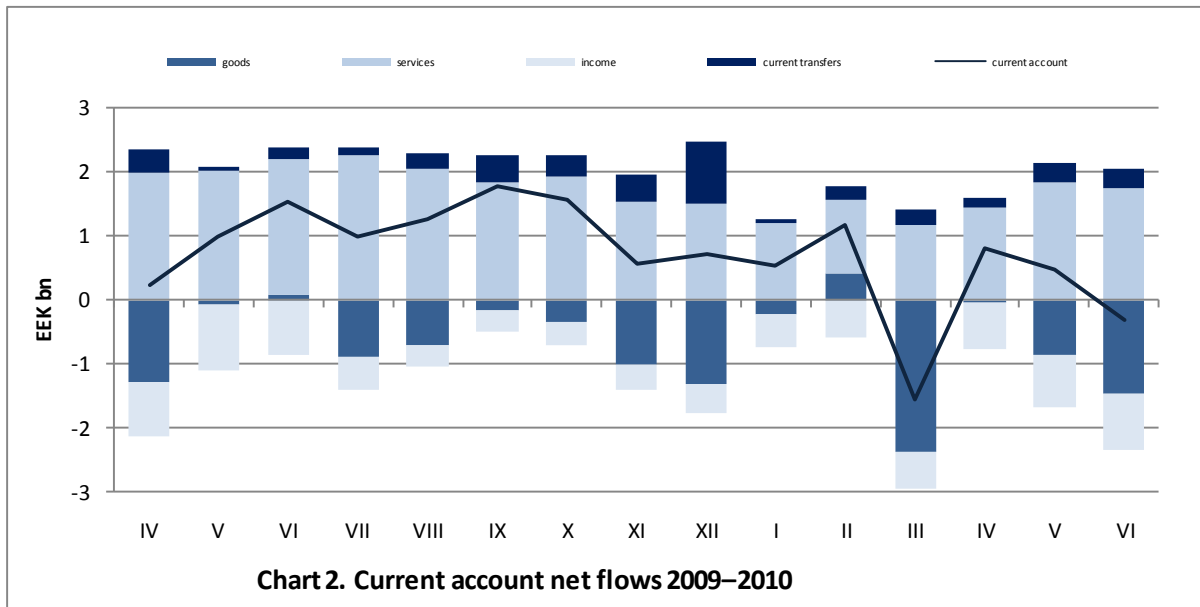


In June 2010, goods exports and imports increased by 7% and 23%, respectively, year-on-year. Compared to the previous month, goods exports decreased by 9% and imports by 4%. The foreign trade deficit grew to 1.5 billion kroons.

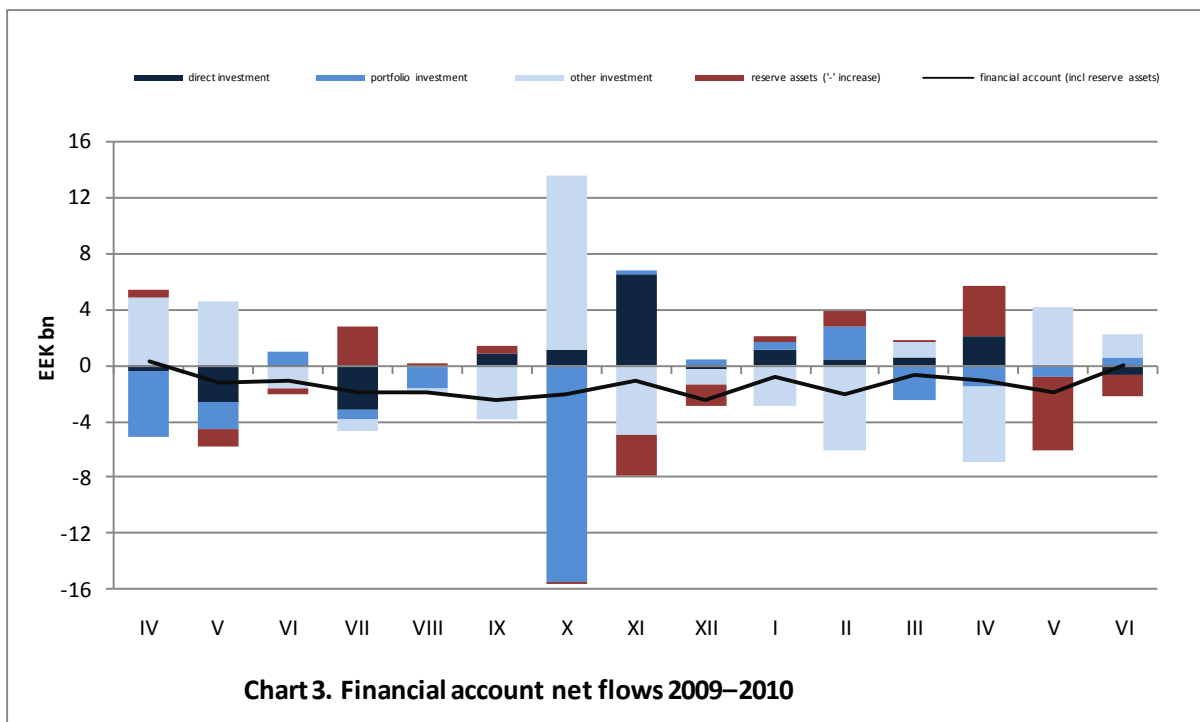
Services exports decreased by 4% and imports increased by 6% year-on-year. As a result, the surplus on services decreased to around 1.8 billion kroons. The faster increase in services imports was partially caused by strong growth in goods imports and resulting increased purchases of transportation services from non-residents. Compared to May 2010, services exports grew by 1% and imports by 6%.

The net income outflow remained nearly unchanged and amounted to 0.9 billion kroons year-on-year. Estonian residents' income earned abroad increased by 10% and non-residents' income earned in Estonia by 5% compared to a year-ago. The income inflow decreased somewhat and outflow increased by 4% compared to the previous month.

The high level of incoming transfers from EU funds continued also in June: the inflow of current transfers exceeded the outflow by 0.3 billion kroons, and the capital account surplus totalled 0.5 billion kroons.



In June – like in May - there occurred a net inflow of capital in the financial account (without reserves). The net inflow amounted to 1.7 billion kroons. Other investment was the main channel of the net inflow of capital.



The inflow and outflow of foreign direct investment continued to be modest also in June. Foreign direct investment in Estonia increased only by 41 million kroons and residents' direct investment abroad by 0.6 billion kroons. Consequently, the net outflow of direct investment was 0.6 billion kroons.

The net inflow of portfolio investment amounted to 0.6 billion kroons and concerned mainly debt securities. As regards equity securities, there was a net outflow. The inflow and outflow of financial derivatives was nearly in balance.

The assets of other investment (trade credit, loans, currency and deposits) decreased by 2.3 billion kroons and liabilities by 0.6 billion kroons. The net inflow of other capital exceeded the outflow by 1.7 billion kroons. Changes in the assets of other investment concerned mainly the short-term capital of credit institutions. Behind the decrease in liabilities there were also mainly credit institutions, whereas the other investment liabilities of the central bank and government increased.

Reserve assets increased by 1.6 billion kroons.

The Balance of Payments Flash Estimate for July 2010 will be published on 14 September 2010 at noon.