

## Introduction

Estonia is a country located in Eastern Europe that includes bays, straits, inlets, and an estimated 1,500 islands. It borders Russia, Latvia, the Gulf of Finland, and the Baltic Sea. The mainland is flat and heavily forested. The government system is a parliamentary republic; the chief of state is the president, and the head of government is the prime minister. Estonia has a modern market-based economy in which the prices of goods and services are determined in a free price system. Estonia is a member of the European Union (EU).



**Location:** Northern Europe

**Capital City:** Tallinn (+2 GMT)

**Chief of State:** President Alar Karis

**Head of Govt.:** Prime Minister Kaja Kallas

**Currency:** Euro (EUR)

**Major Languages:** Estonian (official) 67.2%, Russian 28.5%, other 3.7%, unspecified 0.6% (2021 est.)

**Primary Religions:** Orthodox 16.5%, Protestant 9.2% (Lutheran 7.7%, other Protestant 1.5%), other 3% (includes Roman Catholic, Muslim, Jehovah's Witnesses, Pentecostal, Buddhist, and Taara Believer), none 58.4%, unspecified 12.9% (2021 est.)

**Calling Code:** 372

**Voltage:** 230

## Key Websites

Main Government Page: [valitsus.ee](http://valitsus.ee)

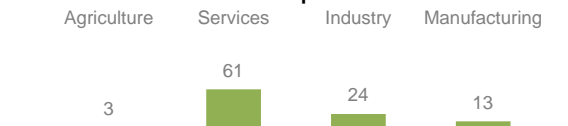
Commerce Ministry: [mkm.ee](http://mkm.ee)

Investment Promotion Agency: [investinestonia.com](http://investinestonia.com)

## Key Economic Facts

Income Level (by per capita GNI):	High Income
Level of Development:	Developed
GDP, PPP (current international \$):	\$62.80 billion (2022)
GDP growth (annual %):	-1.29% (2022)
GDP per capita, PPP (current international \$):	\$46,697.36 (2022)
Manufacturing, value added (% of GDP):	12.76% (2022)
Current account balance (BoP, current US\$):	-\$0.85 billion (2022)
Inflation, consumer prices (annual %):	19.40% (2022)
Labor force, total:	732,290 (2022)
Unemployment, total (% of total labor force) (modeled ILO estimate):	5.85% (2022)
Imports of goods and services (current US\$):	\$32.79 billion (2022)
Exports of goods and services (current US\$):	\$32.58 billion (2022)

## GDP Composition %



*\*Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

## Rankings

Index	Rank
Corruption Perceptions Index	13 / 178
Global Competitiveness Index	31 / 141
Global Enabling Trade Index	14 / 136
Global Services Location Index	12 / 60
Index of Economic Freedom	6 / 176
International Logistics Performance Index (LPI)	36 / 160
Inward FDI Potential Index	34 / 139
KOF Index of Globalization	28 / 185
Networked Readiness Index (NRI)	22 / 139

## Risk Assessment (Provided by Coface)

**Country rating: A3** - Changes in generally good but somewhat volatile political and economic environment can affect corporate payment behavior. A basically secure business environment can nonetheless give rise to occasional difficulties for companies. Corporate default probability is quite acceptable on average.

**Business Climate rating: A1** - The business environment is very good. Corporate financial information is available and reliable. Debt collection is efficient. Institutional quality is very good. Intercompany transactions run smoothly in environments rated A1.

### Strengths

- Membership in the Eurozone (2011), OECD (2010) and NATO
- Diversified energy sources, half of them domestic thanks to oil shales
- Close commercial, financial and cultural links with Scandinavia and Finland
- Development of high value-added sectors (electronics, IT services)
- Flexibility of economic policy
- Traditionally low indebtedness

### Weaknesses

- Small, open economy sensitive to external shocks
- Before the war started, Russia was one of the biggest trading partners of Estonia
- Declining labor force and shortage of skilled labor
- Lack of land links with the rest of the EU
- Income inequalities and persistent poverty, especially in the predominantly Russian-speaking eastern regions
- Need for stronger anti-money laundering measures highlighted by the IMF

## U.S. Embassy

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<https://ee.usembassy.gov>