

March 25, 2019

DEAR <NAME>,

While the coalition negotiations are ongoing, we would like to use this opportunity to bring forward and present you with the key topics and issues that are of critical importance to the members of the American Chamber of Commerce (AmCham Estonia) and are directly linked with Estonia's business climate and its attractiveness to the foreign direct investors in the country.

Enclosed with this letter, you will find our Advocacy & Policy Priorities Packet that consists of 5 position papers that have been compiled by AmCham's Committees and bring together specialists and experts from a variety of industries and disciplines to generate new initiatives and communicate the views and opinions of the entire members on a range of topics:

- **TAXATION** – AmCham believes that Estonia needs to address several taxation issues to help maintain a competitive position in the region and attract more foreign direct investment into the country. Taxation committee believes that the way to transform Estonia from a low-cost labor and contract – manufacturing country into an innovative and creative science and technology-based economy, would be to enhance a few nuances in the current Taxation system, including R&D incentives, labor taxes, and stock award program.
- **HEALTHCARE** - Insufficient financing of Estonian healthcare system reduces the GDP and life quality. E-health solutions should be further developed and accessibility of medicines and medical devices further ensured in order to ensure proper business climate, healthy workforce and attractiveness for current and future investment. AmCham Healthcare Committee is ready to further participate in multi-stakeholder dialogues to tackle these challenges.
- **LABOR & TALENT** - Estonian economy is vibrant and open. Access to high skilled foreign talent has been an important driver of the country's success story and our excellent reputation in the world. We strongly support the continued endorsement of this principle by the Estonian Parliament and Government.
- **INTELLECTUAL PROPERTY** - Intellectual property or any other form of created valuable knowhow, technology, or data, makes up a constantly increasing share of today's business value. Estonia should be at the forefront to understand and reap the benefits of this to its economy and businesses. This would need an articulated state strategy to support the creation, usage and protection of IP in every invention, innovation or activity to maximize the value to Estonia. AmCham Estonia is committed to work with Estonian institutions and policy-makers to develop a strong, cost effective and strategically shaped IP-based support system.

- **TRAVEL & TOURISM** - Some of the most critical issues currently limiting the growth of this sector are limited infrastructure, insufficient connectivity, taxation and labor issues. On the infrastructure side, Estonia is in dire need of a large convention center that will significantly increase both business travel and the overall attraction of the destination. Connection via direct flights to more countries should be enthusiastically suggested/promoted and infrastructure projects such as Rail Baltica must be supported to increase the different ways to reach Estonia via different modes of transportation. Finally, VAT should not be raised and social tax reforms are needed as currently it begins to cost too much to be able to keep employees for certain tasks. Immigration laws are also too unsupportive of getting foreign talent to do jobs which are too expensive for local staff.

Some of the key issues that we would like to specially highlight for you are:

- **Digital Economy and Society** as one of main pillars of Estonian success and future differentiator from other countries. Building a modern society, which will help us to ensure that both, private and public sector efforts and investments, are made towards building a society that is data and insights inspired, healthy, environment conscious and economically advanced. Such technologically advanced environment ensures that we are creating an effective environment for business to invest in and a better place to live in for people that share those values (pay their taxes here). We have concrete actions that can be taken to move towards such a goal, which we are more than happy to share.
- **Future of Estonian Labor Market** - an acute need for qualified workers who will be able to contribute to the society and economy.

We stand ready to discuss and work closely with all parties, Estonian Parliament members and the Estonian government on the above-mentioned policy objectives and wish you every success!

We do hope that you will find this feedback from the business sector insightful and useful as you proceed with your negotiations on various topics.

Dr. Indrek Laul
AmCham Estonia President

Daria Sivovol
AmCham Estonia CEO

Established in 1997, the American Chamber of Commerce Estonia (AmCham Estonia) is a leading foreign business hub in Estonia comprising of over 130 companies from a wide range of sectors with operations and employees in Estonia and across Europe. AmCham Estonia speaks for American, Estonian and International companies operating in Estonia and aims to ensure a growth-oriented business and investment climate in the country. AmCham Estonia is a member of the AmChams in Europe Association (ACE) and of the U.S. Chamber of Commerce.