

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

UK / ESTONIAN RELATIONS

12. These are very good, and though we are never going to rival the Nordics (the Swedish Foreign Minister has been here 7 times in 3 years) we kept up an intensive rhythm of bilateral visits in 1994, especially in the second half of the year. Laar was in London in May, and he went to Vilnius to meet Mr Major in July. Mr Hogg was in Tallinn in August, and you yourself came briefly in October. Your fresh impressions of Russia and your advice on the approach to the EU and to NATO were carefully listened to. The small Estonian royalist party's semi-serious invitation in July to Prince Edward to come and be their King attracted a polite 'no' but got a lot of UK media attention - more than anything else in 1994 except September's sea disaster.

13. Our trade relations have expanded too, and Estonia has a big surplus with us on visible trade (though figures are a bit misleading, as a lot of Russian goods come out via Tallinn). We negotiated, signed and ratified a DTA and an IPPA during the year. Our new Baltic Export Promoter has made an active start, and we will field the Lord Mayor of London in late March. 'Next' opened a smart new store in Tallinn in November, their first in Eastern Europe, Shell is building garages, and there is a small but growing expat business community. There are particularly promising trade and other links with Scotland. Estonians keep telling me how in the 1930's 40 % of their trade was with the UK, and there is a lot of good will towards us. After the series of 'political' visits in 1994, we should emphasise the potential of our economic and trade links in 1995, and I hope a DTI Minister will be able to come. The British Council continued its good work, especially in ELT, and the Know How Fund's projects make a real contribution. The help we have given in teaching English to Estonian Balt Bat officers has done us proud, and MOD are developing ambitious plans to help the Estonian military further in 1995. Mr Rifkind's visit in October saw the signing of a MOU on such cooperation.

OBJECTIVES

14. We are only two in this tiny mission, and we cannot be too ambitious. But we are on course to achieve our objectives, broad though they currently are. The encouragement we give to a realistic Estonian approach to the EU and to NATO, and to a magnanimous attitude to the Russian minority, is something we have to carry out in common with our EU partners, especially Germany. ELT help and small projects finance we can do on our own.

[REDACTED]