

Estonia struggles with dwindling export volumes

Around 20 percent of all companies in Estonia export their goods or services. Although the number of exporting companies – currently 14,500 – has increased, export volumes have gone down.

According to Statistics Estonia, export of goods in October 2015 decreased by 12 percent compared to October of 2014. Compared to September 2015, export showed a 2 percent increase. The dwindling export volume is part of a larger trend, experts say.

According to Tea Danilov, director of the Entrepreneurship and Export Centre of Enterprise Estonia, recent difficulties and crises have made entrepreneurs very careful and conservative. Many are simply too afraid to get burnt again to embark on any ambitious export projects.

Rising labor costs have also melted away the price advantage Estonian producers formerly had over many competitors, Danilov said. “What helps in this situation is product development. Companies must find ways to charge higher prices even if salaries and labor costs go up. Product development and export are the two sides of the same coin: product development does not pay off without export, and you cannot export for long without product development,” she explained.

In order to help Estonian producers enter new markets, the government decided today to establish a new cooperation platform named Team Estonia. The organization will also be tasked with attracting foreign investments to Estonia.

According to Danilov, one of the most promising export sectors in Estonia is its service sector – export financial, medical and IT services have recently showed an upward trend.

The biggest share in Estonia's exports in October was held by electrical equipment (20 percent of total exports), followed by agricultural products and food preparations (12 percent), and wood and products thereof (10 percent). The biggest decrease occurred in the exports of mineral products and electrical equipment.

In October, exports from Estonia amounted to 1 billion euros and imports to Estonia to 1.1 billion euros.

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