

Future opportunities for the Estonian Economy

Ott Pärna, *CEO*

Seminar to Ambassadors

April 27th, 2010

www.arengufond.ee



ARENGUFOND
ESTONIAN DEVELOPMENT FUND

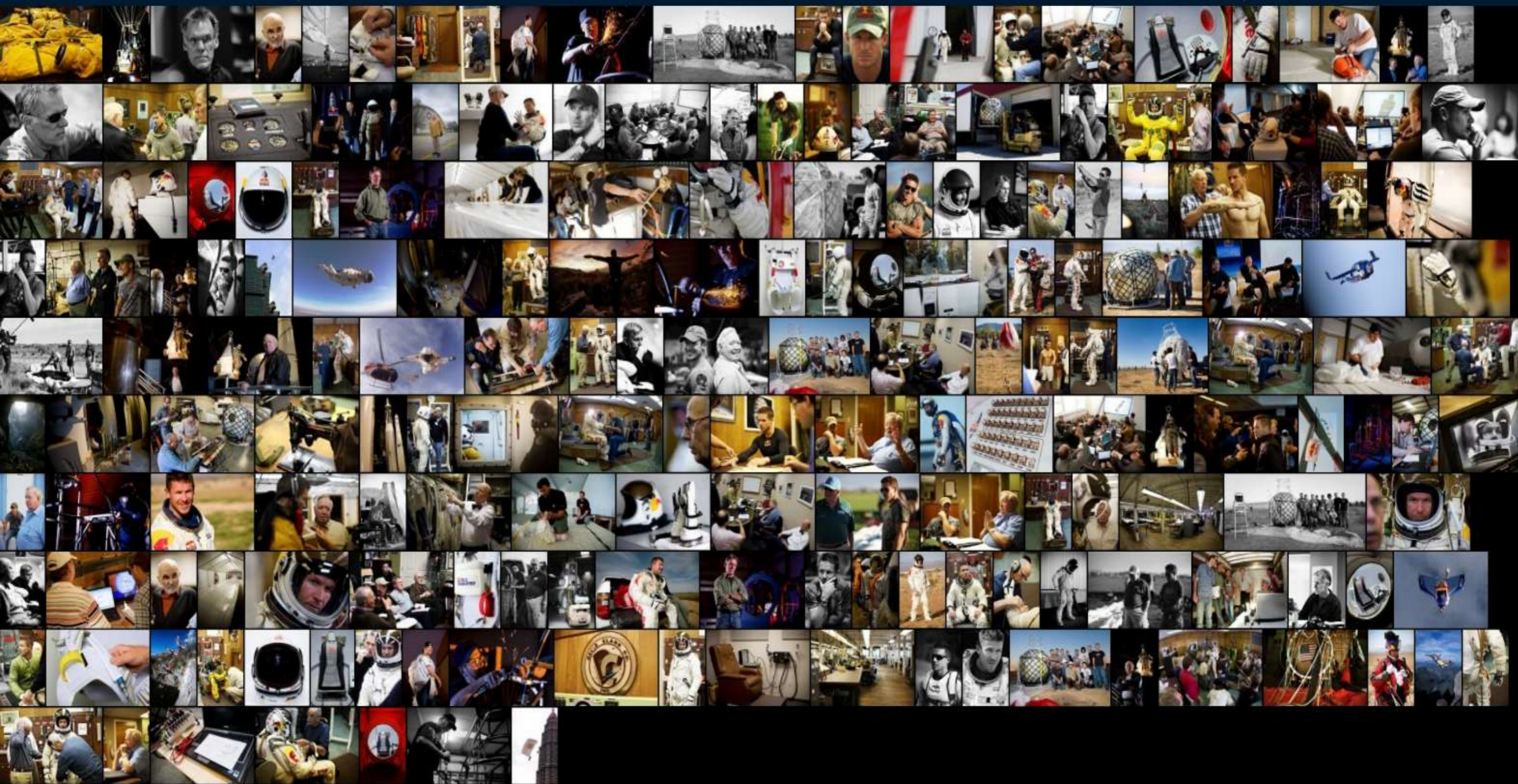


GALLERY

CHOOSE MEDIA TYPE BELOW:

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FILTER BY: **SHOW ALL** | CAPSULE | EQUIPMENT | FELIX BAUMGARTNER | JOE KITTINGER | PROJECT TEAM | SUIT | TESTING



See:

http://www.redbull.com/cs/Satellite/en_INT/Video/Red-



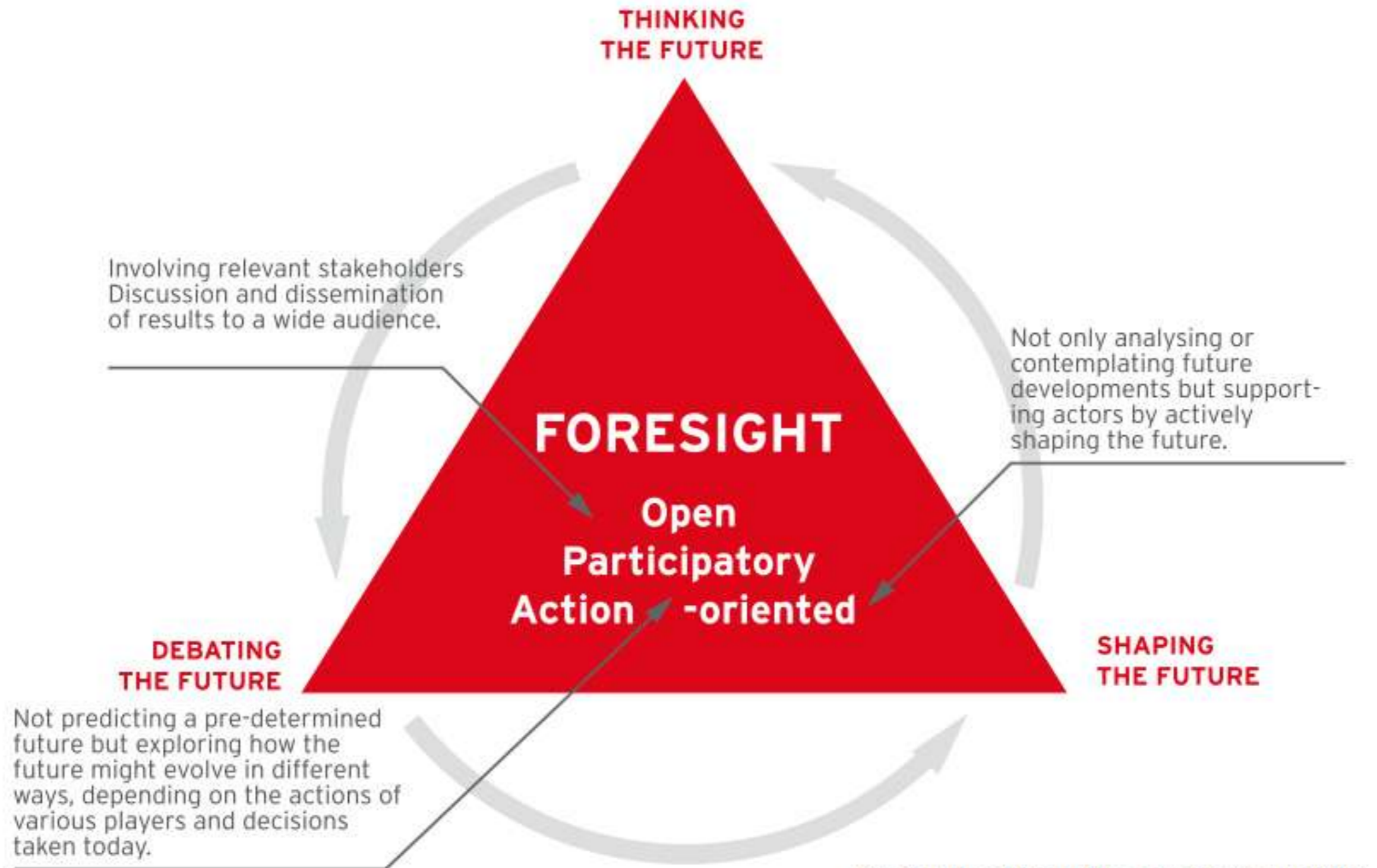
Background of EDF



- Started in Spring 2007
- Parliamentary think-tank & VC fund
- Mission is to lead Estonian economic restructuring
- Team: 15 experts
- Supervisory council: 9 members
- International expert committee: 7 well-known technology, business model and venture capital experts

- **Strategic foresight** / world economic and technology trend analysis, future-oriented research and initiatives
- **Early Stage Venture Capital Fund** / boosting ambitions of entrepreneurship culture, international start-up businesses and venture capital investments in Estonia

Foresight = collective learning + action



Customised from the source: "Foresight for the European Research Area"

2013



UUED TURUD, TULUSAMAD ÄRIFUNKTSIOONID
JA MAAILMA KASVUVALDKONNAD

EESTI FOKUSES
5/2009

Tööstusvedurid 2018

EESTI TÖÖSTUSE KASVUVOIMALUSED JÄRMISEKS KÜMNENDIKS

MAAILMA VÄLJAKUTSE
ON EESTI VOIMALUS

EESTI FOKUSES
1/2009

Tervisemajandus 2018

EESTI TERVISETEENUSTE EKSPORDIVOIMALUSED

INFOTEHNOLOOGIA - ISE VÄIKE, KUID JÕUD ON SUUR

EESTI FOKUSES
2/2009

EST_IT@2018

EESTI INFOTEHNOLOOGIA TULEVIKIVAATED

TARGALT TEGUTSEDES MÕJUSAD NIISIVÕIMALUSED

EESTI FOKUSES
3/2009

Finantsteenused 2018

EESTI FINANTSTEENUSTE EKSPORDIVOIMALUSED

THE GROWTH VISION 2018

The vision of the competitiveness of the Estonian economy in 10 years and synthesis of the tools to achieve it.

GOLIATH
a breath of a giant

BiotaP

Smart **POST**

seed**BOOSTER**

Robots, Fashion, and the Perfect Fit!
check www.fits.me for invites



ANNO
ILMARINE
1859

Uniteddogs™

Unitedcats™

EstVCA

EESTI RISKIKAPITALI
ASSOTSIATSIOON

Welcome to South-Korea of Europe



□ Baltic Sea – Europe’s “biggest lake” is surrounded by 9 countries (incl. only seaside-provinces of Russia, Poland and Germany) with 47 million inhabitants and 1,2 billion USD GDP. Both indicators are close to the size of South-Korea.

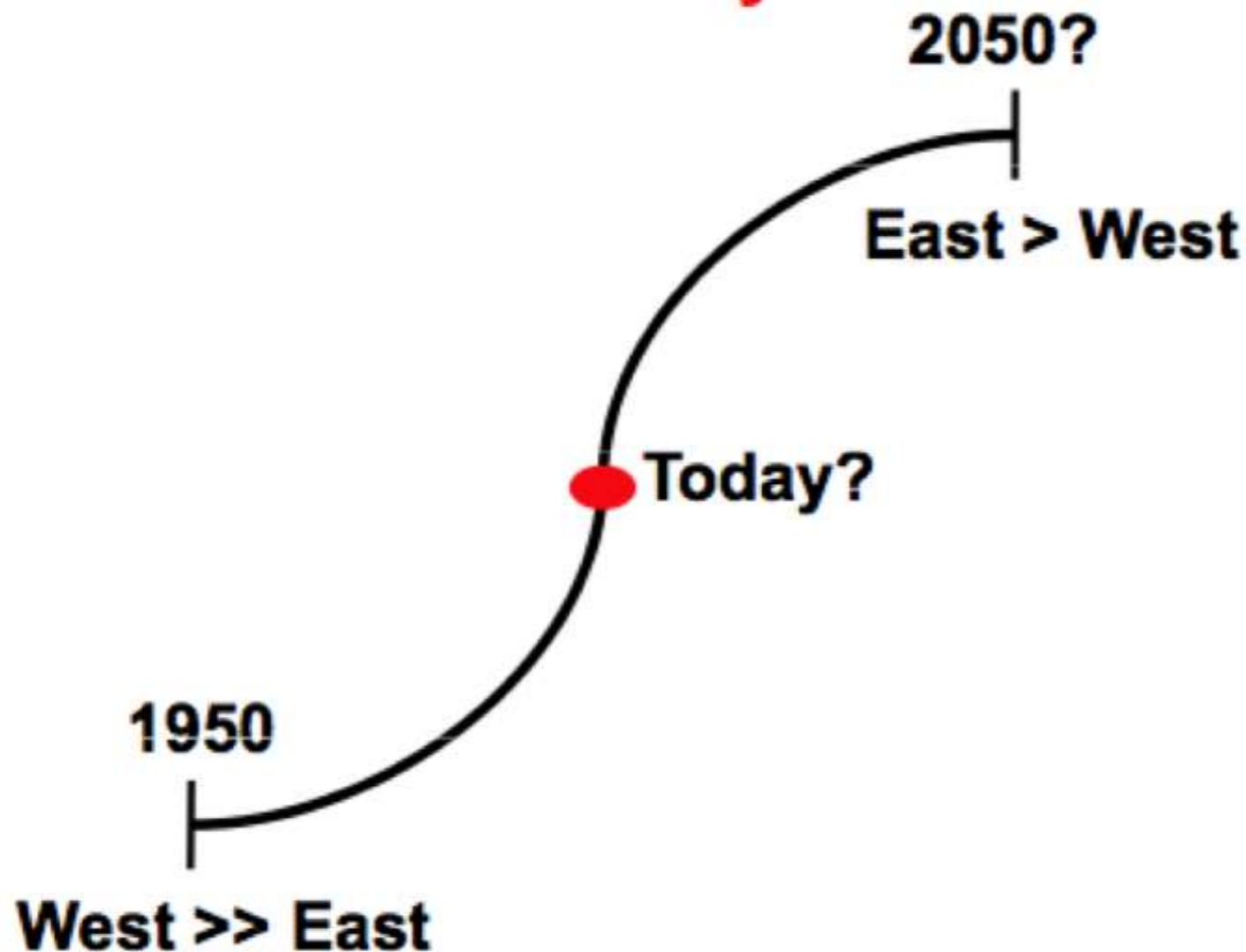
□ Eight out of nine of these states are members of the EU

□ For four EU new member states, it is a perfect and deeper-integrating region for additional catching-up and growth

Asia: opportunity # understanding



External Reality

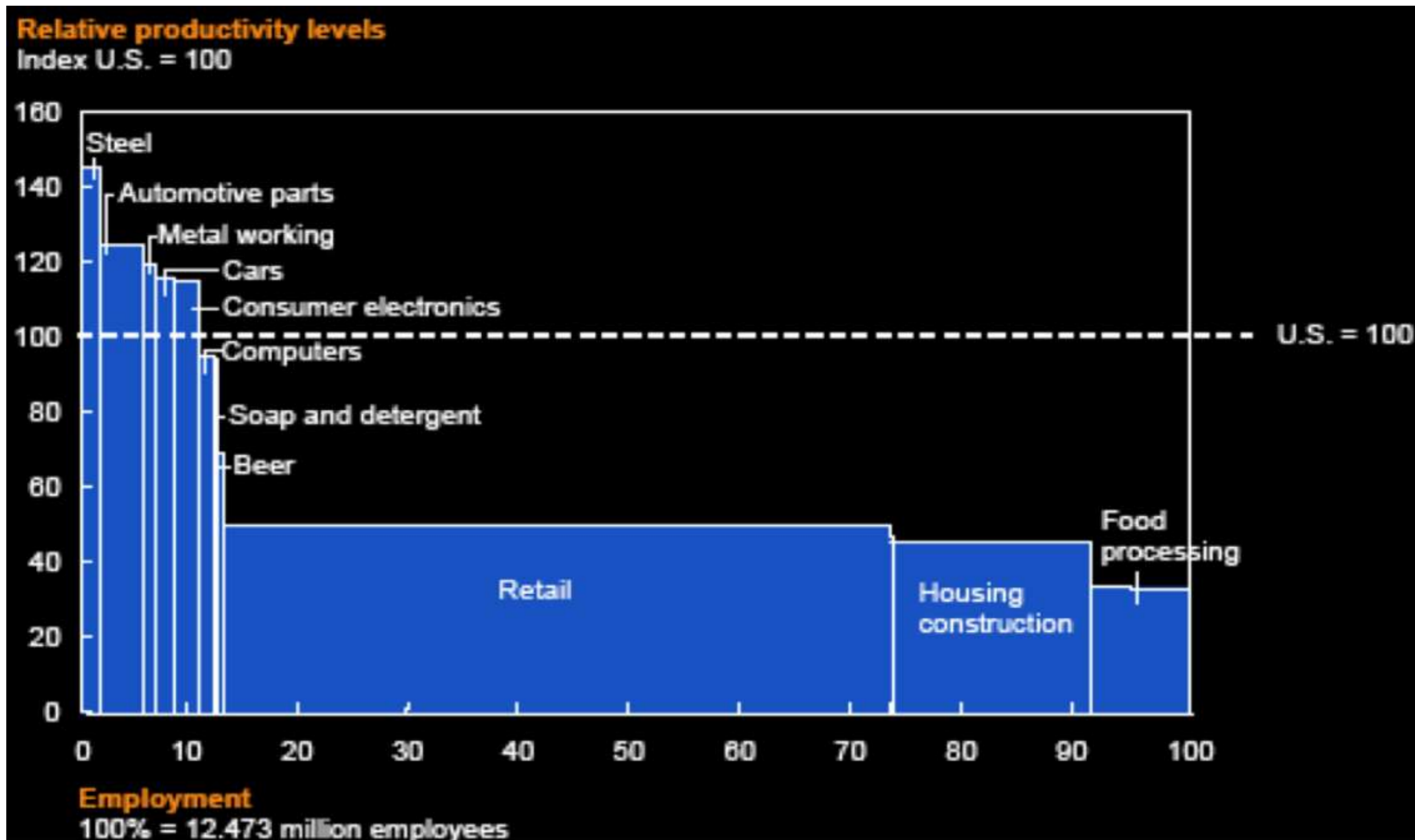


Internal Reality

Asia Today:

- 34% of potential market
- 14% of sales
- 7% of employees
- 5% of assets
- 3% of R&D
- 2% of top 200 leaders

Dual economy of Japan (11 industries)

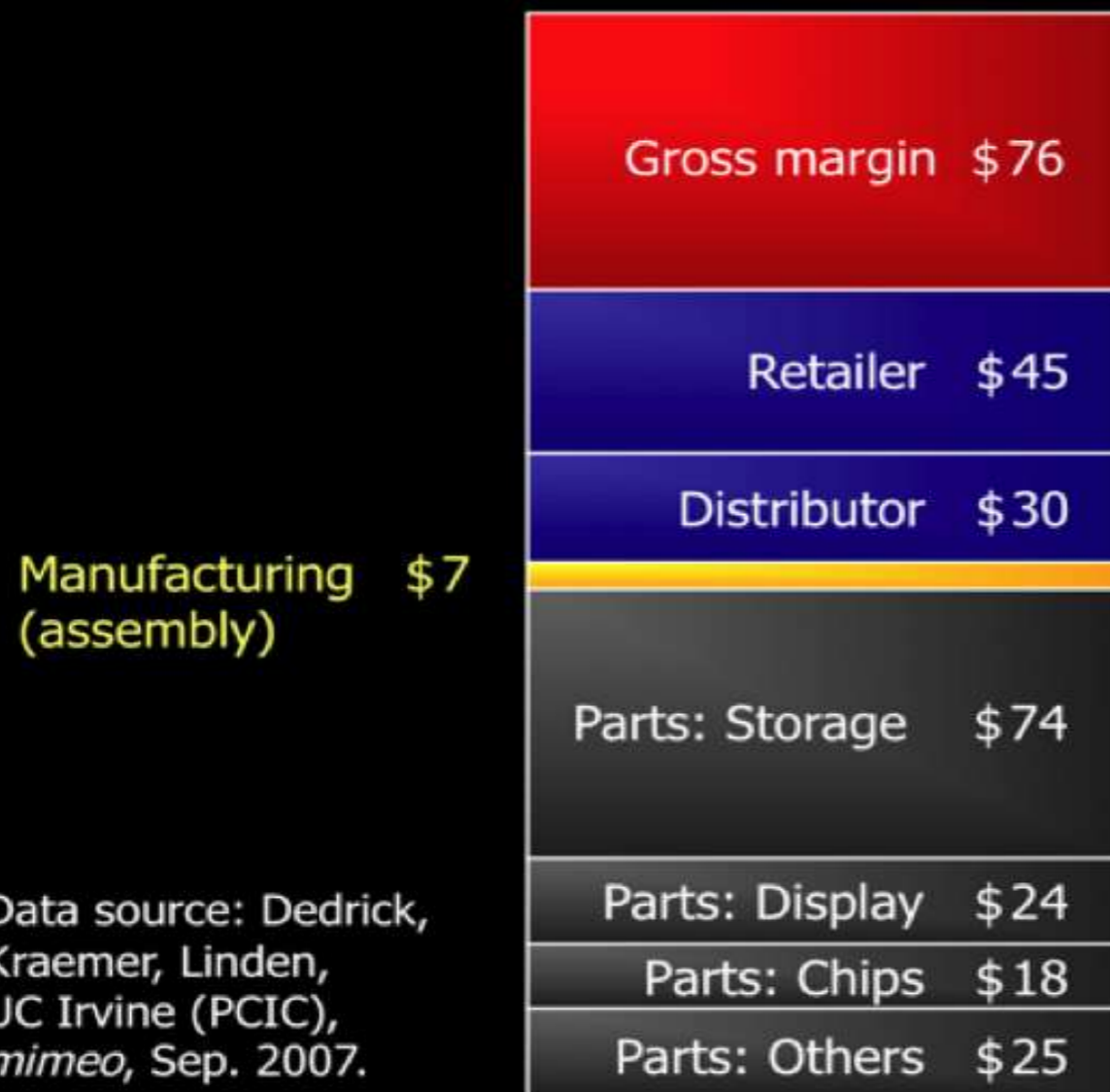


Positioning in the value chain is the key!



Hubs of specialization in the global value chains
– How the value is created?

Breakdown of \$299 retail price
of a 30Gb Video iPod® in 2005



Data source: Dedrick,
Kraemer, Linden,
UC Irvine (PCIC),
mimeo, Sep. 2007.



Business model matters more than simply being High-Tech



New & expanding business models need venture capital



Inside view: What is the opinion of the entrepreneurs who have involved venture capital?

The respondents stated that without a venture capital injection...

94,5%

of them would have either ceased to exist or would have grown less rapidly;

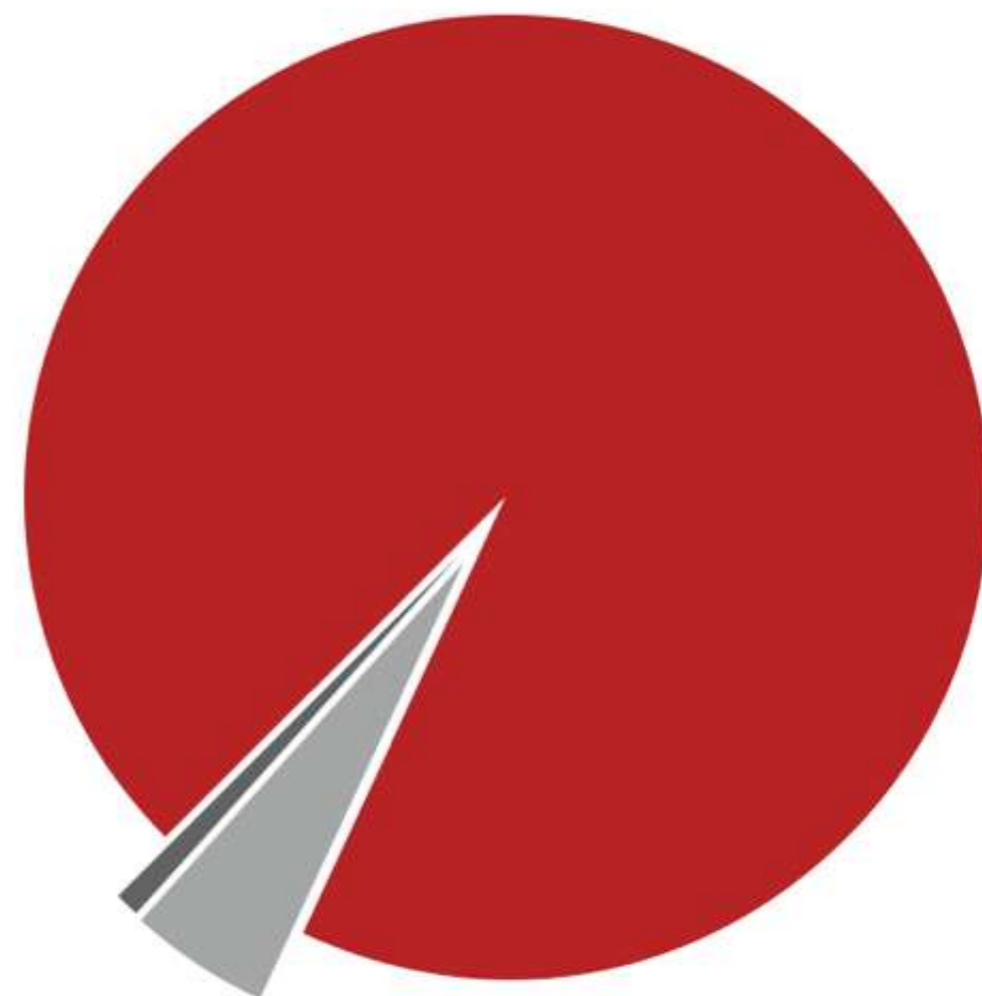
4,7%

cited no difference, they reckoned that they would have developed in the same way;

0,8%

would have developed faster.

Source: EVCA, Survey of the Economic and Social Impact of Venture Capital in Europe



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WEI-CHI (CRISIS)
"Danger Plus Opportunity"

Estonian Growth Vision

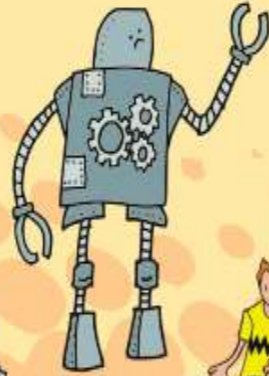


GLOBALLY COMPETITIVE, LOCALLY ATTRACTIVE



NESTA Making Innovation Flourish

Reboot Britain



How the promise of our new digital age can tackle the challenges we face as a country

Contributions by Lee Bryant, Daniel Heaf, Andy Hobsbawm, Paul Hodgkin, Paul Miller, Julie Meyer, Micah L. Sifry, Tom Steinberg and Jon Watts
Edited and introduced by Diane Coyle



OBAMA '08

YES WE CAN

WWW.BARACKOBAMA.COM



WWW.BARACKOBAMA.COM
CHANGE
WE CAN BELIEVE IN

SINGAPORE

Futures Group

Prime Minister Lee Hsien Loong (in Parliament on 27 May 2009):

Economic Strategies Committee

PLANNING FOR GROWTH, INVESTING IN OUR FUTURE

Sitra's Wellsprings of Finnish Vitality development programme seeks paths to success



12.6.2009

Autumn 2009 will see the launch of Sitra's new five-stage development programme entitled Wellsprings of Finnish Vitality. The programme will generate measures based on the various views on how Finland's operating environment will be affected by the financial and economic crises currently shaking the world, climate change and the development in ICT.