

## Estonia

### 1. EU Competitiveness

<b>Question 1</b>	To what extent do you consider the European Commission's overall policy stance supportive of competitiveness and growth compared to 12 months ago?	Unchanged
<b>Question 2</b>	In light of the legislative changes introduced and implemented by the European Commission, how would you evaluate the evolution of administrative burden compared to a year ago?	Increased slightly
<b>Question 3</b>	How do you think the EU investment environment is seen by global firms compared to 12 months ago?	Slightly worse
<b>Question 4</b>	What does your federation see as the three main challenges threatening the attractiveness of the EU as an investment environment vis-a-vis international competitors?	<ul style="list-style-type: none"> <li>• Regulatory environment</li> <li>• Environmental policies</li> <li>• Tax Regime</li> </ul>

## **2. National Recovery and Resilience Plans**

<b>Question 8</b>	How satisfied or dissatisfied are you with the way your country is implementing the national recovery and resilience plan?	Satisfied
<b>Question 9</b>	How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan?	Neutral
<b>Question 10</b>	How effective do you think the European Commission is being in ensuring strong implementation of the reforms in the national recovery and resilience plans across the EU?	Completely confident

### 3. Assessment of Country Specific recommendations 2023 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Wind down the emergency energy support measures in force, using the related savings to reduce the government deficit, as soon as possible in 2023 and 2024. Should renewed energy price increases necessitate new or continued support measures, ensure that such support measures are targeted at protecting vulnerable households and firms, are fiscally affordable and preserve incentives for energy savings. Ensure prudent fiscal policy, in particular by limiting the nominal increase in nationally financed net primary expenditure in 2024 to not more than 4,9 %. Preserve nationally financed public investment and ensure the effective absorption of grants under the Facility and of other Union funds, in particular to foster the green and digital transitions. For the period beyond 2024, continue to pursue a medium-term fiscal strategy of gradual and sustainable consolidation, combined with investments and reforms conducive to higher sustainable growth, in order to achieve a prudent medium-term fiscal position.	Important	Unsatisfactory	Spending in previous 3 years have been too generous and made contracyclical spending impossible today. Very little was spent on supporting enterprises during 2020-2023, main support measures were for physical persons and some measures created indefinite burden for state.
CSR 2	Proceed with the steady implementation of its recovery and resilience plan including its REPowerEU chapter. Proceed with the swift implementation of cohesion policy programmes, in close complementarity and synergy with the recovery and resilience plan.	Important	Satisfactory	---

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 3	Strengthen social protection by extending the coverage of unemployment benefits, in particular for those in work for short spells and in non-standard forms of work, in order to address, inter alia, old-age poverty. Improve access to and the affordability of healthcare and long-term care, in particular by ensuring their sustainable funding.	Important	Mixed	Too much focus on public expenditure and tax reforms and too little on enhancing economic growth, E.g reforming higher education, attracting investments, foreign labor etc. At the same time family benefits are already too generous causing labor inactivity and gender inequality. Compulsory private pension scheme was made "opt-out" and therefore situation is even more difficult for the pensioners in the future. Current government has tried to improve fiscal discipline a little, but improving social safety net today would be difficult. Health care system is very efficient, but problem is the lack of work force and encapsulated public hospital system, that doesn't allow private hospitals to the market. Many people, who aren't covered with public insurance, may have private insurance or live abroad. That aspect needs to be clarified before stating uncovered inhabitants a problem.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 4	Reduce overall reliance on fossil fuels, accelerate the deployment of renewable energy sources, including by strengthening the domestic electricity grid capacity. Ensure sufficient capacity of electricity interconnections to increase the security of supply and continue the synchronisation with the Union electricity grid. Strengthen energy efficiency through new financing and support measures to meet the targets of the long-term renovation strategy. Continue efforts to increase the share of sustainable transport by electrifying the rail network and through taxation that incentivises the gradual renewal of the vehicle stock towards zero or low-emission vehicles. Step up policy efforts aimed at the provision and acquisition of skills and competences needed for the green transition.	Important	Satisfactory	---

#### **4. Reform Progress in your Member State in 2023**

How would you assess reform progress in 2023, for the following broad areas:

<b>Taxation and Public Finances</b>	Unsatisfactory
<b>Business environment (regulation/access to markets)</b>	Unsatisfactory
<b>Labour market</b>	Unsatisfactory
<b>Innovation and skills</b>	Satisfactory
<b>Access to finance and Financial stability</b>	Mixed

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2024 Reform Barometer?

## 5. Reform priorities for 2024

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 1</b>	R&D and Innovation	Clear focus on creating supportive ecosystem, E.g increase supply of qualified work force, enhance innovative cooperation, more focus to innovation instead of science in funding	no
<b>Priority 2</b>	Labour supply measures for specific groups (older workers, women...)	Attract and enhance hiring foreign labor as well as raise the level and adequacy of education	no
<b>Priority 3</b>	Public sector efficiency	Make use of digitalization, big data and AI in order to decrease the labor intensity in public sector	no
<b>Priority 4</b>	ICT	Enhance digitalisation in private sector, support cost effective and efficient ERP systems, increase the volumes of ICT graduates	no
<b>Priority 5</b>	Business Environment - Regulatory barriers to entrepreneurship	Cut administrative burden by not adopting new obligations, cutting some of the obligations that are not critical for state functions, cutting state's functions, automating administrative processes.	no

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