



# Estonia

Overview

**EIB INVESTMENT SURVEY**

**2019**



EIB Group survey on investment  
and investment finance 2019  
Country overview

# Estonia

## **EIB Group survey on investment and investment finance 2019. Country overview: Estonia**

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### **About the EIB Investment Survey (EIBIS)**

The EIB Group Survey on Investment and Investment Finance is a unique, annual survey of some 13.500 firms. It comprises firms in all EU Member States, as well as a sample of US firms which serves as a benchmark. It collects data on firm characteristics and performance, past investment activities and future plans, sources of finance, financing issues and other challenges that businesses face. Using a stratified sampling methodology, EIBIS is representative across all Member States of the EU and for the US, as well as for firm size classes (micro to large) and 4 main sectors. It is designed to build a panel of observations to support time series analysis, observations that can also be linked to firm balance sheet and profit and loss data. EIBIS has been developed and is managed by the Economics Department of the EIB, with support to development and implementation by Ipsos MORI.

For more information: <http://www.eib.org/eibis>.

### **About this publication**

This EU-wide report is an overview of a series covering each of the EU Member States and the United States of America. These are intended to provide an accessible snapshot of the data. For the purpose of these publications, data is weighted by value-added to better reflect the contribution of different firms to economic output. Contact: [eibis@eib.org](mailto:eibis@eib.org)

### **About the Economics Department of the EIB**

The mission of the EIB Economics Department is to provide economic analyses and studies to support the Bank in its operations and in the definition of its positioning, strategy and policy. The Department, a team of 40 economists, is headed by Debora Revoltella, Director of Economics.

### **Main contributors to this publication**

Marcin Wolski

### **Disclaimer**

The views expressed in this publication are those of the authors and do not necessarily reflect the position of the EIB.

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Ipsos Public Affairs works closely with national governments, local public services and the not-for-profit sector, as well as international and supranational organizations. Its c.200 research staff in London and Brussels focus on public service and policy issues. Our research makes a difference for decision makers and communities.

# EIBIS 2019 – Estonia

## KEY RESULTS

### Investment Dynamics

Thanks to a recovery in corporate and household investment, aggregate investment levels continue to grow in Estonia. 82% of firms invested in the last financial year, compared with 74% in EIBIS 2018. This is similar to the EU average (85%). However, more firms in Estonia expect their investment to decrease rather than increase in the current year – with the exception of the infrastructure sector. Service sector firms are the least likely to have invested and they are the most pessimistic in terms of investment expectations for 2019.

### Innovation Activities

30% of firms claim to undertake innovation activity, much closer to the 34% EU average than in EIBIS 2018 when only 16% of firms said they innovated. Innovation activity is mostly at firm-level than national or global. Infrastructure firms (45%) and medium/large firms (37%) are more likely to innovate than other types of firm.

Over half of firms have either fully or partially implemented a digital technology.

### Drivers and Constraints

In line with EU averages, more firms expect a deterioration than improvement in the political and regulatory climate and in the overall economic climate in the next twelve months. However, firms are also negative, on balance, about access to external finance, which is in contrast to the EU-wide perception, which points towards optimism. The availability of skilled staff remains the most cited barrier to investment (by 84% of firms), followed by uncertainty about the future, which has increased its share significantly since EIBIS 2018.

### Access to Finance

Firms are generally satisfied with the amount, cost, maturity, collateral and type of finance, which is in line with the EU average. Estonian firms are now as likely to be finance constrained as the EU average (both 5%), although this rises to 10% among firms in construction sector.

### Investment Focus

Capacity expansion for existing products and services is the most commonly cited investment priority (37% of firms), higher than the 28% EU average. More than half of firms' investment (55%) is in machinery and equipment, with a lower share for intangibles than across the EU. Estonian firms also lag the EU on the average share of building stock meeting high energy efficiency standards (25% versus 36%) and share of investment allocated to improving energy efficiency (6% versus 10%).

### Investment Needs

76% of firms believe their investment over the past three years was about right, which is in line with the EU average (79%). However, 74% of firms report operating at or above maximum capacity is much higher than the 59% across all EU firms. The share of machinery and equipment perceived as state-of-the-art has fallen to 33%, lower than in EIBIS 2018 and than the EU average (43% and 44%, respectively).

### Investment Finance

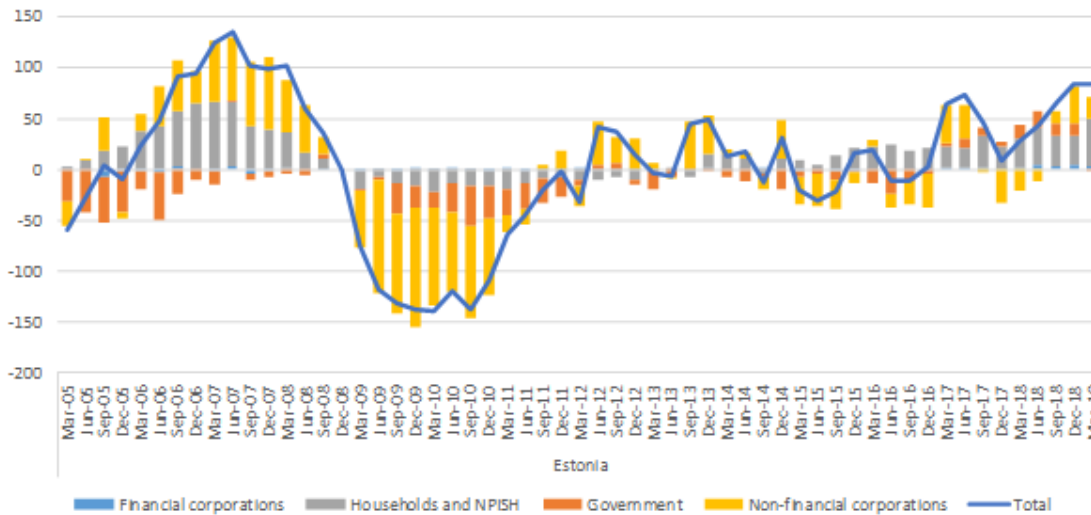
Internal funds account for the highest share of investment finance (76%), which is higher than the EU average (62%). Leasing continues to account for the majority of external finance (56%), which is by some margin the highest share of any EU country. Four in five firms (81%) report making a profit, though this drops to only 66% of firms in the infrastructure sector and 73% of micro/small firms.

# Investment Dynamics

## INVESTMENT DYNAMICS BY INSTITUTIONAL SECTOR

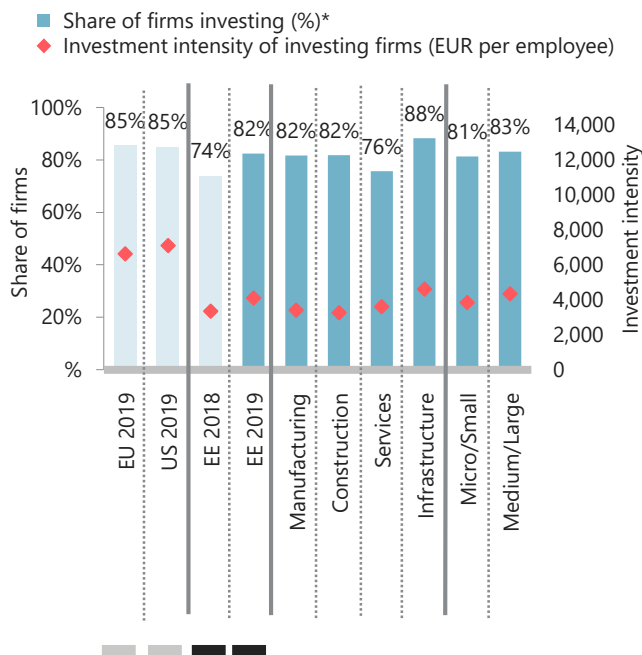
After a strong recovery from the crisis, aggregate investment in Estonia has been relatively volatile in recent years.

2018 saw a positive growth in real investment driven primarily by the corporate sector and household investment. Government investment, although above pre-crisis levels, remains sluggish.



The graph shows the evolution of total Gross Fixed Capital Formation (in real terms); by institutional sector. The data has been indexed to equal 0 in Q4 2008. Source: Eurostat.

## INVESTMENT ACTIVITY IN LAST FINANCIAL YEAR



Around eight in ten firms in Estonia (82%) invested in the last financial year. This represents a slight increase from 74% in EIBIS 2018, and it is now close to the EU average (85%).

Firms in the infrastructure sector are the most likely to invest whereas service sector firms are the least likely (88% and 76%, respectively).

The proportion of firms investing is similar between micro/small and medium/large firms (81% and 83%, respectively).

\*The blue bars indicate the proportion of firms who have invested in the last financial year. A firm is considered to have invested if it spent more than EUR 500 per employee on investment activities. Investment intensity is the median investment per employee of investing firms. Investment intensity is reported in real terms using the Eurostat GFCF deflator (indexed to EIBIS 2016).

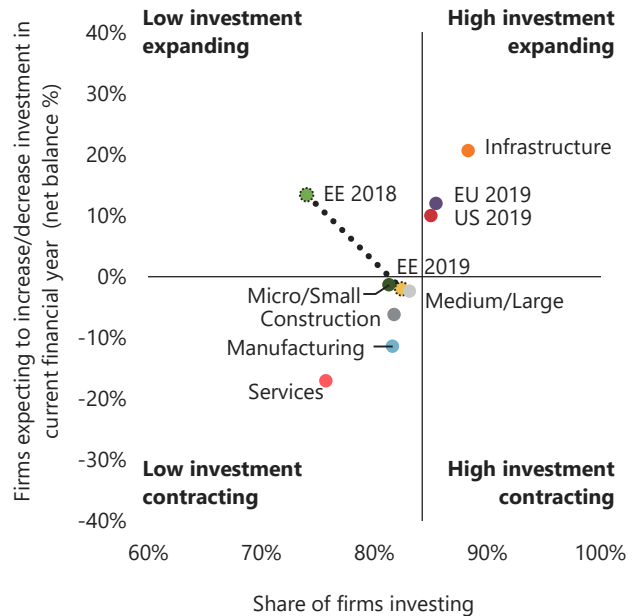
# Investment Dynamics

## INVESTMENT CYCLE

Estonia is marginally within the 'low investment contracting' quadrant on the investment cycle. This marks a deteriorating from EIBIS 2018 when Estonia was in the 'low investment expanding' quadrant.

The infrastructure sector leans against the trend by being firmly within the 'high investment expanding' quadrant – with a high share of firms investing, and more firms expecting to increase than decrease investment in 2019.

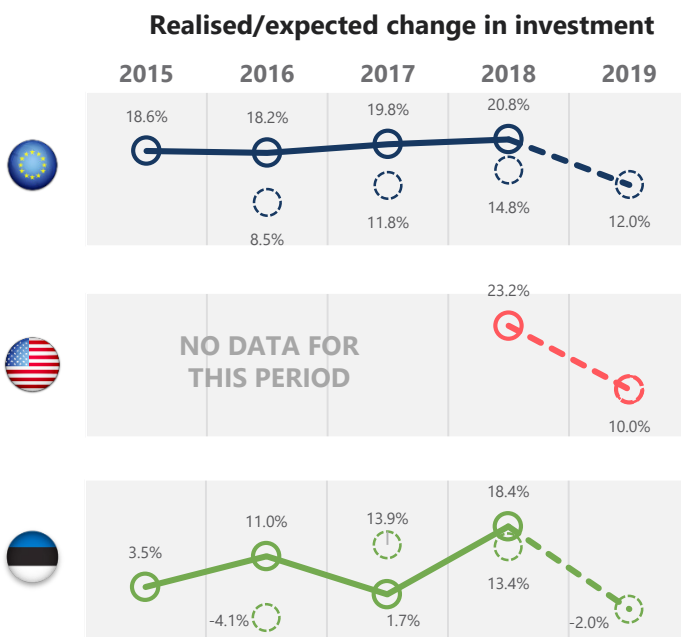
The service sector has both the lowest share of firms investing and the most pessimistic outlook in terms of firms expecting to decrease rather than increase investment in the current year.



Share of firms investing shows the percentage of firms with investment per employee greater than EUR 500. The y-axis line crosses x-axis on the EU average for 2016.

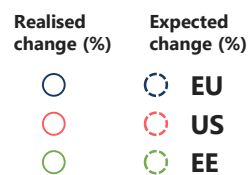
Base: All firms

## EVOLUTION OF INVESTMENT EXPECTATIONS



More firms in Estonia increased than reduced their investment activities in 2018. The extent of the difference exceeds expectations from EIBIS 2018.

For 2019, in line with an EU wide decline in optimism, more firms expect to reduce than to increase their investment activities.



'Realised change' is the share of firms who invested more minus those who invested less; 'Expected change' is the share of firms who expect(ed) to invest more minus those who expect(ed) to invest less.

Base: All firms

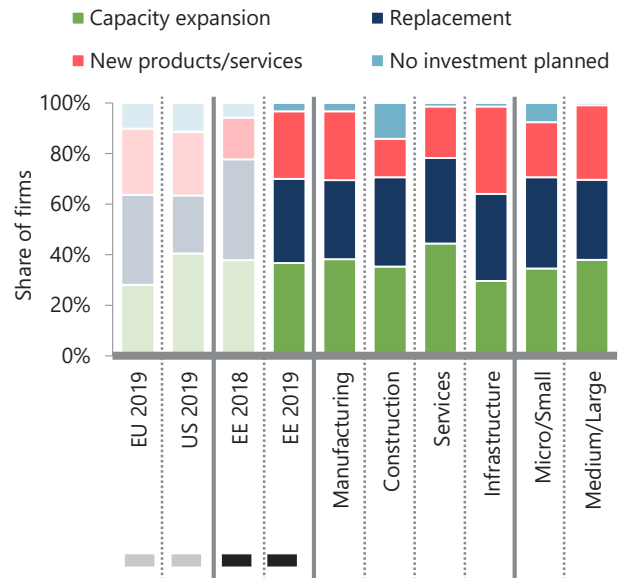
# Investment Focus

## FUTURE INVESTMENT PRIORITIES (% of firms)

Looking ahead to the next three years, investment in capacity expansion for existing products and services is the most commonly cited as the priority (37%), higher than the EU average (28%). This is followed by investment in replacement (33%).

The share of firms prioritising investment in new products and services has increased to 27%, from 16% in EIBIS 2018.

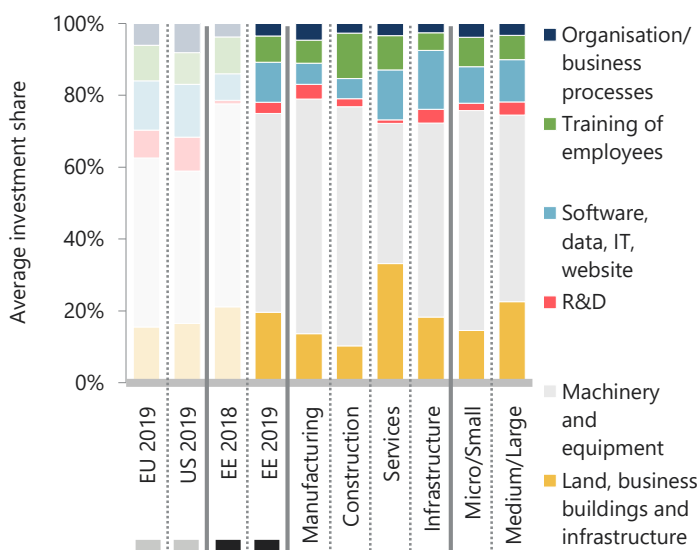
Investment in new products and services is the priority for more than twice as many firms in the infrastructure sector (35%) than in the construction sector (15%). The share of firms in the construction sector reporting no planned investment (14%) is much higher than the national average (3%).



Q. Looking ahead to the next 3 years, which is your investment priority (a) replacing existing buildings, machinery, equipment, IT; (b) expanding capacity for existing products/services; (c) developing or introducing new products, processes, services?

Base: All firms (excluding don't know/refused responses)

## INVESTMENT AREAS



On average, more than half of firms' investment is in machinery and equipment (55%), which is higher than both the EU average (47%).

Firms allocate a lower share of their investment to intangibles, such as research and development (3%) and organisation and business processes (3%), compared to the EU and US.

Share of investment in land, business buildings and infrastructure is the highest in the service sector (33%, compared to the national average of 20%). Service and infrastructure firms allocate higher shares to software, data and IT and website activities than firms in the manufacturing and construction sectors.

Q. In the last financial year, how much did your business invest in each of the following with the intention of maintaining or increasing your company's future earnings?

Base: All firms who have invested in the last financial year (excluding don't know/refused responses)



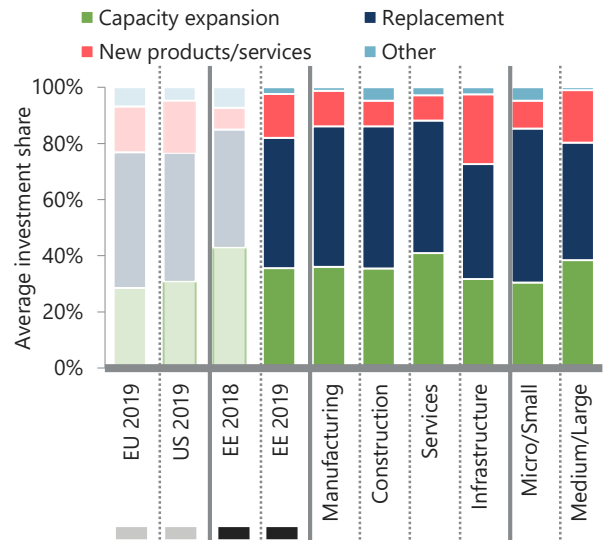
# Investment Focus

## PURPOSE OF INVESTMENT IN LAST FINANCIAL YEAR (% of firms' investment)

The largest share of investment in Estonia is driven by the need to replace existing buildings, machinery, equipment and IT (46%) and to expand capacity for existing products and services (36%). This is in line with EIBIS 2018 and the pattern across the EU.

A higher share of investments in the infrastructure sector (25%) is dedicated to new products and services, compared to the construction (9%) and service (9%) sectors.

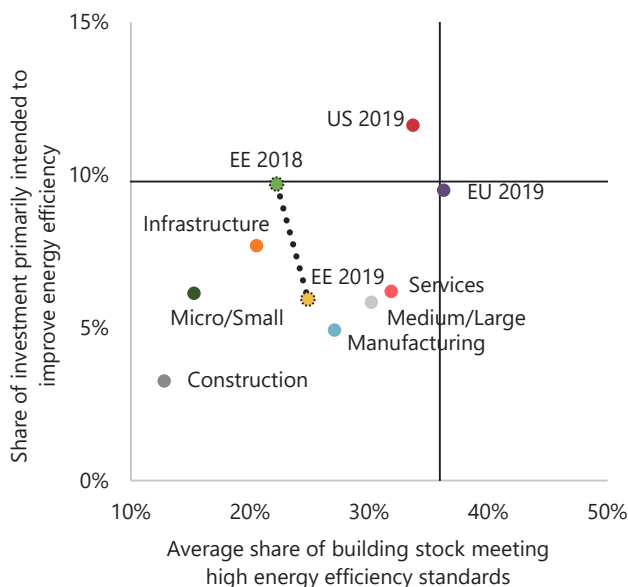
Compared to micro/small firms, a higher share of investments of medium/large firms is in new products and services (19% versus 10%) whilst a lower share is allocated to replacement of existing assets (42% versus 55%).



Q. What proportion of total investment was for (a) replacing capacity (including existing buildings, machinery, equipment, IT) (b) expanding capacity for existing products/services (c) developing or introducing new products, processes, services?

Base: All firms who have invested in the last financial year (excluding don't know/refused responses)

## ENERGY EFFICIENCY INVESTMENT



Firms in Estonia claim 25% of their building stock meets high energy efficiency standards, lower than the share across all EU firms (36%).

The share of investment on measures primarily intended to improve energy efficiency has fallen to 6%, lower than the EU (10%) and US (12%) averages.

Service and manufacturing firms report the highest shares of energy efficient building stock (32% and 27%, respectively, compared to just 13% among firms in the construction sector).

Medium/large firms say they have a higher proportion of highly energy efficient building stock than micro/small firms (30% versus 15%).

Q. What proportion, if any, of your commercial building stock satisfies high or highest energy efficiency standards?

Q. What proportion of total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?

Base: All firms (excluding don't know/ refused responses) / All firms who have invested in the last financial year (excluding don't know/ refused responses)

# Innovation Activities

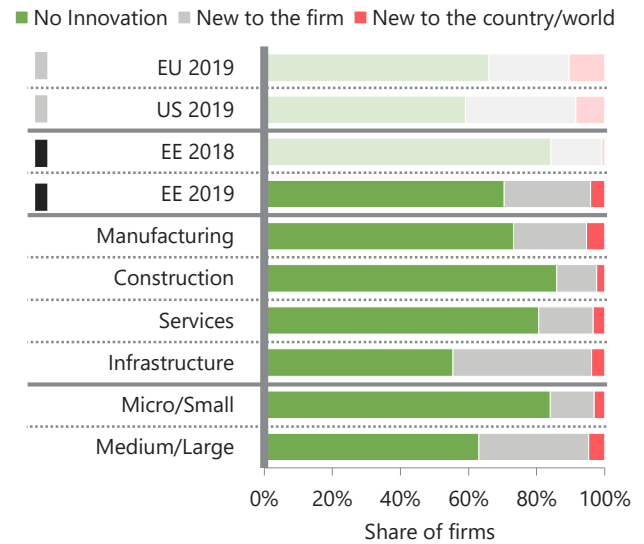
## INNOVATION ACTIVITY

Three in ten firms (30%) report undertaking innovation activity, slightly below the EU average (34%), but notably higher than the equivalent proportion of 16% of firms in Estonia claiming to innovate in EIBIS 2018.

However, Estonia still lags behind the EU average in terms of the share of firms engaged in innovation at the country or global level (4% versus 11%).

Infrastructure sector firms are especially likely to report innovation activity (45%, compared with 14%-27% of firms in other sectors).

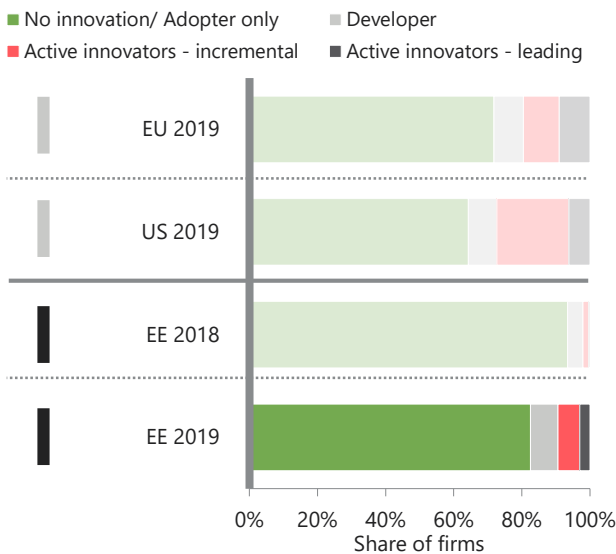
Similarly, medium/large firms are much more likely to say they innovate than micro/small firms (37% versus 16%).



Q. What proportion of total investment was for developing or introducing new products, processes, services?  
 Q. Were the products, processes or services new to the company, new to the country, new to the global market?

Base: All firms (excluding don't know/refused responses)

## INNOVATION PROFILE



Q. What proportion of total investment was for developing or introducing new products, processes, services?  
 Q. Were the products, processes or services new to the company, new to the country, new to the global market?  
 Q. In the last financial year, how much did your business invest in Research and Development (including the acquisition of intellectual property) with the intention of maintaining or increasing your company's future earnings?

Base: All firms (excluding don't know/refused responses)

When firms' innovation behaviour is profiled more widely, less than a fifth (18%) of firms in Estonia can be considered either as active innovators or developers. This is higher than in EIBIS 2018 but well below the overall EU average.

The 'No innovation/Adopter only' group comprises firms that did not introduce any new products, processes or services in the last financial year. 'Developer' are firms that did introduce new products, processes or services but without any active research and development activities. 'Incremental' and 'Leading innovators' have introduced new products, processes and services and also invested in research and development activities. The two profiles differ in terms of the novelty of the new products, processes or services. For incremental innovators these are 'new to the firm'; for leading innovators 'these are new to the country/world'.

# Innovation Activities

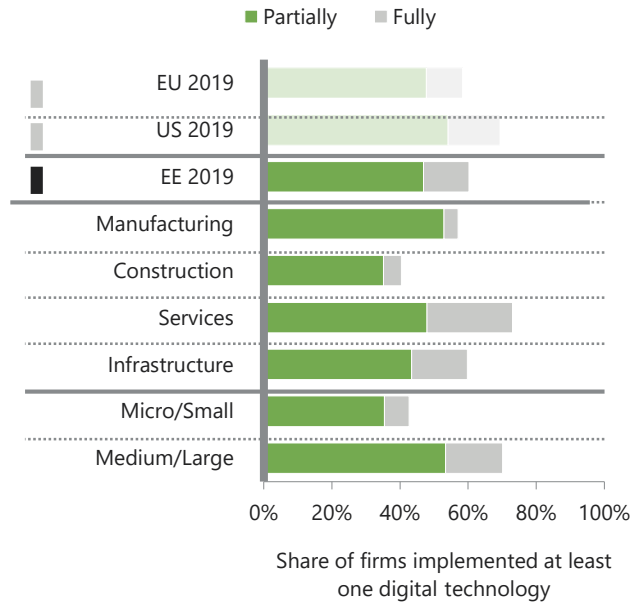
## IMPLEMENTATION OF DIGITAL TECHNOLOGIES

The share of Estonian firms fully or partially implementing at least one digital technology (60%) is in line with the EU average (58%).

Medium/large firms are more likely to have implemented digital technologies than micro/small firms (70% versus 43%).

Only 40% of firms in the construction sector have implemented digital technologies, what is much lower than in the other sectors. Take-up of individual technologies is generally lower than among all EU construction firms with the exception of the internet of things.

Adoption of the internet of things and cognitive technologies in both the service and infrastructure sectors appear more wide-spread than by firms in the respective sectors across the EU, on average.

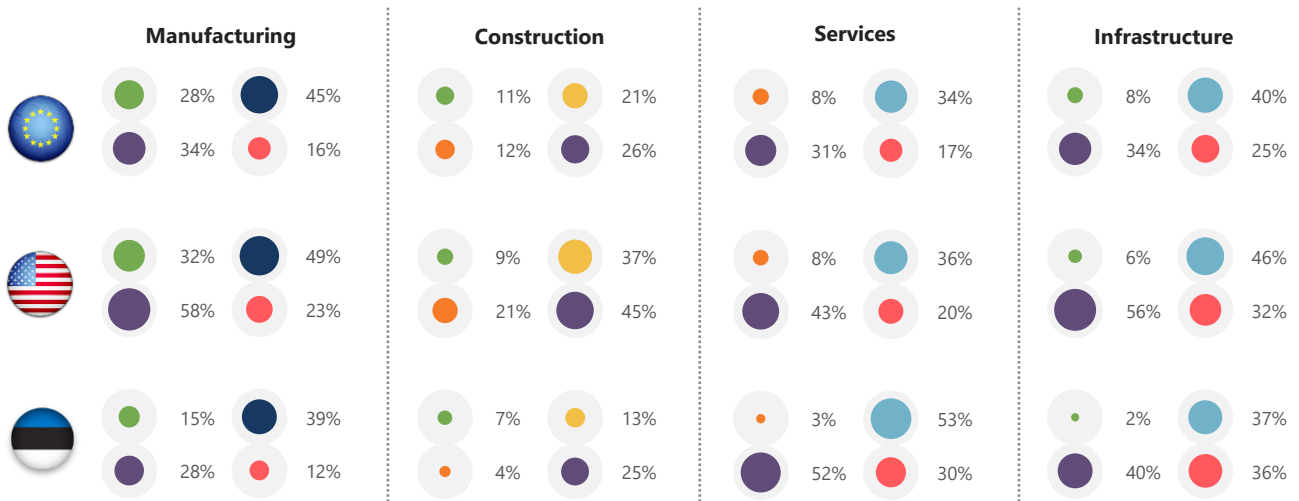


Q. Can you tell me for each of the following digital technologies if you have heard about them, not heard about them, implemented them in parts of your business, or whether your entire business is organised around them?

Base: All firms (excluding don't know/refused responses)

## DIGITAL TECHNOLOGIES BY SECTOR

- 3-D printing
- Automation via advanced robotics
- Internet of things
- Cognitive technologies
- Augmented or virtual reality
- Drones
- Platform technologies



Reported shares combine implemented the technology 'in parts of business' and 'entire business organised around it'

Base: All firms (excluding don't know/refused responses)

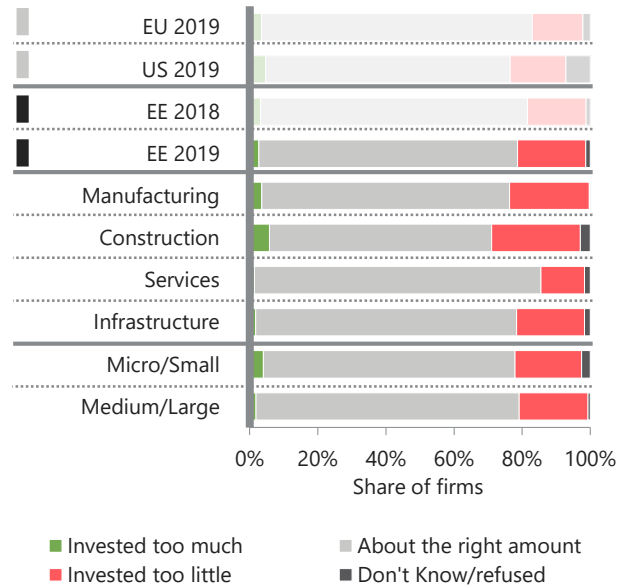
# Investment Needs

## PERCEIVED INVESTMENT GAP

Approximately three-quarters of firms (76%) believe their investment over the last three years was about the right amount, similar to the EU average of 79%.

One in five firms (20%) report investing too little, slightly above EIBIS 2018 (17%) and the current EU average (15%).

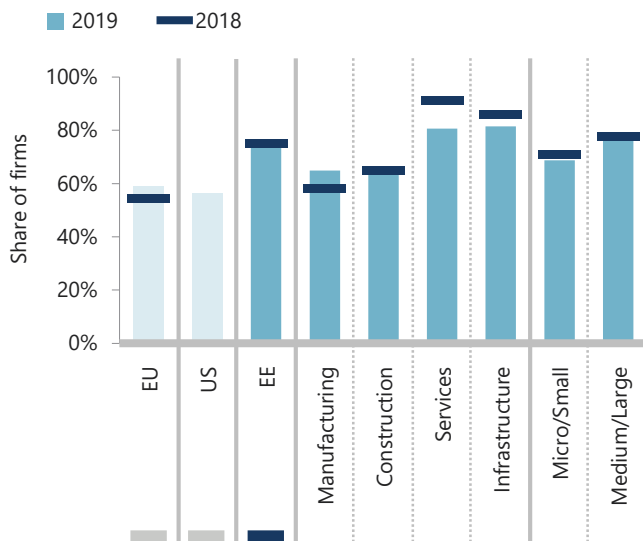
Construction firms are the most likely to report under-investing (26%), while firms in the service sector are the least likely to say they invested too little (13%).



Q. Looking back at your investment over the last 3 years, was it too much, too little, or about the right amount?

Base: All firms (excluding 'Company didn't exist three years ago' responses)

## SHARE OF FIRMS AT OR ABOVE FULL CAPACITY



Full capacity is the maximum capacity attainable under normal conditions e.g. company's general practices regarding the utilization of machines and equipment, overtime, work shifts, holidays etc.

Q. In the last financial year, was your company operating above or at maximum capacity attainable under normal circumstances?

Base: All firms

Around three-quarters of firms in Estonia report operating at or above maximum capacity in the last financial year (74%), which is similar to EIBIS 2018 (75%) and much higher than the EU average (59%).

Firms in the infrastructure and service sectors are the most likely to report operating at or above full capacity (82% and 81%, respectively). That is above the share of 65% among construction and manufacturing firms.

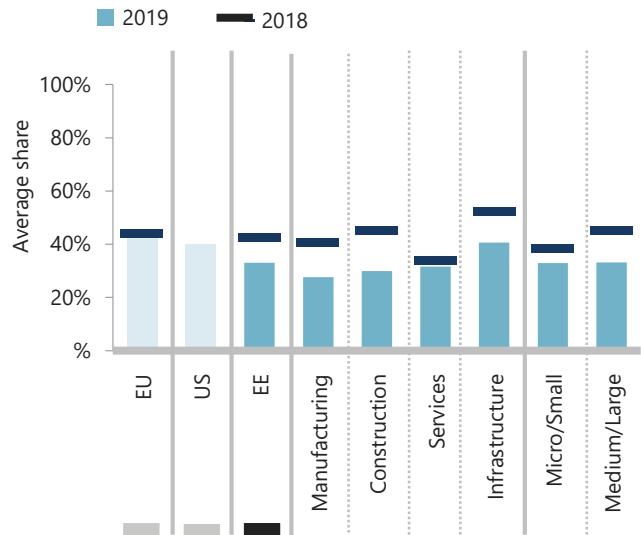
# Investment Needs

## SHARE OF STATE-OF-THE-ART MACHINERY

Firms' average share of machinery and equipment that is perceived as state-of-the-art is below the EU average (33% versus 44%).

This represents a lower proportion than was recorded in EIBIS 2018 (43%).

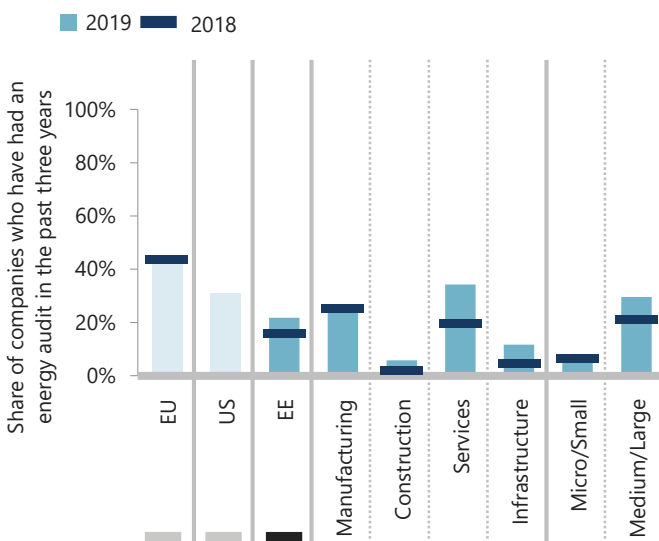
Share of state-of-the-art machinery remains the highest among firms in the infrastructure sector (41%).



Q. What proportion, if any, of your machinery and equipment, including ICT, would you say is state-of-the-art?

Base: All firms (excluding don't know/refused responses)

## ENERGY AUDIT



The share of firms reporting having an energy audit in the past three years is 22%, much lower than the EU average (43%).

Firms in the service sector and medium/large firms are the most likely to have had an energy audit (34% and 30%, respectively), whilst only 8% of micro/small firms and 6% of firms in the construction sector say the same.

Q. Can I check, in the past three years has your company had an energy audit? By this I mean an assessment of the energy needs and efficiency of your company's building or buildings?

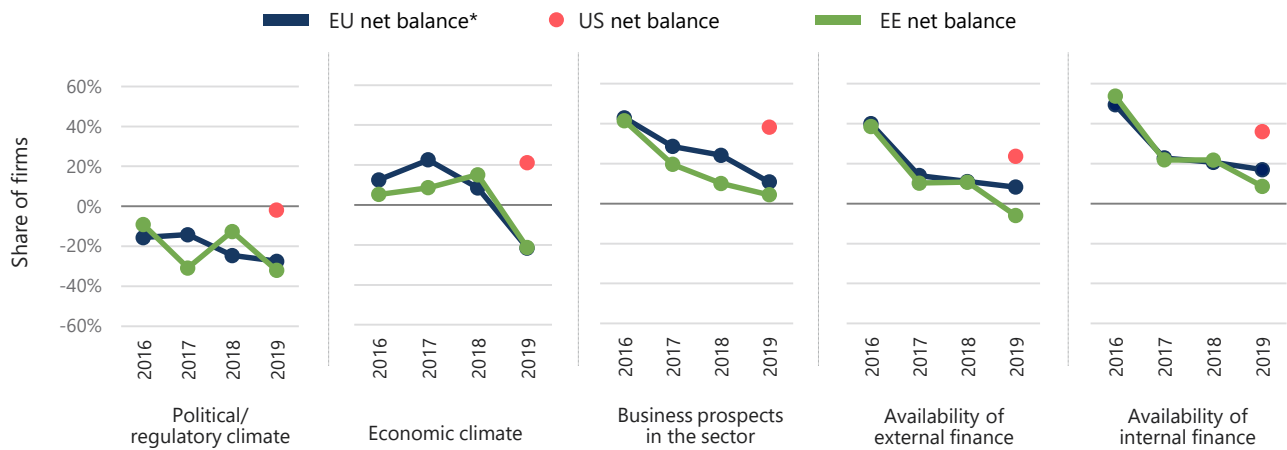
Base: All firms (excluding 'Company didn't exist three years ago' responses)

# Drivers And Constraints

## SHORT TERM INFLUENCES ON INVESTMENT

On balance more firms expect the political and regulatory climate to deteriorate than improve in the next twelve months. This is also the case across the EU.

In Estonia and across the EU, firms are now pessimistic on balance about the overall economic climate, while in Estonia more firms are now pessimistic than optimistic about availability of external finance – in contrast to the EU average.

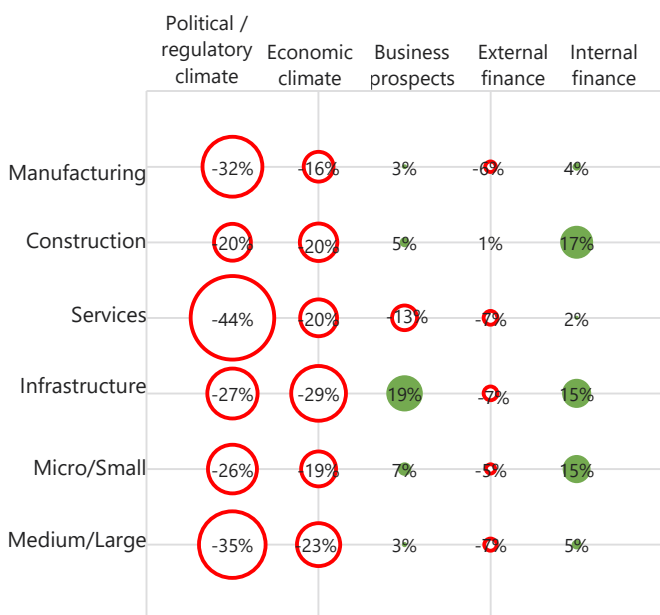


Q. Do you think that each of the following will improve, stay the same, or get worse over the next 12 months?

\*Net balance is the share of firms seeing improvement minus the share of firms seeing a deterioration

Base: All firms

## SHORT TERM INFLUENCES BY SECTOR AND SIZE (NET BALANCE)



Firms in the service sector are most pessimistic on balance towards the political and regulatory climate in the next twelve months, but pessimism is relatively uniform across all types of firm on both the political/regulatory climate and economic climate.

Similarly, all types of firm are positive on balance regarding access to internal finance – though less so in the service and manufacturing sectors and among large firms.

Only in the construction sector do more firms expect access to external finance to improve than deteriorate.

Expectations of sector business prospects fluctuate widely, with the infrastructure sector most positive and service sector firms negative on balance.

Q. Do you think that each of the following will improve, stay the same, or get worse over the next 12 months?

Base: All firms

# Drivers And Constraints

## LONG TERM BARRIERS TO INVESTMENT

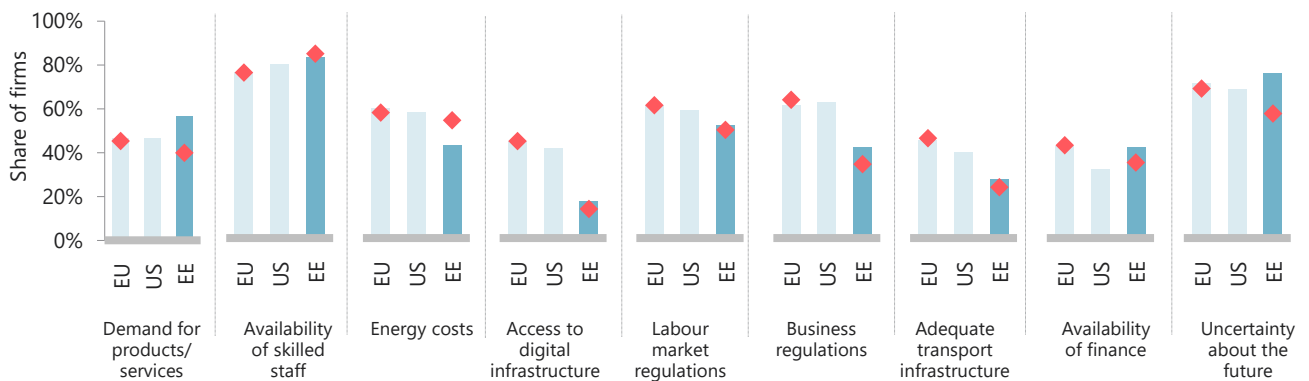
Availability of skilled staff remains the most cited barrier to investment (84%), which is higher than the EU average (77%).

Uncertainty about the future remains the second most cited barrier (77%), marking a 19-point increase since EIBIS 2018, and being the most frequently mentioned barrier among manufacturing firms.

Demand for products and services is cited by 57% of firms, which is a 17-point increase since EIBIS 2018 and it is higher than the EU and US averages (both 47%).

Energy costs are now less likely to be viewed as a barrier to invest (43%, versus 55% in EIBIS 2018).

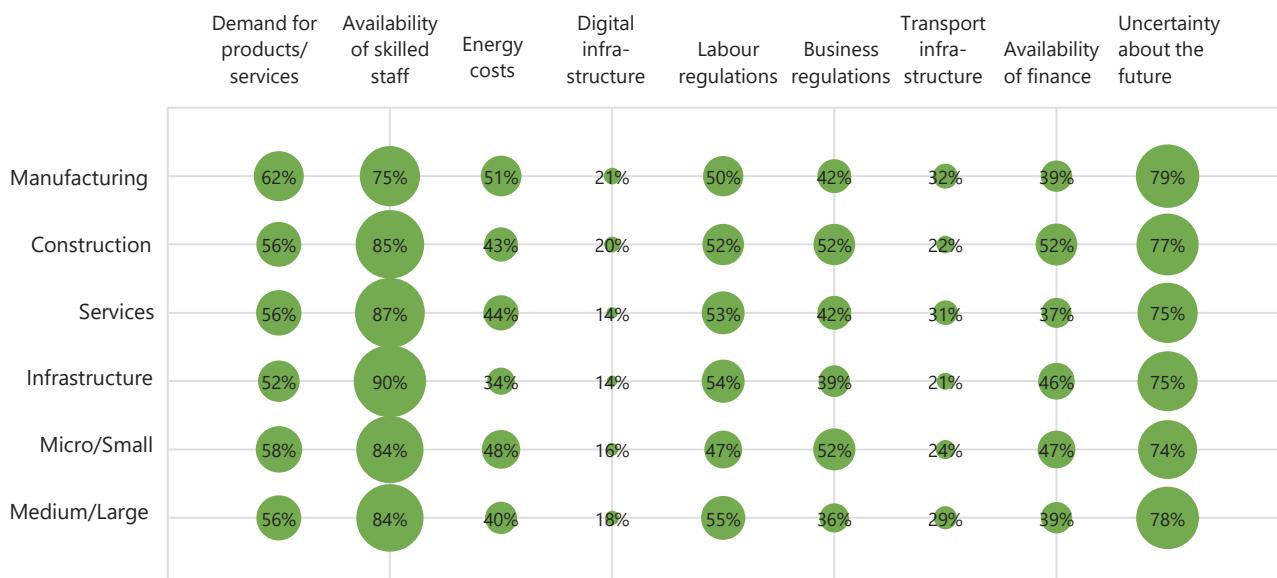
Business regulations are more often cited as a barrier by micro/small than medium/large firms (52% versus 36%).



Q. Thinking about your investment activities in Estonia, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?

Base: All firms (data not shown for those who said not an obstacle at all/don't know/refused)

## LONG TERM BARRIERS BY SECTOR AND SIZE



Reported shares combine 'minor' and 'major' obstacles into one category

Q. Thinking about your investment activities in Estonia, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?

Base: All firms (data not shown for those who said not an obstacle at all/don't know/refused)

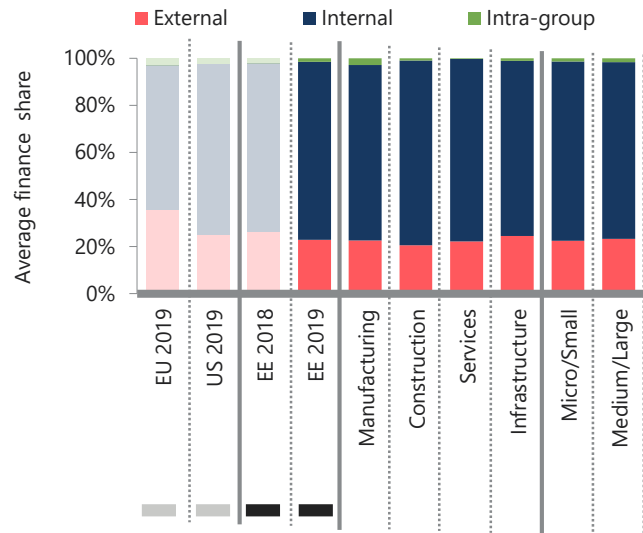
# Investment Finance

## SOURCE OF INVESTMENT FINANCE

Internal funds account for the highest share of investment finance (76%). This is higher than the EU average (62%).

Conversely, the 23% share of external finance is below the 36% equivalent share reported across the EU.

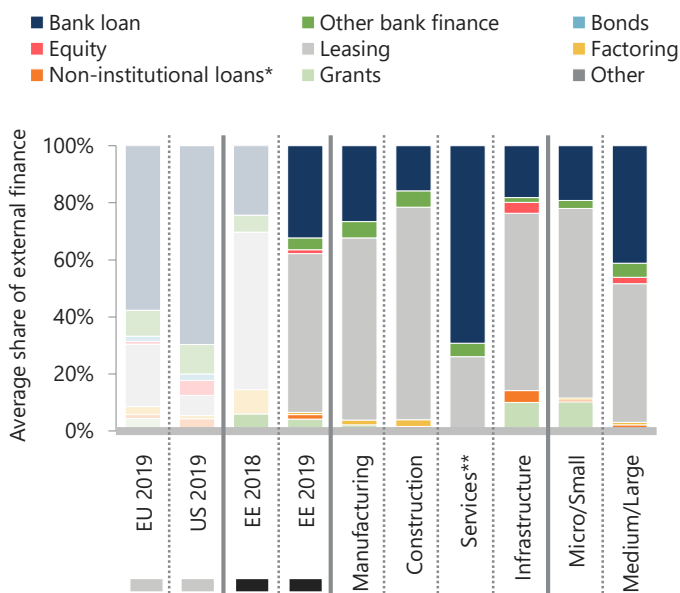
There is considerable uniformity between sectors, and larger and smaller firms.



Q. What proportion of your investment was financed by each of the following?

Base: All firms who invested in the last financial year (excluding don't know/refused responses)

## TYPE OF EXTERNAL FINANCE USED FOR INVESTMENT ACTIVITIES



Q. Approximately what proportion of your external finance does each of the following represent?

\*Loans from family, friends or business partners

Base: All firms who used external finance in the last financial year (excluding don't know/refused responses)

\*\*Caution very small base size less than 30

Leasing accounts for the highest share of external finance (56%), which is consistent with the 55% share reported last year. This remains the highest share of all EU countries – the EU average is just 22%.

Leasing financing is followed by bank loans (32%), which accounts for the majority of EU firms' external finance, on average (58%).

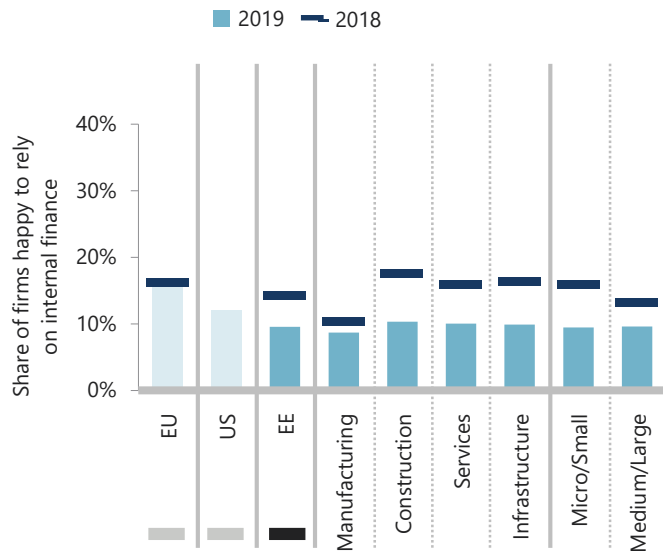


# Investment Finance

## SHARE OF FIRMS HAPPY TO RELY EXCLUSIVELY ON INTERNAL SOURCES TO FINANCE INVESTMENT

One in ten firms in Estonia (10%) say the main reason for not applying for external finance is because they are happy to use internal funds or do not have a need for it.

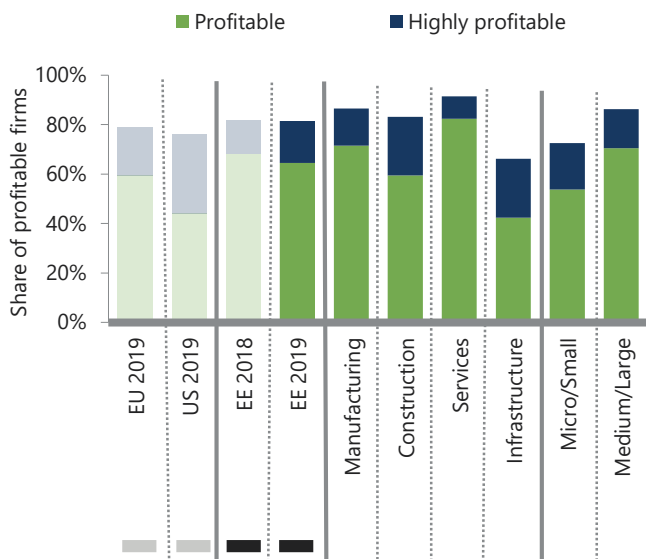
This is a four-point decrease since EIBIS 2018, bringing Estonia lower than the EU average (16%).



Q. What was your main reason for not applying for external finance for your investment activities? Was happy to use internal finance/didn't need the finance

Base: All firms

## SHARE OF PROFITABLE FIRMS



Overall four out of five firms (81%) report being profitable, which is generally in line with the EU average (79%).

Around one in five firms (17%) report being highly profitable – defined as profit being 10% or more of turnover. This is again broadly in line with the 20% of EU firms saying this.

Only two-thirds of firms in the infrastructure sector (66%) report making any profit, which is much lower than the national average.

Medium/large firms are more likely to say they are profitable than smaller firms (86% versus 73%).

Q. Taking into account all sources of income in, did your company generate a profit or loss before tax, or did you break even? Highly profitable is defined as profits/turnover of 10% or more

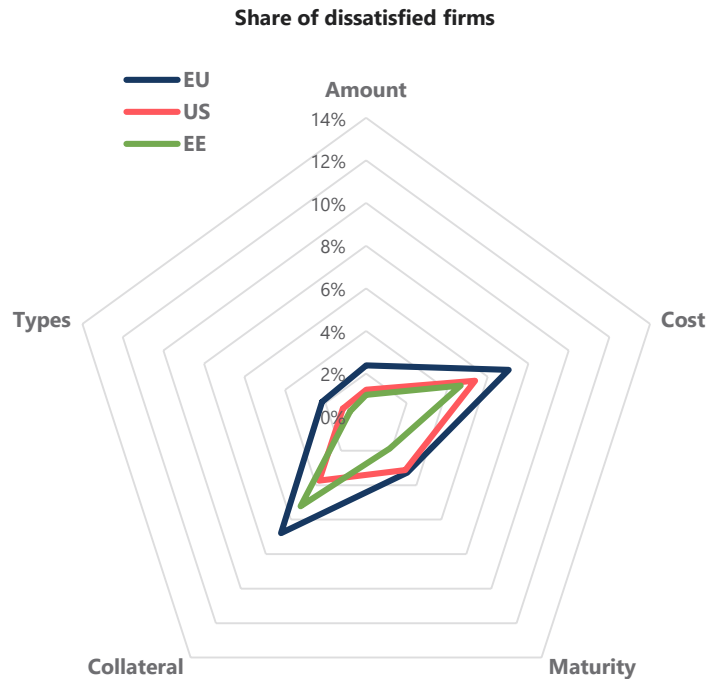
Base: All firms (excluding don't know/refused)

# Access To Finance

## DISSATISFACTION WITH EXTERNAL FINANCE RECEIVED

Firms in Estonia that used external finance are on balance satisfied with the amount, cost, maturity, collateral and type of finance received. This is broadly in line with the shares reported across the EU.

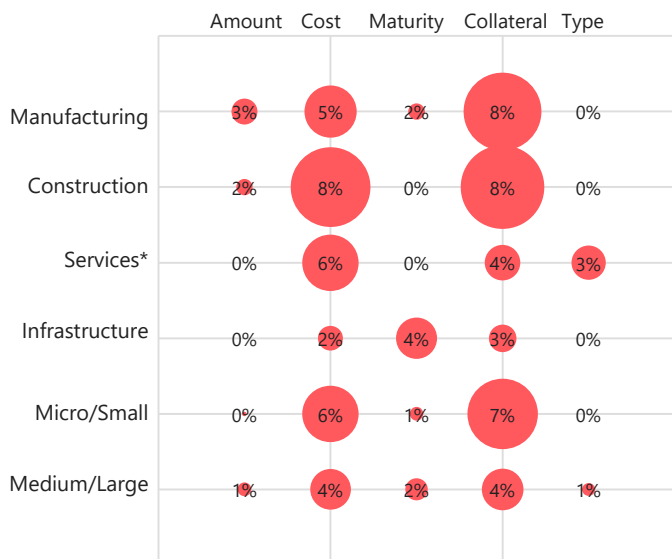
The highest levels of dissatisfaction recorded in Estonia is with the collateral required and the cost of finance (both 5%).



Q. How satisfied or dissatisfied are you with ...?

Base: All firms who used external finance in the last financial year (excluding don't know/refused responses)

## DISSATISFACTION BY SECTOR AND SIZE



Q. How satisfied or dissatisfied are you with ...?

Base: All firms who used external finance in the last financial year (excluding don't know/refused responses)

\*Caution very small base size less than 30

The highest level of dissatisfaction with external finance is 8% of construction sector firms reporting dissatisfaction with the cost of finance and collateral requirements, matched by 8% of manufacturing firms on the latter measure.

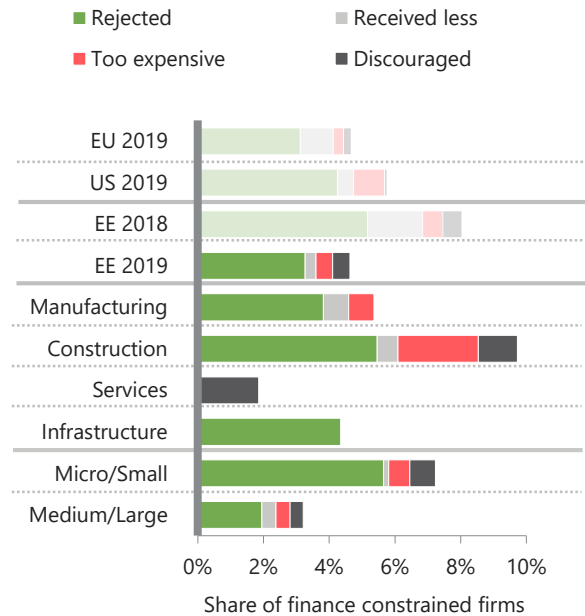
Seven per cent of micro/small firms say they are dissatisfied with the collateral required.

# Access To Finance

## SHARE OF FINANCE CONSTRAINED FIRMS

Five per cent of all firms can be considered as finance constrained, in line with the EU average. This share ranges from 10% of firms in the construction sector to just two per cent of service sector firms.

Overall, smaller firms in Estonia are much more likely to be finance constrained than their larger peers.

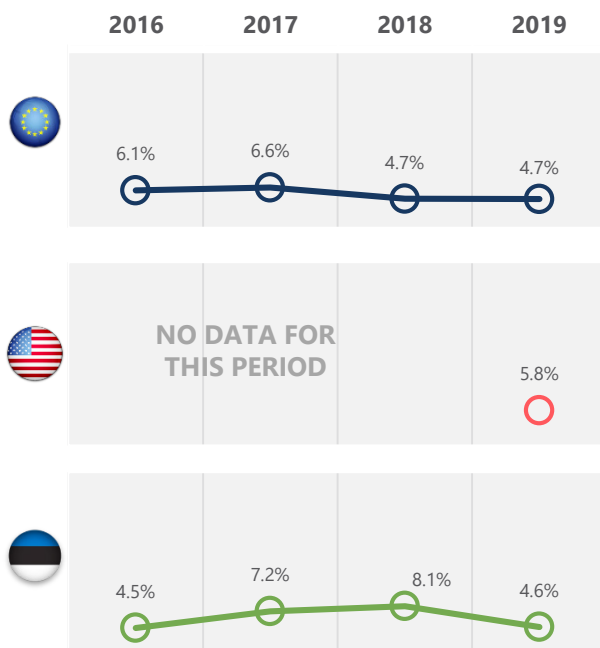


Finance constrained firms include: those dissatisfied with the amount of finance obtained (received less), firms that sought external finance but did not receive it (rejected) and those who did not seek external finance because they thought borrowing costs would be too high (too expensive) or they would be turned down (discouraged)

\* Caution very small base size less than 30

Base: All firms

## FINANCING CONSTRAINTS OVER TIME



Data derived from the financial constraint indicator

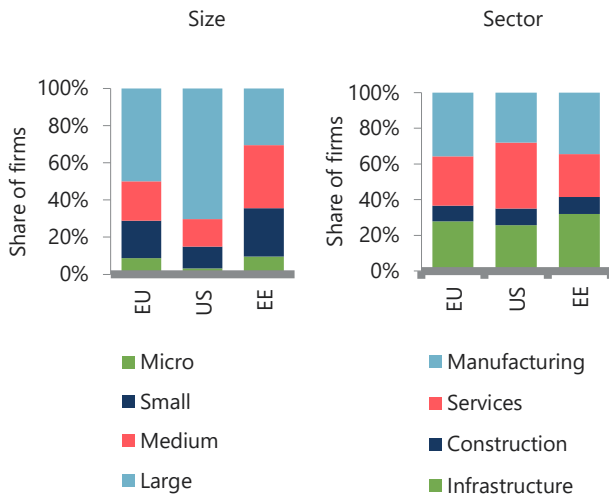
Base: All firms

Firms in Estonia are now as likely to be finance constrained as the EU average.

Within Estonia there are visible cross-sector heterogeneities, however. Firms in the construction sector are more likely to be finance constrained than the services sector and than the national average.

# Profile Of Firms

## CONTRIBUTION TO VALUE ADDED



The charts reflect the relative contribution to value-added by firms belonging to a particular size class / sector in the population of firms considered. That is, all firms with 5 or more employees active in the sectors covered by the survey. Micro: 5-9 employees; Small: 10-49; Medium: 50-249; Large: 250+

Base: All firms

Medium sized firms with 50-249 employees account for the greatest share of value-added in Estonia (34%), which is above the EU average (21%). Larger firms account for 31% of value-added, being far below the EU average of 50%.

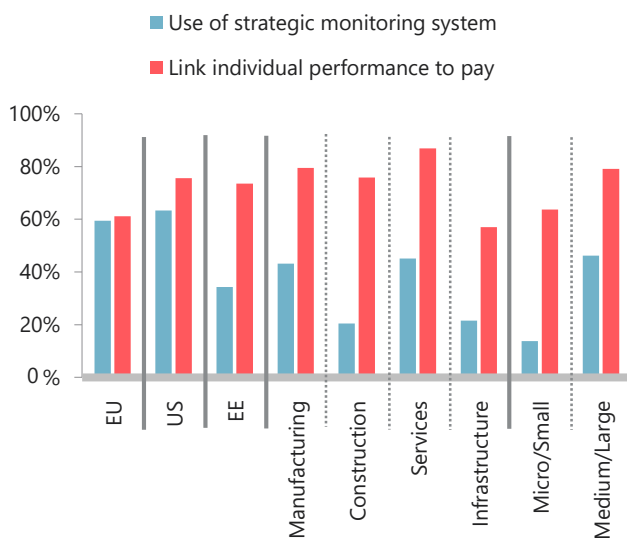
Sector contributions to value-added are comparable to the EU overall.

The share of firms in Estonia using a formal strategic monitoring system (34%) is much lower than the EU average (60%). It is much higher among manufacturing and services firms than in the construction and infrastructure sectors.

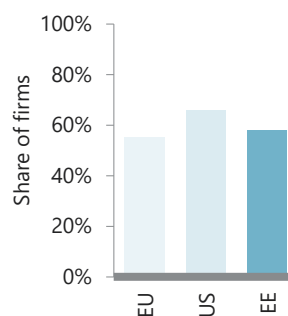
Firms in Estonia are more likely to link individual performance to pay than across the EU (74% versus 61%). Medium/large firms are more likely than micro/small firms to use these management policies.

More than half of firms say they are owned or controlled by their CEO or a member of the CEO's family (58%, similar to the EU average of 55%), whilst the vast majority of firms (86%) report their CEO or company head has at least ten years of sectoral experience.

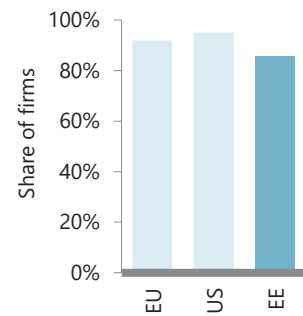
## FIRM MANAGEMENT



### Owner managed



### 10 years+ industry experience



Q. And does your company (a) use a formal strategic business monitoring system (that compares the firm's current performance against a series of strategic key performance indicators) (b) link individual performance with pay?

Base: All firms (excluding don't know/refused)

Q. Does the CEO/ company head of your firm (a) own or control the firm, or have a family member that owns/controls it (b) have more than 10 years of experience in your firm's industry or sector?

Base: All firms (excluding don't know/refused)

# EIB 2019 – Country Technical Details

## SAMPLING TOLERANCES APPLICABLE TO PERCENTAGES AT OR NEAR THESE LEVELS

The final data are based on a sample, rather than the entire population of firms in Estonia, so the percentage results are subject to sampling tolerances. These vary with the size of the sample and the percentage figure concerned.

	EU	US	EE	Manufacturing	Construction	Services	Infrastructure	Micro/Small	Medium/Large	EU vs EE	Manuf vs Constr	Micro/Small vs Medium/Large
	(12672)	(803)	(405)	(120)	(105)	(88)	(92)	(260)	(145)	(12672 vs 405)	(120 vs 105)	(260 vs 145)
10% or 90%	1.0%	2.9%	3.8%	6.2%	5.1%	8.0%	7.8%	3.4%	5.7%	4.0%	8.0%	6.6%
30% or 70%	1.5%	4.4%	5.9%	9.4%	7.8%	12.2%	11.9%	5.2%	8.6%	6.0%	12.2%	10.1%
50%	1.7%	4.8%	6.4%	10.3%	8.5%	13.4%	13.0%	5.7%	9.4%	6.6%	13.3%	11.0%

## GLOSSARY

<b>Investment</b>	A firm is considered to have invested if it spent more than EUR 500 per employee on investment activities with the intention of maintaining or increasing the company's future earnings.
<b>Investment cycle</b>	Based on the expected investment in current financial year compared to last one, and the proportion of firms with a share of investment greater than EUR 500 per employee.
<b>Productivity</b>	Total factor productivity is a measure of how efficiently a firm is converting inputs (capital and labor) into output (value-added). It is estimated by means of an industry-by-industry regression analysis (with country dummies).
<b>Manufacturing sector</b>	Based on the NACE classification of economic activities, firms in group C (manufacturing).
<b>Construction sector</b>	Based on the NACE classification of economic activities, firms in group F (construction).
<b>Services sector</b>	Based on the NACE classification of economic activities, firms in group G (wholesale and retail trade) and group I (accommodation and food services activities).
<b>Infrastructure sector</b>	Based on the NACE classification of economic activities, firms in groups D and E (utilities), group H (transportation and storage) and group J (information and communication).
<b>Micro/Small firms</b>	Firms with between 5 and 49 employees.
<b>Medium/Large firms</b>	Firms with at least 50 employees.

# EIB 2019 – Country Technical Details

The country overview presents selected findings based on telephone interviews with 405 firms in Estonia (carried out between March and June 2019).

**BASE SIZES** (\*Charts with more than one base; due to limited space, only the lowest base is shown)

Base definition and page reference	EU 2019/2018	US 2019	EE 2019/2018	Manufacturing	Construction	Services	Infrastructure	Micro/Small	Medium/Large
All firms, p. 3, p. 4, p. 8, p. 10, p. 13, p. 15, p. 16	12672/12355	803	405/401	120	105	88	92	260	145
All firms (excluding don't know/refused responses), p. 2	11967/11790	711	378/387	107	102	81	88	249	129
All firms (excluding don't know/refused responses), p. 6*	8802/9095	516	338/208	100	89	71	78	218	120
All firms (excluding don't know/refused responses), p. 7*	12533/NA	800	403/NA	117	104	83	91	259	144
All firms (excluding don't know/refused responses), p. 9	12216/11952	778	399/395	117	104	86	92	258	141
All firms (excluding don't know/refused responses), p. 13	10980/10865	605	357/360	109	91	79	78	226	131
All firms (excluding don't know/refused responses), p. 16*	12201/NA	762	371/NA	105	100	80	86	244	127
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 4	10005/10126	620	346/215	102	92	73	79	223	123
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 5*	10188/10004	624	346/298	104	88	74	80	220	126
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 12	9407/9030	587	318/288	92	90	63	73	216	102
All firms who used external finance in the last financial year (excluding don't know/refused responses), p. 14*	4426/4212	245	121/101	35	33	21	31	76	45
All firms (excluding those who did not exist three years ago), p. 8	12640/12335	802	405/398	120	105	88	92	260	145
All firms (excluding those who did not exist three years ago), p. 9	12640/12335	802	405/398	120	105	88	92	260	145
All firms (data not shown for those who said not an obstacle at all/don't know/refused), p. 11	12672/12355	803	405/401	120	105	88	92	260	145
All firms who used external finance in the last financial year (excluding don't know/refused responses), p. 12	4578/4323	255	130/101	36	36	23	35	85	45





#### Economics Department

[economics@eib.org](mailto:economics@eib.org)  
[www.eib.org/economics](http://www.eib.org/economics)

#### Information Desk

+352 4379-22000  
[info@eib.org](mailto:info@eib.org)

#### European Investment Bank

98-100, boulevard Konrad Adenauer  
L-2950 Luxembourg  
+352 4379-1  
[www.eib.org](http://www.eib.org)

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# Estonia

## Overview

### EIB INVESTMENT SURVEY

# 2019