

Ott Ummelas

The 17-member euro region may emerge from the sovereign-debt crisis in a different shape, Estonian President Toomas Ilves said.

"I think the euro zone may not take the same form it does today," Ilves said in an interview in the Estonian capital, Tallinn, yesterday. "I don't see the euro zone collapsing. It's too much in the interest of the fiscally responsible members of the euro zone to maintain the currency. It is also in the interests of other countries that aren't so responsible but they may not have the luxury."

Fiscally responsible members are too interested in maintaining the common currency to let it disintegrate, Ilves, who is running for a second five-year term in the first round of presidential elections in parliament on Aug. 29, said in an interview in Tallinn yesterday.

Estonia, the first former Soviet republic to adopt the euro when it made the currency switch in January, is the least- indebted euro-region member, at 6.6 percent of gross domestic product. It was also the only nation to have a budget surplus last year.

There is a broad consensus in Estonia regarding the benefits of euro adoption for the \$19 billion economy, which started expanding in the second quarter of 2010 following its deepest recession in two decades, Ilves said.

Ilves Supporters

The governing coalition Reform Party and Isamaa ja Res Publica Liit, which commands 56 votes in the 101-seat legislature, are backing Ilves, who needs a two-thirds majority to be re-elected in parliament or a simple majority in an electoral chamber if parliament fails to elect the president.

The opposition Center Party has put forward Indrek Tarand, a member of the European Parliament, as its candidate.

Political stability in the Baltic nation of 1.3 million has increased after general elections in March, Ilves said, adding that it should now focus on improving its quality of life of citizens and the functioning of the state, mainly through infrastructure investment.

“Estonia has become more stable, more traditional, you might say boring, in its range of political options by parties represented in parliament, it has become like those countries were three five years, ten years ago, but” Nordic “countries have also changed with significant populist movements, anti foreigner movements and anti European movements.”

The Baltica rail link from Tallinn to the Polish capital Warsaw via Latvia and Lithuania is among the most urgent projects to boost regional integration, he said.

To contact the reporters on this story: Ott Ummelas in Tallinn at oummelas@bloomberg.net
To contact the editor responsible for this story: Balazs Penz at bpenz@bloomberg.net

Original article [here](#) .