

The President of the Republic, Toomas Hendrik Ilves, visited the Bank of Estonia today and met with the leaders of the central bank, who gave a presentation on recent developments in the Estonian economy and prospects for adopting the euro.

At the meeting, it was affirmed that Estonia's economic growth has been noteworthy in the European context, while risks related primarily to domestic demand should be noted. The equalizing of the economic situation is helped by the state of public finance, which is characterised by a large surplus and small foreign debt.

Estonia's short-term objective is to adopt the euro at the first opportunity, since this would bring Estonia closer to the European common market. The relative importance of European Union member states in Estonian export trade is already more than 80 percent, and two-thirds of foreign trade transactions are conducted in euros. European Union countries also make ninety percent of direct investments in Estonia.

If the current course of economic policies continues, then the short-term postponement of the adoption of the euro will not create any economic setbacks. However, the conclusion drawn at the meeting was that any long-term postponement or uncertainty in subsequent economic policies might have a negative effect on the Estonian economy.

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