

“The financial and economic crisis that has struck Estonia and Lithuania—like many other countries—does not allow us to just wait for events to transpire, but requires fast, intelligent and purposeful action from all governments,” President Toomas Hendrik Ilves said at yesterday’s meeting with Lithuanian Prime Minister Andrius Kubilius.

“Estonia is planning vigorous steps to limit possible budgetary deficits and to be prepared to adopt the euro in 2011. This means painful cuts in larger budgetary items,” President Ilves said.

According to the Estonian Head of State, the best possibility for small open states like the Baltic countries to enliven their economies is to continue to provide advantageous environments for enterprise, which support the rapid adoption of the euro and render the public sector more effective, while also maintaining a stable tax environment and the vitality of the export sector.

“Therefore, it is very important to focus on government stimulus for enterprise, especially export-related enterprise,” the Estonian Head of State stressed. “In the broader sense, one of our most important challenges is to restore confidence in the Baltic countries.”

President Ilves and Prime Minister Kubilius also spoke about economic relations between Estonia and Lithuania and felt that closer cooperation was essential. Lithuania is one of the most important destination countries for Estonian investments, with 28% of all investment being made there. Last fall the volume of Estonian investments totaled 20.7 billion EEK. At the same time, the total volume of Lithuanian direct investments in Estonia was 2.4 billion EEK.

At the meeting, local energy security was also discussed, and President Ilves affirmed the importance of quickly completing the electrical connection between Poland and Lithuania, because this would increase the supply security of the Baltic region. The Estonian Head of State also encouraged Latvia and Lithuania to make a decision on another important project—the location of the electrical connection leading to Sweden.

“In order to guarantee the energy security of the Baltic region, it is critically important to establish the missing connections, although along with the connections, the creation of a common energy market covering the Baltic and Nordic countries must also occur,” President

Ilves emphasized. "Our objective must be a common Baltic and Nordic energy market by 2013."

Speaking about Lithuania's new nuclear power, President Ilves said that Estonia continues to be interested in participating in the project, but added, "Unfortunately, the latest contacts between the partners have not been very productive and we wish to see the rapid development of the project."

Office of the President
Public Relations Department
Phone +372 631 6229