

“We are all of us thinking and trying to solve the urgent problems of Estonian economy,” President Ilves said today, opening the Development Forum. “We are all of us thinking and trying to solve the urgent problems of Estonian economy,” President Toomas Hendrik Ilves said today, opening the Development Forum. “The price of inactivity are lost opportunities.”

The economic crisis brought out the bottlenecks in our economy, including the relatively inefficient economic structure, the Head of State said, adding that the the last few years’ deluge of cheap loans will never happen again, not even when the world economy will be on the way uphill once more.

“Also the recovery of Estonian economy will therefore happen in different circumstances, much harsher than those we remember from the past,” said President Ilves. “Despite those hardships, we have to restructure our economy. If we fail to do that, Estonia will be facing both mental and physical poverty.”

According to the Head of State, it would as yet be premature to guess what the post-crisis features of world economy will look like, but several megatrends, such as the global ageing of population, energy deficit, global warming and the surfacing of Asian countries or the shift of economic power more and more eastwards, would probably remain unchanged; also activity in the so-called green sector of the economy would grow significantly in the coming years, as energy conservation is topical all over Europe today and viewed as a sustainer of long-term economic growth.

“In the world of the 21st century, it is openness and innovation, not cheap labour, that brings success. We, too, must take this into account, and shape Estonia’s future revenue system accordingly,” emphasised President Ilves, and warned: “If today, we start making cuts at the expense of innovation and brains, we will also cut off the premises of future development. In this case, the whole of our discussion will be rendered pointless.”

In longer perspective, economy can take a turn for the better when we have restored our credibility with both domestic and foreign investors, the Head of State said. “This would mean transfer to the Euro, which would dispel the investors’ uncertainty about the future. The coming of the Euro would also change the general attitude towards us: not only European and global capital, but also enterprises and people all over the world would consider a stable, innovative and open economic environment inviting, perhaps even worth considering as a permanent site of residence,” said President Ilves in his speech.

“None of this is possible without the growth of economic productivity. We cannot count on becoming even better at what we do today. We must produce new, different things, which have a stable market, especially abroad,” the Head of State said. “For this purpose, we have to create a new kind of economic environment in Estonia, an environment that would attract talented people.”

The full text of the President’s speech is available [here](#)

The Development Forum organised by the Estonian Development Foundation is titled “World –

Choices – Decisions”.

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