

"I invite the Riigikogu to remain determined and adopt all the decisions in the upcoming state budget that will ensure Estonia meets the criteria to join the European common currency, the euro, in 2011," said President Toomas Hendrik Ilves, at yesterday's meeting with the parliament's financial committee.

The Head of State assured that regardless of increasing unemployment, plummeting foreign demand, and a complicated situation with the state budget, Estonia still has a real opportunity to meet the criteria required for the transition to the euro.

"I do hope that the government and the parliament will seize the opportunity. I also hope that responsibility will characterise the allocation of local authority funding," said President Ilves.

According to the estimates of the head of state, the budget position needs further improvement in weighing the opportunity to both increase revenue and decrease expenditure.

"I do not agree with those who state that abandoning all attempts to adopt the euro would help to restore economic growth in Estonia. The euro is an important guarantee for Estonia's economic stability and national security. The euro will put a stop to all speculation concerning the possible devaluation of the Estonian kroon, while increasing Estonia's prospects as a target country of investments."

The Estonian Head of State acknowledged the role of the politicians in adopting the difficult, yet inevitable decisions. "By doing this, we have been able to ensure Estonia's reliability and credibility – despite the difficult economic situation. This is huge capital. It would be regrettably unwise to abandon recent efforts."

The Head of State invited the politicians to consider the long-term perspectives when drafting the financial and budget policies. "Estonia's decisions today must solve the problems instead of postponing them. The perspective for the long-term stability of our opportunities and commitments will be observed in balance with inflation and budget deficit criteria," the president explained.

According to President Ilves, he cannot approve of the approach of introducing endless amendments to the budget. "Let us draw up a budget, now and with a single effort, by considering all the possible risks," said President Ilves.

The President of the Republic met with the financial committee of the Riigikogu to obtain an overview of the parliament's plans for drafting the 2010 budget and to discuss the co-operation of all the fractions in drafting the budget; the Head of State also wished to express his opinion concerning the 2010 budget and national financial policies in general.

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