

President Toomas Hendrik Ilves said that the demand surfacing in various states every now and then to replace the policy of austerity with the policy of growth is erroneous. "Austerity is a policy; growth is the result", he said at the formal presentation of the Kroon Album in the Bank of Estonia.

The head of state noted that despite everything Estonia and the Bank of Estonia have coped with the global financial and economic crisis quite well.

"When we compare our problems and outlook to some other eurozone countries, then figuratively speaking, Estonia has always had its nose above water, while attempts to resuscitate some others have been ongoing for a while now", President Ilves said. "Naturally, keeping yourself afloat is quite tiring and this exhaustion is indeed palpable in Estonia. But Europe no longer hands out boats or inflatable mattresses for carefree floating."

The head of state assured that he is not aware of any facts that would prove that the adoption of the euro was wrong, but noted: the economic growth and ability to cope with the crisis of various states does not depend on the name of their currency.

"The economy is growing in Estonia, Germany, Poland and Sweden. The first two use the euro; the last two do not", President Ilves said. "This is not about the currency, its name or appearance. This is about how the economy works – how the money is spent. Whether the public sector and social system are based on borrowed money or on the income we all have earned."

According to the President of the Republic, the Estonian state has acted wisely both in the time of the kroon as well as the euro.

"Now, to my surprise, we sometimes hear the demand to replace the policy of austerity with the policy of growth. That statement is false in principal, because austerity is a policy; growth is the result", President Ilves said. "I cannot agree with the view that in order to come out of the crisis, one must borrow some more or in other words, turn the policy, which has left some states in serious trouble, into the policy of the entire eurozone. What we actually need is a serious boost

to the internal market of the European Union in order to generate competition, a precondition of which is the free movement of services."

The head of state also thanked the outgoing President of the Bank of Estonia, Andres Lipstok.

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