

"Today's Baltic co-operation stands for money, concrete, railway, power station," told the President, Toomas Hendrik Ilves, at his meeting with the Latvian Prime Minister, Valdis Dombrovskis.

The Estonian Head of State, who arrived in the Republic of Latvia for a state visit, confirmed that in the 21st century our mutual relations do not need so much rhetoric about our shared historical fate, but, above all, we require a focus on shared projects that would connect the markets and people of the Baltic states visibly and tangibly, uniting us stronger with the rest of Europe in both an economic and security sense.

President Ilves recalled that now we are about to reach out for a historic opportunity to use the financial means of the European Union to create a contemporary link between the three states.

"This is Rail Baltica, a part of the railway connecting Helsinki to Berlin, which will allow both people and goods to arrived quickly to the heart of Europe and return. I do hope that we will get to establish a joint venture in the coming months to make specific preparations for building the railway," told the Estonian Head of State. "Let us get this railway built."

When speaking of the economic situation in general, President Ilves admitted that over the next couple of years, as a complicated situation in the European markets will prevail, achieving the economic growth that we need is going to be a tough task for both our countries. Foreign demand will largely depend on developments in South European countries and the reaction of financial markets to such developments and restoring consumer security remains to be a challenge in the domestic market.

"I think it would be dangerous to focus solely on growth and forget about frugality. This would be a dead end. Frugality is a policy and growth is the outcome that it helps to achieve," emphasised the Estonian Head of State.

The euro continues to be a good and useful currency, said President Ilves, adding: "The problem involves some euro area countries that have not complied with the rules we established together and hope that they can pay next week for today's luxurious dinner – and

even then, preferably, with a credit card. The euro area will work these problems out; there is no need to have any doubts about that."

The Estonian Head of State expressed his hope that Latvia would use the opening window to join the euro area immediately as it opens.

"In considering the Estonian view, the recommendation is selfish as we need countries that share a similar, responsible behavioural pattern for both the euro area and for the decisions that are taken," told President Ilves, who invited Estonia and Latvia to view each other as home markets.

The common understanding of transparency and openness for organising both politics and economic affairs is one of the pre-requisites for mutually beneficial trust and co-operation; this means that the same rules are imposed on everyone and all the rules are understandable, told the Estonian Head of State.

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