

Entrepreneurs,
friends,
ladies and gentlemen.

It fills me with hope to be standing here today among the strongest and most successful business people contributing to the Estonian economy. What's more, it is a day of celebration, as very soon the awards will begin to be handed out to the best in the field this year.

But let's be honest with one another: though the atmosphere at present is one of excitement, it is also tinged with uncertainty and concern. Share markets to the east and west of us are buckling in ways that only those with memories longer than ten years will recall. Financial companies are collapsing which were only recently being lauded as true successes and the cornerstones of the economic system.

In Estonia we are having difficulty balancing revenue and expenditure in our state budget, because the economic growth we have become used to has ground to a halt. The logic we have grown accustomed to applying in putting our budget together, including the planning of income and spending, is now much more complex and frustrating than in previous years of success.

During the last ten years the Estonian economy has, at times, earned itself a reputation as something of a child prodigy. But now we have come back down to earth. It is a situation which forces us to ask ourselves two questions:

Have we overlooked something or done something wrong?

Or does none of it depend on us – is it simply inevitable?

Ladies and gentlemen.

I suspect that all of us here in this hall know the answer. The success we have enjoyed to date has largely been based on advantages which were always going to be short-lived, such as cheap labour and low levels of debt: the advantages of a transitional economy over a more mature one, but temporary by their very nature, and something we had to make full use of while the opportunity was there.

That is something we have more than managed to do. And yet the state of the economy today – leaving aside the problems with the global economy – seems to be saying to us: passing one test alone won't see you reach the big league. If we want to do this, more is needed.

It is always difficult when there is a sea change in the economy, but it also presents us with possibilities for the future. We should bear in mind that the way our Nordic neighbours resolved their economic problems in the early 1990s paved the way for their success today. Here we are not talking about the economy in a narrow sense. The Nordic countries are some of the few in today's Europe who have also successfully addressed their social issues and labour market policy and whose state budgets are sustainable even in conditions of an aging population.

Underlying all of this was the productivity of their economies, which in turn was dependent upon innovation, good education and technological prowess. Nor should we forget the low level of corruption in these countries due to the high levels of transparency in their societies, because wherever there is less corruption you will find a stronger economy.

Ladies and gentlemen.

This year we have repeatedly been informed by authoritative sources that the structure of the Estonian economy has not managed to keep up with major changes in other fields. That it has remained, by and large, unchanged. Forgive me if I draw a slightly crass comparison: a car you buy from the weekend market might drive faster with higher quality fuel and a bigger engine, but it's never going to be a Ferrari.

With its existing economic structure, Estonia will find it very difficult to become one of those truly developed nations. Economic structure is not the sort of thing you enforce change in overnight. Behind it is years of thorough, meaningful work and consideration of the future needs of the country and the world as a whole.

Naturally, this means investments in education, research and development. It may also mean the need for change not only in investments, but also in broader values.

Now is not the time for accusations and recriminations, especially among politicians and entrepreneurs, who should always remain partners to one another in a democratic society.

Levelling of allegations and constant mentioning of potential miscalculations will lead Estonia nowhere. But we have to move forward.

Pessimism, confusion and searching for someone to blame will root us to the spot, which in turn will mean time and opportunities lost. And we have no time to lose.

So how do we move forward from where we are today? That is a question a lot of people are asking. You have to close your eyes to what was and open them to what could be. The opportunities are there; you just need to be able to see them and know how to use them.

That is why I am so happy that there are some truly innovative companies among the nominees here today. I hope to see the main awards going their way.

To close, I would like to wish all of the business community strength and success in coping with a rapidly changing world – one which at present must seem rather unstable. Whether we will be talking about the economic miracle of Estonia again ten years down the line depends on you.

Thank you for your attention. I would like to wish you all a wonderful evening and the best of luck for the awards. Let's all keep thinking openly and boldly.