

## The Impact of the Crisis on the New Member States - Non-Eurozone New Member States

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The key to a quick and sustainable recovery is the implementation, at national level, of structural Government reforms aimed at Eurozone membership.

In her introduction of the workshop, Iliana Ivanova MEP, Vice-Chairwomen of the CRIS Committee stressed how important it is to have this debate now, in relation to the new Economic Governance Package and the roles of Member States in the Stability and Growth Pact.

"In the midst of these dynamic events, new Member States need stronger support and solidarity from the EU not only for the structural reforms that are being implemented but also for the continuing efforts to strictly comply with the criteria for strong fiscal discipline", added Iliana Ivanova MEP. In concluding, she noted: "We support tax competition as one of our best tools in enhancing the competitiveness of the new Member States and thus providing a better cohesion and overall European economic growth."

Othmar Karas MEP, Coordinator of the CRIS Committee, pointed out: "The financial crisis has had a deep impact on several economies from Central and Eastern Europe. Some of their economies proved to be more vulnerable than those of the Member States belonging to the Eurozone. This in turn put plans for an introduction of the Euro on the back burner for the time being. Nevertheless, as a true Union based on solidarity, it lies in our common responsibility to push for well balanced structural reforms aimed at Eurozone membership or entry into ERM II, increased infrastructure development and sustainable growth, and a reduction in unemployment."

"At the beginning of the crisis, we expected Eastern Europe to be the hit hardest. While Hungary, Lithuania and Romania have more work to do, so too does Greece, Ireland, Portugal, Spain, Belgium and other Western European countries", said Simeon Djankov, Deputy Prime Minister of Bulgaria. "Investors no longer distinguish between East and West", he said.

Special recognition was made to the former Prime Minister of Estonia and current member of the Estonian Parliament, Mart Laar. The political and economic reforms, carried out by the Cabinet of Mr. Laar, have been the main cause of the rapid economic development in Estonia in the post-communist period.