

## **SIIM KALLAS**

Born: October 2, 1948; Tallinn, Estonia

Married, two children.

Nationality: Estonian

Mr Siim Kallas has been an active participant in the restoration of Estonian statehood and has served in Estonia as Prime Minister, Minister of Finance, Minister of Foreign Affairs and President of the Central Bank. He has been elected to the Estonian Parliament three times. He is Chairman of the Reform Party (officially until autumn 2004), a position, which he has held since the party's creation in 1994. Since May 2004, Mr Kallas is a Member of the European Commission.

Mr Siim Kallas graduated cum laude from the Finance and Credit Department of the University of Tartu in 1972. He continued his studies as a post-graduate student until 1975 and is now a Visiting Professor at the University of Tartu.

In the late 1980's, Mr Kallas was among the first economists in Estonia to introduce the idea of economic independence. As an active proponent of this new thinking, he contributed significantly to shaping Estonia's economic environment.

In 1991, Mr Kallas was nominated as the President of the Bank of Estonia. He was one of the principal architects of Estonian monetary reform. In 1992, Estonia adopted its own national currency (*kroon*), which it pegged to the German mark using the currency board mechanism. Thanks to Mr Kallas' efforts, this bold and unconventional reform succeeded and today serves as an excellent example for transitional economies throughout the world. The Estonian public regards Mr Kallas as "the father of the Estonian *kroon*". The currency board regime was paired with the principles of conservative monetary policy and tight fiscal policy, which together continue to form the basis of Estonia's economic framework. Mr Kallas has consistently been the main defender of these principles and a strong supporter of Estonia's balanced budget policy.

In 1994, Mr Kallas founded the Reform Party and was elected as its chairman. The Reform Party propagates a liberal-democratic ideology and is a member of the Liberal International.

In 1995, Mr Kallas was elected to the Estonian Parliament and later that year became Minister of Foreign Affairs. Mr Kallas, one of the first architects of Estonia's European policy, was foreign minister when Estonia applied for membership in the European Union, established its EU co-ordination structures and developed its first Action Plan for EU membership.

In 1999, Mr Kallas was elected to the Estonian Parliament for the second time and was appointed as the Minister of Finance in the new government. He served in this post for three years. As Minister of Finance, he enriched Estonia's income tax legislation by introducing the principle of a zero rate for corporate taxation on reinvested earnings. This has been a successful instrument in Estonia and has also helped increase interest in Estonia among foreign investors. As Minister of Finance, Mr Kallas was also closely involved in the EU accession negotiations, in particular, in discussions concerning monetary and financial issues.

In 2002, Mr Kallas became Prime Minister of Estonia and served in this post until the national elections in Estonia in 2003. He was Prime Minister at a key stage in Estonia's development

when the country was invited to join NATO and concluded accession negotiations with the European Union. Mr Kallas was closely involved in the final stage of the talks, which came to a successful result thanks to his ability to find the best possible compromises.

In 2003, Mr Kallas was, once again, elected to the Estonian Parliament, where he served as a Member of the Foreign Affairs Committee.

Since May 2004 Mr Kallas has been a Member of the European Commission, working in the field of Economic and Monetary Affairs.

Mr Kallas is very interested in literature, theatre, music and history. He is a devoted cyclist and enjoys playing tennis. He has written numerous articles mainly on economic affairs, foreign policy and politics. His selected articles have been published as a book.

### **Career in detail:**

Since May 2004 Member of European Commission

2003-2004 Member of Parliament and the Foreign Affairs Committee of the Parliament

2002-2003 Prime Minister of the Republic of Estonia

1999-2002 Minister of Finance of the Republic of Estonia

1995-1999 Member of Parliament and the Defence Committee of the Parliament

1995-1996 Minister of Foreign Affairs of the Republic of Estonia

1991-1995 President of the Bank of Estonia

1989-1991 Chairman of the Estonian Central Association of Trade Unions

1986-1989 Deputy Editor of Estonian daily newspaper "Rahva Hääl"

1979-1986 Director of the Estonian Central Board of Savings Banks

1975-1979 Finance Ministry of the Estonian Soviet Socialist Republic