



**EUROPEAN COUNCIL
THE PRESIDENT**



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**Herman Van Rompuy
President of the European Council
Remarks at the Business Forum
"EU and Czech Republic, ten years together"**

It is a great pleasure to be in Prague on the occasion of this anniversary, to mark a journey of ten years. A decade ago at midnight, the European Union changed like never in its history. It wasn't as sudden as it sounds, after all, that day came after fifteen years of countless steps, of arduous preparation.

But from fifteen – suddenly there were twenty-five, and finally, Europe had become "Europe" again, and a page was turned, for good. For the Czech Republic, and for the other nations of the region that took part in this great "enlargement", becoming full members of the European Union was not a return to Europe though. They had always been – always will be – European, and had it not been for four decades of Iron Curtain, they would have been part of the earlier chapters of EU integration, too. There was history, and culture – there were deep ties. The whole of Europe had held its breath and cheered at the Velvet revolution. It was always meant to be.

As Milan Kundera said, Central Europe had always been, and always will be (and I quote): *"a condensed version of Europe itself [...] made up of nations conceived according to one rule: the greatest variety within the smallest space"*.

So 1st May 2004 was not really a "return to Europe" – how could it be, when the region was so European in essence? –, it was an anchoring. An anchoring in freedom. The turning of a page, new opportunities for the future.

P R E S S

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EUCO 96/14

And seized they were! Things went fast. Millions travelled more, tens of thousands studied abroad. The region of Prague rocketed high up on the list of the wealthiest regions of the European Union, and all across the country, investment rose, and with it prosperity, and quality of life.

Mr Prime minister, barely five years after accession, your country was at the helm of the European Union, holding the EU Presidency for six months, just as the first major anniversary of the fifth enlargement was being celebrated.

With the same changes at play in ten countries at the same time, naturally dynamics developed. Between the member states that joined in 2004 (and later in 2007) and those that were there before, trade figures tripled over the course of these ten years. And there is more: among the Ten, (the countries of 2004), over that period trade actually went up fivefold.

Today, for the Union, these countries, for the most part, are a motor for growth, key players in Europe's global value chain. Of the ten, already six, and soon seven with Lithuania, are trusted partners in the eurozone (and that is not the end, I am sure!). And here, on a side note, let me use this opportunity to congratulate Prime Minister Sobotka and his government on the decision to join the Fiscal Compact Treaty. For the other members of the Union, and the eurozone, it is an important and valued sign, and you have our full support ahead of the ratification process.

From the very start, back in 2004, the economics of enlargement worked not just for individual countries, but for the whole of the Union too. The single market grew in size, trade and investment opportunities followed, and with those, Europe's overall competitiveness improved too. Enlargement brought economic weight, but also flexibility. The Union gained close to 80 million new citizens, who brought along with them their dreams, their drive, their energy. This was another source of vitality.

Politically, this enlargement was a leap for our Union, a leap that renewed its core meaning. It reminded all European citizens of what our Union, as a political project, is about. That at heart it is about spreading peace, spreading democracy, spreading prosperity. It was a leap that showed confidence, and openness, and ambition.

A mere fifteen years before, when the Iron Curtain fell and uncertainty started shaking the ground under their feet, the European leaders of that time decided to reach out, and say: we can build this bigger, stronger Union, and we will. It was, and to me that resonates greatly, the victory of will, and of hope, over fear.

Today, we are again, in a period of geopolitical uncertainty. Of course periods cannot be compared, but with the turmoil in Ukraine, we are seeing again, at the very borders of the European Union, memories of a history that we thought long gone.

The situation continues to cause great concern, and it keeps evolving - sometimes hour by hour. The European Union is mobilised. From the outset of the crisis, we have followed a double track.

On the one hand, sending a strong and united message to Moscow, making clear that confrontation and destabilisation of our common neighbours will yield no benefit. On the other hand, encouraging the Ukrainian authorities along the path of reform, towards an open, modern, inclusive Ukraine. All countries of the European Union stand by Ukraine as partners, and stand ready to help the country financially and help it carry through much needed political and economic reforms, to the benefit of the Ukrainian people and all its neighbours.

Our solidarity dates back well before the on-going crisis. In fact, the Eastern Partnership – which triggered Maidan in November, after the Association Agreement between the Union and Ukraine wasn't signed –, the Eastern Partnership was born five years ago in this very city – in Prague, during the Czech Presidency of the Council of the European Union. I attended that meeting as Belgian Prime Minister.

Five weeks ago in Brussels we signed the political parts of the Association Agreement between Ukraine and the European Union, and the economic parts will be signed after the presidential elections of 25 May, giving the people of Ukraine the prospect of a European way of life and the prosperity that they deserve.

I would like to take this opportunity to thank the Prime Minister for the Czech Republic's contribution, also as an active member of the Visegrad Group, in seeking a peaceful and negotiated way out of the crisis. To move towards a solution we need real dialogue between Ukraine and Russia. This is what started, finally, two weeks ago in Geneva, with the association of both the European Union and the United States. A door has been opened: it is vital that it should be used, and that we truly advance towards de-escalation. It is not yet what we see.

Violence and lawlessness in Eastern Ukraine must urgently come to an end. And in the absence of any progress towards a negotiated solution, the European Union will uphold – and if necessary increase – the pressure on Russia.

The situation around Ukraine is making our countries in the European Union rethink, sometimes in very immediate terms, our weaknesses, and what we could be doing differently. One area of particular relevance is the question of access to energy reserves. A striking example here happened for instance just a few days ago, with the deal struck by Slovakia on reverse flow of gas to assist Ukraine. It was a good decision. This is a region of key interconnections, and I know energy is an important issue also here in the Czech Republic. After all you are one of the most industrialised countries in our Union. I know energy matters, especially to you as leaders of business and industry, not least because of its cost. So allow me to go into further details on the state of the thinking on the issue of energy at the European Council.

It's been a longstanding issue of concern for the European Union. With the shale gas revolution at play in other parts of the world, we in Europe may find ourselves the only continent in the world to be still dependent on energy imports from abroad.

So it is an area on which there has already been a lot of work. But we also know we can be even more ambitious. It is no secret, we have known it for some time: together as countries of the European Union we could be playing a much stronger hand on energy, if only we capitalised on our collective strength.

We have allowed in the past our dependence on Russian gas to become too high. This dependence is particularly high across Central Europe – and the Czech Republic is no exception. Energy dependence matters for security and for foreign policy. It matters also for energy prices, for industrial competitiveness. The countries with the widest choice of energy sources generally secure the cheaper energy prices – that general rule is confirmed over and over again in the Union.

Yet, if our countries do not take action now, by 2035 the European Union will most likely be dependent on foreign exports for up to 80% of our oil and gas. But we know how to improve this outlook: by using our single market for energy to the full. And the prime ministers and presidents of Europe are ready – finally – to do just so.

Sixty-four years ago, Europe was first built as a community for coal and steel. We know the power of energy, we know the strength that can come from working together. Today, in new circumstances, we are looking to move towards a genuine energy union. The leaders in the European Council have asked the European Commission to present by June a plan to reduce our energy dependence. And some countries are already contributing actively to this work.

There are several avenues, which are mutually reinforcing: with new energy sources, through expanded supply routes to and within Europe, more interconnectors, but also through new energy sources, in particular renewables, and through better energy efficiency. Energy security at our borders, and security of supply for our neighbours, should also be an important concern.

There are other ways in which we can strengthen our hand. If we genuinely put our minds to changing the way we deal with energy, not much should stand in our way. All that is needed, is to be serious about working more as a team when we negotiate national contracts, to share more information, stand together when need be, and refuse to be divided when our interests are at stake. The Polish Prime Minister has recently developed interesting ideas on this. So we are serious about reducing our energy dependence. I have put it high on the European Council agenda already in May 2013 and last month; and will do so again in June and in October. And I hope to see further concrete progress soon, progress that will benefit businesses like yours.

I wanted to share these elements on the question of energy, because it is one that shows so clearly how belonging to a club can be a factor of stability, of protection. It is but one such area. Every time, it can require work and it can require will: it is about team work. But the European Union is a strong team. A family of nations. A space of freedom, security, prosperity. It is our common good.

In a election year like this one, especially coming after difficult years economically, it is essential that we go back to what really binds us, to what this project – our common project – is really about. Your voices, as business people, as citizens, can make a huge difference. We must not hesitate to speak up about our convictions, about what Europe means to us.

I wish you all well in your endeavours, and would like to congratulate the Czech Republic, again, on this anniversary. Thank you, děkuji [djekuyi]