
Beginning of the Russia-EU summit's working session

4 June 2012, 11:45, St Petersburg

PRESIDENT OF RUSSIA VLADIMIR PUTIN: Good afternoon, ladies and gentlemen,

It is a pleasure to welcome you all to the Konstantin Palace for this, the 29th Russia-European Union summit.

During our informal meeting yesterday, we exchanged views on the situation in the Russian economy and in the eurozone, and we discussed the development of integration processes in the Eurasian region. I think this is a priority direction, as are relations with the EU and, as my colleagues and I said yesterday, we do not see any contradictions between developing Eurasian integration and continuing to build up our relations with the EU. Indeed, our goal is to make these two integration processes work harmoniously together.

It was valuable for us to be able to hear first-hand about the situation in the eurozone. In this respect I want to say that Russia wants to see a strong European Union, as has always been the case. After all, the EU accounts for around half of our foreign trade. Actually, this figure was even higher two years ago, with the EU countries accounting for slightly more than 50 percent of our foreign trade. Today the figure has dropped a little, but 48-49 percent is still a very significant amount. In absolute value, this comes to more than \$350 billion.

I hope we will have the chance today to discuss what we have done, and what has not yet been done, since the last summit in Brussels, and set our objectives for the coming period. I think the six months since our last summit have been positive overall for our cooperation. This is particularly true of the projects we are carrying out within the Partnership for Modernisation joint initiative. These projects open up new opportunities to make our economies stronger and more competitive in the world today.

I think that Russia's accession to the World Trade Organisation also opens up many new cooperation opportunities. At the same time, genuine partnership is not possible so long as visa barriers to developing contacts between our peoples remain in place. My press secretary gave an example just before. We were just in Berlin and Paris, together with our colleagues, including our press pool. Our journalists were given a visa for one day, but because we ended up holding the news conference rather late they were in danger of having their visas end. What were they to do in such a situation, get up and leave?

But we want to continue our dialogue in a practical spirit based on the principle of equal partnership. It is in this objective that we will review implementation of the roadmap for developing the four common spaces.

As for the visa issue, the continuing work to liberalise the rules for travel between our countries inspires a measure of optimism. We have already agreed to carry out some steps together. Let me stress that the importance of this issue is not so much political as economic and humanitarian, because contacts between our people and their joint projects in business, science and culture are the most solid foundation for our partnership. We need to support our citizens in their desire to work together, holiday together, and simply maintain personal friendships.

On energy cooperation, we are delivering gas now via the first section of the North European gas pipeline, and construction of the second section is in full swing. I can inform you, colleagues, that the underwater section of the Nord Stream pipeline's second section is almost complete now.

Work on the South Stream project, which will see a new pipeline laid across the Black Sea, got a new boost last December when Turkey approved the pipeline being laid in its exclusive economic zone. We now have the final approval from the Turkish government and plan to begin works on this gas pipeline at the end of this year. I think it will take between 18 and 24 months to get the system ready for operation.

Our results in the energy sector convincingly demonstrate what we can achieve when we take a pragmatic and business-like approach to cooperation, without ideological and other stereotypes. This logic should be the basis for the new basic agreement between Russia and the EU. We have a good opportunity now to cement in this agreement our strategic goals and outline our main long-term cooperation areas.

Colleagues, friends, I have mentioned just some of the vectors for the dialogue at today's plenary session. I hope for fruitful and constructive work in a spirit of friendship and interest.

PRESIDENT OF THE EUROPEAN COUNCIL HERMAN VAN ROMPUY: Mr President,

I understand this beautiful palace was originally founded by Peter the Great and restored by you for the G8 summit of 2005. What other place could better symbolise the long and strong tradition of Russia's cooperation with Europe, both in the bilateral and in the global context?

Mr Barroso and I, together with Ms Ashton, will be your interlocutors for the upcoming 2.5 years, which would mean five summits. I consider your choice of holding the summit so shortly after your inauguration as a sign of your commitment to making the promotion of the strategic partnership between the European Union and the Russian Federation a priority.

And as you know, the EU-Russia relationship is enjoying its best dynamics for years. WTO membership, visas, Partnership for Modernisation – we have a solid track record and constructive dialogue that we should build on. There is still untapped potential. We need to constantly develop and adapt our partnership in relation to a changing global and domestic world.

So let us use this summit to confirm our continued joint commitment to strengthening the EU-Russia strategic partnership. And let us set the course for the years to come and define what steps we can take to move forward.

We took a good start yesterday evening in discussing the state of play of our economies, and needless to say, we are facing testing times in the euro zone. Out of this crisis will emerge a deepened Economic and Monetary Union, and stronger economies in the member-states. It will take time and courage, but we will succeed.

The Union believes that the idea of the Eurasian Economic Union, as based on WTO rules, could lead to positive contributions to trade, prosperity and cooperation.

To get back to our bilateral relationship, the best basis for our partnership would be an ambitious and comprehensive bilateral new agreement. I believe that this should become the new centrepiece of our relationship.

The Union also wants to be Russia's partner in its modernisation. That is why I see the further development of the Partnership for Modernisation as one of the priorities. It should be a partnership that converges the economy, society, and the rule of law. A vital contribution from civil society should in this respect be seen in Russia and in the Union as an integral part for real modernisation and pluralism.

Human rights concerns in partner countries are a matter of direct and legitimate concern to all, and the Duma hearings recognised this.

On foreign policy, we have on some issues different views, but there is a lot of convergence on Iran, on the Middle East peace process, and even on Syria, as far as the Annan Plan is concerned. We are also happy to see that progress is made in solving the Transnistria issue.

I look forward, Mr President, to continuing our discussions today. As partners, we need to continuously exchange ideas and views. We should be able to be frank and clear, but need to encourage the spirit of compromise in order to move forward in this interdependent world, where our prosperity depends on each other on a scale never seen in human history.

Thank you.

PRESIDENT OF THE EUROPEAN COMMISSION JOSE MANUEL

BARROSO: Thank you very much.

Let me start by thanking you for your warm welcome, and also for yesterday's dinner and our very useful, open discussions last evening.

This is the 29th European Union-Russia summit, for me it's the 15th. And I am very happy to meet here in St Petersburg, after being in so many other places in Russia, from Khabarovsk to Nizhny Novgorod. And today we will address a number of bilateral issues that give depth and practical significance to our strategic partnership. And I believe it is particularly appropriate that we do it in the beginning of your mandate as President of Russia, and also in the beginning of a new Russian government.

Russia and Europe are experiencing important political, economic, and social transformations. The world is changing around us; so are we, in Europe and in Russia.

I believe a new cycle is opening, and it offers the opportunity to look ahead and think strategically on what we want to achieve bilaterally and where we will want to be in five years' time, and even further ahead.

Russia is not only our biggest neighbour; it is also a very important strategic partner for Europe. We have strong economic relations. We are Russia's biggest commercial partner accounting for 50 percent of all trade. We are the biggest source of foreign direct investment in Russia, the biggest client of your biggest export, energy. And we share a common interest in living in a peaceful and stable neighbourhood, and in a multilateral, rules-based international system.

In recent years, we achieved much progress in our bilateral relations, working together for Russia's WTO accession, with our Partnership for Modernisation, with the common steps for a visa-free dialogue. We need now to consolidate what was achieved and we need to complete what is still pending, notably a new agreement that should become the centrepiece of our cooperation and cover all areas of our partnership.

Last year, you, President Putin, set out your vision for a free trade zone from Lisbon to Vladivostok. We share that ambition. The first step to achieve it will be precisely your WTO accession, which as you know we actively supported, followed by the conclusion of an ambitious and comprehensive new agreement between the European Union and Russia.

Our Partnership for Modernisation is now in the implementation phase, with new projects being prepared and considerable loan funding becoming available. I am happy to note that you have confirmed this as a top priority also for your side.

Our colleagues are also working very hard on the implementation of the common steps toward visa-free travel. This is our goal – visa-free travel between Russia and the European Union. We welcome the substantial progress made in negotiations on an upgraded EU-Russia Visa Waiver Agreement, which I believe we should finalise soon.

The achievements I have mentioned would not have been possible without political will and strong coordination. Therefore, I would like to recall a proposal I made last year that we should instruct our senior officials to convene more regularly, to pursue on-going work in all areas of our very dense and vast partnership. We have the vision, the determination, and we are ready for substantive work. I look forward to addressing these issues with you in greater detail today, and I also look forward to continued fruitful cooperation in the years to come.

Thank you.