
Addresses at the working session of the Russia-EU summit

4 June 2013, 10:30, Yekaterinburg

PRESIDENT OF RUSSIA VLADIMIR PUTIN:

Good afternoon, ladies and gentlemen,

It gives me great pleasure to welcome you to Yekaterinburg, the capital of the Urals, and to wish you fruitful work. This dynamically developing city is steeped in history and cultural traditions, and is a contender to host the World Expo 2020.

Our regular meetings testify to the interest of Russia and the EU in developing a sustainable partnership. Since the December summit in Brussels, we have accumulated a number of topics for discussion and issues that need to be addressed. In the interim Mr Barroso and I met in March of this year in Moscow, but our discussion focused mainly on the Cyprus crisis.

Last night, we exchanged views on the economic situation in Russia and the European Union, as well as the global economy as a whole. It was important for us to get first-hand information on the measures taken to normalise the situation in the Eurozone. The Cyprus debt problem has further highlighted the need for further consultations and efforts to strengthen trust and transparency in our relations.

We also touched upon the topic of G20. I would like once again to express my gratitude to our colleagues in the European Union for constructive cooperation and support for Russia's Presidency. We will be pleased to see our European colleagues at the summit in St Petersburg.

The March meeting between the Russian Government and the European Commission has played a useful role in the development of Russia-EU dialogue. The heads of key sectoral agencies discussed the full range of practical cooperation issues. Russia and the European Union have a solid foundation for progressively deepening our mutually beneficial relations.

We often hear and talk about the problems that exist between us. It is true that they exist, but even amidst the challenges facing the global economy in 2012, bilateral trade grew by 4.1% to a record \$410.3 billion. This is half of Russia's foreign trade.

Europe is the largest investor in the Russian economy. The accumulated investment of the EU countries amounts to \$276.8 billion. In turn, 60% of Russia's accumulated foreign investments are in the European Union. About 40% of Russia's international reserves are denominated in euros. All of this is clear evidence of close interdependence; therefore, we must listen to each other, consult each other and work with each other.

As I said, there are some issues between us that require our constant attention and often provoke disagreements. One of such issues is energy, despite the fact that we are natural partners in this area. Obviously, the energy dialogue can move forward successfully only if the interests of both parties are respected and the predictability of business operations is ensured.

Another issue that demands our close attention is the development of a new basic agreement between Russia and the EU. Both sides have an interest in completing this work as soon as possible. It will soon be 20 years since the Partnership and Cooperation Agreement was concluded.

Eurasian economic integration is taking on an increasing importance for the development of the Russia-EU partnership. Russia builds cooperation with its partners from Kazakhstan and Belarus on the basis of the World Trade Organisation regulations. We also take Europe's experience into account, and regularly inform our colleagues from the European Union on the integration progress within the Customs Union and the Common Economic Space.

We hope that the European Commission will establish close contacts with the Eurasian Economic Commission. Our integration associations are largely built on similar principles and are fully compatible. This opens up good prospects for deepening cooperation.

The Russia-EU agenda includes a number of current international issues. Yesterday we began our discussion on Syria and some initiatives in this area, and today we will exchange views on other matters.

We are ready for a frank and practical discussion. Welcome, we are very glad to see you.

I am pleased to give the floor to European Council President Herman Van Rompuy. Thank you very much for your attention.

PRESIDENT OF THE EUROPEAN COUNCIL HERMAN VAN ROMPUY:

Thank you Mr President, excellencies, dear colleagues.

It's a great pleasure to be here in Yekaterinburg for our 31st EU-Russia Summit. We have already enjoyed a very good informal dinner meeting last night, and I would like to thank you for your kind hospitality.

On behalf of the EU delegation, I would also like to thank you very much for your kind invitation, and for having chosen a remarkable venue for our summit, which symbolises Russia's Eurasian dimension.

Our relations have developed tremendously over the last 25 years. Russia and the EU have themselves changed dramatically. We have moved to a strategic partnership. We have become first-rate and indeed indispensable economic partners to each other. It is in this period that we can turn to the business today of discussing current issues and challenges in our cooperation.

We have come far in our negotiations on a new agreement. However, crucial elements remain to be solved. In this context, let me also assure you that we support regional cooperation efforts by our partners. And we are willing to find a way forward with regards to the Eurasian Economic Commission whose relevance we acknowledge.

We also need to address other economic issues of common interest. Outstanding trade issues, energy, and aspects relating to visas. Progress on the new agreement and these matters would help us create a stronger fundament upon which we can strengthen our strategic partnership further.

Work on values that strengthen democracy and respect for fundamental freedoms and rights is an important, although difficult, element of our relations. I therefore welcome the dialogue on human rights where we can address these issues frankly and raise concerns. I am glad to say that our cooperation has moved forward in several areas like energy, civil protection, consumer policy and education.

President Barroso will address these issues later. I would like to welcome in particular that we have re-launched our cooperation on counter-terrorism, which we now have to deepen and broaden. I would like to thank you for your recent proposals in this regard.

While security in Europe is our first joint priority, we also cooperate closely in addressing global challenges. We are pleased to give our full support to Russia's G20 chairmanship. We share the goals of reforming financial institutions, and setting the global economy back on track for growth and jobs.

We would welcome further strengthening of our cooperation in multilateral fora, bearing in mind the role played by the European Union institutions, including in organisations such as the Arctic Council.

As regards foreign policy, our cooperation on Syria should be strengthened. We welcome wholeheartedly the re-launch of the Geneva 2 process following talks between [Russian] Foreign Minister [Sergei] Lavrov and [U S] Secretary of State [John] Kerry. The European Union Council has endorsed this initiative. The EU is convinced that there is no alternative to a political solution for a transition to a democratic, inclusive, and united Syria, and for stopping the bloodshed.

We share the same concerns about developments in the Middle East, on Iran. [EU High Representative for Foreign Affairs and Security Policy] Kathy Ashton cooperates closely with Minister Lavrov in the E3+3 [France, Germany, the United Kingdom, China, Russia and the U S] context. Also on Afghanistan and North Korea we have common interests and enjoy good cooperation.

I'm looking forward, Mr President, to a substantial and open exchange with you on these and other issues of common interest. By doing so, I hope that we will be able to improve our mutual understanding and cooperation.

PRESIDENT OF THE EUROPEAN COMMISSION JOSE MANUEL BARROSO:

Mr President, excellencies, dear colleagues,

I am also very pleased to be here with you today at the heart of the Urals. In previous times the Urals were considered to be the natural frontier of Europe, and Yekaterinburg was precisely at the frontier between Europe and Asia. Some called this city a window on Asia.

It was in this spirit of openness, that last March I went to Moscow with a college of commissioners for meetings with the Russian government. And as I said, Mr President, I also had a very good, interesting meeting with yourself, and I thank you for that opportunity.

Our very open exchanges back then have allowed us to make progress on several issues. I would like to express my appreciation for the quality of talks I had with you on that occasion, and also for the constructive and professional way in which the Russian government received us, and conducted these consultations.

The March executive-to-executive talks demonstrated that our strategic partnership delivers. We signed the EU-Russia Energy Road Map 2050. This is, I believe, a very significant achievement because it defines a common vision for our interaction in this crucial sector. It is also a very good product of our long-standing energy dialogue. There I have with me also Commissioner [Günther] Oettinger, responsible for energy in the European Commission.

We also signed an important agreement on civil protection cooperation, and we launched a consumer policy dialogue, and an education dialogue. These are of immediate interest to our citizens.

Today, we have the chance to go further, and to make moves towards a deeper, stronger European Union-Russia strategic partnership. The best way to do so, and to put our partnership on a firm and solid foundation for years to come, we believe, would be the conclusion of a new agreement. This will guide the entire range of our relations and cooperation, making them more predictable by providing an up-to-date and legally binding framework.

We have agreed many times that both sides want such an agreement. However, we have yet to agree on some of the elements, namely the issue of trade. Our respective trade experts are working together to find a *modus operandi* on implementing a future new agreement, taking into account the transfer of competences to the Eurasian Commission. This work should allow us to overcome the current situation.

A new agreement would be a signal that we are building the necessary strategic trust that is so important in our partnership. And trust is of course first of all built by respecting commitments. In 2011 we reached very good agreements: the conclusion of bilateral negotiations on Russia's WTO membership, agreements on

WTO-related aviation issues, common steps towards a visa-free regime, and very sound principles for our Partnership for Modernisation.

It goes without saying that the next step is the respect and full implementation of these agreements. We will today review progress. It's of course very important to honour WTO commitments.

On mobility and visa issues, I am happy to note that we have moved forward on our commitments since we launched this process. Good progress has been made on common steps towards visa-free travel; we want to continue this joint work. We would like to sign upgraded visa facilitation agreements soon, technical conditions have yet to be clarified. And in this context of people-to-people contacts, a main issue remains the new Russian order on passenger name records. I hope some of our concerns can be addressed constructively by the Russian side.

As regards the Partnership for Modernisation, I wish to thank the coordinators for their continued good work. I particularly welcome the new EUR 800 million European Investment Bank loan programme, adding to existing programmes by the European Bank for Reconstruction and Development and Vnesheconombank, Russia's public bank. I think this work can bring real results.

Now in the context of Partnership for Modernisation, we have also recently launched an anti-corruption project with the Council of Europe. We should also soon hold an anti-corruption conference that we have agreed earlier.

Finally, we have concluded negotiations on a drug precursors agreement which we will today sign here, at this summit. These are, of course, important advances, and of course I just mentioned the bilateral issues. Because of time I'm not mentioning every single thing we can do globally, like, of course, in the framework of the G20.

We very much hope that the G20 Summit in St Petersburg will be a great success, not only for Russia as a host, but for the global community. And the European Union is ready to support that. I hope that Yekaterinburg can also be an inspiration for the fruitful discussions we will have with you today. And I thank you for your attention.

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