



**EUROPEAN COUNCIL
THE PRESIDENT**



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Remarks by President of the European Council Herman Van Rompuy ahead of the G7 summit

This evening the President of the European Commission and I look forward to welcoming the leaders of the G7 countries for a summit here in Brussels. It is an extraordinary summit for at least two reasons. Firstly, it is more than 15 years since the last regular G7 summit took place. And secondly, it is the first time that a G7 summit takes place in Brussels and is hosted by the European Union.

The crisis in Ukraine and Russia's actions are the very reason for the G7 Brussels summit - instead of the originally planned G8 summit in Sochi. The G7 came together because of shared beliefs and shared responsibilities. On the 24th of March in The Hague - in the margins of the Nuclear Security Summit - the leaders of the G7 unanimously decided to "suspend our participation in the G8 until Russia changes course and the environment comes back to where the G8 is able to have a meaningful discussion". This decision was taken to show Russia that its actions also carry a political cost.

Our agenda for the two days covers a broad range of topics including foreign policy, global economy, trade, energy, climate and development.

Today, the crisis in Ukraine and Russia's interference remain an important topic on the agenda. This evening the discussion will focus on the latest developments and how the G7 can best address this very serious situation.

For the European Union, the position is clear and was clearly expressed in the statement on Ukraine last Tuesday following the informal meeting of EU Heads of State or Government.

P R E S S

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We welcome the presidential elections in Ukraine on 25 May that was characterised by a high turnout and a clear resolve of the authorities to hold a genuine election - despite extreme challenges in two of the regions. These elections were a game-changer.

We look forward to cooperating with President Poroshenko and the Ukrainian government to support the country's sovereignty and territorial integrity as well as the necessary political and economic stability and reforms. We encourage the Ukrainian authorities to continue to reach out to the population and civil society in all regions of Ukraine and all minorities.

The G7 and the European Union have developed a positive agenda. This includes a diplomatic agenda for de-escalation, including the Geneva statement. And it includes our assistance to help stabilise Ukraine financially, economically and politically.

As a sign of the EU's continued support and commitment, I will attend the inauguration of the new President in Kiev on Saturday. And I expect us to be able to sign the remaining parts of the Association Agreement with Ukraine as soon as possible.

At the same time, we call on Russia to cooperate with the elected and legitimate President and to contribute actively to de-escalation efforts, notably through the withdrawal of its troops from the border, using its leverage on the armed separatists in eastern Ukraine to stop their illegal actions and obtain their disarmament, and preventing the crossing of armed militants and weapons into Ukraine. By not addressing these issues, Russia is contributing to the increase of violence in the eastern regions. Should events so require, preparatory work by the Commission and the EEAS on possible further targeted measures is underway and will continue.

Destabilisation is also a threat to Georgia and Moldova. The Association Agreements with both will be signed in Brussels ahead of the European Council meeting on the 27th of June.

Besides Ukraine and foreign policy issues, we will also discuss the global economy. This will be the first thing on our agenda Thursday morning.

President Barroso will elaborate further on the important trade aspects of our growth agenda, notably but not only the ongoing negotiations with the USA, Japan and Canada. But let me add a few words on the global economy and notably the situation in Europe.

The G7 is meeting at a time when the global economy has strengthened. The global economic outlook is positive although with weaknesses in some emerging economies. The EU has returned to positive growth since the second quarter of 2013. The recovery is proceeding this year and is expected to continue next year with up to 2% in the European Union on average. This brighter outlook also holds true for the more vulnerable euro zone countries. There are encouraging signs of growing numbers of people in job - and 1,6 million fewer people without a job between 2013 and 2015. Still, the overall unemployment remains far too high. In particular youth unemployment is one of our main concerns. Domestic demand including investments is now the key driver of growth - and this is very welcome. But we know that even if the most acute phase of the crisis is behind us, the recovery needs to be supported and we cannot relax the focus on reforms.

The fragmentation of the financial markets and the shortage of credit are another concern for growth and jobs. And we are taking decisive measures to address this concern. The Asset Quality Review and the stress tests led by the European Central Bank are a key tool to restore full confidence in the strength of our banks. This should help - also in the short-term - because stronger banks are able to lend more to households and businesses.

Tomorrow we will also discuss energy, climate and development. I will leave it again to President Barroso to go in further detail. Notably the intrinsically linked issues of energy security especially our high energy dependence on imported gas, energy prices' impact on European companies' competitiveness, energy efficiency and climate change all are and will remain high on our agenda at this meeting and in the European Council.

Let me conclude by repeating that I look forward to welcoming all the G7 leaders to the Brussels G7 Summit in a few hours. As you can see, we have a full agenda ahead of us and the European Union will do everything to progress as much as possible on each and everyone of these important files.
