



**EUROPEAN COUNCIL
THE PRESIDENT**



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Remarks by President Herman Van Rompuy following the G7 summit

It is exceptional to see the G7 come to Brussels, and in many ways this has indeed been an exceptional summit.

Yesterday evening was mainly devoted to Ukraine – as many of you may have seen from our communiqué yesterday.

The Ukraine / Russia crisis is of course the very reason why we are holding a G7 summit instead of the scheduled G8 – the first actual G7 in fifteen years.

But we had a full agenda covering all the issues of a normal G8 meeting; so we dealt with the global economy, trade, energy and climate change, with development and of course also with the crisis in Ukraine – but also with other foreign policy issues, not the least the problems in Asia and the South and East China Sea.

Ever since the start of crisis in Ukraine, members of the G7 and the European Union have stood united in their response. To acts of aggression, we have reacted not only politically but also economically with sanctions. These sanctions bite, directly and by creating uncertainty. The economic impact of even relatively limited sanctions is already obvious.

But we are not only reacting. We developed, as G7, a positive agenda. A diplomatic agenda aimed at de-escalation with Russia, A stabilisation agenda to help Ukraine, financially, economically, and politically, not least by signing – as the European Union – the Association Agreement with Ukraine. And Ukraine too has developed a positive agenda – embarking on constitutional reform, decentralisation, setting up a national dialogue and, most importantly, by holding free and fair presidential elections.

P R E S S

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EUCO 124/14

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Last night, in light of the most recent developments, we have confirmed the validity of this approach.

G7 leaders welcome Petro Poroshenko as President-elect of Ukraine and commend him for reaching out to all the people of his country. His election can be a game-changer.

We expect Russia to cooperate with him as President of Ukraine and we urge Russia to accelerate withdrawal of its military forces on the border with Ukraine, stop the flow of weapons and militants across the border and to exercise its influence among armed separatists to lay down their weapons and renounce violence. Failure to address these questions is dangerously fuelling the conflict in the eastern provinces. We therefore call on Russia to seriously pursue a political solution.

As we said also yesterday, should events so require, we stand ready to intensify targeted sanctions and to consider additional measures. The European Council will assess the situation at the end of June.

Tomorrow, in France, individual G7 leaders will convey this message to President Putin.

During the summit we also discussed other situations of concern around the world.

Of course we spoke about Syria, the world's gravest on-going conflict and humanitarian tragedy. The entire region is under terrible strain. Tuesday's elections, flawed from the outset, will not bring us closer to a solution. Only a clear commitment from all sides to a genuine political process can open a perspective of stability and peace to Syria. The European Union will continue supporting all efforts to alleviate the suffering of the people of Syria.

We also addressed the situation on the African continent – in Libya, Mali, the Central African Republic and Nigeria.

In our discussions this morning we also had a good exchange of views on the global economic outlook around the table. One thing was very clear: supporting growth and jobs remain our top priority.

I explained the situation in the European Union. We have good news but we also have also worrying developments. The good news is that we will have next year 2% of GDP growth all over the Union, positive growth in all 28 countries, and this growth is driven by domestic demand. Unemployment is still far too high, but between 2013 and 2015 we will have approximately 1.6 million less unemployed. I said it also yesterday; employment is still growing but only by slightly more than 1% in 2013-2015, so we are trying to take away impediments to growth. One of them is credit shortage, which is being addressed with the asset quality review, the stress tests, and recapitalisation of banks so that credit flows can be restored. At the same time we are dealing now – especially the European Central Bank – with the problem of low inflation, which is a handicap especially for those economies with a high private and public debt; and of course I mentioned the efforts that our member states are undertaking in the field of structural reforms.

We have to enhance the potential of our economies, develop the single market, continue structural reforms in the member states, embark on innovation in the digital economy, in the energy field, in telecommunications. On all these aspects, we explained to our colleagues in the G7 what we are doing in the European Union.

Today we also made important progress on the critical question of energy security. For the Union, this remains a top priority – as is climate change. And on climate change we will take decisions in the European Council in October, so that we can make the necessary pledges in the beginning of 2015 to prepare for the COP conference in Paris. In the G7 meeting in Germany in June next year, all the G7 leaders will coordinate their approach on climate change so as to make of the conference in Paris a success.

Last week, the Commission proposed a strategy to strengthen also our security of energy supply. The EU presidents and prime ministers will discuss it at our next summit on 27 June.

To conclude. We have had an exceptional summit, and as host I am glad that we were able to pull it together at such short notice. I thank all other G7 leaders and their teams for the true collegial G7 spirit. Most of us will see each other again already tomorrow, in Normandy, for the D-day commemorations. And I look forward to attending President Poroshenko's inauguration in Kiev on Saturday, as a sign of the European Union's continued support and commitment to Ukraine.
