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European Union and Kazakhstan: Forging a partnership for the 21st century

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Es gilt das gesprochene Wort

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Rector, Ministers,
Ladies and gentlemen,

It is a great pleasure to be here today in Kazakhstan even more so to be the first President of the European Commission to visit your country. And it is a great honour to address you today in the Gumilyov University, this prestigious seat of learning, which, in less than two decades, has become one of the leading universities in the entire Central Asia region.

This university is a tangible sign that your country recognises the value of investing in the future, in research, in development, in its own citizens.

And both this University and the city of Astana, which I am discovering for this first time, are stunning examples of the achievements of Kazakhstan in just two decades as an independent nation.

However Kazakhstan's past and history date back far further as Lev Gumilyov demonstrated in his extensive work. And almost as old as your country are the relations between Europe and Central Asia.

In fact, over the centuries, Kazakhstan and Europe have been much closer than you would think from looking at a map. Our destinies were tied together from the VI to the XIV centuries when east and west were able to travel and to trade freely along the Silk Route.

This has played a unique and central role in the process of cultural exchange in the Old World. Goods, technology, ideas, and culture moved back and forth along its length. Mathematics, astronomy, and science travelled east and west, along with different forms of music, dance or painting.

More recently, the historic divisions of the 20th century kept us apart. But, after Kazakhstan's independence, this distance is rapidly reducing as the imperatives of the 21st century once again bring us together.

In this, I do not simply mean our common global issues such as climate change and the need to ensure sustainable development, vital as these issues are. I also refer to the bilateral ties that are yet again binding us increasingly closely together.

Distinguished guests!

Kazakhstan is becoming these days an increasingly important partner for the EU in the region, not only due to trade and investment, but more importantly as a stable country with a proven track-record of harmony and tolerance, a tradition which dates back beyond the Silk Route.

We wish to deepen and enrich this relationship. The negotiation of a new and enhanced Partnership and Co-operation Agreement, which we have initiated together, is the recognition of the importance of Kazakhstan to the European Union and of our strong strategic relations.

The European Union is committed to successfully concluding these negotiations as soon as possible and we trust that our Kazakh partners jointly share this commitment.

Our aim is to broaden the scope of our cooperation in all areas of mutual interest, and to support Kazakhstan's reform and modernisation efforts. Human Rights and the respect for the rule of law are part of a modern society and need to be secured through open dialogue, political pluralism and a vibrant civil society. This is an important dimension of our partnership and is very important for the deepening of our bilateral ties.

Certainly, one cannot expect that all the countries that emerged from Soviet rule would quickly transform into mature democracies after only 20 years of rediscovered independence. This is a long walk. But the direction of the path is important. And the European Union wants to be your partner, walking side by side with you, sharing EU experience and expertise where this can be useful.

But it is not just the political challenges that we can address together. There are also economic challenges to be faced as well. And also here the relationship with the EU can make a difference for the better.

Bilateral trade between the EU and Kazakhstan has been growing very rapidly over the past decade. The EU has progressively become Kazakhstan's leading trade partner, with about 40% of your total external trade. Europe has also become the top investor in Kazakhstan, accounting for about half of total foreign direct investment in the country.

Last year our bilateral trade amounted to 31 billion EUR, three quarters of which were represented by Kazakh exports, in particular oil and gas which accounted for most of Kazakh exports.

A need for diversification of the Kazakh exports is obvious. To this end, attracting foreign investment is vital. This is not simply about bringing financial resources to your country it is also about gaining know how and expertise, about building links to the global economy.

This is why our future Partnership and Co-operation Agreement is so important. It would strengthen our cooperation on economic issues. It will allow us to work towards applying common standards in agreed areas on the basis of international or EU standards. This is the key to accessing the European Union's Single Market, the largest market by value in the world.

Deepening economic ties with the EU is one vital element. But Kazakhstan also needs to be an integrated part of the world trading system. The EU has always been very supportive of Kazakhstan joining the WTO.

I am most pleased to be able to confirm here today that our trade negotiators have found agreement on the substantive elements of the bilateral EU-Kazakh terms of accession. We look forward to signing the deal soon. Let us aim for the multilateral deal to complete the process.

Kazakhstan's WTO membership will mark a milestone in our bilateral trade and investment relations, providing a good basis for further deepening our trade cooperation.

Of course access to the markets of others also means that we must be ready to open our own markets. Barriers to trade, and here I mean not just tariffs, but, others measures including bureaucratic licencing systems for engineering companies or excessive restrictions on certain types of foreign worker, need to be examined and, where necessary, removed as part of Kazakhstan's deeper integration into the international economy.

Another way we can advance our bilateral economic ties is to be inspired by the historic Silk Road: it is in our mutual interest to modernise our transportation links, especially aviation.

Distinguished guests,

Kazakhstan has been able over these last years to improve the well-being of its people, thanks to an impressive economic growth. In 15 years Kazakhstan's GDP increased 16 fold. And GDP per capita grew seven-fold, from 1,500 USD in 1998 to 12,000 USD in 2012.

These important developments were driven by a buoyant energy sector, which has also seen its share in the national economy greatly increased.

The upcoming opening of the Kashagan oil field, one of the largest projects in the world in the past few decades, will become a symbol of what Kazakhstan has achieved in the energy sector.

It is a symbol also of the strong relations between Kazakhstan and the European Union: multiple joint and mutual beneficial investments as well as substantial energy trade.

However in a world where in the last century the population grew four times, economic output 40 times, fossil fuel use 16 times and water use 9 times we have to change paradigm.

We need ever more to decouple economic growth from the use of natural resources; otherwise we will soon reach our planet's limits.

This is why I commend the 2050 Strategy anchored in a Green economy concept which the Kazakh authorities have just embraced.

Being one of the world's largest oil producers and adopting a growth strategy for the future based on clean energy and resource efficiency is not only commendable, it is visionary.

This is a policy choice which is similar to the one we are following in Europe. We have adopted a 2020 Strategy aiming at a smart, sustainable and inclusive economy. Among other targets we are committed to achieve 20% reduction in greenhouse gases, 20% of renewables in the energy mix and 20% of energy efficiency by 2020. We have a wealth of expertise in this area that we are willing to share with you.

Astana's hosting of the international exhibition EXPO-2017, for which I congratulate you, on the topic "Energy of the Future" will present more opportunities for cooperation with Europe both between administrations and businesses.

Ladies and gentlemen,

We are living in an ever more interdependent world, a world where technology has made us all neighbours and where increasingly the actions of one nation can impact on us all.

We have a common interest in global concerns such as climate change but also in other fields such as the fight against extremism and terrorism and non-proliferation.

The European Union wishes to work closely with Kazakhstan in facing up to these challenges. Your perspective on issues across the wider region is one which we highly value.

Let me reassure you that the European Union remains committed to supporting stability and fledgling democratic governments across the wider region.

Succeeding the transition in Afghanistan post-2014 presents a challenge to us all and we need to rise up to the occasion.

The EU will remain engaged in the country and will continue to provide not just political support but also economic and technical assistance as a way to reinforce overall stability in the region.

Regional cooperation is indeed the key to face today's challenges. Not even the largest and mightiest countries can afford political and economic isolation. Kazakhstan has rightly been opening up to the region and the rest of the world. And it has initiated a process of regional integration through a Customs Union with two of its neighbours.

As a regional integration project the European Union supports this trend elsewhere in the world. However, it is important that regional cooperation is not made at the expense of world integration. Regional processes need to be open and act as bridges, in political and economic terms. They should multiply the opportunities to engage with others and not subtract them.

Rector,

Ladies and gentlemen,

We have started from a small beginning but there is a saying that the mightiest trees grow from the smallest seed; just as democracy must be tended daily, just as our economies require daily work, so day by day we will build our neighbourly relations.

The great Kazakh poet Abai Kunanbaev reminded us in his Book of Words of an old Kazakh proverb: «The source of success is unity».

And united we shall continue, planting what will one day become the solid trunk of our bilateral relations.

I thank you for your attention.