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The Finnish EU Presidency - Remaining challenges

(Check against delivery)

Honourable Members of Parliament, Chairman Vilén,

It is a great pleasure to be here with you today. Holding the EU Presidency is a great privilege - a privilege that Finland intends to use productively in the 41 days remaining until the end of our Presidency. We have accomplished a great deal, but important work still remains. I want to take this opportunity to share some of these challenges with you. But first I would like to say a few words about what we have achieved so far.

Ladies and Gentlemen,

Innovation has been at the top of our agenda and I am very pleased with our achievements so far. I think that the outcome of the Lahti Summit in terms of innovation was very good - we need to focus on Intellectual Property Rights, Standardisation and Technology Platforms. The European Institute of Technology should go ahead. Earlier, we also achieved a result with the 7th Framework Program on Research. All these are crucial to innovation, which is the very foundation of Europe's competitiveness. The Competitiveness Council will finalise these strategic achievements in December.

Energy has also been a major issue. Its importance is universally acknowledged and the Lahti Summit was a milestone in developing the EU's external energy policy.

Ladies and Gentlemen,

Like all presidencies, ours has been shaped by unforeseen events. The crisis in Lebanon was our first great trial. I think that the EU performed well - we agreed on a firm common position and subsequently the EU played a decisive role in launching and sustaining a robust UN mission in Lebanon. The EU needs to be both more active and effective in external relations. The Middle East is an important example - after all it is part of our close neighbourhood.

Greater unity in external relations is of paramount importance to the Union. If we are divided and cannot agree on a firm common approach to external challenges, then the EU will be sidelined from real influence in the world.

One of the main external priorities for the Finnish Presidency is Russia. We think that it is very important for the EU to take a united, comprehensive and firm approach to Russia. After all, Russia is a European country, a close neighbour and strategic partner for the European Union.

In terms of the Union's Russia policy, last month's summit in Lahti was very successful. The EU was able to agree on a common position and sent a united message to Russia. There is a close interdependence between the EU and Russia that has to be recognised. The great achievement at the Lahti summit was the unequivocal recognition by all EU member countries that we need a strong common approach to Russia.

This coming Friday, we will host the EU-Russia Summit in Helsinki. I would like this Summit to demonstrate a shared desire, on the part of the EU and Russia, to put our relations on a new footing. In concrete terms, that means a decision to start negotiating a new comprehensive agreement - an agreement tailored to the strategic partnership we have with Russia.

The EU needs a comprehensive and strong agreement with Russia; a solid contractual basis for our relationship that will ensure transparency and fair play. Energy is a good example: the current agreement is quite vague on energy; the EU needs a new agreement with firm and legally binding provisions ensuring transparency and reciprocity.

It is no secret that we have not been able to agree on the EU mandate for these negotiations. We need unanimity to do that. This is a real test for the strong spirit of EU solidarity and unity that we achieved in Lahti.

I was in Warsaw last Friday evening to meet my Polish colleague, Prime Minister Kaczynski. We had a long and constructive discussion about the mandate. We have to remember that agreeing to the mandate is about starting negotiations, not concluding them. If we do not negotiate, we will never know what kind of results can be achieved. We all share the view that a firm agreement is essential and that the EU needs to negotiate as a single, strong entity. Without a new agreement for the Union as a whole, the only option is for each country to deal bilaterally with Russia on energy and other crucial issues.

We have strong solidarity with Poland regarding the Russian ban on Polish foodstuffs. The Presidency and the Commission have been actively pursuing this issue with a view to creating the conditions that would allow the ban to be lifted. The Commission has pledged its support in helping to verify that these conditions are in place. Both the Presidency and the Commission have been in close contact with Russian authorities. This issue will certainly be raised at the EU-Russia Summit. Recent Russian statements on the matter are encouraging. Russia is now saying that the ban will be lifted as soon as the outstanding technical issues have been resolved. This position makes the issue a technical one, an issue that can be resolved by pragmatic means.

Ladies and Gentlemen,

The Presidency is a firm believer in enlargement. The enlargement process has been a great success and I look forward to welcoming Bulgaria and Romania as new members from the beginning of next year. Enlargement has contributed to European stability and economic vitality. This open enlargement policy needs to continue.

We will have a general debate about enlargement at the December European Council. The Presidency looks forward to this debate and our aim is to consolidate a common understanding on the future of the enlargement process.

Ladies and Gentlemen,

Starting accession negotiations with Turkey in October 2005 was a great achievement. Turkey deserves to be considered on its own merits, in the same way as any other candidate. However, its accession negotiations are now enmeshed with issues relating to Cyprus. Turkey has made commitments regarding the customs union which it has to honour.

As the Presidency country, Finland aims to negotiate a solution that would benefit all parties and avert a crisis in Turkey's accession negotiations. We have discussed this package with the relevant partners. Our aim is to find a solution that would allow direct trade with the northern part of Cyprus and open Turkish ports and airports to Cypriot vessels and planes. Our package contains a limited number of elements. It is not about a comprehensive settlement to the Cypriot question. That is a task for the United Nations.

All the parties involved have been willing to negotiate. No one has come up with an alternative solution or said that our proposal is unacceptable. We are all on the same page. Therefore the Presidency still believes that a solution is possible.

We must not look back to the past, but forward to our future - to the reunification of Cyprus and to Turkey's membership of the European Union.

But time is running out. If there is no agreement and Turkey does not honour its commitments, the EU will need to consider the implications for the accession process. This is not a good scenario and it would mean an uncertain future. As for deciding on an appropriate EU response in those circumstances, we expect the Commission to come forward with recommendations during the first week of December. Decisions would need to be made at the General Affairs and External Relations Council in three weeks' time.

I want to make one thing very clear. The Presidency has no intention of raising the Turkey issue at the December European Council. Decisions will be made before that. The real deadline is before the Commission presents its recommendations. The December European Council will consider other issues, including the future of the Union's enlargement process.

Ladies and Gentlemen,

With these few introductory comments I am now available for your comments and questions. Thank you.