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Lessons learned from the global economic crisis for the Baltic Sea regions

Check Against Delivery
Seul le texte prononcé fait foi
Es gilt das gesprochene Wort

Conference on the EU Baltic Sea Strategy for a Competitive Region”

Riga, 24th September 2010

Mr. President,
Prime Ministers and Ministers,
Excellencies,
Ladies and Gentlemen,

Let me start by thanking the organisers of the Baltic Economic Forum and our Latvian hosts, for inviting me to speak to you today.

This meeting is a very important one as it brings together crucial actors from the private and public sector to reflect on how we can shape our future together through increased and more focussed co-operation. The Baltic Sea Region has been hit hard by the global financial and economic crisis. So has the rest of Europe. According to the latest economic forecasts the Baltic Sea Region has started to emerge from the crisis. However, the recovery remains fragile.

There is no room for complacency. We must frontload and accelerate the most growth-promoting reforms of our reform agenda set out in the Europe 2020 Strategy. This could raise growth levels by over a third by 2020 and will help the European Union to come out stronger from the crisis and turn the EU into a smart, sustainable and inclusive economy.

This means concentrating on three priorities: getting more people in jobs, boosting our companies' competitiveness and building an open and modern single market

The Europe 2020 Strategy presents the Baltic Sea Region with new opportunities. It will not only help accelerate the economic restructuring process. It also highlights the need to work together beyond regional, national or sectoral boundaries. And this is not just relevant inside the EU- it will also help anchor reform efforts of our partners in the area. This will create mutual opportunities for both the EU and its neighbours.

For this reason, the EU Strategy for the Baltic Sea Region which is already being implemented is closely connected with the Europe 2020 Strategy. It is responding to the opportunities on offer by implementing the Europe 2020 objectives with special attention to the conditions that exists in this region.

We are now almost 12 months into the implementation of the Strategy after the Council endorsed the Strategy in October last year. We can therefore start to see concrete results delivered by the different actions and projects initiated by the Strategy.

The objective is to create a business environment which opens up new business opportunities by firstly, strategic investments in vital infrastructure, secondly, removing trade barriers and thirdly, facilitating innovation through combining regional strengths. In this way, the economy of the Baltic Sea Region will become more resilient to external shocks and the region will be able to tap its full potential.

Let me illustrate the added value of this macro-regional approach on concrete examples.

The Strategy makes sure that we are investing in vital infrastructure of the Baltic Sea Region. Especially, with regard to big infrastructure projects we need a coherent framework for the involved Member States to mobilise their instruments and policies in an enhanced coordinated way. Only this way, the region can tackle big common challenges such as missing transport or energy links. The Strategy can also intensify or speed up work.

We are integrating much more rapidly the energy market through market liberalisation and investments in interconnectors. For example we are connecting Sweden to Lithuania and Latvia following the decisions in the framework of the

BEMIP Baltic Energy Market Interconnection Plan. The BEMIP initiative aims as well to secure the full integration of the three Baltic States into the European energy market.

We are also overcoming the transport bottlenecks that are still, 20 years after the reunification of Europe, hampering the flow of goods between the companies in the region. An example is to create Green Corridors to allow for goods transport to be more efficient and sustainable, very promising results on this are starting to show in the southern part of the Baltic Sea Region along the so called East-West Transport corridor between Klaipeda and Karlshamn and on to the North Sea.

The Strategy is facilitating much more targeted cooperation to invest in our roads, our railways and our harbours. Through the Strategy we are also focussing renewed efforts to complete the big infrastructure projects like Via Baltica and to use the sea itself much more in transporting goods across the region through better harbour facilities.

Secondly, SME's are the true backbone of our economy. They account for nearly 85% of the employment rate Europe wide. To make them operable beyond regional and national borders means to unlock growth and job drivers. That's why it is so important the Strategy is removing barriers to trade.

In the Priority Area on the Internal Market we are removing the remaining obstacles to trade in the region through strengthening the practical cooperation between the responsible authorities in the Baltic Sea Region. We are ensuring that the internal market also reaches the Small and Medium sized companies. We are reducing the bureaucracy associated with exporting products and services.

We are reinforcing the SOLVIT Centres of the countries from the region – making sure that problems related to trade is reported and addressed. Here the successful work done within the Nordic cooperation to remove trade barriers can serve as good examples and be enlarged to include the entire region.

In the Baltic Sea Region we also find much good practice that should be made available for all exporting companies. We are for instance, making electronic signatures and e-identification services to be used across borders. This would enable companies to increase their access to new markets.

Thirdly, we need to make sure that we make better use of the regions strength in Research and development. Therefore, we aim to intensify cooperation between the different clusters in areas where the region is leading such as telecom, life science, marine technology, forest products etc. The Strategy focuses on creating and strengthens links between national research and innovation milieus, clusters and SME networks in order to increase the resource base and capacity in the region.

There is also work going on to make sure that the big science infrastructure investments like the European Spallation Source in Lund Sweden, the high-energy PETRA III storage ring in Hamburg is really benefitting the entire region and contributes to the further integration of the research community. We want to make sure that researchers and companies in the Baltic States can take full advantage of these multi billion investments and that the whole region benefits.

Ladies and Gentlemen,

These investments are of course not for free and especially, in the aftermath of the financial crisis this is a big challenge. That's why we need to spend our money where we get most value.

The Strategy channels existing funding instruments and cooperation so that their potential can be fully utilised to the benefit of all. For example the work done within

ScanBalt to create a life science cluster in the Baltic Sea region with funding coming from a variety of sources really shows how efficient such an approach can be. ScanBalt is also a good example of an initiative started with initial funding from the Nordic institutions that has grown in size and intensity and is now seen as a benchmark in the EU.

Through the Strategy we are making sure that this example is followed by many more and that funding sources complement each other in a much more direct way than today. We are working with the funding programs to find ways of making this a reality. The Network on Funding and Financing the EU Strategy for the Baltic Sea Region is a very welcome initiative by the Lithuanian Ministry of Finance that I am sure will help us to come up with new creative solutions on how to fund our common priorities.

The great cooperation that we enjoy with financial institutions such as the European Investment Bank and the Nordic Investment Bank is another important asset in this regard.

Moreover, we should not forget that we are operating on an international basis here. In this regard, the Strategy is also facilitating cooperation with third countries.

We have recently had very constructive meetings with Russia on cooperation on Baltic Sea issues of common interest. We now have an overall agreement on how the cooperation should be taken forward in the framework of the Northern Dimension. We are identifying projects of joint interest and the process of the underlying funding has already started.

It is particularly important for us to further develop our cooperation with Norway and Iceland and here of course the Nordic Council of Ministers provide us with excellent opportunities and networks for this purpose. This is especially welcome, given the quality and range of expertise available. I can honestly say this is a big source of "good" even "best" practice.

Ladies and Gentlemen,

The Baltic Sea Strategy has marked the beginning of a new way of working and thinking about cooperation. The Baltic Sea Region is really pioneering this new endeavour. The work so far shows the importance of maintaining a collaborative spirit that characterised the development of the Strategy. We need one common vision, we need all relevant actors from the public as well as from the private sector on board and we need from time to time a "reality check". That's why meetings like this one here today are so important. Not only to keep the political dialogue alive but to get feedback from all of you on how the process can be further improved.

I am convinced that a wealth of new and creative ideas will emerge from this forum. Many thanks!