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President of the European Commission

**Statement following the meeting with
the President of Ukraine Viktor
Yanukovych**

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

Joint Press Point

Brussels, 1 March 2010

Good morning. Let me start by welcoming and warmly congratulating President Viktor Yanukovich. It is indeed a pleasure to receive him here in the Berlaymont and I am delighted that his first foreign trip after his inauguration last Thursday is to Brussels.

Here, Mr. President, you are among friends of Ukraine, committed to supporting the stability and prosperity of your country and engaging fully with Ukraine and the Ukrainian authorities.

Let me tell you that for some time now I have kept a good personal relationship with Mr Yanukovich. I remember meetings I had here when he was Prime Minister and also at the last Summit, in Kiev, where we also met even before he was elected President of Ukraine. And I am looking forward to the development of this relationship because I believe it is of fundamental interest of the European Union and Ukraine to have stronger and closer relations.

Reforms are necessary – in Europe in general, but also in Ukraine. And today during this meeting we have discussed the prospects for reform in Ukraine.

I believe a genuine partnership requires frankness, openness, contributions from both sides and it was in this spirit, that we had today a very fruitful discussion on Ukraine's reform agenda and what the European Union can bring to Ukraine.

We believe Ukraine should get back on track with the IMF. This is the first step to improve the investment climate. This should be accompanied by an agreement on a 2010 state budget which ensures capital investment

We also believe we need urgent progress on modernisation, re-structuring of the gas sector in Ukraine.

Once Ukraine will be back on track with the IMF, the European Union should be able to unlock more than half a billion Euro in macro-financial assistance.

If the reforms are undertaken in the gas sector I believe the International Financing Institutions will be able to provide financial assistance to Ukraine. And if Ukraine adopts a gas law in accordance with the European *acquis*, it can accede to the Energy Community Treaty, and we believe this will unlock significant foreign direct investment in Ukraine. We are ready to work with the Ukrainian authorities on this.

Our most far-reaching offer to Ukraine is a new Association Agreement currently under negotiation. It will lead to a Deep and Comprehensive Free Trade Agreement (DCFTA) offering Ukraine access to a market of 500 million consumers and providing the perspective in a very short period of doubling Ukrainian exports to the European Union. We believe a more dynamic and competitive Ukrainian economy is in our mutual interest and today we have discussed with President Yanukovich the possibilities of concluding this Agreement as soon as possible. We have discussed about an indicative date of one year to conclude this Agreement.

We also spoke about visa-free travel and the need to establish a roadmap for this goal. Of course, it depends also on progress on both sides but we believe this is a very important aspiration of Ukrainian citizens and will give a clear signal of Ukraine as a member of the European family of nations.

We have discussed in this open spirit different issues. We are open to a request made by President Yanukovich for a mission of the European Union – a technical and experts' mission, to see in which ways we can support some of the reforms that Ukraine intends to do also in terms of government expenditure. And, in fact, we are very open and will consider this in a thorough manner.

So this was, in fact, a very good meeting and I am looking forward to the possibility of expanding the relations with Ukraine, that are good, but if we establish this in a very pragmatic way, we believe this progress can bring stability, prosperity to Ukraine and this is, of course, the wish of the European Union. The European Union values Ukraine as a very close European partner and we are ready to work with Ukrainian authorities to meet that goal.

Once again, President Yanukovich, thanks for your early visit to Brussels and all the best for you and for Ukraine.