



College of Europe
Collège d'Europe



Natolin

Address of **Ukrainian President Viktor Yushchenko**
to the students of the College of Europe in Natolin,
Poland

Honourable Rector, Distinguished Lecturers, Students, Ladies and Gentlemen,
I believe the opportunity to address you is a great honour for anyone coming to this auditorium. For me it is particular occasion, because we shall be discussing the perspectives of a country which, in my conviction, is unique and which in recent years has displayed colossal changes. Today we shall be talking about Ukraine. What sets life in today's Ukraine apart, what are Ukrainian aspirations and which ambitions of the Ukrainian state are the most essential? I should like to begin by saying that I have never entertained any doubts nor ever raised the question as to whether or not Ukraine was in Europe. I was born a European. I was born at the Europe's centre. I am convinced that Ukraine is a European country. Our values were and continue to be European values. One can begin with the constitution of Pylyp Orlyk which he wrote in April 1710. That constitution proclaimed the right to vote, the rule of law, voting law, and Ukraine was guided by that law for at least three hundred years. Other freedoms and values were also proclaimed therein. That was one of the world's first constitutions. One may also speak of the events that took place in Ukraine in November and December last year. Only a truly European nation could have behaved in that manner, and so beautifully got up off its knees. For that reason, Ukraine unconditionally opted for European and Euro-Atlantic integration as the basis of its strategic orientation.

But I shall begin my analysis of Ukraine's situation with other characteristics and other fields of endeavour.

Nearly a year and a half has elapsed since the Orange Revolution. What has changed in Ukraine? How has that upsurge of democracy and freedom been felt by an ordinary person, a journalist, a policy-maker and a businessman? And why are European aspirations the logical continuation of what started a year and a half ago? I shall speak briefly, without commentary wherever possible, and cite selected data. Over the past year, revenues of the central budget and local budgets were 50 percent higher than in the previous year. This year budget revenues have again increased, this time by 23 percent. In that way, in the course of a year and a half, Ukraine has nearly doubled its budget revenues. For all intents and purposes, that has occurred thanks to a single indicator: by significantly curbing the economy's grey

zone. Only couple of years ago, 54% of Ukrainian economy was in the grey zone. Today, thanks to the dialogue between the authorities and the business community, we are witnessing an extremely active process of leaving the grey zone. New sources of budget revenue are appearing, making it possible to shape the nation's humanitarian and pro-social policy in a different manner. Last year, the real incomes of Ukrainians grew by 20 percent. I believe that probably such an index cannot be found in any other European country. Earnings have grown by 34 percent. The people who create the nation's elite—teachers, physicians, servicemen, workers of culture and science—have received rises of more than 50 percent. That resulted from a special policy, a conscious policy. In that way we wanted to prove that if an honest competitive policy is being implemented in the country and key fiscal processes are being taken out of the grey zone, each person can feel that improvement personally.

Democracy is advantageous and also has its material dimension. Inflation in our country, according to last year's data, stands at 10 percent; the budget deficit amounts to 1.8 percent of the gross product; the national bank's currency reserves have doubled, growing by 10 billion in the course of a single year. Investments amount to US\$7.8 in the course of a single year which, I believe, roughly matches investments in Poland's economy. I will not cite detailed individual sector figures here, but I do want to say that Ukraine's economy at present is developing amid conditions of transparency and free competition. By implementing a policy of open privatisation, competitive privatisation, we have succeeded in getting the lion's share of national and international business to believe in those processes.

If we consider the democratic and political transformation, I am able to state that the most important task was eliminating oligarchic circles from the decision-making process, from the process of taking state decisions. They do not shape the stand of the government, president or parliament. In Ukraine there exists public, political competition. The last Ukrainian elections were assessed by the OSCE and the European Parliament as democratic ones carried out in accordance with national and international law. We have succeeded in having public competition function in Ukraine's political life. Those were the first elections in which the authorities did not tell citizens which political forces they should vote for. Those were true elections which have led Ukraine to a new political map and new political opportunities. In the context of both Ukraine's economic and political perspectives, one of the cornerstones of that policy of course is European as well as Euro-Atlantic integration.

Over the past twelve months, in terms of our work and co-operation with the European Union, we have brought about the creation of a three-year Ukrainian-European Union plan of action, whose purpose is to accord special status to Ukraine's relations with the European Union. Over the past eight months we have succeeded in having Ukraine, the Ukrainian economy, recognised by the European Union and the United States as a market economy.

In May last year, Ukraine revised the principles of its visa policy, abolishing visas for citizens of the European Union, then of Japan and finally of Canada. Over the past 12 months the number of citizens of European Union countries and the remaining countries I have mentioned visiting Ukraine has grown 2.6 times. The number of visitors from Poland has more than trebled. At present, we are actively engaged in talks with the European Union aimed at liberalising visa regulations applied to Ukrainian citizens. That concerns first and foremost students, young people, journalists, businessmen and scientific workers. In our opinion, that is the category of citizens that most dynamically stimulate the development of our multilateral and bilateral relations.

I should like to separately emphasise the elements pertaining to the normalisation of trade principles, regulations affecting neighbouring countries and other countries. Up till today, Ukraine has signed more than 40 bilateral protocols concerning mutual access to goods and services markets. As a result, we are opening Ukraine and Ukrainian business to practically the entire world. Such a protocol of great importance to us has been signed with the European Union, as well as with the United States and China, and that in effect has opened completely new opportunities for Ukrainian business. We are now on the threshold of entering the World Trade Organisation. Formally Ukraine has fulfilled about 85 percent of the tasks and plans set for it. Integration with the WTO raises hopes that by next year Ukraine will join the negotiating process to create a joint free-trade zone also with the European Union. In that way, it may be said that the short-term plan of Ukrainian-EU co-operation will have been fulfilled.

At the start of April 2006, the European Parliament passed a resolution summing up Ukraine's parliamentary and local elections. That memorandum for the first time ever officially set the subsequent goal — the creation of a framework for Ukraine's associate membership of the European Union. That move will be the start of a process of further negotiations between Ukraine and the European Union.

To briefly sum up the efforts of the past 10-12 months, I should like to state that over the past decade Ukraine has not had equally dynamic relations with the European Union primarily in the political realm but also in the sphere of practical achievements. We greatly appreciate that dialogue and that dynamism. Very important for us are relations with the North Atlantic Pact which from May 2005 have achieved a level of intensive dialogue. Today Ukraine is very close to receiving a proposal of an action plan pertaining to membership. Several programmes of co-operation with the North Atlantic Pact are in existence in our country. Those programmes are linked to joint training efforts, structure unification, a number of methodological processes, a management system and a series of other initiatives. That is also the result of the past year's co-operation, so we count that amongst the great successes achieved in our bilateral relations. During that period, Ukraine joined the Bologna Process and from 2010 Ukrainian students will be receiving diplomas recognised throughout Europe.

We are conducting an active regional and international policy. During the period under discussion we proposed a number of international initiatives, including the First Forum of the Community of Democratic Choice, held in December 2005. That Forum, conducted in Ukraine, had its continuation in Vilnius a few days ago, and two additional summit meetings in that series are due to be held this year. Great progress has been achieved in the international political project GUAM. That is a regional structure which in a few days' time is due to hold its summit meeting in Kyïv. There the organisation will be officially registered for the first time as an official international organisation with its permanent bureau in Kyïv and the proper charter and regulations. I believe we have had considerable success in resolving the conflict in Transnistria, one of Europe's 'frozen' conflicts. Ukraine put forward a comprehensive initiative which is probably the only initiative to have won the full support of Moldova's parliament. That plan was accepted by the Transnistrian leadership. Today, in co-operation with the European Union, monitoring of the customs borders of Ukraine and Moldova is being carried out in the Transnistrian area. That co-operation is an unprecedented and unique in that it ensures considerable political and economic stability in that region. The grey-zone economy that had been quite characteristic of that region is being eliminated. A 5+2 format of political dialogue has been developed to which the European Union and the United States have been invited. I am deeply convinced that, as things stand today, that conflict has found a formula enabling us to make progress in its regulation.

It is my understanding that dialogue is what will be the most useful to our meeting. I should therefore like to conclude this brief review on Ukrainian internal situation and shift to a question and answer format dealing with issues of both foreign policy and internal affairs. I shall be happy to answer any other questions you wish to ask. Thank you for bearing with me. Allow me to take a seat, if you will, so I can answer your questions sitting down.