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THE PRESIDENT**



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**Herman Van Rompuy,
President of the European Council**

Address to the House of Representatives of Malta

It is a pleasure to be in Malta once again, and a privilege to address this House today. I would like to thank you for this invitation, and for the warm welcome I receive each time I visit your country. This is the fourth time I come on official duty, and my fifth visit to date: I also came as a private visitor in 2006. All my family keep very pleasant memories of this stay.

The beautiful setting of this House, at the heart of Valletta, is testimony to Malta's long, rich, tumultuous history. With such strategic geography, at the crossroads of so many influences, it could hardly have been otherwise. And this gives Malta a special place in European history. More than once – think of the Great Siege of Malta or the Second World War, which brought you the George Cross – in defending their shores, the people of Malta and Gozo helped protect Europe too.

Your islands were once the home of the *Hospitallers*: a beacon of hospitality. I have just met with your Prime-Minister. Where else but in Malta could the Head of Government's office be housed in an *Auberge*? A hospitable symbol like no other... Bringing together knights from many countries, with different languages, different cultures, but working together as one, the *Auberges of the Order of Saint John*, in a way, remind me a little of Brussels today: a "small Europe", with permanent representations for each of its member states!

Across the centuries, from welcoming pilgrims along their travels in the Mediterranean, all the way to nursing soldiers to recovery during World War I, Malta earned a reputation not just as a beautiful island but also as a caring nation.

P R E S S

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And again, at a moment of need, when two years ago thousand of foreign workers had to be brought back to safety from Libya, your country played a crucial role. It was an important moment, a moment of pride. For Malta of course, but also for the whole of Europe as well. It was a moment that illustrated something in which I strongly believe: that in our Union, every country, no matter its size, can play a key part, and punch above its weight.

Every new country that joins – and we had this joy again last week with Croatia – every new country brings its own special features, giving the Union more richness, more depth. And in becoming part of the family, each country changes too.

For a country like Malta, it means belonging to a wider community far beyond your shores. Being able to help shape the present and the future of a Union of 500 million citizens. And seeing your voice amplified in the region and the world. Coming from Belgium, another small member state, I know what it means!

With membership comes responsibility: to take into account the views and situation of others, the common good and interest of the whole. With it also comes a host of opportunities. And Malta's example, nearly ten years after joining the club, is telling. Today, when asked in surveys, the Maltese are amongst the most Europe-aware and the most supportive of the Union. And your participation in European elections is unrivalled...

And that has mainly to do with the way the people of Malta have seized the opportunities this new European horizon offered. Families travelling abroad, students studying in universities across the continent, businesses attracting investments, from inside but also outside Europe, farmers and businesses accessing funds, new projects getting support, and start-ups becoming bigger by the day... The success stories are many.

And from new roads to some Europe's cleanest seas thanks to the new water treatment plant, to new infrastructure and new opportunities for students and staff at the university and the vocational college, and many other projects...: the results are there, and they are visible to the people.

That is also thanks to your own efforts, as politicians, to showcase these results – the many concrete projects that Europe supports in Malta, the benefits your country draws from its EU membership.

This "Europe of results" matters. It matters deeply. Especially in times of economic difficulty. Your country has been shielded from the very worst of the financial and economic crisis, but of course what affects the other members of the Union affects you as well, not least through trade and tourism.

In those difficult years, you have stood by the other members of the eurozone, your currency companions. Together, we managed to defeat the existential threats to the eurozone; it is no small achievement. Of course, sharing a currency means much more than sharing banknotes and coins. All euro countries share jointly the responsibility for the euro area as a whole. Our economies are interlinked in such a way that what happens in one particular country can matter for all other countries as well. We all rely on each other.

So the countries using the euro have all come to recognise that they need to coordinate their policies even more closely – on financial affairs, on budget matters, on economic policy. It's the only way for the Economic and Monetary Union to work properly, to become (to quote the title of my reports from last year) a "*genuine Economic and Monetary Union*".

This is particularly true when it comes to banks, and that is why completing the banking union remains a key priority. Next year the Single Supervisory Mechanism will start its operations for all euro area banks. This Single Supervisory must be completed through the establishment of a Single Resolution Mechanism. This reinforced financial architecture, which is a key step towards a genuine monetary union, will make our economies more resilient, and support growth and job creation on a lasting basis. And I know that Malta, with its important banking sector, is participating very actively in these discussions.

For all the countries of our Union, financial stability in the eurozone is a necessary condition for jobs and growth, but not a sufficient one. Bringing back growth across the continent, stimulating employment, making Europe fit for the future: these are today our highest common priorities.

We have to tackle root-causes that often run deep, long-neglected structural challenges that have resurfaced with the crisis. New competitors, an aging population, de-industrialisation, energy dependence, technological revolutions... Those challenges affect every single one of our countries, to different degrees but with no exception. And euro or no euro, Union or no Union, they need to be addressed: we simply can't afford to let our competitiveness slip in this fast changing world. As a Union, competitiveness is not just about strengthening the core, but really about strengthening the whole: also the strengths of those who, at the periphery, sometimes face specific challenges.

Certainly, actions, for the most part, lie in the hands of member states – whether short-term measures to fight the most pressing problems, or structural reforms, to strengthen the economy on the long-term.

Still, together as a Union, we are also mobilising all our policies towards these goals, helping countries fight back against the crisis. Supporting for instance youth employment and investments for SMEs, as we did at the last European Council at the end of June.

As a Union, competitiveness is not just about strengthening the core, but about strengthening the whole: also supporting the strengths of those at the periphery, which have specific challenges. Continuing to innovate, remaining attractive to investors, developing new skills, new areas of expertise: this is what in the end will make the difference. Each country needs to think ahead, making sure all its assets are put to best use. In a country like Malta, with scarce natural resources but a highly qualified population, this also means making the most of your human resources, and increasing overall work participation, for the benefit of all.

Speaking of resources, this is of course one of the areas where your geographical situation makes things more challenging. Europe as a whole depends increasingly on imported energy, and energy prices are on the rise in most member states; but hardly anywhere more so than in Malta. I know your government has set this problem as a top priority, and rightly so.

High energy bills are bad for households and bad for companies. They make it more difficult for industry to compete with foreign firms who pay less for their energy, and can put off potential investors. Malta is not alone: as I said, most countries are affected. And given the nature of energy networks and energy markets, working closely together, as a Union, can bring huge benefits.

That is why I dedicated a European Council discussion last May precisely to the question of energy. Much has been achieved already to turn our fragmented mosaic of 27 markets into a true European single energy market. We can't afford to leave any country unconnected to the common grid! But now that we have all the policies on paper, to turn the single energy market into reality, we need new pipes and tubes – and that was a strong focus among leaders at our debate in May.

We agreed on means to better encourage energy investments – both through our own common European instruments, and by providing investors with the right conditions to invest. This is also linked to other key questions: diversifying energy sources, so as not to depend on a single type of energy or a single import route – also a priority of your government –; producing more renewable energy at home; exploring unconventional sources; and of course, using less energy in the first place – the easiest way to cut bills!

Malta will benefit from taking action on all these decisions – and will continue to benefit from EU support, for instance for the electrical interconnection with Sicily. Renewable energy – which figures prominently in this year's Commission recommendations for Malta – is also one of the most promising fields. And for a country like yours, rich in sunshine, wind and tides, definitely one worth exploring!

So many things come back to geography – blessed and testing all at the same time. It is not just energy: your situation, at the southernmost tip of our Union, brings challenges of its own.

Every year, asylum seekers attempting to cross the seas in search of a better life, for themselves and their children, are rescued in your water or wash up on your shores. Among them, some are fleeing persecution, others hardship or oppression. As Pope Francis said on 8th of July in Lampedusa: *"Immigrants dying at sea, in boats which were vehicles of hope and became vehicles of death"*.

I know that given the size of your population, being a frequent "first-point-of-entry" is far from easy for your country. The Prime Minister and I discussed this at length. I would like to assure you that your concerns are being heard. The Union already showed solidarity, with your country and with others in a similar situation.

Financially, Malta is a key beneficiary of the EU budget in the area of migration, with over 80 million euro of support in the current budget for 2007-2013. And there will also be strong financial support in the next seven years budget, 2014-2020. Of course money alone does not solve the problem. Beyond financial solidarity, the EU is also engaged in more structural and operational efforts like the European Asylum Support Office here in Valetta, the establishment of a Common European Asylum System, the European Border Surveillance System and hopefully soon a new regulation establishing rules for the surveillance of the external sea borders. So, there is progress to report, and we must ensure these rules and systems keep translating into tangible support.

As all countries in a similar position know well, lasting progress on this issue cannot happen overnight although time is pressing. Progress can only come by working on many fronts, and also on the longer-term, in dialogue, also with the countries of origin. On this matter, the Prime Minister and I met earlier today with the Libyan Vice-Premier. In the end, we have to deal with this problem in a humane and at the same time effective way. I know that on this the people of your country, their representatives in this House and the government all agree. And I assure you, once again, that Malta's voice is being heard.

The wake of the so called "Arab Spring" has led these last years to a relative surge of arrivals, in Malta and in some other European member states – and of course, to huge numbers of refugees throughout the region, with a small countries like Jordan or Lebanon both hosting close to half a million Syrian refugees.

In many ways it is still too early to look back upon shifts of such magnitude, as the recent events in Egypt, more than two years after the initial democratic upheavals, or the continued violence in Syria make clear. Of course with such close geography and these societies so very intertwined with ours, it was always clear that, as neighbours, as partners, these changes – the risks and opportunities that lay ahead – would also affect us in Europe.

As Europeans, we are well placed to know that political change doesn't happen painlessly or overnight. We know about long transitions, and that progress only comes with countless steps. So as each country in the Maghreb and the Middle-East region charts its own course, as each population strives to realise its aspirations, the European Union is committed to staying by their side every step along the way.

With such deep ties to the region, and such interest in its stability and prosperity, within our Union Malta has always been a voice for the Mediterranean, and we know that you will remain an active partner in the region.

In December last year, I had the pleasure of travelling to Oslo accompanied by a remarkable young man from Malta, who thanks to supporters from your country and many others, had won the honour of representing Europe's young generation at the award ceremony for the Nobel prize for peace.

Describing what Europe at peace meant to him, Larkin Zarha described, in the space of a few words – nearly a haiku! – what the Union – Europe at peace – means to so many people: *“My grandparents would have said ‘a dream’, my parents would have said ‘a process’, I say it's my everyday reality!”*

The every day reality that is our Europe used to be a dream. Today it is us all – we are all Europe, *L-Ewropa hija ahna*. And even in challenging times, we must, through results, keep proving, to ourselves, to all generations, that Europe is part of the solution – for our countries in the world, and for the benefit of our people. Grazzi hafna. Thank you