

- Check against delivery -

Ladies and Gentlemen – Dear Friends.

When we met last year – in Kaunas – I gave a speech to you so filled with confidence and optimism that I feel slightly embarrassed when thinking back...

“We are the Champs!” I concluded – after having spoken about the many accomplishments of our Baltic Sea Region.

It is of course still true, that 20 years ago, in 1989, no one was able to foresee that we would have come as far as we actually have – looking at political and economic results in that period.

But then it is also true that very few were able to foresee, only one year ago, how deep the global financial crisis would hit our region. Because: Our region has been hit harder than most other regions in the world!

Last week, in Stockholm, Baltic Development Forum held the 11th Baltic Summit – and in the annual “State of the Region Report” prepared for the Summit you could see how small and still fragile economies experience a recession of unprecedented magnitude: After riding high with growth rates above 10 pct. some countries are now facing negative economic growth at minus 20 pct. From plus 10 to minus 20 – and so fast!

This has put serious strains on the democratic systems established less than 20 years ago – just as we see it in other relatively new democracies all over Europe. And we should not be surprised when many people ask if *this* kind of insecurity was what was hidden at the end of the rainbow they had followed – if *these* were the fruits of market economy and democracy...

We are in a very dangerous situation, indeed. The countries that are most seriously affected by the crisis need help – and it is in the interest of all countries in our region that they receive it.

We are reminded, that when hit by foul weather it is time to stick together – and seek ways to find common solutions to common problems. And we are hit by foul weather in the global economy.

We are fortunate in at least one way: The outbreak of the crisis coincides with the introduction of the EU Strategy for the Baltic Sea Region.

The strategy has been under way for some time. We discussed it last year in Kaunas. A lot of work has been put in the strategy in the regions by you all. And only two weeks from now the strategy will be finally approved by the European Council under Swedish leadership.

The strategy gives us a unique possibility to bring integration on a new level. And I would like to share with you some of the conclusions from last week's BDF Summit in Stockholm:

The overall message from the Summit was that the present crisis has illustrated the need for strong institutions including the IMF and other international financial institutions. Stronger regional integration is intimately linked with EU integration. Regional networking is not enough. But without the regional networking that you find here at the “*B-tripleS-C*” and in Baltic Development Forum we would probably not have come to the point where our region is the first ever to get its own EU-strategy – and thereby become a role-model for other regions within the EU.

The Strategy and the Action Plan represents the first steps in a longer integration process of making full use of the EU's stronger and more coordinated presence in the region.

The strategy represents a *unique* governance model based on EU institutions and regional actors, stakeholders and networks - - - and the Commission plays a pivotal role in implementation and coordination of the strategy as well as in providing information on the strategy.

Our Summit in Stockholm underlined the importance of the regional Forum for stakeholder consultation as a means to create an open dialogue cross border, cross sector and cross level.

We will continue to support that in Baltic Development Forum – and we believe that cooperation between our Forum and the “*B-tripleS-C*” will add significantly to the chances of a success. Our next Summit will be held next year in Vilnius – back-to-back with the meeting of the regional heads-of-governments and in cooperation with the Lithuanian government. This will serve as a first occasion to test the waters. And the following year, 2011, we plan to have our Summit in Poland in cooperation with the first Polish EU-presidency.

As you know we publish an annual “State of the Region” report that serves as a benchmarking instrument when we look at competitiveness and cooperation across our region. As I have already said this year’s report made sombre reading. The crisis has accentuated the differences across the region. The catch-up process that has become unsustainable rapid seems to have come to an end – at least for now. I for one have no doubt that it will be resumed. It *has* to be resumed – even if it takes time and calls for extraordinary efforts. That is in the interest of all of us. And therefore it is comforting to note – as you can see in the Report – that our region remains one of the most prosperous regions internationally with high positions on labor productivity and mobilization.

It was also stressed in Stockholm that our region remains Top of Europe on the Lisbon Agenda goals. It was proposed to establish a regional growth council – or Globalization Council – and the Nordic Council of Ministers has provided important input here.

Climate change and *energy cooperation* took up a substantial part of the discussions in Stockholm. The Baltic Sea Region has the chance to become a *Green Valley of Europe* if we succeed in creating strong partnerships between governments, local governments, cities, businesses, regional organizations, banks and NGO’s. The region has all the needed renewable and efficient technologies to become a low-emission region in 2030 – as it was demonstrated in a special report prepared for the Summit. The need is now for technological leaps.

With regard to the environment and the Baltic Sea itself it was stressed in Stockholm that the EU Strategy can play a crucial role in ensuring

implementation of the *Baltic Sea Action Plan* by Helcom. Focus should now be on *action* and making a positive strategy together with the private water sector. Clean shipping and integrated maritime policies were also highlighted as a means of addressing the present challenges.

The last major subject of our Stockholm Summit that I wish to highlight is the question of integrating Russia in the regional cooperation.

While deepening regional integration in the Region through the adoption of the EU Strategy, it is important *in parallel* to improve integration with Russia and in particular her Baltic Sea provinces, not least since many of the problems and opportunities are intrinsically interlinked. I need just mention maritime security, trade, border crossings and contamination of the sea. In this regard the new Northern Dimension Business Council – with which the Baltic Development Forum has established links – was welcomed as a new and important player.

The Kaliningrad Oblast is of special interest – and this was underlined by the presence of Governor Boos in Stockholm. The governor invited our Summit to visit Kaliningrad in 2012.

A number of you were in Stockholm last week and can confirm the spirit of tackling the present crisis in a way that will give our region the necessary boost to get back to normal.

Your conference here in Ringsted – a place very dear to me personally, since it was my father's constituency for many years – will add further to this spirit.

It is necessary in order to get back on track.

We have come a long way already. The present crisis should not fuel a spirit of defeat. Because we are not defeated! An extra effort is needed to maintain a momentum – yes. So let us all once again – as we have done it before – show that we will remain the top of Europe.