



**EUROPEAN COUNCIL
THE PRESIDENT**



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Speech by President Van Rompuy at Vietnam National University

It is a great honour for me to receive today this high distinction from your University. And it is a great pleasure to be here in Hanoi, a city of more than a thousand years old, and speak to you, students, who represent the young generations of Vietnam and the hope for the future.

What strikes me here also in the past few days of my visit to your country is how much Vietnam feels both as a very old and very young country. Your history is indeed long and rich, but was at times also dramatic. In this part of Asia, many wars between countries were fought, before the spirit of cooperation got the upper hand. This region has a common destiny.

There have been contacts between Europeans and the Vietnamese for over four centuries already. Over that period the names of the country have varied over time: Tonqueen, Quinam, Annam – testimony to changing situations. On our side, depending on the times some nations were more prominently present than others – from Portuguese seafarers, to Dutch traders, to French soldiers and teachers... and today maybe young tourists or businessmen from Germany or Italy!

And these visitors today, also witness a very young country. A country where a quarter of the population are children under 14 years old. Where the streets offer the striking sight of thousands of young people on their motorbikes, moving forward, leaving the past behind (without forgetting it), full of self-confidence and with the feeling the future is theirs.

I would to some extent compare the mood of these younger generation to the 1960s in Europe – the years when I myself was a University student, studying Economics and Philosophy, indispensable basis for my life in politics.

P R E S S

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The people of Vietnam paid a high price for its freedom and independence. Vietnam once was synonymous with tragedy and human suffering. Today you are a symbol of the sunrise. History is made by mankind, by men and women. You did it.

Of course, I take this Diploma Honoris Causa as a recognition not of my personal contribution to science, which is limited – but of the work of the European Union, which I have the privilege of serving. The EU's work in promoting peace and prosperity, on the European continent and beyond. The Nobel Peace Prize, which is an enormous honour for all 27 members countries of the European Union, is a tribute to this joint achievement; at the same time it recognizes our strong international commitment.

We live in a world of change – at a pace which has never been seen in human history – and politics is about dealing with change, coming to terms with it and shaping it. In Europe, the member countries of our Union are convinced they are better off in doing this together.

In the past sixty years, we have developed in Europe many institutions and practices to make this ever more intensive cooperation work. The European Council, which I chair, is one of those institutions: it brings the 27 Presidents and Prime Ministers of the Member States around the table for summit meeting circa six times per year; together we set the Union's strategic direction, both in economic policy and in foreign affairs.

In the past three to four years, our main responsibility has been to overcome the consequences of the global financial crisis which started in 2008 (with 'Lehman'). It was a global crisis, affecting the whole world, including Asia and your country. That's why all major economies need to do their part in putting the world economy back on the path of economic growth.

In a later stage the crisis hit some countries of the Eurozone more in particular; that's why we in Europe feel this responsibility strongly. And we are doing our part of this work. No effort is spared to overcome the current difficulties in the Eurozone. We have been setting up stronger financial firewalls to guarantee the stability of our common currency; we are reforming our economies to become more competitive and create jobs for the future. We have started building a banking union to better manage and contain financial sector risk; and we are in the process of defining the perspective for where we are headed, where we want our economic and monetary Union to be in ten years' time.

I've just visited the Temple of Literature. A remarkable tribute to harmony and wisdom. It exemplifies the key role and culture in Vietnamese society.

Europe has come a long way already, and today we are seeing the first results of this collective endeavour. Competitiveness and export performances are improving, especially in countries like Spain, Portugal and Ireland. The aggregate budget deficit for euro area countries dropped by 30% in the space of a year. The so-called "spreads" (the difference between a country's interest rates on sovereign bonds and those Germany) are decreasing substantially in almost all euro area countries.

This has resulted in a remarkable change of mood. A few months ago the headlines in the international press were dominated by stories that were not about if the eurozone would collapse, but when. I don't read that anymore. There is still a long way to go, but there are growing signs that efforts are starting to pay off, and this in turn is translating into a cautious return of confidence. It is my strong conviction that Europe will come out of this experience stronger, economically and politically.

I'm convinced that reforms, even reorientations of economic strategy, are also needed outside Europe, including in some emerging countries. The world economy is still under threat of macro-economic imbalances and unsustainable developments.

But "the storm is a good opportunity for the pine and the cypress to show their strength and their stability" as the late President Ho Chi Minh said - I am confident we will find pathways of cooperation to meet these crucial challenges.

The developments in Europe are not just about us, they are also about you. The level of interdependence between the economies of Europe and Asia, including Vietnam, is such that it is also of crucial importance for you that we are now indeed overcoming the situation. Likewise, it is essential for us, that you succeed. Our destinies are to some extent intertwined.

You in Vietnam also, have to deal with change. The great forces of the 21st century – globalisation, interdependence, a shift of power – are also at work here. There is great admiration in Europe for the way Vietnam has embraced economic reform and lifted millions of citizens out of poverty in the past twenty years. Your society is moving fast ahead. In a challenging and highly competitive world economy, in a rapidly changing society, reforms of all kinds and in all domains are unavoidable.

Speaking from European experience, I believe that free media and a free internet, for example, provide huge benefits to succeed in the new knowledge-based economy and to meet the challenges that come with a modernising and young society, such as Vietnam. These, of course, are decisions that every nation has to make for itself.

In all your economic and political efforts, you can count on our support in many ways. Let me mention five areas.

1. We are committed to keeping the European market open: this is our key contribution to global economic recovery. We should all avoid any trade restrictions that would just harm domestic production, growth and employment. We look forward to a mutually beneficial Vietnam-EU Free Trade Agreement, which will mean more growth and more employment in Europe and in Vietnam. Prosperity and trade are intertwined.
2. Investment from the European Union has an important role to play in Vietnam's economic modernization. In the global competition for investment, our companies look for a transparent, stable and predictable regulatory framework in which there is no place for corruption. Given our historical friendship, we want Vietnam, with its young and well-educated population, to remain attractive for European investment – which is of course not only about money but which often brings science and technology in its wake.

3. We are also committed to continuing to deliver development assistance to Vietnam. The EU, together with its Member States, is the most important grant donor in Vietnam. We'll do our best to make sure that our aid underpins this country's efforts to develop its economy and society. Although Vietnam has become a middle income country now, it will still be eligible for development aid in the EU's upcoming seven-year budget.
4. Another area where we can cooperate – and I am happy to point this out at the National University of Hanoi – is of course education. Through the EU programme “Erasmus mundus”, more than 300 Vietnamese students have already pursued postgraduate studies in European universities. In addition to this, hundreds of scholarships are offered annually by Member States of the EU. As regards research programmes also, more than 30% of applications from Vietnamese researchers are given a favourable consideration, which is amongst the highest success rate in the ASEAN region.

Young people should not only be "connected" via Internet and social media. They must also see each other – exchange.

5. A fifth and final field where the European Union can help does not just concern Vietnam but, per definition, your region as a whole: it is to share our experience in regional integration.

I strongly believe that region-building is a key contribution to better global governance. That's why I am particularly happy to see that Vietnam and the nine other member countries of ASEAN have been following their own path of integration and that you are on track to build an economic community by 2015. Removing barriers of all kinds will further unlock your collective potential for economic growth. This is one reason why the EU wants to intensify its cooperation with ASEAN.

In any case I wish that regional disputes will be settled in a peaceful way and in respect of international law. And I wish that this part of the world is on the way of achieving what we in Europe have been building – maybe one day in the future a Nobel Prize for Peace will go to the ASEAN!

I am now on my way to the 9th Europe Asia Summit Meeting which is being held in Vientiane, Laos. During the next days, 51 Asian and European leaders will engage in talks about global and regional challenges, about how to further enhance our cooperation and promote growth and development. With my visit to Vietnam I have sought to underline the key place that your country holds in the relations between the European Union and this huge and rich continent. The future of these relations is in the hands of our youth, it is in your hands.

The honour that your university bestows upon me today is in itself a powerful sign of this cooperation, of where we want to go and what we hope to achieve. I thank you wholeheartedly for it.