

Countries that went through profound reforms are more resistant

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Poland, the Czech Republic and other countries of the region joined the European Union five years ago. June 1 marks the end of the Czech Presidency of the EU. In these remarks written for "Polish Market", His Excellency the Ambassador of the Czech Republic to Poland Jan Sechter takes a look at Polish-Czech economic relations in the context of European integration.

It is a great honour for me to have the opportunity of addressing you not only as the Czech ambassador to Warsaw at a time which is highly symbolic for the Czech Republic. The past five years since joining the European Union, the ten years since becoming member of NATO and the twenty years since the launch of the economic transformation have bound us tightly with Poland. Compared to the fundamental transformation measures pursued by the Czech Republic and Poland since the fall of communism on the way toward a market economy, the entry of our countries to the European Union felt like dotting of the 'i', and a very symbolic dot at that over the whole transformation process. The return to Western structures and institutions and the chance to enjoy the common area of security and civilisation constitutes a repayment of the post-war debt.

Five years ago May 1 saw the disappearance of the customs border. That was surely a significant development but nothing more. We had opened up our economies much earlier, in the early 1990s. There is, however, another side of our experience of the past twenty years. It concerns administrative integration with the EU. Its level was achieved somewhat beyond our control and we have not regarded it as our own. We were unable to decide whether at a given stage this integration was advantageous nor not. Accepting the system was unavoidable. The five-year experience with the EU system as well as with the economic and financial crisis is a good opportunity to look back and take note of undisputable facts. It has turned out that those countries in transition proved more resistant that had carried out profound reforms of their economies and finances. Balance is achieved in the economy much better and faster by countries with flexible rather than fixed currency exchange rates. Countries which have more resistant neighbours manage better, too.

For the first time ever the Czech Republic this year took over the presidency of the European Union. For that reason we chose the theme of "Europe without barriers" as the motto of our presidency. At first glance, this seems illogical. For it could be argued that no barriers exist in the EU anymore. That is why during our brief presidency we decided to stress the importance of the genuine roots of European integration. In practical terms that means moving the EU toward pursuing four freedoms, principles on which today's EU is founded.

We are fortunate to have a neighbour to the north that is positively inclined to our country, which is resistant to the financial and economic crisis, and which principally has very similar experiences from the transformation process to ours. After Germany and Slovakia, Poland is the Czech Republic's third largest trade partner. The Czech Republic is the fifth largest trade partner for Poland. Two-way trade in 2008 (from January to November) went up by 19.2%. Czech exports to Poland increased by 22.5% and imports rose by 15.7% compared to the corresponding period a year before. It follows from a closer look at the structure of economic data that economic cooperation between the two countries over the past years has been tightened. It has reached higher forms in terms of quality. Capital investments have been on the rise, Cooperation on third markets has been expanding, also in fields considered as strategic for the further development of the two economies. Our mutual relations have achieved a high level in all key areas of cooperation. Polish and Czech politicians have similar views on future EU architecture and on the process of further enlargement. They attach great importance to the development of transatlantic relations. Both countries' policies have plenty in common, which has a bearing on the way we pursue our interests in the EU and shape our relations with Germany and Russia. It also underpins our open approach to neighbouring countries to the east of the European Union's new order, our perception of energy security, the way we should be working toward it and our co-operation within the EU framework. The exceptional nature of our mutual relations is enhanced by the lack of contentious issues.