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Speech by Foreign Minister and OSCE Chairperson-in-Office

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at the opening of the business conference organised by the

German OSCE Chairmanship

'Connectivity for Commerce and Investment'

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Excellencies,

Ladies and gentlemen,

Welcome to the business conference organised by the German OSCE Chairmanship. I am pleased that you have come here today from so many countries and regions – from Canada to Japan, via Western and Eastern Europe, Central Asia, Russia, Afghanistan and Mongolia.

Moreover, you have all travelled to Berlin to take part in an experiment here with us. But don't worry – I'm not going to start messing around with chemicals and Bunsen burners up here. All of us want to enjoy the conference with a full head of hair!

No, what I mean is that the conference itself is an experiment, partly because the term "connectivity" may still sound rather strange and vague to some people. The definition certainly needs to be firmed up! And that is one of the aims today.

But above all, this conference is an experiment because we want to talk about political visions at a time of severe political discord. It is an experiment because we want to talk about concrete cooperation at a time when violent conflicts in our common area are claiming lives almost every day.

It is an experiment because we want to talk about trade and business at a time when many people believe that our visions of a common area of security and stability will never come to pass.

The way I see it is that because this doubt exists, precisely because there is doubt, ladies and gentlemen, this experiment, this conference, is exactly the right thing and exactly what is needed! And that's why I am pleased you are here today.

Ladies and gentlemen,

Some of you may recall that Chinese President Xi Jinping visited Germany two years ago. He didn't come here just for political talks in Berlin – he also travelled to Duisburg. Now, not all of you here may be familiar with Duisburg. I won't hold that against you. But it is definitely worth a visit. Duisburg is home to one of the largest inland ports in the world. And it's the last stop on the freight railway line between Chongqing in China and Germany – a line that stretches over 10,300 kilometres! During his visit two years ago, President Xi went to Duisburg to greet a train arriving from China.

For me, his visit and this railway line from Chongqing to Duisburg via Khorgas and Moscow highlight several reasons why our conference is so important right now.

This incredible railway line, which spans several climate zones, shows the geographical challenges involved in shaping our common area – an area that stretches from our transatlantic partners, across Europe, all the way to Asia.

At the same time, this route highlights the great economic momentum that is either already found in this area or still has the potential to develop.

Furthermore, the Chinese President's visit to Duisburg shows how important it is that policymakers address economic issues and vice versa.

But I also see this railway line, this truly strong connection, as a symbol of the importance of the vision of a common security community stretching from Vancouver to Vladivostok. And this, ladies and gentlemen, is a vision we should champion!

As far back as the Helsinki Final Act, the signatory States were “convinced that their efforts to develop cooperation in (...) economic activity contribute to the reinforcement of peace and security in Europe and in the world as a whole.”

This vision, which the OSCE participating States reaffirmed in Astana in 2010, is based on the comprehensive concept of security that has formed the foundations of the OSCE since 1975.

This vision encompasses the aim and the hope that we will also work together to nurture our common area in economic terms and that we will not only generate greater prosperity, but also create trust and enhanced security by working together.

I firmly believe that we need to adhere to this vision if we are to resolve the current conflicts and bridge the profound rifts and lines of division.

We need to work on that! And we need to do so on at least three levels.

Firstly, we need to take a long, hard look at where we stand. We need to ask ourselves how far apart vision and reality are at the moment. This also means that we need to state our differences clearly. Only in this way will we be able to overcome them.

Secondly, we need to put our heads together and think about what we can do to overcome rifts on a long-term basis. This means dialogue, even if it is heated and contentious at times.

Thirdly, wherever possible, we should focus on our common interests and think about where concrete cooperation is possible now and in the long term. In order to do so, we need expertise and forums where we can bring this expertise together and start new processes.

In my opinion, all of this is the right approach for the field of economic cooperation, that is, for the OSCE's second dimension. And connectivity, the topic of today's conference, plays a major role in this.

It is clear to me that smart connectivity can be of benefit to all those involved. Economic ties can foster prosperity, stability and security in our common area. The OSCE region – an area comprising 57 countries – already accounts for over half of global trade. Along with the 11 OSCE partner states and China, it accounts for well over 70 percent of global trade.

And connectivity, that is, stronger and better physical and virtual links, is developing rapidly and dynamically. I do not mean this in an abstract way, but rather in very concrete terms.

The railway line from Chongqing to Duisburg is just one example. Roads, sea and air routes, power grids, pipelines and broadband networks constantly create and intensify our connections.

One example of this can be seen in the Western Balkans, where the countries have agreed on an outright “connectivity agenda” since the first Western Balkans conference in Berlin two years ago. The aim is to improve connections in the region and with the EU via roads and power lines. In other regions, new free trade agreements are being negotiated, while economic relations are being revived, even between countries that were at war not too long ago, such as Russia and Georgia. And new transport links from China to Iran via Kazakhstan and Turkmenistan are being tested – something that only became possible after agreement was reached with Tehran on the nuclear dispute. All OSCE countries can benefit from these new routes.

All of this is happening against the backdrop of a new institutional momentum:

The Eurasian Economic Union, which unites states in the eastern part of the OSCE region, began work last year. China's New Silk Road Initiative seems to be ever more operational and has the potential to help shape framework conditions and opportunities in the OSCE area. I'm therefore delighted to welcome a delegation from China today. Not least because China, as the current holder of the Presidency, has also put connectivity on the G20 agenda.

Ladies and gentlemen,

As we can see, the world's connectivity is advancing – on the one hand.

On the other hand, however – and this, too, has been made painfully clear to us during the last few years – it certainly cannot be taken for granted. For there are also political tensions and conflicts which pose a serious threat to peace in Europe, undermine confidence and have a negative impact on trade and people's well-being.

In the case of Ukraine, issues relating to economic integration into the OSCE area were even the object and perhaps also one of the triggers of the conflict. This was so even though connectivity and the elimination of barriers are actually meant to foster peace and prosperity – as we have seen in many other places during the last few decades. The crisis of confidence resulting from the annexation of Crimea in contravention of international law and the conflict in Ukraine cannot be overcome easily and, indeed, it will take a very long time to do so. It has also become a hindrance to economic cooperation.

Ladies and gentlemen,

We need to realise that there is still a big gap between vision and political reality.

However, it's precisely because of this that we must not stop taking a long view. We must not cease working to improve the lives of people in our common area – through peace, security and prosperity. Our shared goal must therefore be to take advantage of the huge potential of cross-border economic connectivity. Connectivity is not a zero-sum game.

However, there is no doubt that a common economic area cannot function without common rules and reliability. They are the currency of politics and business. If reliability is lost and unpredictability becomes prevalent in politics, that changes the basis of international relations. What's more, it runs contrary to the principles of the Helsinki Final Act, which – we should remind ourselves – were drafted at a time when tensions were much higher than they are now.

I'm convinced that if we speak frankly, also about incompatibilities between various integration projects and trade regimes, then we will foster transparency and confidence. This would create opportunities for finding serious solutions. For our experiences with the CSCE and the OSCE have taught us one thing: dialogue, transparency and confidence are the cornerstones of common security.

I believe we should have left the old geopolitics behind us by now. We no longer live in a world divided into two blocs. The world has become more complex. That's why the European Union's arrangements with its neighbours are not directed against third states. Nor should third states prevent our neighbours from concluding such arrangements. In other words, we should not enter into a destructive competition between various integration initiatives. Rather, these initiatives should be coordinated with each other: among equal countries who are partners. What's more this coordination should be based on global rules, which, after all, have already been created to this end thanks to the necessary willingness to compromise demonstrated by all sides.

For all of these tasks we need a broad dialogue – a dialogue among politicians, societies as well as – and this is the focus of our conference today – a dialogue with business.

We need a dialogue with close as well as with new or difficult partners.

For example, I have called for a dialogue between the EU and the Euroasian Economic Union, as well as with China within the framework of the EU-China platform. The European Commission's trilateral talks with Russia and Ukraine were also a constructive step forward. I firmly believe that such talks are key to building confidence and resolving concrete questions.

Today we have the chance to include you, ladies and gentlemen, in the discussion. You are the real driving forces behind connectivity. For in practice, your companies' ideas and innovations – whether in the sphere of mobility, energy supply or advancing digitisation – are what make connectivity possible in the first place.

We want to hear what you have to say. For you can point out concrete obstacles which stand in the way of closer economic cooperation. We want to benefit from your advice – for projects in infrastructure and transport, digitisation or the funding of such projects. I'm pleased that many representatives of international financial institutions are also with us today – from the World Bank to the Asian and European Development Banks and the Asian Infrastructure Investment Bank. We want to discuss how large-scale investments are actually realised rather than simply remaining visions and hopes.

Ladies and gentlemen,

The OSCE offers an excellent platform for our debates. It's true that the OSCE is not an economic organisation. However, more than almost any other forum, it brings all states in a vast region to one table – including some which, for example, are still not members of the World Trade Organization. That makes the OSCE a unique forum – especially in difficult times such as these when we made a conscious decision to assume the Chairmanship.

Let's take the leap and take part in this experiment together! Let's enter into a new and close dialogue between politicians and business in the OSCE area, in which the private sector should play a central role.

Let's work together and attempt to find solutions in the broader political and social context by finding solutions for concrete economic issues – a hope which has translated into reality in the Western Balkans, for example.

Work on joint projects is not just an economic opportunity. It can also help counteract the perceived differences of opinion on the major questions concerning economic integration by focusing on a common interest.

I hope that the discussions today and tomorrow will be a start – the start of a process which I know a large number of OSCE states are hoping for. If we succeed in shaping this process

between politics and business honestly while showing a willingness to compromise, it can possibly last beyond 2016 and mark the start of a new dialogue between the OSCE states in the economic sphere.

In my view, this would be a truly important contribution towards stability and security.

I invite you all to take part.

Thank you very much.