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'Impact of War in Ukraine on Europe and the World'

Speaker: HE Maria Castillo Fernandez, EU Ambassador to Korea

This time, we do have a serious crisis in Ukraine and Europe. It is not just a matter between Russian, the United States, Western worlds, but actually this is European affairs, in which Poland, Rumania and many other countries, and also this is a challenge to European Union and NATO themselves. What is happening in Ukraine is not just European matters, but also have greater implication on the other side, Eurasia continent here, in, China, Taiwan and Korea. What Europeans are thinking, what Europeans are seeing and doing are another good lesson for East Asia side.

HE Maria Castillo Fernandez: Ukraine war is something that goes beyond, affecting not only Europe but also international community because what is stake is whole international order as we know it. The international order as we know has been fractured by President Putin's unjustified invasion on Ukraine. Pandemic threatened democracy and human rights throughout the world, this war accelerated it, and slow downed global recovery from the pandemic. It is impacting all the countries, there is no single country not impacted by this.

Russia has violated key principles of UN regarding sovereignty and territory integrity, which are building thought of security guarantee of Europe countries from the Second World War. If we don't challenge this, then we are getting into a system where use of force will be the norm, saying that "I have the nuclear power, therefore you need to justify that." We are getting to a period when everything becomes weapon, such as energy and trade. This is the third asymmetrical shock for Europe. We had a 2018 Financial Crisis, we had COVID-19, and now we have a war in Ukraine. This is asymmetric because some European countries are going to have much more impact than others. The countries that are bordering Ukraine and Russia have to receive refugees, so that there is asymmetrical difference between countries.

For all these wars and all these sanctions we are putting, there is a price to pay. Korea government said that "I cannot put a ban on Russia because this war affects so fundamental issues there is a cost to pay for everyone." For us, we are also experiencing high energy prices and more, but it is a price of freedom. This is defining moment because our values and what we stand for are at stake, we are going to see fragmented

international community. We are very happy for Korea's decision to put sanctions on Russia. I know how difficult it is for you to stand up to a big country.

For several European countries including Span, above all, energy prices are significantly gone up. Russia deliberately cut or slow downed supply of natural gas, so that energy grid suffered greatly. After the pandemic, with trade flow increasing and demand growing, port block of Shanghai, China adds to the cost. Now fourteen to fifteen containers from China to Europe cost three times more than before.

European countries have great difficulties. There are three ways to countermeasure. First, we have to diversify our supplies. Thus, we have increased the purchase of LNG, we have a close partnership with the U.S. We also asked Korea for help. Second, we have to reduce energy consumption so that lower the dependency. Third, we need to accelerate renewables.

The cost of Russia's invasion on Ukraine also includes security related cost. Especially, developing countries have already been suffering economically from the pandemic, and now this crisis add various threats such as an increase in energy prices from the war. According to International Rescue Committee, 63 percent more humanitarian crisis they need to assist, it is getting worse by the Ukraine war. In Europe, security is also at stake, so that we have increased defense spending. We have increased our defense spending by two percent, it is important to use it wisely. Using this crisis as an opportunity, we are boldly making decisions that we have been hesitant about and are strengthening cooperation more closely.

I hope that Korea will also establish a balanced policy that includes Europe as well as the United States. Europe reimagined its Indo-Pacific strategy. This emphasizes the fact that the Indo-Pacific countries occupy a strategic, economic and political position in the world, and although now divided, play an important role in the international order.

From a long-term perspective, it is important to ensure that great powers do not recklessly use force on weaker countries. We must all work together to keep international order and support Ukraine. As I mentioned earlier, the aftermath of the war will not be over in the short term. We need to be prepared for more difficult times ahead as sanctions and the effects of war continue.

- You have brought out many important issues we should not forget. It is our common fight for freedom, and we do have to share the price and responsibilities. Recently, also in Korea, we are experiencing the adverse effects of the war due to the huge inflation. We want to the war to come to an end as soon as possible, that will have to be right way.

Crisis also provides an opportunity to strengthen partnership. The challenge is to turn this global milestone into a smart opportunity to take the next step.

Q&A

Q. As the cost of energy rises due to the war, people are outraged that fried chicken prices have risen.

A. I also enjoyed eating spicy chicken. A lot is happening in Europe, too. The epicenter of that change occurred from the bottom up. The pressure of the younger generation to take measure is so great that politicians are forced to move. In Korea as well, people will speak up.

Q. While the COVID-19 pandemic showing the sign of waning, but the shocks such as an increase in oil prices is huge. The crisis is likely to be prolonged as most crude oil has to pass through Russian territory. What is the outlook, and what are the countermeasures?

A. We imposed sanctions on Russia, but Korea was hesitant about immediate sanctions due to the impact on airlines and businesses. The airline says they can't fly to Russia because the insurance company doesn't cover the route to Russia. European countries also suffer from restrictions.

Q. French President, Macron wants EU to become an ally and important geopolitical partner of the United States and China. Especially, he seems to strengthen relations with the United States in relation to security treaties. The aftermath of the Ukraine War will also have to be well-managed. How will Macron's presidential victory last Sunday affect the European Union? There are also growing concerns about the use of nuclear weapons in the Ukraine war. Korea, in particular, is feeling this threat. Putin and his aides are also preparing to use nuclear weapons. How likely is the Ukraine War to escalate into a nuclear war?

A. I am pleased that President Macron has won the election. It is very encouraging that President Macron presented a "European solutions for Europe." It is far more effective to respond collectively than to respond individually. In the future, more common solutions will emerge solve European problems. Concerns about nuclear war are serious. So President Macron also had a conversation with President Putin. There was a pause during

the election period, but he said he will continue the conversation going forward. I don't think President Putin will be able to use nuclear weapons at this stage.

Q. You mentioned about refugee earlier, but Germany has guidelines for refugees. Do you have any special opinions on this? The Asia-Europe Meeting (ASEM) aims to strengthen relations with Asia. What direction will it take in the future?

A. At the ASEM meeting, the strengthening of Asian relations will be pursued in the future. However, Russia cannot participate. Asian partners are participating because they adhere to common values and respect international order. Europe has made concreate plans for what to do with the countries in the Indo-Pacific region. It covers various science and technology fields, encompassing digital, standard, e-commerce, R&D, and e-service.

Q. I have questions about your relationship with China. First, the European Union and China signed a comprehensive investment agreement a few years ago. The European Union has delayed the ratification, what is the reason? And what is the impact of Ukraine on this relationship? As the relationship between China and Russia gets closer, the European Union's view of China will also change.

A. The reason for delaying the ratification is simple. That has been a stumbling block to sign an invest agreement, as China restricted European investors from entering Chin. Relations with Europe and China are difficult, especially since there are many inconsistencies in political values. But we cannot stop conversation with China.

Q. How does the European Union manage countries that do not follow European standard or regulations and do trade with China individually? Are there any mandatory regulations?

A. Treaties between the European Union and China apply to all member countries. There is no individual trade policy. Since there are 27 countries in the European Union, it is difficult to act individually. Of course, there are systems in place to monitor whether the system is being abused.

- Q. Intellectual property infringement by Chinese companies is very serious, do European countries have countermeasures or special committees in place?
- A. Europe has a uniform intellectual property policy. The whole system is designed with great precision. Chin is also trying to introduce a European model. I don't know which model they will introduce, but Europe is helping.
- Q. Some reports that President Putin started an unjustified war and said he had no intention of ending the war. But the war will come to an end at some point or another. I have a question that is difficult to answer at the moment. Do you have any opinion on the most likely scenario for the end of this war in Ukraine?
- A. I don't know much about Russia, so it is hard to judge for sure, but I think it is going to be a long game.
- Q. I have a question about your relationship with China. You said that European Union has a consistent policy on China, but it doesn't seem to be the case with digital technology.
- A. Currently digital markets are integrated in the European Union, but integration measures are expected to be introduced soon. We believe that digital transformation and recovery require the adoption of laws and establishment of relationships. We are currently working towards that goal.
- Q. If Russia's invasion on Ukraine ends in Russia's favor, how will it affect the European Union as a whole and each country?
- A. No matter how the war ends, we will have to sign a security pact with Russia.
- Q. I would like to take this opportunity to sincerely thank the European Union for its contribution to international cooperation. If I am wrong, please correct me. From what I have observed over the past 15 years, it seems that major Western European countries have shown strong production for African interests while relatively overlooking China and Korea. Could it be said that it was policy driven by the guilt of historical colonial

occupation? The European Union seems to be somewhat less interested in Asian issues, and I wonder who will come to celebrate Korea's next presidential inauguration.

A. We are looking at who will come to the inauguration. I have never personally visited Africa, but I think there is a sense of guilt about the colonial history, and we have invested a lot of money to support Africa. There are also immigration issues and political interests. However, this does not mean that Asia is overlooked. While it is true that European leaders visit Asia less frequently, the pandemic has made it even more difficult. The European Union has relations with the economic powers of the Asian region, and five Asian countries are strategic partners. Europe wants to further strengthen its relationship with Asia through its Indo-Pacific strategy.