

THE BROOKINGS INSTITUTION
SAUL/ZILKA ROOM

AN ADDRESS BY PRIME MINISTER OF SERBIA
ALEKSANDAR VUCIC

Washington, D.C.
Wednesday, September 16, 2015

PARTICIPANTS:

Introduction and Moderator:

FIONA HILL
Senior Fellow and Director, Center on the United States and Europe
The Brookings Institution

Featured Speaker:

H.E. ALEKSANDAR VUCIC
Prime Minister of Serbia

* * * * *

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

P R O C E E D I N G S

MS. HILL: Ladies and gentlemen, it's a great pleasure to invite all of you today. I'm very sorry that there aren't enough seats for everyone. My apologies on behalf of Brookings that so many people are standing at the back of the room.

But I think the fact that so many people are standing in the back is a testament to what an important meeting opportunity that we have today.

I'm Fiona Hill, the Director of the Center on the United States and Europe and it's just my great pleasure and honor on behalf of the Brookings Institution to welcome here and on the behalf of so many people here from D.C. Prime Minister Aleksandar Vucic of Serbia.

This meeting and, in fact, your visit could not have come at a more momentous time, I think, for Serbia and, in fact, for Europe overall. We've all been very much transfixed by the recent developments in Europe. You're here in advance of the Pope, as well, so we've got all kinds of things happening here in D.C. We're very glad you came in advance because we might not have been able to have this meeting had you come next week.

But I think that so many visitors are coming from Europe these days with so many burning issues is just a testament to the tumultuous politics that still roil Europe, and so there is cross in the middle of all of these. And you yourself, personally and politically, have gone through the full trajectory of Serbia's recent history from the 1990s to the present day.

I think in many respects, Serbia and your own political career encapsulates the great drama of European politics after the cold war. If we think about the 1990s, your role as a young firebrand, very outspoken politician, actually something that you have maintained to this day, but also Serbia's own trajectory from being a country that was the focal point of concern for the European Union, and is now, in fact, a candidate country for European Union accession, was the target of a NATO military campaign and is now a partner military country for NATO.

SERBIA-2015/09/16

This is a really dramatic trajectory for a country that is going through a very painful reckoning, and you yourself have been personally at the forefront of this, about the atrocities of the past. You have not shied away from confronting these and there has been many anniversaries of terrible events in the Balkans and Yugoslavia and Serbia that you yourself have been in the middle of commemorating and bearing witness to.

And now Serbia is at the forefront of another great crisis and tragedy of refugees. I mean, just in the last 48 hours we've had the images of Hungary, your neighboring country, literally throwing up barriers and gates across roads and railroads barring the flux of refugees from another great war right on the borders of Europe and Syria of people trying to move north and into other parts of Europe, and Serbia is in the midst of this.

And you also find yourself in the chairmanship of the Organization for Security and Cooperation in Europe, the OSCE, which is trying to deal with another war on Europe's borders in Ukraine, another neighboring country and a historic country that you have relationships with that cause a very complicated relationship that Serbia has with one of the other players in that war, Russia.

So you have an awful lot on your plate. You have all of the domestic reforms, economic and political, that you're grappling with. Lots of political controversies that you deal with on a daily basis.

And we're delighted to have you here today to speak about these issues and to look forward to where Serbia is heading. You've had a whole host of meetings here in Washington D.C. Now you have a meeting with a very distinguished group of people, both people who are intimately familiar with Serbia itself, but also your ambassador and many distinguished members of the diplomatic corps, fellow countrymen from Serbia, and many people who are very much interested in this tumultuous history as well as where things are going.

So thank you so much Prime Minister Vucic for joining us. We look forward to hearing your remarks and we look forward to a very stimulating conversation. Thank you.

(Applause)

PRIME MINISTER VUCIC: Dear Madam Fiona Hill, distinguished guests, your

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

SERBIA-2015/09/16

excellencies.

My people prepared at least as you can see two speeches for me, different ones, all done in an expert way, and I'm not going to read it out. I'll speak about Serbia's future in a way that I feel, in a way that I know, in a way that I see it, in a way that we can focus to today.

I'm very glad I had a chance here in Washington to speak to V.P. Biden, and to the State Secretary Kerry, and to a number of congressmen and senators just to express Serbia's attitude, Serbia's position, Serbia's stance on the most important issues.

And we are done acting away and we do not pretend to be a big and important country. We do take care of ourselves, of our local problems. But as you said, Dear Fiona, we are always in the middle of, unfortunately, global problems and we cannot miss any single problem. We didn't do it in our past, and if you analyze from the first Balkan wars from 1912 and the second Balkan War, First World War, Second World War, and all the other wars from 1990s, I think that we were the world champions in the number of wars we launched. And we lost a lot of our people. We lost almost a half of our male population, and today it's time and that was the reason I started with these facts.

Today is time to change our attitude or change our position and to reposition Serbia in a different way. We want to skip troubles in the future. We want to be a peaceful, democratic state, and our strategic goal which is the most important for us is to become an EU member state which means to launch very harsh, very difficult political reforms.

We have already started with our economic reforms. We were, after terrible floods we're faced with last year, we started with these economic reforms which in accordance with an IMF, World Bank, EBRD, and all the others, they supported us a lot. And we got into an arrangement with an IMF we passed right now that second revision we're the best grades and we succeeded.

We have taken fiscal consolidation measures which means that we cut our public wages and pensions and we succeeded to cut our fiscal deficit from 6.6 percent, speaking about our governmental budget deficit, to less than 1.5 percent which is twice below Maastricht level which is a huge, enormously big result that this government delivered on.

SERBIA-2015/09/16

And also we succeeded combining with these fiscal consolidation measures to improve our growth rate and to have it in a positive rate of plus 1, plus 1.1 plus 1.2 'til the end of 2015 with the focus of the IMF and World Bank to be 1.5 and more than 2 percent, and I dare to say it's going to be bigger than that in 2016 and 2017, which is a good foreseen for Serbia, and it's a kind of a turnaround after years of recession and years of terribly big fiscal deficit and terrible trajectory of our public debt.

But I'm starting with this because I am not afraid of harsh economic measures that we'll have to take in the future. We still have to restructure our SOEs. We still have to finalize the process of privatization. We'll still need to change our working habits, and we'll still have to work a lot on creating real entrepreneurial spirit in our country which we lost in 1960s, 1970s, and in 1990s as well. And this is something that we can handle. This is something that we can courageously deliver on and provide into deeds.

What I'm afraid of, it's something that we cannot control --it's an atmosphere even within EU. It's a situation in the region that you cannot always influence in the way you want. And that's the reason why we invested a lot into building good relationship with all our neighbors and into reconciling and overstretching our hand towards all the others even after some political provocations that were coming from different sides.

And you'll notice even today that I'm not going to say a single bad word about our neighbors and about our colleagues from different parts of western Balkans. On the contrary, I highly appreciate them all and I think that we need to reach even better relationship in the future.

And we -- yes, we did succeed on some important issues. We resumed a dialogue with Pristina and we agreed on four -- we finally managed to agree on four difficult arrangements regarding telecommunications and energy sectors, and Serb community issue. Still will have to work together on it and to make real progress. And there are no winners in that because we are not going to hear that, yeah, we beat them on that, you know. We did something good for ourselves and it was very bad for the other side.

No. It's a kind of compromise. It's the kind of concessions that both sides made it and I

SERBIA-2015/09/16

think that we'll have to carry on in the same way in the future.

And I'm not afraid of that relationship. And I am not afraid not because it's an ideal situation between Belgrade and Pristina. It's not. But I don't see big problems among ourselves and between ourselves. I see more problems in and within some countries, within some other countries in that region and we'll do our best to boost stability of those countries particularly when I said that I think about Bosnia and you know that we do recognize territorial integrity and sovereignty of Bosnia state although we like Republic of Srpska. But we, I think, invested a lot of our time and a lot of our efforts to build the very best relationship between Serbia and Bosnia and I think that very soon we'll have a joint cabinet session of two governments and that will boost our relationship. At least I hope that it will happen.

And from that perspective, during the Berlin Conference and the resumption of Berlin Conference and Vienna Conference, we insisted on several infra structural projects which are not only good projects for our economies, of course they are, but they are good political projects. Because if we're going to build that highway between Nish, Pristina and Durres, it means that you'll have to abolish those physical barriers between we will say Belgrade and Pristina and you would say Serbia and Kosovo, whatever you call it.

It would be impossible from our side to keep those Albanians that would like to enter Central Serbia for 20 minutes to one hour just to get some confirmations from, written confirmations from our side. I don't know what is it all for, and for our trucks to enter the territory of Kosovo to wait for one day or two days for no reasons. And I'll be working very hard with, for the Prime Minister Mustafain Brussels to overcome these bumps in the roads.

And I do it from the very selfish reasons. That's very important for Serbia, that's very important for Serbian people, that's very important for the Serbs in Kosovo, but I think that's very important for Albanians. And I spoke to their president of chamber of commerce, Mr. Gurxhaliu. He was very keen and very eager to see the progress in that way, and I would like to see Air Serbia's planes landing and taking off from the Pristina's Airport as well because it's the best national carrier in the region

SERBIA-2015/09/16

today and we're going to establish that flight to New York and we can't board that airplane only with the Serbs. We need Albanians to make this line profitable. And that's why we are thinking. Sorry to say that. And I think it is very normal to admit it and to use it to create better relationship.

And we have to get back to that migrant crisis that you were mentioning at last. I think that we dealt with that issue in a real European way that we delivered in the best sense of these words, real tolerance, real solidarity to those refugees that are running away from terrible war in Syria. And I think that from the very beginning Europe was not ready for all the difficulties that were very obvious that we were faced with.

And even today, I'm not sure whether all the EU countries will accept Madam Merkel's plan and their ideas which we do support on that very important session on 22nd of September, but we'll still have to wait for six, seven more days which is obviously inevitable for us, but it will also create a lot more problems for Serbia because today we faced very unpleasant events at the border with Hungary. I am not going to accuse anybody because we would like to preserve the best possible relationship with our Hungarian colleagues, and we have a very good relationship.

And not only that, we have a big Hungarian minority in our country and we want them to feel a part of our society and that's another reason why we would like to preserve very good relationship with Hungarian government. But they fired teargas on our territory against those migrants and it was a chaotic situation and I hope that we'll be able to act calmly and responsibly and that we'll be able to work on this situation.

But what we need is a comprehensive European solution. We need a comprehensive solution that will be accepted by all EU and non EU countries. Otherwise, we will face a kind of humanitarian disaster. And not only humanitarian but political disaster.

I think that if you see the reactions from different countries, that country is withdrawing their ambassador from another country and vice versa, and it's happening in a way that was not happening for many years. And I hope that rational will prevail and people will understand that we need to act together and that is the only way that we can overcome all the obstacles, all the hurdles on our way

SERBIA-2015/09/16

to normal life. We have to in a way accept those people and we are ready as Serbians.

And someone will say, well, it's easy for you to say because those people use your country just as a transit country. And I would say to you what I said to Angela Merkel and to all the others that we are ready to take our responsibility and our burden and to share it with all the other EU countries. And I think that is not selfish at all. And I think, sorry to say, that we acted in a more European way that many European countries did it. And that's why I am very much proud of being the prime minister of Serbia.

Also, I have to say that there are a lot of reforms to be done in front of us. Economically speaking, we had a great meetings here with the president of the World Bank. In Washington tomorrow, I'll be meeting Christine Lagarde with my minister of finance here and I think that they are very satisfied with our performance.

And this is something that is rather good news from Serbia. And I think that good news from Serbia, the fact that Serbia is kind of an anchor of stability in the region. And we did not even respond to some provocations coming from different countries from the region because we wanted that stability more than anybody else.

Someone was -- I heard that from some people here in Washington. Some people were saying, well, but you know, Bosnia is not a functional state. We need to change something. But don't forget it. We have peace for 20, 21 years. That's quite an achievement. I think that longer period of peace we had just before, we had just between 1945 and 1990. Not more than that. We have never had such a long time of peace in that region which is in a way quite a good achievement.

And our desire is to skip all the troubles the next 30, 40, 50 years. That would be a record. And that would be something unexpected from our side and from all over the world, you know, because, well, people from our region they want to show their muscles from time to time.

And I hope that we were responsible and we are going to be responsible enough to change ourselves. What I see, and I need to be very honest here before you because the situation is not terrific because if you analyze all these anniversaries on our side celebrations and on the other sides -- commemorations, you'll see how fragile situation in the region still is.

SERBIA-2015/09/16

But the good thing is that all of us are very much aware of terrible consequences if we would act irresponsibly. That is something of the biggest significance for all of us. And I hope that Serbia will be able to deliver in a very responsible way in the future. That Serbia today is a reliable country because if we say something, we deliver on that. If we say something, if we promise something, we keep our word. And maybe we can postpone something. Maybe we can be late on something. Maybe we can delay something. But after all, we'll deliver on everything we promised. And that's the difference between Serbia today and Serbia in the past. And I'm very much, I'm really proud of that difference. And I noticed that all of our hosts are very much aware of that. And I'm not charming as all of my political predecessors and I can absolutely agree with all of your remarks.

I admitted everything to my people, and I didn't hide it. I'm not ashamed of that. I was not a criminal. I didn't steal anything. I have different political beliefs, changed, which is very normal. There is an expression in Serbia. It may be wrong but it's still a Serbian well known idiom that only donkeys don't change. And, yes, I do change myself. I'm proud of that. I'll do that in future. I'll always do my best to learn more and to do everything the best for my country, for the region, and for Europe itself.

And at the end, I hope that U.S. will consider Serbia, I cannot say partner country. We are too small. We are not important. But they can rely on our word. And that would be very important for us. Because, you know, all the European politicians, those guys from Brussels, they have one year here in Washington. And whatever we ask them about, they always say, well, okay, but, you know, we need to hear the news from Washington.

And at least that was one of the reasons that we came here to ask for bigger support from U.S. on our EU path. And I can tell you something else. We don't seek and we don't ask for EU funds. There are a lot of countries in Europe that made a fortune from EU funds. We didn't. We got a lot of support, but it's peanuts comparing to those countries that are not acting in a European way today. And we are not seeking and we are not asking for their money. We are asking for their help, for their knowhow to deliver on EU values, and that's what we are asking from our U.S. friends. And I hope and I

SERBIA-2015/09/16

think that we'll be able to deliver on these issues. And I'm sure that we'll be ready to join EU, when I say very soon, it's not that soon, but it won't be only up to us. I think that we'll do our homework within few years, and after that, it'll be up to EU and up to all the others to decide on our accession.

And finally, I think that Serbia is very open, and I don't hide anything because I know that there would be many questions about our relationship towards Russia and towards our allies' position and, I don't know, whatever you call it.

We have our strategic goals, and I say it very openly, very bluntly, very frankly here in front of you. Our most important strategic goal is to stay firmly on our EU path and to become an EU member state.

Yes, we would like to have normal, good relationship with Russia. We would like to have good relationship with everybody else, but I think that our strategic goal shows that it's not a kind of, because there are a lot of conspiracy theories that we are one day at that side, another day on another side.

You know I was saying that about our strategic goals in front of the President Putin twice. And tell me about the other European leaders who were saying something about it in front of the President Putin. And I said it publicly, very openly.

And I'm proud to say here in Washington that we would like to have also good relationship with Russia. And as you can see, I don't hide anything. And I think that's a good position of Serbia. We are not jeopardizing anybody. We won't do it in the future. And I hope that we'll have a lot of understandings from U.S. and European sides and I can say that I'm very satisfied because of that.

Thank you once again for listening to me, and I am ready to ready to respond on all of your questions. Thanks a lot.

(Applause)

MS. HILL: Okay. Thank you. We'll get the Prime Minister mic'ed up and I'll just ask you a couple of quick questions here from the stage, and then turn over to the audience. I'll try to keep tabs of who is asking questions.

SERBIA-2015/09/16

When you just come to your turn to ask a question, please try to keep it short because, unfortunately, we only have 25 minutes left for the Prime Minister. He has to go off to other important meetings on Capitol Hill. We'll have some microphones coming around and then please also say who you are when you ask the question.

I'm going to ask you a question that picks up on some of the things that you said in your speech which was, I think, very clear, very straightforward. And you answered, actually, a lot of the questions that I'm sure were on some people's minds, were actually on my list of questions, and I think you answered all of them which left me with a bit of dilemma.

But I do have one bigger question that, you know, you may or may not want to answer about how you see the future of the European Union because clearly for you, the big issue that changed for Serbia, that changed the incentives and the goals and in the way you wanted to head was the perspective or the prospective of becoming a member of the European Union. And Serbia set itself on that path some time ago, and unfortunately, the European Union has been roiled by every imaginable crises, economic crises, political crises, now the refugee crisis, which, of course, we've touched upon, and is proving very difficult for everyone to deal with and understandably so given the scale of this. I don't think any of us could have imagined the sheer scale. We might have imagined the crisis, but not in the terms of what seems like the entire population of one country plus the region emptying out into Europe.

But it's also the question of others challenging the future of Europe. And I come, you know, originally, from a country that you know well, the United Kingdom, that is questioning whether it wants to be in Europe and there's a question of a referendum on the agenda. There's been the great crisis of Greece and Greece's future within the Euro Zone and within Europe itself.

As you look at Europe right now and it remains a major goal and it's obviously having a very important place for you in charting the path you want to go forward, are you worried about the future of Europe and that European perspective? Will Europe be there, the European Union be there when you get there, I think is really part of the question, and, you know, what can we do to make that more likely?

SERBIA-2015/09/16

PRIME MINISTER VUCIC: I'm not a big guy that will take care of --

MS. HILL: I'm not asking you to fix Europe, by the way, but just give some observations on it, although it would be nice if you had some ideas.

PRIME MINISTER VUCIC: Today it's very popular, Fiona, to criticize European Union and it is very easy. Very easy task and very easy to deliver on that. And on the contrary, I would say something that will speak for European Union.

When I spoke last time to Donald Tusk, he's a very modest guy, but he was saying something that was amazing and that was very true. He was saying, you know, that it is becoming a kind of trend to criticize EU about everything.

But you know, those boring bureaucratic procedures, everything that we can object at within European processes and procedures created still the best place in the world. Together with U.S., there are no other parts of the world that you can compare with European Union.

And there is one question which I heard from Danish Ambassador to Belgrade and I always convey that kind of message to my people when they have their doubts because you know that many people in Serbia are pro-Russian oriented and they don't hide it.

But when you say to our people to what type of society you would like to belong to, it's a very clear and unique response. It's a European Union or western type of society. And it's very easy to get that response.

And to be very straight and to respond to your question, I think that we are facing the deepest political and economic crisis of European Union, and I'm sure that European Union or another shape will survive and that will always be able to attract all the other countries because it's always going to be one of the best places for the mankind, and I think that that's very obvious why we would like to stay very firmly on our EU path.

And whatever might happen, you cannot bring in a new idea and ideal for your values and that's what it'll stand for even though we didn't get so much money from EU funds like many other countries that left EU values immediately when they faced the first difficulties.

SERBIA-2015/09/16

MS. HILL: Well, I think that's a very important response because in many respects the migrant crisis is a crisis of attraction. Not just a crisis of people trying to flee a terrible situation, but it's also the attraction of the place itself, and I think you've --

PRIME MINISTER VUCIC: They don't go to Vietnam and Burma.

MS. HILL: No.

PRIME MINISTER VUCIC: Sorry to notice that. They come to European Union. And they don't want to stay in Serbia. Sorry to say that. Because we are not very attractive. I would like them to have these ideas. It would mean that we would be the most attractive country. But we are not. And we'll have to work a lot within tens of years in front of us to make these comparisons.

MS. HILL: A very important point. I'll now turn it over to the audience. There's a gentleman here in the third row. If you'd just wait, sir, until the microphone comes so that everyone else can hear the question. And again, if you can introduce yourself and --

MR. MINOCENOVICTCH: My name is Branko Minocenovitch and I am formerly a member of Serbian Section of Voice of American and a former university professor.

Mr. Prime Minister, first of all, if I may, I'd like to congratulate you on a wonderful speech that express such a great deal of understanding and tolerance and argument at peace for the region, for the Balkan regions particularly.

Now, coming to my question, do you see -- how do you see Serbia handling the migrant issue considering the position of Hungary on the north and Macedonia and Greece in the south? Thank you.

MS. HILL: Thank you. Let me just take a couple more questions in the interest of time. There was somebody who had their hand up. Yes, here. It's actually my colleague Kimel Cashi. Thank you.

MR. CASHI: Thanks, Prime Minister. I noticed in your talk you made references to trucks having a hard time coming through from Serbia to Kosovo. Can you reflect on what's happening to the free movement of goods through the Balkans into the European Union as borders are being closed on

SERBIA-2015/09/16

the border and how that might impact.

MS. HILL: There was another question. Somebody at the very back. Yes, waving in the crowd. I'd like to give some people in the back because I think a lady - sorry can't see behind the camera.

QUESTIONER: Sure, it's a question.

MS. HILL: Yes, okay.

QUESTIONER: A question in addition to the first question relating to the migrant crisis, and specifically around the type of infrastructure that Serbia hopefully continues to put in place in order to make the migrant situation easier in Serbia, and the question comes from, from a good place commending you to all the good work that Serbian and the Serbian leadership has done across the past few months.

But considering the sheer volume as Fiona has mentioned as to how the crisis will continue, we'd love to hear as to what are the measures that will be put in place to insure a safe and positive continuation of this good process.

MS. HILL: All of these questions are really related to the point that you were making about the importance of mobility as a reconciliation --

QUESTIONER: Can I add a question on migrants, please?

MS. HILL: You have a question on migrants as well?

Yes, sir, please.

QUESTIONER: We saw this morning migrants being beaten and with teargas and water cannons on the border of Serbia. Which is your reaction as --

PRIME MINISTER VUCIC: Not on the border of Serbia.

QUESTIONER: No, of course. On the Hungarian side of the border. Of course, no, no doubts on that, of course. But which is personally your feeling first as a human being, and second, of course, as a Serbian prime minister? Thanks.

SERBIA-2015/09/16

PRIME MINISTER VUCIC: Yes, Fiona, may I say something to you? You know, it's like we are having this meeting in Brussels. Whatever you say about our fiscal deficit, whatever you say about our growth rate, whatever you say about regional stability in the Balkans, people don't care actually. People care only about migrant crisis. And it's something that's overwhelmed everything else.

And I wanted to add something else to you. It's not up to me. I'm a guy, small guy from the small country. But ask those guys whether they are interested in Ukrainian crisis, they would say to you where is that Ukraine because they all forgot about it.

Yes, sorry to be very honest. And all of you know that I'm very right about it. Which means that -- I'm sorry that I'm very simple. I wanted to respond to all of your questions.

Thank you, dear Branko. And you need to know how does it work. Those migrants, they come from Turkey to Greece. Then nobody asked them anything in Greece. And our Hungarian colleagues they can confirm it. They can freely walk there. They are not registered in Greece and just enter Macedonia.

In Macedonia from time to time, they land their buses and trains and they bring them to the border with Serbia and there are no Macedonian policemen, Macedonian servicemen, and we receive them. We accept them.

And we have reception center close to the border with Macedonia, the biggest one in Presevo, and there we do registration, we do medical screenings, medical treatments. We offer them overnight or two-night stay there. We feed them. We take for the first time their fingerprints, and we do share these data with all the other services in the region, and not only in the region. With U.S. services as well. We make their photos. And then those people carry on towards Belgrade and then towards Kanjiza, at least it used to be.

Then Hungary erected that fence, that wall, that barbed wire. They don't want to accept them anymore. And it was a terrible incident today. It was a kind of clash between migrants and Hungarian police.

Unfortunately, and it was not only unfortunately, it was something that I hope that will

SERBIA-2015/09/16

never happen again. Serbian journalists, they speak about a lady, Johanna Judavic from our state TV, she was beaten by Hungarian police, and also they fired teargas at our territory against the migrants. Of course, they will say that migrants were attacking them from our territory. But tell me what would be our fault on that. But anyway, we will do our best to overcome these problems with our Hungarian friends, and I hope that we'll be successful in calming the situation down.

Regarding that question of free movement to EU. I'm proud to say to all of you, and I don't hide you in front of Serbian public audience. I try to invest a lot of my political efforts into abolishing those barriers between Belgrade and Pristina and between Serbia and Bosnia, and all the other regions, territories, countries in the region, whatever you call it.

And there is something that there is no free movement to EU because they suspended that border crossing with Serbia for 30 days which, sorry to say, I don't understand. At least, I'm very passionate when I speak about economy. And it would be very, very harmful for both economies. And not only Serbia and Hungary's economy, but many European economies. And it will happen the same between Rumania and Hungary. It will happen the same between Croatia and Hungary very soon and some other countries. I don't know. But someone from European Union has to deal with that.

Speaking about our further actions, and what kind of infrastructure we gonna build regarding this migrant crisis. We are in the process of constructing a new reception center in Belgrade. We'll build another one in Presevo, and we'll see. In accordance with the needs of those people we'll build another one because in wintertime, those people will stay more than one, two, three days in Serbia when they will have to stay for five, seven days. They'll have to clean themselves up they'll have to, we'll have to treat them in a reasonable and very normal way which means that we'll have to feed them for more than five, six, seven days, and we'll do our best to deliver it in a very human way and I hope that they will be very satisfied.

And have to say that if you ask those refugees, 99 percent of them will always say only good things about Serbia. And I'm proud to be a Serbian prime minister and to say that and to emphasize that here before you, my dear friends.

SERBIA-2015/09/16

And the last question about my feelings when I heard that, I felt it was my mistake because you know whenever I'm abroad some stupidities can happen in my country. I'm just joking now, of course, but I hope that we'll overcome this terrible situation because we would invest all of efforts to preserve good relationship with Hungarian people and Hungarian government and I hope that we'll do it, I hope that we'll deliver on that and it was not easy for me. And I think that Hala Gorani from CNN she noticed this that I was in a way frustrated and I didn't deny it. I couldn't deny it, you know. Just when you hear that someone beat your journalist, you can't react in a different way if you are just a normal man. That's what I think and I'm not ashamed of that and I'm not afraid to confess that. And that's it.

You know, the terrible picture that that Hungarian journalist did with that father and son was the most terrible picture I've ever seen. Even more terrible than that picture of drowned baby drowned up by the Mediterranean because if you analyze the face expression of that father, you will see that guy didn't believe what happened. He wanted to protect his kid. He didn't know how to do it. He wanted to punch back in a way. He didn't know how to deliver on that because he saw a young lady and he didn't believe that he deserved that kind of reaction.

An entire tragedy of those people was seen in his eyes. And please just watch it again. You'll see it, you know, and I'm not very emotional type of guy but I almost started to cry because it's not the kind of political stuff you need to sell to somebody. Just look at his face and I saw the faces of refugees that we were seeing in our country in 1995 when they were expelled from their threshold from Croatia and some other countries. And I hope that it will just not happen again.

I know that there are many security risks. I heard that Hungarian government found some terrorists, one terrorist out of those 29 guys -- possible, but I hope that we won't see these pictures again.

MS. HILL: As I've turned to the audience, I'll try to get another three questions in for you. But, I mean, I wonder if you could reflect on the ways in which this unfolding of events can have an impact, either positive or negative on the ongoing process of reconciliation because you yourself touched upon that these are the kinds of scenes that haven't been seen since the 1990s when, of course, it was

SERBIA-2015/09/16

all generated internally not coming in from the outside.

And I'm sure that many people looked at that and did actually think back to that period. And the question is can that be used in some positive way looking forward to remind people of what the dangers are of going back and to help move forward.

But there was a gentleman over here had a question, and someone in front of him, and then the colleague over here. So you can bring the mike. And, hopefully I'll be able to get to the questions. Both of these gentlemen here had their hands up --

MR. CROFT: I'll keep it short. Robert B. Croft. I was the inspector general at the State Department, former head of the OSCE Mission in Sarajevo. I'd like to ask you about Ukraine. You mentioned it in passing.

Serbia has an interesting relationship with Moscow. What kind of relationship do you have with Kiev? And for that matter, with Moldova? Is there any kind of dialogue or encouragement of dialogue that Serbia can bring to the situation? Thank you.

PRIME MINISTER VUCIC: Thank you for asking this.

MS. HILL: The gentlemen behind so I will take a couple of questions and then try to --

PRIME MINISTER VUCIC: Okay. Okay.

MS. HILL: Yeah.

QUESTIONER: I just want to move back to the question of infrastructure. You mentioned the road to Durres. I think another exciting project is this Belgrade/Budapest high speed rail. An interesting facet of that is that it's supported by the Chinese which is, you know, a story around the world. Chinese investment in infrastructure.

So if you could just comment on that aspect of it, and on infrastructure plans in general in Serbia, what the outlook is aside from refugee infrastructure.

MS. HILL: I've seen the Ambassador of Hungary. And, you know, given all the discussion of Hungary today, I think we should give our colleague the Ambassador the microphone and I'll turn it over to the colleague here. Ambassador.

SERBIA-2015/09/16

HUNGARIAN AMBASSADOR: Thank you. Thank you very much for these very important and very strategic words about long-term relations between our countries. And we very much believe in that. We very much have been supportive of Serbia's foreign policy goals, including EU integration and a closer cooperation on the regional level.

And we very much appreciate your efforts. It's been really tremendously increasing and strengthening relationship on the bilateral side over the last few months and years which is highly appreciated in Hungary as well.

Unfortunately, the situation today obviously is one of the harshest and most difficult ones in the whole region and in the entire continent. I very much appreciate your insight also into the feelings. We have the same feelings, and it is a heartbreaking thing to see those things, those images.

We have seen that journalist who's done that with that father with a child. I think it was really shocking for the entire Hungarian society. So much so that that person was immediately kicked out of her organ and the entire Hungarian society responded with a lot of, you know, criticism and shock to that, those images. It's not characteristics I think of the whole country.

To the opposite, what we have seen is that a major humanitarian effort was delivered to help those people who are in need, while at the same time, and I think this is what is happening, everybody has to do their jobs. The humanitarian organizations are cooperating with the government to provide that food, shelter, medication, and even schooling for those who are in Hungary among the migrants and for the duration of their stay in Hungary.

But the government also has to do its job which is to provide for the agreements that we committed to which is the defense of the Schengen boarder and the security and the registration process that we undertook to follow. It's not just the interests of Hungary to make sure that we understand who's entering the European Schengen Zone, but it's a responsibility that we undertook for the entire continent.

So it's a very difficult situation, obviously, but one that we could see today really calls for a very strong and close cooperation between our countries. The Hungarian border force was standing there not hurting anybody and not doing anything in particular, but they received stones thrown at them

SERBIA-2015/09/16

from Serbian territory while Serbian police guards were very few standing and smiling, some of them, allowing for the stones to be thrown.

I think, obviously, it's a very sensitive situation. Nobody is to -- it's not a blame game. But I think we need to cooperate very strongly and that is what we very much appreciate from your side. Our prime minister has been in touch with you on several occasions. He has expressed his understanding for the -- sorry?

PRIME MINISTER VUCIC: Even more than that.

HUNGARIAN AMBASSADOR: Yes. And I think it's a very important pillar. There's nothing more important than cooperation in developing a long-term solution which is in our common interest.

We have to see also the immediate problem which is there with the migration wave that is really humongous. I mean, it's really the amount of people who have entered Hungary just in the first six months equals to six million people at the U.S. border within six months.

So I think, you know, the pressure is huge. And obviously, we have to cooperate. So I very much welcome your openness and we very much appreciate your efforts in cooperating.

MS. HILL: Thank you. I'll just start -- there's one question from a colleague from the European Action Service and I will turn back to you for your comments.

QUESTIONER: Mr. Prime Minister, my name is Ala Alium. I'm actually just arrived visiting fellow at the Center for U.S. and Europe here at Brookings, and also a European Senior Fellow.

I'd like to ask you about your relations with Russia. Nobody really followed up on your offer to talk a little bit more on that question. As you know very well, as a country, or as a candidate that you're expected to align with European common foreign security policy positions, and your alignment rate has been suffering recently mostly because of the Ukraine conflict and the refusal to align with European policies towards Russian behavior on Ukraine.

But I'm wondering also that you said that you're personally not at all ashamed of changing your policies and learning from experience. How do you find Russia as a partner? Is it a

SERBIA-2015/09/16

reliable partner, especially after seeing what they decided on South Stream where Serbia had really stuck out its neck and also gone against some European common energy policies on favoring the other pipeline projects in the south. And what lessons do you draw from that instance, and how does that affect your energy security going forwards? Thank you.

MS. HILL: Thank you very much. I apologize that there won't be time for other questions, but we're very eager to hear your responses and anything else you'd like to say.

PRIME MINISTER VUCIC: I'll do my best to be as brief as it is possible. Regarding Ukraine, we have very good relationship with Ukraine. I spoke to the president of Ukraine, Petro Poroshenko. I think that he appreciated that conversation a lot. I did it. We do recognize territorial integrity of Ukraine and we didn't change our position on that issue which is very important. And they still recognize sovereignty and territorial integrity of Serbia and we have no problems in our relationship with Kiev.

But Ukraine they're our friends. I used to have the very best relationship with the prime minister, with the former prime minister of Moldova, Mr. Lanka. I met him several times. We made several telephone conversations. We wanted to establish much better relationship between Serbia and Moldova, and I think that we did it for the first time between our two countries. And we'll carry on with that in future with some other governments, and I hope that we can do it for the sake and for the benefit of both people. Serbian people and Moldavian people.

Secondly, regarding high speed railway between Belgrade and Budapest that was our common idea, Mr. (inaudible) and myself, and we really -- I am eager to see the start of construction works. We need to make some agreements before that 16 plus 1 meeting in -- it's not going (indiscernible 18:41:30) to happen in Beijing but somewhere in China by the end of this year I think in November, and I think that we can by that time sign a contract on that. We'll have almost the same preconditions, the same pre terms as Hungarian side with the Chinese company. I think that CRBC has been chosen by Chinese side.

We'll have good terms I think. Very low interest rate with a big maturity period and this is

SERBIA-2015/09/16

good news for both sides, Hungarian and Serbia itself. And we are in the middle of privatization process of our telecom and airport. And all that money we're going to get we are not going to spend to cover our budget deficit. About half, 50 percent, will bring back bad loans with a bad interest rate from the past and 50 percent we'll spend on future investment projects, mostly infrastructural projects, and we're going to say that we speak about (inaudible) towards border with Montenegro which is very important railroad for Serbia. And also I was also speaking about that railway between Belgrade and Sarajevo, and our highway between Nish, Pristina and Durres. These are the most important.

Of course, we're going to finish that eastern and southern branch of our Corridor 10 from Nish to (inaudible) and Presevo, and this is something that we need to finish as soon as possible.

Dear Mrs. Ambassador, I agree with you, you know, and you see that all the other of your neighbors are using much harsher words than Serbia. And Serbia is the only country that is facing that wall and that fence. That's because we went to invest into our friendship, and we didn't say a single bad word about any single person from your government or from your leadership, which shows that we take care of our future relationship. And it would be an easy gain for us, an easy gain for us today, but we would lose in future, and we don't want to do it.

And that's why we're so, why we're so cautious, why we're so prudent today, and why we would like to calm the situation down. And just please try to understand our position because you said there were few of Serbian policemen. Serbian policemen were there to take care of those migrants and they wanted to attack Hungarian police.

What should our police guys, what should they have done at that time exactly? To beat those guys? I would never allow that. What they needed to do? They acted in a way that was from my point of view proper way of dealing with that situation. We didn't, but it's a different attitude to do something in a way you think is best for your country, but there is something that you're very much right. We do register those guys, but we are not a EU country. But they do not enter EU in Hungary. They do enter EU in some other countries which have Schengen as well and they do nothing.

It's not a problem of Serbia. I was asking all of you whether you can say something

SERBIA-2015/09/16

about Serbia's fault and there is no Serbia, Serbia's fault in an entire case. And I just think that, I don't know, we do our best to be even in your shoes and to see what we will do on that issue, but we are in the same shoes, you know. We're speaking about hundreds of thousands of people that can only be passed through our territory before they entered your territory. We saw all of them in Serbia. We have that, we have that experience.

But, of course, you should speak to your EU friends because some of EU countries will bring those migrants to your borders without even registering them. But we did it. We did it. We can deliver all the data to you. We can work together in finding some bad guys if there are some bad guys, and we are ready for that. We are ready -- my minister of interior today spoke I think twice or three times with your, with Mr. Pinter because I ordered that to my minister to calm the situation down and to overcome all the difficulties.

And that's what we're gonna do in the future, but you cannot ask from us, and that's what I said to Victor Urban also, we cannot be very pleased with that fence. We cannot be very satisfied with barbed wire.

You know what happened -- I wanted just to add and I'm not going to bother you anymore. I visited that reception center in Kanjiza. And I was speaking to those refugees. And I asked them okay, do you feel okay here, guys. I saw small kids and they were saying everything's fine, you know, although there is one exception, you know. What is that? What is that all about?

They were saying all of them, well, we need more blankets. And I started to yell at my people, why those people they don't have enough blankets? And my people, you know, started to drag me on all sides. Come on. What's the problem with you? Why are you doing that? I said, but you know, they need those blankets not to cover themselves, not to cover their kids. They need to put those blankets to cover that barbed wire when they cross the border.

And, you know, I cannot say that I'm very satisfied with that. And I cannot say that we're very pleased to see that fence close to our border. And I'm sure that Hungarians are not very satisfied. They think that they had to do it, but I cannot say that I'm absolutely pleased with that. I would be crazy if

SERBIA-2015/09/16

I would say that, if I would say so. And that's it.

But regardless of that, we'll do our best and I want to assure you that we'll invest a lot of efforts to preserve normal, good, and for the time being to make it better, if possible, our relationship with Hungary.

And not to forget about Russia. We were very loyal to that South Stream project, as you know. And I notice that in a quite good way, and we were as surprised when we heard it, when we heard that news. I was in Azerbaijan I think when I heard that Russians were going to abolish that project. And I said it to President Putin that it would be easier for us if we would heard that not on TV but would be informed in some different ways.

Yes, we would like -- today we get gas from Ukraine. From Russia, then Ukraine, then Hungary, then Bulgaria we got it, and even today we were discussing that issue with the State Secretary Kerry which is very important for us. I think that we'll do that interconnected between Serbia and Bulgaria. We need to make more of energy security for our country in the future and we'll deliver on that, although I'm not very optimistic on that situation because so far I heard of one realistic solution.

But I went to Azerbaijan. I spoke to (inaudible). He said to me that there was not enough gas in (inaudible). And then we were speaking about Kurik and there is not going to be that station in Kurik, but it's going to be these flotation objects in Greece, which is also okay. We need to diversity the sources of gas supply for Serbia and we'll be working on that. And there is nothing, there is no hidden agenda on that. Then we can compare the price of gas that we can get from Russians, compare the price that we can get from Greece, or from Croatia, or from some other countries which would be a part of market economy which we like. And that's it.

And speaking about our alignment with EU decisions, we increased that for 14 percent since last year. And you are right. There are some decisions that we did not support. But I think that our position explain it in a very easy way. And don't force me to say that there are some countries if they don't export their, let's say, agricultural products to Russia, they will get 1.5 billion from European Union, and we will get not even peanuts. And we need to sell our goods, and we need to earn our money, and

SERBIA-2015/09/16

we need survive, and we need to take care of our people. Sorry to use these words. I'm sorry to be very blunt.

But you know, our strategic goal is to be a part of EU. And we would be very loyal, a very, very loyal EU member state not only when using EU funds, but when it won't be so nice, it won't be so terrific as it used to be.

And I think that today all our partners and allies can rely on Serbia's word, and I'm proud to look at you and to say that believing in every single word that I was saying to you.

I thank you for this question. I'm sorry that I bothered your.

MS. HILL: No, thank you. Thank you so much for your comments, sir.

(Applause)

Well, we have to make sure that you're not late and unreliable for your next meetings. The Ambassador is looking a little nervous because there's also construction outside and traffic at this time and you have to get in the direction of Capitol Hill.

Thank you for taking the time to joint us. Thank you for such an interesting discussion. Thank you very much to all of the audience.

PRIME MINISTER VUCIC: Thank you.

MS. HILL: Thank you.

* * * * *

CERTIFICATE OF NOTARY PUBLIC

I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

Carleton J. Anderson, III

(Signature and Seal on File)

Notary Public in and for the Commonwealth of Virginia

Commission No. 351998

Expires: November 30, 2016

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190