

Keynote Speech by
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UHAC – SAE Symposium on
Technology and Investment in Greece

(The dotted lines shown at three points of the speech indicate text which covered issues relating to organizational life, not to any of the main topics of the speech, and which was taken out for the sake of brevity.)

Ladies and Gentlemen,

I thank you very much for your presence at this meeting today.

I thank you on behalf of the Prime Minister, on behalf of the government, on behalf of the political leadership of the Ministry of Development, for all you contribute to our country. For your support in promoting our National Affairs. For your instrumental position in tightening our ties with the prominent and friendly country that has welcomed your stay. For your contribution to the development of our Country, and for the strengthening of the Greek community.

I extend a heartfelt thank you to The World Council of Hellenes Abroad (and the United Hellenic American Congress) and its leader Mr. Andrew Athens. They have provided a lot, and we are all aware of it.

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The mobilization of Hellenes abroad is of great national priority. I would like to emphasize Mr. Andrews' passion in strengthening and promoting the operation of health centres in democratic countries of the former Soviet Union.

It is to this kind of passion (that he will of course never abandon), that we as Greeks have the obligation to put forth our own contribution.

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Friends,

Last year, all of Greece hosted the Olympic and Paralympics games in Athens. We organized, with impressive success, the largest international celebration of athletics and culture. Modern Greece proved that she can set high goals and attain them. Greece proved that she possesses the means, human resources and organizational ability to complete grand, difficult and complex projects. Greece proved to be a country of security and hospitality, of history and culture.

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Friends,

Today Greece is pursuing a dynamic and clear strategy in the region, towards our neighbors.

We are following, as Prime Minister **Kostas Karamanlis** has repeatedly stressed, a strategy that is summarized in the three terms: **“Peace-Cooperation-Development”**.

This is our strategy of accountability and advancement.

- We fully support the Euro-Mediterranean partner relationship whose goal is the development of a Euro-Mediterranean Zone of Free Trade by 2010.
- We are taking every action necessary to strengthen bilateral and multilateral cooperation in the Mediterranean and Northeastern Europe.
- We are pursuing the policy of constant reinforcement of inter-Balkan cooperation, which seeks to create – together with all area nations -- a neighborhood of peace, growth and prosperity with respect to the inviolability of borders and human rights.
- We support the European aspirations of our neighbors and recognize the effort they are making.

- We are steadily and openly pursuing, not only for today but also for the future, the improvement of the relations between Greece and Turkey.
- Most of all we desire the accomplishment -- as soon as possible -- of a functional and viable solution for Cyprus based on the decisions of the UN, and compatible with European interest.
- We support efforts to speed up the peace process and solve the problems in the Middle East, and the creation of conditions that will ensure everyone's security, in Israel and Palestine alike.
- We support efforts to transform our entire area into a region of security, stability, development and prosperity for all citizens.
- Our objective is to open new channels of cooperation, with all countries in the region, on all issues including Culture, Tourism, Trade, Transportation, Business.

Ladies and Gentlemen,

Immediately after the conclusion of the Olympic and Paralympic Games, we implemented a wide range program for **change and reform** with a two tiered goal.

The first goal is to reorganize the country: A transition to becoming a country with increased capabilities. A country that assists but does not dictate private initiatives. Capable of providing its citizens and businesses with better service. But also truly effective in her social mission.

The second goal is anthropocentric development. Dynamic, viable and balanced development throughout the country. The kind of development that is beneficial to all citizens.

Today Greece is setting a new standard for development that:

- Welcomes business
- Attracts direct foreign investment
- Is oriented towards constant improvement and a competitive economy
- Is open to prosperous interaction between the government and the private sector.

Our goal is to utilize our economic capability and all of our developmental resources.

We declared the year 2005 as the year of Competitiveness and we continue and will continue on the same path in the years to come.

We emphasize quality and productivity, we are promoting a competitive open economy, with a great international presence.

Our immediate priority continues to be continuous improvement in development. For this reason, among others...

1st We are decreasing over three years the business tax rate by 10 points.

2nd We are implementing a new policy, that a) funds the development of old and new business up to 55% of the investment; b) broadens available activity; c) emphasizes research and technology.

3rd We are creating a new process for obtaining business permits. It casts bureaucracy aside and significantly decreases the time and cost of establishing business.

4th We are directly opening the marketplace for the purchase of electric energy and of natural gas. This way we encourage large scale investment in Energy by Greeks or foreign investors.

5th We have already initiated the processes to prepare a complete national Zoning plan and to set the framework for specific zoning plans in regards to renewable sources of energy, tourism, industry, mountainous and coastal areas. Greek and

foreign investors will soon have a well- defined framework for land use, so that they can proceed smoothly with their plans without delay and uncertainty,

6th We created a transparent and efficient framework for the State to obtain reports and delegate work.

7th We are promoting an extensive **program of share-holding, privatization and decentralization of government**. We surpassed the goals we had set for the year 2005 and are with the decentralization of the International Airport of Athens, the Post Office savings-bank and the country's ports. We are also promoting State participation in Agrotiki and Emporiki Banks, which enjoy the interest of many large institutional investors since action was taken for their restructuring.

8th We are striving for a uniform plan to promote the **collaboration of State and Private sectors**. We prioritize collaboration and cooperation, to effectively make utmost use of the Olympic real estate, Tourism real estate, and real estate of the country's ports. Already these facilities are scheduled to host five (5) international competitions hosted by the company Olympiaka Akinita and eight (8) others hosted by the company for Development of Tourism.

9th We are implementing (with the ratification of new law) bold measures to further promote the growth of trade in our country.

10th We are reinforcing flexibility in the area of employment.

11th We are reforming and improving incentives that affect foreign, and domestic businesses based in our country and provide services to other countries.

12th We are preparing the reform of Bankruptcy Laws.

13th We are implementing bold reforms for the purification of ΔEKO (public utilities) with the support of the community.

14th We are investing in training, research, technology and innovation.

In the sophisticated economies, competition cannot be based on traditional advantages such as cheap labor or raw materials.

The New Economy mandates utilization of new knowledge in the development and availability of novel products and services, that have been adjusted to increased, updated consumer needs. This reality is affirmed by the leading role of USA in international competition, on the one hand, and European efforts to plan and implement the Lisbon Strategy on the other.

Greece is not indifferent to these efforts. Well aware that up until now our country has shown low performance, we have set a goal. The goal is to increase funding for research and its application, by mobilizing State and private initiative. At the same time, we strived (and strive) for collaboration with distinguished Greek scientists around the world, and we already have highly regarded scientists on our team. Scientists, from the proud and dynamic Diaspora of this country. We have already begun implementing measures and mediatory action to make up for lost ground. They will assist us as we dynamically enter this New Age.

- We have already increased government funding for research and innovation and specifically the funds for research, technology and innovation of the Business Program for Competition.
- We are immediately moving towards modernization and restructuring of the institution for research, the new **National Council on Research and Technology**, which has created specific proposals that are submitted to national deliberation.
- At the same time, we are distinguishing and honoring excellence at all levels. Last summer, the public research center of Greece (that function under the auspices of the Ministry of Development) were assessed by foreign experts to be exemplary. They have flawless procedures according to international criteria.

New technologies, research and technology have a distinct presence in the **National Strategic Plan for Development in our Country**, and are to be co-financed by the structural funds of the European Union and national funds. I would like to mention that our contribution to international programs and organizations is noteworthy:

- The 7th EU Framework Program
- The European Space Organization, of which we recently became a member.
- The strong presence we have developed in the Balkan region and in the Black Sea area where Greece is a leader in research initiatives.

We do of course know that despite the great steps that are being made, we still have a long way to go. We are confident that the Greek community in the US will continue to be of great assistance.

We can all do better together.

Friends,

The large energy projects that are already being launched (and at great speed), are of great importance to development, to strengthening of peace and stability, and to overall regional advancement.

- The first of these projects is the Greek-Turkish pipeline for natural gas, opened early in July by Prime Minister Kostas Karamanli and his Turkish counterpart Tayyip Erdogan.
- The Second is the Greek-Italian underwater pipeline for natural gas, an extension of the Greek-Turkish pipeline, that will transport gas from Greece to Italy and from Italy to the heart of Europe. The European commission has evaluated that this project is of utmost priority. It is supported by our and the Italian governments which signed a treaty in June.

- The third important energy project is the Burgas-Alexandroupolis oil pipeline. To support this construction (which is a complimentary route for the transport of the Black Sea oil to Western Europe and U.S. markets, we signed a Memorandum with Russia and Bulgaria.
- Fourth (of great importance to all), on October 25, the Treaty will be signed in Athens for the Establishment of the Energy Community of Southeastern Europe. Fourteen (14) neighboring countries are signing parties.

Greece is becoming an international center for Energy. This way, her geopolitical significance is being upgraded. New incentives for investment are being created. The foundations of peace and stability are further being strengthened in the entire region.

Ladies and Gentlemen,

With these steady and determined steps we are creating

- the appropriate conditions
- the necessary institutional framework
- the infrastructure that the New Age requires

for our country to become the center of promoting and spreading business activity to the greater geographic region.

We are rapidly overcoming long term weaknesses, structural problems and omissions of the past. We encourage and support healthy enterprise. We are creating all of the conditions necessary for the attraction of direct foreign investment. We are implementing policies that take advantage of, to the greatest degree possible, the comparative advantages of our Country's

- geopolitical location

- participation in all large (economic, political and defensive) international organizations.
- superior level of human resources
- our good relations with countries in Southeast Europe, the Middle East and the Mediterranean.
- The complimentary character of the Greek economy (as a service based economy) with regard to the developing industrial economies of Central and Northeastern Europe.

Greece is, because of her geopolitical location, a gateway to Europe for countries in the Eastern Mediterranean, Middle East, Asia and Northern Africa.

At the same time, Greece is a place where Western European and American businesses can create their headquarters and their research centers, to allow them to penetrate the markets of Eastern Europe, the Balkans, the Black Sea, the Caucasus region, and the Middle East.

Modern Greece can operate as an intermediary in the development of foreign business and investment interests within the greater area. Greece is already one of the largest investors in most of the Balkan countries.

Greek investments in our greater geographical area exceed 8 billion Euros. More than 3,500 Greek companies and 700 branches of Greek banks are active in the Balkan countries. Greek invested capital is rated first in the Former Yugoslav Republic of Macedonia, Albania and Serbia-Montenegro. It rates second in Bulgaria and third in Romania. At the same time, modern Greece provides the opportunity for everyone to take on new investment venues with a high rate of return on the invested capital in areas such as:

- Exploitation of the Olympic infrastructures

- Recycling of energy sources
- Energy infrastructure
- Trade
- Transportation
- Communication and Information technology
- Maritime
- Tourism Industry where Greece is proving to be a global Power in

quality and status, deriving strength from its history and civilization, its modern infrastructures and the hospitable character of its people.

Ladies and Gentlemen,

Our corner of the world is changing. The region is changing too. Peace and Democracy are being established in the Balkan countries. Stability is constantly strengthened and new horizons are opening in development. The purchasing power of the citizens in many of the countries in our region is growing.

The Mediterranean policy of the European Union shapes new horizons for the countries of this area. With establishment of the Free Trade Zone, by 2010 , new markets and relationships are born for 300 million people. New opportunities for investment and collaboration are developed. The economic and development politics

that we implement give us opportunities and capabilities that were long desired for our country.

Greece has changed gears. Greece has changed. We are not afraid to face reforms the New Era of Globalization demands, the speed of change and the revolution of Knowledge and Technology. Greece is building the infrastructure to be the hub in the crossroads between East and West and North and South.

Greece is building a new development model, transparent and friendly to entrepreneurship. The post-Olympic Greece is a country with perspective and great opportunities. A country that faces the future with optimism and confidence.

A daring and insightful country prepared for the challenges ahead.

Greece is working discreetly but confidently for peace, stability and the development of the entire region and beyond. Greece is the country of Safety and Hospitality, Culture and History. It is open to everyone.

It is a modern country demonstrating the dynamics for growth and advancement.

Thank you