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**Address of the Vice-Chairman
of SEV- Federation of Greek Industries
Mr. Dimitris Daskalopoulos**

7th Annual Capital Link Forum

**“Greece: Business & Investment Opportunities
after the Olympic Games of 2004”**

Metropolitan Club

New York, November 11th, 2005

Ladies and Gentlemen,

A proverb says “the man who has no past, has no future”. Paraphrasing this proverb, I would say that a country with a past, also has a promising future. Greece is such a country. I am sure that Greece’s role in political and philosophical thinking, in science or in arts in western civilization are well known. Last summer we conducted very successful Olympic Games, as all media globally have admitted. The same year we were champions in European football and recently in European basketball. Businesses also aspire to be champions and constantly strive to reach success. Similarly, we envisage that the Greek economy and the Greek industry will perform similarly and become highly successful in the global market place.

Allow me first to briefly introduce to you SEV, the Federation of Greek Industries. It is the leading, independent, Employers’ Organization, representing the collective vision and interests of the Greek business community. We represent more than 4,500 private companies, throughout the country, from all manufacturing sectors, as well as from a wide range of services and offer employment to approximately 5 million people. We strive for the continuous improvement of business conditions in our country and in the European Union. We believe in the principles of free market, competition, business ethics, corporate governance and corporate social responsibility. We also believe, like most Europeans, that social cohesion is one of the necessary conditions for growth and full employment in a European context.

Since 1962, we are an active member in UNICE, the Union of European Industrial & Employers Federations, the organization that lobbies with the European Parliament and the European Commission for structural reforms, fostering entrepreneurship and improving competitiveness throughout the continent.

In preparation for the 2004 Olympics, Greece modernized its infrastructure at a rapid pace. Investments in infrastructure projects have spurred companies to become more competitive in almost every sector, including telecommunications, technology, energy networks and financial services. (Everyone who visits our country may witness this transformation: We have a brand new airport, we are enjoying a new metro system which is ambitiously planned to expand further, a tramway, several ring-roads, a new bridge linking central Greece with Peloponnesus and several other facilities.) All these billion euro projects have given a significant boost to the economy and precious know-how has been accumulated, in a multifunction event of global scale. The new generation of experts that is now available in Greece, who have obtained valuable expertise in managing big and complex projects, are an important asset that promises sustainable benefits for the future. Last year the Olympic Games’ successful completion marked the capacity and willingness of Greece and its people to modernize and re-brand its name in the international scene.

Greece has gone through a major economic and social transformation in the last decade. As a result of consistent economic policies, good labor relations, the accession to the European Euro zone, Greece in the new era is an economy based on monetary stability and relatively low interest rates and inflation. Thanks to the substantial investments in infrastructure, the liberalization of telecommunications and

energy markets, the increased transparency and competition, the ongoing privatization plan and the huge inflow of European funds, Greece's economy has been growing at approximately 4% over the past 5 years.

One of the biggest challenges of our society after the Athens 2004 Olympic Games is managing the very high public debt and budgetary deficit. Measures have been taken by the Government to reduce public investment and indirect taxation was increased to boost public revenues (VAT hike from 18% to 19%). Thus, economic growth in Greece continues to outpace the Euro area average for a ninth consecutive year in 2005.

Several business friendly measures have already been taken in the last decade to support investments and entrepreneurship. Only recently, a series of structural reforms are further helping promote national competitiveness. These include a new tax law that will reduce corporate income tax levels eventually to 25%, a business investment incentives law and a series of other reforms that I am sure you will hear about from other speakers.

Tourism is registering a record performance in 2005, on the back of a boost from the Olympic Games, of improved infrastructure in tourist facilities and of an extensive promotional effort last winter.

In addition to the public sector investments, the private sector has shown spectacular growth by expanding and exploiting opportunities in the region.

Greek businesses have been at the forefront of economic progress in the last decade. We have achieved a lot but we all know that we need to do still better. We need to foster innovation, expand the use of new technology, improve our export performance and create additional jobs. Greek businesses are committed to doing so.

SEV has focused its efforts to promote the need to put competitiveness and entrepreneurship on top of the Agenda in our country. Accepting a proposal of our Federation, the Greek Government publicly declared "2005" as "Competitiveness Year". We are intensifying our efforts to improve the competitiveness of the Greek economy. That is why SEV is taking a major initiative in this respect, by organizing next month an "Open Forum on Competitiveness", with a two-fold aim: firstly, to create more awareness to the whole of Greek society on the need to improve Greek competitiveness. Secondly, to collect opinions and proposals from all parts of society and achieve wider contribution to the effort to transform the country into a modern economic environment for business initiatives and investment.

With last year's Enlargement, the European market now includes 500 million consumers. An Enlargement of this magnitude certainly has set new challenges for the whole economy of the continent and for each member state separately.

For Greek businesses the markets of the greater South East Europe area, are crucial. Slovenia was included in last year's wave of countries which joined the E.U. Romania and Bulgaria, in their turn, are in the final stages for full E.U. membership and hopefully more countries will follow in the future. Greece enjoys a dominant role in business in the area, as Greek enterprises have successfully managed to

establish themselves in the region. and have achieved an impressive presence, placing Greece as the largest investor in Albania, F.Y.R.O.M, and Bulgaria, 3rd in Romania and improving in rank in Serbia-Montenegro and Bosnia-Herzegovina.

Greek businesses, both in the industrial and the services sectors, are actively extending their presence and their leading role in the region

Let me remind you that our country is the only EU member located on the crossroads between important geopolitical areas and markets: the Balkans, the Middle East and the Black Sea Region. Greece has also enjoyed good relations with all Arab countries. Its strategic position as a gate to the east, combined with its European identity, provide real opportunities for international investors when they consider Greek enterprises as partners.

I should point out that in the field of energy we have a major development with the deal of Greece, Russia and Bulgaria to build a multimillion-euro pipeline for the channeling of oil from the Caspian Sea to the Aegean. Greece, one of the richest countries in the Black Sea Region, is keen to realize the project, which will contribute in reducing the cost of energy for various industrial sectors and secure the supply of natural gas. Also, of major importance is the recent Agreement between Greece and Italy to connect their electric power networks, another deal which contributes to the upgrade of Greece as an important energy hub. Synergies between construction, energy companies and relevant service providers are expected to emerge, focusing on both public and private sector projects. Similarly, Financial Institutions will take the challenge to tap part of the potential, by supporting projects which demonstrate positive economic impact and which promote regional economic cooperation.

Finally, let me remind you that Greek population now exceeds 11 million inhabitants. We have another 7 million living abroad, the “diaspora” Greeks, who have established themselves in business, academic and political societies in the 5 continents, maintaining links with the motherland. In increasing numbers, they are now returning to Greece, contributing their business acumen, direct investment and skills to the country’s further development.

Ladies and Gentlemen,

On behalf of the Greek business circles, I propose that it would be an intelligent business decision for American and international investors to take advantage of Greece’s stable and business friendly environment. You can do it alone or in forming joint ventures with Greek companies that have the experience of doing business in the region. You will find modern, professionally organized and run organizations, advanced in their financial reporting and corporate governance, and populated by motivated and creative individuals. Let’s work together on win-win basis.