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The Greek Economy: Looking Ahead

Professor Plutarchos Sakellaris
Chairman, Council of Economic Advisers
Hellenic Republic
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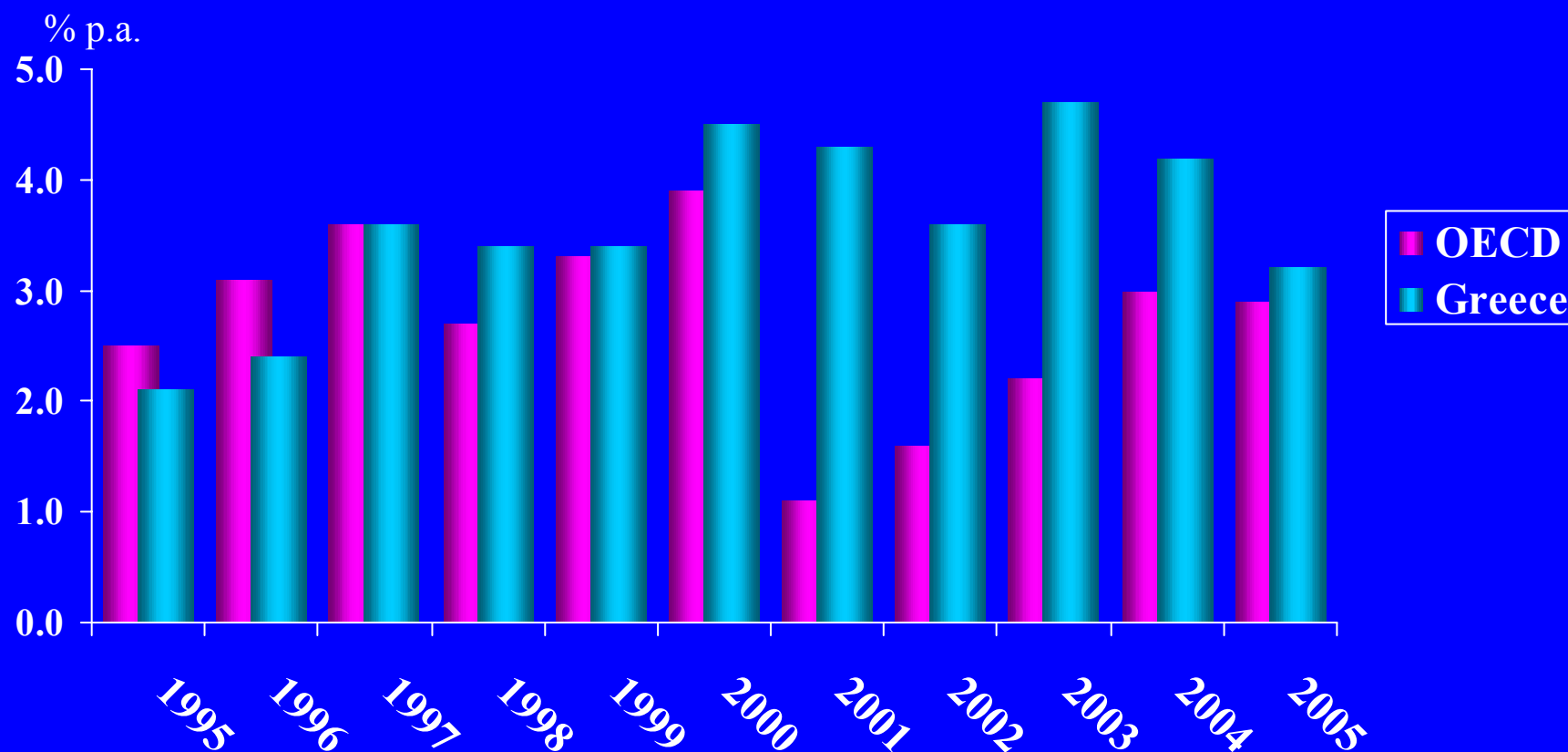
Presentation Overview

- **Greece's Economic Performance: A Look Back**
- **The Outlook for 2005 and 2006: Robust Growth, Fiscal Consolidation**
- **Unlocking Greece's Economic Potential**
 - **Key Policy Initiatives**
 - **The Emerging Economies of South-eastern Europe: New Opportunities for Greece**
- **Conclusion: The Case for Investing in Greece**



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Growth in Greece Compares Well with OECD Countries

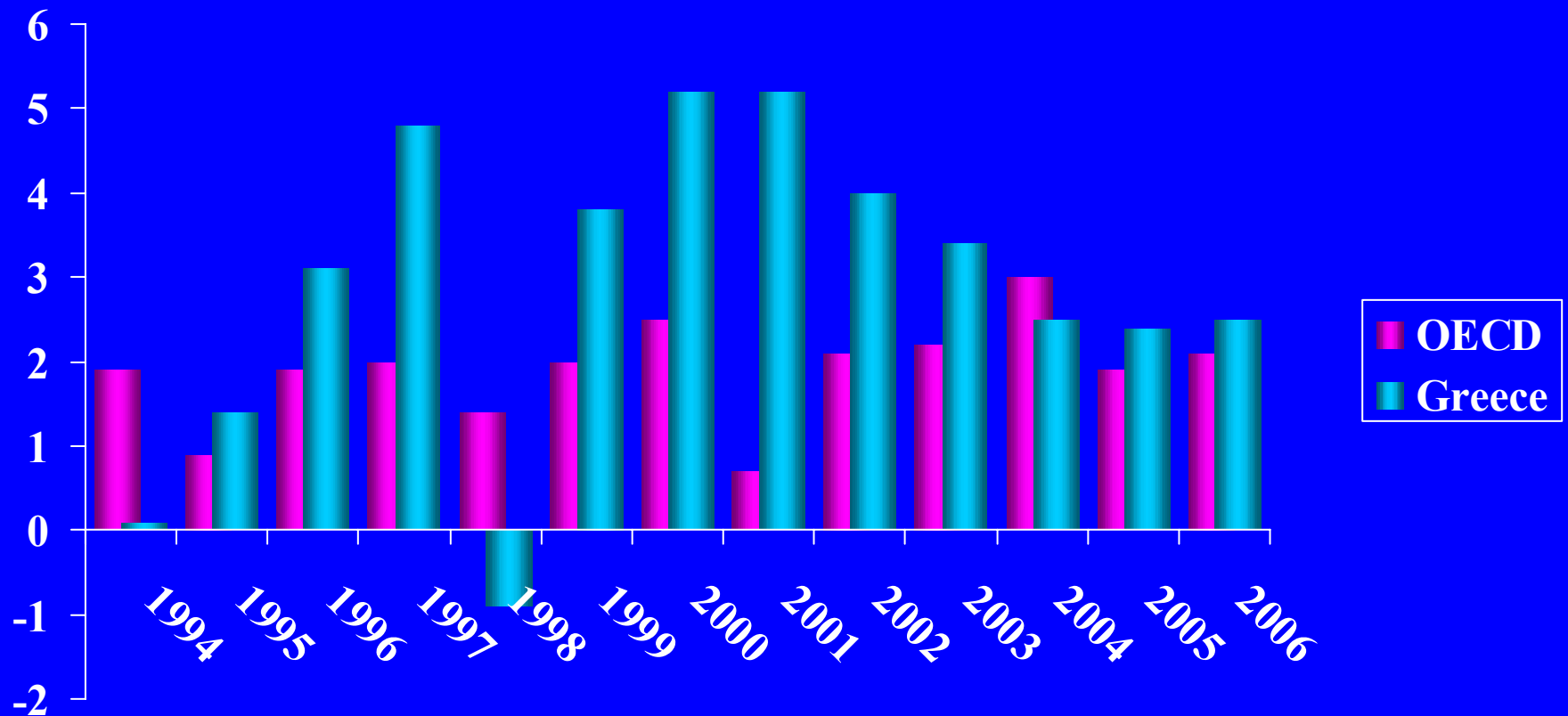


Source: OECD, Greece Ministry of Finance



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Growth of Labor Productivity in Greece Higher than in OECD



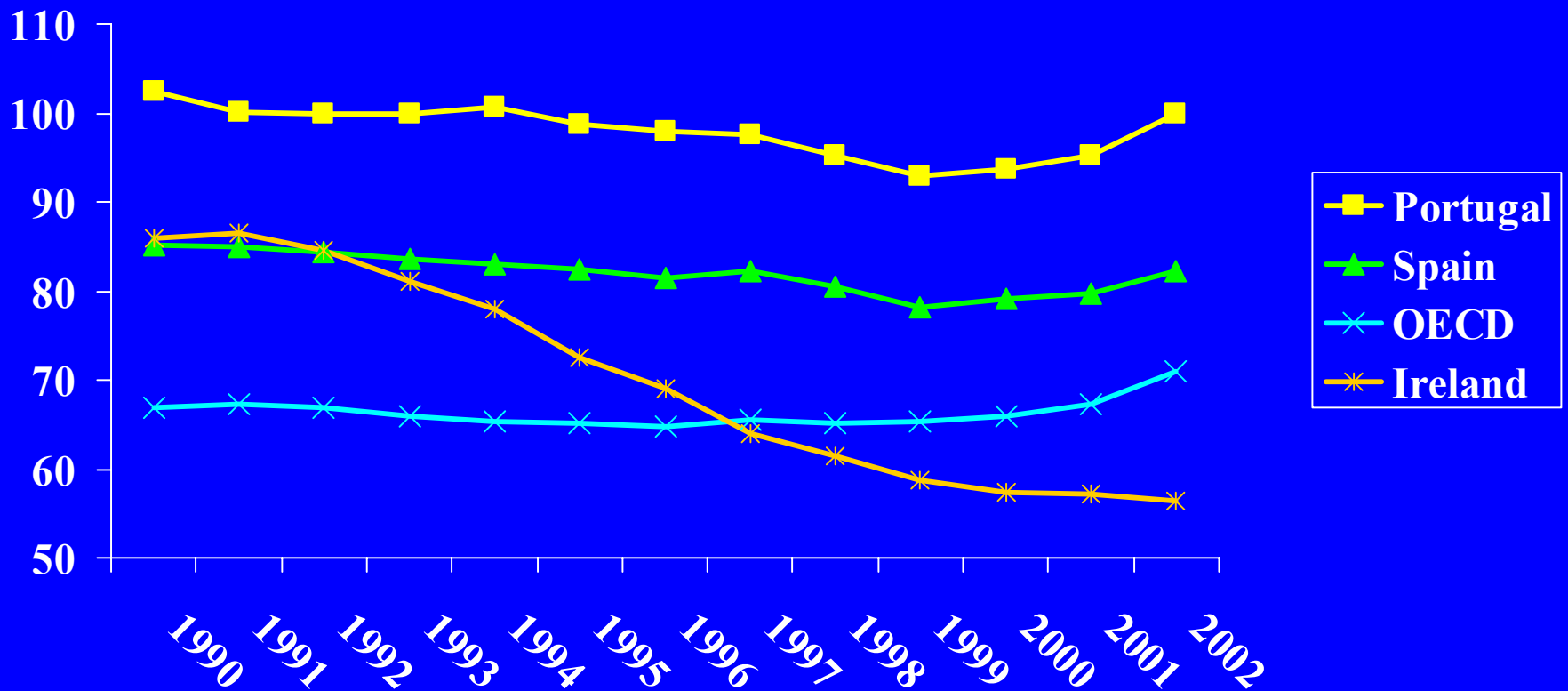
Source: OECD



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Greece Closing the Income Gap with Most OECD Countries

Per capita income in Greece as % of OECD Comparators



Source: OECD



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Greece's Economic Outlook for 2005 and 2006

(% annual change, except where indicated)

	2004	2005f	2006f
GDP Growth	4.7	3.6	3.8
Private Consumption	4.4	3.2	3.2
Government Consumption	3.9	2.7	1.2
Gross Fixed Capital Formation	5.7	1.0	5.8
Government Budget (% GDP)	-6.6	-3.6	-2.6
Government Debt (% GDP)	109.3	107.4	105.2



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Greece's Budget for 2005: On Track for Sharp Drop in Deficit

	2004	2005f
General government balance, % of GDP	-6.6	-3.6
General government primary balance, % of GDP	-0.9	1.6
Total Revenues % change	6.1	8.4
Total Expenditures % change	8.0	1.7
of which: Wages and Pensions % change	10.8	6.0
General government debt, % of GDP	109.3	107.4



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Unlocking Greece's Economic Potential: Key Policy Initiatives

- Improving the business environment
- Deepening Greece's integration with the global economy
- Supporting the development of new, dynamic segments of the Greek economy.
- Raising efficiency in the public sector



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Key Measures for Improving the Business Environment

- Tax reform
- Increasing competition
- Privatization
- Bankruptcy legislation
- Labour market reform



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Deepening Greece's Integration with the Global Economy

- Continued commitment to trade liberalization, including trade in services
- Attract more foreign direct investment
 - Steps to create favorable business environment
 - Privatization as magnet for foreign funds
- Further development of the tourism industry, especially higher value segment



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Supporting the Development of New Segments of the Economy

- **Encourage innovation**
 - National Technology Foresight Program (covering a time horizon to 2021) focusing on the steps needed to develop a knowledge-based economy in Greece.
 - Investment incentives for innovative companies
- **Promoting entrepreneurship, especially SMEs**
- **Capital market reform to expand venture capital sector**



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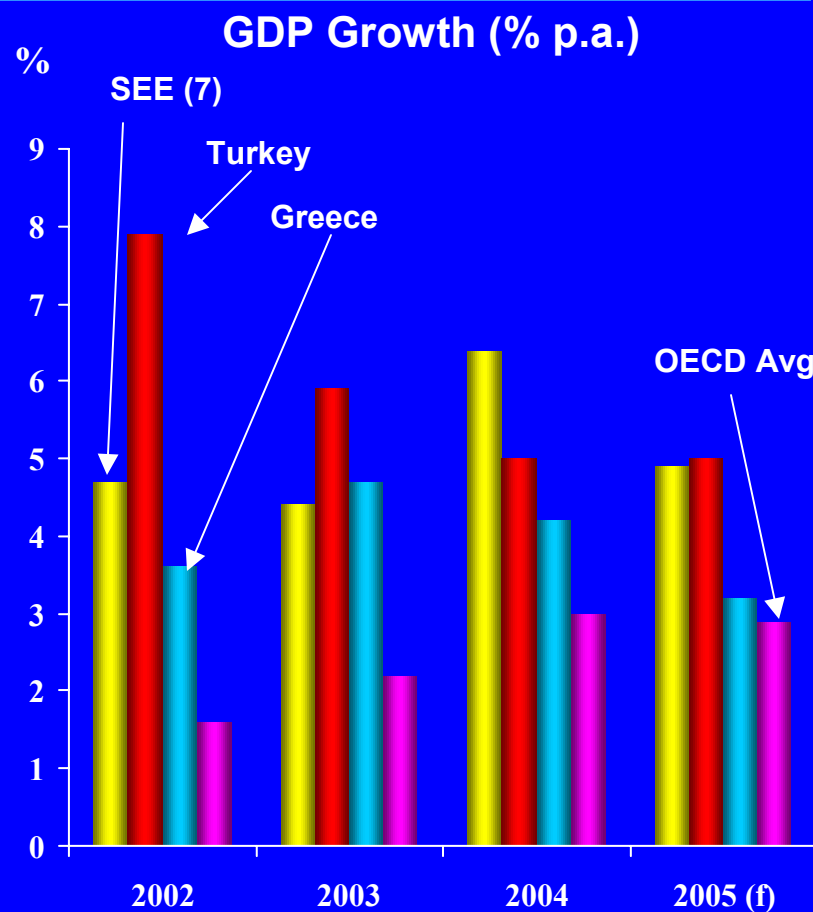
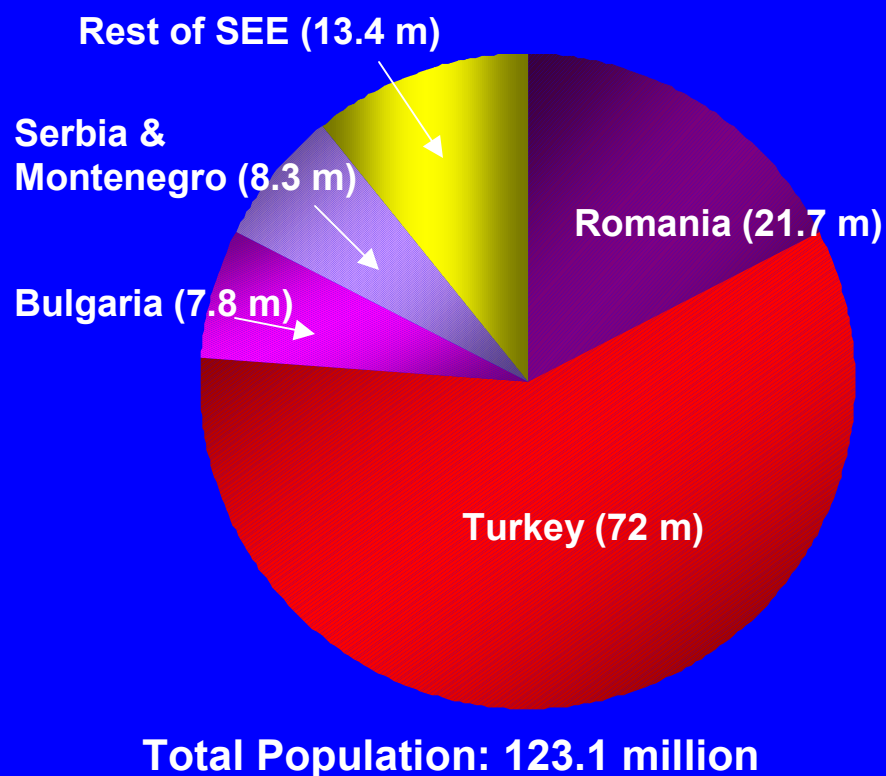
Fiscal Policy: Raising Efficiency in the Public Sector

- Reduce the size of government debt
 - Expenditure restraint and structural changes to reinforce budget discipline
- PPPs to augment public sector investment in infrastructure and other key functions
- Slow the growth of the public sector wage bill
 - Ensure government expenditure directed to most pressing social and economic needs



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South-eastern Europe: Population, Robust GDP Growth





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Greece and the Development of Emerging South-eastern Europe

- Financial center for the region
 - Source of investment in Balkan banks
- Energy hub for Southeast Europe
- Investment by Greek companies in Balkans
 - Construction sector, post-Olympic experience
- Labor migration into Greece
- Trade flows



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Conclusion: the Macroeconomic Case for Investing In Greece

- Greece is on the threshold of a new era of accelerated growth, driven by a vigorous program of deregulation, liberalization, and privatization.
- Our reform program is reshaping the role of government and making room for private initiative.
- We are embracing globalization as the best means for ensuring the future prosperity of our people.
- The result of our efforts is a more dynamic Greece with abundant investment opportunities.