

Speech of the Greek Minister of Economy and Finance in the US Congress

Washington, March 28, 2007

Honourable Members of Congress,

Ladies and Gentlemen,

It is a honour for me to speak at this event before the Congress of the United States of America. As a Greek I am proud that some of the most prominent members of the American Society are of Greek descent. In fact the presence of Greeks in this continent dates back to the 16th century; the first Greek that ever walked on this land, set foot on the coasts of Florida in 1528, participating in a Spanish expedition.

Ladies and gentlemen,

It was America, some sixty years ago, that helped my country in the difficult period after World War II, when democracy in Greece was seriously threatened; and when Greece was in front of a humanitarian crisis of unprecedented proportions. It was thanks to the help given to my country by your people that Greece managed to get out of this critical period.

Today, we can work together to achieve much more. Greece, as a member of the European Union since 1981, must work together with the other Member States and with the United States of America to respond to the many challenges we face in common. We must work together so as to:

- protect our environment, and to
- assist the less developed countries improve their relative position and eradicate poverty in order to make this world a safer, more secure and more prosperous place.

Regarding our environment, it is my firm belief that climate change constitutes the most imminent threat to our future. It would not be an exaggeration to say that if the European Union and the United States do not act in concert and as soon as possible, our world will face

serious challenges. By working together, the E.U. and the U.S.A. can deploy a credible set of actions in order to reduce carbon dioxide emissions (and greenhouse gases in general). We can do so by encouraging the use of renewable energy sources and by applying stricter environmental standards. In addition, if we work together we can achieve a more efficient allocation of the funds directed towards the alleviation of this problem.

Regarding our course of action to make this world a safer place to live, allow me to say that Greece and the United States of America share the same views regarding human rights, freedom and democracy on a global scale. It is my firm belief, consequently, that in order to achieve our goals we must first address the rampant inequalities that exist in our planet. These inequalities are of two sorts:

- First, we have quantitative inequalities that have to do with the big divergences in living standards around the globe, and
- Second, we have qualitative inequalities, like the big educational disparities around the world.

Greece is a trusted and valuable strategic ally of this great country. We worked together in the past. We shall continue working together, in order to achieve our common goals and establish a safer future for our children.

As member of the European Union, the Eurozone and NATO, Greece's role in Southeast Europe is substantial. We have helped transform this region once torn apart by wars.

- We have substantially helped our neighbours in the difficult years since the collapse of communism.
- Greece has hosted more than 1.5 million immigrants from neighbouring countries and has thus helped avoid the unravelling of a major humanitarian crisis.
- We supported the establishment of democratic processes and institutions in our neighbours.
- We wholeheartedly supported the application of Bulgaria and Romania to join the European Union, and have promised to

support the goal of Turkey to become member of the E.U. Of course, Turkey will also have to abide by the rules and regulations set by the European Union.

- Finally, it is the private sector that now drives the region's growth. Greek companies have invested more than 15 billion dollars in Southeast Europe and are contributing to its remarkable economic and social progress.

In that sense, the cooperation of Greece and the United States of America, in the field of politics, as well as in the field of business, can lead to substantial results in the future.

Ladies and gentlemen,

As Minister of Economy and Finance of my country, allow me also to briefly present to you the state of the Greek economy.

As I have already explained, Greece is a member of the European Union for 26 years now. It is a member of the Eurozone since 2000. The Greek economy has been able to present some remarkable progress over the last three years. As a result of the reforms our administration has been pursuing since March 2004:

1. Greece has experienced a considerable improvement in its competitiveness. As a direct result, exports are rising with a pace twice as fast as nominal GDP.
2. Our economy enjoys a brisk rate of growth, the second highest in the Eurozone. It reached 3.7% in 2005 and 4.3% last year.
3. The unemployment is on a constantly downward trend. In 2006, it fell below the 9% mark for the first time since 1998.
4. The business sentiment indicators are on a constantly upward trend.
5. The public finances are back in order. Budget deficits have been reduced below the ceiling of 3% imposed on Eurozone members, and the public debt is falling at a satisfactory pace as percent of GDP.

6. Social indicators signify that definite improvement is being made in the areas of social cohesion and the reduction of inequalities.

Moreover, as a result of our policies, Greece is able to capitalize on its strategic geopolitical position. Being at the crossroads of three continents, Europe, Asia and Africa, Greece can offer U.S. businesses immediate access to those markets, while at the same time offering the political, fiscal and monetary stability they require.

Greek-American relations have traditionally been excellent. Despite the fact that we sometimes approach some particular issues from a different perspective, our cooperation has been fruitful and has led to considerable achievements. I firmly believe that by working together we can shape even better prospects for our peoples, and a better future for our world.

Thank you very much for your attention.