



**ΣΕΒ**

**Address on behalf of the Board of Directors  
of the Federation of Greek Industries**

**by**

**Mr. Athanassios Lavidas, Board Member**

**at the lunch offered to the  
TÜSIAD Delegation  
(High Advisory Council)  
at Chios, Greece**

**September 20, 2003  
Chios CHANDRIS Hotel**

Dear friends at TUSIAD,

Today marks another landmark in the long-standing relationship of co-operation and friendship between the Federation of Greek Industries and TUSIAD. The FGI's Board is particularly happy to welcome TUSIAD's Board and members of the High Advisory Council on the hospitable island of Chios, just across from the turkish coast. The reasons for our pleasure are twofold and self-evident. Over many years, we have developed sincere and close bonds with our turkish colleagues, and we never fail to confirm and advance this relationship at every opportunity. In my participation yesterday in TUSIAD's meeting in Izmir, and on my way here this morning with you, I felt that I was among friends. This special sense of companionship that we have cultivated steadily over the years has a particular significance, since it contributes to the development of a good climate between our countries on many levels.

We are also very happy to welcome you for the first time not in the capital, but on an island of the eastern Aegean Sea. This means a lot. The greek business community is also present and actively operating in the country's regions, and supports the social structure in geographically remote areas. Chios, with its long history, holds a special position in greek economic tradition, since it was here that trade and shipping flourished. The presence today of eminent turkish businessmen on this island of the Aegean, where the entrepreneurial spirit in maritime shipping flourished, is symbolic of the skills of our peoples in generating wealth and prosperity.

We can turn to account these skills, and develop further our bilateral commercial and economic relations. The proximity of our countries has the advantage of direct communication, easier connections, frequent contacts for sharing our experiences, suggestions, plans. It may be that we are

separated by a few nautical miles, but I believe that there is much more that brings us together. We are two different nations but we share a common history for many decades and there are common characteristics and bonds in the climate, in civilization, in athleticism, in tourism, in cuisine. We should also keep in mind the spontaneous assistance that both countries provided to each other in respect to the catastrophic earthquakes in the recent past. It was the civil societies which felt close to each other and expressed their emotion and support.

Turkey's strategic position, the large domestic market it represents, and its bonds with unified Europe, render her a noteworthy partner in international economic relations. In recent years the trend in business relations has been one of improvement, but the results have been lower than the existing capabilities would suggest, mainly due to causes of a political nature. It is clear that one of the main reasons for which the extrovert policy of greek firms in Turkey has not led to the expected results is the diplomatic problems between the two countries. For many years, the business communities of both have maintained sincere lines of communication regarding the economic aspects of greek-turkish co-operation. Business contacts have been limited in the past and the results fell bellow expectations. The new climate in bilateral political relations may bring about a considerable improvement in economic co-operation, a state of affairs that is feasible and desirable to both business communities.

According to the latest data, greek exports to Turkey in the 1<sup>st</sup> semester of 2003 grew by approx. 17% as compared to the same period in 2002, while turkish exports grew by 72%. The total volume of trade in the same period increased considerably, by approx. 50%, and amounted to \$607 million. The greek trade deficit was once again on the increase (by approx. 200%), due to the impressive growth of turkish

exports to Greece. The above figures indicate that there is room for advancement and we should spare no effort to achieve it. It seems though that it is not just the attraction of turkish products in the greek market, but also the successful activation of turkish exporters that is bearing fruit. In our country we need to intensify and organise better our exporting activities, and maybe we can reach useful conclusions from observing the success of our turkish colleagues. There has been mention of certain technical problems that affect greek commercial activities in Turkey, but once these are resolved the situation will be easier.

The conclusion of the Treaty on eliminating double taxation shall contribute considerably in this direction. After some years of negotiation, it seems we are close to a final agreement that will be acceptable to both sides and will greatly facilitate the movement of funds between our countries.

As regards investment, there are 72 greek firms operating investment projects in Turkey, and very few (approx. 5) turkish firms investing in Greece. There is certainly scope for a further expansion of investment activity, especially following the institution of the new law about Turkey's investment status and the attraction of foreign investment. In Greece we must also undertake actions in order to render our country more attractive to foreign businessmen and convince them to invest. The numerous treaties concluded between the two countries on a range of subjects contribute to the settlement of other issues and reinforce bilateral trade and economic activities.

We have entered to a new era, the Enlargement of European Union with 10 new member states. We strongly supported the enlargement process, as we believe that it is going to be beneficial for the future of the Continent. To this end, Turkey's candidacy for EU accession is an important element, which allows us to view under a new light, not only greek turkish

relations, bet the future of our region as a whole. That is why European business –and among them the Federation of Greek Industries- has been supporting this decision, estimating that it may be profitable for both Europe and Turkey.

The fact that the EU decided not to give yet a specific date for negotiations for Turkey's accession should not impede the efforts to achieve the goal. The delay is regrettable but it should be seen as an opportunity to move faster towards the necessary reforms which will eventually lead into full EU membership. We realize that it will be an important step in Turkey's drive for modernization and it will cause radical changes in the national economy and the society. In today's competitive and globalized world these changes are indispensable. We discussed this matter last September when you visited us in Athens and we both had the chance to share these views with the Greek Prime Minister. It is obvious that Turkey's european orientation is an irreversible process and we will continue to provide our support.

In Greece we are satisfied that Cyprus is becoming a full member of the EU and FGI has consistently supported its candidacy. TUSIAD has been an ally towards finding a solution on the Cyprus issue. We hope that Cyprus accession will act as a catalyst and may facilitate the dialogue for finding a settlement in the dispute. We envisage that in the near future stability and prosperity to the whole of the island and the greater region will be attained.

Next year our country is organizing the Olympic Games and Greece is ready to share with the people's of the world this major event. The Games, beyond any other important effects that may have on the country and its economy, are a leading landmark, an important moment in the country's process of opening up to the world. The results are already evident in our economy and, thus, the Games are expected to contribute to

Greece's real convergence with the rest of Europe. I hope that you will have the opportunity to visit our country during that period, not only to enjoy the Games, but also to experience in person the complete transformation of the city and the benefits drawn.

Dear friends,

With our colleagues from TUSIAD we have been collaborating closely, not only in the framework of UNICE, but in several occasions at many levels and we have established good contacts. Your ideas and proposals for a closer and practical co-operation in bilateral issues – following the establishment of TUSIAD International - will facilitate the promotion of entrepreneurial ties. As I mentioned before, above all, our role is to mobilize our members, the businessmen, to get together and develop mutually beneficial partnerships for the welfare of our peoples.

We desire closer co-operation between our countries and we foresee that in the future meetings will increase towards attaining common objectives. There are many aspects of economic life in which we can discover new ways to promote investments, trade and commerce. Our business communities had, and will continue to have, a primary role in our countries' rapprochement, communication, and mutually beneficial co-operation. Today, from the island of Chios, in the Aegean sea, we once more confirm our willingness to maintain and enhance our friendship not only as neighbours but as trustful partners as well.