



FEDERATION OF GREEK INDUSTRIES

**ADDRESS
OF THE CHAIRMAN
OF THE FEDERATION OF GREEK INDUSTRIES
MR. ULYSSES KYRIACOPOULOS**

**to His Excellency
the Former Prime Minister of Israeli
Mr. SHIMON PERES**

FGI Premises, November 7th 2003

Your Excellency,

It is our honour and real pleasure to welcome you in the house of Greek Enterprise, the headquarters of the Federation of Greek Industries. We are joined here this morning by some of the most prominent business leaders of the country. On behalf of all of us, welcome to Greece.

It is always a pleasure to meet and discuss with distinguished personalities like yourself on issues related to world economy and the prospects of business development in our Region. We are all also interested to exchange ideas with you on how to further develop our bilateral economic relations.

Mr. President,

Your devotion to serve your country is well-known to us. Having been assigned various Ministries (Defense, Transport & Communications, Information, Immigrant Absorption, Regional Cooperation, Foreign Affairs) as well as Prime Minister of Israel, you have accumulated deep knowledge of socio-economic and geopolitical developments. Patriarch of the Labour Party, you have served in difficult times, in Government or in Opposition. You have always been in the front, actively involved in shaping Israel's policy. Your very significant efforts in advancing peace and stability in the Middle East have been recognized. For these efforts you have been awarded the Nobel Peace Prize in 1994.

What may be less known to some of our members is that you also founded the "Peres Center for Peace", in 1996 with the express aim of realizing your vision of a "New Middle East", in which people of the region would work together to build peace through socio-economic cooperation and people-to-people relations.

In the "Documents on the history of the Greek Jews" based on the records of the historical archives of the Ministry of Foreign Affairs of Greece and researched by Photini Tomai-Constantopoulou and Thanos Veremis, I read that your father, Yithzak Persky, left from Byelorussia, which became after WW I Poland, and was parachuted in 1942 in the mountainous region of Attica as a volunteer with the British army to fight against the Germans in Greece. He was captured by the Germans; he escaped and was eventually rescued and protected by Orthodox monks at monastery in Attica. What a story! You may want to share more recollections and details with us. I also hope you will touch upon your various activities in the past, as well as your visions for the future, as I'm sure that you will steel the show sharing with us your experiences, your thoughts and ideas.

Before passing you the floor, allow me to make a few introductory remarks on Greece and the business environment as we perceive it.

We have all felt the impact of September 11 2001. Since this major terrorist attack a climate of insecurity has prevailed – temporarily we hope – disrupting market behavior, investment programs, intentions and business plans. We all experience a period of continuous crisis in the Middle East and uncertainty about post-war Iraq. Instability in the region affects negatively the global business environment. Only recently there are sings of a possible economic recovery. Failure to reach an

agreement in the WTO Conference in Cancun has given a negative message to business about improving economic multilateral cooperation between States. This unfortunate outcome, however, signifies the importance of liberalising international trade and business gaining access to new markets.

Today in EU and in Greece, enterprises are indeed expecting from their respective Governments to create and support a suitable environment, where business can flourish by alleviating obstacles and unnecessary burdens that impact our competitiveness. We are still far from declaring our satisfaction on the progress made.

In Europe, the last decade has been a period of deep and rapid transformations, which has brought significant changes in the European economies with the Economic and Monetary Union and the successful introduction of the euro. With the Enlargement and the ten new members, the single European market will include approximately 500 million consumers. An Enlargement of this magnitude certainly represents a great challenge to the European Union, but it also constitutes a great opportunity.

Greece, having met successfully all criteria agreed in Maastricht joined the EMU. Having firmly supported the Enlargement– and particularly the case of Cyprus full membership – we have entered a new era marked by challenges and increased obligations. All international agencies in their reports predict that for the next two years, the Greek economy will continue to show a high rate of GDP growth, substantially higher than the EU average. The main reason is next year's Olympic Games and the large infrastructure projects, partially funded with the EU generous resources of the Third Community Support Framework. These have acted as considerable stimulus to the Greek economy and to business activity. However the main issue and great challenge is how we can transform our country to be able to attract foreign investments. In order to become a preferred destination for foreign direct investments, an economy must also prove that it provides some distinct competitive advantages. We, at the Federation of Greek Industries, work hard to influence policy makers and our social partners, because we envisage that Greece in the very near future can improve its attractiveness as a place to do business and attract foreign and maintain high levels of direct investment.

Finally, coming to Greek-Israel bilateral economic relations, the available data indicate that they remain stable, but at a very low level. According to 2002 figures, Israeli exports to Greece account to \$ 156 million, while exports from Greece to Israel are about \$ 135 million. In the field of cross country investments, there seems to be no real interest by Greeks to invest in Israel; while from the Israeli side there are one or two investments in buying and renovating hotels and in Greek real estate.

Obviously, this must be due to the instability and insecurity prevailing in the region. We hope that we can experience a different situation in the future, so that our bilateral economic relations and the contacts between businessmen may advance further. Your visit will certainly contribute in developing better understanding of the opportunities for cooperation.

Mr. President,

Allow me now, to convey to you our best wishes for your recent (80th) birthday. We wish you health and hope you will continue with the same energy, strength and enthusiasm to fulfill your mission in life: to see peace established in the region.

We are eager, Mr. President, to hear from you your thoughts and ideas and hope that we will have some time for an exchange of views in the end.