YOUR EXCELLENCY, MINISTER KATROUNGALOS

YOUR EXCELLENCY, AMBASSADOR OF GREECE TO THE COURT OF ST. JAMES

YOUR EXCELLENCY, HER MAJESTY’S AMBASSADOR- DESIGNATE TO ATHENS

MR. PRESIDENT OF LLOYD’S EUROPE - WITH OUR GRATITUDE AND THANKS FOR YOUR MOST KIND HOSPITALITY

LADIES AND GENTLEMEN,

This is the first annual London Conference on Greece that the Chamber is organizing with a business content in five years, once again in cooperation with the Hellenic Observatory of the London School of Economics.

**Our last business oriented Annual Conference, held in June 2011 and titled "REFORMINGHELLASACHALLENGE" was organized during a period when a non-reformist mindset was still prevailing within the country.** **On that same day of the Conference thousands of Indignados were protesting in Syntagma Square against, inter alia, what the current government is now in the process of implementing**.

AS SOME OF YOU KNOW, GREECE, IT’ S PEOPLE AND THE BREADWINNERS OF THE REAL ECONOMY HAVE BEEN SERIAL VICTIMS IN DECADES.

SOME, IF NOT MANY, DESASTROUS DECISIONS AND OMMISSIONS HAVE TAKEN PLACE UNDER SO CALLED CONSERVATIVE GOVERNMENTS AS WELL.

ILL CONCEIVED STATISM AND AN – ALLEGEDLY – LEFTIST IDEOLOGY – FAR FROM SOCIAL HUMANISM –PERSEVERED FOR FAR TOO LONG.

**The recent cabinet reshuffling confirmed the Greek Coalition Government's commitment to reform.**

**On July 24th, the Prime Minister re-initiated the process for a Constitutional Amendment that may lead within the next few months to the restoration of sense of justice, social cohesion and any elected government’s moral legitimacy AND ABILITY to govern, to uninterrupted four year parliament and government terms, and to a simple, steady and internationally attractive tax system.**

It did take time in order for the country to reach the point where these basic and sine-qua-non reforms enjoy now both the support of the Governing Coalition and the parliamentary Opposition. Finally, it does.

With divestment in the past ten years in Greece exceeding One Hundred and Twenty Billion Euros, a sharp drop in employment, GDP and cost of labor, and a painful brain drain of more than half a million skilled Greeks, society agrees to do whatever needs to be done in order to kick-start the Greek economy.

IN THE PAST 6 YEARS, **due to the lack of above reform**, GREECE EXPERIENCED SIX PRIME MINISTERS, SEVEN MINISTERS OF FINANCE AND TEN MINISTERS OF FOREIGN AFFAIRS (GO FIGURE)

ΑΤ ΤΗΕ SAME TIME – UNTIL THE RECENT CHANGE OF UK’S PM - THE UK AND GERMANY MANAGED THE CRISIS WITH ONE EACH.

AND GREECE WAS DOING SO WITHOUT A PLAN, WITH NO OBVIOUS DESTINATION, ON A BOAT SYSTEMATICALLY FLAWED.

WE, GREEKS, REMEMBER A GOVERNMENT STRUGGLING FOR REFORMS BEING IMPEDED BECAUSE, INTERA ALIA, IT’S LIFE DEPENDED ON JUST ONE VOTE.

NOW, EVERYONE AGREES THAT THERE IS NO MORE SPACE FOR STERILE PSEUDO-IDEOLOGICAL DEBATES.

**REAL PROBLEMS DEMAND REAL SOLUTIONS. SOLUTIONS REQUIRE A VISION THAT UNITES BEHIND AN AGENDA OF PRIORITIES.**

**GREECE’S PROBLEM REQUIRED A VISION AND A PLAN THAT COULD ACHIEVE NATIONAL CONSENSUS**.

**SUCH PLAN’S BACKBONE, IS NOW AGREED**

**TO CUT TO THE CHASE, LADIES AND GENTLEMEN**

**NOW MORE THAN 80% OF GREEKS AND OUR POLITICAL REPRESENTATIONS AGREE THAT :**

1. **JUSTICE –**
2. **EFFECTIVE GOVERNANCE**

**AND**

1. **GROWTH**

**STARTING WITH A STEADY**, CONSTITUTIONALLY GUARANTEED IN TERM, **SIMPLE AND INTERNATIONALLY ATTRACTIVE PERSONAL AND CORPORATE, TAX SYSTEM**

**IS NEITHER A DREAM, NOR A LEGALISTIC ISSUE OF CONCERN TO ACADEMICS, POLITICIANS AND LAWYERS,**

**BUT A BASIC, AND AGREED UPON NECESSITY, THAT AFFECTS DAY TO DAY LIVES**.

**AND THIS IS THE GAME CHANGER BECAUSE OF WHICH I AM STANDING HERE TODAY.**

A GAME CHANGER THAT WILL NOT ONLY MAKE US GREEKS FEEL NORMAL AGAIN, SAFE, HAPPY.

BUT **A GAME CHANGER THAT**:

* **WILL HELP UNLOCK VALUES**,
* **WILL ATTRACT AND CREATE WEALTH**,
* **WILL SPRINGBOARD AN EIGHT YEAR SUPPRESSED ECONOMY** , **AND**
* **WILL BENEFIT ALL THOSE WHO WILL RIDE THE WAVE FROM THE BOTTOM TO THE TOP.**

**MORE SPECIFICALLY, BOTH MR. TSIPRAS AND MR. MISTSOTAKIS AGREE THAT IN ORDER TO RESTORE CONFIDENCE IN GREECE,**

* **WE NEED JUSTICE**:

STARTING WITH THE ABOLISHMENT OF ARTICLE 86 OF THE CONSTITUTION WHICH WILL RESTORE THE MORAL LEGITIMACY OF EACH GOVERNMENT TO GOVERN.

**AFTER SO MANY YEARS OF FINANCIAL AND SOCIAL MISCHIEF, NOW THEY BOTH UNDERSTAND THAT TRUE REFORM MAY ONLY SUCCEED WITH THE SUPPORT OF SOCIETY.**

* **WE NEED EFFECTIVE GOVERNANCE**:

THAT WILL BE ACHIEVED BY THE CONSTITUTIONAL FIXING OF A STEADY FOUR YEAR PARLIAMENTARY TERM, EITHER WITHIN THE CONTEXT OF THE UK FIXED PARLIAMENT TERM ACT, OR THE GERMAN PRINCIPLE OF CONSTRUCTIVE VOTE OF CONFIDENCE, OR EVEN A RATHER PRESIDENTIAL THAN PRESIDED TYPE OF PARLIAMENTARY DEMOCRACY – AS IN THE US, OR CYPRUS.

PLEASE REMEMBER THAT GREECE HAS EXPERIENCED IN THE PAST 172 YEARS, WITH A POLITICAL SYSTEM THAT SUFFERRED FROM THE LACK OF ABOVE REFORMS, MORE THAN 210 GOVERNMENTS, OUT OF WHICH ONLY EIGHT HAD A THREE TO FOUR YEAR TERM.

CLIENTELISM AND PARTY CRONYISM WILL BE NOW DEALT WITH, FAST AND EASY, BY THE SEPARATION OF THE LEGISLATIVE AND THE EXECUTIVE – BY THE STATUTORY INCOMPATIBILITY OF THE OFFICE OF AN MP AND THAT OF A MINISTER, AND THE INABILITY OF ANY GOVERNMENT MINISTER TO BE A CANDIDATE FOR THE PARLIAMENT AT THE ELECTION RIGHT AFTER THE EXPIRATION OF THE TERM OF THE GOVERNMENT THAT HE OR SHE SERVED AS A MINISTER.

THIS IS THE ONLY WAY FOR ANY ADMINISTRATION TO EFFECTIVELY REFORM THE STATE, AND CONCLUDE THE MODERNIZATION OF PUBLIC SERVICE.

* **WE NEED GROWTH:**

THE COUNTRY, UNTIL RECENTLY, MANAGED TO SHIELD OUT ANY NEW INVESTMENT, FROM THE BEGINNING OF THE CRISIS.

INTER ALIA, WITH TAX LAWS, CHANGING AS PER THE TIDE OF THE SEA.

IN 2010 THE CHAMBER COMMISSIONED IOVE TO PREPARE A STUDY REGARDING A SIMPLE, STEADY AND FLAT PERSONAL AND CORPORATE INCOME TAX SYSTEM THAT COULD PROVIDE THE GREEK TREASURY WITH **AT LEAST** THE SAME INCOME IT WAS BUDGETING UNDER SO MANY DIFFERENT TAX RATES.

AFTER THREE YEARS OF STUDYING AND BASED ON THE TREASURY’S REAL DATA, IOVE CONCLUDED OUT THAT WITH A TAX DEDUCTIBLE OF €7.000, A 10% TAX FOR ANY INCOME BETWEEN €7Κ AND €20K AND A MAXIMUM TAX RATE OF 20% FOR ANY – PERSONAL OR CORPORATE – INCOME, OVER AND ABOVE, THE STATE WOULD COLLECT, AT LEAST, TAXES BUDGETED UNDER THE PREVIOUS COMPLEX AND GROWTH KILLING SCHEME, WITH LESS BUREAUCRACY, LESS CORRUPTION.

**LADIES AND GENTLEMEN,**

1. **ACCORDING TO DIFFERENT CALCULATIONS GREECE NEEDS DIRECT INVESTMENT RANGING BETWEEN €100 - €200B by 2020.**

**AVAILABLE EU PROJECT FINANCING IS** ONLY **€25 B.**

1. AT THE SAME TIME THE 2015 OXFORD MARTIN STUDY SHOWS THAT ABOUT 47% OF KNOWN JOBS WILL PERISH WITHIN THE NEXT TWENTY YEARS

**WHILST** WORLDWIDE EMPLOYMENT WILL MORE THAN DOUBLE – DUE TO THE NEED TO CREATE THE REQUIRED INFRASTRUCTURE TO ACCOMODATE NEW TECHNOLOGIES.

**HENCE, GREECE NEEDS AND SEEMS ABOUT TO PROCEED TO A LABOR REFORM THAT WILL ALLOW MOBILITY AND WILL AVERT LOSS OF PROFESSIONS TO BE ACCOMPANIED BY LOSS OF LIVES.**

1. **AT THE SAME TIME, AT LEAST UNTIL NOW, LIQUIDITY WORLDWIDE SEEMS TO BE REMAINING ABUNDANT.**

Have you wondered why the Central Banks of the EU, Japan, Switzerland, and other countries have brought their lending rates to negative levels?

Could it be because global debt levels are around $255 trillion, whilst global GDPs add up to only $80 trillion???

**The EBITDA that all the assets, factories, real estate, know-how, labor, etc. generate is just not adequate to service such huge levels of debt!**

**So, THE EBITDA NEEDS TO GROW!**

Over-indebted entities, economically far larger than Greece, need more funds to finance their own working capital needs, service their own debts, and to extend credit terms to their clients who are also already over-indebted, and who need credit for similar reasons and so on and so forth!

The whole globe seems to be in a DEBT TRAP something sort of akin, very different to what KEYNES described as a LIQUIDITY TRAP situation!

And all of the above without taking into account worldwide – and not just Greek - quasi-insolvent social security systems!

The projected cash deficit for the US Social Security System alone is circa $20 trillion.

Saudi Arabia recently borrowed $17.5 billion from the markets, AbuDhabi 5 billion, Qatar 9 billion, while Kuwait is looking to borrow up to 10 billion!

That is, countries that have historically been providing hundreds of billions to the markets, are now in need to borrow themselves!!

So the central banks have responded by taking interest-rates down to zero levels.

This makes it somewhat easier to service such debt levels, and pay the interest.

**But negative interest rates and yields are also heavily detrimental to the savings ethic –**

**AND BENEFICIAL TO INVESTMENT IN REAL ECONOMIES.**

**IT DOESN’T PAY TO SAVE WHEN THE RETURNS ARE NEGATIVE,**

**IT PAYS ONLY TO INVEST.**

**Nowadays there are opportunities for long term investment and capital gains in light of the sharp decline of property values and Greek based assets.**

* Major projects, such as the development of the Hellinikon Old Athens Airport by an international consortium lead by the Latsis Group, the development of the Piraeus Port by COSCO, the award of the long term exploitation of 14 regional airports and other large projects are, finally, signed off and on their way.
* The Greek Armed Forces will be presenting, for the first time during this Conference, their plan to tender  99 year leaseholds of naked real estate assets valued  at ca  €8 B, including islands and prime urban properties, WITH A SGINIFICANT TOOL TO OVERRIDE ZONING AND PERMITTING DELAYS, for  tourism and business development.
* Three consecutive Greek Banks recapitalizations and the decision to move forward with the sale of more than €100 Β of NPL' s backed by significant distressed assets, create additional business opportunities, currently second to none.
* The Greek Stock Market presents major opportunities to invest in undervalued companies that have successfully mastered the longest post-WWII financial crisis. From the ASE Index high of 6000 in 1999-2000 being around 600 these days!  = 90%+ down!!!

**DEAR FRIENDS,**

**AS YOU CAN SEE,** THE BEST DAYS FOR INVESTORS THAT MAY CONSIDER GREECE ARE, NOW, AHEAD.

**AS YOU HEARD**, MORE THAN 75% OF GREEK CITIZENS AND MORE THAN 70% OF THE CURRENT POLITICAL REPRESENTATION AGREES THAT, FOR SUCH BEST DAYS TO COME FOR GREEKS AS WELL, GREECE NEEDS TO BECOME THE CRADLE OF THE MOST CREATIVE, INTUITIVE, PRODUCTIVE AND – YES – WEALTHY COMPANIES AND CITIZENS OF THE GLOBE.

THINGS CAN CHANGE FAST AND EASY, BECAUSE JUST SOME BASICS WERE WRONG.

**NOW THAT THERE IS A CONSENSUS ON HOW TO RESTORE EFFECTIVE GOVERNANCE,**

**NOW THAT THE ATTRACTION OF THE WORLDWIDE WEALTH OF THE NATIONS TO GREECE IS A NEED THAT NOBODY OBJECTS TO WITHIN THE COUNTRY – AS THE CURRENT GOVERNMENT DID BACK IN 2011**

**NOW THAT THESE 3 BLOODY SIMPLE STEPS HAVE REACHED THE REQUIRED CONSENSUS OF THE ABOVE STUNNING MAJORITIES**

**WE ARE ABLE TO PLAN AND INVEST AGAIN**

**NOT ONLY FOR THE GENERATION OF 2000 AND THEIR CHILDREN WHEN THEY GET TO OUR AGE.**

**BUT FOR THE BENEFIT OF TODAY AND MANY FINANCIAL YEARS TO COME.**

WE LOOK BACK AND REALIZE THAT WE HAVE MANAGED TO MAKE A PARADISE LOOK AND SOUND LIKE A DESERT,

WE LOOK BACK AND SEE HOW REAL DESERTS HAVE BEEN TURNED AROUND TO LOOK AND SOUND LIKE PARADISE,

NOW, THAT THESE THREE BASIC STEPS HAVE REACHED SOCIAL AND POLITICAL CONSENSUS AS A FIRST SET OF COMMON SENSE NATIONAL PRIORITIES

ON THESE GROUNDS, WE START PROMOTING GREECE AS AN INVESTMENT DESTINATION, AGAIN.

**DEAR ALL,**

**WE NOW HAVE A GAME CHANGER FOR GREECE TO TURN AROUND.**

**THIS SPECIFIC MEGA-REFORM, THAT ADDRESSES AND RESOLVES THESE “3 BLOODY THINGS”, IE JUSTICE, EFFECTIVE GOVERNANCE AND GROWTH, WILL MAKE ANY AND ALL OTHER REFORMS POSSIBLE AND EASY.**

**THIS MEGA- REFORM, DEAR MINISTER KANTROUNGALOS**,

WILL ATTRACT DIRECT INVESTMENT, WILL SAVE AND CREATE JOBS, WILL RENDER A REFORMED SOCIAL SECURITY SYSTEM VIABLE AND WILL ALLOW THE STATE TO SUPPORT THOSE IN REAL NEED WITH A SOLIDARITY AND SAFETY NET,

**THIS ALREADY AGREED MEGA-REFORM, DEAR PAUL KAZARIAN**, WILL REINSTATE CONFIDENCE TO COUNTRY AND GOVERNMENT.

IT WILL ALLOW EACH FINANCE MINISTER TO DRAFT AND PUBLISH AN ANNUAL STATE BALANCE SHEET, IT WILL BRING DOWN 3Y GREEK BOND RATES FROM OVER 8% TO 1%,

**THIS ALREADY AGREED MEGA-REFORM DEAR PROFESSOR VETTAS, DIRECTOR OF THE INSTITUTE OF ECONOMIC AND INDUSTRIAL RESEARCH,** WILL UNLOCK VALUES AND WILL UNLEASH THE WEALTH OF GREECE.

**THIS ALREADY AGREED MEGA-REFORM, DEAR INVESTORS**, **WILL MAKE INVESTMENT IN GREECE FROM NOW ON TO THRIVE**

**AND WILL BENEFIT, ALL THOSE WHO WILL RIDE THIS WAVE ON TIME, TO GROWTH AND PROSPERITY.**

ΚΛΕΙΝΩ ΜΕ ΤΑ ΛΟΓΙΑ TOY 1911 ΤΟΥ ΜΕΓΑΛΟΥ ΚΡΗΤΙΚΟΥ ΠΟΛΙΤΙΚΟΥ ΠΡΟΓΟΝΟΥ ΤΟΥ ΚΕΝΤΡΟΥ, ΤΟΥ ΕΛΕΥΘΕΡΙΟΥ ΒΕΝΙΖΕΛΟΥ:

«EXΩ ΑΚΡΑΔΑΝΤΗ ΤΗΝ ΠΕΠΟΙΘΗΣΗ, ΟΤΙ ΠΑΡΑ ΤΗ ΦΘΟΡΑ ΤΩΝ ΕΘΝΙΚΩΝ ΔΥΝΑΜΕΩΝ ΠΟΥ ΟΦΕΙΛΕΤΑΙ ΣΕ ΤΟΣΟ ΜΑΚΡΑ ΚΑΚΟΔΙΟΙΚΗΣΗ, Ο ΤΟΠΟΣ ΔΙΑΘΕΤΕΙ ΤΟΝ ΥΛΙΚΟ ΚΑΙ ΗΘΙΚΟ ΠΛΟΥΤΟ ΩΣΤΕ, ΣΤΑ ΧΕΡΙΑ ΕΜΠΝΕΥΣΜΕΝΩΝ ΕΡΓΑΤΩΝ ΤΗΣ ΑΝΟΡΘΩΣΗΣ, ΝΑ ΑΠΟΚΑΤΑΣΤΗΣΕΙ ΤΗΝ ΕΛΛΑΔΑ ΣΤΗΝ ΘΕΣΗ ΠΟΥ ΤΗΣ ΑΞΙΖΕΙ ΣΤΗΝ ΟΙΚΟΓΕΝΕΙΑ ΤΩΝ ΑΝΕΠΤΥΓΜΕΝΩΝ ΧΩΡΩΝ».

London, 14 November 2016