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Good morning, dear friends and Vice President of the European Commission, Ministers.

I listened with great joy when the Vice President mentioned that the sacrifices of the Greek people have finally proven to be bearing fruits and our economy seems to be moving out of the crisis. Now, I must say that we have had an excellent collaboration with the DG Competition's officers recently. This DG of the Commission is very important as it deals with issues concerning the prosperity of the consumer. It is my pleasure to welcome you here today to this event, which is organized under the auspices of the Hellenic Presidency of the Council of the European Union. It is a great joy for me to be here at such an event among representatives of all Member States prominent officials of the EU, experts in the legal field and in the field of Competition and State Aid as well.

The past few months have been extraordinarily difficult but very productive as well. Greece has taken up the Presidency of the European Union, being at the same time a country in a fiscal adjustment programme.

The Hellenic Presidency, in fact, has given top priority to amending the regulatory framework for the financial sector in order for confidence to be built and also to provide liquidity to the real economy in Europe.

During the first few months of our Presidency, we have been dealing, and I think successfully, with a number of major challenges. May I just begin, perhaps, with our greatest success which is getting an agreement on a Single Resolution Mechanism for streamlining banks. This is a regulation which is due to be voted in next week by the Parliament, .

Since the adoption of the Single Currency, the Banking Union, I think, has been one of the main challenges we have had to face in terms of completion of the Monetary Union. So, we are quite close now to achieving such a Banking Union which will guarantee financial stability, liquidity and also credibility of the banking system throughout Europe.

At the same time, in the first three months, we were able to come to an agreement on four very important and difficult pieces of legislation, namely the MiFID package, UCITS, Payment Accounts Directive (PAD) and the regulation which covers transparency rules in Packaged Retail and Insurance-Based Investment Products (PRIIPs).

¹ Original text in Greek.

The Hellenic Presidency is now going to focus on promoting a number of other important dossiers. They include the Benchmarking legislation, which is, of course, important for financial instruments and agreements, the Anti-Money Laundering file and the Long-term Investment Funds Regulation. We will also continue work on a number of other portfolios, such as the Payment Services Directive II (PSD II) and also the Regulation on the Multilateral Interchange Fees (MIFs).

On top of this substantial progress on a number of issues which are of common European interest, Greece - and I think it is recognized by our friends and critics - has been able to move out of the crisis, or at least we are very close to that. After four years ago of fiscal consolidation and significant reforms in the country, the Greek economy has started to show the first signs of recovery. Adjustment was very important as we started with very high deficits, which had caused the crisis, [including a huge primary deficit, a budget deficit as well as a current account deficit]. But now we have a surplus, even after cyclically adjusting it for inflation.

And, in fact, it seems that Greece, since 2010, has been able to make the greatest adjustment out of the OECD countries in the post Second World War period. We are talking about 15% of GDP. So, I do think that we are getting good results and starting to see recovery signs. Now, today, for the first time in four years, Greece has gone to the international lending markets and shortly, in fact, I will be able to announce the results of that particular venture.

As for our further steps, now, we are going to have to use all the instruments at hand in order to promote development, to be able to create new jobs and provide prospects and hope for the citizens of Greece, because the citizens of this country have really borne extremely severe measures during the course of this crisis. In fact, we have had a drop by 30% of disposable income. No other country apart from, perhaps, the US after the 1929 crash, has had to suffer from such harsh a situation.

So, our objective is to increase competition and to step up competitiveness. I think that we have had a substantial drop in labor costs, but we have not seen a drop in prices at the same time. That is basically a matter of inflexibility of the goods and services market. So, we are opening up the markets, we are making things more flexible in terms of the professions and Greece is now about to follow a new growth and production model which will be market-oriented, open and enterprise-friendly. Also, we are able to have a high added value in terms of the supply side. On the demand side, we do hope that we will be able to achieve higher consumption and an increase in net exports over the next few years. This growth and production model will make full use of our comparative advantages such as our location, climate, culture, natural resources but, also in addition to that, a highly well-trained workforce. Many of you may not know that, in fact, in scientific citations, Greece has the highest performance. However, these scientific citations have to be translated into patents and to production. That is our real challenge today.

During the last four years, Greece has adopted changes in almost all sectors of the economy, more substantially in the labor market, in the insurance market, in the health sector as well as in terms of tax-administration. The OECD has stated that Greece has been the country that responds most positively to its reforms' proposals.

However, we have to keep moving on, we are not resting on our laurels. We have to take positive steps forward as quickly as possible to come up with results that can be really appreciated by more and more people in this society.

Theory and empirical experience show that a crisis does bring negative consequences for a long time if the economy is full of distortions and inflexibilities. When the labor market is strictly regulated, unemployment may not increase too quickly but you will also decrease very slowly, and I think that the Vice-President of the Commission can confirm this as being true for his country as well.

When you have goods' and services' markets characterized by reduced competitiveness, you don't have a drop in prices even if your labor costs have gone down and this is the experience that we have had in Greece as well. The labor market reforms that have been already adopted do facilitate reducing unemployment more quickly, now that we are in a pick-up phase. And regarding reforms of the goods' and services' markets, we have a new law that was ratified in the House very recently, which we expect will lead to a drop in prices and an increase in investment and employment.

All economic models show that, very shortly, we will have a good spin off in terms of investment, employment, competitiveness and added value. So, ultimately we will have a considerable improvement in the living standards for Greeks. This is of great importance and we will stress the whole thing to the Greek society because I think that in the short term they may have been some negative effects on certain professional sectors but in the long run these measures will be to our advantage. Protectionism has never protected or helped the more vulnerable groups in the society, that's what experience has taught us. The state should, at the same time make use, of our natural resources, which are invaluable but limited, to the benefit of our society. Of course, in this effort we are guided by the European Competition rules and State Aid rules. It is important to bear in mind that the member states can, through very quick procedures, channel resources in order to add more dynamism to the economy.

So, the rational use of state resources as well as other legal instruments is a basic mechanism whereby we can establish incentives and have a new productive model promoted in the country. In contrast, if you do not promote in a rational sense businesses and incentives which *per mare per terra* are trying to survive, it's something that will be very detrimental and has proven to be so for those companies which had to return subsidies which were not in line with EU rules.

Over the past few months, Greece has made significant progress on the issue. We have restructured the banking system, we have recapitalized the banks and we have

also been able to move ahead with a major privatization program, complying with European State Aid and Competition rules. However, there is still a lot to do on that. The role of the Ministry of Finance as well as that of the Ministry of Development in this whole process is crucial. Until now, we had a decentralized system with State Aid policy coming under each Ministry independently. But now, with the new framework, the Ministry of Finance is the main regulator and decision-maker as concerns what happens with State Aid, setting priorities and ensuring compliance with state aid rules

We are at the beginning of major reforms in the field of State Aid as well. We have reviewed our legal framework which has evaluated State Aid so far. By Law 4152/2013, we have established a Central State Aid Unit within the Ministry of Finance with enhanced powers and competence, that will act (among others) as a contact point with the European Commission's services. Of course, we can not disregard the knowhow in each Ministry, that's why we are trying to enhance collaboration with each individual Ministry, where we have established Decentralized State Aid Units, which we link up as a network for this whole effort.

Our main objective, after the recent State Aid Modernization (SAM), is to make use of all tools and instruments at hand including national resources as well as the National Strategic Reference Framework's (NSRF- "ESPA") funds, to make sure that the money is used correctly and promote the most productive and efficient sectors of our economy .

This year, for the first time, State Aid issues (both practice and law) will be discussed during the Competition Day Event. I must thank the Hellenic Competition Commission and may I wish you every success in your deliberations today.