

GREECE

European & Olympic 



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FRIDAY- JUNE 20 - 2003

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GREECE

The country of Democracy, Safety and Economic Development

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- Greece, the country that gave birth to democracy, is in a steady path towards growth and development

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O

- With continuous and systematic attempts we are implementing conditions of social justice, modern infrastructure, and quality of life for our citizens

E

D

- Greece is participating equally and dynamically within the modern international arena and that of a United Europe

T



- A country with a full past, a powerful present and a sure future



- A country worth living in

E

- A country with many things for you to see, admire and create

E



- A country that hopes to organize the best Olympic Games in the summer of 2004



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Greece shows Europe the way to the East

The Greek Presidency of the European Union will be remembered for the enlargement to ten new countries, and for the international tensions during its term. The tenacity and hard work of the Hellenic Republic have helped keep the planned agenda on course



During the first six months of 2003, Greece once again welcomed the European Union and, by now, the host and guests are all well acquainted. As on the three previous occasions, the Greek Presidency of the EU has been a period of great activity, numerous initiatives and agreements in a framework marked by significant economic and geopolitical changes. From start to finish, the Greek Presidency has advanced the process of the European Union's enlargement. Starting in May 2004, Europe without national boundaries will be made up of 25 countries and a total of 430 million inhabitants.

The main crisis during the Greek Presidency has been the war in Iraq. The division between major players of the European Union such as France and Germany on the one hand and the United Kingdom and Spain on the other, over the United States intervention, echoed strongly in the United Nations. As acting president of the European Union, Greece declared its neutrality.

A week before the end of Greece's six-month term, it can be said that this political stance helped save the planned agenda. Nothing has sidetracked the Greek Presidency from the main objecti-

ves it set forth when preparing to take its turn as the driving force of the EU. Important matters needed to be addressed such as the adoption of common practices of immigration control, the implementation of agreements adopted at the Lisbon Summit and the relationship with neighbouring regions such as the Middle East and Maghreb on the Mediterranean or Russia, Turkey and the Caucuses further east. But for reasons of timing as well as economic and political consequences, the enlargement of the EU to the countries of Eastern Europe is the biggest priority.

At present, Greece is the easternmost member of the EU. In addition to being a neighbour and having expertise in regard to these soon-to-be new members, it also plays an important role as an economic stimulus for the former members of the Soviet Union in southeast Europe and as a counterweight to the political instability of the Balkans. This will prove to have its advantages and disadvantages for Greece.

The centre of gravity

According to Mr. Costas Theos, the General Secretary of Investments and Development of the Greek Ministry of Economy and Finance, "Greece was fortunate to have the presidency during this period" because it has allowed the country to be at the centre of gravity of the new Europe. The political and economic axis will now shift towards the East. The Director of the Office of the EU Representative in Greece, George Markopoulitis, adds that this responsibility has fallen on Greece at a particularly opportune time since the euro is now established as the new currency. "People understand that they have a global currency in their pocket. Greece has gained from this", he opines. "Our neighbours sense this; Greece has a very high proportion of immigrants who are here for jobs



Prime Minister Costas Simitis and the Minister of Foreign Affairs George A. Papandreou sign the accession of ten new countries to the European Union in Athens

and money. This is an economic miracle for them and here they have income, political stability and a high standard of living. It's quite understandable why Greece is an attractive destination for people who have not lived in a democracy", he affirms.

Mr. Theos points out, however, that the arrival of the New Europe also poses a threat for Greece because, together with Spain and Portugal, it has been one of the main recipients of the cohesion funds established in Berlin in 1999. "One cannot say whether enlargement will be a

Greece will play an important role as the new political and economic axis shifts towards the East

clear benefit for Greece in the economic sphere: we will have more competition from countries with lower costs, historically lower environmental standards, and less activity by the citizens regarding investment projects", he points out.

The conclusion arrived at by the Secretary for Investments of the Ministry of Economy regarding the incorporation of Poland, Slovenia, the Czech Republic, Slovakia, Latvia, Estonia, Lithuania, Hungary, Malta and Cyprus, is that Europe will definitely gain from the political stability. However, it is still not clear whether enlargement will benefit Greece from an economic point of view because it will have very strong competitors right on its doorstep. Theos observes that while Greece does not consider this a problem, it is a matter of concern. "Thus

it is very important for us to play a key role in the process and that is why I say that we are lucky to have the presidency of the EU while this process is under evaluation", he affirms.

European funds

The importance of the European funds has been decisive for Greece's economic improvement. It now has a healthy economy that is far from the underdevelopment and high inflation rates it had when it joined the European Economic Community in 1981. Today, due to the large infrastructure projects and a profound transformation of the country, Greece now has more immigrants than emigrants and is attracting significant capital precisely because of its importance in the region.

Bridges, motorways, tunnels, airports... It is more than likely that in the next few years the economic vigour experienced by Greece will spread throughout the region due to investments made by the EU. "Europe will invest a large amount of money in the region", explains George Ganotis, the General Secretary of the Ministry of Public Works, Urban Planning and the Environment.

"When a country wants to become part of the European Union, its infrastructure must be up to a certain level and, because the free movement of goods requires a good network of roads, the first thing to finance is road construction", clarifies Ganotis.

This government official affirms that in economic terms this means that "Greek companies will have important leverage to participate in future projects of the European Union in the whole region and not necessarily just within Greece itself."

□ GDP GROWTH RATE AND INFLATION - GREECE



Great results are obtained from the investment of European funds

Together with Ireland, Spain and Portugal, Greece has been one of the members of the European Union to benefit most from the funds approved by the European Commission in 1999 to keep its commitment to a process of social and economic cohesion in Europe

While the European Commission defines the general priorities of the projects, the Greek national and regional authorities are responsible for managing these funds. In addition to the cohesion funds, Greece receives funds from the Community's third support framework. Thus the total budget Greece has available

it, you must see it", says Costas Theos, the General Secretary of Investments and Development of the Greek Ministry of National Economy and Finance.

Mr. Theos is responsible for managing the funds Greece receives from the EU. He is of the opinion that the transformation of the country has created an

"We will not depend on funds from the European Union as much as we did in the past. Greece is a different country to the one we knew 10 or 15 years ago"

COSTAS THEOS
General Secretary
for Investment & Development
Ministry of National Economy & Finance

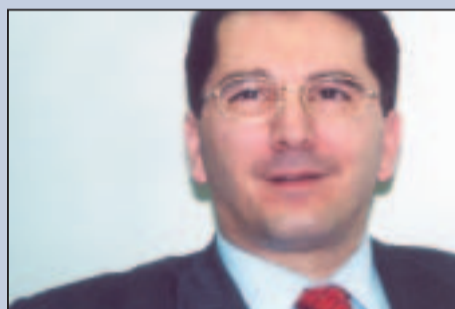


PHOTO: DEFA

for its domestic development programs is closer to 50 billion euros until 2008.

Unlike the Spanish and Irish cases, the Greece's goal is to have a more regional than local effect. "The role of Greece is important in the south-eastern Mediterranean", indicates George Markopoulitiotis, head of the EU office in the Greek Republic. "Traditionally, Greece has had good inter-government relations and it has experienced regional entrepreneurs. It is an intermediate port of call for many people in the region and it will continue to be one", he assures. The development Greece has accomplished over the last decade has made the country a counterweight of stability for its Balkan neighbours such as Serbia and FYROM –Former Yugoslav Republic of Macedonia–, and a model for aspirants to enter the EU such as Bulgaria or Romania.

This approach to financing and the strategic outlook it embodies –which are a continuation of the budgets and programs of 1994 to 1999– have produced the notable transformation of Greece over the last decade.

"Greece is a different country to the one we knew 10 or 15 years ago. To believe

economic structure strong enough to sustain its activity once the European Finance policies look toward new objectives. Now, in spite of the fact that in 2008 there will still be regions of Greece that will objectively require financial assistance from the EU, the overall situation has changed.

Economic transformation

Several economic experts estimate that over the next ten years Greece's annual average growth rate will be up to 5%. The driving force behind this is mainly investments in infrastructure, comprising up to 25% of the GDP, as well as upgrades in the telecommunications, electricity and maritime transport sectors. Moreover, the Greek economic model is evolving and moving towards other activities. This is evident when the person responsible for investments in the Ministry of the Economy points out that, besides the competitive agriculture/food industry, the sectors that will stand out in the future in Greece will be those related to the service industry such as tourism, as well as finance and telecommunications.

At the present time, the Greek economic transformation is most evident in urban infrastructures and transportation. In 2002, 20% of the GNP was generated by the construction sector working on projects financed by European funds as well as the Olympic Games.

The largest public works are roads in the regions of Attica and Crete; ports in the Piraeus, Thessaloniki and Patras; urban improvements such as the underground metro in Athens and Thessaloniki; a new and better equipped airport in Athens with a capacity to handle 16 million passengers annually, in addition to the work being done on other airports around the country. We should also mention the management and supply of water in Thessaloniki, eastern Crete and Rhodes, as well as works on sewers and drainage by the main Greek company in this sector, Eyath.


"Our most important project is the Rio Antirio suspension bridge, a work where the largest crane in the world is being employed", explains George Ganotis, the General Secretary of the Ministry of Public Works and Urban Planning. According to Ganotis, an average of ten million euros is spent on infrastructure works per day.

In addition to these development projects, the Olympic Games have also given rise to a great deal of construction activity, although to a much smaller degree. "The total investment in the Olympic Games is only 10% of the total national investment program until 2006. So what will be achieved for the Olympic Games will only be a small part of our total investment goals. The investments made for the Olympic Games will probably not exceed 5 billion euros", states Costas Theos from the Ministry of Economy.

Nevertheless, the work being done for the Olympic Games will be of a permanent nature. "Many people think that the Olympic preparations are only on sports venues", states Ganotis. "But this is not true: we had to build an entire port infrastructure for the Agios Cosmas sailing centre. It will continue to be used in the future, as will the other buildings for the Games. Hence this work is a lasting legacy".

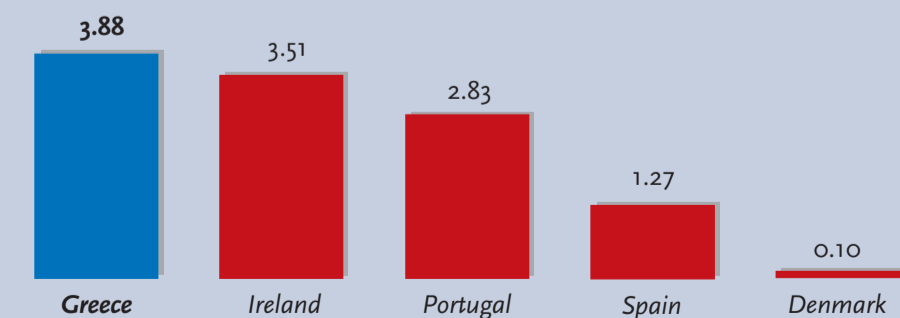
The total budget allotted by the EU to Greece from 2000-2006 comes to 25 billion euros

Likewise, the economic and industrial activity underway in Greece is a factor that is already spreading around the region through institutions as well as informal social structures. Immigration from Albania, Bulgaria and Serbia is one of the main factors. The Minister of Interior, Kostas Skandalidis, points out that "extensive bonds are being created through the labour force, making borders no longer exist to the degree they once did, particularly after recent international developments and the volatility in the Balkans. Connections have been created that make these economies communicating vessels".

The benefits of this process are clear for the countries that are sending emigrants as well as the countries receiving immigrants. "Immigration has a huge economic effect in democratic countries. Given the difference in economic development between Greece and other countries, the transfer of money and resources to their homeland is quite significant. Particularly in the case of Albania, it is a visible, specific and maintainable part of its income." 

ANNUAL NET TRANSFERS WITH EU

Percentage of GDP (1995-2000)



Source: University of Helsinki

Athens 2004: The Olympic spirit brings winds of change a year before the opening of the Games

The Olympic Games, the most important sporting and social event in the world, come home to Greece next year

The expectations around the 2004 Olympiad are enormous both in and outside the country and have turned the next world event in Greece into something halfway between the search for the purest Olympic spirit and the quest to have the first Olympiad of the 21st century leave a lasting imprint on history.

“As compared to Sydney and in particular Atlanta, we have decided not to construct temporary facilities because we see this as a great opportunity for Athens to obtain long-term assets”

PROF. CONSTANTINOS CARTALIS
General Secretary for the Olympic Games
Ministry of Culture

the Media Village and the Ministry of Education is building two Media Villages that will later become student campuses”, he explains.

Infrastructure construction of a total of 25 venues is 90% complete. Only four sites are less than 50% built –as of May 2003– due mainly to appeals to the council of



This is the setting that has prompted all Greek public and private institutions to work with great intensity. The Olympic Games have brought with them winds of change. On the outside, the new infrastructure has changed the face of the country; on the inside, a change of mentality can be seen on all levels.

To be sure, the celebration of the Olympic Games has turned the country into a maelstrom, at the centre of which we find the Ministry of Culture and its General Secretary for the Olympic Games, Professor Constantinos Cartalis.

The Secretary points out that coordination is the most difficult part. “Five of the sporting venues are being built by the Ministry of Public Works. The Ministry of Labour is building the Olympic Village, the Ministry of Public Order is building

state by contractors who were not selected, or the uncovering of archaeological ruins during excavations.

The rest have moved along quickly, accompanied by an aesthetic change of the Olympic capital. “As compared to Sydney and in particular Atlanta, we have decided not to construct temporary facilities because we see this as a great opportunity for Athens to obtain long-term assets”, explains the General Secretary for the Olympic Games.

A model to follow

Athens now looks out to the sea again after centuries of turning its back on her. This, among many other things, is one thing that Greeks have learned from Barcelona as a model on how to organise the Games. Access to the capital has been improved with the construction of 90 kilometres of new motorways around the city, the improvement of approximately 120 kilometres of existing roadways and the construction of public transport such as a Tram-line and the underground metro.

Among those who are organising the Games, this new direction is the best example of a country with a will to change. “We are a country with the opportunity to demonstrate abroad that we are capable of hosting important events not just from an organisational standpoint, but also to foster collaboration between the public and private sectors, and preserve our cultural heritage”, states Mr. Cartalis.

The Minister of Culture, Evangelos Venizelos, puts it in similar terms. He speaks of opportunity, a thematic notion associated with the celebration of the games, in his case economic opportunity.

“Taking on the task of organising the Olympic Games, including the Cultural Olympiad, is a unique opportunity for

the reorientation of our tourism industry”, assures Mr. Venizelos. “Until now Greece has followed a tourism model very similar to Spain’s. Our goal is to bring our model closer to the Italian one: not only a resort-based summer holiday tourism but also urban tourism with an important cultural impact”.

A good part of this new business model is being applied to Iraklion, the capital of the island of Crete. The city has 120,000 inhabitants and is endowed with all the necessary transportation infra-structures. Its airport receives approximately 15% of all domestic flights in Greece. Thus its evolution towards the new model of tourism is more than a possibility.

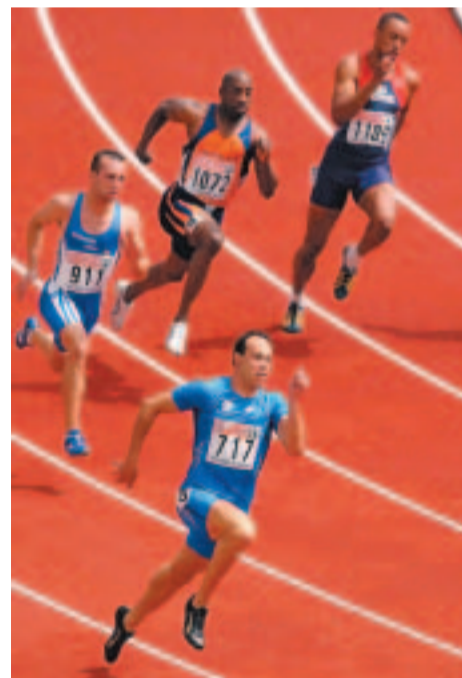


PHOTO: ATHENS NEWS AGENCY

The Ministry of Culture of the Greek Republic thinks that the options for his country go much beyond the mere recognition of its organisational capacity. “It is a unique opportunity to promote real modernisation, not only through general or cultural infrastructures, but by cultivating and achieving a new work mentality”, he indicates.

Venizelos sums up all of the above in the possibility of creating a new brand for Greece, with the challenge of “bringing to the people of the world a viable combination of the authenticity of the Athens Olympic Games and the Olympic Ideal. This is important not only for the athletic movement, but also for the international political situation”.

An opportunity for peace

The Olympic Truce and the Paralympic Games pursue the same objective. These two institutions will give



PHOTO: ATHENS NEWS AGENCY

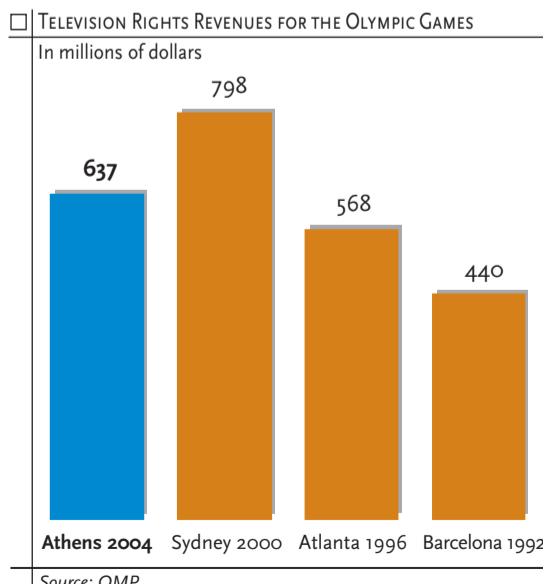
a special social and political significance to this sporting event. Stavros Lambrinidis, the Director of the Olympic Truce, points out that its goal is to get back to the roots of Olympic Games, that is to say, stop all conflicts during the celebration of the games. “You did not have professional athletes in ancient Greece, your best athletes tended to be your best soldiers. So, in order to host games of that calibre you had to stop the war to get your best athletes to the stadium”, explains Lambrinidis.

He is also of the opinion that the most important project Greece is working on is its image for the next ten years. The cessation of hostilities is considered more important than any military logic. “The Olympic Truce Movement is requesting that during the 16 days of the Olympic Games peace be given a chance”.

The Olympic Truce and the Paralympics give a special social and political significance to this event

On behalf of the Paralympic Games, Anastasia Gkoufa, consultant at the Greek Ministry of Culture for this event, highlights the profound changes made in Greek cities to accommodate this kind of celebration. The new mass transport systems (metro, tramcar, suburban railway, etc.) are totally in line with the special requirements needed to provide easy access for disabled persons. Furthermore, a number of important archaeological and cultural sites, including the Acropolis, have been adapted for the disabled. “We want the Games to leave behind a legacy, which means that our progress will be slow but sure”, she affirms.

Infrastructure construction of a total of 25 venues is 90% complete



The Cultural Olympiad

Combing history, theatre, arts and culture from around the world is a Greek contribution that will mark these Olympic Games as well as ones in the future

The return of the Olympiad to Greece after its original celebration in the first millennium before Christ and the first Games of the modern era in 1906 is an event full of symbolism. The celebration in Athens will open a new century and a new millennium. In Greece this has given rise to the Cultural Olympiad, an initiative that will attempt to reconcile the past with the future, and identity issues with mere

Thus the first Cultural Olympiad began its activities three years ago.

“The Cultural Olympiad has given added value to the Athens Olympic Games 2004. It is a new international institution jointly founded by the International Olympic Committee, the Greek Government and UNESCO. The added value is the continuation of this institution to other Olympic Games, Torino, Beijing

“... The Cultural Olympiad is not just a collection of cultural events, but rather its institutionalisation beyond Athens 2004”

EVANGELOS VENIZELOS
Minister of Culture



PHOTO: ATHENS NEWS AGENCY

projects. In the same way that the Games promote peace and excellence in sport, the Cultural Olympiad, promoted by the Ministry of Culture of the Hellenic Republic, will promote universal knowledge of civilizations all around the world through ceremonies, exhibitions, plays, and other cultural events.

The Cultural Olympiad is celebrated over the four years between the Games.

and beyond. The Cultural Olympiad is not just a collection of cultural events, but rather its institutionalisation beyond Athens 2004”, explains the Greek minister of Culture, Evangelos Venizelos.

The Cultural Olympiad’s agenda has been full and many events have been celebrated since it began in 2001, but its activity has increased as the celebration of the Games approaches. For example,



PHOTO: ATHENS NEWS AGENCY

until the month of June, The Museum of Mediterranean Antiquities, in Sweden, is exhibiting the show MYCENAEAN FLAVOURS. The exhibit has already made stops in Chicago and Birmingham, Alabama. It combines archaeology with natural sciences and presents the results of a research program that discovered the diet of an ancient Greek village. In Japan, in the museums of Tokyo and Kobe, from May to September, there will be a show on the expeditions of Alexander the Great towards the East, the expansion of Classical Greek Culture and its impact on other civilizations. Museum pieces from thirteen countries will be exhibited at the show.

Music will fill the air from July 5-11 in Athens, Thessaloniki and forty other places throughout Greece with the celebration of a festival of sacred music. In December there will be a music festival in

the ancient stadium of Delphi and artists selected from the winners of the Dimitris Mitropoulos International Competition will perform the “Opera of the Earth”.

In theatre, on June 26th, the day when Greece turns over the presidency of the EU to Italy, the “Trojan Women-Hecuba” will be represented in Rome, with Irene Pappas directing the Italian, Spanish and Greek co-production of the two tragedies of Euripides.

The Literature of Constantinos Cavafy will travel from Alexandria, Athens, Thessaloniki, and Istanbul between the months of June and October to commemorate the 140th anniversary of his birth and the 70th of his death. The art of writing will also be celebrated with the participation of ten first-class authors in writing a novel together. This novel will be published daily on the Internet and in the press. ☰

Athens reflects upon Barcelona

Even though Athens is the most venerable city to organise an Olympic Games, it has turned its gaze towards Barcelona while preparing the 2004 Olympiad. Since the closing ceremonies of 1992, the Games celebrated in the Catalan capital have been considered the best ones of the modern era in all senses. A decade later, Barcelona still has an international cachet as a richly cosmopolitan city with a great organisational capacity and tremendous tourist possibilities as it basks in the light of the Mediterranean sun. Under the same sun, on the other shore of the same sea, Athens wants to soak up the best of the Catalan example and still go on to develop its own model. “Barcelona is very important for us because it is the initial model for the Olympic Games of Athens”, affirms the minister of Culture of the Greek Republic, Evangelos Venizelos.

The Olympic arches created by Spanish architect Calatrava will be the most evident landmark of Athens 2004. But in addition, the city will undergo a complete transformation like never before. This is not just considering the results obtained in Barcelona but rather the method of achieving them. The process of transforming the historic centre of

the city as well as the coastal area for the occasion, in order to offer the best conditions possible, has been studied by the Greek organisation.

“We have permitted advertising banners to be placed on the facades of buildings and with the resulting income we will be able to refurbish buildings in the centre of Athens. This is something that was done in Barcelona. We have also redone the coastal area”, explains the General Secretary of the Olympic Games, Constantinos Cartalis.

Venizelos agrees with Cartalis on the impact the Olympic project on the recov-

If a foreigner looks at the city now, he will see a completely different scene from one he would have seen in the past

ery of the coastal area of Athens and the precedent of Barcelona. “The coast of Athens is longer than the one in Barcelona and, therefore, we were faced with a greater challenge. But the theory was



PHOTO: ATHENS NEWS AGENCY

exactly the same. The connection between the city and the sea has changed in order to take better advantage of the coast instead of turning our backs to it. Bridges, roads and the direction of traffic have been changed. It is a major change for Athens”, he indicates.

Venizelos and Cartalis both recognise that this radical transformation has not been easy on Athenians. After all, architecture and places create customs and those customs give rise to a way to life.

“If a foreigner looks at the city carefully, he will see a completely different scene from one he would have seen in the past,

and there are more changes to come in the future”, comments Cartalis convincingly. “One will see a city with better transportation and better roads, which mean better traffic conditions. He will notice new and newly renovated hotels, a convention centre that can host important conferences, sailing centres and top-quality marinas, and much-improved coastal parks. It will be a much more attractive city”, he adds in conclusion. In order to be a complete success, a truly effective organisation of the Games must accompany the infrastructure; this will be Greece’s signature in its Olympic participation. ☰

The Greek Education System at a glance

PRIMARY AND SECONDARY EDUCATION

- 11.384 pre-schools and primary schools
- 3.570 secondary schools
(lower, upper and technical vocational)
- 5.200 all-day primary schools

NEW TECHNOLOGIES

- 7.763 Schools and Educational Administrative Units connected to the Greek School Network
- 6.914 PC Labs equipped with 68.593 PCs
one PC per 10 students
- 75.000 teachers attending a pioneer training-project on New Technologies

HIGHER EDUCATION

- 20 Universities and 15 Technological Institutes
- 233 programs for Post-Graduate Studies
- 17.000 Graduate and Post-Graduate students in the Hellenic Open University



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The decentralisation of the Greek State



KEP Centre on Syntagma Square, central Athens

PHOTO: ATHENS NEWS AGENCY

Greece entered the 21st century undergoing great changes that are having a profound effect on the administration of the State, which has begun a process of decentralisation in an attempt to move into line with other more modern models. Being only 180 years old, Greece is one of the youngest states in the European Union.

In the 22 years that have passed since Greece joined the European Economic Community, efforts to separate the administration from the political system and traditions have increased progressively in order to make it more effective and closer to the citizenry. In addition to its normal functions, the Ministry of Interior

opportunities in the country have spurred some economic activity. In certain cases, investments have been targeted to regions where decentralisation and the demand for greater competencies have grown more rapidly.

“Greece is a small country, but each region has its own advantage. It depends on the type of interest, the sector, the area of investment, its form, or the goal it wants to achieve”, thinks Skandalidis.

Among the main regions selected for foreign investment we find the north of Greece with infrastructures such as the Via Egnatia, and the ports of the west, Thessaloniki, and Central Macedonia, which have become principal focal points

“...Greece has made huge progress both in the information society and in incorporating new technology into the way the State is run...”



PHOTO: ATHENS NEWS AGENCY

KOSTAS SKANDALIDIS
Minister of Interior, Public
Administration and Decentralisation

is the department responsible for carrying out this process of decentralisation.

Information technologies have played an important role in this process. “In recent years, Greece has made huge progress both in the information society and in incorporating new technology into the way the State is run and the way citizens are served”, explains Kostas Skandalidis, the Greek Minister of Interior, Public Administration and Decentralisation.

To support this process, the Ministry has put into place a pilot programme called Citizen Service Centres –in Greek KEP–. The purpose of these Centres is to be a type of one-stop-shop to provide state services for citizens in a fast and efficient manner. A projected one thousand KEPs will offer services such as the procedure for receiving pensions, making financial transactions and information requests.

The agility that bureaucratic processes have attained together with business

from which to foster the development of the Balkans. From the point of view of tourism, residency and agriculture, the Peloponnese, Crete –with Iraklion being the most evident example– and the Dodecanese have also drawn the interest of investors. In this last region, Rhodes is a clear case where advances have been made in the decentralisation process, because, in addition to undertaking the necessary reforms to adapt itself to the demands of higher quality tourism, the municipality has made headway that previously would have been unthinkable.

“A year and a half ago we reformed the constitution to allow local authorities to take charge of long-term planning. Our opinion can now be heard”, explains George Giannopoulos, mayor of Rhodes. He adds that Rhodes is definitely experiencing new forms of local control and the community is getting more and more involved with its own future. ☰

The modernisation of Greek infrastructure

Greece has undertaken one of the largest reform projects in the European Union. The results are already visible and will be presented to the world next year during the celebration of the Olympic Games. Everyone will see a country that has come alive with ambition to maintain its leadership in the region

From 2000 to 2006 alone, Greece will invest more than 25 billion euros in modernising its infrastructure: in the capital city as well as the other main development sites in the rest of the country, from the islands of Crete and Rhodes to Macedonia, the region bordering the Balkans, which is an area with great

“Via Egnatia is a fundamental development tool not only for northern Greece but for the entire country. After its completion the impact will be enormous”

IOANNIS ECONOMIDIS
Chairman, Egnatia Odos

George Ganotis, General Secretary of the Ministry of Public Works, Urban Development and Environment, underlines the economic importance of all the effort being put into the development of infrastructure and public works. “In 2002 more than 20% of the country’s GNP was



PHOTO: EGNATIA ODOS



PHOTO: ATHENS NEWS AGENCY

Works on the Rio Antirio Bridge, that will join the continent to the Peloponnese in 2004

economic potential once its political situation stabilises.

Great projects have come out of this ambitious investment programme, the majority of which are being financed by the European Union. The most important of them are the Athens International Airport, Attiki Odos –The Athens ring road–, the gigantic Rio Antirio Bridge, the underground metro of Thessaloniki and Athens, and a new and dense network of roads plus an underwater tunnel in Thessaloniki. The Thessaloniki project has 1.3 kilometres of tunnel under the seabed and a total budget of 30 million euros.

generated by the construction sector. This means that more than 15% came from supporting industries”, he said.

For Ganotis, Greece is a different country from 10 years ago but it will continue to change even more through 2005 and beyond. Like the great majority of Greeks that are presently participating in the modernization of the country, he is convinced this process will not continue at the present rate but it will be maintained over time. “We are developing motorways that will link south-eastern Europe with Italy. The Via Egnatia goes from western Greece to the port of Alexandroupolis on the Turkish border.”

Eighty percent of the work will be completed for 2004 and the rest by 2006. At that time the company will enter a new stage. “The know-how that has been attained should be capitalised on in other projects as well”, opines the chairman of Egnatia Odos. “As is the case with us in the company, all Greek institutions want to take advantage of the momentum generated over the last few years for modernising the country and keep alive the change in mentality it has produced. The work being done for the Olympic Games next year will be evidence of this.”

change. Well aware of the challenge they face in 2004, the authorities have made great changes in services provided by the Administration and in citizens’ mentality with respect to using these technologies. “Bridging the digital gap is not simply a matter of equal rights”, warns the Deputy Minister of Transport and Communications, Manolis Stratakis.

Via Egnatia, 680 kilometres long, runs from west to east in the north of Greece

This philosophy behind the development of infrastructure can be extrapolated to the changes that are taking place in the consciousness of the country as a whole. “It is a fundamental issue related to our capacity to innovate, to stay competitive and economically prosperous, as well as socially just. But it is also related to our capacity to advance together towards common goals, to share our common future on an equal basis, and to enjoy the fruits of knowledge and providence as well”, sums up the Deputy Minister. ≡



PHOTO: EGNATIA ODOS



PHOTO: EGNATIA ODOS

Connecting Europe

The Via Egnatia is considered to be the most ambitious project undertaken by the Greek authorities. This project entails the construction of 680 kilometres of motorway that runs from west to east in the north of Greece, providing connections to Bulgaria, Albania, and FYROM –Former Yugoslav Republic of Macedonia–. The Egnatia Odos Company is in charge of the construction.

“The project will bring many towns and villages out of their isolation, especially in the west”, states the company’s chairman, Ioannis Economidis. “When the road is finished, northern Greece will indeed be transformed because it will provide access to 30 new areas considered tourist destinations”.

The main purpose of the project is to provide commercial links that will help spur economic growth in the area. “The links are predominately commercial. We have built nine vertical axes leading to the neighbouring countries. Egnatia Odos has prepared connections to the ports as well: Alexandroupolis, Kavala, Thessaloniki and Igoumenitsa, with two smaller ones in between. This network will be a major contribution to improved transport conditions, fostering trade”, affirms Mr. Economidis.

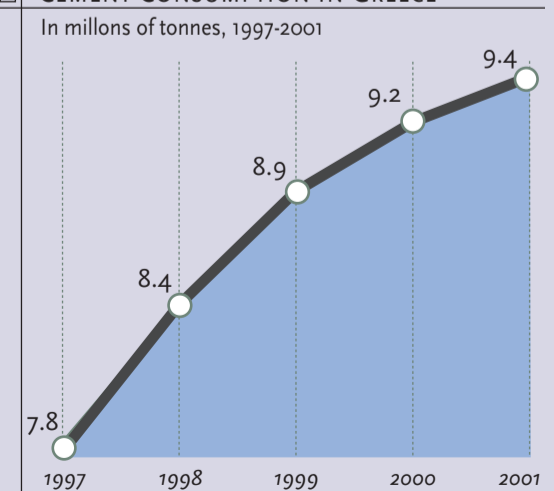
Dramatic changes

“We in the Ministry talk about Athens 2005 because it affects the quality of life of our citizens, and the calendar imposed by the Games is helping us meet these deadlines”, says George Ganotis, General Secretary for Investment at the Ministry of Public Works. “The traffic and chaos is something we have to put up with for the time being in order to complete our work, but I think life will change dramatically in favour of the citizens of Athens after the Olympic Games”, he concludes.

Even though Athens has 40% of the country’s population, it will not be the only area that benefits from all of these changes. According to the General Secretary of Investments of the Ministry of National Economy and Finance, Costas Theos, the investment strategy is focused on regional development. “That is why we have tools to point investments in this direction and all grants are given outside of Athens. In the region of Attica, there are no grants for commercial reasons. This also strengthens the development of northern Greece and Epirus, the poorest and least developed part of the country”, he says.

In order to improve the country’s development, investments also have been made in the telecommunications sector. The Olympiad has once again encouraged

CEMENT CONSUMPTION IN GREECE



Source: Total Cement

Gambling/Lotteries, the impetus for social change

The philosophy of the state gambling/lotteries sector, in Europe as well as in Greece, is marked by two complementary objectives: to maximise social benefits from profits and to fight illegal gambling. Profitability and transparency in their operations are a means of achieving these objectives



Conference held in Athens last April with the presence of OPAP, the European Lotteries Association and the World Lottery Association

Greece is going through a period of rapid social change and there are several contributing factors but only one result: in ten short years the entire country has transformed to the degree where it now hopes to lead the development of the region. Some changes have been external –such as the public works that are finally becoming visible– and some are internal, as in the appearance of a new mentality of cooperation between public and private institutions. Together with the construction, transportation and telecommunications sectors that have taken on great importance in the new Greece, gambling in the forms of lotteries and betting has also contributed to this change.

As a business, the gambling/lotteries industry in Greece is trying to find its way between the need to grow and develop in order to be economically profitable, and the obligation of turning over a large part of its profits to the state. Greek Law requires gambling companies to turn over 75% of their profits to the State. Furthermore, it is customary for the gambling/lotteries companies to sponsor cultural and sporting events as a means to support local communities and a way to promote themselves.

Transparency and social benefits

With regard to transparency and social consequences, it is important to differentiate this category of gambling from those that have serious pathological effects like slot machines and casinos. The incidence of compulsive gambling among people who play the lottery is much less than for those who play other types of more aggressive gambling. From this perspective, it is also noteworthy that, in general, the amount of money people spend on lotteries is less than in other types of gambling. It is more a family type of gambling than in the case of casinos or slot machines.

In any case, the fact that it is a regulated activity has attracted the interest of



PHOTO: ATHENS NEWS AGENCY

investors who consider the possibilities of developing it within the framework of the law, thus cutting down on illegal gambling. For both the State and for private investors, it is very important that the legal framework be such that this business can exist and be both profitable and transparent. In fact, the main mission proposed by these new businessmen in Greece is to do away with illegal gambling and attract customers to the new

Greek Law requires gambling/lotteries companies to turn over 75% of their profits to the State

forms of gambling and betting. It is one of the greatest areas for potential growth. They share the same sense of purpose as the rest of their European colleagues.

The president of the World Lottery Association, Reidar Nordby, in a recent roundtable discussion in Athens pointed out the differences between public and private operators: “Today we see that there are more and more private operators that do not benefit the community. We see them as pirates in our industry. Our first priority is to protect the national beneficiaries whereas their first priority is profit. Therefore, within the same industry, we have a totally different role

to play”. With this type of moral philosophy and the climate of change the country is experiencing, the Greek the gambling/lotteries companies have made a clean break with the past and are now looking towards the future with great ambition. The best example of this transformation has been the state-run lottery and betting company called OPAP.

Successful privatisation

The Greek Government has privatised part of this large company, which controls 73% of the domestic lottery market and sport betting, valued at 2.3 billion euros, and 42% of the total Greek the gambling/lotteries market, valued at 4.2 billion euros. When a company such as OPAP has this kind of public exposu-

Information technology has erased national boundaries for many economic activities and gambling is not an exception


re and takes on a venture of this nature, its success or failure can become exemplary for the rest of the country. The the gambling/lotteries company is in-and-of-itself, one of the most successful companies the Greek state has launched. Furthermore, within its sector, it has turned out to be the most effective in Europe. In 2002 its dividend policy was only surpassed by Credit Lyonnais.

For this reason, privatisation has not been easy to accept for a minority of Greek public opinion. So now the company is obligated to demonstrate from an economic as well as moral perspective that the adventure of modernisation is the best way to take advantage of the



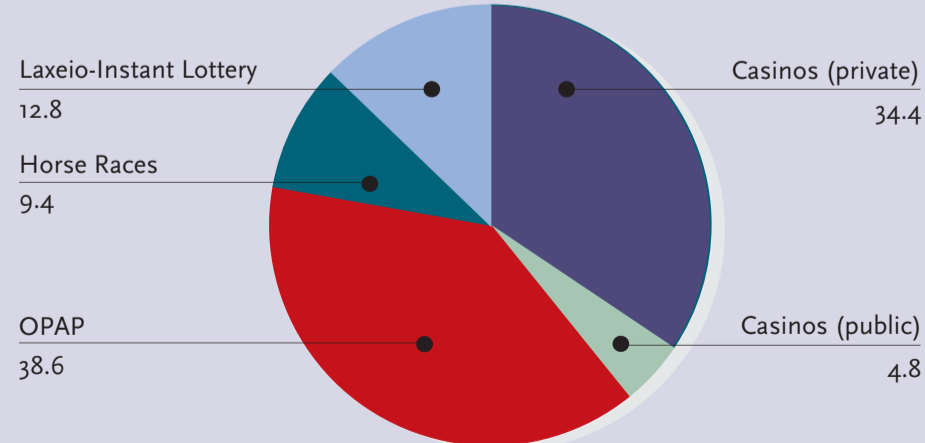
Valéry Giscard D'Estaing presents the award for “Leading Company of the Year 2002” to OPAP last February

winds of change that have been sweeping through Greece for the last ten years and there is no turning back. At the moment the project is moving along at a good speed. A good example of the interest shown in the markets is the reception accorded to the Public Offering of Sale the company made in the first quarter of the year. The international offering generated high expectations and the demand for shares was five times greater than the offer. In all, the State took in 508 million euros for 18.9% of the company.

Now, besides fighting illegal betting, the objective of the Greek gambling and lotteries industry is to explore other markets and measure the competition with other companies. Information technology has erased national boundaries for many economic activities and gambling is not an exception. The Balkans and south-eastern Europe seem to be a natural region for this growth. Companies are moving forward cautiously and are also looking into the purchase of licenses whenever these markets mature. Furthermore, this sector in Greece is navigating between its interests in forming strategic alliances with Spain, France and England in order to be able to move beyond Europe and other opportunities on the one hand, and safeguarding the interest of the State on the other. 

PARTICIPATION IN THE GREEK GAMBLING MARKET

In percentages, 2000



Source: Seles Investment

Mid-fielder in the energy game

The shift in EU development policies towards central and eastern Europe has placed Greece in the centre between two worlds; one that demands energy to maintain its leadership and one that supplies it to promote the development of its economy

It is no longer a secret for anyone that natural gas is a very promising form of energy for the future. The large reserves in Algeria, Russia, and the Persian Gulf have brought more developed countries to consider this raw material as a viable alternative to petroleum. Furthermore, it is a cleaner form of energy, emitting 30% less carbon dioxide than petroleum and 50% less

great deal of Europe will have to cross it. In fact, the country is planning to distribute the supply from Russia. In March 2002, Greece signed an agreement with Turkey to run a pipeline from Iran and Turkey to Greece. The work will be finished in 2005. Other similar agreements with Italy and Algeria –and Sonatrach, its energy company– are already

“We have signed contracts with all the companies in each of the Balkan countries for a pipeline from Greece crossing these countries to reach central Europe”

ARISTIDIS VAKIRLIS
General Manager, DEPA



PHOTO: DEPA



PHOTO: DEPA

than coal. With arguments like these, Europe has turned its eyes to these areas as future supply sources.

Natural gas did not enter the Greek energy market until 1996, but in the

already underway.

“This strategy will allow us to operate in a competitive LNG –liquefied natural gas– market. Therefore in the future we will have three or four alternatives in the LNG market. That is why the gas market in Greece can operate competitively and with better prices”, explains the General Manager of the Greek Public Gas Company –DEPA–, Aristides Vakirlis. Furthermore this company knows that its future lies in actively developing other markets. “We have signed contracts with all the companies in each of the Balkan countries for a pipeline from Greece crossing these countries to reach central Europe”, informs the head of DEPA.

Privatisation of the market

The Greek gas market is currently in the process of privatisation. The Greek State has put up for sale 35% of its hold-

ings in DEPA, with the condition that it maintain a minimum number of shares to assure it political rights over strategic decisions. With these conditions in mind, the government is looking for a partner that, according to Vakirlis, “will work with us on two major strategic roles. First, the role of Greece and DEPA in transporting natural gas from the East to Europe and the Balkan region; and second, to increase consumption of natural gas in Greece”.

Regarding the first point, a quick look at a map is quite informative. If someone wants to play an important role in the gas market between eastern and central Europe, the geographic and strategic position of Greece is an important advantage to control the whole gas market in the region. This includes the Balkans, an area that will experience strong growth over the next few years and, in the long term it will include the countries bordering the Black Sea.

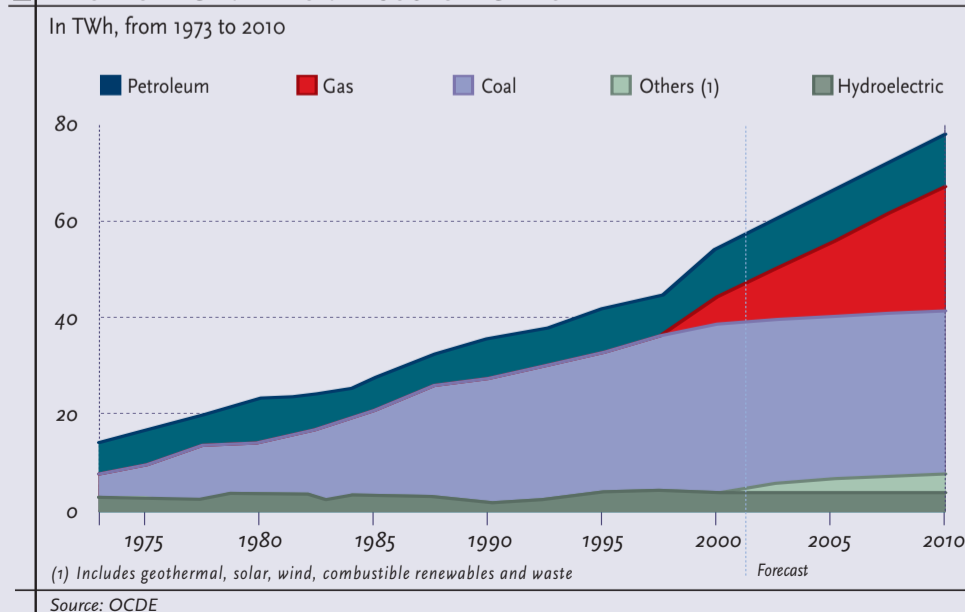


PHOTO: DEPA

Thanks to the privileged geographic location of Greece, the supply of gas to a great deal of Europe will have to cross it

year 2000 it already represented 6% of the energy supply and, according to forecasts, it will triple over the next ten years. Both the state and the energy sector, currently being privatised, have realised the opportunity that lies ahead. Thanks to the privileged geographic location of Greece, the supply of gas to a

ELECTRICITY GENERATION BY SOURCE - GREECE



Interest in the region

This strategic advantage has attracted attention. “Interest is strong, not only from Greek investors but also other European investors. There are clear signs in Greece that we are moving towards a more stabilised political and economic situation in the region, which now make these investments easier and less risky”, says the General Secretary of Investment and Development of the Ministry of Economy, Costas Theos.

In the case of the Balkans as well as the case of the countries bordering the Black Sea, Greece is the link to the European Union. “In the field of natural gas, Greece will play an ever greater role because it is clear that gas cannot be transported from the Caspian Sea, Iran or Turkmenistan without passing through Greece”, points out Yiannis

Natural gas did not enter the Greek energy market until 1996, but in the year 2000 it already represented 6% of the energy supply

Papanicolaou, Managing Director of the International Black Sea Studies. However, Papanicolaou also warns of the risk of losing opportunities by thinking that geographic position is everything. “Location is a key point but we are not alone in this region”, he says. He concludes by noting that Greece, “must offer additional incentives for investors: stability, macroeconomic conditions, legislation, transparency, a good government and everything else”.

Mediterranean quality: Greece working on a harvest

Reforming the Common Agriculture Policy –CAP– is one of the main items on the agenda of the Greek Presidency of the EU. Quotas and a new role for Mediterranean, and more specifically Greek, agriculture products are some of Greece’s main concerns

“The Greek Presidency will be a complete success if we are able to achieve the CAP reform. I will propose a compromise and, if it is acceptable, we may have to call an extraordinary council meeting at the end of June. This will only take place if an agreement is reached. Otherwise, I will have to pass this issue on to the next presidency, my friend Minister Gianni Alemanno”, confirms the Greek Minister of Agriculture, George Drys, on the importance of reaching agreement on the EU’s agriculture regulatory practices.

Agrocert is the institution that hopes to centralise quality control of all the country’s agricultural products. Its Managing Director, Panagiotis Vassilopoulos, agrees with the point of

view of the minister. “The common agricultural policy –CAP– is changing”, but he clarifies that: “Everything is moving towards implementing environmentally safe systems of production that are safe for the consumers”.

The conviction that consumer safety is the road to follow in the future has lead Agrocert to take the initiative: “If the EU does not set standards for integrated management, we are prepared to set our own. We are trying to make our producers aware of the fact that there will be greater demands and requirements placed on them in the future, so we are preparing them now”.

Among other products, Agrocert controls the quality of some 40,000 tonnes



PHOTO: MINISTRY OF AGRICULTURE

“The Greek Presidency will be a complete success if we are able to achieve the CAP reform. I will propose a compromise and we may have to call an extraordinary council meeting at the end of June”

GEORGIOS DRYS
Minister of Agriculture

of meat and chicken, as well as cooperatives such as Alme in central Macedonia with some 920,000 hectares. The objective is to make Greece’s agriculture more competitive by modernising and adapting it to the new times. There must be a com-

mon meeting point for producers, distributors and consumers. Vassilopoulos places Agrocert in this role. He notes that the quality certification process gives a product the opportunity to go through the various steps of the market process until it reaches the consumer, but it also allows the consumer to track the product back to the producer.

Mediterranean products represent 70-75% of Greece’s total agricultural capacity

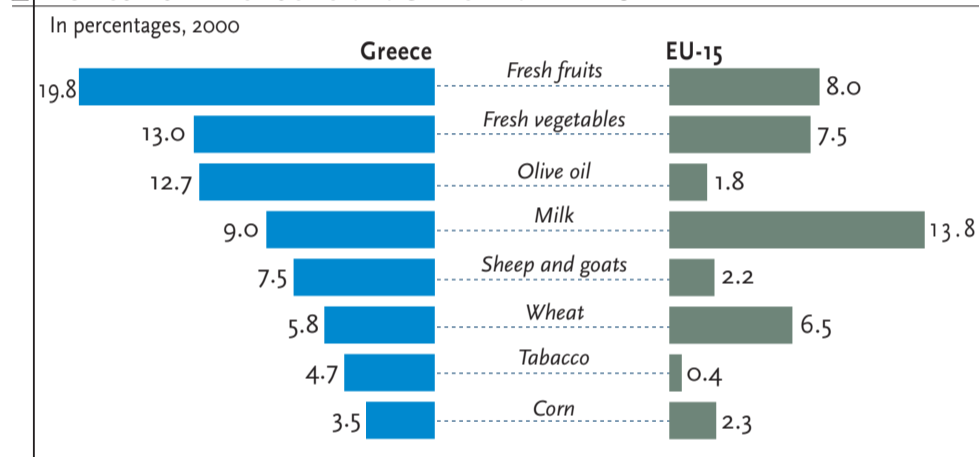
At the moment, Drys does not agree with the CAP reforms on the agenda. “I

believe it is difficult for the Mediterranean countries to agree on this reform if there is nothing included regarding their products. For example, Mediterranean products represent 70-75% of Greece’s total agricultural capacity. The products that are included in this CAP reform only cover 25% of Greek agricultural products”.

Is a common Mediterranean front feasible? For this high-ranking Greek civil servant, the Mediterranean countries have common interests and he sends a message to the Spanish Minister of Agriculture, Miguel Arias Cañete. “We have common problems and similar agriculture; therefore we need to arrange our political structure to face these problems”.

In the opinion of the Greek Minister of Agriculture, quality is a comparative advantage for the Mediterranean region, especially for the smaller countries. “The quality of our products is excellent, for example, olive oil or other fresh vegetable products”, he says. 

AGRICULTURE PRODUCTION IN GREECE AND THE EU



Source: CIHEAM

Greece launches its first satellite

The first Greek-Cypriot satellite has now been in space since last May. This new piece of telecommunications infrastructure will make Greece a leader in bringing south-eastern Europe into the information age. The Ministry of Transportation and Telecommunications and the company managing the satellite, Hellas Sat, are already making many plans for the future.

The first Greek telecommunications satellite has 30 transmitters and a total of four antennas, two fixed and two with steerable beams. The two fixed antennas can cover all of Europe, the north coast of Africa and parts of the Middle East. The ones with two steerable beams, depending on their position, can cover South Africa all the way to the west coast of Australia. Each transmitter has a bandwidth of 36 MHz, which means that each one can transmit nine television channels simultaneously.

George Argyropoulos, president of Hellas Sat affirms that since launching this satellite, Greece’s image has changed. “There is a change in status

but without competitive implications.”

“We are not saying the existence of the satellite will change the political power of Greece in Europe’s telecommunications policies. The change, if you will, is just the difference between having and not having”, he goes on to say.

Argyropoulos explains that one must understand that the success of the launch is considered a great change for Greeks but not a great change for everyone else. “There is a difference in that we do have something new and are in a better position as a country to play a role in policy discussions, but we do not forget our size and relative capabilities in the EU”, he emphasizes.

Hellas Sat has already received offers from investors to join in the project as shareholders, and it feels sure that this satellite will help in the development of south-eastern Europe. It will provide telecommunication services to a region where infrastructures are still in the process of being developed and will be for some time to come. “We intend to make our facilities available

taking into account the financial and economic circumstances of each area. Thus, we will be able to use them as an instrument of development, and this should enhance our overall position”.

The new satellite presents a change in status but without competitive implications


The Greek government also has its own projects: “It will use three transmitters that support social development policies to reach remote and isolated areas of Greece. They will be used to provide improved long-distance services for education, work and most especially medicine to the country’s mountain and island regions”, points out the Minister of Transportation and Telecommunications, Manolis Stratakis. Commercially, the satellite will upgrade telecommunication services generally and allow the development of digital television in Greece as well as the Balkans. 



PHOTO: HELLAS SAT

Deregulation in the Aegean Sea: Report card



PHOTO: RODAS

About 112 of Greece's more than 2,000 islands are populated, with a total of about 1.5 million people. Tiny Kastellorizo, near Turkey, is in fact the easternmost border of the European Union in the Mediterranean. Gavdos, the Union's southernmost border, stares at Libya, and boasts a single school and a single teacher with under ten students. The island of Othonious, a four hour boat-ride north of Corfu, across from Albania, has pretty much been abandoned, as most of its inhabitants emigrated to Australia in the sixties and seventies.

Ensuring transportation for the large network of islands surrounding Greece's mainland is no easy task. In the Aegean alone there are over 270 scheduled routes a year. The combinations and permutations of possible trips are mind-boggling.

The relationship between the state and the private shipping sector that evolved over the last forty years was unhealthy. Licenses for routes were assigned by a procedure that was not very transparent. Shipping companies vied for power and access to the Ministry of Merchant Marine, and depending on the particular constellation of political and private power, the minister himself –so far only male– had the upper hand. Not only prices of tickets but also specific shipping routes and time slots were the prerogative of the State. In short, the state controlled both prices and quantities. The press regularly accused the government of favoritism towards ship-owners who appeared to be receiving the lion's share of the licenses.

Though the EU called for deregulation of shipping by 2004, Greece passed the relevant legislation earlier, in 2001. In the two years since the new law has been in effect, the process of licenses and route assignment has become more transparent and far less political. Licenses are granted to all those entrepreneurs who meet a minimum of requirements.

What has been the effect of deregulation? It is still too early in the game to draw conclusions, but so far, the results have been mixed: On the one hand, new and sometimes unexpected connections between islands have appeared, new transportation hubs have emerged, faster and larger ships now sail the Greek seas, modern ships of higher quality and greater safety. Along some routes competition has risen, prices have fallen dramatically –especially for trucking and transportation of goods along the Pireaus to Crete route– and new dynamic entrepreneurs have entered the



PHOTO: VALIA BASTI

On some routes, such as the one from the Pireaus to Crete, competition has increased and prices have fallen drastically

scene. Frequency of service has also increased during peak season, resolving a long-time complaint by island residents. On the other hand, prices have risen dramatically along other routes such as those servicing the small network of islands known as the Sporades –Skiathos, Skopellos and Alonissos–.

Another way of judging the deregulation process is to examine complaints made by the ship owners against the government before the Regulatory Authority for Internal Maritime Transportation, established in 2001. This new institution supervises and regulates the Ministries themselves. In 2002 the Authority examined approximately 200 cases –for example, complaints against government-imposed discounts on tickets, price ceilings that rendered routes unprofitable, and accusations by a few firms that route licenses were improperly withheld from them. The government was found guilty in about 50 cases and the ministries were obliged to revise their decisions.

There is yet another forum for resolving problems. The government has established an advisory body, the Council on Coastal Shipping, consisting of four operators, members of the local administration of the islands, port authorities, dockworkers' unions, ship owners and ministry functionaries. This body meets on a monthly basis to discuss and resolve problems on the implementation of the new rules. Most important,

it serves as an open forum where all parties can air their grievances.

Perhaps the most serious problem in the new deregulated world is that the private sector has abandoned a large number of small islands and refuses to provide any transportation service to them at all for a simple reason: low demand makes them unprofitable.

In the old, pre-liberalised world, the government attached riders to licenses. Entrepreneurs granted profitable routes like Pireaus to Rhodes, were "obliged" to stop at small, low-demand islands. Under the new system however, the government is unable to "force" the private sector to stop at islands it doesn't want to. Before deregulation the government subsidised about 20 routes to these small low-demand islands, justified

in EU terminology as a public service. In 2001, the year before deregulation, subsidies totalled approximately 12 million Euros. In 2003 the number of unviable routes has risen to over 70, and the government subsidises the private sector to the tune of 50 million Euros.

A permanent solution to this growing gap between profitable and unprofitable routes is in the works. The Ministry of the Aegean has proposed that a single entrepreneur take on the whole network of unprofitable routes. A public tender will be issued late this year or early in 2004. The ministry estimates that a fleet of about 10 to 12 modern ships, if granted an exclusive license for a minimum of ten years, along with an annual government subsidy, will provide a permanent solution to those islands that are off the radar.

There are those who argue that the government has not yet fully deregulated the seas. Full benefits will accrue only as the process of deregulation deepens and as the private sector feels the winds of competition in its sails. Rather than follow a path of shock treatment, the socialist government has chosen to move steadily towards greater liberalisation, allowing both the private sector and the government to work together to sort out problems as they arise. ☰

Nick Papandreou
Advisor, Ministry of the Aegean

Showing the flag

Greece is the leading commercial sea power in the European Union with deep historical, cultural and political ties to the sea

Few countries in the world can boast of a commercial and transport fleet as large and as powerful. Greece has a major role to play in the European Union in regard to commercial shipping. It ships approximately 40 % of the EU's total in gross tonnage and 56 % of its

Greece's fleet ships 40% of the European Union's total tonnage

deadweight tonnage. These figures indicate that Greece's fleet is the largest in the world in registered gross tonnage and the number of ships owned, even though many do not fly its flag. Greece has the fourth largest fleet in the world under its national flag. If we take into account that Cyprus and Malta will become part of the European Union in May 2004, this means that the EU will become the world's largest shipping power.

The importance of a maritime presence in Greek culture is a unique case in Europe. Greece even has a ministry specially dedicated to maritime matters such as the two ports with great potential: Piraeus and Thessaloniki, and the

international network of Greek entrepreneurs that, without renouncing their origins, operate out of other countries.

Tradition and experience

Piraeus has been a centre of activity throughout history. Many shipping companies, financial institutions and maritime law firms have their headquarters there today.

Thessaloniki is the second most important port in Greece, and like Piraeus, it has become an enterprise in its own right. "This port handles almost 11 million people every year travelling to the islands. If we add commuter traffic to this number, we are talking about 18 million. This ranks us number one in Europe with regard to passenger traffic", says the president of the Piraeus Port Authority, Sotiris Theofanis. "I was in Miami last year, and we believe that the security systems we are setting up for the Olympic Games will be even more sophisticated than the ones used there. The problem with security is how to fine tune costs and results.", says Theofanis.

For these reasons, the Greek authorities hope for recognition of the importance of Piraeus. "We believe that Piraeus is an ideal location for the EMSA -European Maritime and Safety Agency-", says George Papachristodoulou, rear admiral at

Greece's maritime know-how is second to none

the Merchant Marine Ministry. "We must not forget that Piraeus is a traditional maritime city and Greece's maritime know-how is second to none. This should be a crucial parameter for those who will be deciding on EMSA".

As home to the Greek fleet, Piraeus once again appears to be the centrepiece



PHOTO: LEVANT MARITIME INT.




PHOTO: PIRAEUS PORT AUTHORITY

of Greece's maritime strategy. One of the objectives of this strategy is to recover many of its prodigal entrepreneurs and businessmen. "It is our intention to portray Piraeus as a world maritime centre", says Papachristodoulou. "We also have many Greek shipowners living abroad, particularly in London. We are trying to attract them back to Greece, Piraeus and Athens".

Coming home to Greece

In addition to aspiring to receive institutional recognition from the Euro-

pean Union, Greece has a broader strategy regarding its mercantile fleet. Since the year 2000, Greece has begun to update its registry of ships to include all Greek-owned vessels as well as ones operating under its flag.

Furthermore, important fiscal measures are being studied in order to attract Greek shipping companies to return to Greece and establish their headquarters. These include tax incentives and implementation of government programmes for employment assistance and new shipbuilding. 

680 km EGNATIA MOTORWAY
Approaching completion

Enhances tradition
Gets people together
Nurtures know-how
Appreciates the environment
Triggers development
Invites cultural interchange
Attests historical evolution

MINISTRY OF ENVIRONMENT, PHYSICAL PLANNING AND PUBLIC WORKS

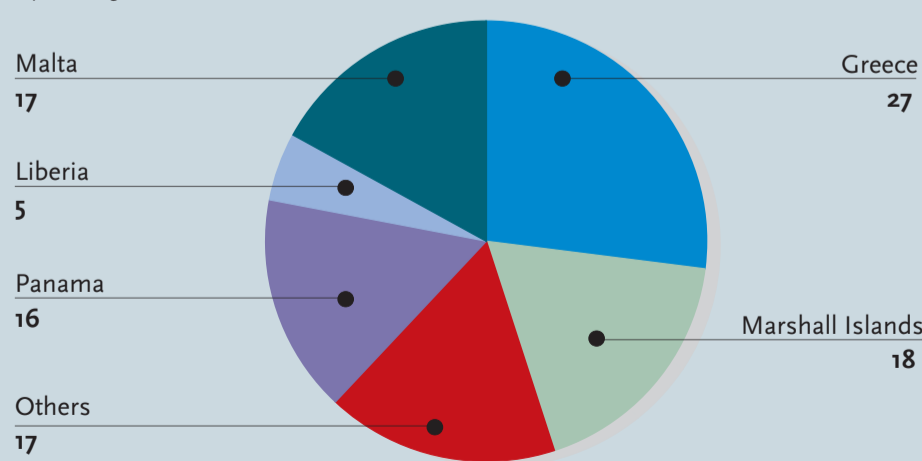
EGNATIA ODOS A.E.

EGNATIA ODOS HAS SECURED FUNDING AND FINANCING FOR THE CONSTRUCTION AND COMPLETION OF THIS PROJECT FROM THE:

- GREEK GOVERNMENT (NATIONAL RESOURCES) 
- EUROPEAN UNION WITH TRACTION 50% (COHE SICH FUND, EUROPEAN REGIONAL DEVELOPMENT FUND & TRANS EUROPEAN TRANSPORTATION INFRASTRUCTURE) 
- EUROPEAN INVESTMENT BANK 
- COMMUNITY SUPPORT FRAMEWORK (2000-2006) 

FLAGS OF THE GREEK FLEET

In percentages, 2001



Source: National Bank of Greece

Greece calls for greater European unity in education

One of Greece's most important tasks during its presidency of the EU is to promote the modernisation of the European education system with a programme based on shared values and on an increase in exchange programmes between member countries

The motives behind Greece's interest in modernisation are not exclusively economic. The government considers education to be an essential tool for broadening the country's horizon in the future. It has implemented new educational programmes on the Internet, international exchange programmes and foreign language learning. These programmes have been rounded out with a series of presentations on the Olympic Spirit, a project that will help the country as it prepares to host the 2004 Olympic Games.

Cultural values

As the cradle of European civilisation, Greece takes on a unifying role vis-a-vis the diversity of the Old Continent.

"The Greek Presidency believes that what truly unites Europe is a common culture, common cultural values", says Culture Minister Petros Efthymiou. "We are in Europe –from Finland to Greece and from Spain to Hungary– and we all read the same books. We have the same values and what binds us is Cervantes, Goethe,

"The Greek Presidency believes that what truly unites Europe is a common culture...We all read the same literature and have the same vocabulary"

PETROS EFTHYMIU
Minister of Education & Religious Affairs



The Minister of Education addresses a group of students as part of the Olympic Education programme, near Athens

Shakespeare, Aeschylus... We all read the same literature and have the same vocabulary", he says.

A common agenda

This philosophy has prompted the Greek Presidency to promote closer relations between the European countries in education. "During the Greek Presidency four major decisions have been made in the area of education", Efthymiou says. "First, we have established the first five benchmarks for all the education systems in the 25 countries by 2010. Second, we have agreed on the Erasmus Mondus programme, which will make Europe an international yardstick for higher education. Third, a decision was reached on a revised e-learning programme. Fourth, we have made a resolution on the education of the disabled. Furthermore, the Greek Presidency proposed the implementation of a course to be taught in all 25 countries on the common culture of the European Union", the minister says.


Regarding the last point, Greece is playing a leading role in a process that began in Bologna, matured in Prague, and will continue in Germany in 2003, which aims at a common European agenda on higher education. The objective is for all higher education systems to be compatible and end up with joint programmes of studies and common degrees. In September 2003 the first

three joint programmes of postgraduate studies start between French and Greek universities. The government has also decided to create an international university in Greece based in Thessaloniki, which will conduct classes in both English and Greek, thus offering access

The Olympic Games will be a good test for this philosophy of diversity and internationalisation

to students of diverse nationalities.

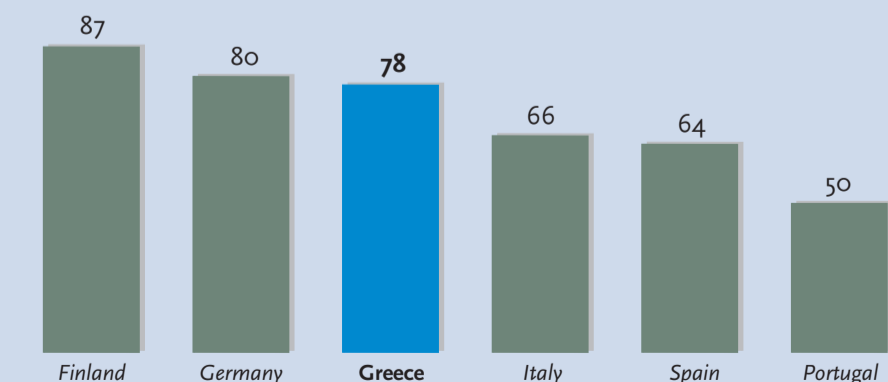
Next year brings the Olympic Games to Athens, and this will be a good test of the above philosophy of diversity and internationalisation. The Greek government has promoted a programme called "Olympic Education" that has reached 7,400 Greek schools this year and a total of 950,000 students.

"The children learn about Olympic events and also take part in programmes and activities on ideas associated with the Olympic ideal. After all, the Games were a combination of sporting and intellectual ideals" says Efthymiou. "We are very optimistic that this spirit will dominate the European programme that we have for 2004, which will educate through sports in all the schools in Europe", he concludes. 



POPULATION OVER AGE 22 WHO HAVE COMPLETED SECONDARY EDUCATION

In percentages, 1997



Source: Greek Ministry of Education

Interview:

George Ganotis, General Secretary of the Ministry of Public Works, Urban Development and Environment

“We want Thessaloniki, and northern Greece in general, to be the centre for many companies who operate in the Balkan countries. A large amount of money will be invested in these countries and it is wise for such companies to have a presence in Greece”



GEORGE GANOTIS
General Secretary
Ministry of Public Works,
Urban Development and Environment

QMP- The magnitude of all the public works projects must be a great burden on the Ministry, how do you cope with all this?

G.G.- Every day on average, you have to spend 10 million euros. It is a great challenge. 21 billion divided by 6 is 3.5 billion per year, divided by 365 days, is 9.5 million euros per day! Can you imagine this? Our entire ministry is working so hard to do this on projects across the board. And this is only for our ministry. You have to multiply this by 2.2 in order to see the total amount invested by the 3rd Community Support Framework in Greece per day –EU and national budgets together–.


QMP- Please tell us about the international competitiveness of tenders held in Greece

G.G.- There are six concession schemes under tender procedure. In all these tenders, there are many foreign companies that participate. They have the same chance as Greek companies, even more so than Greek companies due to their qualitative characteristics. For example, if Dragados has built 10,000 km all over the world, how can a Greek company compete with this? But, believe me, the Greek market is very open. This is because of our mentality and also because of EU legislation. All European tenders are international, which means 15 countries and another 25 who have signed the WTO –World Trade Organization– agreement on contracts. Even the Olympic tenders were open to all these companies.

QMP- Do you see Greece becoming a hub for construction tenders in the region?

G.G.- This is our strategy as a country. But, with globalization, international transport and developing information channels taking place, it is difficult for one particular location to compete. A German can be doing business in Sofia faster than a Greek. Greece has to expend great effort to make this strategy work. We want Thessaloniki, and northern Greece in general, to be the centre for many companies who operate in the Balkan countries. What is for sure, a large amount of money will be invested in these countries and it is wise for such companies to have a presence in Greece.

QMP- What similarities would you highlight between the changes that Greece is going through and what Spain went through in the 80s and 90s?

G.G.- I can tell you that Greece, in comparison to other EU countries, was founded in 1832. We have a modern history of 180 years. Our administration was the Turkish administration. We suspended our ancient Greece tradition for more than 400 years during the Ottoman occupation. All other European countries developed their modern political cultures during the years that Greece was under the occupation. So, they all developed modern traditions during the Renaissance period, which Greece lost. We are similar to Spain in that we left our dictatorship in the same year, 1974. The dictatorship in Greece was seven years while in Spain it was 35 years. But the difference is that in Spain the administration was working perfectly. In Greece, the administration was related to the political system and the tradition was not beneficial to the people. It is true that during the last 20 years we have greatly improved our public administration, and greatly profited from the European experience. 

This report was produced by **Quality Media Press s.l. - Madrid - Spain**

Publisher: Francisco de Paula Martínez
Project Executive Director: Helen Murphy
Project Editorial Director: Symeon Tsalicoglou
Writer: Andrés Cayce
Translation and Editing: Loren Rudow, Michael Ducey
Layout and Design: Alexandra Nejdlova

This report as well as the complete interviews are available on the Internet at: www.qualitymediapress.com

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G R E E C E I N B R I E F

Area:	131,957 km ²
Coastline:	15,021 km –the longest in the EU–
Number of islands:	more than 2,000
Highest elevation:	Mount Olympus, 2,917 m
Population in 2001:	10,939,605
Immigration:	approx. 400,000

Main ethnic groups:	240,000 Albanians 25,000 Bulgarians 17,000 Romanians
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Currency:	Euro
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Religion:	98 % Greek Orthodox
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Unemployment:	9.5 %
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Literacy rate:	97 %
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Participation in the world merchantile fleet:	18.6 %
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University students:	195,000
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Visitors to Greece in 2001:	14,033,378
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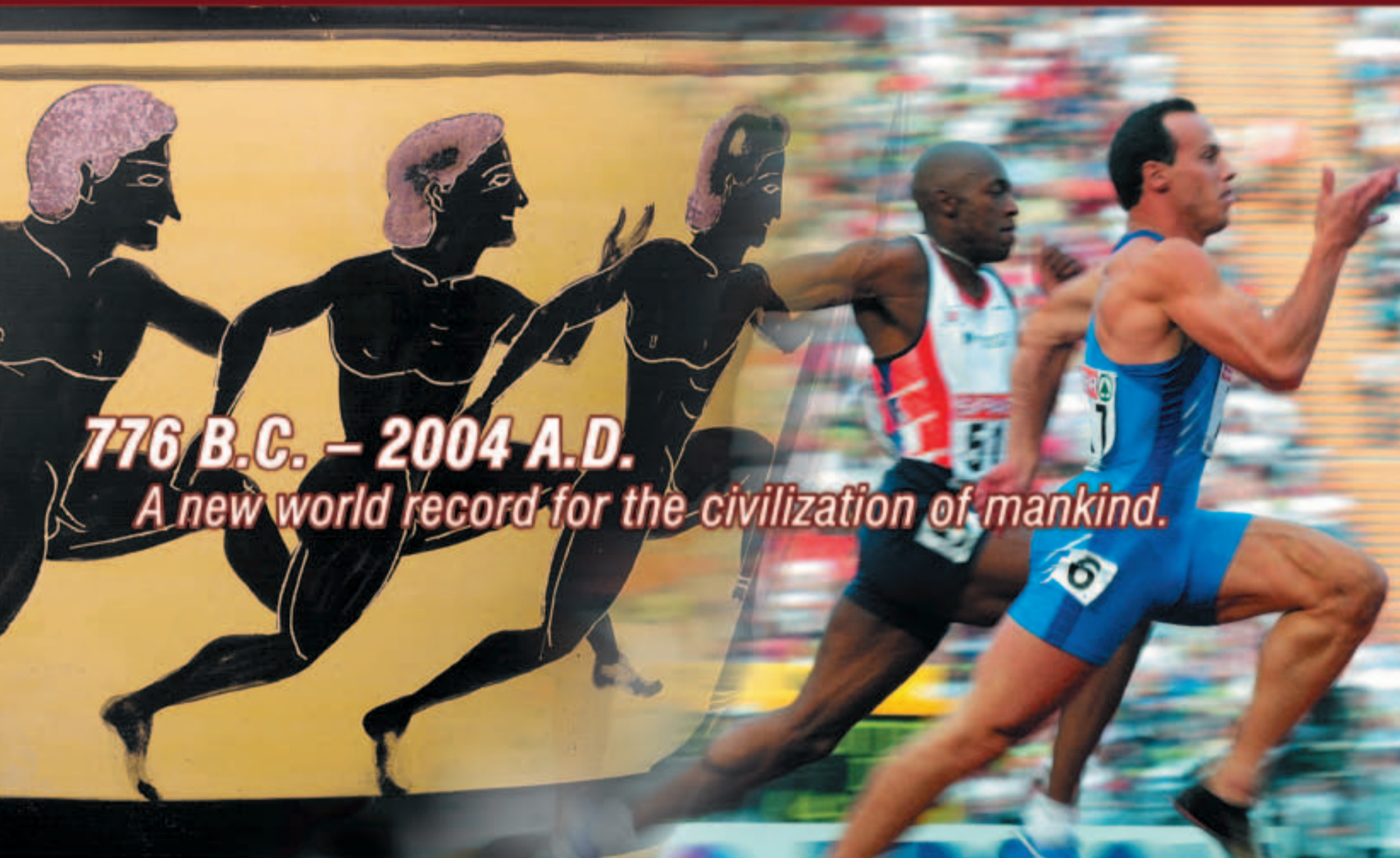
Main urban centres:	Athens Thessaloniki Patras Volos Larisa Iraklion
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Economic sectors:	
Industry:	22.3 % of GDP 22.8 % of employment 59 % of exports

Agriculture:	8.2 % of GDP 6 % of employment 22 % of exports
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Services:	70 % of GDP 61 % of employment
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- Greece is preparing for the 2004 Olympic Games. 70 major projects are advancing, out of which 28 refer to sport venues and 15 to road projects. The economy of the country is experiencing a boost with the increase of the Gross Domestic product by 1,3%. 120,000 new employment positions have been developed, the city of Athens is revived through interventions of lasting character.

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