

Thank you very much, Mr. President, your Excellencies, ladies and gentlemen, I want particularly to thank Minister Droutsas for a very far reaching vision of the Balkans, and for taking such a strong and clear Balkan policy due.

We count on this initiative from Greece for European accession for 2014. We do deal Greece as our literally best friend mentioned and state. And we are sure that in this way we remain safe.

I want to thank also Minister Papantoniou for inviting me to this conference and for this event. And also I want to thank my dear friend Mr. Tsomokos for giving me so much work into the promotion of the ex-Serbian business and political relations. Thank you Symeon very much.

I will first speak briefly about the situation as I see it. I used to be Minister of International Economic Relations and briefly as Minister of Finance, now I am a member of European Integration Council of Serbia, as an external advisor. And run a consultancy for finding investments. And also at Serbian Board of the National Bank of Greece in Serbia, which is a particular pleasure to me.

We start think that the crisis, the world crisis, did not leave a major impact on Serbia, it is not ...by the crisis simply because it was not involved into the international economic arena as much as the other international business, as other more developed countries were.

Going back to the crisis, it is luck of liquidity of the companies. We have companies failing, we have unemployment. That is not disasters.

What is more dangerous, more hazardous is the implement of structure problems of the Serbian economy, and those problems cannot be resolved after the revolution of 5th October of the year 2000.

So, I would say that the crisis is just a very low temperature comparing to the structure problems the Serbian economy has, and in order to solve these structure problems, and I will talk about them, we have also to solve certain political issues without which Serbia cannot improve its economy to the level of its true potential.

And typically, most political issues which the governments, the Parliament of Serbia are dealing with, and every government is dealing with, which is typically the consequence of the unfortunate blast.

And we can summarise it in four words: we are late in European Union accession. Bulgaria and Rumania is part of it. NATO remains a very open debatable issue in Serbia. Kosovo is an open wound. And we clearly relay on ...in terms of national recognize of Kosovo. And Hage unfortunately still is not a closed book for Serbia.

So, not only to solve the particular problems, it has to be for those four issues a fast solution, meaning that through the accession to the European Union we cannot use our four potentials, that is my personal opinion.

I think a political event happened for the Serbian position in the world, and that was the visit of Vice President Baldin. On the very few visits, I already had some, because that was the first visit we had since 1976 actually.

It seems to me that this visit has marked the US position towards Serbia, in somewhat it has the impact of unlocking Serbian international relations.

Since then a couple of important things have happened. First the US has chose its position on the population with the ..Bureau. That was an important change, which leads only Holland as the country which is blocking the application of the stabilization and the social...And it seems now that Holland is under pressure, and also from US, to de-block the application of the stabilization in social...

So, this was a major change.

And then comes the issue of unblocking the stabilization and association, and it seems to me that it maybe a matter of weeks that this unblocking will happen.

It really seems to be ridiculous that the European Union is not, itself, using the privilege of the stabilization and association of ..., because the de-blocking of stabilization and association of... is in favour of Europe itself, Serbia has already benefited it from the trade arrangements it has with the European Union.

It appeared through stubbornness of one parliament in Europe to keep this process blocked, and by that keeping Serbia on the margins of the European Union integration.

Serbia has the ...to follow the application for the candidate status to the European Union, and to my best knowledge it shall be done during December.

We had a good support and have made an arrangement with International Monetary Fund, which is a very important thing because

of big ...revenues in the first half of 2009. We had a short decline in revenues, ...revenues in the first half of 2009.

And we had an arrangement, a 3 years arrangement towards finances, so we see about 3 billion euros to support the stability, because this is the job that we have to do. But also the European Union has given us certain loans for stabilising the budgets.

And the revenue, thanks God, in the second half of the year, had significantly improved, and I have been talking to the Minister of Finance, and they have succeeded more than it was expected for this time.

The Serbian foreign policy is multiple, I would say. The government and the President define foreign policy of Serbia as, first of all the European Union they say that it is a essential strategic target of Serbian foreign policy.

As a part of that, Serbia sees naturally the US, Russia and China, as its strategic helpers. And this has a multiple politic, and of course they see Greece as literally best friend, this multiple policy comes as a consequence of the weaknesses we felt at the time, particularly, of the first ...government, when Dr.and his government had made a clear uni-pole policy towards the West, and felt unsupported enough.

I remember the words of him, who was very disappointed about Serbia: with the ... support Serbia got in 2002-2003 when its financial system was really stretched after the devastation of Milosevic regime and so forth.

And I believe that is multiple policy would stress of course the prevalence of this adjective, the central strategic policy by European Union but also Russia, America, China and so forth, this comes as a

consequence of this experience. And also, naturally the recognition of Kosovo, by some states, fortunately not Greece.

The results of the Serbian government in the last period I would say are very good. First of all, yesterday the European Commission has decided to remove this war, which was opposed that Serbia to travel to the several countries.

And it was started from, it is symbolic from the Serbian Saint Nicholas, that the Serbia would be able, finally, to freely travel the world, and this is extremely important for symbolising the nation and for simply draw them in the use of particularly of those people who in the formation period, in the '90s, which was literally hold.

So, this is a very important success and we are also, at the end of the day, thankful to the European Commission for being supportive in this respect.

You see the impact, also, of this multiple policy. You see a Russian equity in Greece, the National ...Company. You see Russian equity to be invested into a gas pipeline, which is in Greece and Bulgaria.

You see a Chinese...to be build up. So, you have, also, a major Chinese population and also financing privilege. You see, we believe, that a large German company shows a big interest for electricity joint venture of above 1 billion, which again is a very important European project and we believe that Germany, together with Greece, should be our goal of acceding the European Union.

The government was also very successful in respect to the infrastructure developments. It got many loans and we will hear more

about that from Mr. Peric. The European investment bankers' interest remains very powerful.

The World Bank has said the European Bank is for the infrastructure. So infrastructure into electricity and other infrastructure systems is very important. We remain grateful to the Hellenic Republic for the 100 million which it has put aside for ..between ...and the border of Skopje.

What are the challenges through the Serbian economy. Unfortunately there is a number of such challenges. First our competitiveness. The competitiveness of our economy is weak, and the reasons for that, weak competitiveness, was in the weak industrial base devastated in the '90s, and not enough developed in beginning of the 21st century.

At the moment the crisis impact is really on the companies. The result of that is weak exports, simply there is not much to export from Serbia. And the consequence of that is an international trade imbalance.

In the sense that we export about 15% of what we import. Nearly 55% this year, because the imports dramatically decreased a bit more than exports.

Therefore foreign investment into Serbia is essential for its development, and I can quote personally very much on this. In the year of 2005 I was in Greece for five times, and up to now Greek investment makes about 2,2 billion euros in Serbia and it comes as the first investor into Serbia, as Minister Droutsas said.

Property issues. Tax insufficiency of the system, incapacity of the The public companies remain a big problem in Serbia, a big

problem. It was an interesting event of yesterday. You have those big four public companies, and one of the bigger companies came with a report for the year 2008 for the National Petroleum Company, that it had profits of 2 billion.

And the Russian compliance, the Russian leadership in this content. And then another company was engaged, together by the Government and Russians, and suddenly we discovered 8 billion of ..., so that public old companies remain problematic in Serbia.

And they remain problematic because they use the finance of ..., and this is a systemic problem that we have, simply the finance is the reason why public companies are ...along with the historic attitude of the communism carried out, which also has an echo on this implementation to privatise public companies.

The pension system is strongly the ...system. And an important thing that was made with ..., that the pensions are shown seriously be decreased as a percentage of the GDP in the next 5 years. And this is a very important coming, not very long in the Serbian Republic, that we should really, as an obligation towards..., improved by the entire economic system of Serbia.

Another thing you have in Greece also, there is a strong disparity in regional development in Serbia. The outbreak is the longer the city is less in Serbia is suffering, particularly the eastern and the southern parts.

So, this remains a big political challenge and economic challenge because the ... towards Athens is very strong andlike Thessaloniki.

What should be changed? What should be changed and what are the proper actions that could unblock the situation and improve significantly the situation? Significantly improve the situation in Serbia.

First of all I think that a combined system of elections, a combination between proportional and a majority system should be introduced because that would improve the quality of politicians and strengthen the Parliament towards the ..That is very important, a proportional election system, and this puts all governments in a situation for decision because the policy of the governments has to be ..., and that is a problem.

Another problem that had detected for Serbia is that the Democratic Party, which is really the leading force towards European Union, does not have a true partner on the right side.

This remains a big challenge. You have the widest parties which are literally ..., and I think the big question from Mr. President Tadic is who are going to replace the ...in the next elections. That remains a big political question for Serbia.

We very much support, of course, the initiative for 2014 of the Hellenic Republic. It is a very complicated issue in Serbia. The majority of the Serbia Republic is against NATO, naturally.

So, some kind ofare truly to...NATO has to be invented. Something similar to what Tito did in 1995, by a treaty which actually gave us the privilege for the NATO but not all of it.

Formally the policy of the Parliament is neutrality, since 2 years now, and that is something blocked, clearly. Something that has to be

seriously improved in the country is education, health, pension system, economic, fight against corruption.

A vision of Serbia is needed, a clear vision of Serbia. The political parties are not willing to define a political vision of Serbia because this will strength their freedom of policies they would like to choose. And they are opportunists by nature.

So, vision is needed, a clear vision, and unfortunately I don't see really a vision, which is a challenge.

I don't see elections on the horizon. I see political stability. I see a few potentials of the continue investment in Serbia. And I want to thank you dearly for your patience to listen to this boring speech.
