



**PRESS INTERVIEW OF THE
GREEK MINISTER OF ECONOMY AND FINANCE
Mr. GEORGE ALOGOSKOUFIS
ABOUT THE
FIRST DAY OF THE ANNUAL OECD MINISTERIAL MEETING**

Paris, May 23 2006

This year's OECD Ministerial Meeting proves to be a major opportunity for member countries, as well as for non members, to exchange views on global economic developments, review best practices, discuss policy priorities and further explore ways to enhance their cooperation and policy coordination.

This year's central theme is "Delivering Prosperity" and the main focus is on reforms that can make our world a safe and thriving place for its citizens. Today, up to this point we have discussed over several important issues: the economic outlook, ways of improving economic performance, implementation of economic reforms for growth and employment.

The first session focused on the economic outlook, i.e. on current and short-term trends in the global economy. The fact that this year's *Economic Outlook* was published at the same time when it was presented to the MCM, gave us the opportunity to discuss it and comment in public on its conclusions. As we all know, world growth is strong for the past few years. Nevertheless, there are some notable and sizeable imbalances that have to be addressed, such as soaring energy and commodity prices, and issues such as fiscal imbalances, current

account deficits or surpluses and asset markets. The discussions have helped us reach some very interesting conclusions.

The second session focused on ensuring global prosperity and improving economic performance. During this session, we had the opportunity for a thorough examination of the nature of structural policies that can help reduce imbalances and lead to sustainable long-run growth. Such structural policies refer to labour utilization, productivity, innovation and financial markets. We have also agreed on exploring further how far we can go in achieving a certain degree of policy coordination that will help address the aforementioned imbalances.

The third session was about the implementation of reforms that will promote jobs and growth. Adjusting to domestic and global economic and political requirements, which are sometimes contradictory in nature, is one of the greatest challenges for policymakers around the globe.

We had the chance to exchange views on key topics such as policies for innovation and R&D, modernizing educational systems, and life-long learning programs. Such policies can lay the foundations for considerable gains in productivity and hence help reduce the risks associated with an ageing population in most OECD members.

As every Minister of Economy and Finance knows, reforms require careful planning, solid social consensus and strong determination in order to be implemented successfully. Building consensus, in particular, entails exhaustive explanation of problems and detailed clarification of the costs and benefits of proposed reforms. This is particularly true in socially sensitive areas, such as labor market or social security reform. Consequently, wide ownership of a reform agenda is essential; otherwise reforms can backfire and lead to the derailment of economic policies, as often has been the case in many countries.