



HELLENIC REPUBLIC

MINISTRY OF ECONOMY AND FINANCE

**STATEMENT OF
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MINISTER OF ECONOMY AND FINANCE OF GREECE
REGARDING THE
OECD MINISTERIAL COUNCIL MEETING
ON BEHALF OF THE CHAIR OF THE MCM**

Paris, May 15 2006

The OECD Ministerial Meeting is 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 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. The MCM, which will be held on May 23rd and 24th, will consist of five sessions:

The first session will focus on the economic outlook, i.e. on current and short-term trends in the global economy. The fact that in this year the *Economic Outlook* will be published at the same time when it is presented to the MCM, will give Ministers the opportunity to discuss it and comment in public on its conclusions.

As we all know, world growth is strong for the fourth consecutive year. Nevertheless, there are some notable imbalances that must be addressed, such as soaring energy prices and monetary policy coordination *vis a vis* fiscal imbalances, current account deficits or surpluses and asset inflation. I am confident that discussions will help us reach some interesting conclusions and agree initiatives that will help address the aforementioned imbalances.

The second session will focus on ensuring global prosperity and improving economic performance. During this session, Ministers will have the opportunity to explore the nature of structural policies that can help reduce imbalances and lead to sustainable long-run growth. We shall also have the chance to exchange views on key topics such as policies for innovation and R&D, modernizing educational systems, life-long learning programs that can lay the foundations for considerable gains in productivity and hence help reduce the risks associated with an ageing population in most OECD members.

The third session will focus on the implementation of reforms that will promote jobs and growth. 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 benefits and costs of proposed reforms. Consequently, wide ownership of a reform agenda is essential; otherwise reforms can backfire. This is particularly true in socially sensitive areas, such as the labor market or social security reform. I believe that this will prove to be the most challenging session of all.

The fourth session is about the future prospects of the OECD. We wholeheartedly approve the initiatives to carefully explore the possibility of enlargement of the OECD and deeper cooperation with non-members.

Finally, the session concerning Trade Policies in a Multilateral and Domestic Context takes place at a time crucial for the Doha Development Agenda (DDA) negotiations. Everyone agrees that the successful completion of the Doha round is important not only for the Less Developed Countries, but also for the members of the OECD. However, serious problems need to be overcome. During this session we shall have the opportunity to discuss the various issues regarding the DDA and encourage a positive outcome. As History shows, the opening of trade is not a threat to social stability, but rather, if carefully planned and managed, free trade can be an opportunity for faster growth and more prosperity.

I am confident that this Ministerial Council Meeting will be yet another step towards solutions that will help us "deliver more prosperity" to every citizen of this world.