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Address by H. E. Dr. Vaira Vike-Freiberga, President of Latvia, at the Latvian - Greek Business Forum, Athens, March 28, 2002

Excellencies,

Ladies and gentlemen,

I thank you all for coming to this forum, and extend a very warm welcome to everyone who is eager to build upon the economic foundations of an even closer Latvian-Greek partnership.

I should like to thank Eurogroup Investments Limited, the Athens Chamber of Commerce, the Latvian Development Agency, the Ministries of Foreign Affairs and of the Economy of both of our countries, and the Latvian Embassy in Greece for helping to make this business forum a reality. I hope that it proves to be beneficial for business representatives from both Greece and Latvia.

Even though Latvia and Greece are located in different regions of Europe, and each country quite naturally has concentrated on expanding its export markets to its immediate neighbours, there are compelling reasons for exploring new opportunities for economic co-operation between our two nations. After Latvia joins the European Union, both of our countries will belong to a common economic space. This will have a long-lasting impact on our bilateral trade relations, and on our trade relations with the rest of world.

Our two governments have already done a great deal to promote increased bilateral business and economic cooperation. Agreements on the reciprocal promotion and protection of investments, on economic and technological co-operation, and on the international carriage of passengers and goods by road are already in force. And the governments of our countries have just signed a convention on the prevention of double taxation.

Ladies and gentlemen,

I am delighted that during this visit, Latvian entrepreneurs are having the opportunity to meet with their Greek colleagues and to visit a number of significant Greek business establishments.

The level of economic co-operation between Latvia and Greece has increased over the past few years, which have been favourable ones for our nations economies, with a real income growth well above the euro-area average.

When Latvia regained its independence, it had to assume the monumental task of overhauling a bankrupt, State-run economy and finding new markets for its exports, all of which for decades had been sent eastward to Russia and other Soviet republics. Today, Latvia's transformation to a liberal market economy can be considered a success story of rebirth and renewal. During the past few years, Latvia has experienced one of the fastest economic growth rates in Central and Eastern Europe. Last years GDP growth rate was 7.6 %, and continued annual growth rates exceeding 5% are expected during the foreseeable future. Latvia's national currency, the lat, has been stable since its reintroduction in 1994. Annual inflation rates during the past three years have remained at the 2 to 3-percent level, which is among the lowest figures among the EU candidate countries.

Latvia now sees its advantageous geographical position as one of bridging the divides, as a communications and trade link between East and West, and between North and South.

With a well-developed transportation and logistics infrastructure, Latvia is able to fulfil an essential role in the transit trade. Currently Latvia handles the largest volume of transit trade in the entire Baltic Sea region.

Ladies and gentlemen,

It is generally agreed that knowledge and information are becoming increasingly important as prerequisites for success in an increasingly competitive world. With the ongoing technological revolution and increasing globalization, the value-added sectors of the economy, such as information and high technology, logistics and engineering, biotechnology and pharmaceutical production can be decisive for a countrys economic success. Latvia is not yet a global player in these areas, but we are working intensively to develop them.

Ladies and gentlemen,

With these brief remarks I wanted to draw your attention to Latvias enormous potential as a promising, stable and reliable business partner for Greece. The geographical distance between us is not as great as we might imagine, as Riga is less than four hours from Athens by air. I hope that this forum serves to generate new and beneficial partnerships between the entrepreneurs of our countries, and that it will be remembered as a notable success.