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GREECE IN A NEW ERA:
A DISCUSSION WITH PRIME MINISTER ALEXIS TSIPRAS
ON GREECE'S ECONOMIC AND FOREIGN POLICY FUTURE

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Introduction:

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P R O C E E D I N G S

MR. JONES: Good afternoon, ladies and gentlemen. My name is Bruce Jones. I'm the vice president and director of Foreign Policy here at the Brookings Institution.

On behalf of our outgoing president, Strobe Talbott, and our incoming president, John Allen, I'm delighted to welcome you here today, to the Alan and Jane Batkin International Leaders Forum, with Prime Minister Alexis Tsipras, of Greece. This is jointly hosted by the Foreign Policy program at Brookings, and the Hutchins Center on Fiscal and Monetary Policy.

It's our honor to welcome Prime Minister Tsipras for a keynote address on the future of Greece's economic and foreign policy. As you all know, since becoming prime minister in January 2015, he has led Greece's efforts on economic recovery while simultaneously managing relations with the EU and security policy in a turbulent region,

He has a career built on public service from his role at the municipal level in Athens, to his current position in leadership in the Greek government, and knows from his own experience, the sweep of challenges confronting his country and the region.

His visit this week is testimony to the importance he places on continuing to build a strong relationship between Greece and the United States, and his speech here this afternoon comes after an important, and I think highly successful visit in Chicago, as well as a meeting with President Trump yesterday, and with Vice President Pence earlier this morning.

Following his remarks he'll be joined on stage by our own Dave Wessel, the director of the Hutchins Center on Fiscal Policy; and Amanda Sloat, our new Robert Bosch senior fellow who recently served as deputy assistant secretary of state for southern Europe.

I want to get out of the way and leave time for his remarks and a vibrant conversation. Let me just close by welcoming a few additional guests.

Accompanying the prime minister, we are delighted to welcome foreign minister, Niklolaos Kotzias; defense minister, Panos Kammenos; economy and development minister, Dimitri B. Papadimitriou; and digital policy minister, Nikos Pappas.

We are also delighted to be joined by members of the diplomatic community, including Geoff Pyatt, ambassador to Greece; and his counterpart here in Washington, Ambassador Haris Lalacos.

So now, please join me and welcome to the stage, Prime Minister Alexis Tsipras.
(Applause)

MR. TSIPRAS: Ladies and gentlemen, thank you very much. It's a great honor to be here in Brookings. I'm very happy because it's the last event after an exhausting trip, exhausting schedule for five days in Chicago and in Washington, but I'm also happy because it's not the first time that I'm here, and I would like to warmly thank Brookings for today's invitation.

I was here in January 2015 as the leader of the opposition that time, but I think that a lot has changed since the last time I was here, four-and-a-half years ago. Greece at that time was going through one of the toughest periods in its modern history of deep recession that lasted more than seven years, caused a quarter of our GDP, resulted in 27 percent unemployment, and led thousands of people to poverty, while creating an enormous brain drain of our most qualified young professionals.

The crisis that had serious consequences on our country's diplomatic and geopolitical position, particularly in Europe and in our region; so, today I'm very proud to say that Greece is finally back and entering a new era as an increasingly dynamic economy, and promising investment location, as a regional hub for energy, transport and telecommunications, strengthened by its important role in tourism and shipping, and as a pillar of security and stability in one of the most important, but at the same time, stable regions in the world.

And I want to be clear that the momentum built up in the strategic relationship between Greece and the United States in the last years has an even more important role to play as we enter this new era, not just in diplomacy or the economy. It is a relationship of great geostrategic importance given Greece's location at the crossroads of three continents. And this is why America, American support, both for the economic recovery of Greece and the protection

of its sovereign rights against those who want to undermine them, is today as crucial as ever.

Greece is the only country in the region that has promoted a comprehensive, positive diplomatic agenda for stability and cooperation in the Balkans and eastern Mediterranean. It is a long time European Union and NATO member, and one of the few that fulfills its obligations, not only in international operations but also in military expenditure.

Greece promotes a strong defense cooperation with the United States, including in the crucial base of Souda Bay through viable and reliable air and naval facilities, and it has greatly enhanced bilateral cooperation in the fields of anti-terrorism, information exchange and intelligence, including in migration management where we have a crucial role.

Greece is a country that upholds international law and humanitarian values even under the most difficult circumstances as we have proven throughout the refugee crisis. And let me add that today our Asylum Service, which was founded five years ago, handles the biggest number of asylum applications in Europe relative to our population. And Greece, is the same time, a useful ally that has the diplomatic resources to enhance dialogue with third countries in moments of crisis.

In the eastern Mediterranean, Greece, as it proved recently in Switzerland, has an active role of resolving the Cyprus issue on the basis of a fair and viable solution outlined in United Nations Security Council resolutions; a solution without guarantees of foreign troops, without guarantees of third countries or foreign troops, but while enhanced the security of all Cypriots.

Greece supports the European accession process and has an active policy of engagement with Turkey in order to keep it on a path of democracy and dialogue. It resolutely protects its sovereign rights in the Aegean against increasing illegal Turkish claims and, let me say provocations, while at the same time retaining self-restraint and encouraging dialogue.

It promotes strong bilateral, and with Cyprus, trilateral cooperation with significant countries in the area like, Israel, Egypt, Jordan, Lebanon, Palestine. It establishes regional

initiatives such as the Rhodes Conference promoting security in the broader region, all the conference for the protection of religious minorities in the Middle East.

But let me add that Greece is gradually enhancing its role as an active economic player in the region. The recent joint venture between General Electric and the Greek company to build a power plant in Libya worth EUR400 million is a case in point.

In Balkans in southeastern Europe, Greece is a consistent advocate of revitalizing the European accession process of the western Balkans, together with the European Union, Balkan countries, and of course together with the EU, Bulgarian presidency, we aim to organize a European Union western Balkan summit in the summer of next year.

At the same time Greece has an active policy of resolving the name issue with FYROM, Former Yugoslavian Republic of Macedonia, this is the whole name, on the basis of a mutually-agreed solution in order to open the path for the country's Euro-Atlantic perspective. Greece also establishes strong multilateral initiatives including with Serbians, Bulgaria, or with Bulgaria, Romania and Croatia that strengthen regional economic cooperation and dialogue.

It remains one of the top investors in the region with crucial role in banking infrastructure and consumer markets, at the same time Greece is rapidly strengthening its role as an energy, transport and telecommunication hub in the region, through the delivery of Caspian gas using the Trans-Adriatic Pipeline, TAP, with the IDB and the vertical corridor. And through expanding the LNG terminal in Revythoussa establishing, and Floating Storage Regasification Unit, FSRU, that's what's called the FSRU in Alexandros Palace or Northern Port, and procuring additional gas imports from the United States.

And I want to add that the fact that Greece is the second country that opens the way to sell gas imports in Europe at the same time Greece is developing this major pipeline for importing Israeli and Cypriot natural gas from Leviathan resources, southeastern Mediterranean, and at the same time the EuroAsia Interconnector Project linking Greece, Cyprus, Israel in an electronic grid.

In parallel, it is carrying out new offshore hydrocarbon tenders in Crete and the Union, in which American companies are active, and it is in discussions with Turkey and Italy on a new gas pipeline. Greece also carried out the successful privatizations of the Ports of Piraeus and Thessaloniki with a view to developing them into regional transport and logistics hubs, connected to roads and railroad networks; and is now modernizing our regional airports, and expanding high-speed railway connections all through the Balkans, as well as the (Inaudible) and Black Sea regions.

Of course, ladies and gentlemen, it is clear that entering this new era would not have been possible if Greece had continued the path it had taken four years ago, four-and-a-half years ago when I was here last time. And this is why it is a good time to reflect on the recent past of the crisis, as well as the steps we took to overcome it.

And I think that it is necessary to try to answer some fundamental questions: why Greece delayed so much? Why it was necessary to remain in this bailout program for so many time, for seven years? And when we will be out of the programs? Eight years, August 2018.

Why have the two previous programs collapsed? What are the elements of the program that made it work? What are the reasons that the Greek economy now is coming back with a growth rate of approximately 2 percent, and unemployment has fallen by 6 percentage points while the fiscal targets are overreached in 2015-'16, and will be overreached again in 2017.

So, I will try to give some answers in these questions. For me the first reason is that we created -- we managed to create a political consensus after all, we chose to go for elections just after we had concluded the agreement with our partners, and not before, as the previous governments did. Everything we achieved, and everything we did not achieve in the context of our negotiations, was brought in front of the people.

In the time of the crisis we chose to preserve and protect democracy, democratic institutions and accountability of the political leadership, because I believe that no program can

be politically viable if it is implemented without a popular mandate, without a consensus in society.

Let me stress that we will always, under any circumstances, protect democracy. We will not allow extremism to become part of the mainstream political agenda. We will not allow hatred, racism and anti-Semitism to dominate Greek politics, as it is unfortunately the case in other European countries.

So if the first reason is the consensus and the protection of democracy, the second reason has to do with the magnitude to fiscal consolidation that the program incorporated. And let me say that we feel we were right on insisting, during negotiations, that we should limit austerity and leave space for growth and job creation. And I would like to remind you that in 2013, I claimed before you here in Brookings, that our strategy was not to push the country outside Europe but to stop austerity in Europe and, of course, in our country in Greece.

And today we feel vindicated, because against all odds we did manage to achieve an agreement with EUR20 billion less austerity for the period of the program, compared to the agreement we had inherited. So, the first reason is the consensus, the second reason is the smooth adjustment, fiscal adjustment in cooperation with the previous programs. And the third reason is that policies -- is that our priorities in our policy was to protect the most vulnerable people in Greece, paid a lot during the first five years of the bailout programs.

So, policies to protect the most vulnerables are already implemented, more than 500,000 Greek citizens benefit from the implementation of the theme of social income, of solidarity, a minimum guaranteed income, 2.5 million citizens benefit from the implementation of the legislation that allows access to health care to citizens without insurance, and the overshooting of the surplus target is growing every year, and is going to be distributed to those in need.

The same happened last December, the same will happen at the end of 2017,

and we are working to an amount, that time, close to EUR1 billion.

So, these elements, dear friends, ladies and gentlemen, were not there in the first, and also in the second program. Fiscal consolidation was based on assumptions that proved to be completely wrong, and to multipliers that had nothing to do with reality; especially IMF's projections and assumptions proved to be wrong, and as a result the credibility of the Fund was undermined.

Let me stress that I'm very happy to hear the Fund declaring that it's willing to change its course of action, and that no new measures are needed, while at the same time insisting in debt restructuring. So this was like music to my ears the day before yesterday when I met Mrs. Lagarde.

So, ladies and gentlemen, I think that it's clear that we have a lot of work ahead of us, but also that we have managed, finally, to turn the corner by leaving behind both the crisis, but also the economic model that led us to it. By strengthening our broader management while preserving our values, by promoting a multi-dimensional or a multi-vector, like some people like to call it, diplomatic agenda that gets more confident and more effective day by day.

In these respects, I stress again that the Greek-American strategic relationship is as important as ever. In this respect I want to underline once more that my visit to the United States takes place in a very crucial and critical momentum. I think it was the correct momentum in order to convey the message that Greece is back, and that Greece that was, all this period, a reliable ally for United States, now it's not only an attractive country for tourists but also for investors.

And that we need the strategic cooperation now more than ever, that we managed to overcome difficulties, we are leaving the crisis behind, so now is the time to go on to support our efforts, to accelerate our efforts in order to have an exit, not only from the crisis, not only from the memoranda, but also from the reasons that created the bankruptcy, the reasons and the model that led us to the crisis.

And this government is decisive, not only to make reforms, but also to implement them, to hit corruption, to hit and to try to create a new era for the country and for the Greek people, future. This is the message, the message is that now it's time to trust Greece, and I believe that I manage to convey that message, and I'm very happy that the same message yesterday, also President Trump tried to convey. Thank you very much. (Applause)

MR. WESSEL: Are you okay with the questions in English, or do you want to use the translation?

MR. TSIPRAS: I will try in English, and then if I would find difficulties, I will try and (crosstalk).

MR. WESSEL: Okay. Thank you very much, Prime Minister. And thank all of you. The prime minister tells me he's going to -- we are going to start out in English, and depending on how well Ms. Sloat and I speak English, we'll see whether he can understand it. In which case I'll switch to Greek, and then you'll see how much better your English is better than my Greek. (Laughter) So, we welcome you and I --

MR. TSIPRAS: This is the result of the negotiations.

MR. WESSEL: Yeah. Right, right. So, it struck me as you were speaking, prime minister, how much has changed since 2013. You came here as a leader of the opposition, I think the business community in the United States was a bit frightened that you were some crazy leftist, and then you sent us VÉrfarkas, and they were convinced that you were crazy leftist. We had Barack Obama as president of the United States, now we have Donald Trump, so things change here as well.

But I think in Europe and in the United States we've seen the rise of populism, populism from the left and from the right. So, I want to start by asking you a question about: Who is Alexis Tsipras? Are you still a populist on the left? Have you now become a defender of liberal democracies, the EU, NATO? How do you position yourself in this ever-changing spectrum, political spectrum?

MR. TSIPRAS: Thank you very much for this question, because you give me the chance to underline and to remind you what I tried to convey to you four-and-a-half years ago. Today, I try to remind myself of this speech, and I found that that time I said to you something very clear, that it's not my intention to put Greece out of the Euro Zone, out of Europe.

And I said very clearly that my intention is to renegotiate the loan agreement in order to refuse austerity, not to cancel late the loan agreement but austerity. So, I was trying to convey the message that with austerity and with so tough adjustment, it's impossible to find a way to have a breakthrough. I'm trying to convince everybody that it was necessary to focus on structural reforms for Greece more than to focus in cuts in salaries and pensions.

And I think that I was correct, and I believe the same today. I believe that the fact that we managed to overcome the difficulties; and to have a successful computing of the fed program is absolutely why the fed program was smoother in adjustments, and was focused on structural reforms.

And let me say -- let me add something also important. I believe that now, all the Europeans, and not only, also the Americans that are watching the situation in Europe, became wiser. Why? Because now they understand that the big threat for European unity are not the forces that criticize the current model of Europe, the current policy in Europe, but the forces of that, and the European as a whole.

And the European forces are the first of the extreme right that they don't believe in the foundational values and principles of European Union, like solidarity, like democracy. Not the forces that want it and go on to change the current policy, to change Europe, but now also the leadership, the European leadership started understanding that it is a necessity to change Europe, otherwise we will not have a future, because if Europe is not attractive for its citizens, if Europe, its only penalties and austerity and discipline, this is not something attractive.

If the current policies create inequalities, create recession and unemployment for the young people, and doesn't give perspective, this is not attractive for the citizens, for the

young people.

So, you asked me before, what I believe that I am, as a politician. I'm a progressive politician, I believe in the foundations, the values that are the achievements of our common culture, the achievement of democracy, of social cohesion, of social rights. And I'm fighting for them.

So, I'm a (inaudible) but progressive politician, but at the same time I prove that I'm also realistic in order to find, every time, the correct way to protect these values, because I was in front of difficult dilemmas, especially 2015. And I believe that whatever I chose was for the benefit of the majority of the people, it was for the benefit of these values.

MR. WESSEL: So, how do you account for the rise of right-wing populism in Europe? Should we see this as a threat to our shared values?

MR. TSIPRAS: Yes it is. Yes, it is. And I think that of course, fortunately, the last results in elections, especially in France, shows that we have overcome the big threat, but I think that the problem is still there. I think that the possibility of the cooperation between the right-wing and the extreme-right, either it's a real threat for Europe, for human rights and democracy in Europe, and I believe that it is necessary also for the so-called left-wing, center-left forces, but also for the center-right forces, to take brave decisions.

It is true, it is obvious that there are significant differences in our point of view, I mean between left or right, but at the same time it's obvious that we could find the consensus in order to determine the framework in which we are trying to fight each other, the framework and the rules that we again have in Europe.

The extreme right wants to break this framework, to change the rules, so I believe that it is a threat. I believe that you have to pay attention on that, and we have to take, as soon as possible, crucial decisions in order to overcome the danger of division in European Union.

MR. WESSEL: Thank you. So, Amanda?

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MS. SLOAT: Sure. Thank you, Mr. Prime Minister for being here; it's a pleasure to have you here. Speaking of democracy and shared values, I wanted to probe a little bit more your thinking on Turkey, which you mentioned in your speech. Turkey has been the subject of a lot of debate here in the United States, similar to in the European Union.

I know you're returning to Brussels for a discussion in the European Council later this week, about the future of EU-Turkey relations, and there seems to be real tension between a recognition of Turkey on one hand as their strategic partner in addressing the situation with ISIS, the refugee crisis, and on the other hand a lot of concerns about growing authoritarianism, and democratic backsliding.

Greece obviously is in a very interesting position as Turkey's neighbor, you mentioned in your speech concerns about Turkish aggression in the Aegean, I would posit some of the announcement in yesterday's Rose Garden, about you looking to modernize your F-16 Fleet, is not unrelated to Turkey's plans to upgrade its F-35 Fleet, and yet on the other hand, you've been one of the lone voices in Europe calling for the continuation of Turkey's New Accession process; describing it as a tactical and strategic mistake to end that process.

MR. TSIPRAS: Mm-hmm.

MS. SLOAT: So, I'm interested in hearing more about how you think we should be looking at Turkey? And in particular, what tools do you think the EU has? What should the U.S. be doing short of stopping the accession process, to try and move Turkey back in line to these democratic and shared transatlantic values, that we have and that they profess to have, even though they don't seem to be living them at the moment?

MR. TSIPRAS: So, it is true that Greece is in a specific position, so maybe I would be more happy if our neighbors were Luxembourg, Belgium, or something like that, but unfortunately our neighbor is Turkey, and Turkey sometimes seems to be unpredictable, sometimes seems to be aggressive, with significant tensions and problems inside, internal, but with a respectful role in the region.

So our strategy, not now, this was during the years, is to try to support the accession process of Turkey to the European Union, because I believe that it is necessary to keep Turkey in the European path, in close cooperation with the Western world, and I believe that the accession process of Turkey is at the same time the tool in order to mobilize the necessary reforms to democratize this country, reforms that will support the human rights and democratic values.

But I want to admit that this is not every time easy. And I believe that sometimes we have to express our concerns, and that I tried to do yesterday with President Trump, and to all these days that I'm in the United States. I'm concerned about the future in the area, in relation with Turkey's behavior.

And so I want to underline that we Greeks tried to play this crucial role, and my government, and me personally, I went three times in a period of six months to Turkey -- eight months to Turkey. I was, I think the first prime minister that did something like that before the Turkey Agreement for the refugee crisis, in order to underline how crucial it is to create an environment of friendship between the two countries, and of course between our people.

But at the same time, when every day we have violations in Aegea, we have provocations, (inaudible) flights and other flights over our islands, and at the same time, who have statements that are in a revision of -- they want to revise -- to chat about in the national law, and to revise the Lausanne Treaty. I think that this is something very, very dangerous and it's, indeed, a reason for concern.

So, that's why we believe that it is necessary to be very clear to our neighbors. We want you in the European path, we want you as partners in NATO, and we want to increase cooperation, but at the same time it is clear to you that in order to be in this family there are some preconditions, and one of the most important preconditions is the respect to the international law.

This is the clear message that I'm trying to convey to Turkey, and I believe that

this is the message that also the American administration, the U.S. administration has to convey to them.

So, if the question was: What the European Union has to decide about Turkey? I don't know if I will surprise you, but I am one of the most important supporters of Turkey in the European (inaudible), every time that we discuss about that. And I have publicly said, that it's a huge mistake to stop the accession process, not only because now we are in a difficult position because of the refugee crisis, this is our principle position, our position in principle for the region that I said to you before.

If you ask me -- but if you ask me at the same time what the European Union and U.S. have to say to the Turkish administration? I will say the same clear message, that we want you together with us, but we are very clear to you, you have to respect the international law, and to stop violations, and to create a more friendly environment especially with the more -- closer allies, and especially with Greece.

MR. WESSEL: So, for a government that has been struggling to get out from under austerity, you apparently want to spend a lot of money a billion -- \$2 billion to buy F-16s, why --

MR. TSIPRAS: First of all, it's not so much, huh.

MR. WESSEL: What's that?

MR. TSIPRAS: First of all it's not so much. And not to increase (crosstalk) --

MR. WESSEL: Oh. You've got a good -- You were a good negotiator with President Trump, you got the price down?

MR. TSIPRAS: He's not increasing the (inaudible).

MR. WESSEL: (Laughter) But how do you explain to people in Greece who are worried about their hospitals, and their public transport, and their pensions, why it's important -- why you want to spend money on airplanes just to create jobs for Americans?

MR. TSIPRAS: Yeah. This is a crucial question. I'd like to be in the position to

not spend even one euro for military spending, but I would be in favor on that if, as I said before, my neighbors were Luxembourg and Belgium, but it is not, at the same time I try to promote friendship and cooperation in order to decrease the spending. But I want to be realistic on that.

We have a lot of focus, but unfortunately after so many years have difficulties to link to each other, to connect to each other, so if we will not upgrade their facilities this aircraft -- aircrafts will be only, in order to see them but not to use them.

So, what we managed to -- not to achieve, there is no agreement but there is open discussions, is to convince U.S. administration that it is necessary to keep the army balances in the area, of course, for a few reasons, the main reasons. And I believe that this is not a financial issue, so whatever we discussed is the possibility to upgrade the F-16 aircrafts with an amount that I think that it will be not more than 1 billion -- 1 million -- 1.1 billion for the Greek side.

I don't know details about that, but the experts of the minister of Defence are saying to me that this is something very beneficial for the Greek side. But I want to repeat that it is not an issue, a financial issue, an economic issue, it's a significant and sensitive, the strategic issue. And I tried to convince the U.S. administration to try to look at this issue as it is, not as something that, as somebody said yesterday, that the Greeks will create jobs in United States. I will be very happy to be able to do that.

So, I have U.S. to do that, because I'm creating jobs in Greece already as well (laughter). But it is not that case. The case is to keep the balances and to work for peace and stability in the region.

MR. WESSEL: Amanda?

MS. SLOAT: You've mentioned a couple times the refugee crisis, which arguably is one of the most pressing political problems in Europe right now, and seems to be contributing to a lot of the political backlash we are seeing, and arguably to some of the rise of these populist movements on the far-right.

Greece, certainly, is the first point of entry for a lot of refugees and migrants, has been particularly hard hit with over 1.3 million people passing through your country in the last number of years, and over 62,000 now. Unfortunately, a lot of the conflicts and conditions that are causing these individuals to leave their home don't look likely to be resolved anytime soon, and it seems very unlikely that many of these refugees will be able to return home in the near future.

Given your experience dealing with this crisis over the last couple of years, what do you think EU leaders should be doing to prepare their publics for what is becoming the new normal, both in terms of finding a way to ensure that these refugees are able to live fulfilling lives in their new host countries, and also to ensure that it becomes a manageable situation for the natives born citizens in these countries?

MR. TSIPRAS: First of all I think that -- I have to say that it was a very tough experience, but at the same time I'm very proud for Greek people, for what they did during the refugee crisis, and especially in the days that there were 4- or 5,000 of them, through violence, went to the Mainland and then to the Northern European countries.

So, we felt that time that we had the burden of the whole world on our arms, the most severe refugee crisis since the Second World War was on our islands. The waves broken on the rocks of the Greek islands, it was very, very difficult and tough, but the Greek people, in the contrary of what some Central Europeans did, opened their hands, they gave solidarity, they created hubs in order to aid them to give them food, hospitality facilities, and this was something very, very mobilizing for us, and I'm very proud about that.

The other fact, that's also in Greece, there is an extreme right party, and a lot of media, but have the same agenda of the extreme right, this is the truth. But the people had a very good reaction, maybe because of our heritage, maybe because of our culture, of our history. Don't forget that in 1924 there was a huge wave in the same region with refugees from this area, Greek refugees from the region that now belongs to Turkey, to the Greek islands.

Maybe these memories help, but I think that it was unique and priceless what the Greek people did.

So, the EU-Turkey Agreement, it's a difficult agreement. It was necessary, very necessary otherwise the situation will deteriorate day by day, and don't forget that at the same time with these huge flows, we had daily deaths in Aegean. So, EU-Turkey Agreement at the end stopped the situation, stopped the deaths, but it is very difficult agreement there because we want to implement the necessary agreement in the framework of the international law.

To examine one by one any asylum application, for example, and that takes time. We don't want to violate the international law, so that means that the returns from the islands to the Turkish Mainland are less than the existing flows, because the flows have been reduced rapidly -- radically, but they have not disappeared.

So, these have been -- created a difficult situation, an overcrowded situation in the hot spots in the islands. In the mainland the situation is perfect. In the mainland we had the camps, we had apartments, we give foods, we give education, and I'm very proud about that, very proud. For the situation in the islands, now I'm not proud, but it is very difficult for us to have this situation in order to not violate the agreement, EU-Turkey Agreement.

So, you are asking me -- you asked me what we have to do about that, about the refugee issue, and I would like to give an answer not only take in mind to the current situation, but take in mind the problem as a whole, because I don't believe that the problem will be solved even if the situation in Syria are stabilized.

The refugee problem is the problem of the future, so I believe that if the European Union and the U.S. together, will not take a brave decision financing these areas with a new Marshall Plan for the Northern African countries, in order to give incentives to them to stay in the place, we will not overcome the problem.

I think that this discussion has to start, otherwise the problem will be there, and I cannot believe that we could solve the problem by violence with aircrafts, and army ships.

There is no way to solve this problem with violence. I think that the only way is to take brave decisions to finance these areas.

MR. WESSEL: Thank you. I think that those of us in America, who are children of refugees, as I am, watch with great attention which people in Europe welcome refugees, and which close the door. But I want to ask you one question about the Greek economy before I turn to the audience. You've made a point in your speech here, and quite a bit in Chicago, about how your strategy is to -- now has to be to attract investment.

MR. TSIPRAS: Mm-hmm.

MR. WESSEL: And you've been very open about your interest in doing that, yet from business people both here and abroad, I hear complaints that, well, Tsipras says that, but Eldorado has these problems with the regulation of the gold mine, and suddenly the archaeologists have discovered that an airport is an archaeological site, and so forth, that sometimes it seems as if you are open, but some of the Greek bureaucracy is not making it easy for foreign investment. So, how do you explain to people how you want investment, and how to cope with this dichotomy?

MR. TSIPRAS: I think that we have to not confuse all the cases, because not all the cases the same. I had to admit that there are huge difficulties with bureaucracy in Greece, but at the same time you have to respect that Greece is a country, not of the third world, but is a European country. So, don't confuse the Eldorado case with the other cases.

Everybody that is coming to invest in Greece has to respect its -- let its laws, its legislation, its rules, its constitution. So, we need investments and we call for investments, but we are not saying to investors that they are free to come in Greece and to not respect the law and especially, don't forget, that one of the most important heritage for us, one of the most important advantage of Greece is its environment, its beauty.

Look how many tourists we'll have in 2017, 30 million tourists; this was the key because we managed to have these rates of growth, the increase year-by-year beyond the

crisis, tourism. Now, in the other cases, I absolutely agree with you, we had problems and we have to solve them, bureaucracy is one of the most important opponents for us, but believe me we make very significant steps in legislation.

We made this New Development Incentive Law that creates a stable environment, stable taxing rates for 12 years for investments with high significance. We make this fast-track procedure for strategic investments, and at the same time we try to make difficult reforms in the public administration, we had the goal to digitalize the public administration, and maybe this will be the most revolutionary action if we manage to end it, significant actions.

And all these we have already legislated, but the problem is not only to make a law, but to implement the law, and to unblock blocked projects, and at the same time to face the most important problem, let me say, that is the fear of the public servants, in the terms of their responsibility. Do you know how many folders are in the drawers of public servants, and this is necessary, me personally, with the ministers, to go to find how and why the projects are blocked, and to unblock them, and we have managed to unblock projects, about 600 million the last two years, investment prior projects.

Of course maybe this is not enough, we can do more. That's why I took the decision to create a taskforce under my leadership, in Maximos Mansion, in the prime minister's Office. Why? Because I want to have the control to monitoring the investment projects, and to try to solve the difficulties, but at the same time to give the message of the political willingness to support these projects, in order to encourage these public servants to not fear in front of various possibilities.

And I'm very optimistic now, the result also in privatizations the last two years was 2.6 billion, when the four previous years with '10 to '14 it was only 1.5, and this is a contradiction. The previous governments said a lot about privatizations but they did a few things. I prefer to say less but to do more.

And also in investments, we have very good results, and I'm very optimistic, but

also this is symbolic project of the (Inaudible) Port of (Inaudible), will start very soon. Probably spring -- in the first semester of 2018, we will be ready to start works there in Ellinikon, and this will give a signal to the international investor community.

MR. WESSEL: Thank you. So, the prime minister has agreed to take a few questions. Heather, could you stand up, right you are? Thanks. Here is the deal: say who you are, ask a question, keep it short.

MS. CONLEY: Thank you, David. Heather Conley, with the Center for Strategic and International Studies. Mr. Prime Minister, when you travel to Brussels tonight to begin the European Council Meetings tomorrow, you will see Chancellor Angela Merkel who will begin her fourth term but with a very different government coalition. How concerned are you that the debt restructuring that Greece so urgently needs may be confounded by a new German coalition government? Thank you.

MR. WESSEL: Yeah. And are you going to miss Wolfgang Schäuble when you get an FDP finance minister? (Laughter)

MR. TSIPRAS: It is true, I will miss him. Yes. Yes, tomorrow I will be in the Council, I think that Angela needs some time in order to create a new government. The last time she told me that maybe this will be done January, because it's very complicated to negotiate the same time with two parties, it's necessary to have three parties in the coalition now.

So, you asked me about the crucial issue, the crucial issue. So, first of all I want to say that it is a little bit strange, from the European side, to demand the participation of IMF, and if the case is the recipe of the necessary measures, but at the same time to not respect their advice in the issue of the debt. In this strange case, this strange situation was the case that created the previous period, all the difficulties and the delays, because sometimes, you know, that especially in the second review the delay was huge because of disagreements between the institutions.

So, now I think that in any case we are in a better condition. First of all because the agreement of June 15, in the second review, was a very significant agreement for us on the debt issue, because it create a framework that gives -- secure to the investors that there is no problem in the repayments.

I'm not sure what will happen 2050, but for sure for the next decade. How? We took a very significant decision to have a ceiling in the repayments of 15 percent of gross financing needs, 15 percent of GDP in gross financing needs. At the same time with the French proposal with this mechanism that linked the necessary debt measures, the extension of maturities, and the extension of grace time with the growth rate of the Greek economy, so you have less growth more extension, or if we have more growth less extension.

This mechanism, in combination with the ceiling of 50 percent, create a safe environment for investments, so we didn't manage -- we will not have managed to decrease the debt as a percentage of GDP the next (inaudible) so much, probably. But, if we see the problem of the view of the repayments we are safe, the investors are safe, because Greece, after this reprofiling, I mean the reprofiling in the graphic of the repayment, there is no peaks now, so the investors are sure that the new crisis -- the crisis will not be back for sure in the midterm.

So, the performance specification of the debt measures in the framework that we decided in Eurogroup of June is an obligation for the Europeans. It will happen the next month after the German government be (inaudible). And then I think that we give more trust to the investors to invest in Greece. In any case we show that trust in the last transaction of July. It was very successful for us, but in (inaudible) to get back to the markets.

So, I think that in any case we are in a good track. If IMF, with our efforts, because we'll be on the same page of that, after the third review, (inaudible) and manage more brave decisions, and more specifications of the debt measures, the better.

So, this is the clear position. (Inaudible) was afraid before meeting Christine the

day before yesterday, I was not afraid for the (inaudible) that, or the other case, I was afraid if once again we stopped this endless negotiations, and without the deadline, to discuss and discuss and discuss, and to lose time, because time now is part of our strategies -- priority; because the sooner to conclude the review, the sooner you take decision, the sooner have to conclude successfully the last program, and to be back on -- in the (crosstalk) --

MR. WESSEL: So, you are, or are not worried about the new German government?

MR. TSIPRAS: No. I'm not. I'm not. I'm not worrying because first of all as I'm seeing, the Greek issue is not in the agenda of the political conflicts in Germany, and neither in Netherlands. So, in Germany, but also in the other European countries, needs to have the success, and the breakthrough in the Greek case means at the same time a breakthrough for Europe, so I'm not afraid.k

MR. WESSEL: Nicolas, can you stand up?

MR. VÉRON: Thank you. Nicolas Véron, at the Peterson Institute here and Bruegel, in Brussels. Thank you, Mr. Prime Minister, for your wise words and for having kept Greece in the Euro in 2015. You said that Greece upholds international law and humanitarian values even in difficult circumstances, and I want to ask you about Mr. Andreas Georgiou, the former head of your National Statistical Service, EL STAT, who is the target of multiple lawsuits and convictions, which many people inside and outside of Greece view as politicized.

Now, I know that the Greece justice system is independent, but your government seen from outside could do more. Could say that Mr. Georgiou is an honorable civil servant who did his job with integrity, could say that the numbers he produced for the most contentious year, 2009, were accurate, and could commit to pay his legal expenses, even in the case where he would be wrongly convicted.

This case is hurting Greece's reputation. It's also frankly hurting the reputation of the Euro Zone and Europe as a place where good statistics are produced. So, I would like, if

you will, to hear your thoughts about this case. Thank you very much.

MR. TSIPRAS: First of all I don't know these statements that have been made by the Greek government. I'm very happy that I heard from you, that you recognize that justice in Greece is independent. Sometimes we disagree with their decisions but we have to respect them. And for us there is no political in relation on that issue. We expect the results of the Greek Statistic Organization, and with these statistics, we calculate the necessary reforms, and the necessary measures that we have to take, and the fiscal adjustments that we did.

There is no doubt about that, nobody refused that this is the numbers that we have and we work with them. So, it's a special issue. I can absolutely recognize your concerns about that, but it's a very sensitive issue, and for me, I think that it's forbidden to make any comment for the justice decisions. This is a principle for me, not only for that case, but for all the other cases, even if sometimes I had to admit I disagreed with the decisions.

So, I hope that -- and I'm sure that the Greek justice will do whatever it takes in order to give a fair and last decision on that issue.

MR. WESSEL: Thank you. Right over here; stand up, yes, so she can see you.

MR. REDIKER: Thank you, Mr. Prime Minister. Doug Rediker here, at Brookings and also International Capital Strategies. I just want to pick up on your comment about your favorable interaction with Christine Lagarde and the IMF, and just ask a straightforward question. In light of the questionable nature of the IMF's continued participation they are in and approved --

MR. TSIPRAS: Excuse me?

MR. REDIKER: the IMF's continued participation in the new program. They are in a sort of half-in half-out stage right now, subject to an approval in principle, but not an actual approval of participation. Is it in your -- Is it your view that the IMF is better off in or out? You have personally, and your government had been highly critical of the IMF in the past, but as you alluded to, they have been highly supportive of the debt relief that you and your government

have been seeking. So, is it better that they are in, or that they are out?

MR. TSIPRAS: Well, this is a very challenging question. Believe me I think that the better for Greece now, is to conclude successfully the program with the participation of IMF, if this means the better decisions for the debt relief, for the necessary debt relief. This is our goal, so we have already concluded 80 percent of the reforms, so we don't have something to fear about that. Everything that was difficult for us happened. There's an expression in Greece, "we have already eaten the camel --" and (inaudible).

So, there is no difficulty for me to answer directly on that. But if the dilemma is to have a completion -- to have an endless discussion and negotiation on the demands of the Fund, or to have a quick conclusion, maybe without Fund financing the Greek program, the same directly, I would say to you, the second.

So, there is not time for delays, there is no time for discussion, everybody has to admit that they made mistakes in the past, there is a mistake, not blame on us that we have delayed so many years, who have to be out of the programs from 2013, now it's 2017. So, it's enough. And now everybody has to recognize the sacrifices for the Greek people.

MR. WESSEL: Thank you. I think we have to end it here. Mr. Prime Minister, I hope you'll come back and have more good news to deliver two or four years from now.

We would appreciate if everybody would stay in your seats until the prime minister leaves; and if you could take your translation device and leave it at the front door, and any papers in the waste can.

So, please join me in thanking the prime minister. (Applause)

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