

## Greece and the Silk Road Economic Belt

*Mr. Kammenos is the chairman of the Independent Greeks party and a member of Parliament. His speech was translated from French.*

It is a great pleasure for me to be with you today, and I thank the organizers warmly for their invitation.

The subject of my speech is Greece and its role in the New Silk Road.

As you all know, what became manifest over the last five years, is what was being prepared since the 1970s: *the domination of financial capitalism over countries' economies, and in particular, over their national policies.*

The economic crisis of 2008 became a humanitarian crisis, which mainly hit the economies of the EU countries and the United States. My country, Greece, was already in a vulnerable economic situation.

Greece became a member of the European Union on Jan. 1, 1981. The creation of that Union was—and I insist on the *past tense* of the verb “to be”—one of the greatest political and economic achievements of post-war Europe, because it focused on the social state. The Second World War had had devastating effects on the populations of Europe, and reconstruction required creating a haven of peace under a capitalism that would favor the development of an egalitarian structure of society. That initial project should have reached a high point with the creation of a common currency, the euro, which was supposed to be the one factor that would advance the integration process in the EU.

### The Wreck of the Eurozone

However, the worldwide credit crisis of 2008 showed, most demonstrably, that the Eurozone had no line of de-

fense, and was not ready, politically, economically, and monetarily, to manage the crisis and the ensuing recession. The credit crisis turned into the debt crisis of the Eurozone. In other words, the Eurozone failed because the Treaty not only did not provide for, *but in fact prohibited*, a member-state from being rescued by its partners.

Of course, I am not the only one who has admitted that. The IMF itself stated in December 2013 that the Eurozone was in worse shape than in 2008, whereas the United States, where the crisis began, had overcome its problems in the meantime, and begun an economic recovery.

The figures, dear friends, speak for themselves: The unemployment rate in the Eurozone is over 12%, with the highest rates in Greece (27%), Spain, Portugal, and Cyprus. More than half the unemployed are under 25 years old, and most of them are long-term unemployed. In other words, we have an economy which is not producing extra jobs, and which cannot, *a fortiori*, integrate the young people, with their skills and knowledge, into the structures of production.

The vision that European citizens had of a Union of citizens collapsed brutally in 2008. That is a sad observation, but is nonetheless frank. The European Union today is

nothing but an autocracy, which aims to sell off the economies of member-states to the banking system and to dismantle national sovereignty. In the European Union today, the bankers make the political and economic decisions for the governments and their people.

Moreover, the unilateral management of the crisis in Europe by Germany “awakens the ghosts of history,” and its “hegemonic role threatens to lead to catastrophe.” Those are not my words, dear friends, but those of one of the greatest political thinkers, the German Jürgen Habermas, in a recent speech at the Université de Louvain in Belgium, while issuing a call for greater “solidarity” and “more Europe.”

### The Independent Greeks' Program

Against this backdrop, the Independent Greeks advocate the following positions:



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*Panos Kammenos: With the New Silk Road, “we will finally be able to speak of a new world based on mutual respect, dating back to ancient times, and which is being revived in this first half of the 21st Century.”*



*The Chinese company COSCO is upgrading Piraeus into the largest port in the Mediterranean, a gateway for East-West trade.*

1. Respect for the sovereignty of member-states of the European Union. Instituting a European Union of equality, autonomy, and solidarity, with full legal status of the institutions and activities of the national member-states;
2. Immediate abolition of the loan protocols and contracts;
3. Repositioning the European Parliament in the decision-making process,
4. Drawing up a European development project based on social justice;
5. Systematic fight against corruption;
6. Systematic fight against “tax havens”;
7. Definitive treatment of the debt crisis in the Eurozone, under a European agreement similar to that of London in 1953, which finally settled the German debt;
8. Immediate adoption and issuance of the Euro-bond by the European Central Bank;
9. Immediate establishment of a European rating agency to assess the solvency of the member-states;
10. Introduction of the tax on financial transactions;
11. Separation of commercial banking from investment activities;
12. The systematic fight against unemployment, in particular, among young people;
13. Restoration of the social welfare state;
14. The fight against neo-nazis;
15. The repositioning of the problem of immigration by immediately changing the terms of the Dublin II Treaty.

My country represents a kernel of stability, energy security, and peace in the greater region of Southern

Europe and can be a bridge of communication and understanding between East and West.

Our membership in NATO and the EU does not prevent us from maintaining close political, economic, and cultural relations with other countries, especially those with which we have historical ties, such as Russia and China. We should develop those relations in the overall strategic interests of West and East.

### **The New Silk Road**

The question that arises is the following: Is it possible that the maritime and land Silk Roads will contribute to the economic recovery of the European continent, and of Southeast Europe and North Africa?

Ancient Greece played an historical role in the economic, cultural, and political development of the then-known world. It was the center of world trade routes and of economic development, from the Balkan peninsula to the Baltic Sea in the North, to Russia and the Indian Subcontinent to the East, and the Mediterranean countries and the African continent to the South.

Today, we are witnessing the resurrection of the Silk Road, both on land and on sea. Implementation of this majestic plan presents Greece with the opportunity to once again assume its historical role in the region, and to consolidate, quasi-permanently, its geopolitical position as a pillar of economic development in respect to the above-mentioned regions.

The development of these new trade routes would spur a boom of different means of transport, because of the increased volume of goods to transport. That means the almost certain development of Greek infrastructure for railways, roads, and ports.

The future of Greece would be better if a strategic orientation were taken to establish links with some of the most dynamic economies of the world, and to find thereby new sources of economic support. One of these countries, besides Russia, is China.

Those who know China and its needs know that Greece plays a preponderant role in the region for this gigantic country. Not only for historical and cultural reasons, but also economically, because Greece is the most economical conduit for Chinese exports shipped to the rest of Europe, the Arabian peninsula, and North Africa.

Dear friends, I would like to inform you that China is already in Greece.

When I was state secretary for the Merchant Marines, I signed, in November 2008, an agreement between the Piraeus Port Authority and the Chinese COSCO Group, for a 30-year concession of part of the container station in the port of Piraeus.

This port has become a link for East-West trade and allowed Greece to consolidate its role as an economic center of Southeast Europe, and, in particular, of the Mediterranean, during an especially precarious period for Middle Eastern and North African countries. Moreover, the port is taking on a strategic role in cargo transport from China to Europe and vice versa.

A few months ago, in July, a new agreement was signed with the COSCO group, which will invest EU230 million in the port. With that investment, the port of Piraeus will effectively become the largest in the Mediterranean and will be able to increase its capacity from 3.7 million containers to 6.2 million per year.

Meanwhile, a recent study shows that the turnover of companies headquartered in Piraeus will reach EU1.5 billion per year, while the guaranteed income of the port is EU3.4 billion. Finally, 800 jobs will be created, thanks to that investment.

From that perspective, linking the port with the railway infrastructure, which was done last year, ensures that goods arriving in Piraeus will be routed quickly to the markets of Central Europe. Similarly, goods from factories in Europe can go faster and at lower cost to all other destinations worldwide.

I would add that China's commercial interest focuses on the expansion plans of COSCO for the port of Piraeus and the development of the rail network. However, that does not exclude the possibility of future investment in similar infrastructure elsewhere in Greece (e.g., Patras).

Piraeus was thus established as a gateway for East-West trade, and its role as economic center of the Mediterranean and Southeast Europe has been strengthened by it.

But Greece is more than Piraeus. There are other Greek ports that can benefit from the Silk Road. A prime example is the port of Igoumenitsa on the Adriatic, one of the most important ports in the region, with a passenger transit of about 200,000, and 120,000 trucks per year. Thanks to its easy access to the Egnatia Odos Highway linking Greece to the Balkans, the port of Igoumenitsa gives Chinese goods access to these countries.

Moreover, should the Chinese plan to link the

Danube port of Thessaloniki via Belgrade materialize, we will have direct access from Thessaloniki to the heart of Europe, and then through the Rhine, to the ports of Antwerp, Rotterdam, and Hamburg.

Another strategic positioning could be the linking of the Euxine Sea (Black Sea) across to the Caspian Sea, and then to Central Asia and Siberia on the one side, and to Iraq, Iran, and the Indian Subcontinent on the other.

Finally, in the near future, when the Strait of Suez is enlarged, and the Chinese plan for the Danube is implemented, Greece will be the transit hub for Chinese products, costs and travel time will be reduced.

## **Rebuilding Greece**

Dear friends, the party that I have the honor to lead, the Independent Greeks, has already developed a national reconstruction and development plan which calls for, among other things:

- Upgrading the Greek Railway Authority so that all of Greece is covered by modern infrastructure to allow cheaper, faster, and, above all, safer transport. The Patras-Athens-Thessaloniki-Promachonas line is outdated and needs to be urgently modernized.

- Immediate aid for commercial trade by opening up new markets and attracting investor interest through realistic and achievable economic incentives.

- The establishment of a stable and investment-friendly environment, thanks to a stable fiscal framework, the fight against bureaucracy and corruption, the reduction of tax rates, and the reduction of the time needed to implement investments.

- The creation of a free zone for the Merchant Marine, safeguarded in the constitution, and the establishment in that free zone of a Merchant Marine center.

- Concession of inactive industrial areas to investors outside the EU, based on low tax rates, provided the investors propose a 20-year plan for employment of the unemployed.

I would also like to draw attention to the fact that, besides the economic and trade relations that will develop around the Silk Road, cultural and political relations will also be enhanced. We will finally be able to speak of a new world based on mutual respect, dating back to ancient times, and which is being revived in this first half of the 21st Century.

"Silk Diplomacy" is only a question of time, and all the things I just mentioned will just be the symbol of this expanded cooperation, which will contribute its share toward global stability and the promotion of peace.