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Thank you very much. I would like to make three points. The first one is that I envy Slovakia. First because like other accession countries possibly with the exception of Poland it is a small country. And you got have noticed that the most successful, the richest countries in the world are all small countries. There are some exceptions. But take the richest countries in Europe: Luxembourg No. 1, Switzerland No. 2, Ireland No. 3, and then the Denmarks and so on. And go to Asia it's the same thing. Go to Africa it's the same thing. So small is an advantage probably because these are more homogeneous populations, therefore the political compromises are easier to achieve because they must select a certain competitive edge, they cannot do everything so they have to reflect on what to do and so on. Second, we know that economic success is just the result of good policies of which perhaps the most important is education and then the trivial things such as fiscal policies, the legal environment and so on. And on all that Slovakia is extremely well-positioned I wouldn't even argue the Union can learn a lot from it.

Now my second point is... Since Slovakia within a short period of time will be a member of the Union obviously much of its future success will depend on the success of the Union. The more successful the Union, the faster growth in that big market, the more opportunities are there for Slovakia. And I just would like to make a sort of two points.

The first is that independent of the growth there is a major gain from being a member of the Union. This gain is estimated to be the static gain in the range between 5 % and 10 % of GDP and then a dynamic game, which is larger. And that dynamic gain is of course once you won't be in the Union, in the monetary union there is no more risk premium in the interest rates, you will have considerably lower interest rates which are then very positive for domestic investment.

On the other hand, although the short-run prospects of the Union are grim I think we exaggerate sometimes and I believe there are good reasons to think that the medium prospects are much better. Let me just give you a very simple argument. Sometimes one believes that the Single Market is just about a more efficient distribution of goods but of course the competitive pressure it exerts means that firms have to reorganise their production, move to best practices and so on. Even this will then by force change the older wretched labour market we have because what are unions for? To battle for a larger part of the rents that the non-competitive market generates. If their grind due to increased competition is reduced then you will have lower prices that will increase the purchasing power of everybody but it will not increase the wages of everybody. And the unions in that game when there are no more rents to fight about have in a way lost their traditional role to play. And already now we see the results and unions are much more active sort of in the public sector domain than in the industry domain. Just to give you some numbers in 1980 the number of workers unionised in France were 22 % and now it's 9 %, in Germany 36 % and now it's 24 %. So there has already been a substantial decrease within ten years only because it's not that interesting any more to be a member of the union. Also, we always talk about sclerosis but in fact we are progressing and I'll give you again two numbers. They're indicators taking all the aspects, for instance for entry barriers for a new business. And I'll give you these for three countries: in 1975 the indicator was 5.5 for the US, 6 for France, 5.3 for Germany; in 1998 for the US 1.5 so a tremendous improvement, for France from 6 to 3.3 still considerable and Germany from 5.3 to 1.9. For public ownership which includes all sorts of things what the public sector does, how many state companies you have, where the government messes around with regulation and so on in the US virtually no change because of an already very low in 1975, in France an indicator of 6 and now of 4.9, in Germany 4.6 and now three. So we are lagging behind the United States, but we are at least progressing and therefore, with all the problems that are recognised I think it's the matter of time until this sort of systemic competition because we all have brains, some have more in terms of education producing more graduates. But as was pointed out before capital cost's the same everywhere. So the rest is systemic competition. Where do you have better administrative laws, where do you have better infrastructure and so on. And all that means that the particular powers of unions and even of politicians is already decreasing substantially and will do so in the future.

Now my third point is what about the opportunities for Slovakia. And I think we have already received two major examples and what I particularly liked in the first presentation was to show that an investment by a major multinational has tremendous effects up on the value chain because they need

the support of local suppliers, they need cooperation with the local research facilities such as the universities.

On the education front it should be a top priority to maintain or even to increase the investments in education because here we have seen numbers. But you know a university graduate is a very heterogeneous project. It ranges from a genius to somebody who has hung around for long enough at the university. So what we want is a quality improvement because it's not for nothing that our best students go to the United States to do their doctorate. So to invest not just in numbers but in quality, which also probably means some reforms of the education system are needed. We need a work force that is trilingual: English and let me say German for vicinity reasons. I mean it's a sort of small countries, in Luxembourg everybody's trilingual at least. In the Netherlands everybody is bi- or trilingual. So there I think should be the goal and I'm a little disappointed hanging around in bars here I have not found many trilingual people. It's a dubious empirical test but it is an empirical test. And this is my result. I think if one invests in education where I mean above all the technical side, the business side, they will probably present the basic conditions for what we heard in the second presentation namely the future will be the service industry. See, there is a little problem with the automobile industry. As of 2008 the automobile production per capita in this country will be the highest in the world. And you don't want to become too dependent just on one economic sector. And obviously services generate jobs and there is also a lot of the brain work is also being done.

Now I will conclude with a sort of one hope but I can see the basics are right for it. I see so many companies in our old member countries of the Union extremely unhappy about a heavy regulatory environment, heavy taxation, a Union par and so on. All that you don't have here. I've heard, for instance in Pheneon – a Munich company – even Allianz has said: „Look, if there's instant change we move headquarters abroad.“ Well, Bratislava is a beautiful city. It's not far away from all these places. And I could see the advantages would be absolutely tremendous. For instance, Holland has been or Switzerland has been a favourite sort of headquarter locations for American companies, but also for European companies for tax reasons and another. Slovakia on the legal side has already become a sort of the Delaware of Europe. So why not play that game? And have a Pheneon and Allianz headquarters here.