



**Opportunities and Challenges  
in Greece Today**  
Friday, 23 April, 2010  
The Athens Concert Hall



**FORUM OF THE CENTRE FOR PROGRESSIVE POLICY RESEARCH (KEPP)  
IN COOPERATION WITH CAPITAL LINK**

*Under the Auspices*



Athens, 23 April 2010



With a huge success, as evidenced by an attendance that exceeded 900 participants, the **Centre for Progressive Policy Research (KEPP)** in cooperation with Capital Link, organized a Conference entitled "**Opportunities and Challenges in Greece Today**", which was held at the "**The Athens Concert Hall**", (Mitropoulos Hall), in Athens on **Friday, April 23, 2010**.

The event was organized under the auspices of the **Ministry of Economy, Competitiveness and Shipping of the Hellenic Republic** and aimed to explore the challenges and opportunities in Greece today while the country tries to navigate towards an exit from the crisis. The current difficult conditions create a number of significant challenges for the Government and businesses, but also

present major opportunities for those who take a long-term view. The topics that were discussed during the Forum included the investment environment and experience and prospects of businesses, their investments in the sectors of energy and innovation as well as the prospects of foreign investments in Greece.

Members of the Government, representatives of international organisations and top executives of the Greek and international business spectrum have participated in the Forum.

**OPENING SPEECH**

The Forum opened Mr. **Yannos Papantoniou**, President, **Centre for Progressive Policy Research (KEPP)**, **Former Minister of Economy & Finance and National Defense of the Hellenic Republic**. The Minister mentioned:

"Greece is at crossroads. The crisis revealed the limits of the development model after the fall of the dictatorship, while the derailment of the recent years has revealed its weaknesses. The economy will not survive in the modern world with the current hypertrophic, wasteful and inefficient state. We need new structures to a new institutional framework. The adjustment will be long and the road will be tough, but we need to cross it.

"If, despite the international financial support, Greece doesn't restore the conditions for financial stability and doesn't enhance competitiveness, its return to the international markets to secure loans at reasonable cost will be very difficult. In this case, the risks are big and include an exit scenario from the Eurozone. That is why there is no room for failure. The political leaderships with the support of citizens must respond to the challenge.



"The current Government has a historic responsibility. It comes from a party that has contributed, in critical moments, to the rescue of this country from great dangers. During the political changeover, it led the fight for democracy, development and modernisation, which was sealed with the entrance in EMU (Economic and Monetary Union). Today, it needs to turn the crisis into an opportunity for reorganisation and recovery, by building a modern state and mobilising all the creative forces of the country."

## WELCOME REMARKS



Mr. **Nicolas Bornozis**, President, **Capital Link**, made the welcome remarks. He characteristically said: "Today's Forum takes place amidst a climate of uncertainty, with Greece facing many significant challenges. The various structural inefficiencies that had not been dealt with successfully for a long time have surfaced today creating as such a harsh reality. But we can still shape the future and take advantage of the unique opportunity we have to reshape Greece, aiming to restore optimism and confidence in our pursuits. The Government, and the average Greek citizen, know that reforms can no longer be postponed and need to be implemented today. Even though this will be temporarily painful, the reforms need to be deep and far reaching to result in Greece emerging stronger with a healthier foundation for a more reasonable and sustainable standard of living for its citizens and with a better business environment."

## KEYNOTE SPEAKER

The Forum's **Keynote Speaker** was Mr. **Laurent Fabius**, **Former Prime Minister of the Republic of France**, who spoke during lunch and emphasised the below:

"Economic government, governance, piloting, cooperation or harmonization, lots of words have been brought up to point out what Europe needs today: a strengthened union.

"The first intervention field of an economic government would consist in a better coordination, a better monitoring and a better preparation of Member States fiscal policies. Within this renovated framework, the Eurogroup together with both the Commission and the Parliament should see its role reinforced: it would work upstream on the macroeconomic assumptions which lay the groundwork of any budgetary plan; it would express its view on whether those assumptions are respected by the governmental projects, even before the National Parliaments have been referred to. Finally, it would exercise its control on a regular basis. Similarly, progress will have to be made concerning fiscal social and environmental harmonization. I am in favour of implementing a "fiscal snake" such as the "monetary snake" in the past. Moreover, one must have the means to achieve its ambitions: a genuine government must be able to raise taxes. The EU must be able to do it.



"A second action field of an economic government is the reducing of Europe's trade imbalance outside our frontiers. Free-market economy cannot be the alpha and the omega of our policies. International monetary harsh competition reveals its limits. We must both be more efficient in terms of European research, innovation, education, investment abroad and protect Europe from an unfair competition. The principles of a new trade policy must be the following: rather "fair trade" than "free trade", open Europe yes; Europe for free no.

"We must provide ourselves with the means to become a genuine Europe-power. Lessons our governments and European Monetary Union must learn from recent events are numerous. The new President of the European Council is responsible for this task. I wish he would propose audaciously the implementation of a "European economic government". I wish for it and I ask for it. This government will imply both convergence and solidarity. This is a part and parcel of the new European economic piloting I wish to see implemented."

## PANELS

There were four panels, as follows:

- **“Investment Environment and Companies’ Experience”**
  - **Main Speech:** Minister Louka Katseli, was represented by Deputy Minister of Economy, Competitiveness and Shipping, Mr. **Stavros Arnatoutakis**
  - **Moderator:** Mr. **Panayotis Bernitsas**, Managing Partner, **M. & P. Bernitsas Law Offices**
  - **Panel:** Mr. **Byron Ballis**, Deputy CEO, **Eurobank EFG**, Mr. **Leonidas Demetriades-Eugenides**, President, **Eugenides Group**, Mr. **Nikos Angelopoulos**, Chairman, **Association of Greek Tourist Enterprises (SETE)**, Mr. **Theodoros Charagionis**, President, **Charagionis Group**, Mr. **Alekos Cholevas**, President, **Hellenic Foreign Trade Board**

The first panel focused on the business environment and the policies required to make it friendlier and conducive to undertaking new investment initiatives and assuming risks.



### Panel:

#### Mr. Byron Ballis, Deputy CEO, Eurobank EFG

“Important drawbacks of the Greek economy - such as an enormous & centralized public sector, the tax & social security contribution evasion, the continuous declining of our competitiveness - which were not confronted for decades, drove us at the edge of the cliff / doorstep of collapse.

Today, lack of faith exhibited by international markets, discourages - at least for the near future - any potential investment initiatives. It is, therefore, absolutely necessary to put into place and then communicate / present a set of favorable conditions that will create economic & political stability and offer a positive perspective to our country.

A first major step has already been taken through the Stability Program. However, the Stability Program needs to be complimented by II additional national programs:

- a. A “Development and Competitiveness” Program
- b. A reliable program of “Public Debt Reduction” - Program through privatizations & public property utilization.

#### Mr. Leonidas Demetriades-Eugenides, President, Eugenides Group

“Greece of yesterday reached today through a process of a non-transparent and introvert course. Such process has to be objectively analyzed and after having recognized mistakes and attributing responsibilities wherever they belong, Greece should draw a course of action for extrovert national renaissance.

Such course of action should be based on a responsible dialogue between social partners under the auspices and guidance of the Greek state. The aim of such course should be the establishment of a constant through the time institutional, tax and development framework which would convince investors to assume investment risks in the fields where Greece and Greeks have comparative advantages.”

## Mr. Theodoros Charagionis, President, Charagionis Group

- Greece is an attractive country for foreign investments, particularly in high level tourism, renewable energy resources, concessions and Retail Real Estate.
- In the last three sectors, being partners by 50%, with particularly important in their countries, British and Portuguese business groups we have been trying for the past 11 years to invest in the Greek market.
- Common findings:
  - A. The renewable energy resources are not supported by an appropriate institutional framework.
  - B. Municipalities are generally opposing large investments planned in their areas.
  - C. The labyrinthine law allows to any law - abiding citizen to block any large investment.”

### • “Investments in Energy and Renewable Energy Sources”

- **Main Speech:** Mr. Ioannis Maniatis, Deputy Minister, **Environment, Energy and Climatic Change of the Hellenic Republic**
- **Moderator:** Mr. Emil Yiannopoulos, Assurance Leader, **PricewaterhouseCoopers Greece**
- **Panel:** Mr. Harry Sachinis, Chairman & CEO, **DEPA S.A.**, Ms. Ourania Aikaterinari, Deputy Managing Director, **Public Power Corporation (P.P.C.) S.A.**, Mr. George Paparsenos, CEO, **DESFA**, Mr. Konstantinos Stampolis, Vice-president, **Institute of Energy for South - East Europe (I.E.N.E)**, Mr. George Peristeris, Executive Chairman, **Gek Terna Group**, Mr. **Sofoklis Pitarokilis**, General Manager, **SOLAR CELLS Hellas Group**



The second panel considered the prospects for investing in energy and, particularly, on renewable sources which offer substantial opportunities taking into account our landscape and climate.

## Opening Remarks: Mr. Yannis Maniatis, Deputy Minister, Environment, Energy and Climatic Change of the Hellenic Republic

“The energy market, in all its forms, has large margins for development. Energy drives the economy, literally and metaphorically.”



This message to the attendees, summarises the position of Deputy Minister Mr. Yannis Maniatis at the Forum "Challenges and Opportunities in Greece Today" organized by the Centre for Progressive Policy Research and Capital Link.

Mr. Maniatis elaborated on:

- the actions of green development which are funded with €5.5 billion from the programs of NSRF
- the liberalisation of the natural gas market
- the acceleration of large energy projects which are forecasted by intergovernmental agreements
- the launch of procedures for the establishment and operation of a public national agency for research and exploitation of hydrocarbons in our country.

“In the midst of a major national crisis, inactivity is a forbidden attitude”, said in his speech Mr. Maniatis, highlighting as such the need for long-term thinking and bold, courageous and insightful decisions.”

## Panel:

### Mr. Harry Sachinis, Chairman & CEO, DEPA S.A

“The DEPA Group, by participating in a series of large natural gas infrastructure projects, wishes to contribute to the upgrade of the geostrategic importance of the country, constituting Greece a significant energy hub, as well as rendering DEPA a key regional player in the greater Southeast European region. Indicative projects contributing to this end are:

- The Interconnector Turkey – Greece (ITG) Project, in operation since 2007, has contributed to the diversification of supply to Greece and Europe, by providing initially 0,75bcm/y of Azeri natural gas to the Greek market.
- The Interconnector Greece – Bulgaria (IGB) Project will establish the diversification and security of supply to Bulgaria and the greater Balkan region, leveraging ITG and the LNG terminal in Revythousa.
- The Interconnector Greece – Italy (IGI) Project will allow Italy and the rest of Europe to import natural gas from the Caspian Region and the Middle East, thus contributing to security and diversification of European energy supply.

The operation of the new LNG terminal in Northern Greece can further enhance these goals.”

**Mr. George Paparsenos, CEO, DESFA**

“DESFA operates, maintains and develops the Hellenic Natural Gas System (ESFA) in our country.

Today, it implements a major investment program while at the same time the constructions of the Gas Compression station in Nea Mesimvria and the High Pressure Pipeline towards Aliveri are in progress.

New high pressure pipelines contribute to the expansion of the transportation system, covering more areas of the country, like Peloponnese, meanwhile the Hellenic Natural Gas System potential has been reinforced due to the second upgrading of the Revythousa Liquefied Natural Gas Terminal Station. At the same, DESFA cooperates with PPC for the introduction of natural gas in Crete.

Finally, DESFA through its participation in international business partnerships that aim in the promotion of natural gas pipelines interconnections (such as the terrestrial part of the Greek-Italian pipeline and the South Stream pipeline), actively contributes to the differentiation of natural gas transit in Europe, ensuring energy security both in our country and the wider area of Southeastern Europe.”

**Mr. Konstantinos Stampolis, Vice-president, Institute of Energy for South - East Europe (I.E.N.E)**

“The energy sector in Greece represents a substantial segment of the country’s economic activity and is estimated to correspond to approximately 15% of the GNP. Over the last decade significant progress has been achieved in opening up the electricity market and introducing new forms of energy, including natural gas and renewable energy, thus lessening the country’s dependence on imported oil. Today, important energy challenges lie ahead as Greece is re orienting its energy strategy in order to comply with EU’s stated goals, known as 20-20-20, for achieving sustainable development. In that respect substantial investments in the order of 30.0 billion Euros, over the next 10 years in both conventional and RES energy projects, are planned.”

**Mr. Sofoklis Pitarokilis, General Manager, SOLAR CELLS Hellas Group**

“PV (Photovoltaics) is the most rapidly evolving sector of energy while in the meantime the cost of PV systems is constantly being reduced in the recent past years. PV producers from Asia limit the profit margin of the European Producers by increasing the overall production capacity disproportionately to the demand. The Greek market, despite the significant solar resources at its disposal, is characterized by low PV penetration into the energy balance. In such a volatile environment, Sofoklis Pitarokilis General Manager of the biggest PV production factory in Greece, strongly believes that the potential of the company is strong, provided that it remains focused on innovation that will help the company to preserve its competitive position in the market. The understanding of the peculiar nature of PV products allowed the provision of reliable, tailor-made and integrated solutions, adapted to the needs of the client. The development of new production methods, the Research and Development infrastructure, and the flexible business models constitute the pillars that guarantee gradual decrease of the production cost, diversification in the product portfolio range, and stability during periods of financial crisis.”

• **“Investments in Innovation”**

- **Main Speech:** Mr. **Kostas Mallios**, General Manager, Corp R&D Strategy and Business Development, **Microsoft Corporation**
- **Moderator:** **Spyros Travlos**, Dr. in Economics, former General Secretary, **Ministry of Economy & Finance**
- **Panel:** Mr. **Constantinos Antonopoulos**, CEO, **INTRALOT S.A.**, Mr. **Constantinos Vourdakis**, President & CEO, **PC SYSTEMS S.A.**, Mr. **Michael Kyriakides**, Special Consultant of Operational and Managerial Processes, **ALAPIS S.A.**, **Prof. Vassilios Makios**, General Director, **Corallia Clusters Initiative**



The third panel highlighted the opportunities for innovation as well as bringing in new technologies so as to encourage the creation of new high value-added venues in both products' and services' sectors.



**Opening Remarks: Mr. Kostas Mallios, General Manager, Corp R&D Strategy and Business Development, Microsoft Corporation**

“There is broad consensus that innovation is desirable and required for business and societal progress. The need to define, implement and measure a nurturing innovation environment for companies and government, is increasingly pressing. Mr. Mallios articulated the practical conditions required for technology innovation and discuss best practice examples on a global and local level.”

**Moderator: Spyros Travlos, Dr. in Economics, former General Secretary, Ministry of Economy & Finance**

“Over the last decade Greece has failed to implement a credible Lisbon strategy. Instead of converging with EU average on innovation we diverge. Over 77% of innovation development takes place in 7 sectors where Greece has an insignificant presence. Recent studies have indicated that the quality of the competition environment the stability of business networks and the strength of social capital are positively correlated with the level of innovation. In all these areas Greece experiences severe structural problems. The Greek companies have the capabilities to invest locally in the development and exploitation of innovation. Such a development would provide the essential underpinnings of their own competitive advantage and would facilitate the restructuring of the Greek economy.”

**Panel:**

**Mr. Constantinos Antonopoulos, CEO, INTRALOT S.A.**

Mr. Constantinos Antonopoulos, INTRALOT Group CEO, referred to a recent study of the Kokkalis Foundation about Innovation in Greece that revealed Greece’s weak position in Innovation, indicating a below-average performance of our country placing it well back in the field among the member states of the European Union, with low investments in Research & Development. However, Greece has been in a relatively high position in indicators that concern the production of added value to innovative applications, a direction that could turn out to be the driving force of the internal market. INTRALOT’s example ratifies that Greece can indeed produce value added Innovation and can export it, playing a leading role in the global markets.

**Mr. Constantinos Vourdakis, President & CEO, PC SYSTEMS S.A.**

«Is Greece an investment opportunity for Foreign Direct Investment? Based on both qualitative and quantitative criteria the answer would have to be no.

Greece’s inability to attract foreign and local investment starts way before investors start looking at the figures.

Basic human behavior plays a much bigger role than most of us would expect when investors search for investment opportunities.

What are these behavioral traits? What makes potential investors unwilling even to look at Greece Inc. as an investment opportunity?

Once all personal reluctances have been overcome what are the pillars that need to be satisfied in order to attract the much needed investment in Greece Inc?

**Mr. Michael Kyriakides, Special Consultant of Operational and Managerial Processes, ALAPIS S.A.**

“It is truly necessary and important always to exist both “spiritual” and material investment in innovation as well as the coordination among all the relative departments of a company, such as the research one, the development department, the legal department, for the best results.

All these are applied under the condition that there is an inspired personality and coordinator as in our case is Mr. Lavrentis Lavrentiadis who really gives great emphasis on the above and has the ability to foresee the developments which are coming.”

- **“Foreign Investments: Utopia or Realistic Perspective?”**

- **Main Speech:** Mr. **Kevin Copp**, Group CFO, **Hellenic Telecommunications Organization (OTE S.A.)**
- **Moderator:** Mr. **Michael Hadjipavlou**, CEO, **Deloitte**
- **Panel:** Mr. **Panayiotis Gennimatas**, Honorary Vice President, **European Investment Bank**, Mr. **Nicolas Bornozis**, President, **Capital Link**, Mr. **Dionyssios Spiliopoulos**, President & CEO, **Schneider Electric S.A.**, Mr. **Achilleas Konstantakopoulos**, CEO, **TEMES S.A.**, Mr. **Stelios Bounakis**, Country Manager, **SunRay Renewable Energy**



The last panel discussed the possibilities for attracting foreign direct investment in the context of Greece’s position as a potential hub for exports and activities penetrating into the wider area, particularly the Balkans and the Middle East.

**Panel:**

**Mr. Nicolas Bornozis, President, Capital Link**

“Proper communication is the key to overcome today’s challenges. It is crucial to communicate the right message both domestically and internationally. The Government needs to find the right balance between implementing the proper austerity measures to put our finances back in order, while at the same time pursuing growth policies that can help the country avoid an economic depression and social unrest and put it back on the road of long term prosperity.

“The objective of today’s Conference is to identify the mistakes of the past and suggest solutions, so that Greece can take advantage of its distinct and enduring competitive advantages to benefit its trading and investment partners. There are many investment opportunities present in Greece today at very attractive entry levels.”

**Mr. Stelios Bounakis, Country Manager, SunRay Renewable Energy**

“Despite the difficulties mentioned above, Greece still can become attractive to serious investors of large portfolios based on the assumption that:

The government must face the harsh reality and take drastic measures to deal with it: Investments’ stimulation and realization must be immediate and unfortunately the period required to solve the structural disparities of our nation’s domestic affairs is expected to be a long term procedure. Therefore, an alternative solution to the problem could be:

Government officials should assume the role of project manager for large investment projects. In order to avoid misinterpretations, I mean that they should be aware of large investment plans and within the scope of their responsibilities to overcome problems and major hindrances that prevent investments from being realized on schedule. The development and completion of these projects is the best way for the Government to demonstrate its commitment to reform and shift investors’ distrust. The completion of large investment projects will also attract small-scale investments which will eventually stimulate our country’s economic growth.”



## ORGANISERS

The Forum was organised by the Centre for Progressive Research Policy (KEPP) and Capital Link, an Investor Relations and Financial Communication firm.

## MEDIA PARTNERS

Media Partners of the Forum were: the website Capital.gr, radio station Flash 96 and the weekly newspaper Kefalaio. TV Media Partner is the SBC Business Channel.

## SPONSORS

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- Public Power Corporation (P.P.C.) S.A

## FORUM MATERIAL

All the Forum's material is available at the website: <http://kepp.imerides.gr/>



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## CENTRE FOR PROGRESSIVE POLICY RESEARCH (KEPP)

KEPP was founded in November 2006, aiming to study and initiate progressive ideas and policies that reliably answer the problems of public life nowadays. KEPP realizes research projects and public events, organizes meetings of reflection and dialogue, and coordinates the production of policy oriented papers and books.

Until today, KEPP has organized numerous events with different thematic contents (economy, international policy, reforms, health, environment, welfare state, shipping, globalization, education) and has published four books – thematic volumes, on various policy issues: For a Progressive Policy – Kastaniotis publishers, 2007, Orientations for Progressive Governance – Papazissis publishers, 2009, Interventions for Europe – Papazissis publishers, 2009 and After Ten Years: Euro's Dynamic – Papazissis publishers, 2010.

## **CAPITAL LINK**

With its headquarters in New York and presence in London and Athens, Capital Link has been active since 1995 in the field of Investor Relations and Financial Communication. Its activities focus mainly on three areas: 1) Linking companies with strategic and institutional investors, bankers, analysts, and the financial media in Europe and the United States, 2) American Closed-End Funds and ETFs, 3) Listed shipping Companies. Capital Link's programs combine IR, IT and financial media in one comprehensive package enabling Companies to maximize their penetration and recognition in the global investment community ([www.capitallink.com](http://www.capitallink.com)).

Capital Link maintains close collaboration with the three main US Stock Exchanges (New York Stock Exchange, American Stock Exchange (now part of NYSE) and Nasdaq), the London Stock Exchange, the Athens Stock Exchange as well as numerous companies in Greece, Europe, US and Chile. Capital Link has a leading position globally in the area of Investor Relations with respect to shipping, as it cooperates with 25 shipping companies listed on the three US Stock Exchanges, as well as in London (LSE and AIM) and Milan. It maintains a shipping portal with information on all UK and US Listed shipping Companies ([www.capitallinkshipping.com](http://www.capitallinkshipping.com)). It also organizes annually in New York, London and Athens a series of Investment Forums focusing on its main activity fields ([www.capitallink.com](http://www.capitallink.com)) and has also introduced a series of maritime indices ([www.maritimeindices.com](http://www.maritimeindices.com)).

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