

Organizer:

TEE

“Workshop on Financial Instruments for the Greek Market”

6 October 2016

WITH THE SUPPORT OF



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HELLENIC REPUBLIC
Ministry of Interior
and
Administrative Reconstruction



ATHENS | 06 OCTOBER 2016

Workshop

on

Financial Instruments for the Greek Market

Brief Report



OPENING WELCOME REMARKS

Giorgos N. Stasinou

President of the Technical Chamber of Greece

OPENING WELCOME ADDRESSES

Panagiotis Kouroubilis

Minister of Interior & Administrative Reconstruction

Panagiotis Korkolis

Sectetary General Public Investment & NSRF Issues

George Patoulis

KEDE President, Mayor of Amarousion

George Kaminis

Mayor of the City of Athens

Constantine Michalos

President of Athens Chamber of Commerce & Industry

Vasilis Korkidis

President of Hellenic Confederation of Commerce & Entrepreneurship

Programme

SESSION 1 11:00 – 12:00

The Investment Plan Junker

Presentation: **Miguel Gil** – Terte, Member of Cabinet of Vice – President Jyrki Katainen

Panel:

1. **Nicholas Jennett**, Deputy Director General and Head of Investment Team for Greece, European Investment Bank
 2. **Dr. Harris Labropoulos**, As. Professor, University of Patras, MoB Athens Chamber of Commerce & Industry
 3. **Costas Frouzis**, CEO, CRETA FARMS (tbc)
- Coordinator: **Liana Anagnostaki**, Head of TCG's Directorate of European Affairs & International Relations

SESSION 2 12:15 – 13:15

Regional Development & Sustainable Growth

Presentation: **George Kolivas**, Policy Analyst, Regional & Urban Policy – Smart & Sustainable Growth

Panel:

1. **Kostas Bakoyannis**, Regional Governor of Central Greece, Member of ExBo of Union of Greek Regions
2. **Kalliopi Stavropoulou**, Associate Regional Director Programming Development
3. **Panagiotis Tournavitis**, General Director, Cooperative Bank of Karditsa

SESSION 3 14:45 – 15:45

SME Access to Finance – COSME

Presentation: **Martine Diss**, Deputy Head of Unit, COSME Financial Instruments

Panel:

1. **Ioannis Tsakiris**, Head of Regional Business Development for South Eastern Europe & Neighbouring Countries, European Investment Fund
2. **Spyros Floros**, Director Retail Banking, National Bank of Greece
3. **Emilia Tzareva**, Member of the Management Board and Executive Director, ProCredit (tbc)
4. Representative of Hellenic Confederation of Commerce & Entrepreneurship

SESSION 4 16:00 – 17:00

Infrastructure Investment Strategies

Presentation: **Alexandros Sotiriou**, Policy Officer, Connecting Europe – Infrastructure Investment Strategies, DG Move

Panel:

1. **Michael Daktylidis**, Vice-President of the Panhellenic Association of Engineers Contractors of Public Works (PEDMEDE)
2. **Konstantinos Kalergis**, President of Hellenic Association of Consulting Firms (SEGMA)
3. **Zacharias Athousakis**, President of the Association of Greek Contracting Companies (SATE)
4. **Georgios Syrianos**, President of the Association of Technical Companies of the Highest Classes (STEAT)

17:00 – 17:30 Coffee Break

SESSION 5 17:45 – 18:45

Innovation & Technology SME Access to Finance – COSME

Presentation: **Anna Krzyzanowska**, Head of Unit "Investment in High – Capacity Networks", DG Connect

Panel:

1. **Gerasimos Mentzelopoulos**, General Manager of Patras Science Park S.A
2. **Yannis Giannitsios**, President of the Digital Economy Committee of the Federation of Hellenic Information Technology & Communications Enterprises (SEPE)
3. **Yannis Kotsis-Giannarakis**, General Manager of the Hellenic Association of Mobile Application Companies
4. **Ioanna Samprakou**, Vice President of the Hellenic Association of Computer Engineers

19:00 Workshop Closing



Giorgos N. Stasinou
TCG's President

He analyzed the significance of Juncker's Plan for resource mobilization, and noted the need to reconcile private, community and public investment through intelligent financial tools to overcome the current financial constraints in the country and help the economy to restart. However, as TCG's President noted, many things have to be changed in the country in order to attract private investments. He also emphasized the topic of friendly business environment and made eight specific proposals having immediate effect to facilitate any kind of investment.



Panagiotis Kouroumbilis
Minister of Interior &
Administrative Reconstruction

During his welcome speech he assured that the Civil Registry will be completed by the end of the year. He also focused on the lack of e-Government System as the existed 280 databases are not interconnected. However, as he noted "I am optimistic that Greece will recover from the crisis due to two main factors: political stability and internal security"



George Patoulis
KEDE President, Mayor of Amarousion

He pointed out that the available resources are of great importance for our country, which is cut off from the markets after seven years of crisis. He also mentioned the necessity of rapidly benefit from the NSRF 2014-2020 and the Juncker Plan. He also underlined the absence of remits and lack of defined roles at Public Administration and he asked for the cooperation of all state bodies in order for quickly and better results to be made.



He referred to the progress made in implementing an integrated operational plan for Athens' sustainable development. He highlighted the discontinuity of the state, due to the frequent changes of the Ministries' Political Superiors, as a key problem, mentioning the example of Italy where the continuity of the State is ensured by the municipalities and regions. He also stressed the need for cooperation with the Central Government, the Region, the Universities and Chambers. He added that Athens had the chance to have the full European Commission support.



George Kaminis
Mayor of Athens City



Constantine Michalos
President, Athens Chamber of
Commerce & Industry

He noted that the difficulty in accessing funding, is perhaps the most serious, but not the only reason for the low investment activity in Greece, while the over taxation is keeping the investors away. He also stated that delaying the necessary economic reforms, the inefficiency of public administration and a hostile regulatory and tax environment hold back the economic competitiveness.

He pointed out that access to financial sources is very difficult in Greece and there is a lack of information as well as nonexistence of offer and demand. He suggested the creation of a unified SMEs development fund and he stressed that business' micro lending would be a useful tool.



Vasilis Korkidis
President of the Hellenic
Confederation of
Commerce &
Entrepreneurship



Panagiotis Korkolis
Secretary General Public
Investment & NSRF Issues

The New Programme "Saving at home" will be activated until the end of November 2016 that will lead to the enhancement of over half a billion € budget. He specially noted that the technical world has much to expect within the next period, referring to all funding opportunities that will be activated in the coming months, both through the NSRF as well as with the assistance of other European financial instruments.



Miguel Gil- Tertre

**Member of Cabinet of Vice –
President Jyrki Katainen**

He reported extensively in both the design and the implementers of the Development Plan for Europe (Juncker Plan) and the Commission's efforts to reduce bureaucratic obstacles to adoption and implementation of financial instruments. He stressed that Greece can benefit from a variety of tools and resources provided by the European institutions, stressing that the objective is growth and job creation. He referred particularly to the opportunities offered by the Strategic Investment Fund (EFSI), which was designed in collaboration with the European Investment Bank to help to overcome the existing investment gap in the EU, through leveraging private capital for strategic investments. He also informed that significant changes to simplify and speed up procedures will be made until summer 2017.



Nicholas Jennett

**Deputy Director General and Head of
Investment Team for Greece, European
Investment Bank**

He presented the European Investment Bank's activity and spoke in detail about the terms and conditions that can help directly business.

He also invited the Greek companies that have a well financial base, a serious development plan and strong management team to talk with the EIB in order to find together optimally growth path.



Dr. Harris Labropoulos,

**As. Professor, University of Patras,
MoB Athens Chamber of Commerce & Industry**

"We heard some positive news in relation to the government planning for EU funding of Greek economy, but the numbers we heard is of a total value of less than 7 billion. This means that according to us economists should be more "aggressive" and create a "tsunami" of investments for the next five to seven years. In Greece some colleagues quantify this in hundreds of billions of euros in order for the market to be normalized to be able to normalize for us and for our children and reach pre-crisis levels. " "The Juncker package therefore is naturally an amazing opportunity, but I would like to make a clarification: There is a grant. It is a loan. It is a competitive loan that has to do with either private companies with private companies or public sector projects. "





Liana Anagnostaki

Head of TCG's Directorate of European Affairs
and International Relations

Some conclusions from the Panel Coordinator: "The European Commission mobilizes the Investment Plan for Europe with the target finance reaches the real economy in all countries mainly to Greece in need, due to the economic crisis. Junker Plan is a loan with very favorable terms. It focuses on funding innovative ideas in all areas of activities, which include all the engineering technical world."

Panel: *(from left to right)*

Liana Anagnostaki, Head of TCG's Directorate of European Affairs and International Relations, **Dr. Harris Labropoulos**, As. Professor, University of Patras, MoB Athens Chamber of Commerce & Industry, **Nicholas Jennett**, Deputy Director General and Head of Investment Team for Greece, European Investment Bank, **Miguel Gil- Terte**, Member of Cabinet of Vice –President Jyrki Katainen





George Kolivas
Policy Analyst,
Regional & Urban
Policy – Smart &
Sustainable Growth

"Today, we should build on the experience in the structures built since 2010 in order to far ahead in the period 2014-2020 Structural Funds in Greece. Today, there are conditions that did not exist in 2011 and 2010, when we developed the JEREMIE, the JESSICA, the TEPICH and "SAVING AT HOME" projects in Greece. "

"We have the new package announced by President Juncker on September 14 that includes a target of 500 billion investment projects to be available by 2020 and 630 billion- actually double target budget

recourse base – until 2022. Greece has every reason to make the ultimate efforts to utilize this amount of money. He noted that currently, there are two proposals made to the Greek Authorities by the EIB and EIF, which "we, the European Commission fully support". The one is the Infrastructure Fund, the continuation of JESSICA, which can go to a budget up to 15 mil. € by the NSRF, the EIB and other international financial institutions and create investment in PPPs, especially PPPs around 1 billion for SME's. He also mentioned that OMNIBUS Regulation will be published and in force by the European Union in early 2017. This Regulation will state that when you money, one part, from the Structural funds to build a financial Instrument through ETEAN directly from the ministry, together with the EIB, a financial tool within the Package Juncker, this financial instrument should work to achieve the leverage 4. This is a very profitable economic environment that could help the creation of investment demand.



Kostas Bakoyannis
Regional Governor of Central Greece,
Member of ExBo of Union of Greek
Regions

He emphasized that there is a lack of information and knowledge in our country. In reference to the Region of his competence, he pointed out that the gas project is underway (worth 44.3 mil. Euro), the Consolidation Plan for Asopos River (EUR 120 mil. and with the perspective of creating many new jobs) as well as Chalkida's bypass project. H also mentioned that bureaucracy and confusion of should be urgently settled.





Kalliopi Stavropoulou
Associate Regional Director
Programming Development
Region of Attica

“We need some resources and some expertise, besides the strategy and governance, in order to manage the money available. So at this point the contribution of the Ministries and all relevant stakeholders, and especially European Commission, can play a decisive role. Priority for the Region of Attica is the financial tools accessible for SMEs.”



Panayiotis Tournavitis
General Director, Cooperative Bank of Karditsa

“It is very important for our region that we succeeded in this very difficult economic times to have our own institution, which at the moment it has perhaps the best capital adequacy ratio, the best indicators liquidity available among Credit institutions in Greece and has developed a wide network synergies and cooperation with international bodies, which manages and transfers good practice and international experience to its members, making events and providing them with innovative new products.”

He also noted that the cooperation of all actors and all members of the production system is essential in order to plan a development strategy. The difficulty in accessing funding exists because those who make the decisions about where to direct funding have no contact with the real life. As a consequence, strategic decisions are made either without taking into consideration real needs or that these needs are lost until they reach the people responsible to take these decisions.

Some conclusions from the Panel Coordinator: “We need strategic actions from the Regions. Ideas for small projects besides large projects are welcomed. The new OMNIBUS Regulation will be a particularly important European initiative. Regarding the lack of information and communication, the Technical Chamber of Greece, as it did with this event, will continue to try to bring together all stakeholders.”



Liana Anagnostaki
Head of TCG's Directorate of European
Affairs and International Relations

Panel: (from left to right)
Liana Anagnostaki, Head of
TCG's Directorate of European
Affairs and International
Relations, **Kalliopi**
Stavropoulou, Associate
Regional Director
Programming Development of
Region of Attica, **Kostas**
Bakoyannis, Regional Governor
of Central Greece, Member of
ExBo of Union of Greek
Regions, **Panayiotis**
Tournavitis, General Director,
Cooperative Bank of Karditsa





Martine Diss
Deputy Head of Unit, COSME
Financial Instruments

She focused on: “SMEs are in the center of interest for the EU, because we know that small businesses create jobs, representing 9% of companies in Greece and 99.8 in Europe. Up to the percentage of 90% of all jobs created by SMEs”. Figures data mention that 30% of companies in Greece don’t have access in finance, when the respective percentage at the rest of Europe is about 10%. Our goal, then, is to finance up to 330,000 SMEs over 7 years and the numbers that we got last Friday was very good, because during this time we were able to finance 94,000 SMEs. We have already accomplished 1/3 of our goal this shows that there is great demand and we believe that the money goes where it is really needed”. She also added that "we have just received the results of survey conducted by the EIF, regarding employment according to which the numbers are impressive.

Thanks to COSME, SMEs reported a 42% increase in jobs, job creation and a 25% increase in terms of turnover.

Mrs. Diss spoke in detail about COSME financing possibilities: “ If someone has in mind to develop a new project it might be interesting in spending some time in another country or to another company from another sector, for example, simply to gain experience through this contact. The EU pays for travel expenses and for part of the accommodation expenses. When we are talking about financial instruments it is essentially to clarify that we are talking about loans. Loans that require repayment. They are not grants. According to the brochure (see picture) the good news is that there are many financial tools available, more than ever, for Greece. For each of them there is at least an intermediary, a bank, a company venture capital, which can give you support.”





“The EIF is a European financial institution. Its main goal and purpose is, in general, to finance SMEs through loan guarantees and risk capital business. In 2016, EIF’s plans are funds, guarantees or venture risk capital up to around 3 billion. € across the EU. That means that the leverage will reach up to 18 billion € for all SMEs in the EU. Over the years of our operation we have supported over 2 million SMEs. In 2015, for example, we helped around 120 000 SMEs. In 2016, we expect that this number will increase due to larger amounts available “

Ioannis Tsakiris

**Head of Regional Business Development for
South Eastern Europe & Neighbouring Countries,
European Investment Fund**



Panel: (from left to right)
Liana Anagnostaki, Head of
TCG’s Directorate of European
Affairs and International
Relations, **Ioannis Tsakiris**,
Head of Regional Business
Development for South Eastern
Europe & Neighbouring
Countries, European
Investment Fund, **Martine Diss**,
Deputy Head of Unit, COSME
Financial Instruments





Alexandros Sotiriou
Policy Officer, Connecting
Europe – Infrastructure
Investment Strategies, DG
Move

He focused on identifying the three main problems of Greek society: bureaucracy, confusion of responsibilities and communication. He also underlined that Infrastructure has always been a national matter inside the EU, because it had to do with national sovereignty. "The problems were mainly nonexistent interconnections and especially in cross-border sections. As a consequence, there are significant differences in integrating transport infrastructure in Europe.

Major inequalities, infrastructure fragmentation, long-term investments. Another problem faced by the Transport System is the different operating rules. The cost of infrastructure development within the European Union for addressing transport demand is estimated at EUR 1.5 trillion for 2010-2030 according to the period 2011-2012 estimations. Today it may be higher. The completion of the TEN networks requires about 550 billion by 2020. Cross-border

interconnections and bottlenecks elimination require the amount of 215 billion of the 550 billion. These figures do not include investment in vehicles, rolling stock which is estimated at 1 trillion. At the end, an amount of at least 2.5 trillion is needed in order to achieve the completion of the Trans-European Transport Network, which is not available".



Michael Daktylidis
Vice-President of the Pan-Hellenic Association of
Engineers Contractors of Public Works (PEDMEDE)

"There is no difference between large, middle and small construction world, but problems are common. When large companies are doing business, middle and small companies or individuals will work as well. The truth is that even there are financial instruments targeted SMEs, there is a lack of accurate information and guidance".





Zacharias Athousakis
President of the
Association of Greek
Contracting
Companies (SATE)

He said that "The construction production indicator shows an accumulating reduction of 68% in the second semester of 2016 compared to the first semester of 2008. Employment in construction projects shows a slight increase of 3, 5 % in 2016 second semester in relation to 2015's same period. For the last eight years 247.500 employees in construction sector have been unemployed, which is the higher number among the other employment sectors. Construction sector recorded the lowest percentage in GDP of the last 16 years, that of 2,5% versus the one of 8,5% in the fourth quarter of 2006. The construction production indicator in public works shows a reduction of 52% in relation with the first quarter of 2008. The relevant indicator in private works an accumulating reduction of 82.1% compared to the first semester of 2008. During the period 2008-2013 the number of construction firms has declined by 26%.

Turnover from construction activities decreased by 62.5% in the general construction sector.

Turnover from building activities fell by 75.5%. The added value of production decreased by 54.8%.

Construction sector is known for its contribution (directly and indirectly) to taxes state system up to 22/% and it is recorded in GDP. For every euro you spend in the construction sector 1.8 euro is added in GDP. Respectively, for every 1 million produced value from construction projects, 39 jobs are created in the economy chain, 13 out of which are related directly to the construction sector.

He pointed out that "we should design a national strategy as a country, with which we will be able to recover and benefit from the opportunities provided from various EU funding instruments.

Infrastructure planning for the present and the future as well as planning for technical projects and programmes in general in relation to the development model of the country is essential and urgent".



Konstantinos Kalergis
President of Hellenic Association of Consulting
Firms (SEGM)





Some conclusions from the Panel Coordinator: “The Juncker Plan has a huge budget provided the leveraging of funds. This budget is potentially applicable for all European countries without percentage distribution by country. For Greece this is a problem and challenge at the same time. This financial instrument is available either to SMEs or innovation activities from a wide range of sectors, including Construction. Development means projects. These projects should be integrated, sustainably in terms of economical and technical aspects in order to attract investments from the private funds. It is essential for the Greek Authorities to develop a National Strategic plan which will include such projects as well as the banks’ role.”

Georgios Syrianos

President of the Association of Technical Companies of the Highest Classes (STEAT)

Panel: (from left to right)

Alexandros Sotiriou, Policy Officer, Connecting Europe– Infrastructure Investment Strategies, DG Move, **Georgios Syrianos**, President of the Association of Technical Companies of the Highest Classes (STEAT) , **Zacharias Athousakis**, President of the Association of Greek Contracting Companies (SATE) , **Konstantinos Kalergis**, President of Hellenic Association of Consulting Firms (SEGM), **Michael Daktylidis**, Vice-President of the Pan-hellenic Association of Engineers Contractors of Public Works (PEDMEDE)





Anna Krzyzanowska
Head of Unit "Investment in
High –Capacity Networks",
DG Connect

She presented the financial tools prepared by the European Commission for Digital projects. "The connectivity needs very high speed, very high quality and very high efficiency. It is not possible to regain growth and regain jobs based only on the reconstruction of old services. As much productive we are we will never be productive enough to compete with areas such as Asia or Africa. The future of Europe needs to rely on products and services and applications with added value. This requires networks of high quality.

The budget for broadband network services is estimated at 6 bln. , while the budget for digital services stands up to 21 billion. The investment plan for Europe is based on the assumption that a spirit of cooperation between the public and private sector should exist.

According to long-term statistics, there has always been a close relationship between public investment activity in infrastructure which is followed by private investment initiatives. A decline is recorded in recent years due to the crisis and perhaps we need to restart our activities.



Gerasimos Mentzelopoulos
General Manager of Patras
Science Park S.A

" It is very important for Greece to overcome the obstacles of bureaucracy which companies usually face, especially the ones not as well known or those who are not as well organized in terms of lobbying. The second point I would like to mention is that many funding opportunities indeed exist beyond the banking system as we know it".

Mr. Metzelopoulos also expressed his hope of having the time to assimilate the information available and this information to be transferred across the country.



Yannis Kotsis-
Giannarakis
General Manager of the
Hellenic Association of
Mobile Application
Companies

"We are in the 'Death Valley' in Greece regarding the financing of innovative projects. It is the key factor to the loss of scientists, the situation we are experiencing nowadays. There are people who have great ideas, but they haven't the opportunities to implement these ideas and go to other countries in Europe"



Yannis Giannitsios

**President of the Digital Economy Committee
of the Federation of Hellenic Information
Technology & Communications**

“The dissemination of this information to businesses is more than necessary; it really will help companies to function. In our field, the technology sector, there are many ideas, there are ideas, there are investment projects, there are new companies that want to go ahead, and companies already existing that want to expand their domain and create new products and services .

The main problem faced is financing. SMEs in Greece and those SMEs of IT sector in particular, are not able to be financed for very large projects, they don't meet banks' criteria, the European Investment Bank's as well, due to their size, These companies have too many proposals , too many ideas and seek the support of a "banking" system, in order to implement them.”



Ioanna Samprakou

**Vice President of the Hellenic Association of
Computer Engineers**

Some conclusions from the Panel Coordinator:

“Unfortunately, there are few companies or associations that are aware of the existing financial opportunities and possibilities in order to become eligible for them as they consider that funding can come only from the banking sector. We don't lack innovation, we lack information. There are competitive SMEs, particularly in the IT sector in Greece that could really benefit from these financial tools.

An additional problem that should be resolved in our country besides taxation system is investors' fear and hesitation to invest in Greek companies. Our goal should be to show that there are good examples of competitive and innovative Greek companies.”



Panel: (from left to right) **Ioanna Samprakou**, Vice President of the Hellenic Association of Computer Engineers, **Yannis Kotsis-Giannarakis**, General Manager of the Hellenic Association of Mobile Application Companies, **Yannis Giannitsios**, President of the Digital Economy Committee of the Federation of Hellenic Information Technology & Communications Enterprises (SEPE), **Gerasimos Mentzelopoulos**, General Manager of Patras Science Park S.A, **Anna Krzyzanowska**, Head of Unit "Investment in High –Capacity Networks", DG Connect





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