






Weekly Briefing

**Greece economy briefing:
Greece's State Owned Enterprises
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Greece's State Owned Enterprises

State-owned enterprises (SOEs) are an important element of Greece's economy. In the end of December 2020, the Greek Ministry of Finance published an economic report about General Government's SOEs and legal entities of private law with a budget exceeding €10 million. The following list is based on this economic report and it is enriched with a brief description of relevant SOEs and legal entities per ministry (it does not include bodies executing social budget such as some hospitals).

Ministry of Agriculture

- Agricultural Insurance Organization (ELGA): This legal entity governed under private law is the main insurance carrier of plant production and livestock capital in Greece.
- Agricultural Organization 'Dimitra': It is a legal entity of private law earmarking the modernization of the agriculture sector in Greece.
- Payment and Control Agency for Guidance and Guranteee Community Aid (OPEKEPE): It is a legal entity of private law taking care of the payment of beneficiaries, according to European and national laws. Approximately 900.000 beneficiaries (mainly farmers) benefit circa 3 billion from community subsidies per year.

Ministry of Culture and Sports

- Olympic Athletic Centre of Athens: It is a legal entity under private law managing the Olympic complex.
- Greek National Opera: It is a legal entity under private law.
- The Athens Concert Hall (Megaron): It is a legal entity under private law.

Ministry of Defense

- Defense Systems Industrial and Commercial SA: It is a manufacturing group of companies established by the merging of Greek Powder & Cartridge Company SA and Hellenic Arms Industry SA.

Ministry of Digital Governance

- Electronic Governance Centre for Social Insurance SA: The company provides solutions in the field of information and communication technologies supporting the operation of social insurance branches.

- Information Society SA: The company supports the implementation of projects in the field of information and communication technologies.

- National Centre of Audiovisual Media and Communications (EKOME) SA: It is a legal entity operating under private law aiming at fostering and promoting public and private initiatives (either foreign or domestic) in all sectors of the audiovisual industry.

Ministry of Health

- Company of Health Units SA: The company manages the Olympic Village Polyclinic, the Keratea Rehabilitation Centre and the Santorini hospital.

- National Public Health Organization (EODY): It is a legal company governed by private law undertaking the mission to provide services that contribute to the protection and improvement of health and increase the life expectancy of the population by enhancing the capacity of the national healthcare system.

Ministry of Infrastructure and Transportation

- Attiko Metro SA: It implements the development of the Athens metro network and realizes the Thessaloniki metro project.

- Building's Infrastructure SA: It is Greece's single authority for constructing the country's public buildings (schools, hospitals, courtrooms, prisons etc.).

- Egnatia Motorway SA: It deals with investments in Northern Greece in the sectors of transport, manufacturing and tourism. Among other things, 'Egnatia Odos'

brings Epirus and Western Macedonia much closer to Thessaloniki, other parts of Macedonia and Thrace.

- ERGOSE SA: It is a subsidiary of OSE SA (see below) and undertakes the management of the projects of OSE's investment program.

- Organization for the Development of Crete SA: The company deals with the designation, construction and administration of infrastructure works on the island of Crete.

- Organization of Urban Transportation of Thessaloniki: The company, a legal entity under private law, is under clearance, manages transportation in Thessaloniki.

- OSE SA: It is a public utility based in Athens and manages the national railway infrastructure.

- Transport for Athens (OASA) SA: The company manages all transportations in Athens.

- Urban Rain Transport (STASY) SA: The company has incorporated (since 2011) three rail ones, the AMEL SA (metro system operation), the ISAP SA (urban rail), and TRAM SA (tramway).

Ministry of Education

- Computer Technology Institute and Press Diophantus: It is a legal entity under private law that focuses on research and development in information and communication technologies.

- Institute of Communication and Computer Systems: This legal entity of private law of the School of Electrical and Computer Engineering of the National Technical University of Athens seeks the deployment and realization of research priorities through seeking, pursuing and acquiring relevant funding.

- Youth and Lifelong Learning Foundation: It is an entity governed by private law aiming promoting lifelong learning for all citizens and ensuring youth empowerment.

Ministry of Environment and Energy

- Greece's Recycling Organization: It is a legal entity under private law dealing with the management of waste materials advising the Minister of Energy and the Environment on this subject.

Ministry of Finance

- The Hellenic Broadcasting Corporation SA: This is the state-owned public radio and television broadcaster for Greece.
- Hellenic Aerospace Industry SA: Its mission is to deliver services and products to the Greece's armed forces.

The outbreak of the economic crisis in Greece in 2010 ushered a new era where privatizations became a necessary prerequisite for it to receive bailout funds. In particular, the Hellenic Republic Asset Development Fund (HRADF), which was founded in 2011, has promoted privatizations in the country in line with its international obligations. Its sole stakeholder is The Hellenic Corporation of Assets and Participations (HCAP) that was established in 2016, a few months after Greece signed its third bailout. HCAP also controls shares of the Public Properties Company SA (ETAD) and the Hellenic Financial Stability Fund (HFSF). On the whole, it encompasses SOEs operating in core sectors of the Greek economy such as energy, water and sewerage, infrastructure, transportation, and services. Examples are Public Power Corporation SA, Corinth Canal Company SA, Athens Water Supply and Sewerage Company SA (EYDAP), Railway Property Management SA (GAIAOSE), HELEXPO SA (Thessaloniki International Fair), Hellenic Saltworks SA, Hellenic Post SA (ELTA), Central Market of Thessaloniki SA, OASA SA, and Central Markets and Fishery Organization SA.

The mission of HCAP is to safeguard and maximize the value of public assets and thus contribute to the consolidation of macroeconomic and social stability and economic development. Its coordination mechanism earmarks the SOEs' involvement in the development of the state. Statements of commitments set out strategic objectives for the SOE's independent management, agreed between their board and Public Holdings Company (EDIS) as a shareholder. These objectives are also consistent with HCAP's strategic plan. Its financial results for the first nine months of 2020 demonstrate net profit amount to €28.9 million. Its cash reserves exceeded for the first time the level of €100 million and the dividend paid to the Greek state rose from €7 million to €42 million (according to the 2019 financial results HCAP's consolidated net profit reaching €191,7 million compared to losses of €132.5 million euros in 2018). As of February 2021, Grigoris Dimitriadis has been appointed as the new CEO of HCAP. Dimitriadis resigned from his position of Secretary General of the International Economic

Relations at the Ministry of Foreign Affairs a few months ago. Taking the HCAP lead he succeeded Rania Ekaterinari.

The February 2021 enhanced surveillance report for the Greek economy acknowledges that HCAP completed the review of the boards of all SOEs of its mandate. HELEXPO and Greek Saltworks are examples. HCAP and SOEs have carried out the next phase of the implementation of the coordination mechanism for 2020-2022 but authorities also need to work on identifying legal impediments to the commercial operation of relevant SOEs. In addition, the transfer of the Olympic Athletic Centre to HCAP is progressing and renovation and maintenance works in various parts of the complex have been completed. This is also the case for the transfer of the eligible real estate assets included in the 2018 package to the Public Real Estate company as reflected in the May 2020 decision of the Council of State.

Concerning other Greek commitments, the successful closing of the transaction of Marina of Alimos has been confirmed by the country's creditors. Also, the Hellinikon project has witnessed progress following the selection of the provisional preferred bidder for the award of the casino license by the Hellenic Gaming Commission but some Council of State decisions on a number of legal cases are pending. With reference to Egnatia Motorway, the deadline for the submission of binding offers will be April 1st as the legal action of two pre-qualified bidders for the rejection of their initial application was finally successful. Last but not least, the assessment of the investor's expression of interest in the regional ports of Alexandroupolis, Kavala and Igoumenitsa was expected to be concluded by the end of February.