GROWTHFUND
THE NATIONAL FUND OF GREECE

Gregory D. Dimitriadis (Growthfund):

Developing public assets

Symela Touchtidou interviews Grigoris D. Dimitriadis
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Despite EYDAP-EYATH returning to the public sector, Growthfund still manages dozens of critical companies and thousands of properties - The plans for mapping properties and generating revenue

During the crisis and under the Memoranda, Greece was forced to establish a company for the development of public assets: the well-known Growthfund. Its mission is to generate revenue from thousands of properties and companies held by the Greek State, without necessarily selling them.

A mission that proves to be extremely complex but of great importance for the Greek economy, as Growthfund CEO Mr Grigoris Dimitriadis explained to euronews, in an interview during FinForum 2023 organised under the auspices of the Hellenic Bank Association.

Growthfund: We do not sell off public assets, we strengthen them

Bad publicity has been following Growthfund since the period of the memoranda. It was seen as a vehicle for the sell-off of public assets. Is this allegation well-founded?

"Growthfund was indeed created at a very difficult time for the country. As we all know, it was in fact imposed by “the outsiders”. But to tell the truth, it should not have been imposed, we should have had already created it ourselves. There are similar Growthfunds in other countries. They exist in Portugal, France, Spain, and also outside Europe. These are vehicles that enable countries to attract foreign investment and hold public assets, not to sell them off, but quite the opposite: try to increase them.

The entity responsible for the privatisation of various public assets is HRADF which was created 11 years ago and is a subsidiary of Growthfund. We actually have many more subsidiaries. We hold a stake in PPC, in transport for Athens, we have the markets, the Hellenic Post and many other state-owned enterprises; our goal is not to sell them off, but the exact opposite. It is to try and create more value - economic as well as social. Growthfund does not only seek to make a profit. We have a public role. After all, we belong to the Ministry of Finance, we belong to the Greek State. Therefore our goal is for Growthfund to have a proper social and environmental footprint."

Upgrading Hellenic Post and Athens Urban Transport

Are there any measurable results of Growthfund's operation so far?

"Indeed, we do have measurable results. It appears that all companies have improved their finances, there is much progress in corporate governance and greater meritocracy in the selection of the executives who run these companies.

For example, in the Hellenic Post, an organisation that is undergoing transformation, the CEO is Grigoris Skliras, who is in no way related to the political system. He was a very successful CEO in companies abroad and came to help with this transformation. Similarly, we all know that steps need to be taken in urban transport in Athens to improve citizens' daily lives. So, first, there is a new person in charge who has had a very successful career in the private sector, as CEO at Barilla, and we are now moving forward with a grouping plan. What we call grouping in essence means that the entire network of transports will, as a whole, be able to provide better service to citizens. Urban transport in Athens is one of the most characteristic examples of our efforts to improve the daily lives of citizens."

Public assets: the great unknown

You have stated that in Greece we have never had an accurate picture of public assets. Is this still the case?

"This is unfortunately still the case. **In our country there is no register of all real property, what we have exactly, what its value is, where it is located. It has never been done.** We have started this very mapping. Indeed, we ran a pilot program that is rather interesting, because out of the first 500 properties recorded, we realised that there are no documents available for 350.

This means we can't know exactly where they are. As for the remaining 150, we are slowly putting the pieces together. This project will be expanded to include everything in a register. If we know what we have, we can plan a better strategy on how to use it."

One of Growthfund's objectives is to invest part of the profits in the real economy. How much will you invest and in which areas?

"Growthfund has some revenue; part of this revenue must be reinvested in the Greek economy. We are now launching this, and we start by creating the structure together with our advisors from abroad, so that we can build the right structure to become credible and to co-invest with other serious investors. Just like Growthfunds in other countries, which mainly seek to join forces with respective Growthfunds or large institutional, long-term investors to invest in their country.

The amounts are not large because we have relatively little revenue. But if done correctly, even with small amounts, then investors will come, because institutional investors will trust us much more.

EYDAP - EYATH: What does their return to the public sector mean

EYDAP and EYATH return to the public sector. What does this mean for Growthfund, but primarily for Greek consumers?

"This is the result of a Council of State decision, which is obviously fully respected by us. During the time EYDAP was with us it improved its operation and we saw the share price increase accordingly. Let me be very clear that we **never had any intention to privatise the water company, that was not our objective. We had also ensured that there would be no change in the price of water for the following years.** With this development, we have already made some plans so that it will not severely affect our finances. I just believe and hope that what we were trying to achieve at corporate governance level will be continued. We all drink water, so it's an important good for all of us."