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Gr. D. Dimitriadis: The "fool's gold" of public properties, the plan for ELTA – STASY and the loss of EYDAP and EYATH

Symela Touchtidou interviews Grigoris D. Dimitriadis for newmoney during FinForum 2023

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The heavy legacy of the Memoranda and the transformation into a Sovereign Wealth Fund - The "fool's gold" of the dowry of Greek properties and the success stories - The plans for ELTA and STASY, ports and ski resorts - Interview with the CEO of Growthfund

It was not born under the best circumstances and for many years it was tagged as the vehicle to sell-off public assets. **Growthfund,** officially known as the **Hellenic Corporation of Assets and Participations**, was established in 2016 under the third Memorandum. It was created after the lenders insisted on the need to develop public assets to help repay part of the loans that Greece received.

However, according to the view of its **CEO** **Mr Grigoris Dimitriadis,** expressed in an interview with newmoney during **FinForum 2023,** Growthfund is anything but a tool for the disposal of public assets. Quite the contrary, its aim is to strengthen public assets and evolve into a **Sovereign Wealth Fund,** to the standards of similar growthfunds abroad.

"We should have created Growthfund ourselves," he notes. "There are similar Growthfunds in other countries, for example in Portugal, France, Spain, where it has received two billion euros in funds, but also in many countries outside Europe. These are vehicles for attracting foreign investment."

The goals for ELTA- STASY

One of **Growthfund's** major success stories is clearly that of **PPC**, a company that was on the verge of collapse a few years ago and today has won the trust of foreign investors and strengthens its presence in the Balkan markets.

Growthfund seeks a similar transformation for **ELTA,** where an executive from the private sector has been appointed CEO (Mr Grigoris Skliras, having served in management positions in the Food & Beverage industry). **The objective of the ELTA restructuring plan is to upgrade services to citizens** (with services such as courier and express parcel) and improve financial results.

The ELTA transformation plan includes radical restructuring and modern services to citizens.

Also high on Growthfund's list is the **transformation** of urban transport in Attica. **The plan for the grouping of STASY will be implemented in autumn** with a view to consolidating the fleet and providing improved and interconnected routes.

The "grouping" of STASY is included in the new management plan aimed at improving the services provided

"We want to be active shareholders in companies in transition," says **Mr Dimitriadis.** “We want to attract international investors by demonstrating a serious profile, proper corporate governance and all the attributes that any serious long-term foreign investor is looking for. Given that the country will be upgraded to investment grade, major institutional investors will scrutinise Greece as an investment case very closely. However, this will also put the country in competition with the other investment grade countries. That is why we, in partnership with **BlackRock**, want to develop the right structure so that we can gain their trust to come and invest in Greece."

The "fool’s gold" of public properties

Under the pressure of the memorandum and for lack of any relevant preparation, ownership titles for **thousands of properties** owned by the state were transferred to Growthfund and included in its portfolio.

Hellenic Public Properties Company (HPPC) was endowed with approximately 70,000 properties, but when the time came for the staff at Growthfund to consider how to make best use of such properties, they were in **for an unpleasant surprise.**

“Half of them have been encroached upon,” reveals Mr Dimitriadis. Of the other half, many cannot be used in any way (they even include cemeteries), and for the overwhelming majority there is no clear picture of what exactly these properties are. They do not serve HPPC's mission for commercial utilisation of real estate assets."

It is quite striking that in a pilot program launched by Growthfund for **500** of the properties in its portfolio, it turned out that for **350 properties there are no documents available and management cannot locate them.** For the remaining 150 properties, the company has started compiling the necessary documentation for their development.

In the meantime, **Growthfund is also running a project to create a special register where all the properties in its portfolio will be recorded**. In the future, this register may also include hundreds of properties that are currently under the control of various ministries and public organisations. However, it is practically impossible to set a timeline for completion of this register.

The opportunities from ski resorts and the loss of EYDAP – EYATH

Nevertheless, the Ministry of Finance believes that there is scope for further development of public assets, and this is one of the six objectives of the next four years. In Parliament, Minister of Finance, K. Hatzidakis, spoke of **ports** and ski resorts.

Indeed, at Growthfund, **Parnassos** ski resort is at the top of the agenda, and **Kaimaktsalan** ski resort will follow.

"We want to see Parnassos ski resort mature into a powerful project to attract a partner with international standing, an operator, who will put Parnassos on the world ski resorts map. The relevant preliminary studies have been made, but we will still need time to develop the overall plan. We believe, however, that this process is better than organising a tender that will only attract a small investment to the ski resort. We want the project to be fully mature to attract a strong investor. We can't have a situation where neighbouring Balkan countries have better ski resorts and Greece lags," says the head of Growthfund.

Growthfund also wants to fully develop the **Vouliagmeni beach**, another very solid asset in its portfolio. "All these projects require time and patience," explains Mr Dimitriadis. “You can't get satisfactory results in just a few months.”

As for the return of **EYDAP and EYATH** to the public sector, Mr Dimitriadis describes the relevant decision taken by the Council of State, and on which the recent government decision was based, as "fully respected". The head of Growfund clarifies that **Growthfund never intended to sell the two companies,** and notes that it had secured stable prices for consumers and expressed the hope that the efforts to upgrade the two companies will continue under state control. Regarding the loss of income from dividends, he assured that Growthfund has developed a plan to fill the relevant gap.

Source: https://www.newmoney.gr/roh/palmos-oikonomias/epixeiriseis/gr-dimitriadis-o-anthrakas-ton-dimosion-akiniton-to-schedio-gia-elta-stasi-ke-i-apolia-ton-evdap-ke-evath/