



# PRIVATIZATIONS IN GREECE

# Hellenic Republic Privatization Program

- ▶ The Hellenic Republic Privatization Program as a whole represents a major call for attracting infrastructure, energy and real estate investment to Greece.

Greece has certain advantages which will improve returns over benchmarks on infrastructure and land development projects:

# Advantages of investing in Greece

- It is a significant global tourism destination.
- It is a major transportation and energy crossroad between East and the West.
- It is a natural entry point to the Balkans and Central Europe for world trade flowing from the East.
- It has a high population concentration in few cities and high per capita income.

# Hellenic Republic Privatization Program

- ▶ The Hellenic Republic Privatization Program aims to attract significant international capital flows into bundled infrastructure elements that have the necessary large scale as well as land development and corporate.

Such include:

- ports,
- airports,
- water supply,
- highways,
- railroad and energy.

# Vehicle of Privatization

- ▶ The **Hellenic Republic Asset Development Fund (HRADF)** is the vehicle of privatization.
- ▶ Was established on 1st July 2011 (L. 3986/2011)
- ▶ The Fund is a “societe anonyme”, of which Hellenic Republic is the sole shareholder with a share capital of €30 million. The Fund is not a public entity and is governed by private law.
- ▶ All the assets are transferred to the Hellenic Republic Asset Development Fund by the State in order to make the procedure of negotiations with the investors quicker.

# Procedure

- ▶ The usual procedure is a launch of tender by the **Hellenic Republic Asset Development Fund (HRADF)**
- ▶ Submission of Offers by the Investors
- ▶ The Choice of the competent investor according to the terms of the tender

# TYPES OF PRIVATIZATIONS

## A . PRIVATIZATIONS IN PROGRESS

### ▶ LAND DEVELOPMENT (SALE & LEASE BACK)

- Hellinikon former Athens airport
  - International Broadcasting Center
  - Kassiopi, Corfu island
  - Afantou, Rhodes island

### ▶ INFRASTRUCTURE

- Hellenic Motorways

### ▶ CORPORATE

- State Lotteries License
- Public Gas Corporation

PLEASE CHECK ALSO RELEVANT SITE : <http://www.hradf.com/en/Privatizations-in-progress>

# B. PRIVATIZATIONS SCHEDULED TO BE EFFECTUATED WITHIN THE NEXT YEAR

## ▶ LAND DEVELOPMENT (SALE & LEASE BACK)

### ◦ Real Estate Buildings

- Ministry Of Culture
- Secretariat General of Information Systems (GSIS)
- Hellenic Police Forensic Science Division
- Hellenic Statistical Authority (ELSTAT)
- Secretariat General of Mass Media
- Police Headquarters, Thessaloniki
- Immigration Attica
- Serres Police Headquarters
- Tax Authority Xanthi (A&B) and Xanthi Chemical Laboratory
- Athens A' Tax Office
- 'IZ' Tax Office
- Korinthos B' Tax Office
- Chalkida B' Tax Office
- Tax Authority, Stavroupoli
- Tax Authority, Alexandroupoli
- Tax authority Agioi Anargiroi



# ...B. PRIVATIZATIONS SCHEDULED TO BE EFFECTUATED WITHIN THE NEXT YEAR

## ...Real Estate Buildings

- Pallini Tax Office
- ATHENS 'ΙΘ' Tax Office
- Glyfada Tax Office
- Cholargos Tax Office
- Kifisia Tax Office
- Ministry of Internal Affairs Main Building
- Ministry of Justice
- Ministry Of Health
- General Chemical State Laboratory of Greece
- Ministry of Education
- Ministry Of Culture (Bouboulinas)

# ...B. PRIVATIZATIONS TO BE EFFECTUATED WITHIN THE NEXT YEAR

## ► INFRASTRUCTURE

- “Egnatia Odos” Motorway
- Thessaloniki Water Supply & Sewerage Company
- Athens Water Supply & Sewerage Company
- Public Power Corporation
- Small Ports and Marinas

## ► CORPORATE

- Hellenic Horserace Betting Organization
- Hellenic Football Prognostics Organization
- Hellenic Petroleum
- LARCO
- Hellenic Post
- Hellenic Defense Systems
- Mont Parnes Casino

PLEASE CHECK ALSO SITE : <http://www.hradf.com/en/rolling-ahead>

## C. PRIVATIZATIONS SCHEDULED TO BE EFFECTUTATED WITHIN THE FOLLOWING 4–5 YEARS

*(PROCEDURES OF AWARD OF PUBLIC WORK CONTRACTS, PPP PUBLIC PRIVATE PARTNERSHIP etc)*

- ▶ INFRASTRUCTURE
  - Regional Airports
  - South Kavala Natural Gas Storage
  - OLP, OLTH, 10 Regional Ports
  - TRAINOSE
  - Athens International Airport
  - Digital Dividend
  
- ▶ CORPORATE
  - Hellenic Vehicle Industry

PLEASE CHECK ALSO SITE : <http://www.hradf.com/en>

# CURRENT STATUS

PROJECTS ALREADY ENGAGED AND EXPECTED TO  
CLOSE IN 2012:

1) **IBC** (International Broadcasting Center)

2) **STATE LOTTERIES**

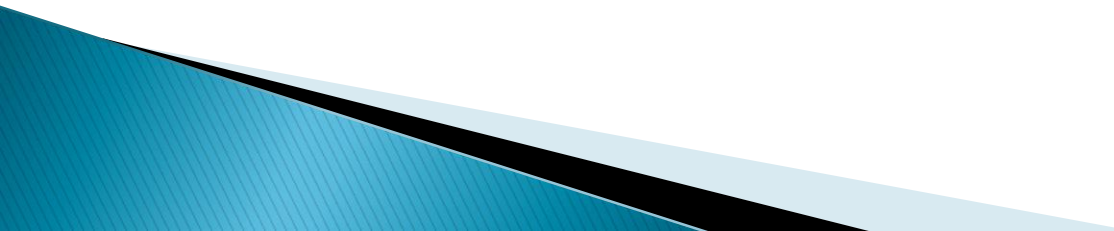
# PENDING CASES – DIFFICULTIES

- Most of the Privatization projects are still pending.
- The procedures have been announced but there are a lot of bureaucracy reason delays to be resolved **soon** by the government in order to simplify the process.
- Lack of interest by investors.

# EXAMPLES OF PENDING CASES (PRELIMINARY STAGE) :

1. **DEPA:** tender has been announced. 14 companies have participated.
2. **Hellinikon :** 9 GROUPS have declared interest. Next step is short list.
1. **Kassiopi (Corfou) :** There is only one interested party
2. **Afantou (Rhodes):** Tender has been announced. The procedure has stopped to that point.

# What you should know and tell your clients

- Privatizations are done through the State Fund only.
  - Investors are not required to form a separate investing fund.
  - Investors respond to each tender separately, formulating their proposals to the Fund as a first step in negotiations.
  - Our office in cooperation with yours is in the position to provide access to the State Fund in order to assist your clients in informing them of the details of each tender, formulating their responses to the tender and assisting them during the entire procedure.
  - Now is the time to express their interest.
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The logo consists of a dark brown square divided into two horizontal sections. The top section contains the text 'KARAGOUNIS & PARTNERS' in a white, serif font. The bottom section contains the text 'LAW OFFICES' in a smaller, white, serif font.

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