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Focus notes: Greece

Anna Dimitriadou
Economic Analyst
andimitriadou@eurobank.gr

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Overview of the Greek privatisations programme: Delays challenge investors' confidence and expected revenue for 2019

Introduction

Privatisations are considered an important policy, not only for their contribution in increasing public revenue and reducing public debt, but, more importantly, as a means to attract FDI for the upgrade of acquired assets, open up regulated markets and improve the business environment. To this effect, the privatisations programme has been present in all three Economic Adjustment Programmes for Greece (2010, 2012 and 2015) and also constitutes an integral part of the Enhanced Post Programme Surveillance framework that Greece is under since the expiration of the 3rd Economic Adjustment Programme in August 2018.

The economic effect of a number of privatisations is expected to be multi-dimensional, going far beyond the revenues from the sale transaction. A vivid illustration is the case of Hellinikon. According to IOBE (2016)[1], and for the 25 years reference period examined in the study, the operating revenues of the project are estimated to reach on average EUR1.4 billion per year while tax revenues form construction works and business activities are expected to reach on average EUR563 million per year. On a macroeconomic level, by the end of the 25-year period examined, demand factors are estimated to lead to an increase of GDP by 1.7% while supply factors expressed through increased productivity and output potential are expected to boost GDP by 0.6%. Employment in the area is estimated to increase by more than 25,000 people by mid-2030 while after the completion of construction works, the overall business activity at Hellinikon is expected to support 21,000 jobs annually. Taking into consideration indirect effects, the development is expected to create 90,000 additional jobs by the end of the 25-year period under examination.

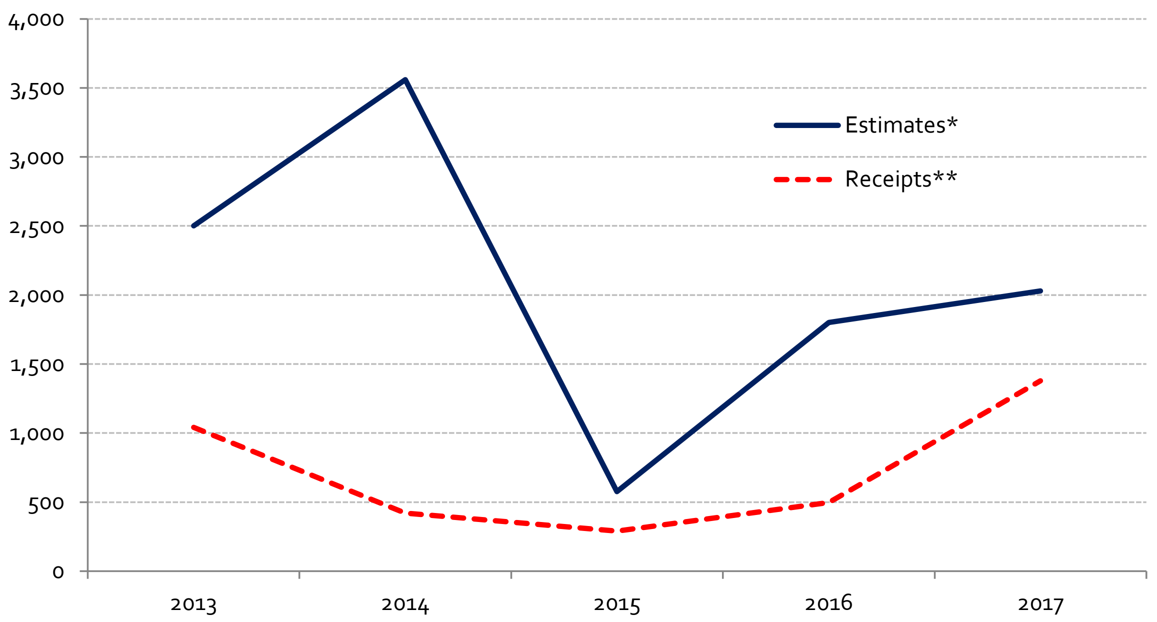
Accordingly, in the case of the Port of Thessaloniki (OLTH), IOBE (2017)[2] finds that economic activity will significantly increase under a central scenario in which the sale agreement materialises against a baseline scenario whereby the existing trends and structural characteristics of the port are maintained. More specifically, under the central scenario, until 2026 the gross production value of OLTH is expected to increase by EUR117 million (in NPV terms) compared to the baseline scenario, fiscal revenues are expected to increase by EUR211 million (in NPV terms) and investments are expected to be higher by EUR220 million. As regards the ecosystem surrounding the port, the operation of the privatised port is expected to boost its product by EUR368 million (in NPV terms) by the end of 2026. The effects on the economy as a whole are also expected to be notable with GDP expected to grow further by at least EUR1.2 billion (in NPV terms) until 2026 while employment is expected to be supported by an additional 37.4 thousand man-years.

Despite the important potential contribution of privatisations to the economic recovery of the country, their implementation has encountered substantial obstacles and delays from the start. Each year since the beginning of the privatisations programme, the realised privatisations revenues were considerably lower

[1] Foundation for Economic & Industrial Research (IOBE), (2016), 'Economic impact from the development of the area of Hellinikon', September 2016
[2] Foundation for Economic & Industrial Research (IOBE), (2017), 'Economic impact from the privatisation of the Port of Thessaloniki', June 2017

than the forecasted ones (Graph 1). The reasons for these delays are numerous, including the reluctance of some policy-makers and managers to implement privatisations policies, resistance from trade unions, the complexity and low level of maturity of some projects and a still present – albeit with declining popularity – climate of doubt in public opinion about whether the privatison of assets is in favour of the public interest. Yet, it is widely accepted that several public corporations, which were loss-making over time, would find it very difficult to recover without radical restructuring and injection of substantial funds that the state cannot provide. At the same time, various public sector assets, such as the former Hellinikon airport area, remain underdeveloped or not developed at all for decades, posing an example of significant income, investment and employment loss over time.

Graph 1. Estimated vs realised privatisations revenues (in million euros).



Sources: 2013 – 2019 Budgets

** Based on that year's state budget. E.g. the 2013 figure is the estimate that appeared in the 2013 budget.*

*** 2019 Budget data*

Be that as it may, some privatisations have been completed yielding so far revenues in the order of EUR5,445 million.

Table 1 presents all the privatisation projects from 2011 onwards.

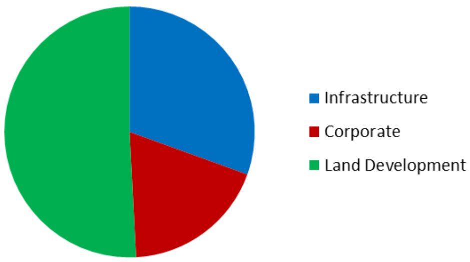
Table 1. Privatisation projects 2011 – 2018 and their status

Privatisation	Completion of transaction	Type of privatisation	Status
Rights for the use of the 900 MHz and 1800 MHz spectrum bands	2011	Infrastructure	Complete
License for the installation and operation of gaming machines (VLTs)	2011	Corporate	Complete
Extension of the contract for the conduct of lottery games between the Greek Sate and OPAP for 10 years	2011	Corporate	Complete
NBG - ALPHA - Piraeus Bank shares	2012	Corporate	Complete
Sale of selected buildings abroad (London, Tashkent, Brussels)	2013	Land Development	Complete
Sale of the State Lotteries license	2013	Corporate	Complete
Sale of a 33% share in OPAP S.A.	2013	Corporate	Complete
OPAP S.A. shares	2013	Corporate	Complete
Lease for 90 years of the International Broadcasting Centre (IBC)	2013	Land Development	Complete
E-AUCTION I	2013	Land Development	Complete
Sale of selected buildings abroad (Dusseldorf)	2014	Land Development	Complete
Paliouri	2014	Land Development	Complete
Digital Dividend	2014	Infrastructure	Complete
Sale and leaseback of selected public buildings (28 properties)	2014	Land Development	Complete
E-AUCTION II	2015	Land Development	Complete
E-AUCTION III	2015	Land Development	Complete
Sale of selected buildings abroad (Belgrade)	2015	Land Development	Complete
Xenia Hotel Skiathos	2015	Land Development	Complete
Agios Ioannis Sithonias property	2015	Land Development	Complete
Mutual Horse Race Betting	2015	Infrastructure	Complete
E-AUCTION IV	2015	Land Development	Complete
Sale of selected buildings abroad (New York, Washington)	2016	Land Development	Complete
Sale of selected buildings abroad (Rome, Yerevan)	2016	Land Development	Complete
Sale of selected buildings abroad (Ljubljana)	2016	Land Development	Complete
Port of Piraeus (OLP) (51% + 16%)	2016	Infrastructure	Complete
E-AUCTION VI	2016	Land Development	Complete
Astir Palace Vouliagmeni	2016	Land Development	Complete
Property at Kassiopi, Corfu	2016	Land Development	Complete
Sale of 2 Airbus aircrafts	2016	Infrastructure	Complete
Modiano Market, Thessaloniki	2017	Land Development	Complete
E-AUCTION V	2017	Land Development	Complete
Regional Airports	2017	Infrastructure	Complete
TRAINOSE	2017	Infrastructure	Complete
ADMIE	2017	Corporate	Complete
E-AUCTION VII, VIII	2017	Land Development	Complete
Port of Thessaloniki (OLTH) 67%	2018	Infrastructure	Complete
EESSTY (ROSCO)	2018	Infrastructure	Complete
Hellenic Telecommunications Organisation (OTE) 5%	2018	Corporate	Complete
Athens International Airport - Concession	2018	Infrastructure	Incomplete
DESFA	2018	Infrastructure	Complete
Rights for the use of radio frequencies 2018-2035	2018	Infrastructure	Complete
Property at Afantou, Rhodes	-	Land Development	Incomplete
Castello Bibelli, Corfu	-	Land Development	Incomplete
Hellinikon Concession	-	Land Development	Incomplete
Hellenic Petroleum (HELPE)	-	Corporate	Incomplete
Athens International Airport - 30%	-	Infrastructure	Incomplete
Thessaloniki Water & Sewerage Company (EYATH)	-	Infrastructure	Incomplete
Public Power Corporation (PPC)	-	Corporate	Incomplete
DEPA	-	Corporate	Incomplete
Athens Water & Sewerage Company (EYDAP)	-	Infrastructure	Incomplete
Other properties	-	Land Development	Incomplete
Small ports and marinas	-	Infrastructure	Incomplete
Egnatia motorway	-	Infrastructure	Incomplete
South Kavala Natural Gas Storage	-	Infrastructure	Incomplete
Thermal springs	-	Land Development	Incomplete
Former US Base in Heraklion	-	Land Development	Incomplete
Olympic Assets	-	Land Development	Incomplete
Kassandra Golf	-	Land Development	Incomplete
Possidi, Chalkidiki	-	Land Development	Incomplete

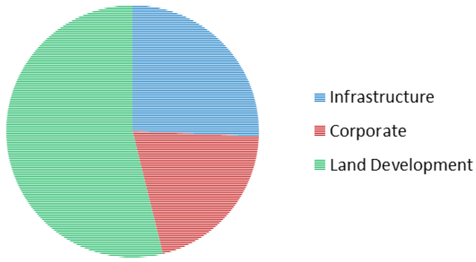
Sources: 2019 Budget, HRADF

It is worth noting that 50% of these privatisations concern land development, 31% infrastructure and 19% corporate. Among the complete projects, 54% pertain to land development, 26% to infrastructure and 21% to corporate (Graphs 2a, 2b).

Graph 2a. Total projects



Graph 2b. Complete projects or projects close to completion



Sources: 2019 Budget, HRADF

Currently, the privatisations programme as it was laid out in the August 2015 Asset Development Plan of the Hellenic Republic Asset Development Fund (HRADF), is largely still behind schedule in spite of the fact that, according to the June 2018 Compliance Report, it should have been completed prior to the conclusion of the ESM Programme. More specifically, projects that according to the original planning should have been completed but are not, include: Hellinikon Project, Athens International Airport, Egnatia motorway, Hellenic Petroleum, Public Power Corporation, Athens Water & Sewerage Company, Thessaloniki Water & Sewerage Company, Public Gas Corporation, Afantou Rhodes, and Marinas.

The degree of progress per project varies, with some approaching their financial closing and others still being at a very initial stage and without a clear roadmap ahead.

The estimated revenue (on a cash basis) from privatisations for the year 2019 amounts to EUR1,532 million, out of which EUR1,197 million will come from the corporate and infrastructure portfolio while EUR335 million will come from real estate (Table 2).

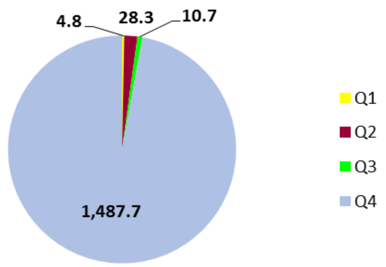
Table 2. Projected privatisation revenues in 2019 (in million euros)

	Q1	Q2	Q3	Q4	Total 2019
Receipts per quarter	**4.8**	**28.3**	**10.7**	**1,487.7**	**1,531.5**
CORPORATE PORTFOLIO & INFRASTRUCTURE					
Sale of 33% of OPAP				3.0	3.0
Regional Airports		23.3			23.3
Projects under preparation (EYDAP, EYATH, Egnatia, HELPE, AIA (sale of stakeholding), DEPA, Marinas)				1,170.6	1,170.6
Total	**0.0**	**23.3**	**0.0**	**1,173.6**	**1,196.9**
REAL ESTATE					
Property at Kassiopi, Corfu				2.0	2.0
Property at Afantou, Rhodes				6.5	6.5
E-Auction I-VIII	4.8	5.0		4.0	13.8
Modiano Market, Thessaloniki			0.4		0.4
Hellinikon Concession				300.0	300.0
Castello Bibelli, Corfu				1.6	1.6
Other properties under preparation			10.3		10.3
Total	**4.8**	**5.0**	**10.7**	**314.1**	**334.6**

Sources: 2019 Budget, HRADF

The quarterly break-down reveals that more than 97% of this estimated revenue is expected in the fourth quarter of 2019 (Graph 3), which comprises a risk factor in case of delays. At the same time, 20 % of this will come from tenders for which binding offers have been submitted and the first disbursement is expected in 2019 and 3% pertains to installments from transactions that were completed in previous years. The remaining 77% constitutes estimated revenue from tenders that are expected to be completed in 2019; therefore, it is far from secured. On top of that, given that 2019 is a general elections' year – general elections will take place sometime until October 2019 at the latest – the pre-election period along with a potential change of government pose additional risk factors to the timely realisation of the expected income from privatisations.

Graph 3. Estimated quarterly privatisation revenue for 2019 (in million euros)



Source: HRADF, October 2018, 2019 Budget

In the following section we present the current status of major privatisation projects and the outlook ahead. It should be noted that in the absence of regular reporting from official sources on the progress of these projects, some of the information presented herein is anecdotal, derived from press and market sources. Moreover, it cannot be excluded that progress may have been achieved in other projects as well, without it having been made publicly known.

Hellenic Petroleum S.A. (HELPE)

On 18 July 2018, the HRADF announced that two investment schemes – out of five that had initially expressed interest – qualified to participate in the second phase of the tender for the acquisition of the 50.1% stake in the share capital (jointly owned by HRADF and Paneuropean Oil and Industrial Holdings S.A.) of Hellenic Petroleum S.A. (HELPE). These are Glencore Energy UK LTD and Vitol Holding B.V. and, according to press reports, they may take part in the next phase of the tender in joint ventures with other partners. The deadline for the submission of the binding offers is to be determined in the period ahead but according to the HRADF Chairman of the BoD Aris Xenofos[3] this will be in Q1-2019.

Public Power Corporation S.A. (PPC)

On 24 April 2018, the Hellenic Parliament approved the bill for the divestment of the agreed lignite-fired capacity units of the PPC, following the Hellenic Republic's commitment vis-à-vis the European Commission to adopt structural measures regarding access to lignite in the framework of the COMP/38700 case. The bill foresees that PPC will divest the lignite-fired units of Meliti (including the licensed unit for Meliti 2) and Megalopoli 3 and 4. The divestiture will also include the transfer of the necessary employees and lignite mines. The tender process is underway and five investment schemes have expressed interest: 1) Beijing Guohua Power Company / DAMCO Energy S.A., 2) GEK Terna / Indoverse Coal Investments Limited, 3) ELVALHALCOR S.A., and 4) Energeticky a Prumyslovy Holding, a.s. and 5) Mitilineos S.A.

It should be noted that the divestiture faces a number of headwinds. Firstly, the upward trend in CO_2 emission allowances is likely to make the investment in the lignite-fired power plants less attractive. To counter the volatility of CO_2 emission allowances and the changes that will be brought about from the implementation of the Target Model, potential investors are reportedly discussing the inclusion in the Share Purchase Agreement of a risk-sharing mechanism with PPC. This mechanism, however, would first have to be approved by the European Commission. Secondly, another consideration is related to the companies' employees. The divestiture bill

[3] https://energypress.gr/news/nea-kai-teliki-paratasi-gia-ton-diagonismo-ton-elpe-apo-15-dekemvrioy-eos-arhes-ianoyarioy-oi

contains a non-dismissal clause for six years for the staff originating from PPC but, should the new management wish to downsize after this period expires, compensation costs may be substantial. Other concerns are related to the smooth supply of lignite to the unit of Meliti and the large number of employees in the unit of Megalopoli. Currently, deliberations are reportedly being conducted between the Ministry of Energy, PPC and the European Commission regarding the specifics of the Sale and Purchase Agreement. Should the attempt to divest the lignite-fired units yield poor results, PPC may have to divest hydroelectric ones too in order to achieve the further opening of the wholesale market, an eventuality that both the company and the government are keen to avoid.

As regards the timeline, originally the divestment was expected to be completed by end-2018. However, the submission of binding offers was first moved from October to December and now it has reportedly been requested that it be moved to end-January 2019.

Public Gas Corporation S.A. (DEPA)

The privatization of DEPA is part of the overall liberalisation process in the gas market in order to strengthen competition through the decoupling of distribution from supply. The tender structure that was agreed between Greece and its European partners in the context of the 3rd Economic Adjustment Programme foresees the separation of DEPA into two entities. The first one will keep the networks and international projects while the second will take over wholesale and retail. The state will retain control of the first company and sell a share of the latter to a strategic investor. This share that will be sold could be in the order of 50%+1 share but it has not yet been determined exactly. For the tender process to proceed, the Parliament must first approve the detailed plan for the dichotomy of DEPA in 2019. According to recent press reports, the Ministry of Environment & Energy will table to Parliament the bill for the dichotomy of DEPA towards the end of January 2019, which could allow for the launch of the tender in H1-2019.

Hellenic Gas Transmission System Operator S.A. (DESFA)

As early as May 2010, in the context of the 1st Economic Adjustment Programme for Greece, the Greek government undertook the obligation to adopt legislation to unbundle gas activities, thus contributing to the improvement of the business environment. The agreement for the sale of DESFA's 66% stake was signed on 20 July 2018, between HRADF, Hellenic Petroleum SA and "SENFLUGA Energy Infrastructure Holdings S.A." consortium comprising of the companies Snam S.p.A., Enagás Internacional S.L.U. και Fluxys S.A., for a total of EUR535 million and was completed on 20 December 2018. The sale will result to revenue of EUR251 million for HRADF – as the remainder will be paid to Hellenic Petroleum SA which is also a stakeholder in DESFA – while DESFA's business plan foresees the implementation of investments in the order of EUR331 million by 2023.

Athens International Airport

Following DG Comp recommendation, Athens International Airport SA ("AIA") submitted a new offer to the Hellenic Republic Asset Development Fund for the 20-year concession of the Athens International Airport (2026-2046), which was approved by the HRADF Board of Directors on 14 September 2018. The revised offer amounts to EUR1.382 billion incl. VAT (EUR1.115 billion excl. VAT). It is reminded that the initial offer stood at EUR600 million incl. VAT (EUR484 million excl. VAT). The Court of Audit, which conducted the pre-contractual audit, has reportedly endorsed the revised agreement and the completion of the transaction is now subject to approvals by the competent European authorities and the Greek Parliament, which is expected to happen by end-February 2019. The aforementioned approvals are a pre-requisite for the sale of the HRADF's 30% stake in AIA which is expected to take place in 2019 but may encounter delays due to the general elections that are due this year.

Egnatia motorway

On 14 November 2017, the HRADF Board of Directors launched an international tender process for a concession agreement in relation to the financing, operation, maintenance and commercial exploitation of the Egnatia motorway and the three vertical road axes for a maximum period of 40 years. In May 2018 the HRADF announced that seven prequalified investment schemes[4] had met the criteria to participate in the second phase of the tender. Later on, the Ministers of Infrastructure & Transport and Finance issued a Joint Ministerial Decision setting out the new toll pricing policy. Nevertheless, the European Commission Directorate General for Mobility and Transport (DGMOVE) rejected the proposal, which reportedly foresaw the exemption of Egnatia motorway from toll charges based on CO_2 emissions for heavy vehicles over 3.5 tons. On top of that, further headwinds to the privatisation reportedly constitute the cost for the

[4] 1) ANAS International Enterprise S.p.A., 2) DIOLKOS S.A , 3) GEK TERNA S.A. – EGIS PROJECTS S.A., 4) FREYJA HOLDINGS SARL [Macquarie European
ıarie European Infrastructure Fund 5 SCSp], 5) ROADIS Transportation Holding S.L.U. - AKTOR CONCESSIONS S.A., 6) SICHUAN COMMUNICATIONS
- DAMCO ENERGY S.A., 7) VINCI HIGHWAYS S.A.S – VINCI CONCESSIONS S.A.S – MYTILINEOS HOLDINGS S.A.

maintenance of the motorway and the certification of its tunnels. The interventions required to meet European Commission standards may reach EUR350 million.

It is currently unclear how and when this privatisation will move forward. The 2018 Budget foresaw the completion of the project in 2018 with estimated revenue of EUR50 million. The 2019 Budget states that the tender is underway without, however, mentioning specific estimated revenues or a completion date. It should also be noted that in the Enhanced Post Programme Surveillance review published in November 2018, the European Commission states in an unusually harsh tone that: "The tender for the Egnatia motorway is characterized by systematic delays and problems, showing a lack of ownership. Virtually no progress is being made in the implementation of that transaction due to various delays attributable to either Egnatia S.A. or the Ministry of Infrastructure."

10 Port Authorities

The HRADF holds 100% of shares in 10 port authorities[5], which have the right to operate the respective ports until 2042. Based on their use, these ports are divided into the following categories: 1) Multi-purpose: Heraklion, Volos, Lavrio, 2) Cargo & bulk: Elefsina, Kavala, Patra, Alexandroupolis, 3) Cruise passenger: Corfu, and 4) Ferry/coastal passenger: Kavala, Patra, Alexandroupolis, Corfu, Igoumenitsa, Rafina. The Hellenic Republic is currently in the process of evaluating the most appropriate approach to the development of these ports. In this context, in July 2018, the HRADF laid out the main structural and operational characteristics of the said ports while in October 2018 it launched a tender for the provision of services of financial audit in relation to the company "Volos Port Authority S.A." Furthermore, in late October 2018, the Greek government submitted for public consultation the legal framework that will pave the way for the exploitation of the ten port authorities, as foreseen by the 3rd Economic Adjustment Programme and the HRADF Asset Development Plan (June 2018). In spite of these actions, as was also pointed out in the first EPPS review, there are significant delays in the enactment of the legislative amendment for the sub-concession of regional ports. Instead, according to the Enhanced Post Programme Surveillance review, November 2018, new conditions have been added potentially putting at risk the successful privatisation of the 10 regional ports. In any case, assuming that progress is made, the tenders for the ports of Alexandroupoli and Kavala will likely be the first to be launched in 2019, followed by those for the ports of Corfu, Volos and Igoumenitsa.

Hellenic Company for Rolling Stock Maintenance S.A. (EESSTY).

On 29 October 2018, the HRADF and TRAINOSE SA signed the sale & purchase agreement of a 100% stake in EESSTY SA (rolling stock maintenance company) for a total consideration of EUR22 million. The completion of the transaction is conditional to the competent authorities' approvals. It is reminded that the buyer, TRAINOSE SA, is a subsidiary to Ferrovie dello Stato Italiane SpA., acquired from HRADF in 2017 for EUR45 million.

Hellinikon Project

The sale of Hellinikon was completed in March 2014 in the context of the 2nd Economic Adjustment Programme and the payment of the first installment was initially due in 2015 but progress has been slow for various reasons. In the past few months some progress was made with the signing of the draft Presidential Decree approving the Integrated Development Plan and the revision of the legislative framework to allow for the operation and tendering procedure of a casino license in the Hellinikon site. Additionally, the multi-bill that was voted in June 2018 contained provisions regarding the management of the public areas of Hellinikon. In November 2018 the government submitted an amendment to Law 4062/2012, which, according to the preamble, would facilitate the smooth execution of construction works on the site. Nevertheless, a number of actions are still pending, such as the issuance of a joint ministerial decision for the development zones of the Hellinikon site as well as the award of the operational license for a casino, which is a prerequisite for the financial closing of the concession. On 28 November 2018, in an unusual move, the concessionaire Lamda Development made the following statement[6]: "Regarding repeated public statements that Lamda Development ("the Company") could immediately begin the development of the Hellinikon project, and in order not to create misperceptions to the general public, the following should be clarified: These statements do not take into consideration neither the general legislation nor the contractual preconditions, as they arise from the contracts between the Company and the State. The development of the Hellinikon project will commence with the fulfillment of all contractual pending terms, which are a prerequisite for the transfer of the "Hellinikon S.A." shares from the State to the Company. As

[5] Volos, Rafina, Igoumenitsa, Patra, Alexandroupolis, Heraklion, Elefsina, Lavrion, Corfu and Kavala.
[6] https://thehellinikon.com/announcement-2/

things stand, it is expected that if the casino tender is launched soon enough, the preferred investor may have been selected by end-Q1 2019, which could then allow for the financial closing of the EUR915 million concession and the beginning of construction works for this emblematic project sometime in H2 2019.

Marinas

According to its Asset Development Fund (December 2017), the HRADF has been granted the right for the concession and exploitation of 17 marinas. However, information is given only about 8 of those[7] and each one is at a different maturity stage. With regard to the estimated revenue from marinas in the period ahead, the 2018 Budget foresaw an aggregate of €28 million from small ports and marinas in 2018, which was not materialised, while the 2019 Budget does not mention a separate amount for marinas. The latest developments concerning the marinas of Alimos, Pylos and Chios, whose privatisations are in progress, are as follows:

- In May 2018, the HRADF announced that for the next phase of the Alimos marina tender, eight investment schemes[8] meet the eligibility criteria. The binding offers are expected by February 2019.
- The tender for the exploitation of the marina of Pylos was declared incomplete, as no investment scheme submitted a binding offer.
- On 20 December 2018 the HRADF accepted the improved financial offer of the investment scheme "AVLUM ENTERPRISES COMPANY LIMITED – IOANNIS & ELIAS D. TEFAS NAFPIGOPLASTIKI – CLEOPATRA MARINA SA – TOURISTIKOS LIMENAS PREVEZAS SA" for the concession of the right to use and exploit the marina of Chios for 40 years. The improved financial offer amounts to a total consideration of at least EUR6.2 million, comprising an upfront payment of EUR0.6 million, an annual concession fee and a revenue sharing expressed as a percentage of the marina's annual turnover.

South Kavala Natural Gas Storage

The process for the preparation and maturing of the South Kavala Natural Gas Storage project begun in 2018 and will reportedly continue more vigorously in 2019, according to the updated HRADF timetable. The project concerns the exploitation of the almost depleted underwater natural gas field of South Kavala as an underground natural gas storage facility. Due to its geology, size, proximity to the southern pipeline, the existing infrastructure and its uniqueness in Greece, the underground natural gas storage facility will enhance security of supply in the Greek market and improve the management of the natural gas suppliers' portfolio. It should also be noted that the project has been included in the list of European Commission (EC) Projects of Common Interest (PCI) adopted in October 2017 by the EC and the member states in the PCI Regional Group Meeting.

Real estate

In real estate, revenues for 2019 are projected to reach to EUR34.6 million (excl. Hellinikon) according to the 2019 Budget. Around 70% of this amount is expected to come from sales that have already materialised or are in progress (Table 3). In the period ahead priority will reportedly be given to the sale of two large properties, the first one at Gournes Heraklion (Former U.S. Base) and the second one at Markopoulo, Attika (Olympic Equestrian Centre). Additionally, e-auctions will continue for the sale of smaller properties.

[7] Alimos, Chios, Thessaloniki (Aretsou), Mykonos, Argostoli, Zakynthos, Itea, Mandraki (Rhodes).

[8] 1) AKTOR CONCESSIONS SA and TEK – TEK ART KALAMIS VE FENERBAHCE MARMARA TURIZM TELESISLERI SA, 2) ATESE SA (ENGINEERING COMMERCIAL CONSULTING SOCIETE ANONYME - PRIVATE SECURITY SERVICES COMPANY), 3) AVIAREPS- COSMOS CONSORTIOUM, 4) INTRAKAT SA, 5) LAMDA DOGUS MARINA INVESTMENTS SA, 6) KASOS SA, 7) PORT ADHOC SAS- DREAM YACHT METITERRANEE - J&P AVAX SA, 8) PORTO CARRAS SA.

Table 3. Real estate projected revenues in 2019

REAL ESTATE	Q1	Q2	Q3	Q4	Total 2019
Property at Kassiopi, Corfu				2.0	2.0
Property at Afantou, Rhodes				6.5	6.5
E-Auction I-VIII	4.8	5.0		4.0	13.8
Modiano Market, Thessaloniki			0.4		0.4
Castello Bibelli, Corfu				1.6	1.6
Other properties under preparation			10.3		10.3
Total	**4.8**	**5.0**	**10.7**	**14.1**	**34.6**

Source: HRADF, October 2018, 2019 Budget

Concluding remarks

The privatisations programme has encountered delays over time but it has eventually reached a level of maturity that may allow for its accelerated implementation from now on. It is important that this acceleration materialise unobstructed by any economic or political developments in the period ahead. As mentioned above, the economic benefits will be multiple: revenue from the sale of assets, foreign direct investment, increased operating and tax revenue from higher economic activity, positive impact on GDP growth and an increase in employment. But the commitment to privatisations is crucial for yet another reason: the building of trust. Now that the 3rd Economic Adjustment Programme is over, Greece will be able to attract much needed investment and raise funds only if it convinces investors and financial markets that it will not backtrack from its commitments. After 10 years of economic hardship and three Economic Adjustment Programmes, the implementation of which has at times been stigmatized by detrimental tergiversations, trust is a key component to sustained economic recovery.

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- HRADF https://www.hradf.com/
- Press reports
- Other anecdotal sources

Eurobank Economic Analysis and Financial Markets Research

Dr. Tasos Anastasatos: *Group Chief Economist*
tanastasatos@eurobank.gr, + 30 214 4059706

Research Team

Anna Dimitriadou: *Economic Analyst*
andimitriadou@eurobank.gr, + 30 210 3718793

Marisa Yiannissis: *Administrator*
magiannisi@eurobank.gr, + 30 214 4059711

Ioannis Gkionis: *Senior Economist*
igkionis@eurobank.gr, + 30 214 4059707

Dr. Stylianos Gogos: *Economic Analyst*
sgogos@eurobank.gr , + 30 210 3371226

Maria Kasola: *Economic Analyst*
mkasola@eurobank.gr, + 30 210 3371224

Olga Kosma: *Research Economist*
okosma@eurobank.gr, + 30 210 3371227

Paraskevi Petropoulou: *Senior Economist*
ppetropoulou@eurobank.gr, + 30 210 3718991

Dr. Theodoros Stamatiou: *Senior Economist*
tstamatiou@eurobank.gr, + 30 214 4059708

Elia Tsiampaou: *Economic Analyst*
etsiampaou@eurobank.gr, +30 214 4059712

Eurobank Ergasias S.A, 8 Othonos Str, 105 57 Athens, tel: +30 210 33 37 000, fax: +30 210 33 37 190, email: Research@eurobank.gr

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- **7 Ημέρες Οικονομία:** Weekly review of the Greek economy
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- **Global Macro Themes & Market Implications for the EA Periphery and the CESEE:** Monthly review of the international economy and financial markets
- **Global Markets Special Focus Reports:** Periodic publication on specific global economy and markets developments