

Getting down to business

In an exclusive interview with Business File, Theodore Fessas, the Chairman of the Hellenic Federation of Enterprises (SEV), talks about pension reform, the challenges and opportunities facing the Greek economy and how to attract much-needed foreign investments

A major issue for the near future of the Greek economy is the issue of the pension system. The government seeks some sort of consensus, the opposition looks set to reject this. Do you think that consensus can be reached at this stage of Greek political life?

Unfortunately, we have taken a heavy toll on polarisation and division throughout the crisis period. Hard-line opposition is very common in Greek politics and compromising agreements are widely considered as defeats. It is a negative legacy coming from the civil war era.

We need however to move forwards and break away from the past that's keeping us idle. The pension system reform (one of many during the crisis years) calls for a comprehensive, cohesive and sustainable solution which must, in our opinion, be fair, transparent and proportional as per the contributions coming in and benefits going out of the system. All political parties, employers, workers and civil society should have a broad discussion on this major issue of national interest. However, due to the Institutions' pressure to conclude the first revision of the programme and our government's effort to get the first tranche of the current bailout as soon as possible, it is extremely unlikely to witness an organised social dialogue and a consensus-seeking process within and outside the Greek Parliament.

In order to balance the books of Social Security, the government proposes to increase by 1 per cent em-

To sum up

Theodore Fessas, the founder and the Chairman of Quest Holdings, is the Chairman of the Board of Directors of the Hellenic Federation of Enterprises (SEV). In an exclusive interview with *Business File* he tells *Economia* publisher **Alexandra C. Vovolini** and *Business File* managing editor **Antonis D. Papagianidis** his views on pension and social security reform, how to attract foreign investments, as well as prospects for the Greek economy.

employers' contributions. Part of the employers have accepted this – among them SEV/The Industrialists' Federation. For this, you have incurred quite a lot of criticism: do you think you are right, long-term?

In the long run, we are all dead, John Keynes once said. Our decision is dictated by our primary interest to re-establish political and economic stability in the country through the successful conclusion of the first review of the programme in order to avoid a new round of political turmoil in 2016. Greek businesses suffered remarkable losses in 2015 due to political uncertainty, capital controls and the subsequent slump. Hence, we have decided to introduce a new ethos and make concessions. I consider this a responsible and patriotic position, aligned with our Federation's long and respected history.

All of those who analyse the future of the Greek economy point out that if growth doesn't resume, nothing goes. Are you hopeful?

Provided our government and our lenders conclude the first two reviews



Window of opportunity: Theodore Fessas, the Chairman of the Hellenic Federation of Enterprises (SEV), says the "Juncker Plan" is another window of opportunity for the Greek economy. He is pictured with EC President Jean-Claude Juncker, during his recent visit in Brussels

successfully and no other crisis emerges, e.g. from the political or the security front, Greece will have built a concrete basis on which our economy can grow on the second half of 2016. Of course, this trajectory requires the continuation of reforms, especially in the field of privatisations and cuts in public spending, a close and honest collaboration with our European partners, social peace and political stability.

Would you comment on the recent freezing of the Hellenic Gold investment in Northern Greece? The implications on investment climate?

We should welcome new foreign investors and do our best to keep close all businesses that have already invested in Greece, not the opposite. Cultivating a hostile relationship with a major investor that provides thousands of jobs and much-needed tax revenues is not a wise approach and it clearly sends the false message abroad. SEV has offered its support to Eldorado Gold and we have repeatedly called the government to respect the verdict of the Supreme Court. It is never too late to reach an agreement.

“Greek businesses suffered remarkable losses in 2015 due to political uncertainty, capital controls and the subsequent slump”

How far do you think that the cost of energy in Greece cuts short export-based growth?

This is not merely a Greek problem, but a European one. Europe and Greece lag behind the competitive energy prices of the US, India and Russia. Especially, the Greek economy has been experiencing a radical disinvestment trend, which has led almost 200,000 industrial workers to unemployment since 2008. The high energy cost undermines our businesses’ ability to produce and compete equally at the international level. According to recent reports, from 2009 to 2013 energy prices for industrial use rose 7.6 per cent in Greece, compared to 4.85 per cent in EU27. According to our estimates, if the government decides to abolish the special tax on natural gas, this could have a positive domino effect on energy prices (-1.9 per cent), employment (+12,500 jobs), growth (+567 million euros) and public revenues as well.

How far have the preparations gone for the benefits of the much-touted “Juncker Plan” to be felt by the Greek economy? Do you think/does SEV



Talking business: SEV chairman Theodore Fessas talks to Economia publisher Alexandra C. Vovolini and *Business File* managing editor Antonis D. Papagiannidis

think it is a realistic basis for the necessary restart of the Greek economy?

The “Juncker Plan” is another window of opportunity for the Greek economy. Last April, our Federation submitted to the Vice President of the European Commission, Mr Katainen, a list of 10 investment projects that await to be materialised in the context of the Plan. These projects amount to 1.5 billion euros and include investments in manufacturing, research and development, logistics, public procurement, justice delivery, modernisation of customs services, the development of the “silver” economy and the long-awaited interconnection between the island of Crete and the rest of Greece through electricity infrastructure. The latter could save more than 400 million euros/year from the consumers’ electricity bill.

Has SEV benefited from effective support, in this most difficult turn of things, from its relations with BusinessEurope and Emma Marcegaglia? Is Greek industry/entrepreneurship really integrated into the European setting?

Emma Marcegaglia has been a good friend and an avid supporter of Greece’s European prospects. Especially in the times of crisis, Emma and I worked closely to communicate our positions to the European institutions and establish a relationship of trust and mutual understanding. Thanks to her and the BusinessEurope Community, SEV has been able to become more outward looking, dynamic and cooperative outside the Greek borders. BusinessEurope has a solution-driven approach to poli-

Theodore Fessas

Theodore Fessas is the founder and the Chairman of Quest Holdings.

Quest Holdings, established in 1981 (as Info-Quest), is listed in Athens Stock Exchange since 1998 and owns leading Greek companies in the sectors of Information Technology (Info-Quest Technologies, iSquare, iStorm, Unisystems), e-commerce (www.you.gr), Parcel delivery (ACS courier services) and Renewable Energy (Quest Energy, Quest Solar), with a consolidated annual turnover of about 300 million euros.

Mr Fessas was member of the Board of Directors of the Hellenic Federation of Enterprises (SEV) from 2000 and for many years Vice President, as well as member of the Executive Committee. In May 2014 he was elected Chairman of the Board of Directors of the Hellenic Federation of Enterprises (SEV).

He is the Honourary President of the Federation of Hellenic Information Technology & Communications Enterprises (SEPE), member of the Board of Directors and of International Chamber of Commerce (ICC-Hellas) as well as of the Foundation for Economic and Industrial Research (IOBE).

Mr Fessas holds a Mechanical & Electrical Engineering diploma from the National Technical University of Athens and a MSc in Thermodynamics from the University of Birmingham, UK.

cy-making, something that aligns with our strategy and our practices. 