



**ADDRESS BY THE CHAIRMAN OF THE HELLENIC
FEDERATION OF ENTERPRISES (SEV),**

Theodoros Fessas,

at the SEV Annual General Assembly

Athens Concert Hall, Wednesday, 31 May 2017

Dear President of the Hellenic Republic, Mr. Prime Minister,

Ladies & Gentleman,

You have my warm thanks for being here this evening.

A special thanks to dear Prem Watsa, an inspired investor in and supporter and friend of Greece, for honouring us with his presence today.

We are sincerely dismayed that we do not have Konstantinos Mitsotakis with us this year.

A political leader who left his mark on our country's post-war history. Who conscientiously served the vision of a European and liberal Greece. A pragmatist, and yet optimistic to the end, he believed that "Greece can be fixed as easily as it is broken."

We express our deepest condolences to his family and his associates.

Dear Friends,

This year's SEV General Assembly coincides with the 110th anniversary of the creation of our Federation.

Looking back to 1907, when SEV was created, there are surprising similarities with today.

Because then, too, Greece was in the 9th year of international economic supervision following the bankruptcy of 1893.

Then, too, the Greek political system, above self-criticism, opted for an ambiguous policy toward its foreign lenders, which perpetuated the recession.

Then, too, quite a few disaffected citizens turned to irrationalism, and many, many emigrated.

During the same period, however, charismatic and educated Greeks, mainly of the diaspora, followed a different course; a course of vision, knowledge and courage.

Patriarchs of Greek industry, such as: Epaminondas Charilaos, Nikolaos Kanellopoulos, Alexandros Zachariou, Leontios Economidis. All graduates of the University of Zurich, they were the first to see the business opportunities emerging in Greece.

They founded the country's first major industries in the late 19th century, investing personal capital, taking a risk, but with a sense of patriotism. And in 1907 they played a leading role in creating SEV.

These people created new wealth, jobs and a production base that still supports the Greek economy.

This 110-year history is a priceless legacy, but also a huge responsibility.

It obliges us to be demanding. First, of ourselves, and then of governments and the political system.

SEV's views and initiatives have always aimed above and beyond the narrow interests of our members, above and beyond today and our country's borders. It is the SEV that:

- Has taken a firm position, since 1960, in favour of our country's European perspective.
- Clashed with the statism of the 1970s and 1980s.
- Has always intervened in favour of the modernisation of the economy, of the business environment, labour, education and justice.

It is the SEV that today internationally promotes a serious and hard-working Greece.

That broadens the public agenda through dynamic initiatives and studies: for the rebirth of domestic industry, bolstering of exports, digitisation of the Greek economy, the future of labour, the UN sustainable development goals and the cyclical economy.

SEV does all of these things for the progress of Greek society and the Greek economy.

Our 110th anniversary is, for all of us, an opportunity for reflection. Because we share with all Greeks a concern for the country's future.

In Europe and in Greece, anti-systemic rhetoric has preyed on societies' concerns. It has raised some vital questions, but given incorrect responses.

Because the response to growing inequality is not isolationism and the sharing out of poverty. It is an open and internationalized economy that safeguards productive wealth, social justice and prosperity for all.

Following the unpleasant surprise in Great Britain, the election results in Spain, the Netherlands and France, and the completion of the election process in Germany, it appears they will open the way to the economic and political deepening of the European Union.

In Greece, after successive errors and setbacks, most of the political parties support the country's position at the core of the Euro Area.

Significant progress has been made; steps that are gradually modernising the Greek economy and making it more competitive.

First of all, the fiscal deficits and the deficits in the balance of payments have been reduced to zero.

And major reforms have been implemented over the past two years, including: the operation of an Independent Authority for Public Revenue, the expansion of e-transactions, completion of major privatisations, legislation on NPLs, rationalisation of special taxes on energy, retention of labour-market reforms, and institutionalisation of meritocratic procedures for administrative appointments at Public Enterprises.

Naturally, there are still many obstacles that must be removed, the most important of which is the problematic functioning of the banking system. You cannot have economic growth with high interest on loans, capital controls, over €100 billion in NPLs. The banking system's return to European normalcy is of the highest priority for enterprises.

But serious obstacles to this include the closed electricity market, delays in the justice system, impediments to the carrying out of investments, the trend towards expansion of the state, the fact that problematic public enterprises are kept running.

Today, we are all awaiting the completion of the 2nd review so that we can play the future with more certainty.

Unfortunately, however, the wrong mix of policies continues.

We associate reforms with increased taxes and social security contributions, horizontal cuts and disbursement of tranches. Not with policies that lead to economic growth, that deregulate markets for products and services, that eliminate special privileges and build trust with the global investment community.

These are the reforms that create economic growth and increase state revenues. That allow for reduction of direct and indirect taxes, of the unwieldy cost of social security contributions, and avert further cuts in pensions.

As I was assured by the Finance Minister of a country that emerged successfully from a memorandum: "The more I reduce the rates, the more revenues increase."

The reform effort must be intensified.

Rather than focusing on disagreements between the lenders that delay decision-making, let's jump ahead of them. Let's present our own reform plan and, mainly, let's implement it quickly and effectively.

This is how we can go from coerced legislation to the adoption of reforms. Rather than being supervised, let's become owners.

Dear Friends,

If there is any benefit, beyond fiscal adjustment, from everything we have been through over the past eight years, it is that we have all seen everything and been tested. Here in Greece and abroad.

There is no longer any "I don't know," there are no "magic solutions," there is no tolerance, no grace period for anyone.

The responsibility for Greece's current stagnancy is pervasive.

Europe, which supported us firmly for so many years, is tired of dealing with us. They seem to have decided to stop thinking about us for a while.

The Greek political system remains mired in self-absorption and micropolitics. Managing the crisis has cost a fortune in money, time, credibility and missed opportunities.

Various compulsive attitudes that have plagued and divided society for decades remain at centre stage and shape choices, conduct and critical decisions.

And of course, the deleterious phenomenon of domestic terrorism. We unequivocally condemn the recent attack on Lucas Papademos, a gifted Greek who serves successfully in every position of responsibility he assumes.

All of this has left us with a Greek society that has stopped dreaming, stopped hoping, stopped believing in collective efforts and visions.

We have become trapped in a one-dimensional approach that puts surpluses and the state debt ahead of what we really need, which is economic growth, quality of life and prosperity for all.

Yes, fiscal discipline and settlement of the debt are vital. But they cannot be the sole promise to society.

The only recipe for exiting the crisis is:

- **economic growth through reforms and investments, with private initiative as the motor force,**
- **choosing people with values, integrity and ability for every position of responsibility, and**
- **a thorough change in attitude.**

Divisiveness, populism, obsessions and rehashing of the past have to be supplanted by notions like seriousness, responsibility, consensus, cooperation.

And we have to stop pointing our fingers at each other. **It's not "other people's" fault. We are the other people.**

Those of us who love our homeland must look forward, at long last, and agree at least on a fundamental national goal.

And this goal is:

"Every worthwhile investment is a national goal."

This means that we all accept it, we believe we will benefit from its achievement, we contribute as much as we can, we feel pride and enthusiasm when we are successful, and, mainly, we shape a culture of values around this.

There are many big investment opportunities in Greece. But there isn't a business-friendly environment.

Unfortunately, the sum of investments in crisis-ridden Greece is just 10% of GDP, less than half the European average.

Public investments have been drastically limited. They aren't likely to return to pre-crisis levels.

It is chiefly the domestic private sector that is investing. Consider this: 260 SEV-member enterprises account for 65% of business investments in Greece, or a quarter of total investments, public and private.

Unfortunately, these investments do not suffice. We have to get close to the European average. We have to double our investments.

By creating a business-friendly environment, we will convince Greek and foreign investors that our country is and will remain a safe and very promising investment destination.

We need a large influx of international investment immediately.

This is how we will gain more select friends who will give us a vote of confidence, as Mr. Watsa is doing.

International investors have a wide range of choices in many countries. Investments won't come to Greece simply because the second review is completed or the state debt is restructured.

Investments will come from those who are convinced that Greece offers worthwhile investment opportunities and is determined to restore its credibility.

We firmly believe that we can, for example:

- Propel Greek industry upwards; Greek industry that has always been enterprising, and that exports. At long last, let's free it from the chains holding it down: energy costs, time-consuming permit procedures, etc.
- We firmly believe that we can be pioneers in sectors like education, health and digital economy,
- that we can create an open and competitive energy market with interconnections within and beyond our borders,
- that we can develop the most beautiful Mediterranean Riviera on Attica's beach fronts,
- that we can capitalise on our unique cultural heritage.

We have huge investment potential in industry, services, energy, tourism, culture. But we also have a lot of problems to solve.

SEV has always proposed informed solutions to the various problems. It has also recently drawn up an action plan for investments in Greece.

Today **we are again taking a similar initiative.**

With the assistance of international consultancy firms and in collaboration with the competent agencies, we are planning:

- to propose better international practices for attracting investments,
- to identify major public and private investment projects,
- to propose the right incentives and effective management structure, and
- to work with the government and the political parties to ensure the speediest possible implementation.

In parallel, through mobilising our members and capitalising on all our business and personal relationships, we will address the international investment community, taking a series of initiatives that will be presented at an investment conference.

Dear Friends,

We have covered the largest and most painful part of the path out of the crisis. What remains is the final, decisive step.

For us to enter a virtuous cycle where reform surpluses will make it possible to relax the harsh fiscal measures. This will fuel a leap in growth that will surprise all of us.

But we need a motor force, a sentiment, to unite us and rally us.

A modern value system that characterizes the Greek European citizen of the 21st century.

Key elements of this must be:

- the country's healthy economic growth, as a fundamental national priority,
- modernisation of the state, the political system and society,

- compliance with the laws and the social contract of obligations between the state and the citizen,
- human rights, democracy, egalitarianism, equal opportunities and solidarity.

These speak for all of those citizens who, by the daily example of their lives, through hard work, responsibility, a sense of diligence, dignity and duty, are promoting a new national pride.

We all have a duty and responsibility to ensure that the upcoming constitutional revision complies strictly with the standards of a modern, European civil democracy and reinforces our charter with such principles and values.

Dear Friends,

I talked today about an overriding objective, a basic means, a condition and a motor force.

Our objective is growth, the means is private investments, the condition is the reforms, and the motor force is a modern value system.

In the nearly two hundred years of a free Greece, we have gone through many crises and disasters with common causes.

The reason these crises repeat themselves is oblivion. But we can shake off this oblivion – we can face and embrace the truth

The truth about where we are, how we got here, what we aspire to, how we can achieve it.

So, with truth and realism as our criteria,

- let's reward leaderships that support the country and society, and not their clientèle,
- let's reward entrepreneurs and investors who create good and sustainable jobs, and not parasites or illicit wealth,
- let's reward citizens who work for success rather than seeking a sinecure or giving into wanderlust.

We have worthy fellow citizens everywhere. Regardless of their political stance, level of education, economic standing, profession.

They are the majority, and we have to realise this and move ahead together to rebuild the Greece of values and value.

We want to become much better, and we can.