Syriza offers big business mega-profits in Greece

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The Syriza government in Greece is looking to raise €4.4 billion in the sale of state assets during 2017-2018. Among the sell-offs to be completed this year are a 66 percent stake in the country's natural gas grid DESFA and a 67 percent stake in Thessaloniki, the second largest port.

The government is also seeking discussions on the sale of state shares in seven major companies, including the power utility company Public Power Corp., telecoms operator OTE and Athens International Airport.

On June 29, Prime Minister Alexis Tsipras delivered the keynote speech at the 21st Roundtable with the Government of Greece—an annual conference organised by the *Economist* magazine. The event was held over two days at the upmarket Grand Resort hotel in the seaside area of Lagonisi.

Other speakers included former UK Labour Party Finance Minister Alistair Darling, former Bush Administration official John Negroponte, and the head of the International Monetary Fund (IMF) mission in Greece, Delia Velculescu.

According to the event's web site, 2017 is "crucial for Greece's future as the country strives to stabilise its economy, maintain the momentum of the structural reforms and return to the path of competitiveness and growth. Moreover, the need for new investment to boost the economy and reduce unemployment is vital."

An appeal for investors to step up their raid of the economy was central to the keynote speech given by Tsipras. He urged his audience to come to Greece to "take advantage of the opportunities on offer."

Prime investment opportunities existed in the energy sector, transport, transit trade, primary industries, manufacturing, research, and tourism. All this and a highly skilled workforce were on tap for boosting profits, Tsipras boasted.

With only slight changes, Tsipras's overtures were virtually identical to the message in a recent *Financial Times* article, noting that "companies that are willing to embrace risk say that after years of shrinking investment and deep wage cuts, Greece offers opportunities rarely found in central and south-east European markets."

This profit-making bonanza has been facilitated by the successive austerity programmes imposed on Greece by the European Union (EU) and IMF since 2010, which have mandated the selling off of public assets as well as relentless attacks on wages and workers' rights.

Under Syriza, the privatisation process has intensified. Last year, the amount raised in privatisations and foreign direct investment increased, after a brief lull in 2015 amidst the debt crisis, which saw Greece verge on default. According to a report published by the United Nations Conference on Trade and Development (UNCTAD), in 2016 "foreign direct investment flows to Greece almost trebled, to $3.1 billion, as foreign financial multinationals acquired assets in the country." UNCTAD reported that 2016 was the highest year of foreign direct investment since 2011, surpassing the $2.8 billion peak in 2013 under the conservative and social democratic coalition government of Antonis Samaras.

The most notable privatisation in 2016 was Cosco's purchase of 51 percent of the Pireaus Port Authority (PPA) for €280.5 million, despite assurances by Syriza that this would not happen when it came to power. Run by the Chinese state, Cosco has had a presence in Greece since 2009, when it acquired the management rights of two of the three container terminals at the Port of Piraeus. Cosco is notorious for the sweatshop practices at its sites in Greece, with shifts often lasting more than 15 hours and accidents a common occurrence.

Tsipras made clear this process will intensify, stating that “we must accelerate the process by luring more foreign investment.” This was essential, as Greece “must move beyond the EU average in terms of investment.”

Tsipras’s efforts were recently acknowledged by the head of the European Stability Mechanism, Klaus Regling. In an interview with pro-Syriza Greek daily *I Efimerida Ton Syntakton (EfSyn.),* Regling stated that Tsipras is “extremely devoted” to his government’s privatisation programme.

According to a Reuters report on July 6, Lila Tsitsogianopoulou, head of Greece’s privatisation agency—the Hellenic Republic Asset Development Fund (HRADF)—said that Greece aims to raise around €6 billion from privatisations in 2017-2018.

German transport company Fraport has already paid €1.2 billion this year, in return for a 40-year concession to operate 14 regional airports. The privatisation of state-owned rail operator TRAINOSE is expected to be completed by the end of the month, which will bring in €45 million.

Also, €232 million is expected to be paid by years end from the sale of a 67 percent stake in the Thessaloniki Port Authority in Greece’s second largest city. The stake is being bought by a consortium made up of German private equity firm Deutsche Invest Equity Partners, France’s Terminal Link, and Greece’s Belterra Investments. The payment is dwarfed by the value of the deal itself, which is estimated to be worth around €1.1 billion. The consortium will operate the port for the next 34 years, which is projected to bring in more than €170 million in extra revenues.

A 66 percent stake of Greece’s natural gas grid operator DESFA is up for grabs with a July 24 deadline set for investors to register interest. A €400 million bid by Azerbaijan state oil company Socar fell through last November after a disagreement on tariffs. According to reports, Italy’s SNAM has registered interest. In an interview with Greek financial journal *Naftemboriki*, Energy Minister Giorgos Stathakis said, “We anticipate that the price will be the same or even bigger (compared with the previous tender).”

In 2018, the HRADF’s target is to raise €3.5 billion from privatisations. Assets up for grabs include a 30 percent stake in the Athens International Airport, expected to raise up to €1.2 billion, as well as concessions to 10 additional port authorities.

Nothing is to be allowed to prevent the global financial oligarchy from plundering Greece’s assets and stepping up the exploitation of an already pauperised workforce. Deputy Finance Minister George Chouliarakis complained prior to Tsipras’s speech that only €3.4 billion in revenues had been raised in privatisations since 2010. “A lot more needs to be done there, especially improving the business environment...in accelerating the base of the privatisation programme.”

Syriza was swept to power in January 2015 on the basis of its stated agenda of ending austerity. A few months later, Syriza signed a third austerity package, betraying the overwhelming rejection of austerity in the July 2015 referendum. The party that was hailed by pseudo-left groups internationally as the way forward has proved to be the most reliable of tools for the financial aristocracy.

Tsipras’s speech came close on the heels of legislation passed by parliament in the run-up to the June 13 Eurogroup meeting, including tax hikes and further pension cuts as well as cuts in heating allowance and unemployment benefits. These were passed in exchange for an €8.5 billion loan tranche by the EU and the IMF to Greece required to pay off debt obligations due this month. Greece’s debt remains around €300 billion—a gigantic and unsustainable 180 percent of GDP.

The legislation included measures attacking workers’ rights, making mass sackings easier as well as stipulating that collective bargaining will not be automatically reinstated after Greece’s current €86 billion “bailout” programme comes to an end in 2018. Tsipras pledged in his speech that the “government will ensure the speedy completion of the current bailout [programme] without delays and pointless wavering.”