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# Privatisation

Last year, Greece's coalition government decided to adopt a new law aimed at accelerating its stagnating privatisation program, to find out about the main effects this has had on businesses in Greece, *Lawyer Monthly* speaks to Yanos Gramatidis, the Managing Partner of the firm Bahas, Gramatidis & Partners.

## What were the main points of the law introduced last year?

The Greek government introduced legislation aiming at the facilitation of investment. The new legislation provides also for a special category of investment having a serious impact on the economy due to their size and to the creation of jobs. Such investment are now handled by the Division of Strategic Investment of the Invest in Greece government agency whose main aim is to unblock stagnating investment and eliminate bureaucratic obstacles through a fast track procedure which the same law also introduced. By another piece of legislation the government established the Hellenic Republic Privatization Agency and transferred thereto the ownership of most of the state owned and operated companies as well as its real estate. The new Agency undertook to implement the government's privatization program which one of the largest privatization programs ever on the world scene. Such Agency privatized so far the State Lottery, the State Gaming Forecast Organization and a few pieces of real estate.

## What were the main effects on business in Greece as a result of this law?

It is too soon to assess the impact of the new investment law on business in Greece, however, it is fair to say that bureaucratic obstacles have been removed for quite a few investment projects, while the message that Greece is becoming an attractive investment destination has been sent to the international business community.

## Was it a good move in your opinion? Did the law go far enough?

The new law has not dared remove a large number of bureaucratic obstacles to any business activity which still exist. At the same time business licensing procedures have not been radically simplified thus discouraging investment initiatives. It has to be admitted, however, that the new investment law is to the right direction and the government has decided to revisit it aiming at its further improvement.

## What are the main problems with privatisation of companies in Greece in your opinion?

I think that the main problem with privatization of state owned companies in Greece is the fact that the parties of the opposition, expressing social concerns, refuse to agree with their privatization. They claim that such companies, if privatized, will lose their social character while at the same time the country will lose valuable property at discounted prices because of the economic crisis. Because of this fierce reaction, the officers in charge at the Privatization Agency feel uncomfortable with the possibility to be accused in the future for taking decisions against the public interest.

## How would you solve these issues if you had the power?

For such problems to be resolved a strong parliamentary majority is required and the current Greek government does not enjoy even a comfortable parliamentary

majority. As a result it is difficult for the government to enact legislation removing any such responsibility from the officers of the Privatization Agency for their business decisions. At the same time the government should go out to the people and explain the need for and the benefits of the economy and the society from privatization. Such communication exercise has not been designed as yet thus delaying the privatization program.

## Have there been many cases of litigation surrounding privatisation recently?

We have not seen cases of litigation surrounding privatization so far. Despite difficulties, however, the Greek privatization program is a quite attractive and this is the main reason for the interest expressed so far from the part of the international business community. **LM**



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