

# The message of times: mergers of Greek Banks and Enterprises

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I suppose that 1 January 1999 will be recorded in historical memory as a «sensational» date, taking into account that it constitutes the starting date of the establishment of a new Status worldwide, primarily in the economic field, and subsequently in others (political, social, cultural, etc.).

The changes that have been initiated or are imminent due to the EURO, much anticipated in countries already well «prepared» for the message of times, are beginning to be also «felt» in Greece, be it at a slow pace.

Indeed, that «sluggishness» should be attributed not to the lack of vision from the country's political leadership or its economic actors, but to the inherent rigidities and malfunctions of the «Greek system» as a whole, coupled with the attitude of our People towards the «limitless» capabilities of our Race, according to which, for example, «we will make it to join the EMU» even in the nick of time, and soon on.

Furthermore, however, it should be stressed that, step by step, Greek Entrepreneurs have already started to realize the need for drastic changes in the way they organize their operations and their positive actions.

The intention of the present article is not to give a full account of entrepreneurial activities towards that direction, but to underline a characteristic aspect of this trend, that of mergers and take-overs of enterprises in Greece.

The fact that, during the past 12 months, more than 30 important take-overs, mergers and agreements of close partnership between large Greek business units have been recorded, is indicative of the new attitude which is already entertained by Greek Entrepreneurs.

The aforementioned facts could be verified through the following characteristic mention of relevant steps:

- Merger of the National Bank with its subsidiary Mortgage Bank: new assets value: 12,500,000,000,000 drachmas.
- Take-over of the Bank of Crete by EUROBANK for 70,000,000,000 drs.
- The EGNATIA Bank acquired 57% of the Bank of Central Greece for 16,840,000,000 drs.
- Take-over of the third largest bank of Cyprus LOMBARD by ALPHA Credit Bank.
- Partnership between EUROBANK and DEUTSCHE BANK.
- Merger of MINOAN LINES with DANE Sea Lines.
- Take-over of G. MAMIDAKIS Company by GREEK PETROLEUM for 12,000,000,000 drs.
- Take-over of POPULAR INSURANCE Company Ltd. by NATIONAL INSURANCE Company Ltd.
- Take-over of RADIO ATHINAI Company Ltd. by KOTSOVOLOS Company Ltd. for 4,000,000,000 drs.
- The SILVER and BARYTINE MINING Company Ltd. has expanded its activities abroad with take-overs of the State Mines of Georgia, the OTAVI Mines of Germany, of Betonite Mines of Bulgaria, etc.
- The Company MEDIA PRODUCTIONS S.A. has expanded in the sector of wool and textile industry, etc...

The above should be seen as rather consoling messages of the robustness of Greek Enterprises. Their significance is further strengthened by the fact that the industrial activity in other countries has entered a phase of decline, according to recent data (January 1999) by the REUTERS Agency (e.g. a decrease of industrial production by 2,3% in November 1998 in Germany, a decline in European exports according to economic analysts of the LECHMAN Brothers, etc.).

It should also be stressed that some expect the efforts towards mergers, expansions, and partnerships between Greek and foreign enterprises to intensify, in view of the anticipating acceptance, on behalf of all official quarters, of the view for further privatizations of state units. That view has been strengthened by the favorable terms created by the partial liberalization of one public utility sector in particular, that of telecommunications, in which the «involvement» of the private sector, despite some valid objections, has worked towards a positive direction.

Should the State summons up the prudence and the audacity of Greek Entrepreneurs, and they themselves get mobilized, the prospects for the immediate future are rather alluring, and the chances Greek Economy has to «do well» -and for long- rather multiply.