

The Greek financial invasion to Balkan Countries

By Const. GE. ATHANASSOPOULOS

Professor of Panteion University of Social and Political
Sciences
and of the University of Athens,
(Vis. Prof.), Ex Ch.L.U.L. Bruxelles, Ex Int. I.I.A.P., Paris

It has been said at the past that Balkans are the «other» Greek hinterland. Furthermore, the possibility of approach and communication between Greece and Balkans can be taken for granted¹.

For the above reasons, the intense interest of Greece, for this hinterland is obvious, thus, any further argument is redundant.

This interest is «translated» into positive actions from the official state as well as the Greek Investors.

The Greek governmental interest is expressed through the Greek Framework of Financial Reconstruction of the Balkans (GFFRB), the Bilateral Agreements, the Cooperation Protocols and the Bilateral Conferences' Minutes.

The (GFFRB) and the Greek intervention via the Bilateral Intergovernmental Convention are considered to be the most important corresponding actions among other relevant ones.

1. C. GE. ATHANASSOPOULOS, V. DELITHEOU: Greek Private Investment in the Balkan Countries and the Hellenic Plan for the Economic Reconstruction of the Balkans. Athens, 2005.

As it is already known, the GFFRB (L. 2966/2002) has been established in the context of either relevant commitments or relevant directives (Pact Stability for Southern and Eastern Europe, Sarajevo 1999, etc).

On the basis of GFFRB Greece is committed to provide financial support to Albania, Bulgaria, Serbia-Montenegro, FYROM, Romania and Bosnia-Herzegovina.

The relevant anticipated activities are the following:

Albania:

The supplying of the amount of 49.890.000€, thus 15.45% of the complete framework budget, is anticipated. 20% of the aforementioned amount is intended to private investments and 1% to the execution of limited scale projects.

Bosnia-Herzegovina:

The supplying of the amount of 19.530.000€ is anticipated, 20% of which is intended to private productive investments and 1% to the limited scale projects Execution Fund.

Bulgaria:

The supplying of the amount of 54.290.000€ is anticipated.

Romania:

The supplying of the amount of 70.430.000€ is anticipated, 79% of which is intended to the execution of projects that are proposed from the Romanian Government, and 1% to the limited scale projects Execution Fund.

Serbia-Montenegro:

The supplying of the amount of 250.000.000€ is anticipated, 232.500.000 of which will be provided to Serbia and 17.500.000 to Montenegro.

FYROM:

The supplying of the amount of 74.800.000€ is anticipated.

It is noted that the Greek investors had already «penetrated» with important direct productive investments into the local national economies before the official intervention of the Greek state into financial activities in the Balkan Area.

Indeed, this penetration is so extensive and successful that Greek Investors' Group is regarded as one of the two or three first Foreign Investors' Group in these countries.

The following statistics are enlightening:

The Greek Private Investments possess:

In Albania 27% of the total direct foreign investments.

In Bosnia-Herzegovina, the Greek Private Investments reached the amount of 1.000.000.000€ the last decade.

In Bulgaria, they possess the second position, as they reach the amount of \$1.500.000.000 USD.

In Croatia, the Greek Private Investments reach the amount of \$1.000.000 USD.

In FYROM, Greeks possess the first position among foreign investors, with capitals reaching the amount of 900.000.000€.

In Romania, the Greek Private Investments occupy the fifth position among foreign investments.

Lastly, in Serbia-Montenegro, the Greek Private Productive Investments reach the amount of 900.000.000€. Furthermore, the invested capital of Greek origin reaches the amount of 1.400.000.000€.

Irrespective of the success of the whole attempt of the financial «invasion» of both the Greek state and the Greek Investors to Balkan Countries, it is noted that the Greek Banks (and their activities in the aforementioned countries) played the most important role.

Up to now, the Greek Private Direct Productive Investments progress is considered successful, despite the various problems that occasionally arise.

Problems of Greek origin as well as problems related to the countries that receive investments (political instability, security issues, inflation, and lack of private investment culture) are placed among these problems.

Irrespective of all the above, it is certain that Greek Investors, which take action outside Greece, continuously set new, more ambitious and profitable goals, occasionally into risky environment.