



Industrial Policy and the New Economy
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Speaking points

Good afternoon to all participants.

On behalf of "Hellenic Production", I would like to express my gratitude to Nikos Vettas and IOBE for co-organizing with us this enlightening and hopefully useful discussion on "industrial policy and the new economy". I would also like to warmly thank our distinguished guest in the panel, Mr. Chris Allen, Minister Georgiadis for his opening remarks and certainly Mrs. Giulia Del Brenna for her kind participation and the presentation of the updated EU Industrial Strategy.

This updated Strategy, endorsed by the Commission and presented on the 5th of May, offers a great opportunity for reflection not only at the EU level but also at the national level.

This update was deemed necessary in order to bring on board the lessons of the Covid-19 crisis, to strengthen the EU's economic resilience and to accelerate the twin –digital and –green– transition.

Although we are all delighted with the promising signs of a stronger than expected economic recovery, it remains an undeniable fact that Greece has been severely affected by the coronavirus pandemic due to the structure of its economy. The large share of tourism, services and transport made us particularly vulnerable to the shocks triggered by travel restrictions and social distancing measures.

So, the lesson to be learnt by the impact of the coronavirus crisis to the Greek economy is, to some extent, similar to the lessons of the previous 10year severe economic crisis: Greece has to move towards a more balanced, productive, inclusive and export-oriented economic model. And this goes hand in hand with more education and innovation.

The contribution of the manufacturing Industry to such an economic model is self-evident and widely acknowledged, especially during the last decade, by all major EU Institutions and other economies around the world.

In Greece, this is a point raised by IOBE on several occasions, notably from its central role in the experts committee chaired by the Nobel laureate Professor Pissarides which produced a few months ago the latest Development Plan for the Greek economy.

The Recovery and Resilience Plan of Greece, approved last week by the European Commission, declares in its executive summary its consistency with the Pissarides' committee Plan recommendations and underlines that it aspires to facilitate "a paradigm shift" in the Greek economy towards a more exports oriented, competitive and more green economy.

The question –and the real challenge for all of us– is how we turn words into deeds. More concretely, how and how fast are we moving towards this "paradigm shift" in the Greek economy, taking into consideration that our starting point is weaker, in terms of share of manufacturing in the Greek GDP, in terms of the country's export performance and in relation with the investment gap Greece has been and is still experiencing for several years now? One positive and promising aspect is the fact that the manufacturing industry in Greece, despite difficulties fuelled by successive crises and chronic deficiencies in the business environment, has proven its resilience and had a major contribution to the recovery path.

But still, there is a long way to go in order to bridge the gaps with our European partners and competitors, who are moving fast to meet the challenges of the new economy, namely the twin, green and digital, transition.

Taking into consideration all this, namely the broader environment and how rapidly it evolves, the challenges we are faced with, and the chronic deficiencies we still have to overcome, I must say that we would expect –and we still do– stronger incentives in the Greek Recovery and Resilience Plan, in relation with the industry's green and digital transition.

The loan facilities merely bridge the gap between debt rates in Greece and the rest of Europe and are not enough for the huge



investment needs, not only for the decarbonization of industry but also for the overall transition to circular production and consumption. When we are talking green, we have to understand that “green” doesn’t apply only to energy, but to every aspect of production, so adaptation and incentives for adaptation need to cover everything and not only the transition of the energy sector. The Recovery and Resilience policies of most European countries clearly show that this is being acknowledged much more than in Greece.

A more practical reason for our worry are the possible near future complications, distortions and even possible penalties in relation with Taxonomy legislation and the access of Greek companies to financial and capital markets. We expect these very negative prospects to be timely addressed.

Taking advantage of the honor and the opportunity of having with us distinguished speakers from the European Commission, Chris and Giulia, I would like to draw your attention to this regard, as we are talking today on the updated industrial strategy with a special focus on strengthening the single market and the green and digital transition. You have, we all have, to make sure that the necessary tools are in place, to secure that the industrial sector in all EU countries and regions, has equal opportunities to join in.

We should consider the twin transition, and the EU’s ambition to lead the way towards climate neutrality, as a great opportunity for a more united, economically and socially coherent EU and thus to avoid new divisions and gaps that could emerge.

Ladies and gentlemen: we often hear and use the expression ‘time is money’.

I would like to propose that this is not the case anymore. In our era, where not only technology, not only the economy but also every single aspect of our everyday life is changing so rapidly, time is much more than money. The ability to follow, to adapt and to move fast forward is a precondition for earning a place in the future. It is effectively the passport for not being left behind. And this calls for a major shift in our way of thinking and acting.

Thank you very much for your attention.

