



**COUNCIL OF
THE EUROPEAN UNION**

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INFORMATION NOTE

From:	Greek delegation
To:	Delegations
Subject:	"Strengthening competitiveness – investment and growth campaign for Greece " - Report by the Greek delegation

Delegations will find attached a Report by the Greek delegation on an investment and growth campaign for Greece.

**“Strengthening of competitiveness – investment and growth campaign for
Greece”**

Report by the Greek delegation

The Greek Government is implementing structural reforms for investment driven recovery of the business sector. The new business environment is improving competitiveness and facilitates economic adjustment to a sustainable growth path. The response from the business sector has been positive. Exports have been increasing, corporate restructuring is restoring productivity, and forthcoming business interest for better quality investment projects is evident, driven by transparent fast track procedures. The way forward is to consolidate these encouraging trends to aggregate economic growth for the Greek economy.

Considering that debt sustainability will increasingly depend on business sector growth re-balancing and in line with the decisions of the European Council of 23/24 June 2011 on working together at the European level to strengthen Greece’s competitiveness, Minister Chrysochoidis will inform the Competitiveness Council about Government policies promoting business sector growth and will invite, together with his German colleague, other Member States to participate in a European Initiative supporting growth in the Greek economy.

Government policies accommodating business sector growth extend from enhancing competitiveness to the restructuring of available investment incentives, the acceleration of Cohesion Funds absorption and efforts to increase the volume of incoming foreign direct investment. Technical assistance inputs will help Greece to overcome well known administrative bottlenecks. The enhancement of policy capacity will accelerate the efficient implementation of structural reforms. In this initiative, we have already identified needs and priorities and we are counting on the active participation of Governments and private sector stakeholders, under the coordination of the designated Task Force.

Current macroeconomic volatility, combined with demand contraction and uncertainty, undermines the full potential of structural reforms. Furthermore, severe liquidity problems have increased the depth of the recession and call for an urgent policy response to overcome investment constraints, aiming for immediate effects. The European Council of 21 July 2011 has already asked the EC and the EIB to enhance the synergies between loan programmes and EU funds. Concrete implementation steps are needed in this direction. In addition, private sector participation will strengthen a European initiative. Since local firms are facing financial problems, incoming foreign direct investment is a core driver for the restructuring of the Greek business sector.

The implementation of a European investment and growth initiative for the Greek economy requires coordinated action and asks for prompt policy response in order to cover the pressing needs, as they emerge in the real economy. The Greek adjustment programme is at a critical phase and the task ahead is to produce concrete results in terms of competitiveness and growth. Minister Chrysochoidis will present specific proposals to the Competitiveness Council for areas of potential contribution by the EC and other Member States.