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Germans revive Greek Marshall Plan idea

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By Quentin Peel in Berlin

Two leading Germans, including the head of the country's manufacturers' association, on Monday revived the call for a new Marshall Plan to be launched to reanimate the Greek economy, involving both private and public investment.

Hans-Peter Keitel, president of the Federation of German Industries, said the Greek population needed to have the prospect of a "new future", on top of all the sacrifices they were being asked to make in exchange for debt relief.

German investors were ready to put money into practical projects to revive the economy, he said, but Greece first needed to create a reliable legal framework to protect their investments.

The same concept of a Marshall Plan – a reference to the US-financed programme that revived European economies after the second world war – was proposed by Werner Hoyer, former deputy German foreign minister, who has just taken over as president of the European Investment Bank.

"Greece needs a Marshall Plan alongside its unavoidable savings programme," he said in an interview with Handelsblatt, a business newspaper. "Only that can succeed in renewing the structures of the country from the bottom up."

Mr Keitel said the idea of a Marshall Plan, which meant "help in exchange for self-help", had been under discussion for more than a year between German industrialists and the Greek government.

"I will not disguise the fact that German industry has been somewhat disappointed by the reactions [in Greece]," he said in a radio interview. "The concrete response that we have had from Greece so far is not enough to achieve anything together."

He said Athens needed to build up a proper land registry, and an efficient and transparent tax administration, to give foreign investors the certainty they needed.

"We have just now succeeded in pulling Greece out of the water, where it wasn't swimming but floundering," he said. "Now the question is whether Greece really wants to learn to swim.

"We are ready to invest in Greece – including in export projects for outside markets – if Greece creates the necessary preconditions. That suggestion has been on the table for a long time. We have been there several times and now we expect Greece to take it seriously."

Mr Hoyer said the EIB had the resources to invest in Greek infrastructure and support Greek banks to revive lending to businesses.

"There are projects that are really crying out for implementation," he said, including motorway construction. The EIB, which provided €2bn in loans to Greece last year, was working on a special programme for bank lending and urgently discussing a boost to infrastructure spending with the European Commission.

But Mr Hoyer also stressed the need for Greece to be responsible for its own recovery programme.

"We must not give the impression that Greece is under foreign custodianship. It does not help if it is always just the Germans or other northern Europeans who proclaim bad news in Greece."