



Συνέντευξη Προέδρου Ε.Β.Ε.Π., Βασιλή Κορκίδη, στο «THE ΑΘΕΝΙΑΝ»



1) Do you believe that the ongoing war from February 2022, of Russia against Ukraine could also extend to neighboring countries with an even greater risk of a Third World War?

The world community "held its breath" in the early hours of November 16th, until it was ascertained from where the S 300 (Russian-made) interceptor missile - that had fallen a day before in neighboring Poland - was launched and who was responsible for it. Calm was brought only after President Biden's statement, at G20 summit, that it seemed unlikely that it was Russia that had launched that missile. In fact, the French president stated that the incident proves the lurking risks of destabilization.

Following the event, which activated NATO's reflexes, and made some member countries request what specific articles provide for in case of an attack against member countries of the Pact, it was demonstrated how close we are to the possibility of the beginning of the Third World War and also of a nuclear holocaust, which we would all like to avoid.

However, the whole situation led Germany to the decision of implementing a particularly large armament program of 100 billion euro, which is considered to be larger than Germany's during the second world war. Accordingly, Britain has decided to increase its naval forces by building frigates whose equipment will be the most modern in defense technology, as well as the firepower that each ship will have. Defense expenditure is expected to reach 2.3% of Britain's GDP this year, due to the country's military support for Ukraine following Russian invasion.

It is obvious that, in an effort to be prepared for any eventuality, but also due to the threat of a regional - or generalized - conflict with a NATO member country, leading to a third world war ("domino" effect), money will be spent on equipment which, under other conditions, would lead to other sectors of the economy and not without consequences.



2) What do you think are the effects on world trade, on the one hand due to the embargo in Russia and on the other hand the inability to export important products from Ukraine – food and basic raw materials – due to the great disasters that resulted from the war?

Recently, the majority of G20 member countries that "strongly condemned the war in Ukraine" agreed that this conflict "undermines global economy", according to the joint press release, after the conclusion of the summit held in Bali, in Indonesia. It is obvious that the inability to export important products from Ukraine in quantities, and at pre-conflict rates, has adversely affected global trade, with energy fueling inflation, which is putting strong pressure on the competitiveness of businesses, as well as on the purchasing power of households. It is well known that the economy is cyclical and so, it is understandable that all end-to-end logistics are affected with fossil fuel prices feeding back inflation. Even today, after the development of a "peace" maritime corridor in the Black Sea, from Ukrainian ports to Bosphorus, the quantities of grain exported from Ukraine are far less than those exported before the war. For some countries, this has taken the form of a food crisis. In fact, at the G20 meeting, the French president, Emmanuel Macron, referring to the risk of a food crisis, underlined that the exports of both Ukrainian grain and Russian fertilizers should be ensured, products which, he said, are primarily needed by African countries.

Let's talk about the Mediterranean... Piraeus' rivaled Spanish port of Valencia recorded a 7.7% drop in container traffic in the first 10 months of this year, as Spain's logistics infrastructure has been affected by the global geopolitical and economic crisis. The Spanish port has handled 4.33 million TEUs so far this year. The biggest drop was recorded in loaded containers, 292,434 fewer than the previous year, representing a 14% decrease. TEU imports showed positive figures, increasing by 6.2% year-on-year, while TEU exports decreased by 7.1%. Empty containers decreased by 4.7% and containers in transit decreased by 20.8%. The last element, that of containers in transit is indicative as Piraeus shows a significant decrease in the specific activity which, before the crisis with Russia, showed Piraeus positive signs, given that the import and export trade concerning the country has been, for decades, characterized as "shallow".

If we look at European ports, and not only those, data on the containers' traffic, from the beginning of the year to the end of the third quarter, are typical. Hamburg recorded a decrease of 4.3%, Rotterdam 4.4% and Antwerp-Zeebrugge 5%. Accordingly, the latest report from the National Retail Federation and from Hackett Associates estimates that imports at major US ports fell by about 8.5% in October. According to NRF's forecasts, the drop in traffic for November and December will be around 9%. It should be noted that at major Chinese ports also there is a drop in exports, although it is not clear due to the disruptions created in logistics and flows by the lockdown tactics. On European territory, however, well-known executives of the "port industry" attributed the drop in traffic to inflation that squeezes downwards purchasing power, but also to the measures taken against Russia, which greatly affected the traffic to and from Russian ports in North Sea.

"Global market has been clearly changing and many of the leading indicators have begun to reflect on various data," CTS noticed, underlining that "the impact of rates increase in both Europe and North America is beginning to constrain significantly demand."

3) The geopolitical changes that are happening around the world affect your sector, and if so, how?



The Russia-Ukraine war demonstrated how easily delicate balances can be disturbed in all areas "constituting" what we call world trade. Characteristically, the managing director of the International Monetary Fund (IMF), Mrs Kristalina Georgieva, has recently warned leaders attending the G20 summit not to allow protectionism to "take root" and added that the fragmentation of the global economy into geopolitical blocs would harm development significantly, to emphasize that countries should "allow trade to do its job". From the very first days of the war and with the first shortages, appeared the trends which triggered a series of geopolitical changes that affected and, still affect, commercial relations, import and export trade with whatever this entails nowadays. We must not forget that according to the most recent estimates, 345 million people worldwide are currently suffering from a food crisis due to Russia's war in Ukraine, high inflation and climate disasters. We would all like to avoid the continuation of this war that has accumulated a lot of suffering for millions of people, brought back the danger of a nuclear war, but also the anxiety that inflation should not develop from accelerating to galloping...

Europe's economic recovery risks of being derailed by the war in Ukraine, while higher energy prices and trade problems could destabilize EU businesses already weakened by the pandemic. Besides, a report by the European Investment Bank estimates that rising inflation could lead more Europeans below the poverty line, which automatically implies a reduction to zero in purchasing power with chain reactions in society as a whole, as well as in commercial, manufacturing and services provision businesses. Based on data, the war in Ukraine could lead to an increase by 2.5 points of the part of the Greek population that is at risk of being below the poverty line, compared to 2020 when this percentage was 26.87%, while, always for Greece, the models, used to derive data and conclusions for the survey, predict an increase of 27.6 percentage points in the percentage of businesses expected to report losses. This is the highest increase forecast in the EU, which will be almost entirely due to higher energy prices. According to the published May's Financial Stability Report of the Bank of Greece, the intensity of inflationary pressures with an impact on the disposable income of households and the profit margins of businesses, a reduction in commercial transactions and tourist flows from Russia and Ukraine and a possible unfavorable change in the climate of confidence in the financial markets internationally, are the most important effects of Russia's invasion in Ukraine. It is a fact that, data referring to the movement of containers on major international lines, reveal the "freezing" of world trade, which also reflects on individual indicators, with some analysts speculating that recessionary is "closer to the global economic horizon".