



**Greece on the Turning Point.  
New Opportunities for International Investors**

*February 2017*



Greece Today | Priorities and Strengths | Reforms and Results | Path for Growth |  
Investment Projects

# Greece: Economic Outlook

European Commission for Greece (Winter Report 2017)

## *Signs of recovery linked to programme implementation*

- Brighter economic sentiment is supporting **recovery in domestic demand**, reflected also in labour market developments. Public finances are performing **better than expected** and the overall **macro outlook remains positive**.
- Real GDP growth is projected to have reached **0.3% in 2016** reflecting the improvement in business and consumer confidence.
- Greece's economic recovery is expected to gather pace in 2017 with **growth of 2.7%**, on the back of improving financial conditions amid a gradual relaxation of capital controls.

# Greece: Economic Outlook

## European Commission for Greece (Winter Report 2017)

- ❑ Further improvement of the cyclically adjusted primary balance (**7% in 2016**) and promising projections for **2017 and 2018 (5.5%)**
- ❑ Private consumption and investments are projected to accelerate
- ❑ Net exports are expected to turn positive due to improved competitiveness and **higher investment in the tradable sector**
- ❑ Real GDP is expected to continue recovering at a robust pace in 2018, with a **growth rate of 3.1%**
- ❑ The labour market has been improving for the last two years. Unemployment is decreased backed by the impact of labour market reforms (flexible forms of employment and wage setting).



En route to  
becoming a great  
turnaround story

# government priorities

- High value, inclusive growth
- Create jobs by capitalizing on the high caliber human capital
- Attract FDI
- Promote outward looking and export oriented sectors
- Support innovative, dynamic companies and clustering efforts

Through:

a lean and supporting public sector

a stable environmental friendly framework for investments

# government policies

## to improve business climate and return to growth

- ❑ Absorption of the available Structural Funds for the period 2014-2020
- ❑ New investment Law to support new investments
- ❑ Cooperating with international financial institutions to increase liquidity and ease investment financing (EIB, EIF, EBRD, IFC, Back Sea Bank, etc.)
- ❑ New Development Fund to support SMEs through microcredit, guarantees, loans
- ❑ NPLs framework in place
- ❑ Acceleration of the Privatization agenda
- ❑ Ease of licensing, with the cooperation of World Bank

# aid schemes via the New Investment Incentives Law

- Tax exemption
- Cash grant
- Leasing subsidy
- Wage cost subsidy
- Fixed tax regime
- Rapid licensing

Percentages depend on the size of the company and the region of the country in which the project will be implemented

Regional State Map foresees maximum aid rates reaching up to **55%** of the total investment cost for small and very small enterprises and up to **35%** for large enterprises.

# fast track

Residence permit for non EU executives of the companies



## Qualification Prerequisites

- ✓ The total value of the investment exceeds **100 million Euro**
- ✓ The value of the investment exceeds **40 million Euro** and, concurrently, the investment creates at least **120 new jobs**
- ✓ The investment creates at least **150 new jobs** or at least **600 jobs** are maintained in a viable and sustainable manner
- ✓ The value of the investment exceeds **15 million Euro** for industrial investments within organized industrial areas or
  - ✓ the total investment cost exceeds **5 million Euro** for investments regarding the development of Business Parks or
  - ✓ 3 million Euro for investments included in **JESSICA initiative**

## The process



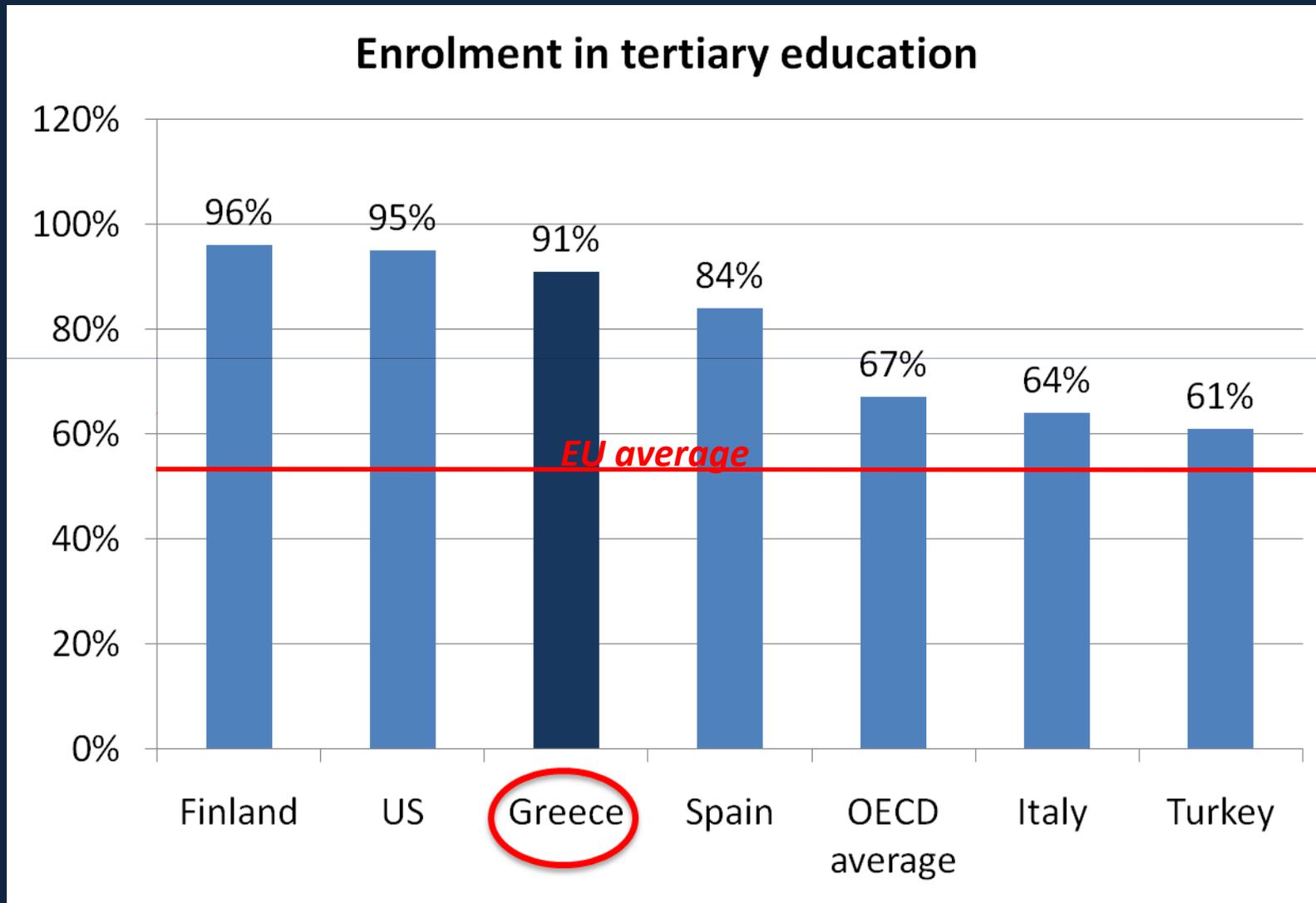
**13 projects approved, €3.5bn & 7 in the pipeline, ~€1 bn**

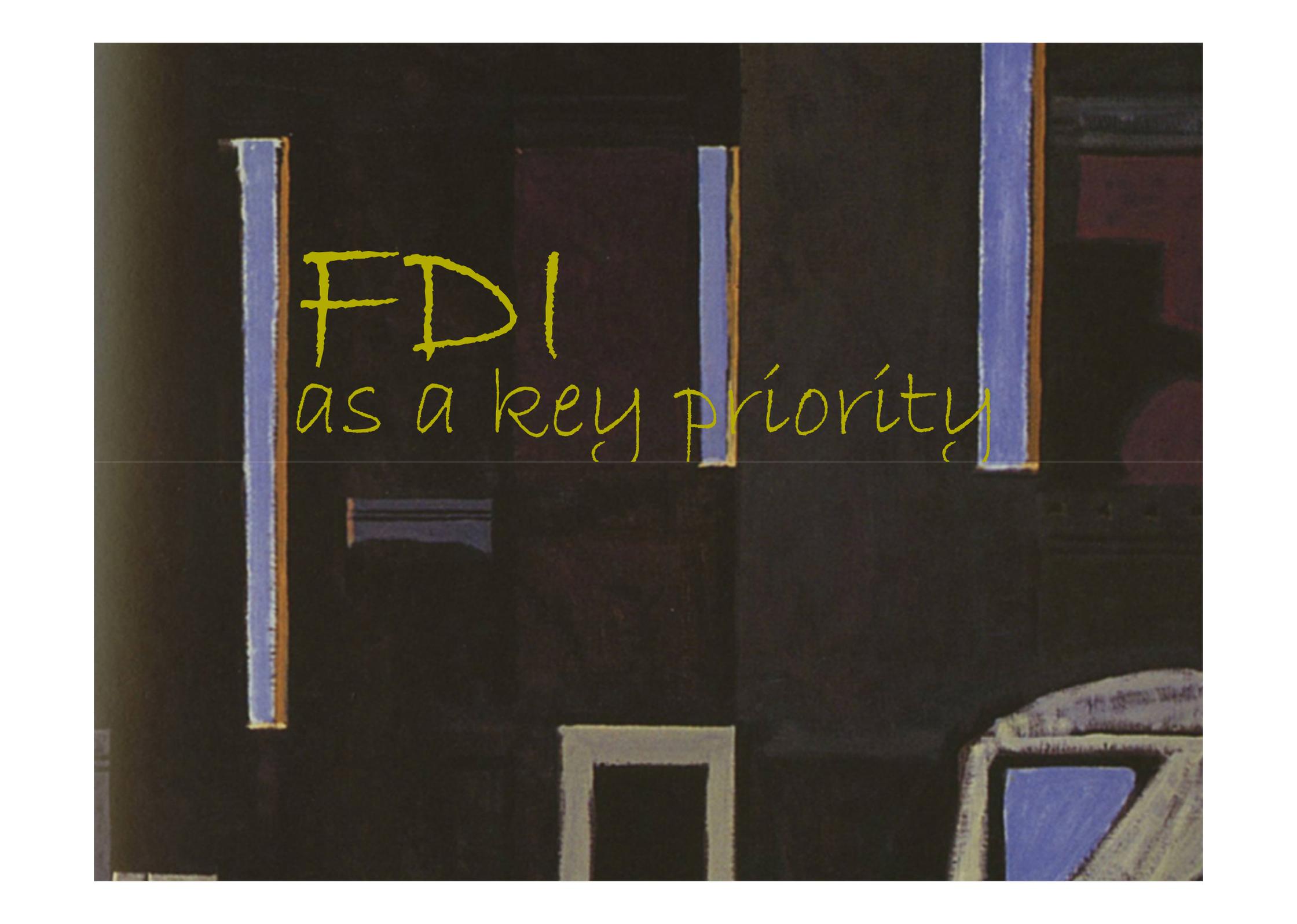
# A unique investment proposition

Combining:

- a) Timeless competitive advantages: Location & Natural resources
- b) Developed Country Stability & framework
- c) Emerging economy growth opportunity:  
Market opening up to investment, Market consolidation,  
Run operations at highly competitive costs, Assets development,  
Growth sectors

# Supported by high-calibre human capital at competitive cost



The image shows a dark background with several vertical blue bars of varying widths. The text 'FDI as a key priority' is written in a yellow, handwritten style across the center. The 'FDI' is in a larger, blocky font, while 'as a key priority' is in a smaller, cursive font. The background also features some faint, abstract shapes in shades of blue and purple.

FDI  
as a key priority

# selected deals 2011-2016

 <b>Watson</b> 	  <b>FrieslandCampina</b>	 <b>FOSUN</b> 复星	 
 <b>Setur</b>	 <b>CEVA</b> 	  <b>phoenix SOLAR</b>	  <b>DUFRY</b>
 <b>FAIRFAX</b> FINANCIAL HOLDINGS LIMITED	  <b>CONERGY</b>	  <b>DIAMOND RESORTS INTERNATIONAL</b>	 <b>ORACLE</b>
  <b>Business Compass Ltd.</b> www.uklp.com	  <b>DOĞUŞ GROUP</b>	 <b>aldahra</b> agriculture	  <b>BRITISH AMERICAN TOBACCO HELLAS</b>
 <b>NCH Capital Inc.</b>	  <b>INVESTISSEMENTS PSP INVESTMENTS</b>	  <b>THIRD POINT</b>	 <b>Linde</b>
  <b>عرب سات ARABSAT</b> Our world. Your world	  <b>YORK CAPITAL MANAGEMENT</b>	  <b>Al Maabar</b>	  <b>HUAWEI</b>
  <b>قطر للبترول Qatar Petroleum</b>	  <b>YORK CAPITAL MANAGEMENT</b>	  <b>nsn</b>	  <b>Boehringer Ingelheim</b>
  <b>SAMSUNG</b>	  <b>Nestle</b>	  <b>RYANAIR</b> THE LOW FARES AIRLINE	  <b>COSCO GROUP</b>



Strategic investments  
underway

The COSCO logo is displayed in a white box with a blue border. The background of the slide is an aerial view of a large port terminal filled with colorful shipping containers and several large cargo ships docked at the pier. In the top right corner, there is a yellow rectangular box containing the text '1.5 bn € deal' in blue. The main text is in white on a dark blue background, and the list of business deals is in blue on a white background.

**COSCO**

**1.5 bn € deal**

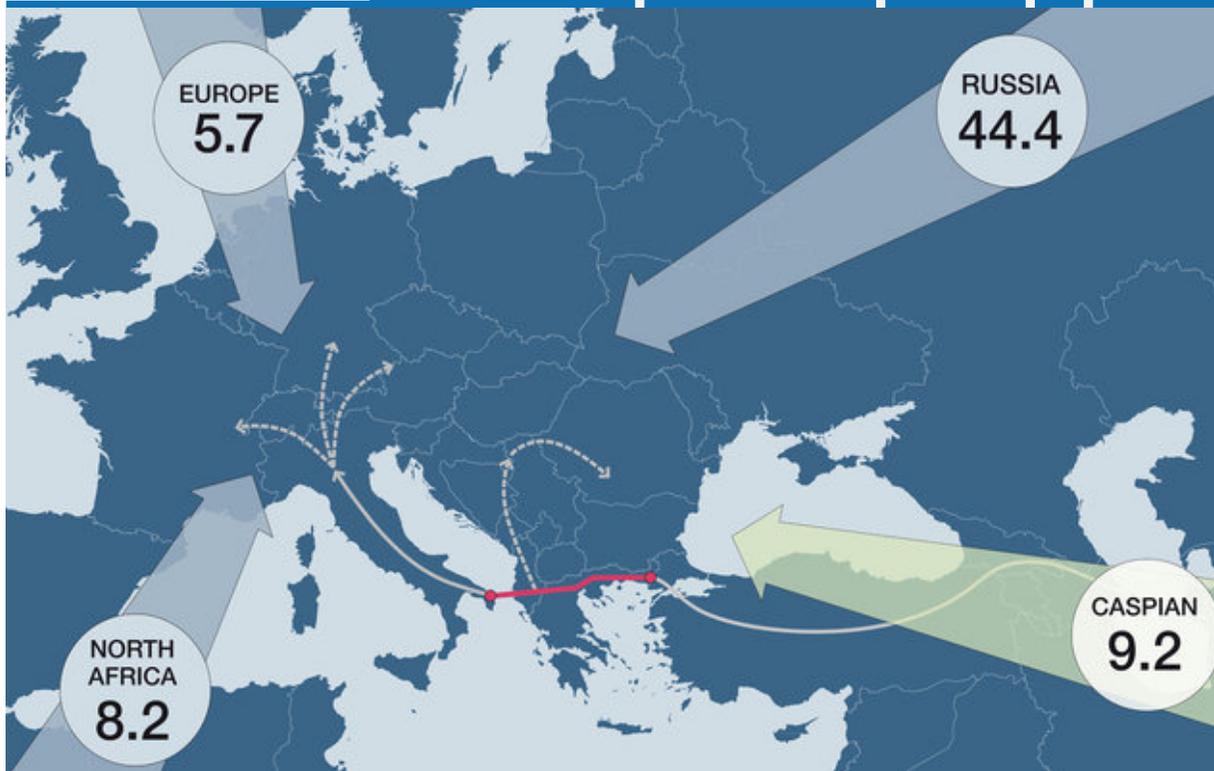
**Privatization of Piraeus port:** In August 2016 COSCO acquired 51% of the port, for 280.5 mn €. The percentage can reach 67% in five years time, while COSCO should invest 300 mn € upgrading infrastructure and then pay 88 mn € more for the acquisition of new shares. 410 mn € more will be the gains for the Greek public state from taxes and dividends.

**Business deals with major multinationals** open new horizons

- ✓ **HP** products will be distributed by sea from the terminal that COSCO controls in Piraeus and by rail via state railway service operator TRAINOSE, saving it 11 days
- ✓ **Huawei** has started its operations at the Piraeus terminal, to transport its products to Europe
- ✓ **ZTE** signed an agreement to use the Piraeus Container Terminal for 35 years as their logistics hub for the transportation of products to 12 major European markets
- ✓ **Sony** will use the Piraeus Container Terminal to ship component parts to their factory in Slovakia

## Shah Deniz Consortium selects TAP as European export pipeline

TAP will transport natural gas from the giant Shah Deniz II field in Azerbaijan, via **Greece** and Albania, and across the Adriatic Sea to Southern Italy, and further to Western Europe.





On **31 December 2015**, after long negotiations with the Investors, a contract agreement was signed by Jermyn Street Real Estate Fund, as an Addendum of the existing Shares Purchase Contract, regarding the modified Special Plan for the **Astir Pallas Vouliagmenis**.

# Former Athens airport regeneration project

The site spans a total area of approximately 6.2 million sq.m. (620 hectares). It has a 3.5 km coastline and includes a currently operational 337-berth marina (capacity for vessels up to 100 meters length). By way of an indication of its size, the site is more than three times the size of Monaco, more than two times the size of Hyde Park (London, UK) and Central Park (NY, USA).



**June 2016: MoU signed between HRADF and Lamda Development**

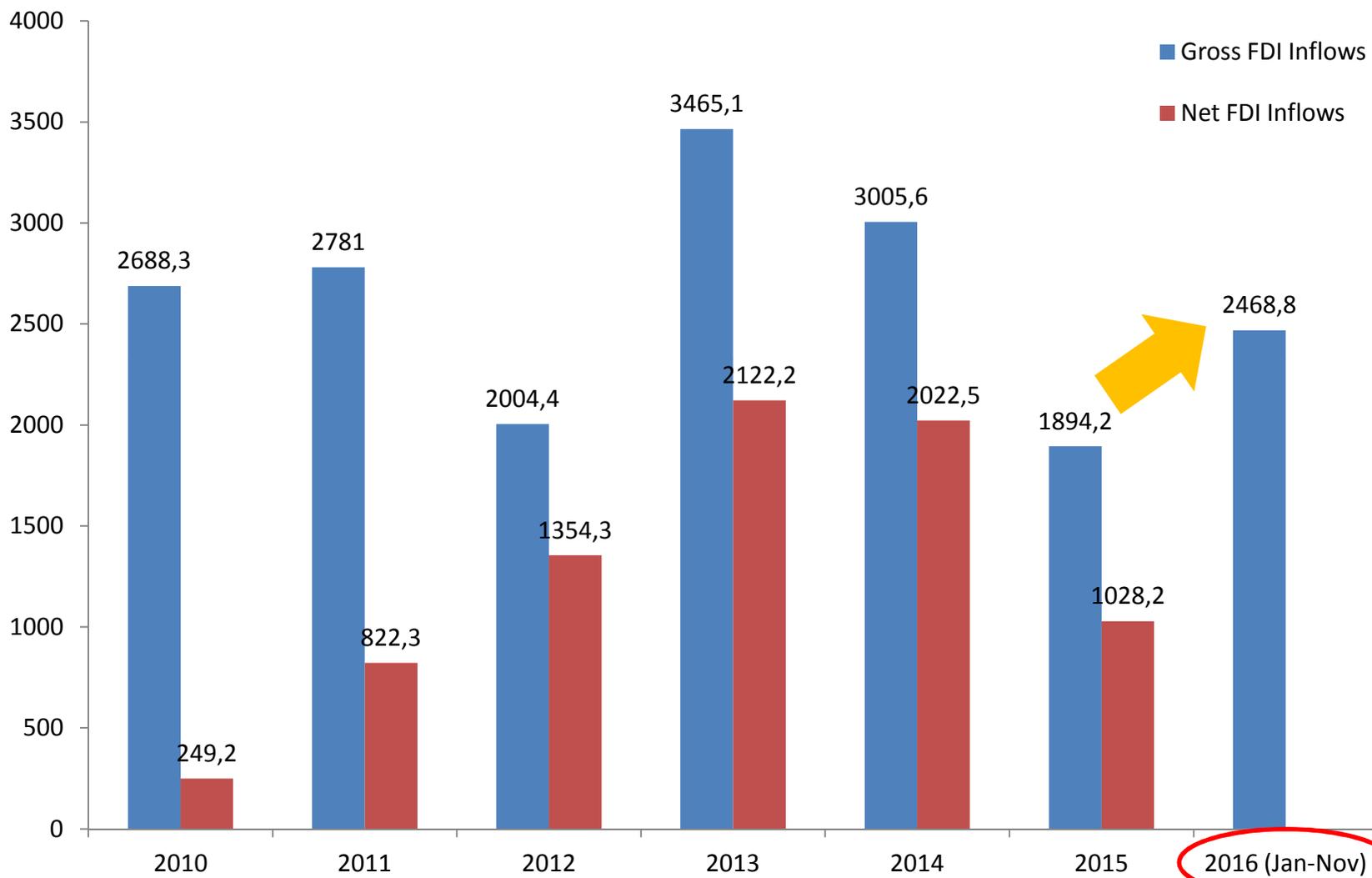
The MoU includes many improvements on the original agreement, such as completion of the investment in a shorter period of time and introducing a clause for to complete 80% of the investment within 12 years.

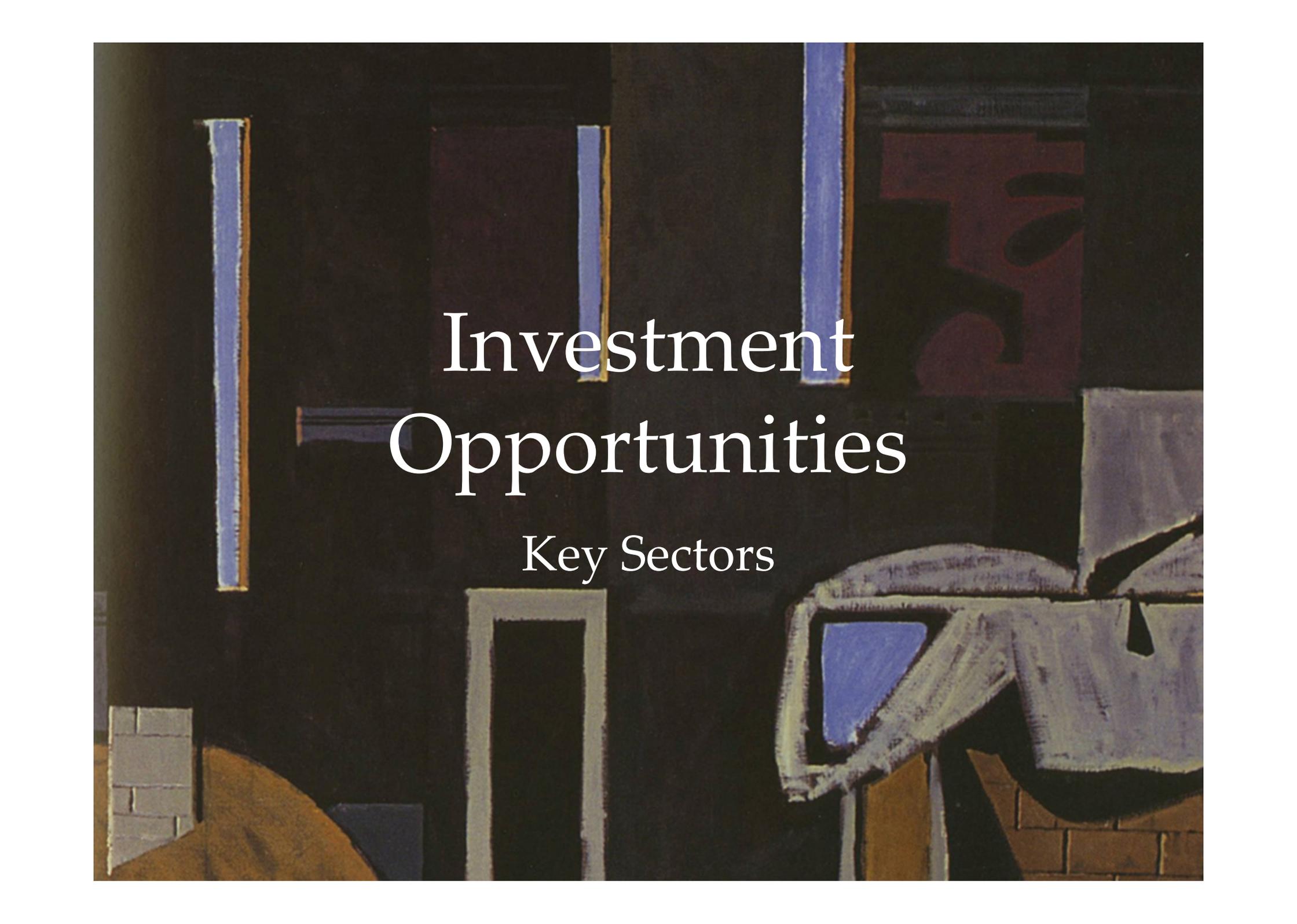
The background is a vibrant blue with a rough, paper-like texture. It features three horizontal stripes of a metallic gold color, positioned in the upper, middle, and lower sections of the frame. The text is centered horizontally and vertically between the middle and lower stripes.

FDI is welcome!

# FDI inflows 2010-2016

*In million Euro*



An abstract painting with a dark, textured background. It features several vertical and horizontal lines in shades of blue and purple. There are also some rectangular shapes and a large, irregular shape in the lower right corner that resembles a draped fabric or a piece of paper. The overall style is expressive and somewhat somber.

# Investment Opportunities

Key Sectors

# attractive investment opportunities

Tourism - Real Estate

Privatizations

Agri - food

Energy - Clean Tech

Logistics

Life Sciences

Cultural & Creative Industries



# Tourism

One of the most popular destinations in the world is undergoing a regeneration, offering an upgraded and diversified tourist product



# tourism

## *a snapshot*



- Export champion for Greece, **20 - 25% of GDP & 23.1% of employment** (2015 data)
- In **2016**, for a 4<sup>th</sup> year in a row breaks its **all time records in tourist arrivals**.
  - **Arrivals: 27.5 mn (~10% y-o-y increase)**
- Greece ranked, in **2015**,
  - **15<sup>th</sup>** in the world in number of **international tourist arrivals** and
  - **7<sup>th</sup>** in **tourism receipts balance in the world**
  - **31<sup>st</sup>** (*among 141 countries*) in *Tourism Competitiveness globally*
  - **12<sup>th</sup>** in *Tourist service Infrastructure globally*

# tourism

## *Investment opportunities*



- ✓ Upgrade existing infrastructure - Establish new destinations
- ✓ Large Integrated resorts - Vacation Homes
- ✓ Cruise - Marinas
- ✓ Thematic parks / sports tourism
- ✓ Medical tourism - Thalassotherapy
- ✓ Privatizations of publicly owned assets
- ✓ Enhance city break experience



**+60% in tourist arrivals  
in Athens the last three  
years**

***Private Projects & Public Assets  
available for development in our portfolio***

# The program



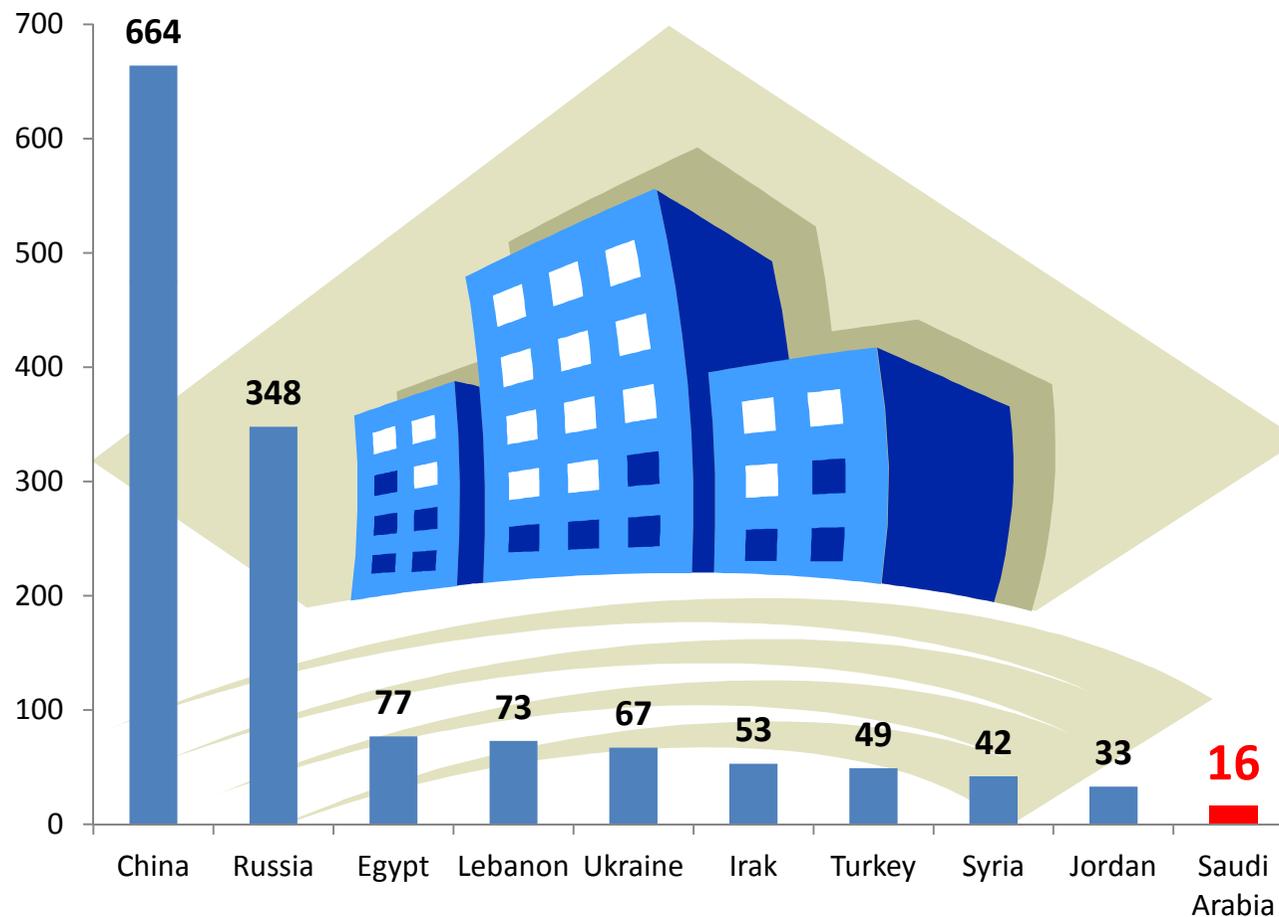
Greece  
My Residence  
Golden Visa Programme

Greece's Golden Residence Program gives a **permanent residence permit** to non-EU citizens and their families, who purchase a property in Greece, the value of which is at least **250,000 Euro**

# residence permits when investing in Greece

*a fast-growing program*

Number of residence permits for real estate owners issued per top 10 countries of origin (as of February 1<sup>st</sup>, 2017)



A total of **1,573** residence permits have been issued since the commencement of the program for real estate owners.



# Greek tourism 2021

*The new roadmap, just released*

- **35 millions arrivals +10 millions**
- **€20 billions tourist receipts +30%**

**requirements:**

**€6,5 billions investments** in the next 5 years from both public and private sector

**result:**

€43 billions to the GDP with 1 million employment  
***105,000 new 5\* beds through new developments or upgrades***

# Food & Agriculture



The home of the Mediterranean diet is becoming a favourite to foodies from around the world, who enjoy the highest quality ingredients on offer

# agribusiness & food

## *a snapshot*



### **Agriculture: 3.5% GDP**

- Utilized agricultural land 5.1 million hectares, 709,449 farms
- 1,218,274 persons employed
- Exports of agricultural products:  
*2015: 4.7 billion Euro or 20.2% of total exports)*  
*2016 (Jan-Nov): 5.2 billion Euro or 22.7% of total exports)*



### **F&B :**

- F&B enterprises represent 21.2% of total manufacturing enterprises
- 14,510 enterprises in the F&B. 795 out of these are active in beverages
- 112,000 people accounting for 36% of total employment in manufacturing





## **Greece is important in the Global Food Production**

- ✓ **Brand value / positioning**
- ✓ **Geography and climate conditions**
- ✓ **Traditional high-quality ingredients**
- ✓ **Specialized know-how and expertise**
- ✓ **Research and Innovation**

# agribusiness & food

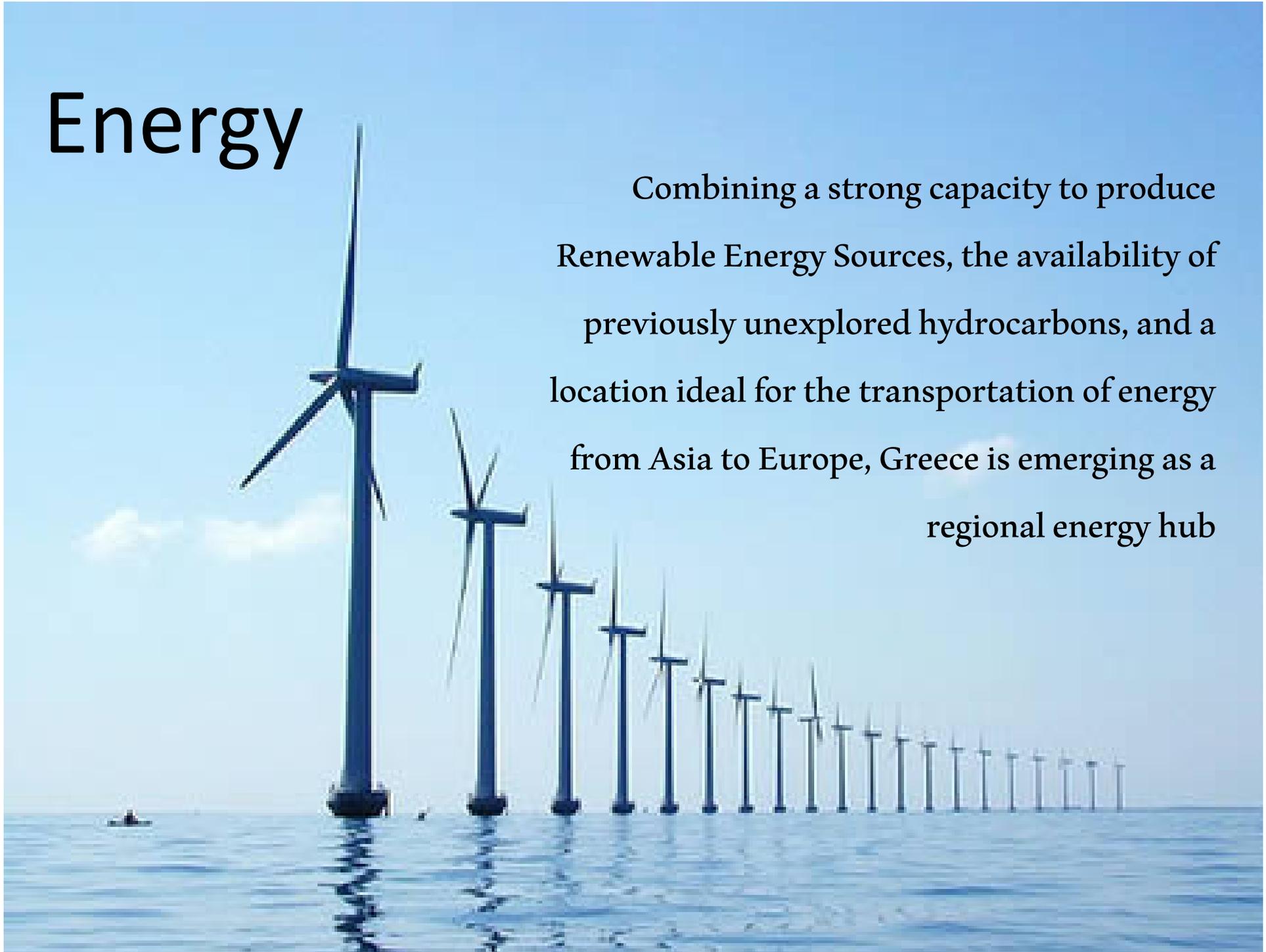
## *Investment opportunities*



- ✓ Development of new livestock farms for cattle, goats, pigs and poultry
- ✓ Development of new crop cultivations in vacant agricultural land
- ✓ Repositioning and consolidation of agricultural production using new technologies (hydroponics, greenhouses etc.) and high-value crops
- ✓ Participation in the growth and consolidation of smaller, organic producers with strong export potential
- ✓ Investment in the packaging, export and marketing of traditional staples of Greek diet such as olive oil, wine and herbs
- ✓ Development of joint venture activities with domestic agricultural producers through contract farming
- ✓ Invest in highly recognised products under the strict and favourable PDO/PGI framework
- ✓ Opportunity to create strategic investment partnerships with local well-known firms and invest in concrete business plans from the portfolio of Enterprise Greece

# Energy

Combining a strong capacity to produce Renewable Energy Sources, the availability of previously unexplored hydrocarbons, and a location ideal for the transportation of energy from Asia to Europe, Greece is emerging as a regional energy hub



# energy & green tech

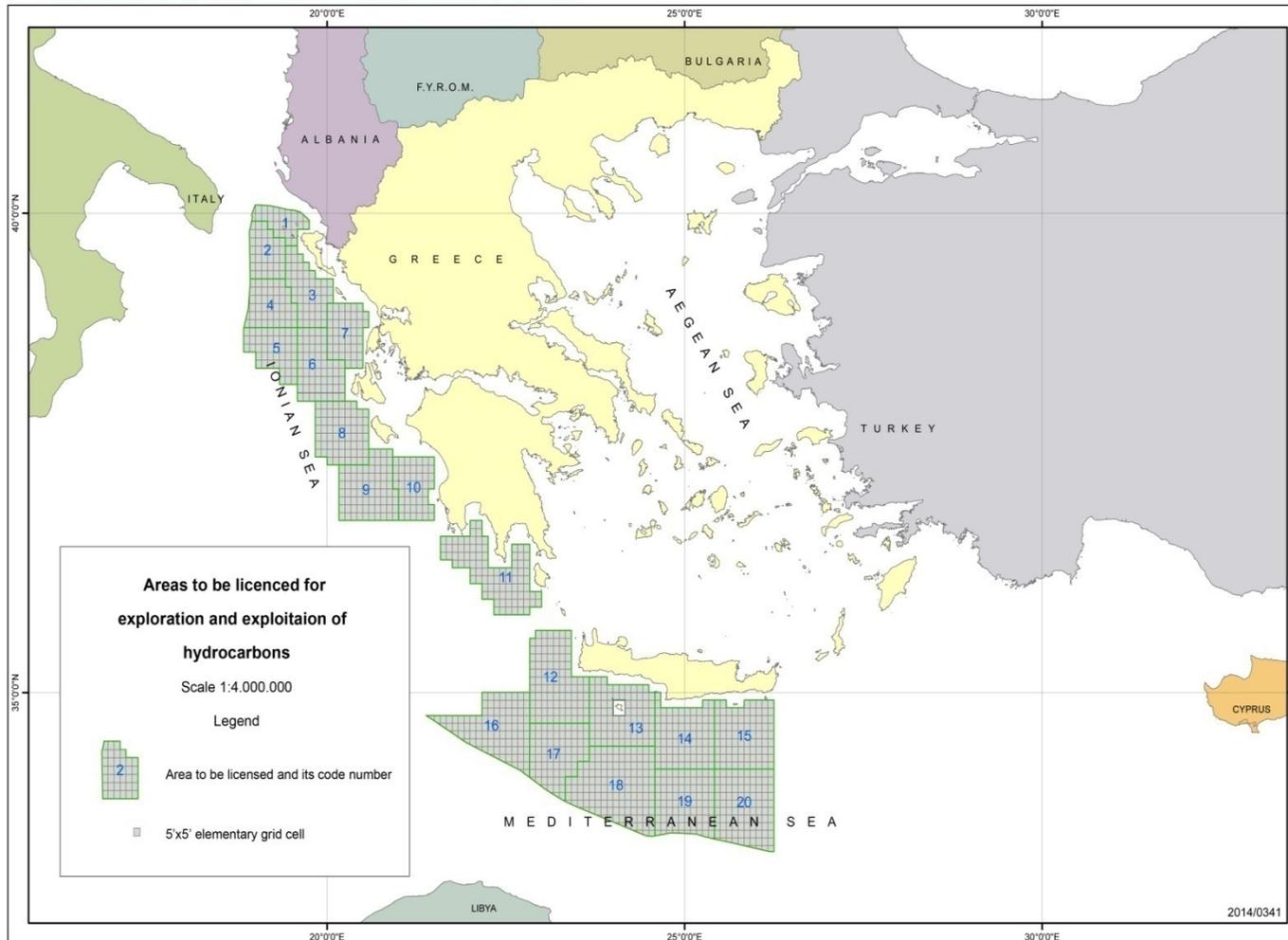
## *Investment opportunities*



- ✓ New infrastructure in natural gas transmission (liquid gas terminals, gas pipelines, gas distribution systems)
- ✓ Renewable energy projects (Wind, Solar-thermal, Biomass, Small Hydro, Geothermal)
- ✓ RES production capacity of c.5.2GW, supported by a new “feed in premium framework”
- ✓ Waste to Energy
- ✓ Exploration and exploitation of hydrocarbon reserves
- ✓ Grid connectivity for the islands (PPP)
- ✓ Energy efficiency, an emerging subsector with rewarding investments.
- ✓ High-end R&D focusing on generation and storage



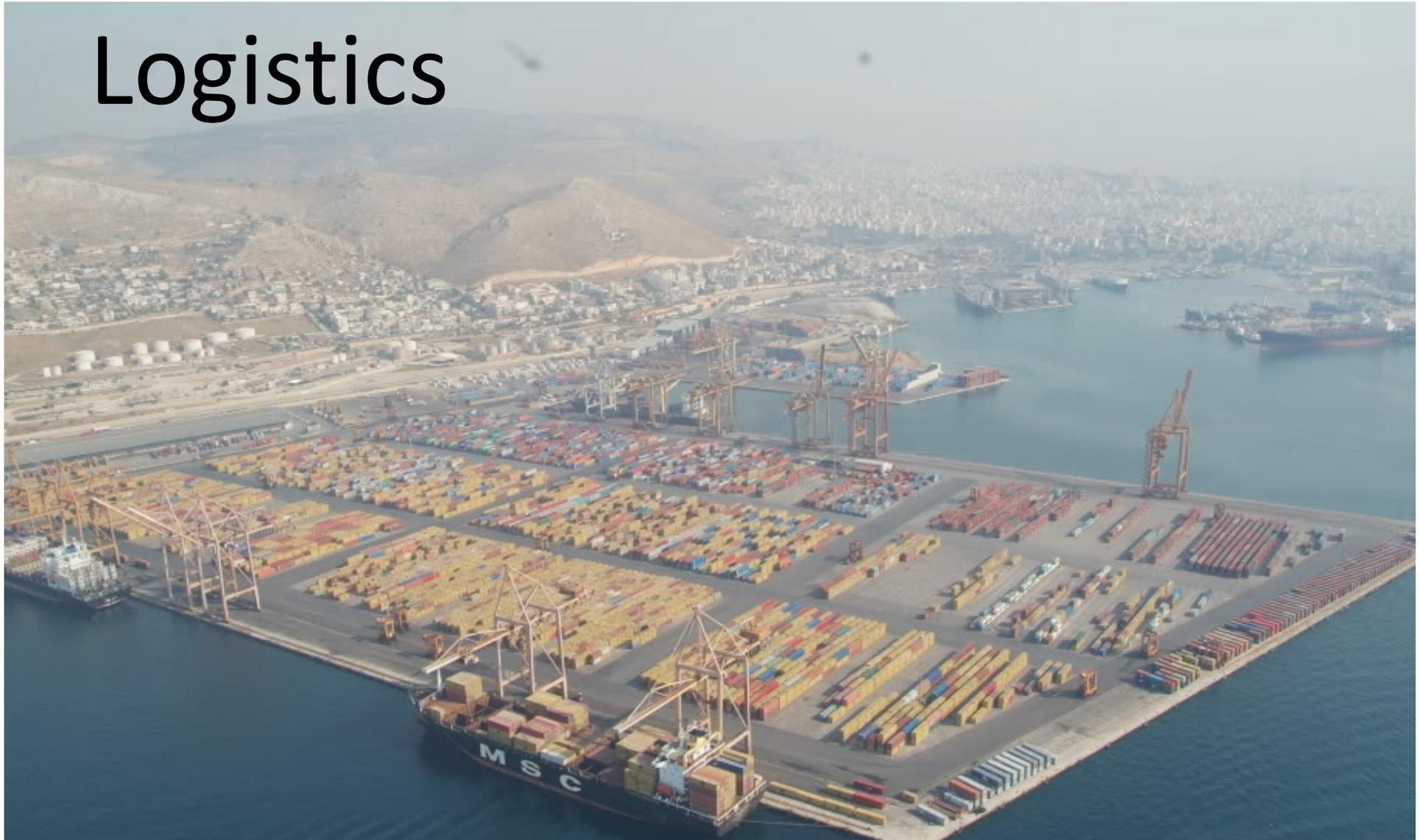
THIS CHART HAS BEEN DESIGNED BY THE HELLENIC NAVY HYDROGRAPHIC SERVICE



Map of the **20 Greek sea blocks** for the exploration and exploitation of hydrocarbon reserves

The **Norwegian company Petroleum Geo-Services (PGS)** conducted the necessary seismic surveys which opened the way for the relevant public tenders

# Logistics



Quickly emerging as a major logistics hub, located on one of the busiest trade routes in the world, Greece is developing the capacity to capture increased trade flows to Europe

# logistics: trends...

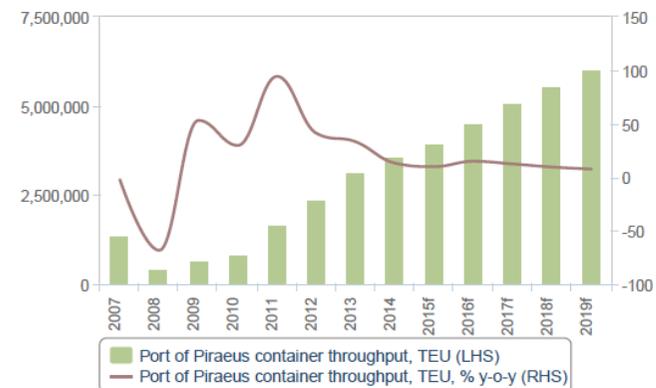


- Greece stands on the **crossroad of three continents -a strategic node** in the greater region
- **Logistics sector in Greece accounts for almost 10% of Greece's GDP**
- Piraeus: the **fastest growing container port in the world** between 2009-2013 (data from International Association of Ports and Harbors)
- **Modernization of existing logistics infrastructure and targeted development** of new one, a major component of Greece's priorities, including Hellenic Railways Organization, ports (Piraeus, Thessaloniki, other regional and small ports), motorways (Egnatia Odos) and marinas
- Agreements between Greek and foreign countries' Certification Organizations provide new opportunities for **middle products manufacturing and forwarding services**
- **New energy projects** provide **new opportunities** also to **logistics companies** that establish their presence in the country.



Port of Piraeus Container Throughput

Port of Piraeus Container Throughput, TEUs, % Change y-o-y (2007-2019)



# ... and investments



Privatization of **14 Regional airports** concluded successfully in late 2015, with German Fraport signing an 1,2 bn € deal



Privatization of **Piraeus port** concluded successfully in 2016, with Chinese COSCO gaining a multimillion tender



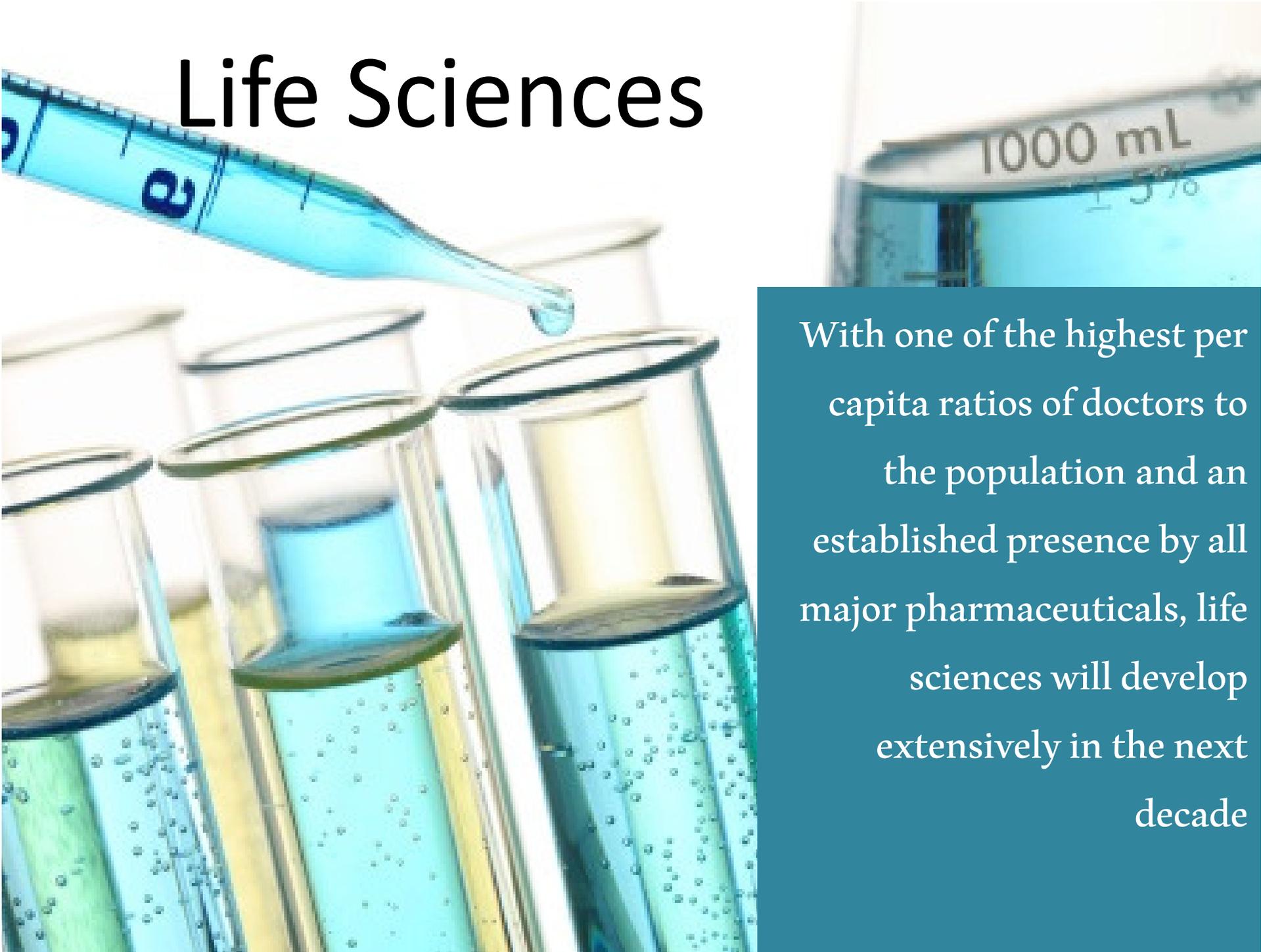
**Italian Ferrovie Dello Stato Italiane S.p.A.** gained the tender for the Greek Railway Operator TRAINOSE



One bidder for the development of **Thrasio Mega Logistic Center**



# Life Sciences

A close-up photograph of a laboratory experiment. A blue pipette is positioned at the top left, dispensing a single drop of liquid into a series of test tubes. The test tubes are arranged in a row, each containing a different colored liquid (green, yellow, blue, and clear). The background is slightly blurred, showing a large glass container with a '1000 mL' and '± 5%' label.

With one of the highest per capita ratios of doctors to the population and an established presence by all major pharmaceuticals, life sciences will develop extensively in the next decade

# life sciences

## Key facts

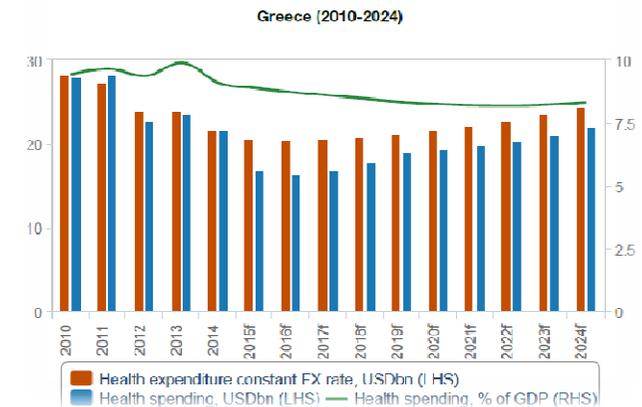


- Employs more than **13,000** people in Greece
- With almost **6 doctors per 1,000 population**, Greece ranks first amongst OECD countries
- Volume of production increased in 2015 (**+6.4%** compared to 2014)
- Exports of pharmaceutical products exceed **1 billion €**
- Total impact on Greece's GDP reaches **2.8 billion €**

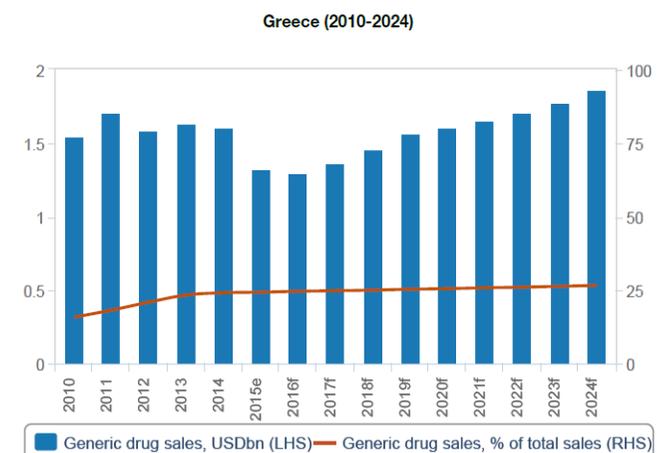
### Strengths

- ✓ **R&D and know-how** – Life sciences research and pharmaceuticals manufacturing have been well-established in Greece and exhibit extensive know-how and world-class collaborations
- ✓ **Regional Hub for Clinical Trials:** Greece has established itself as a regional hub for clinical trials and most major international pharmaceutical companies conduct clinical trials in Greece. More than 1,200 protocols are in place.

Healthcare Expenditure Forecast



Generic Drug Market Forecast



# life sciences

## *investment opportunities*



- ✓ R&D centers- manufacturing of generics
- ✓ Elderly and Long Term Care services and infrastructure
- ✓ Integrated medical tourism facilities exploiting the advantage of scientific excellence
- ✓ Patient support services –Home care services
- ✓ Conducting Clinical trials
- ✓ E-health tools and services



The Cultural and Creative Industries have shown great resilience during the crisis – they actually continued to grow – while stimulating creativity and innovation spill-overs in other sectors.

# cultural & creative industries

## *Greece's strong comparative advantages & opportunities*



### **Advantages**

- firm size: micro-enterprises
- personal identity of creation
- capacity of processing new useful images and concepts
- adaptability ('ingenious and resourceful Odysseus')
- high aesthetics
- emphasis on innovation
- advantageous geographical position; favourable weather conditions
- top talent at a highly competitive cost
- inactive skilled manpower and know-how stock



- Digital Design and Animation
- Film
- Plastic arts, museums
- Fashion
- Jewelry, silverware and crafts
- Performing and visual Arts
- Video and computer Game

# indicative investment projects

**Marinas & Cruises**



**City hotels**



**Hotels & Integrated resorts**



**Conference & Incentives**



**Health Tourism**



**Commodity products**

**Olive oil**

**Aquaculture**

**Niche products (i.e. superfoods)**

**Organic**

**Data Centers**

**Call Centers**

**Mobile Marketing & advertising**

**Software development**

**Information Security Services**

**Generics**

**Elderly and LTC care**

**Clinical Trials**

**E- health**

**Home care services**

**Oil & Gas**

**RES**

**Grid connectivity for the islands**

**Energy efficiency**

**Waste Management**

# International organizations support Greek investments

## *EIB, EIF, EBRD, BSTDB and the Juncker Plan*

- **EIB - European Investment Bank**  
The EIB invested over EUR 1.5 billion in the Greek economy in 2016. Financing for small businesses accounted for 75%, with an additional 22% for innovation and 3% for infrastructure projects. **Over the past five years (2012-2016), the EIB has invested EUR 6.4 billion in Greece. Total investment of EIB & EIF in Greece in 2016: EUR 1.63 billion**
- **EIF - European Investment Fund - total commitment (EUR 263 million)**  
7 Greek private equity funds supported  
8 Partner Finance and Guarantee Providers  
**Over 3,600 Greek SMEs supported**
- **European Bank for Reconstruction and Development (EBRD)**  
**14 projects** in Greece to date, **EUR 702 million** cumulative investments, 100% private sector share of EBRD portfolio, **EUR 651 million** current portfolio of projects
- **Black Sea Trade and Development Bank (BSTDB)**  
**20 projects of EUR 273 million** (Industrial, IT, Utilities, Materials)
- **Greece ranks sixth in Europe in the absorption of Juncker Plan funds**  
Approvals for investments reach the amount of **EUR 700 million**

**Enterprise Greece** is the official agency of the Greek State, under the supervision of the **Ministry for Economy and Development**

to showcase Greece as an outstanding destination for **investment** and to promote the highly competitive products and services produced in Greece for **export**

**Enterprise Greece**  
**Your partner for growth**  
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