ENTERPRISE GREECE
INVEST & TRADE

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OUR VIEW: GREECE 2.0

GREEK EXPORT CHAMPIONS

INVESTING IN TOURISM

The newsletter is a monthly publication of Enterprise Greece, the national investment and trade promotion agency.

OUR VIEW: GREECE 2.0

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Greece is reinventing itself. Over the next six years Greece will transform its economy by investing in the growth sectors of the future. But at the same time, Greece continues to see sustained investment momentum in core sectors like hospitality and food.

The National Recovery and Resilience Plan – dubbed Greece 2.0 – that was announced this month, will channel €57 billion into green energy projects, digitalization, health and education.

And despite the global pandemic, Greece continues to draw leading multinationals like Pfizer, Microsoft, Cisco and Volkswagen. Last year, Greece attracted €3.13 billion worth of foreign direct investment, down from a record high in 2019 but still one of its best years in the last two decades.

Greece announced its national recovery and sustainability plan "Next Generation EU"

Pilar: Emblematic Investments II includes:

Powerful incentives for private investment (green projects, digital transformation, innovation, export-oriented)

Public-Private Partnerships for major, new infrastructure projects (irrigation, rail transport)

Investments in culture, tourism, agro-food industries helping to spur development

Major investments in worker training and re-training (emphasis on digital skills)

Major investments in health, in education and in social inclusion for disadvantaged groups

The National Recovery and Sustainability Plan includes 4 pillars, the 4th of which concerns Investments and the Transformation of the Economy.

More info here: https://bit.ly/3udelWZ

Greek recovery plan targets sweeping economic transformation

Greece's ambitious, post-pandemic recovery plan aims at sweeping economic transformation that will create new growth industries, upgrade public services and boost the country's competitiveness through fresh investment in its human resources.

The €57 billion National Recovery and Resilience Plan – part of a mammoth European Union financed initiative – details 170 projects, investments and reforms that will profoundly change Greece. Over the next six years, the program will add up to seven percentage points to GDP and create 200,000 jobs.

Combined with a further €30 billion in other EU funding and a matching amount from the Greek government, more than €100 billion in financing will be available for Greece's economic transformation over the next decade. Equal to more than half the country's GDP, the available financing represents the largest economic program the country has seen since the end of the Second World War.

"I want to stress today the ground breaking nature of this program because it fundamentally changes the model of the Greek economy, turning it into a competitive and outward-oriented economy and with a digital and efficient state," Prime Minister Kyriakos Mitsotakis said in introducing the program. "*It is the new version of the country in the new era that is coming.*"

Based on four pillars – green energy, digitalization, health and education – the plan includes initiatives ranging from energy upgrades of Greece's building stock to professional education and training, from new e-government services to 5G mobile infrastructure.

Budget

Pillars	Recovery Fund Budget (in €bln)	Total investment funds mobilized (in €bln)
Green transition	€6.03	€10.4
Digital transformation	€2.14	€2.14
Employment, skills training, social cohesion (health, education, social security)	€5.21	€5.31
Private investment and economic restructuring	€4.82	€7.81
Total from grants	€18.19	€25.65
Loans	€12.73	€31.82
Total investment funds	€30.92	€57.47

Source: Office of the Prime Minister

New Greek export champions emerging amid F&B export boom

An almost decade-long export boom is helping to reshape the country's food and beverage sector, drawing fresh investment and creating new export champions in the Greek agro-food industry.

For the past ten years, Greek F&B exports have been going from strength to strength. Greek food products are increasingly being profiled in international culinary circles, Greek wines are garnering critical recognition, and Greek branded products, like olive oil, are expanding their market share abroad.

Despite a downturn in global trade, Greek food exports showed remarkable resilience last year as consumers worldwide focussed on healthy foods from quality producers. Greek food exports in 2020 rose 10.3% to €5.3 billion, according to the Greek Exporters Association.

This has helped draw fresh investment to the sector. Last year, foreign direct investment in food processing rose 21% to €206 million and investors saw opportunity in industry consolidation.

Private equity fund CVC Capital Partners has acquired Greek food and catering company Vivartia in a €600 million deal, and announced this month that it will also acquire dairy producer Dodoni. A third acquisition, of dairy products company Kolios, is expected next. Combined, the three companies would create Greece's largest food conglomerate and an export powerhouse.

Likewise, Greek private equity fund SMERemediumCap last month purchased a majority stake in fruit exporter Krop, which is focused on the markets of central and eastern Europe. The investment is seen as the first step in a series of acquisitions aimed at establishing the company as Greece's leading fruit exporter.

news in brief

Economic Sentiment

Greek business and consumer sentiment rose to its highest level in 11 months amid expectations of a turnaround in economic activity. The monthly index of economic sentiment by think tank IOBE rose to 96.9 points in March from 91.9 in February. A separate monthly index of purchasing managers also rose in March to 51.8 points, up from 49.4 in February, signalling a return to a growth outlook for Greek manufacturing for the first time since February 2020.

Banking Outlook

International credit ratings agency Moody's Investors Service raised its outlook for the Greek banking system to positive from stable. The improved outlook anticipates a recovery in Greek economic activity post-pandemic, as well as the banks' ongoing efforts to reduce their stock of non-performing loans.

Insurance Investment

International private equity fund CVC Capital Partners will acquire a 90% stake in the insurance subsidiary of National Bank of Greece – Ethniki Asfalistiki – the country's largest insurer. Depending on performance over the next five years, the deal values the insurer at €505 million and is the latest in a series of investments by the fund in Greece.

Heraklion Port

Greece's privatization agency, the Hellenic Republic Asset Development Fund (TAIPED), launched the tender for a 67% stake in Heraklion port, Crete's busiest port serving cruise ships, ferries and freight vessels. The tender is part of Greece's program to privatize and upgrade its regional ports around the country and comes as TAIPED announced the shortlist of bidders for the northern Greek ports Alexandroupolis and Kavala.

Service Hub

U.S. based Sitel Group, a global leader in business process outsourcing services, will open a new service center in Athens. The 560 square meter, state-of-the-art facility will create more than 1,000 jobs and serve customers in 24 languages worldwide.

EastMed Pipeline

Plans for a 1,900 kilometer pipeline to bring natural gas from the eastern Mediterranean to Greece and onwards to Europe has received the further endorsement of countries in the region. The governments of Bulgaria, Romania, Hungary, Serbia and North Macedonia expressed their support for the project in a letter to the European Commission, joining the governments of Greece, Cyprus and Israel who have been pressing for the project.

Athens Development

The Greek government plans to redevelop a 15 hectare industrial facility in the Ymittos area of Athens as a future government building complex and urban park. The €250 million project foresees the transfer of nine ministries to the new site by 2025 or 2026, and will save the state an estimated €1 billion in rent over the long run.

Summer Tourism

Ireland-based air carrier Ryanair will dramatically expand its summer schedule to Greece. Europe's largest airline said it will establish three new summer hubs in Corfu, Crete and Rhodes offering a total of 218 routes, including 74 new and over 550 weekly flights, connecting Greece to a range of international and domestic destinations. A separate analysis of online bookings from the UK by the Financial Times, shows Greece as one of the leading destinations for British travelers this summer.

Foreign investment in Greek tourism rises despite pandemic

Foreign investment in Greece's hospitality industry rose last year despite the global pandemic, underscoring the country's continued prospects as one of the world's top tourism destinations.

According to the latest data, foreign direct investment in Greek hospitality and catering services tripled to €339 million in 2020 – accounting for more than a tenth of total investment inflows into the country – up from €111 million in 2019. The data follows five years of rapid growth in the industry that has seen record numbers of visitors and the opening of more than 200 new hotels in the country.

Greece is one of the world's Top 20 tourist destinations and drew more than 30 million visitors in the year before the coronavirus pandemic. The industry accounts for roughly one fifth of GDP and one in five jobs.

A recent study by international accounting firm Grant Thornton shows that the number of hotels in Greece totaled 9,971 in 2019, up from 9,757 five years earlier. Over the same period, the sector welcomed more than €1 billion worth of investment each year from foreign and domestic sources combined.

CONTACT US

To learn more about the many investment and trade opportunities Greece offers, visit us today at www.enterprisegreece.gov.gr

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