



ENTERPRISE GREECE
INVEST & TRADE



NEWSLETTER AUGUST 19

**NEW TOURISM
STRATEGY**

**GREEK SPIRITS
& COCKTAILS**

**INVESTING IN
GREEK STEVIA**

10-YEAR TOURISM STRATEGY

GREECE
DEVELOPING
NEW

The Greek government is developing a 10-year strategic plan for the country's linchpin tourism sector to boost its long-term prospects and improve infrastructure, competitiveness and sustainability.

The new strategy, which will be developed in consultation with the private sector, comes as Greek tourism faces growing pains and new challenges that have started to weigh on performance. The government expects to detail the new plan by early next year.

In the past seven years, Greek tourism has boomed. Since 2012 the number of foreign visitors to Greece has almost doubled to 33 million last year, while tourism receipts have grown by a third to €16 billion. Last year, the sector grew by some 6.9% helping to drive overall Greek economic growth.

With its vast cultural heritage and sunny Mediterranean climate, Greece is already one of the world's top tourist destinations and is on track to rank among the Top 10 in coming years.

The sector accounts for roughly one fifth of GDP and has been a major draw of foreign direct investment: in the last four years, more than 55,000 new 4- and 5-star hotel beds have been added in Greece. And in late October, Athens will host the annual Mediterranean Resort & Hotel Real Estate Forum – one of Europe's leading hospitality investment trade fairs – for a second year running.

But Greek tourism also faces fresh challenges. Overseas, renewed competition from rival destinations like Turkey and Egypt have crimped demand. While at home, constraints on local resources ranging from marinas to waste management have highlighted the need for fresh investment for the sector.

The new tourism strategy will include several key features, according to Greece's new Tourism Minister Harry Theoharis. Among them will be streamlined licensing procedures for new tourism infrastructure, upgrading Greece's marinas, improving air connections with source markets, promoting new destinations within Greece, cutting taxes on select tourism products, and improving environmental and resource management in the industry.



news in brief

Tax Cuts

The Greek parliament has voted to cut personal, property and value-added taxes as part of the government's program to boost economic growth. The legislation reduces business tax rates to 20% from 28% over the next two years, lowers property tax rates by 22% on average, and cuts selected VAT rates.

Greek Budget

Greece is in talks with international creditors to lower fiscal surplus targets in a bid to raise public investment, Finance Minister Christos Staikouras said in a newspaper interview. Under the terms of its financial support program, Greece has targeted a primary budget surplus equal to 3.5% of GDP, a level many economists say constrains economic growth.

Bond Repayment

Greece's new government has revived a scheme to pay off some €3 billion worth of outstanding debt to the International Monetary Fund ahead of schedule. The plan, which was first floated this spring by the previous government, would save the country an estimated €70 million to €90 million in interest payments.

Economic Data

Consumer and business confidence in the Greek economy has jumped sharply, according to the latest data by the European statistics agency Eurostat. Economic sentiment rose to 105.3 points in July, up from 101.0 points a month earlier.

Unemployment Rate

Greece's seasonally-adjusted unemployment rate fell to 17.2% in May, according to the Hellenic Statistical Authority, down more than two percentage points from a year earlier. The unemployment rate is now the lowest since 2011 and down more than 10 percentage points from its peak in 2013.

Greek Shipping

Greek-controlled ships account for 21% of the world's ocean-going fleet, according to the annual report by the Union of Greek Shipowners, and 53% of the European Union fleet. The Greek merchant fleet now comprises 4,936 vessels of a combined 389.69 million dead-weight tons, a 6.6% increase from a year ago.

Energy Alliance

The energy ministers of Greece, Cyprus, Israel and the U.S. agreed to boost cooperation in energy-related issues at a meeting in Athens. The first 3+1 Energy Minister's meeting is seen as further cementing the strategic alliance of the three countries -- plus the U.S. -- with a view to managing oil and gas resources in the Eastern Mediterranean.

Artificial Intelligence

Greece's Demokritos National Center for Scientific Research is cooperating with international consultancy Ernst & Young to create a research center on artificial intelligence. The center, the first of its kind in Greece, will initially host a team of roughly 20 researchers.

Local Greek Spirits Gain International Recognition

Traditional Greek spirits – ouzo, tsipouro, raki and mastiha – are gaining worldwide recognition as the country's bars and restaurants add inventive new cocktails to their menus and garner international accolades.

In July, international lifestyle guide Time Out named the Aegean Negroni – a new drink pioneered at a downtown Athens bar – as the best cocktail in the world, out-ranking competitors from Milan to Mexico City.

The distinction is one of several awarded to Greek bars recently for what the magazine describes as a “cocktail revolution” in Greece with local mixologists turning to traditional Greek spirits, herbs and flavors to create new drinks.

Also last month, Enterprise Greece and the Greek Federation of Spirits Producers (SEAOP) agreed to jointly promote Greek spirits through a series of events and initiatives in the months ahead. In October, Greek spirits will be showcased at the international Bar Convent Berlin, while next March, the Greek pavilion at the Pro-Wein 2020 Exhibition will feature a spirits tasting bar.

The distinctive Greek distillates, which have PDO protection, are produced from the pomace remaining after pressing grapes for wine, making them similar to Italian grappa. As with wine, each region lends its own unique characteristics to its spirits. The island of Lesbos is famed for its ouzo; Crete for its raki and tsikoudia; and Epirus for its tsipouro. Mastiha-flavored spirits are a specialty of Chios, where the unique trees producing the prized resin are grown.

Greece's 250 distilleries export 70% of their production

-  **> 31.000** employees in the value chain of the sector
-  **~14.000** businesses with spirits as main economy activity
-  **~€281 mill.** public revenues from the Excise Duty on spirits in 2016
-  **>€1,5 bil.** contribution to GNP in 2016
-  **€320 mill.** income of employees in the value chain
-  **€74 mill.** exports
-  **€277 mill.** corporate taxes and contributions

Source: Greek Federation of Spirits Producers
Link:

<http://www.seaop.gr/userfiles/ec77a5fd-bb8f-4801-a3e1-a71600b962ea/Industry%20contribution%202018.pdf>





COMING UP SEPTEMBER

- The Big 5 Construct Egypt, building products trade show, Cairo (Sept. 2-4)
- Who's Next, international fashion & accessories trade show, Paris (Sept. 6-9)
- Maison & Objet Paris, interior design exhibition, Paris (Sept. 6-10)
- Thessaloniki International Fair, Greek trade exhibition, Thessaloniki (Sept. 7-15)
- The Hotel Show Dubai, hospitality design & supplies exhibition, Dubai (Sept. 17-19)

Greek Stevia Producers Take Lead in Europe

Greek stevia producers are taking a leading role in the world's fast growing natural sweeteners market with the construction of Europe's first stevia processing facility.

The €8 million project, located near the town of Lamia in central Greece, follows major inroads by the industry in recent years, including the adoption of stevia by beverage giant Coca-Cola and Greek soft-drink exporter Green Cola. The facility uses locally-developed, patented technology to achieve extraordinarily high levels of purity.

Derived from a plant species native to Brazil and Paraguay, stevia has been used as a natural sweetener by indigenous peoples of the region for centuries. But its use in international markets has exploded in the last decade following regulatory approval in the U.S. and the European Union as a food additive.

According to PureCircle, a leading, Chicago-based producer of stevia, the global stevia market has been growing at a 9.5% cumulative average rate in the last two years and is expected to reach \$771.5 million by 2022.

In 2011, Greek stevia growers, along with industry experts and agronomists, established the Stevia Hellas Cooperative to export Greek stevia to world markets.



Source: Stevia Hellas
Cooperative

CONTACT US

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

109 Vasilissis Sophias Avenue
115 21 Athens
GREECE

T: +30 210 335 5700
Email: info@eg.gov.gr

