



ENTERPRISE GREECE
INVEST & TRADE

NEWSLETTER

SEPTEMBER 17

**INFRASTRUCTURE
PRIVATIZATION**

**GREEK BANKS
REDUCE NPL
EXPOSURE**

**RECORD
GREEK
TOURISM**

**EXPORTS
GAINING
GROUND**

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

Greece

turns the page

Greece is turning the page with its economy showing clear signs of recovery and is putting behind the crisis that has buffeted the country for the past eight years, Prime Minister Alexis Tsipras told an audience in the northern Greek city of Thessaloniki. His remarks come amid a string of recent, positive economic data showing that the Greek economy is finally emerging from almost a decade in recession. "Greece's image has radically changed for the better. The signs of recovery are now clear for everyone to see: to us, to investors and to our partners." Mr. Tsipras said at the start of the 82nd Thessaloniki International Fair (Sept. 9-17), the country's largest and longest running trade exhibition. According to the most recent data, second quarter GDP grew 0.8% from last year, while a record 263,000 new jobs were created in July, and economic confidence is rising. Exports are extending their recent upswing and Greece saw another banner tourism season this year. Over the summer, the Greek government returned to the bond markets for the first time in three years and, in the last few weeks, international ratings agencies have upgraded their assessments of Greece's prospects.

Greece's Economy is Recovering (GDP growth)

	Year-on-Year	Quarter-on-Quarter
Second quarter (2017)	+0.8%	+0.5%
First quarter (2017)	+0.4%	+0.5%
Fourth quarter (2016)	-1.0%	-1.0%

Source:
Hellenic Statistical Authority
<https://goo.gl/o1uS2V>

Foreign investors are being welcomed. At this year's fair, China was the honored country, reflecting the steadily growing trade relations between Greece and China. Some 167 Chinese companies, and 400 delegates, took part in the fair, including major companies like China Cosco Shipping Corporation, Huawei Technologies Co. Ltd and Zhongxing Telecommunication Equipment Corporation (ZTE). And a recent state visit by French President Emmanuel Macron is also seen as a further endorsement of the country. The French president was accompanied by roughly 40 executives of leading French companies, including industrial giants. "The Greek crisis is slowly coming to an end. We can see that Greece is recovering," Mr. Macron said in a speech in Athens. During his visit, Greek officials also signed a memorandum with France's state investment bank and which foresees the creation of a Greek development bank to fund infrastructure projects and support small businesses and export-oriented companies. Separately, the Hellenic Space Technologies and Applications Cluster signed an agreement extending bilateral cooperation between the Greek cluster and France's Aerospace Valley cooperative.

news in brief

Railroad Privatization

Greece has completed the sale of state-owned railway operator TrainOSE to Italian company Ferrovie dello Stato, one of the largest rail companies in Europe. The Italian company will pay €45 million for TrainOSE and plans to invest a further €500 million in rail operations in Greece.

Athens Airport

The Greek government formally announced a 20 year extension in the operating concession for the Athens International Airport, the country's biggest airport. As part of the deal, Greece will receive €600 million from the concession holder, as well as a share of future airport earnings. The state is expected to sell off a further 30% of the airport next year.

Thessaloniki Port

A German-French-Greek consortium has been awarded a 67% stake in the Thessaloniki Port Authority for €232 million. The port of the northern Greek city of Thessaloniki is the second biggest port in the country and is seen as a gateway to Southeast Europe.

Greek Banks

Greece's four major banks have reduced their stock of bad loans and are starting to sell off distressed assets to foreign investors. According to the Greek central bank, the banks have exceeded targets by reducing non-performing exposures by €2.1 billion in the second quarter and by €3.0 billion in the first half.

Foreign Investment

The amount of foreign direct investment in Greece has jumped sharply, according to the latest data from the Bank of Greece. FDI inflows to Greece for H1 2017 reached € 2,129.7 million, while the corresponding performance in the same period in years 2016 and 2015 was €748.3 and €540.4 million, respectively, providing an early sign of an improved FDI performance for the current year.

Natural Gas

The Hellenic Republic Asset Development Fund, Greece's privatization agency, has shortlisted two bidders for state-owned natural gas distribution company Desfa. Greece aims to sell a 66% stake in the company with the final bidder expected to be announced by the end of this year or early 2018.

Golden Visa

Foreign nationals have invested €1 billion to purchase Greek real estate under Greece's Golden Visa program. Since the program's inception in 2013, 1,725 golden visas have been issued, entitling investors and their families to five-year residence permits in Greece.



Record year for Greek tourism

Greek tourism is set for another record year in 2017 with the country on track to welcome 30 million visitors. In the last three years, Greece has seen a sharp increase in investment in its tourism industry, which accounts for roughly a sixth of the economy and last year brought in more than €13 billion in revenue.

Over the next three to five years, more than €4 billion are expected to be invested in approximately 200 tourism related projects around the country. “For 2017, the first signs of the market are positive,” according to a recent National Bank of Greece report, which estimates that the country needs some €22 billion in tourism-related investments over the next five years.

Greece Needs More Tourism Investment

TARGETED TOURISM INVESTMENT COULD INCREASE RECEIPTS BY 40% OVER 5 YEARS



+€1.2 Bln in HOTELS
annually for 5 years



+€3.3 Bln in INFRASTRUCTURE
annually for 5 years



+5.5 Mln TOURISTS
annually after investment



+€5 Bln in RECEIPTS
annually after investment



COMING UP OCTOBER

Greek Exports lead the way

Greek exports continue to support the country's economy with total exports in the first half of 2017 almost a fifth higher than they were a year ago. According to official data, Greek exports rose 18.2% to €14.2 billion in the first six months of the year, compared with €12 billion last year. The increase has been broad based, with Greek exports for food, raw materials, minerals and refined petroleum products, chemicals and other industrial goods all rising. Fellow European Union members remain Greece's biggest export market, accounting for just over half of the country's exports. But neighboring countries in the Middle East and North Africa are among the fastest growing, and combined accounting for roughly a sixth of Greek exports.

**GREEK WINE EXPORTS TO JAPAN
ARE UP 66% IN 2017, FROM
€482,000 IN 2016, SLATED TO
PASS €1,000,000 IN 2018**



- Germany's biennial Anuga F&B trade fair (Cologne, Oct. 7-11). Enterprise Greece is organizing the national Greek pavilion. We hope to see you there.
- 2017 AUSA Annual Meeting & Exposition, USA (Oct. 9-11).
- Mediterranean Resort & Hotel Real Estate Forum in Tarragona, Spain (Oct. 16-18). We'll be there.
- HOST MILAN 2017, 40th International Hospitality Exhibition, Italy (Oct. 20-24).
- KORMARINE, International Marine, Shipbuilding, Offshore, Oil & Gas Exhibition, Korea (Oct. 24-27).
- Moscow's Premier International Real Estate Show, Russia (Oct. 27-28). Our booth will showcase Greece's Golden Visa program.

CONTACT US

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

109 Vasilisis Sophias Avenue
115 21 Athens
GREECE

T: +30 210 335 5700

Email: info@enterprisegreece.gov.gr



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