




ENTERPRISE GREECE
INVEST & TRADE



NEWSLETTER
FEBRUARY 20

**GREECE'S
INNOVATION
ECONOMY**

**2019 RECORD
EXPORTS FOR
GREECE**

**FOCUS ON
MEDICAL
TOURISM**

GREECE EMERGING AS REGIONAL INNOVATION HUB

Greece is emerging as a regional center for hi-tech development following a series of investments by leading technology giants drawn by the country's skilled workforce, infrastructure and favorable geographic location.

In the past year, major multinationals including Amazon, Tesla and EY, have all announced investments in new tech ventures in Greece. And the country is drawing increasing attention from investors from the U.S., Europe and Asia in a diverse range of tech initiatives.

“The investment by Amazon Web Services in Greece, signals the increasing significance of the country as a regional hub in the global technology market,”

said Kyriakos Pierrakakis, Minister for Digital Governance. Greece, he added, is open to new investments in technology and recognized the importance of cloud computing in the digital transformation of the country.

Reflecting the rapid growth of its hi-tech sector, Greece has jumped in international rankings. A fresh survey by Bloomberg, published in January, shows that Greece has advanced five spots in its global innovation index and is now ranked among the 30 most innovative economies worldwide.

Although a late comer to digital technologies, Greece has been moving ahead rapidly. The growing use of online government services has garnered international recognition, while hundreds of millions of euros are being invested in telecommunications infrastructure. An estimated 500 start-ups are now active in Greece.

Greece also recently announced the creation of Thess Intec, an innovation park in northern Greece to serve as an international technology and innovation center, with a second one to be created in Athens in 2020.

In early February, Amazon chose Athens as one of its newest cloud computing hubs. While German auto-maker Volkswagen is now considering launching a next generation, autonomous vehicle test in Greece, possibly on the island of Thasos.

And last July, a Japanese government delegation – a country long at the forefront of global technology developments -- visited Greece to learn about investment opportunities in Greek hi-tech start-ups.

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news in **brief**

New Greek President

The Greek parliament has elected Katerina Sakerollopoulou as President of the Hellenic Republic, the first woman to serve as head of state, to replace outgoing President Prokopis Pavlopoulos. Previously, Ms. Sakerollopoulou was chief justice of Greece's highest administrative court. In remarks, the President-elect said her priorities will include promoting Greek economic development and reversing the country's brain drain. She is due to be sworn in on March 13.

Greek Bonds

Greece witnessed record demand for its first long-term government bond issuance in more than a decade, raising €2.5 billion for a 15-year bond. The offering attracted orders worth €18.8 and offers a yield of 1.875%. Investor interest also extended to other maturities, with a recent rally in the 10-year Greek government bond driving the yield below 1% for the first time.

Credit Upgrade

International credit ratings agency Fitch Ratings upgraded Greece by one notch to BB from BB-, citing the country's improved economic growth and fiscal policies. The agency also upgraded its outlook for the country to positive from stable. Following the latest upgrade, Greece is now two notches away from regaining its investment grade status.

Renewable Energy

Greece saw a record 727.5 MW of new wind energy capacity installed in 2019, according to the Hellenic Wind Energy Association, more than triple the amount installed in 2018. Greece has now reached its 2020 binding national target for production of renewable energy, according to data from Eurostat, with 18% of gross energy consumption met by renewable sources. By 2030, the Greek government wants renewable energy to account for 35% of the country's total energy mix.

Kasteli Airport

Greek Prime Minister Kyriakos Mitsotakis launched the start of construction work for the development of the new Kasteli airport on Crete. Last year, Greece awarded a €520 million contract to an Indian-Greek consortium for the project, which will replace the island's main airport in Heraklion. The European Investment Bank has signed a 28-year, €180 million loan with Greece to help finance the project.

Cruise Tourism

Swiss-based cruise operator MSC Cruises said it will launch a new East Mediterranean route starting May 2021 with Piraeus serving as home port. The announcement comes after recent data showed a roughly 15% increase in Greek cruise tourism last year, making the sector one of the country's fastest growing tourism products. Separately, the Piraeus Port Authority has awarded a €136 million contract to Greek construction company TEKAL to proceed with the expansion of the cruise terminal facilities at the port.

Call Center

Canada-based 24-7 Intouch has announced plans to open a customer call center in Athens, its first location in Europe. The center is expected to create 600 jobs and reflects Greece's growing importance as a hub for business process outsourcing.

Greek Economy

The European Commission raised its forecasts for Greek GDP growth this year to 2.4% -- twice the Eurozone average -- from 2.3% previously, thanks to the country's improved economic performance in 2019. In its latest economic projections, the Commission also raised its estimate for Greek growth last year to 2.2% from 1.8% previously.

Greek exports edge up to new record high

Greek exports of goods and services edged to a new record high in 2019, confirming the growing strength of Greek products abroad despite economic headwinds in global trade that affected oil and related product exports.

According to the latest data from the Hellenic Statistical Authority, Greek exports rose 1% from a year earlier to €33.8 billion, up from €33.5 billion in 2018. Excluding oil and petroleum products – which have been affected by recent concerns over Brexit and renewed tensions in the Middle East – Greek exports rose by more than €1 billion last year, an increase of 4.7%, compared with 2018.



The increase comes despite sluggish growth of just 2.9% in the world economy last year according to the International Monetary Fund, the slowest pace since the global financial crisis. The IMF now sees growth of 3.3% this year, down from the 3.4% forecast it made in October.

“The positive news, however, is that exports of goods and services have held up despite these pressures,”

said the Panhellenic Exporters Association in a recent statement and calling for further efforts to support Greek exporters.

Exports of agricultural products continued to grow, with a roughly 4% increase last year in the categories food & live animals, and beverages & tobacco. But the sector also saw a sharp drop in vegetable oil exports, mainly reflecting a global spike in olive oil production that has led to a more than 30% drop in world olive oil prices.

Greek exports (€ billions)

	2019	2018	CHANGE
Total	€33.8	€33.4	1%
Food & live animals	€4.8	€4.6	4%
Beverages & tobacco	€0.75	€0.72	4%
Crude materials, inedible, except fuel	€1.5	€1.4	7%
Mineral fuels, lubricants	€10.7	€11.5	-7%
Animal, vegetable oils & fats	€0.42	€0.69	-39%
Chemicals and related products	€4.1	€3.5	17%
Manufactured goods	€5.0	€5.3	-6%
Machinery, transport equipment	€3.2	€2.9	10%
Misc. manufactured articles	€2.9	€2.3	26%
Other commodities, transactions	€0.53	€0.55	-4%



Greece aims to develop medical tourism

Greece's tourism ministry is making the expansion of medical tourism a priority, setting health and wellness tourism among its half dozen policy goals for its 2020 strategy and beyond.

Despite a world class network of medical professionals and robust tourism sector, medical tourism in Greece has grown slowly in the absence of an over-all national focus . That is now changing.

The tourism ministry wants to boost the investment potential of the sector by adding medical tourism projects to the country's fast track approval process, and it wants to forge cross-border agreements with insurance and national pension funds to draw foreign visitors. The ministry is also exploring the creation of health clusters -- linking hospitals, hotels and other services -- and using public-private partnerships to help develop the sector.

Recently, there has been a renewed emphasis on Greece as a wellness destination, including through new initiatives, like in the development natural and thermal springs. There are efforts to rebrand the island of Kos, birthplace of Hippocrates, the father of modern medicine, and establish the island as a center for a new health cluster.



COMING UP MARCH

- Greek National Holiday: Clean Monday (March 2)
- International Hospitality Investment Forum, business conference, Berlin (March 2-4)
- Delphi Economic Forum, business conference, Delphi, Greece (March 5-8)
- Greece fourth quarter GDP data (March 6)
- The Big 5 Saudi, building materials trade fair, Jeddah, Saudi Arabia (March 8-11)
- FOOD EX JAPAN 2020, international food & beverage fair, Tokyo (March 10-13)
- MIPIM international property exhibition, Cannes, France (March 10-13)
- Cosmoprof Worldwide Bologna, beauty products trade fair, Bologna (March 12-16)
- ProWein 2020, international wine & spirits fair, Düsseldorf (March 15-17)
- Greek National Holiday: Independence Day (March 25)

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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