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INVEST & TRADE



NEWSLETTER

JULY 19

**CALLING AMERICAN
INVESTORS**

**PROMOTING
EUROPEAN TRADE**

**NEW GOVERNMENT
PROGRAM**

U.S. Investors Show Fresh Interest in Greek Assets, Start-Ups

American investors are showing new interest in Greece, from financial assets to hi-tech start-ups, reflecting the country's improved investment prospects and amid warming bilateral relations between Greece and the U.S.

During a three-city U.S. investor road show organized by Enterprise Greece last month, both established Greek corporates and start-ups saw a new interest in Greece for the first time. On Greek financial markets, investor interest has been reflected in strong demand for the country's recent 7-year bond issue, record lows in Greek government bond yields, and a 40% year-to-date rally in the Athens General Index.

The investor mission to the U.S., which took place June 10-14, included stops in Washington DC, New York and San Francisco, where three Greek start-ups -- SpotlightPOS, SyncBnB, Feel Clinic - and one established Greek hi-tech leader, Helic-ANSYS, met Silicon Valley industry professionals.

In the last few years, Greece has become home to a fast-growing start-up scene that has attracted more than €350 million in investment, including from several major multinationals like Samsung or Daimler. It is estimated that there are more than 1,000 start-ups in Greece and that by 2020, according to some estimates, the country's hi-tech industry could make up roughly 10% of the economy.

One success story is Helic-ANSYS. The company, which has its R&D department in the northern suburbs of Athens, has developed specialized software for semiconductor design that is used by 15 of the world's Top 20 semiconductor manufacturers.

Growing U.S. investor interest in Greece comes as official relations between the two countries continues to deepen.

Last year, for example, the U.S. was the honored country at the 83rd Thessaloniki International Fair - Greece's leading international exhibition. And reflecting the growing cooperation between America and Greece, the U.S. Senate is expected to soon vote on legislation drawing the U.S., Greece and Cyprus into an even closer strategic alliance. Earlier in July, Greece also hosted leading U.S. state legislators on an informational visit to Greece.

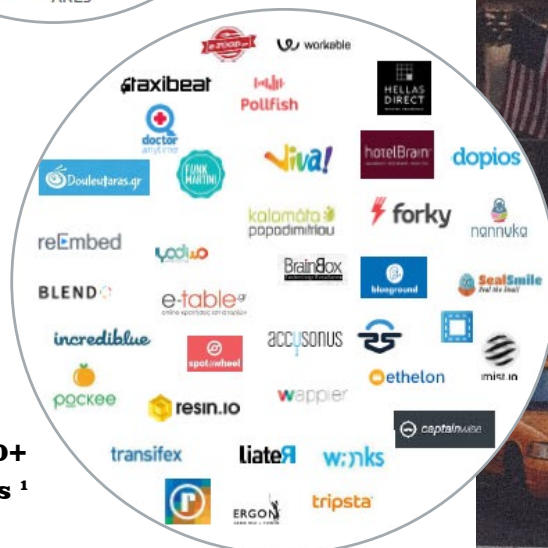
~20 Incubators & Accelerators



~10 Venture Funds



500+ Startups¹



List encompasses startups at all stages of lifecycle, from pre-seed to acquired (i.e. Workable).
Note: Images not exhaustive
Source: Enterprise Greece

news in **brief**

National Elections

Greece's center-right New Democracy party won national elections July 7 with 39.85% of the vote and securing 158 seats in the 300-seat Greek parliament. Prime Minister Kyriakos Mitsotakis has set out a new economic program that aims to boost growth through tax cuts and other reforms.

Greek Bonds

Greece successfully issued a €2.5 billion, 7-year bond, its first since the country exited its financial oversight programs last August. Strong investor demand helped drive the yield to a lower-than-expected 1.90%.

Greek Tourism

Tourism receipts are up 14.4% on year for the five months to May, according to the latest data by the Bank of Greece, pointing to another strong year for the sector. However, visitor arrivals were down 0.9% from a year ago, the data showed.

Jobless Rate

Greece's unemployment rates fell 60 basis points to 17.6% in April, according to the country's statistics service. The latest data marks an eight-year low and a decline of more than 10 percentage points from a peak of almost 28% during the height of the financial crisis.

Energy Exploration

U.S. oil major ExxonMobil and France's Total have been awarded exploration licenses to search for hydrocarbons in two offshore blocks south and southwest of the island of Crete. Recent oil and gas finds off Egypt, Israel and Cyprus have raised the prospects for the discovery of hydrocarbon reserves in the eastern Mediterranean.

Renewable Energy

Greece's energy regulator RAE has awarded bids to 32 new renewable energy projects in its latest tender from early July. A total of 23 solar powered projects producing 142.88 MW of electricity and nine wind projects with a total capacity of 179.55 MW were given the green-light to go ahead.

Airport Privatization

Greece's privatization agency has launched the privatization process for the Athens International Airport, one of the centerpieces of the country's privatization strategy this year. Initial expressions of interest for a 30% stake in AIA are due by Sept. 30, with a second phase involving binding offers to follow.

Cosmetics Sales

Greek sales of cosmetics products recovered in 2018 following an eight year-long downturn, according to the latest data, raising prospects for one of the country's leading consumer export sectors. According to Cosmetics Europe, the Greek cosmetics market recorded €861 million in sales last year, up from €849 million in 2017. Greek cosmetics, which are growing internationally particularly in natural and organic products, contributes an estimated €690 million to the Greek economy.



European Trade Promotion Organizations Move to Bolster Commerce

Europe's trade promotion organizations are banding together to better support the European Union's engagement abroad - both to new emerging markets like Africa and to existing ones in North America and Asia.

Founded late last year in Brussels, the newly formed European Trade Promotion Organisations' Association this spring adopted its first strategy document that sets as its mission closer cooperation among all stakeholders in setting the EU's economic foreign policy. The timing could not be better coming as Eurozone growth prospects cloud and amid growing fears of a global trade war.

It also comes as the EU attempts to chart a new trade and foreign policy strategy: one that envisions a possible post-Brexit Europe, increased trade tensions with the U.S., and a renewed commitment to engage with Africa.

"In a changing world with the emergence of new political and economic powers, volatility in financial and commodities' markets, or the emergence of new growth paradigms, it is important to define a strategy for the EU to maintain its economic leadership in the world," notes the ETPOA strategy document. "Considering the current geopolitical environment and the political and security challenges the EU is currently facing, economic tools are increasingly used to pursue political objectives."

Set up by 12 of the EU national trade promotion organizations, the ETPOA has invited their counterparts in the remaining countries to join. Enterprise Greece, one of the founding members of the ETPOA, has been elected to the role of vice president of the Association.



New Greek Government Outlines Economic Program

Greece's newly-elected New Democracy government was voted into office July 7. It has pledged to cut taxes and promote reforms in an effort to boost economic growth.

- › Reduce the business tax rate to 20% from 28% over two years.
- › Cut the tax rate on dividends to 5% from 10% currently.
- › Increase the period for carrying forward tax losses, and allow for hyper depreciation of up to 200% on new investments.
- › Simplify and accelerate licensing procedures; accelerate judicial review of investment projects in cases of dispute.
- › Reduce property tax rates by 30% over two years.
- › Tax deductions of 40-50% for renovation and investment in property over the next three years.
- › A three-year tax holiday on real estate capital gains and on VAT for construction-related activity.
- › Reduce income taxes on low-income earners to 9% from 22% currently.
- › Abolish special, crisis-era income taxes on high-income earners.
- › Cut social security contributions to a 15% rate from 20% over the next four years.
- › Reduce middle and top VAT rates to 22% and 11%, from 24% and 13% currently.
- › Reduce tax rate on agricultural cooperatives to 10%, new incentives for cooperatives.

Source: New Democracy

COMING UP AUGUST

- Greek National Holiday: Assumption Day (Aug. 15)

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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