



ENTERPRISE GREECE
INVEST & TRADE

NEWSLETTER MARCH 21

**OUR VIEW:
GREEK
INDEPENDENCE**

**REOPENING
GREEK
TOURISM**

**PROMOTING
SUSTAINABLE
DEVELOPMENT**

OUR VIEW: GREECE'S INDEPENDENCE



By Georgios Filiopoulos
CEO, Enterprise Greece

Two hundred years ago this month, Greece began its struggle for independence from the Ottoman Empire and embarked on the long journey to a developed economy and valued member of the European Union and NATO. Today, Greece is embarking on a new journey: one of economic independence.



Much of the last decade was defined by a global financial crisis that deeply affected Greece and exposed the country's overreliance on foreign debt and imports from abroad. After difficult reforms, Greece has now brought its twin fiscal and current account deficits more into balance.

A little over two years ago, Greece successfully emerged from international financial oversight and is now charting a new path and a new future.



Greek reforms, fiscal measures draw praise from creditors, investors

Greece's reform efforts have instilled confidence in the long-term prospects of the country, with international creditors praising the government's fiscal management and foreign investors flocking to a new benchmark bond issue.

In its latest financial surveillance report, the European Commission noted the country's recent progress while the European Stability Mechanism gave Greece the green light for the early repayment of part of its outstanding loans from the International Monetary Fund. This month, the Greek government paid off €1.5 billion of an outstanding €3.3 billion loan from the IMF, with balance to be paid off before the loan matures in December of next year.

The payment represents the second time the Greek government has paid off its IMF loans early, helping to improve the country's credit standing and saving on interest charges. So far, Greece has paid back 75%, or €6 billion, of the €8 billion in IMF loans received up through the summer of 2019.



In late March, Greece also completed the issue of a new, 30-year bond – its first ultra-long dated bond since 2008, before the outbreak of the financial crisis – raising €2.5 billion. Strong investor interest saw the bond more than 10 times subscribed and priced at a yield of 1.956%.

Greece will reopen to international tourism – the country’s most important economic sector -- from mid-May, amid a surge in foreign bookings and as the country rolls out its nationwide coronavirus vaccination campaign.

The campaign achieved a significant milestone this month with more than 1 million Greeks – roughly 10% of the population -- vaccinated against the Covid-19 virus. Greece is ranked among the top 10 European Union member states in its vaccination campaign and has generally received praise for its response to the pandemic.

With its white-washed villages and sunny Mediterranean climate, Greece is one of the world’s Top 20 tourist destinations and the sector accounts for roughly one in five jobs. The Greek government has been at the forefront of European efforts to establish a special digital vaccine passport that would allow safe travel among EU states to resume.

From May 14, Greece will be open to tourists who have been vaccinated or tested negative for the Covid-19 virus. In a nod to the fatigue felt worldwide with the pandemic, the country will welcome its summer season visitors this year with the slogan: All you need is Greece.

Despite travel constraints, the government hopes that visitor arrivals and spending this year will be double last year -- with €8 billion in tourism revenues forecast for 2021 -- providing a significant boost to hundreds of thousands of workers and businesses. In 2019, Greek tourism generated €18 billion in revenue.

Greece to reopen to tourism as vaccination campaign hits milestone



news in **brief**

EuroAsia Interconnector

Greece, Cyprus and Israel have signed a Memorandum of Understanding to proceed with the planned EuroAsia Interconnector, a €760 million project to connect Cyprus and Israel with Europe's power grid. The project, which envisions a 2,000 MW submarine power cable linking the three countries, will be partially financed by the European Union and is expected to be operational by 2025.

Athens Riviera

Greece's Central Council of Architecture has approved the architectural plans for the €60 million renovation of the landmark, Asteria Glyfadas hotel, a disused five-star hotel that is expected to reopen in the beachfront suburb south of the Greek capital next summer. Separately, the government has introduced legislation to allow construction to proceed on the first phase of the €8 billion redevelopment of the old Athens airport in the nearby suburb of Hellenikon.

Property Prices

Greek property prices showed surprising resilience in 2020, rising 4.2% from a year earlier, according to the latest data by the Bank of Greece. But the coronavirus pandemic has weighed on real estate transactions overall with last year's price increase below the 7.2% rate recorded in 2019.

Property Platform

Greece's tax authority has rolled out a new online platform for property transactions in an effort to streamline the purchase and sale of real estate. In an effort to improve public services, the Greek government now offers more than 1,000 e-government services online.

Digital Nomads

Following a national government initiative to attract gig economy workers from around the world with tax incentives, the regional government of Crete has launched the first website in Greece for digital nomads. The website, www.workfromcrete.gr, is aimed at freelancers who can work anywhere, startup companies and multinationals looking to relocate their staff and operations.

Online Commerce

Enterprise Greece and eBay announced the expansion of their strategic partnership to support Greek enterprises and their access to global markets. The two partners will begin providing a specialized training program, along with customized consulting and technical support, to additional Greek enterprises seeking to develop their digital presence on global e-platforms.

Athens Metro

Construction on Line 4 of the Greek capital's underground rail system is set to begin after more than a decade of delays following the signing of the first contracts on the €1.5 billion project. The route that will connect some of the most densely populated areas in the center of the city, including popular central districts of the city like Pangrati and Galatsi.

Tourism Ranking

Greece's capital was ranked among the 10 friendliest cities in Europe, according to the Condé Nast Traveller Readers' Choice Awards 2020. Athens was ranked ninth on the list, ahead of Helsinki, Finland and just after Reykjavik, Iceland.

Foreign investors, lenders boost Greek clean energy strategy

Greece's efforts to transition to cleaner energy is drawing the support of international lenders and investors.

State-controlled electric utility Public Power Corp issued its first-ever sustainability-linked bond this month, with the company offering to pay investors a penalty if it failed to meet carbon emission targets by the end of next year. The issue raised €650 million and was more than six times subscribed, including €50 million from the European Bank for Reconstruction and Development.

Greece will phase out all its lignite-fired power plants by 2028 and aims to double the contribution of renewable sources to the country's energy mix over the next decade. As part of the transition, the government is promoting new investment in the regions of Western Macedonia and the Central Peloponnese, where much of the country's coal and power-generation is located.

In early March, the government extended the transition program to cover the Aegean Islands and Crete as well. Later this year, Greece will create a new legal framework for offshore wind parks in Greek seas, drawing interest from major European and U.S. power producers such as Norway-based Equinor.

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

