



ENTERPRISE GREECE
INVEST & TRADE

NEWSLETTER NOVEMBER 20

**SMART GREEK
ISLAND**

**RISING CHEMICAL
EXPORTS**

**OUR VIEW:
EUROPEAN OPPORTUNITY**



Greece promotes sustainable development with smart island e-mobility project



Greece and the Volkswagen Group, one of the world's leading automakers, will develop a groundbreaking electric vehicle project on the island of Astypalaia marking a major milestone in the country's sustainable development strategy.

The project, which envisions a cutting-edge system of electric vehicle transport powered by renewable energy, comes as Greece rolls out a raft of initiatives to promote clean energy and bolster environmental protections. In the last year, the Greek government has passed a sweeping sustainable development law, launched a new subsidy program for electric vehicles, and is adopting new rules on recycling.

Volkswagen's investment in the project also underscores growing German interest in Greece as a center for innovation and technology. In the last three years, several German hi-tech companies have established research centers in the northern Greek city of Ioannina, while fellow German auto giant Daimler has launched its own research center after acquiring Greek taxi and ride hailing app Beat in 2017.

The project will turn Astypalaia, an island in the south Aegean with a population of approximately 1,300 inhabitants but more than 70,000 tourists each year, into the first smart, green island in the Mediterranean with energy autonomy. By 2050 or earlier, the island will achieve zero-emission mobility.

At the center of the project is an entirely new transport system with digital mobility services, including an all-electric year-round ridesharing service designed to take the currently limited local bus service to a new level. Working with local businesses, Volkswagen will also transform the traditional vehicle rental business into a vehicle sharing service offering e-scooters, e-bikes and electric cars. In total, some 1,000 electric vehicles will replace about 1,500 vehicles with internal combustion engines.

Commercial vehicles from local businesses as well as utility vehicles on the island - such as police vehicles, emergency services transport and public sector fleets - will also be electrified. Volkswagen will install chargers across the island to provide a comprehensive charging infrastructure with more than 200 charging points.

Greece's smart, green island project

e-vehicles



on-demand mobility



charging & energy



future option
autonomous driving



news in brief

Health Measures

Following other European countries, Greece adopted a new nationwide lockdown to slow the spread of the second wave of the coronavirus pandemic. Greece was among the first countries in Europe to impose public health measures this spring, which has kept the rate of transmission well below European averages. The government also announced a further €3.3 billion in support measures to cushion the impact on businesses and households.

Credit Rating

Credit rating agency Moody's raised its rating for Greece one notch to Ba3 from B1 previously. The unexpected upgrade helped drive a rally in Greek bond prices and the yield on the benchmark 10-year Greek government bond to a record low of 0.79%. Yields on Greece's three-year bond expiring in January 2023 also fell into negative territory for the first time.

Natural Gas Pipeline

Four and-a-half years after the inauguration of construction works in Thessaloniki, the Trans Adriatic Pipeline, an 878-kilometer gas pipeline crossing Greece, Albania, the Adriatic Sea and Italy, has begun commercial operations. TAP is the European leg of the Southern Gas Corridor, a gateway project that will transport 10 billion cubic meters of new gas supplies from Azerbaijan to Europe.

Port Privatization

Five investment groups from Europe and North America have expressed interest in the 40-year concession to operate the northern Greek port of Kavala. The port is one of three regional ports, along with Alexandroupolis and Igoumenitsa, being privatized by Greece and which are expected to serve as pillars for economic development in northern Greece.

Tax Incentives

The Greek government is offering tax incentives to so-called digital nomads – foreign professionals who work remotely – if they relocate to Greece. Starting Jan. 1, 2021, the government will grant a tax exemption on 50% of their income for a period of 7 years. Greece hopes to draw foreign professionals attracted by the country's favorable climate, low property prices and its responsible management of the coronavirus pandemic.

Data Center

U.S.-based Digital Realty, one of the world's leading operators of data centers, has acquired Lamda Hellix, Greece's largest data center operator, reflecting the country's growing role as a digital hub for Southeast Europe. In early October, U.S. tech titan Microsoft announced plans to invest in a data center in Greece – it's first in the region – a project that is expected to contribute €1 billion to the Greek economy.

Greek Tourism

Greece has been ranked as having one of the top five tourism brands in the world this year, according to the 2020 Anholt Ipsos Nation Brands Index. This is the first time Greece has been ranked in the Top 5 since 2018 and joins fellow European markets Italy, France, the UK and Spain.

Enterprise Greece

Greece's state investment and trade promotion agency has been elected to a second, two-year term on the Board of Directors of the European Trade Promotion Organisations' Association and to serve as Head of Secretariat for the association. The ETPOA was founded in 2018 with Enterprise Greece as one of its 12 founding members. Since then it has expanded to 27 members from 14 European Union member states.

Greek chemical exports sharply higher amid coronavirus pandemic

Greek chemical exports have increased sharply as the country's producers of soaps, sanitizers and cleaning agents respond rapidly to the world's coronavirus pandemic.

According to the latest data from the Hellenic Statistical Authority, Greek exports of chemicals are up 19.8% in the nine months to September to €3.6 billion, on track for a record year and despite a global downturn in international trade. In September, Greek chemical exports rose 20.3% from a year earlier.

Producing a broad range of goods, including petrochemicals, fertilizers, synthetic fibers, plastic raw materials, construction chemicals and dyes, the Greek chemical industry represents about 5.5% of Greek industry but provides 13% of the country's exports, according to European Chemical Industry Council. On average, 44% of the chemicals produced are exported.

The sector is dominated by small- and medium-sized businesses, with about half of the roughly 1,000 companies in the industry focused on consumer products. The industry employs more than 13,000 people.

Market sources say that the sharp increase in Greek chemical exports reflects both the quick reaction of producers to rising market demand for cleaning agents worldwide, as well as the speedy response of the Greek government in issuing new production licenses. Earlier this year, Greece was among the first countries in Europe to adopt far reaching health measures to combat the coronavirus pandemic and has been named as one of six host states for the European Union's new medical equipment strategic reserve.



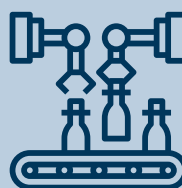
Number of companies

1,000



Turnover

€2.3 billion



Accounts for
nearly

5.5%

of total
manufacturing
added value
in Greece



Direct employment

13,500



COMING UP DECEMBER

European Opportunity

The coronavirus pandemic has taught us that global crises know no borders. In Europe, where the countries of the European Union have spent more than 50 years trying to erase those borders, the world's health crisis is an opportunity for us to draw even closer together.

Here in Greece, we are already preparing for the day after. Greek exporters are using the tools available to access new markets, or expand in existing ones, as they prepare for a post-coronavirus return to unfettered trade. Domestically, the country continues to welcome foreign investors from Europe and around the world in building its new economy.

Europe needs to work together as well. Greek economic diplomacy, and through our participation in cross border organizations like the European Trade Promotion Organisations' Association or the ANIMA Investment Network, is aimed at ever closer economic cooperation with our fellow EU member states.

Europe's economic recovery and future competitiveness depend on it.

- Enterprise Greece: Tech Tuesdays: e-business & e-commerce seminar (Dec. 1)
- PLMA's 2020 Online World of Private Label international exhibition (Dec. 1-4)
- Doing Business in Saudi Arabia, export seminar on F&B, building materials (Dec. 2)
- Enterprise Greece: Tech Tuesdays: digital marketing seminar (Dec. 8)
- Doing Business in Japan, export seminar on F&B, cosmetic products (Dec. 10)
- Greek National Holiday: Christmas, Synaxis of the Mother of God (Dec. 25-26)



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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