



**ENTERPRISE GREECE**  
INVEST & TRADE

# NEWSLETTER

# OCTOBER 20

**GREEK TECH  
INVESTMENT**

**FOOD INDUSTRY  
PROSPECTS**

**OUR VIEW:  
TRADE & RECOVERY**

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



Greece has emerged as a regional technology hub for Southeast Europe as major multinationals from around the world invest in new hi-tech projects, promising start-ups and R&D initiatives around the country.

In the past two years, companies such as Cisco, Pfizer, Tesla and EY, among others, have all disclosed plans to invest in tech-related projects in Greece. And 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.

Under the agreement reached with the Greek government, Microsoft will also provide digital-skills training programs for some 100,000 government and private sector workers as well as educators and students.

Although a relative latecomer to the digital age, Greece has sprinted ahead in the last several years with a range of initiatives – from tax incentives to building out broadband infrastructure – that have helped propel the country's tech sector to new heights. Most recently, Greece rolled out a new e-government platform, is implementing a strategy to upgrade IT skills in the private sector, and a national tender for the construction of 5G networks has been launched.

# GREECE EMERGES AS REGIONAL TECHNOLOGY HUB AMID GROWING FOREIGN INVESTMENT

Greece has also become home to a fast-growing start-up scene that has attracted more than €350 million in investment, including from major multinationals like Samsung and Daimler. Investors from Japan have also taken an interest in Greece's start-up scene and earlier this year, Microsoft and another U.S. tech giant, Applied Materials, acquired two Greek tech companies. This summer, German investors have bought out a third Greek-owned start-up headquartered in Dubai.

It is estimated that there are around 2,000 start-ups in Greece and that the tech industry could soon make up roughly 10% of the Greek economy. According to a recent survey by consultancy EY, 15% of foreign direct investment into Greece over the last three years was directed at the technology sector, drawn by the country's software and engineering talent. According to data, Greece boasts more STEM students and graduates than the OECD average.

## U.S. tech giants' recent activity in Greece

- + Microsoft to build data center in Greece.
- + Pfizer to establish global hub for artificial intelligence, big data analytics.
- + Cisco investing in digital hub to develop new technologies.
- + Microsoft acquired Softomotive in Athens.
- + Applied Materials acquired Think Silicon in Patras.
- + Tesla invests in new R&D center in Athens focused on drive trains.
- + Blink Charging is deploying a network of electric vehicle charging stations.
- + Amazon Web Services to promote e-government, digital infrastructure, cloud skills education.

# news in **brief**

## Medical Stockpile

Greece has been named as one of six host states for the European Union's new medical equipment strategic reserve. The stockpile, that was set up in the wake of the coronavirus pandemic and is financed by the European Commission, aims to build up stocks of vital medical equipment to be distributed across Europe during medical emergencies.

## Greek Budget

Greece's economy is expected to rebound sharply next year with GDP forecast to grow 7.5% in 2021, according to the Greek government's draft budget. The primary budget is expected to record a modest deficit of equal to 1% of GDP. A separate forecast by the International Monetary Fund sees the Greek economy growing 4.1% next year and a balanced primary budget.

## Greek Islands

Four Greek islands – Folegandros, Zakynthos, Crete, and Mykonos – were voted among the 35 best in the world, according to the Condé Nast Traveler 2020 Reader's Choice Awards Survey. Readers also named six Greek resorts among the Top 30 in Europe.

## Renewable Energy

Greece has the potential to be one of the leaders of the energy transition in Europe by 2030, moving away from a heavy reliance on fossil fuels and shifting towards renewable energy, according to the report BloombergNEF Greece Market Outlook. Economics alone can drive Greece's power sector to more than 90% renewable electricity by 2050, the report said.

## Solar Power

Greek state-controlled refiner Hellenic Petroleum has completed the acquisition of a 204MW solar power project in the coal-producing region of Western Macedonia. The investment underscores the company's efforts to diversify its energy portfolio ahead of its planned privatization, and coincides with Greek government efforts to help the region transition to cleaner fuels.

## Port Privatization

Four bidders have expressed interest in acquiring a 67% stake in the northern port of Alexandroupolis, according to Greece's privatization agency. Seen as an emerging energy and transportation hub for the region, the port is one of the centerpieces of Greece's privatization drive this year.

## Casino Project

Greece's gaming commission has named the U.S.-Greek joint venture of Mohegan Gaming & Entertainment and GEK Terna as preferred bidder to build and operate a luxury casino resort on the site of the old Athens airport at Hellenikon. The move marks a major step forward in the €8 billion redevelopment of the site.

## Enterprise Greece's webinars

Enterprise Greece organized two webinars in October. The webinar "Doing Business in South Korea - COVID 19 Challenges and Opportunities" was held in collaboration with the Office of Economic and Commercial Affairs of the Greek Embassy in Seoul on 21 October 2020. South Korea is an important strategic market for Greece, and Enterprise Greece has been building the trade relationship between Greece and South Korea for several years already. Greek products with particularly positive prospects are food and beverages, construction materials such as marble and aluminum products, and furs.

The second webinar was organized on 14 October 2020 in collaboration with the Office of Economic and Commercial Affairs in Berlin and was entitled "Doing Business in Germany – COVID 19 Challenges and Opportunities". Germany, is the second largest export market for Greek products and is of particular importance to Greek exporters. This year, amid the pandemic, Greek Food & Beverage exports to Germany rose 33.3% while the Greek building materials sector increased by 6%. Other sectors of interest include Industrial Equipment and ITC.



**Greece's food conglomerates are seeing renewed prospects amid rising exports and after struggling through a years-long downturn during the country's recent financial crisis.**

In the last 12 months, investor interest in companies such as Vivartia, Creta Farms and Nireus have underscored the sector's promise and resilience. But it also follows a difficult and wide-ranging re-organization in the industry.

In September, private equity fund CVC Capital Partners - which has invested in a range of Greek assets - offered to buy Vivartia, Greece's leading food conglomerate. A month earlier, Greek meat products company Creta Farms changed ownership as part of a company-wide restructuring.

Rival meat processor Nikas, emerging from its own four-year restructuring, returned to profit in September after reporting a more than 40% jump in first half sales. And this spring, Spain's Andromeda Seafood completed its acquisition of Greece's struggling fish farming company Nireus following a protracted debt restructuring.

Helping the industry has been the relative strength of Greek food exports, particularly to upmarket European and Asian consumers. Supporting that momentum, Enterprise Greece this month held two webinars for exporters to Germany - where Greek food exports are up 11.7% this year - and to South Korea, where Greece has seen a 69.3% jump.

In September, Greek dairy products company Kri reported a record quarterly performance on strong yoghurt exports, while rival dairy company Dodoni has also signalled strong prospect for overseas sales this year. Greek snack food maker, Chipita, already active in 56 countries, has been expanding its presence in the U.S.

# Greek food conglomerates see fresh prospects, investor interest



# Our View

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## Our View: Free trade and economic recovery

Global markets are an important source of growth for European small- and medium-sized companies. And small businesses hold the key to Europe's economic recovery from the coronavirus pandemic.

But the global health crisis has also brought worrying signs of protectionism in world trade. European authorities and national governments will have to work hard to ensure free trade and a healthy business environment where SMEs will be able to flourish.

That effort has already begun. To support SMEs – the backbone of the European business ecosystem – the European Commission has just launched its new Access2Market portal. The portal is a new tool to help SMEs navigate the EU's more than 70 trade agreements around the world.

And earlier in October, Enterprise Greece organized a special online conference with experts from the Commission, the World Trade Organization, the International Finance Corporation, the International Trade Centre and BusinessEurope, to examine trade policy in the post-Covid world.

Europe's trade promotion organizations operate at the nexus of small businesses and free trade. It will be their mission now to ensure Europe's economic recovery.

### Economic recovery will depend on free trade

## World trade and protectionism in the post-COVID era



## COMING UP NOVEMBER

- Tech Tuesdays (new series, starts November 3)
- China International Import Expo (Nov. 5-10)
- Resort & Residential Hospitality Forum, Portugal, web-based (Nov. 9-10)
- Greek Nordic Trade Week, online F&B trade event (Nov. 9-13)
- Thriving in the Storm, webinar organized by Enterprise Greece for innovative tech companies (Nov. 10)
- Cosmoprof Asia (Nov. 11-13)
- Virtual.MEDICA, medical equipment & supplies trade fair (Nov. 16-19)
- Doing Business in Saudi Arabia -Covid 19 Challenges & Opportunities- 3rd week of November
- The Big 5 Digital Festival Global, building supplies trade fair (Nov. 23-26)

## CONTACT US

To learn more about the many investment and trade opportunities Greece offers, visit us today at [www.enterprisegreece.gov.gr](http://www.enterprisegreece.gov.gr)

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