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**RESORT &  
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**DESTINATION  
MIDDLE EAST**

# Greece aims to lift growth through reforms, investments

Greece will press ahead with its reform drive while also seeking to unblock major investment projects like the landmark redevelopment of the old Athens airport at Hellenikon as part of its renewed growth effort.

Speaking at the Thessaloniki International Fair, Greece's leading international exhibition, Prime Minister Kyriakos Mitsotakis promised "a bold wave of reforms" to boost the country's standing with international investors and creditors. He also detailed a series of cuts in corporate and personal taxes, and reductions in social security contributions.

Greece's economy grew at a 1.9% rate in the second quarter, confirming the country's two-year long recovery from its recent crisis, and is expected to grow by more than 2% this year. But the government wants to boost growth further by reducing taxes and cutting red tape on investment projects.

It is also seeking to reduce fiscal surplus targets agreed with creditors to free up billions of euros for increased public investment, a move that has received the cautious endorsement of the IMF and international analysts.

Emerging from the crisis, the Greek economy has undergone a transformation based on increased exports and foreign direct investment. Both are at historic highs with Greek exporters reaching out to new overseas markets and the country welcoming many first time foreign investors.

This year the TIF hosted India as the Honored Country, reflecting the country's emergence as an economic and investment powerhouse. Within the next five years, India's economy is expected to double in size to more than \$5 trillion, making it the world's fastest-growing major economy.

India's evolution as a leading world economy has drawn increasing interest from both investors and exporters around the globe, including Greece. Late last year, Enterprise Greece led a business mission to India, while Indian companies have also been eyeing opportunities in Greece: earlier this year, a consortium led by India's GMR Group was awarded the €850 million contract to build a new airport on Crete.

# news in **brief**

## Capital Controls

Greece lifted its last remaining capital controls on Sept. 1 marking another milestone in the country's emergence from its recent crisis. The capital controls, put in place in 2015, have been steadily relaxed as deposits have returned to the Greek banks: according to recent data, deposits are up €4.4 billion in the year to July. In a note, credit ratings agency Moody's said that the abolition of capital controls was "credit positive" for the Greek banks.

## Greek GDP

Greece's economic recovery accelerated in the second quarter to a 1.9% year-on-year rate driven by an increase in consumption expenditure and an increase in net exports. According to the Hellenic Statistical Authority, Elstat, the economy grew at a revised 1.1% annual rate in the first quarter.

## Rising Exports

Greek exports jumped 7.2% in July compared with a year earlier to €3.17 billion, further extending Greece's export boom into the third quarter. Not including petroleum products, Greek exports rose 8.4%, according to Elstat. For the seven months through July, Greek exports are up 3.0% overall, and up 4.5% excluding petroleum products.

## Economic Sentiment

Greek consumer and business confidence rose sharply in August, according to survey by the Foundation for Economic and Industrial Research. The Economic Sentiment Index rose to 108.4 points in August, the highest level since 2007, up from 105.3 points in July.

## Property Prices

According to Bank of Greece data, residential property rose 7.7% year-on-year in the second quarter of 2019, up from a 1.3% increase in the first quarter. In Athens, where investor interest has been strongest, home prices rose by 11.1% year-on-year in the three months through June.

## Hotel Investment

U.S. investment fund Blackstone acquired five hotels in Greece from the Cyprus-based Louis Group at a total enterprise value of €178.6 million. The five hotels include two in Corfu, two in Zakynthos and one in Crete. The company said it will invest further capital in renovating and repositioning the hotels.

## American Endorsement

U.S. Ambassador to Greece Geoffrey Pyatt invited U.S. investors to look at opportunities in Greece saying that "the time to invest in Greece is now." Speaking at an energy forum in Thessaloniki, Ambassador Pyatt highlighted prospects in the energy sector in particular. His remarks followed a visit to Athens this month by U.S. Commerce Secretary Wilbur Ross.

## Enterprise Greece

Georgios Filiopoulos, a leading Greek business executive with a background in the healthcare sector, has been appointed as the new Chairman and CEO of Enterprise Greece. Prior to his appointment, Mr. Filiopoulos served as Senior Adviser to the Hellenic Federation of Enterprises and as Executive Director of the Greek Exporters' Association. Mr. Filiopoulos also served previously as Executive Director of Enterprise Greece from 2014 to 2015.

# Athens draws investors, tour operators to leading hotel real estate forum



International tour operator Club Med, alongside investors from KSL, Starwood Capital Group and Dolphin Capital, will attend next month's Mediterranean Resort & Hotel Real Estate Forum in Athens, cementing Greece's position as the region's hottest hospitality investment destination.

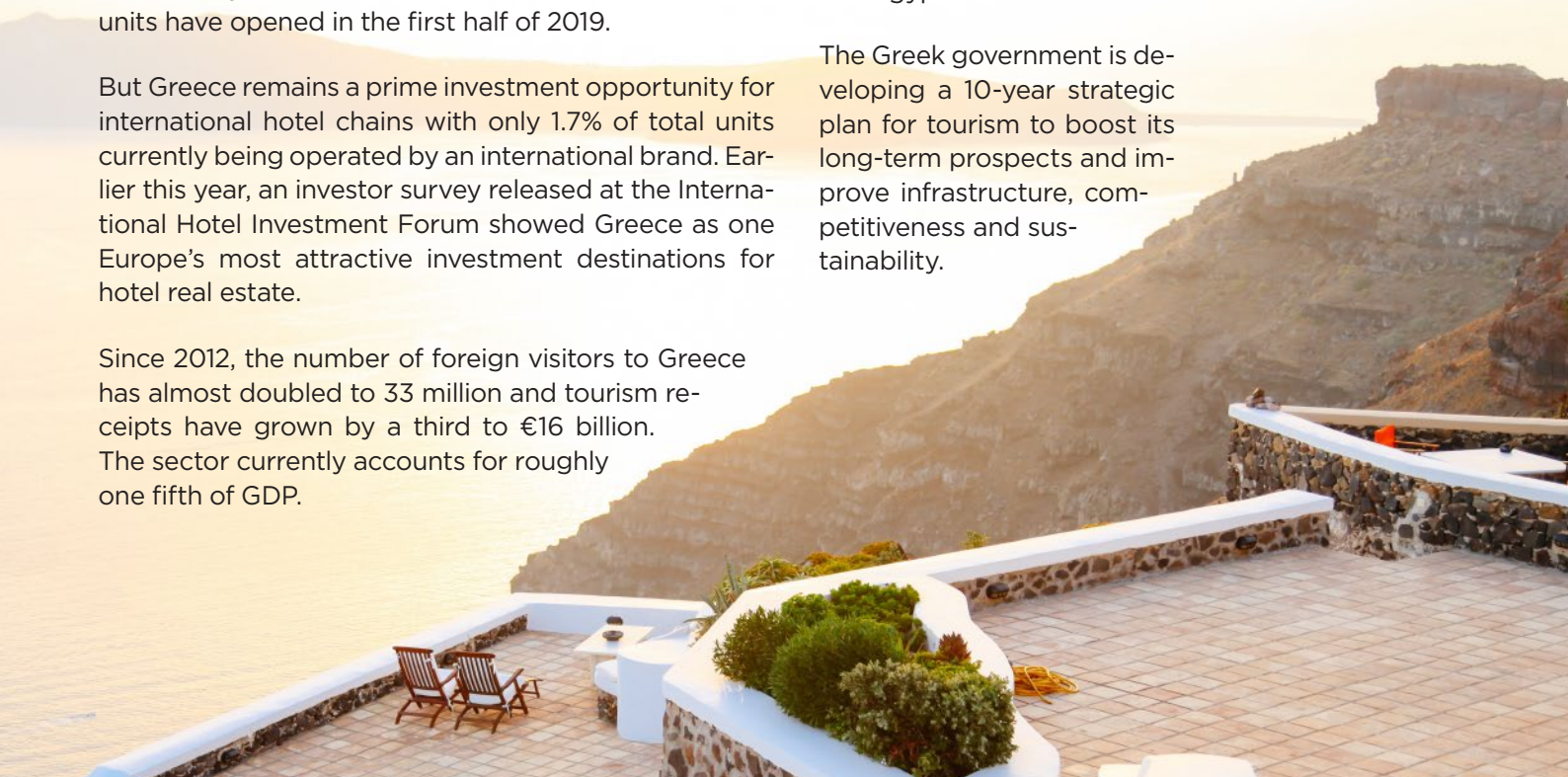
Greece is seeing record demand and investment in its tourism sector. In the last four years, more than 55,000 new 4- and 5-star hotel beds have been added around the country, while in Athens alone, more 40 new hotel units have opened in the first half of 2019.

But Greece remains a prime investment opportunity for international hotel chains with only 1.7% of total units currently being operated by an international brand. Earlier this year, an investor survey released at the International Hotel Investment Forum showed Greece as one Europe's most attractive investment destinations for hotel real estate.

Since 2012, the number of foreign visitors to Greece has almost doubled to 33 million and tourism receipts have grown by a third to €16 billion. The sector currently accounts for roughly one fifth of GDP.

With its vast cultural heritage and sunny Mediterranean climate, Greece is already one of the world's top tourist destinations. But Greek tourism also faces challenges: fresh investment is needed to cope with rising demand and renewed competition from rival destinations like Turkey and Egypt.

The Greek government is developing a 10-year strategic plan for tourism to boost its long-term prospects and improve infrastructure, competitiveness and sustainability.





## COMING UP OCTOBER

# Greek companies expand presence in Middle East



- Enterprise Greece: hosts 20 Masters of Wine visit to Attica, Crete, Santorini (Sept. 29-Oct. 5)
- Anuga 2019, Europe's leading food & beverage trade fair, Cologne (Oct. 5-9)
- Greek government submits 2020 draft budget (Oct. 7)
- AUSA 2019, defense supplies & equipment expo, Washington, DC (Oct. 14-16)
- Host Milano 2019, international hospitality exhibition, Milan (Oct. 18-22)
- KORMARINE 2019, marine equipment & shipbuilding fair, Busan, Korea (Oct. 22-25)
- IOT Solutions World Congress, technology trade show, Barcelona (Oct. 29-31)
- Mediterranean Resort & Hotel Real Estate Forum 2019, Athens (Oct. 29-31)
- INDAGRA 2019, agricultural equipment & supplies fair, Bucharest (Oct. 30-Nov. 3)

From Dubai to Baghdad to Cairo, Greek companies are tapping the fast growing markets of the Middle East as the region enters a new growth cycle lifted by major international events and post-conflict reconstruction.

Next year's World Expo 2020 is fueling a construction boom in Dubai, while the 2022 World Cup in Qatar has led to a spurt in infrastructure spending. In Iraq, the World Bank estimates the country will need almost \$90 billion for reconstruction following decades of conflict, while similar efforts may soon be needed in Syria.

In the past several years, Greek companies have been increasingly exporting their products and services to the region. This month Greece was the honored country at The Big 5 Construct Egypt trade fair, and Greek companies participated in The Hotel Show Dubai, the leading hospitality design and supplies exhibition in the Gulf region.

In the past year, Enterprise Greece has led delegations to the The Big 5 Dubai 2018 exhibition and Gulfood trade fair, while also launching a new initiative with Piraeus Bank for Greek exporters to Egypt, Algeria, Tunisia and Morocco.

## 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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