



ENTERPRISE GREECE
INVEST & TRADE

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**GREEK REFORM
AGENDA**

**FOCUS ON
ALEXANDROUPOLIS**

**CHANGING
EXPORT MARKETS**

Greece is pressing ahead with structural reforms - from crafting new zoning rules to streamlining the justice system - over the next 12 months, as part of the government's continuing efforts to modernize the Greek economy and public institutions.

Speaking in the northern Greek city of Thessaloniki this month, Prime Minister Kyriakos Mitsotakis also announced €6.8 billion worth of new support measures for businesses and households struggling from the coronavirus pandemic. Combined with funds being channelled through the banking system, the government is providing a further €10 billion to help lift the economy.

The new measures include cuts in taxes and pension contributions, job subsidies, and tax incentives for R&D spending. While the structural reforms are drawn from a recent report by a panel of experts chaired by Nobel Prize-winning economist Christopher Pissarides.

"The crisis cannot become an excuse for lowering the flag of major changes," said Mr. Mitsotakis. "We respond to uncertainty not only with resilience and strength, but also with radical interventions that create prospects."

As result of Greece's financial crisis, the country has already undergone profound transformation and reform over the last decade. And since the middle of last year, the Greek government has further stepped up those reform efforts.

Since then, Parliament has passed 105 items of legislation and the country has implemented more than three dozen major reform initiatives. Among them: eliminating capital controls, reducing taxes, reforming the energy market, and implementing a sweeping investment promotion law that removes hundreds of regulatory impediments.

Earlier this year, the government passed new legislation to boost sustainable development and investment in renewable energy, and there are new initiatives to attract wealthy investors and retirees from abroad. A new bankruptcy code is also being implemented that should help revitalize Greece's corporate sector by shutting down and consolidating moribund companies. A new asset management program in place to assist the Greek banking sector so it can help finance Greece's recovery.

Greece presses ahead with reforms, adopts new support measures to boost economy

Greece's reform program for the year ahead

- Modernize labor market
- Reform auxiliary pension program
- Create new debt settlement rules
- Overhaul justice system
- Reform education system
- Revise spatial planning framework
- Streamline public contracts
- Strengthen national health system
- Update public sector hiring rules
- Increase e-Government Services
- Rationalize local government

news in **brief**

Territorial Waters

Greece will extend its territorial waters to 12 nautical miles in the Ionian Sea, up from 6 n.m. currently, in line with the 1994 UN Convention on the Law of the Sea. The move follows a recent agreement between Greece and Italy to delimit their respective maritime zones in the waters between the two countries.

East Med Forum

Greece and its six partner governments have formally endorsed the articles of association for the EastMed Gas Forum, establishing it as a permanent international organization. The Forum, which includes Greece, Cyprus, Egypt, Israel, Italy, Jordan and the Palestinian Authority, was announced in January and serves as a platform for developing the natural gas fields in the Mediterranean.

Greek Shipping

Greece remains the world's largest shipowning nation, according to a new report by the Union of Greek Shipowners, accounting for 20.67% of global tonnage and 54.28% of European Union-controlled tonnage. Between 2007 and 2019, Greek shipowners have more than doubled the carrying capacity of their fleet, with investments that have far outpaced other shipowning nations.

Piraeus Port

Greece welcomed the arrival of a Hyundai Merchant Marine vessel to its container handling facility in Piraeus, marking the start of a new shipping route between Asia and Greece by one of the world's leading container shipping companies. The use of Piraeus by HMM further cements the port's position as the busiest container handling facility in the Mediterranean.

Greek Bonds

Strong investor demand helped drive Greek borrowing costs to record lows with the re-opening of the 10-year bond raising €2.5 billion at an historic low yield of 1.2%. "Against a global pandemic, we salute the vote of confidence in the Hellenic Republic," Prime Minister Kyriakos Mitsotakis said.

Renewable Energy

Greece set a record for power generated from renewable energy sources this month, according to the national grid operator. Data released by the Independent Power Transmission Operator, IPTO, show that on September 14, 51% of total electricity demand was met from wind and solar power sources. If hydroelectric production is included, the figure rises to 57%.

Greek Start-Up

German online food delivery service Delivery Hero has agreed to buy UAE-based InstaShop for \$360 million, marking a new record investment in a Greek-controlled start-up. InstaShop, a leading online grocery marketplace in the Middle East and North Africa, was launched by Greek founders in Dubai in 2015. The acquisition follows two recent, high profile acquisitions of Greek start-ups by Microsoft and Applied Materials earlier this year.

Enterprise Greece

Enterprise Greece and multinational, e-commerce giant eBay announced a cooperation agreement to enhance the digital transformation and global visibility of Greek companies. The agreement foresees the creation of a specially designed program that will promote Greek businesses in 190 markets around the world via the eBay platform.

Greek port of Alexandroupolis draws interest as regional transport, energy hub



Source: U.S. Department of Defense

The northern town of Alexandroupolis is drawing growing international attention as an emerging energy and transport hub for Southeast Europe, underscoring its important geostrategic position in the region.

In the past several months, investors from Europe and the U.S. have expressed interest in investing there. And earlier this year, the port marked an historic milestone by receiving U.S. troops and military equipment bound for NATO exercises in Romania.

Owing its development to a vital rail link between Thessaloniki to the west and Istanbul to the east, Alexandroupolis began to grow into a small metropolis towards the end of the 19th Century. With roughly 60,000 inhabitants, it is the largest city in Thrace.

The town is now poised for another growth spurt as one of several energy and infrastructure projects develops. In August, Bulgaria's state-owned natural gas company BULGARTRANGAZ agreed to take a 20% stake in an estimated €400 million natural gas facility and pipeline project near Alexandroupolis. The project, a floating re-gasification unit and 28 kilometer pipeline, is expected to come on line in late 2022 or early 2023.



Source: Creative commons

In the meantime, work on a new 180 kilometer natural gas pipeline – stretching from the nearby town of Komotini to Stara Zagora in central Bulgaria – is underway and is expected to be completed by mid-2021. The €4.5 billion Trans Adriatic Pipeline, that passes near Alexandroupolis and onwards to Italy, is also nearing completion and should be up and running by early next year.

In early October, Greece's privatization agency will launch the long-awaited tender for a 60 year concession for Alexandroupolis port.



COMING UP OCTOBER

Greek exports see shift towards new markets

Greek exports are seeing a shift towards new markets, gaining ground with wealthier and more sophisticated consumers and away from weaker, price sensitive buyers. The changing export profile confirms how Greek exports are climbing the value-added chain and increasingly commanding premium prices abroad.

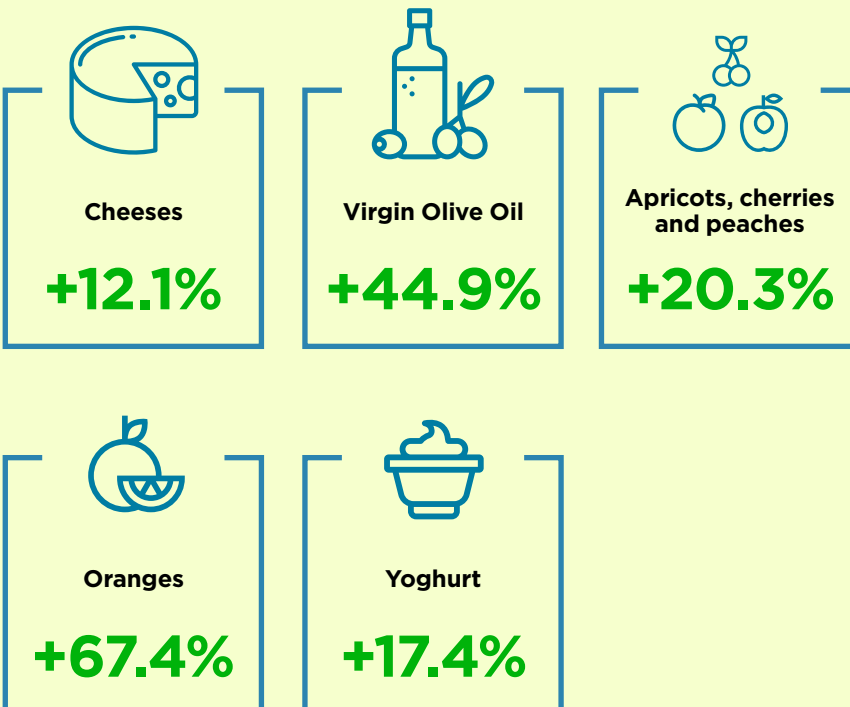
Based on data for the first six months of 2020, the value of Greek exports has jumped by double digit amounts in certain key markets. In Western Europe, Greek exports to Germany rose 11.7% in value compared with a year earlier; were up 36.2% to France, and increased 10.2% to Holland. In East Asia, the value of Greek exports to Japan increased 95.9% in the past year, and rose 69.3% to South Korea.

By contrast, exports to Turkey fell by more than 23% in value, to the UK by almost 15% and to Lebanon by 50%. All three countries have seen relative weakness in their currencies recently.

"A significant reordering, which is changing balances and relationships, is taking place on the Greek export map following the outbreak of the coronavirus pandemic,"

says the Panhellenic Exporters Association.

Growth in the value of select Greek food exports



- Hellenic Association for Energy Economics, Symposium, Athens (Sept. 30-Oct. 2)
- Enterprise Greece: European Trade Promotion Organisations annual conference (Oct. 7-9)
- Enterprise Greece: Webinar on protectionism in world trade in the post-COVID era (Oct. 8)
- 3rd InvestGR Forum 2020: Foreign Investments in Greece, online (Oct. 8-9)
- Enterprise Greece_Webinar: Doing Business in Germany, Covid-19 Challenges and Opportunities (Oct. 14)
- Enterprise Greece_Webinar: Doing Business in South Korea, Covid-19 Challenges and Opportunities (Oct. 21)
- Posidonia Web Forums Week, online shipping conference (Oct. 26-30)
- Greek National Holiday: Ochi Day (Oct. 28)

CONTACT US

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