



ENTERPRISE GREECE
INVEST & TRADE



NEWSLETTER AUGUST 18

**GREEK TOURISM
INVESTMENT**

**ONLINE EXPORT
HELPDESK**

**THESSALONIKI
INTERNATIONAL
FAIR**

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

Greek tourism looks set for another record year, welcoming as many as 32 million visitors in 2018, confirming Greece as one of the Mediterranean's hottest investment destinations in the hospitality sector. The country is already welcoming a raft of new high-end hotel projects from Athens to Crete to Halkidiki but, say industry analysts, even more investment opportunities lie ahead.

Accounting for about 20% of GDP, Greek tourism has been helping drive Greece's recovery for the past several years. In the process, Greek hospitality has seen an investment boom drawing the interest of global hotel and resort brands like Thomas Cook, TUI, Marriott, Wyndham and Four Seasons, among others.

But a constraint in accommodations, coupled with recent structural changes to Greece's resolution process, are further raising Greece's investment prospects relative to other Mediterranean destinations like Spain, Italy or France. In October - under the sponsorship of Enterprise Greece - Athens will host this year's Mediterranean Hotel & Resort Real Estate Forum to discuss emerging investment trends in the region.

According to a recent estimate by the World Travel & Tourism Council, Greece will need €5.5 billion worth of investment in hotel capacity over the next five years to cope with projected demand. Another recent study by consultancy PwC agrees: the study says Greece will need €4.8 billion worth of investments to keep pace.

Greek Tourism Investment Prospects

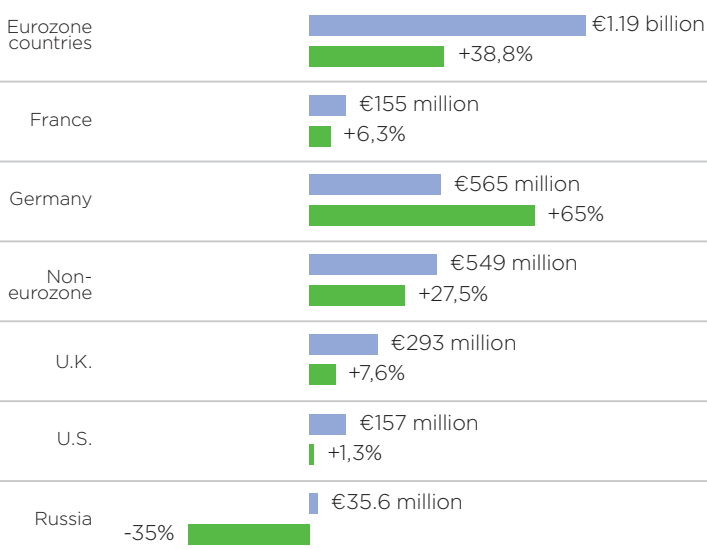
Grow

At the same time, recent changes in Greece's bankruptcy and debt workout procedures also present new investment opportunities in the hospitality sector, say experts. More than one-third of Greek hotels are said to be in financial straits, and according to the Greek Tourism Confederation, out of a total €8 billion in loans to the Greek tourist sector, €3 billion are considered non-performing loans.

Until now, resolution has been slow. But the pace has started to pick up with a first wave of hotel sales beginning late last year. And in August, the Greek capital welcomed the opening of the flagship Athens Grand Hyatt following the protracted foreclosure, auction and renovation of the previous hotel property.

Greek tourist spending is increasing

■ Amount ■ % increase year-on-year



Source: Bank of Greece (January-May 2018 data)

Grand Hyatt Athens



Source: Hyatt Hotels Corporation

news in brief

Greece Bailout

Greece formally graduated from the last of three successive, emergency loan programs Aug. 20, marking the end of almost a decade of special European and international oversight. The first of the programs was initiated in 2010 when the Greek government lost access to international credit markets to meet its funding needs. Since then, Greece has successfully sold several debt issues to international investors and is considering issuing a 7-year bond in the months ahead.

Ratings Upgrade

International credit ratings agency Fitch upgraded Greece's sovereign rating two notches to BB- with a stable outlook. The agency cited better public finances, improved debt sustainability and a more stable political backdrop. Separately, ratings agency Standard & Poor's raised its outlook for Greece to positive from stable. In late June, S&P raised Greece's credit rating one notch to B+.

Greek Budget

The Greek government budget primary surplus totalled €2.1 billion in the seven months to July, according to the latest data, well above a target of €930 million. The improved seven-month performance was due to lower-than-expected tax refunds in July.

Bank Loans

Two of Greece's leading banks – Eurobank and Piraeus Bank – have attracted strong interest from foreign investors as they prepare to sell off a portfolio of non-performing loans. The investment interest demonstrates how Greece's secondary debt market is taking off after recent regulatory changes and helping the banks to clean up their balance sheets.

Bank Liquidity

Piraeus Bank, one of Greece's four systemic lenders, has reduced its dependence on Greek central bank emergency funding to zero – the first of the major banks to do so. Recent data show that Greek bank deposits rose by €1.4 billion in June, easing the cash squeeze on Greek lenders and showing how confidence in the Greek banking system continues to grow.

Export Outlook

Greek exporters are optimistic about growth prospects in the year ahead, according to the latest Trade Confidence Index survey by the SEVE Greek exporters association and logistics company DHL. According to the survey, 64% of exporters are forecasting a rise in their exports, compared with just 5% who see a decline ahead.

Golden Visa

The number of investors applying for Greece's Golden Visa program in the first half of this year is already more than double the number awarded in all of 2017, Enterprise Greece CEO Elias Athanasiou told Ethnos newspaper. Visa holders have now invested cumulatively more than €1.5 billion in the Greek economy, he said. The agency is seeking to extend the program to include investors in liquid assets, such as stocks and bonds.

Coca-Cola Investment

Coca-Cola Hellenic, one of the world's largest Coca-Cola bottlers, has completed a €24 million investment in a new production facility in central Greece. The company has also recently completed €57 million worth of investments in its Greek logistics and IT operations.



Enterprise Greece *Developing Export Helpdesk*

Greek exporters will soon have access to a new Export Helpdesk, part of a series of government initiatives to double Greek exports by 2025. This autumn, Enterprise Greece will begin staffing a new helpdesk for exporters and creating an online exporters' portal to serve as a central reference point for all Greek businesses exporting abroad.

The project, being developed with the support of German development agency GIZ and in cooperation with the Greek Ministry of Foreign Affairs, is one of six trade promotion activities the government will roll out after the summer. These include new business guides for exporters and upgrading commercial affairs offices at Greek embassies and consulates abroad.

According to Greece's 2018 development strategy published in July, the government aims to increase exports to a level equal to 50% of GDP by 2025, up from about one third currently.

The portal will offer interactive and multimedia applications on topics such as export procedures, participation in international exhibitions, business missions and educational materials. It will also serve as the main interface for managing and monitoring all requests for information and other queries from businesses.

Users will also be able to access market intelligence and research, and build personalized profiles and newsfeeds – such as newsletters, RSS feeds, alerts – based on their interests. The portal will also provide an online forum to support networking among businesses.



COMING UP SEPTEMBER

Thessaloniki Set for Record Trade Fair

Greece's premier trade exhibition, the Thessaloniki International Fair, looks set to welcome a record number of visitors this year, a further sign of the country's recovery and its growing outward orientation. More than 1,500 exhibitors and about 300,000 visitors – almost 50% more visitors than just two years ago – are expected.

The fair will take place Sept. 8-16 in the northern Greek city of Thessaloniki and will honor the U.S. as this year's featured country, drawing more than 50 American businesses, including giants like Microsoft, Coca-Cola, Google and Cisco to the exhibition.

Emerging from recession last year, the Greek economy is now growing at a 2% rate – led by an export boom. Last year, exports rose more than 13% to a record high of €29 billion and are on track to set a new record this year. At the same time, foreign investment in Greece is back to pre-crisis levels.

To support Greek businesses, Enterprise Greece has dramatically stepped up its export promotion activities. This year, the agency is organizing trade delegations to 57 international exhibitions and will be participating in the Thessaloniki International Fair at Pavilion 15, Stand 39.

- Greece 2Q preliminary GDP estimate (Sept. 3)
- KazBuild 2018, building and construction trade fair, Almaty, Kazakhstan (Sept. 4-6)
- Middle East Stone 2018, building materials fair, Dubai, UAE (Sept. 4-7)
- SMM international maritime trade fair, Hamburg, Germany (Sept. 4-7)
- CPM Moscow, international fashion trade fair, Moscow (Sept. 4-7)
- Thessaloniki International Fair, Thessaloniki (Sept. 8-16)
- Hotel Show Dubai, hospitality trade fair, Dubai, UAE (Sept. 16-18)
- GulfHost, food service equipment fair, Dubai, UAE (Sept. 16-18)
- The Big 5 Construct Egypt, building and construction fair, Cairo (Sept. 18-21)

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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