



ENTERPRISE GREECE
INVEST & TRADE

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**GREECE'S
THERMAL SPRINGS**

**FOCUS ON
PRIVATIZATIONS**

**MADE
IN GREECE**

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

Greece Developing its famous Thermal Springs

Greece's Health Giving Springs



Hotel & Spa Platystomo,
Fthiotida



Polichnitos Hot Springs, Lesvos Island

Source: Enterprise Greece

Greece is moving to develop the country's diverse thermal springs: recognized since ancient times for their health-giving and pain-healing properties. With an estimated 700 natural springs dotted around the country the sector has long held promise for the country's tourism strategy.

With its striking landscape and rich cultural legacy, Greece offers its more than 25 million visitors each year a diversity of experiences: from sun-soaked beach holidays to ancient monument and sites. Amid a growing worldwide trend in wellness and healthy living, Greece's healing springs could offer yet another draw and make the country a year-round tourist destination. According to estimates, worldwide spending on wellness tourism totalled \$678.5 billion last year, up 20% from two years earlier.

In the past three years, the Greek government has dramatically stepped up efforts to develop the country's thermal springs by revising legislation, cataloguing and streamlining applications, preparing assets for privatization, and composing a portfolio of investment opportunities. Greece's Tourism Ministry, which is responsible for certifying thermal springs in the country, recently approved three, including one in the Athens beachfront suburb of Glyfada, and more than a 100 others - some that have been pending for years -- are being reviewed.

Agencies like Enterprise Greece and the Hellenic Republic Asset Development Fund, are helping in the search for investors. In late February, Enterprise Greece organized a special investors' workshop in Athens that showcased more than a dozen thermal springs available for development. Among them: the one-time Royal bath house on Kythnos island, as well as the famous springs of Aedipsos that have been used since antiquity.

In Greece, the art of hydrotherapy has been practiced for 2,500 years. It is said that Hippocrates - the 5th Century BC physician considered the Father of Medicine -- was among the first Greek scientists to systematically study and extol the virtues of thermal springs, including those on his home island of Kos.

news in **brief**

Ratings Upgrades

International credit rating agencies Moody's and Fitch lifted their sovereign ratings for Greece citing the country's improved fiscal performance, rising growth prospects and reduced risk. In a surprise announcement Feb. 21, Moody's raised Greece's credit rating two notches, to B3 from Caa2, just days after Fitch lifted its rating to B from B-. Both agencies maintain their positive outlook for the country. The upgrades follow a recent move by Standard & Poor's, which also raised Greece's credit rating in January.

Greek Bonds

Greece issued a new 7 year bond -- its first public debt issue since last summer -- amid strong market interest with 210 investors bidding. The bond issuance comes as Greek debt yields fall to decade lows and the country prepares to graduate from its official bailout programs this August. The bond will pay a yield of 3.5%.

Greek FDI

Foreign direct investment in Greece surged 29.4% last year, according to the latest Bank of Greece data. In 2017, net foreign direct investment totalled €3.59 billion, up from €2.77 billion a year earlier. The latest data confirm that FDI inflows to Greece have returned to pre-crisis levels.

Investment Fund

Seven international fund management companies have been named to help manage a new European Union-backed investment fund to support Greek start-ups and small businesses. The fund of funds, which is being jointly organized by the European Investment Fund and Greece's Development Ministry, is expected to have as much as €1 billion for investment once it is up and running.

the old Athens airport at Hellenikon. The decision marks a key step in the implementation of the project.

Growth Prospects

Greek think tank IOBE sees economic growth accelerating to 2.1% this year from an estimated 1.3% rate in 2017. The estimate is broadly in line with the official Greek government and European Commission forecasts, both of which see GDP growing at a 2.5% rate this year. Greece's revised 2017 GDP data is due to be released in early March.

Tourism Outlook

Greece looks set for another record year in tourism arrivals in 2018 with pre-bookings -- an early indicator of the summer season ahead -- rising between 15% and 30%. The country's popularity as a summer destination continues growing in its two key markets, Germany and the UK, even as new markets from Russia and Asia gather pace. In 2017, tourist income rose 10.5% on year to €14.6 billion, according to the latest Bank of Greece data.

Tesla Greece

Leading U.S. electric automobile manufacturer Tesla is setting up an R&D facility in Greece to tap local scientific expertise in electric motor technology. The facility is expected to employ approximately 10 staff and will be located on the grounds of the Demokritos research center.

Ports Privatization

Greece's parliament has ratified the sale of a 67% stake in Thessaloniki port, the second largest port in the country, for €232 million. Meanwhile, Chinese shipping giant Cosco, which holds the management concession for Piraeus Port in Athens, announced that it had broken its own record for container throughput last year.

Privatizations Pick-up



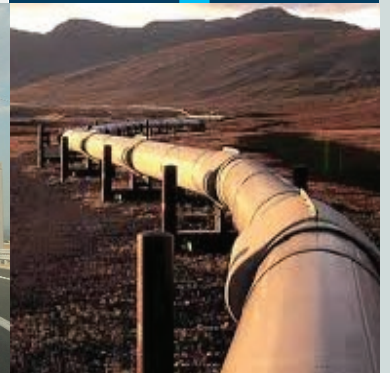
Greece's privatization program is moving into high gear with new tenders for highways, ports, marinas and industrial enterprises as the country seeks to raise €3 billion from asset sales by the end of next year. In the last two months, Greece has seen unprecedented interest from major foreign players in several key assets, something that portends well for further privatizations ahead.

In late February, Greece's privatization agency, the Hellenic Republic Asset Development Fund (HRADF), received nine expressions of interest from investors in China, Russia, the Netherlands, France, Italy, Canada and Australia for the upcoming management concession of the new Egnatia Odos highway in northern Greece. Weeks earlier, a total of 10 bidders declared their interest in the landmark Alimos Marina complex south of Athens. The agency has also received two binding bids for a 66% stake in Desfa, Greece's gas network operator from two multinational consortia comprised of investors from Italy, Spain, Belgium and Romania.

Since the start of the year, Greece has also moved to sell the government's 5% stake in Hellenic Telecoms and is seeking advisors for tenders for the ports of Alexandroupolis and Corfu. On the 2018 privatization agenda: sale of the government's stake in state-owned Public Power Corp., Hellenic Petroleum, the national natural gas trading company DEPA, and the water utilities in Athens and Thessaloniki. By June, following recent approval by the Council of State, the long-delayed concession of the old Athens airport in the beachfront district of Hellenikon is also expected to proceed.

Pace

Greece Pushes Ahead with Privatizations



Made in Greece

Output from Greek factories and mines accelerated at the fastest pace in ten years, according to a survey of manufacturers, signalling the accelerating recovery in the Greek economy. Much of the increase was driven by ever growing demand for Greek exports, which rose by 13% last year to a new record high.

The latest data confirm that two of the underlying pillars of Greek economic growth – manufacturing and exports – are gaining strength. Combined with a booming tourism sector, and improving economic sentiment, the data offers further proof that Greece is seeing a broad based recovery.

According to IHS Markit, Greece's Manufacturing PMI rose to 55.2 in January of 2018 from 53.1 in December -- the eighth successive increase in factory activity in a row and the highest level since late 2007. Since last spring, the index has been on an upward trend, crossing the key 50 point benchmark in mid-2017 amid a surge in new orders in both domestic and foreign markets.

Exports have been growing in lock step. The latest data for 2017 show exports, particularly for processed and manufactured goods, have been growing by double digit amounts.

Exports are Boosting Factory Orders

	2016	2017	Change
Food & live animals:	€4.23 bln	€4.28 bln	+1.1%
Beverages & tobacco:	€0.73 bln	€0.71 bln	-3.3%
Industrial raw materials, excl. fuels:	€1.01 bln	€1.28 bln	26,00%
Mining, mineral fuels, lubricants:	€6.90 bln	€8.97 bln	30,00%
Animal and vegetable oils & fats:	€0.67 bln	€0.56 bln	-15,00%
Chemicals and related products:	€2.70 bln	€3.02 bln	+11.7%
Manufactured goods:	€3.92 bln	€4.57 bln	+16.5%
Machinery and transport equipment:	€2.55 bln	€2.53 bln	-0.9%
Miscellaneous manufactured goods:	€1.90 bln	€2.02 bln	+7.1%
Other:	€0.54 bln	€0.53 bln	-2.8%
TOTAL EXPORTS:	€25.15 bln	€28.46 bln	13,00%

Hellenic Statistical Authority, Enterprise Greece

COMING UP

MARCH

- Greece fourth quarter GDP data (Mar. 5)
- VINOEXPO New York Wine and Spirits trade fair, New York (Mar. 5-6)
- Berlin – International Hotel Investment Forum 2018, Berlin (Mar. 5-7)
- FOODEX JAPAN 2018 International F&B Exhibition, Tokyo (Mar. 6-9)
- Seafood Expo North America exhibition, Boston (Mar. 11-13)
- Cannes MIPIM International Real Estate Exhibition, Cannes (Mar. 13-16)
- Wise-15th Overseas Property & Immigration & Investment Exhibition, Shanghai (Mar. 16-18)
- ProWein international wine and spirits trade fair, Dusseldorf (Mar. 18-20)
- Greek-Serbian Business Forum, Thessaloniki (Mar. 19)
- Enterprise Greece: Real Estate investment seminar, Cairo (Mar. 21)
- Shared Services Centers Conference, Barcelona (Mar. 22-23)
- Shanghai-MPIRES International Real Estate Show 2018, Shanghai (Mar. 23-24)

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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