



ENTERPRISE GREECE
INVEST & TRADE



NEWSLETTER
JANUARY 18

**GOLDEN
VISAS**

**NATURAL
BEAUTY
PRODUCTS**

**GREECE'S
REFORM
PROGRAM**

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



Greece's Golden Visa Program Takes Off

Greece's special residence program for foreign investors has taken off, reflecting increasingly bright growth prospects as the country emerges from economic crisis and its growing importance as a gateway to the European Union. In the last year, the number of foreigners awarded a Greek Golden Visa has soared: rising by more than 40% from a year earlier.

Launched five years ago at the height of the country's economic crisis, the Golden Visa program is now coming of age amid a new wave of investor interest, particularly from countries like China, Russia and Turkey. The reasons are several: from Greece's sunny Mediterranean climate and high quality of life, to its low property prices. A budding economic recovery plays a role for some investors, for others its political uncertainty abroad. And since the law was revised in 2015, Greece's Golden Visa has become still more attractive to foreign investors, comparing favorably with similar programs in countries like Cyprus or Portugal. A stepped up promotion program -- in the last two years Enterprise Greece has showcased the program at trade fairs from Moscow to Beijing to Constantinople -- has also helped.

Greece's Golden Visa program grants a permanent residence permit -- and access to 26 Schengen-area countries -- to individuals and their families who invest a minimum of €250,000 in Greece, such as in real estate or other productive investment. According to the latest data from end November, a total of 2,170 Golden Visas have been issued directly to foreign investors -- and more than 5,000 including family members -- up from 1,522 at the end of 2016.

After falling by as much as 50% from their pre-crisis peak, and with booming summer tourism buoying short-term rentals, Greek property prices now offer a highly attractive yield on investment, say industry experts. That has drawn investors from China, who now account for almost half of Golden Visa holders.

But another reason is Greece's political stability and EU membership. In the past year, nationals from several neighboring Mediterranean countries -- most notably Turkey -- have also been buying up Greek real estate, lured both by the access to the EU that a Golden Visa offers, as well as to diversify their holdings away from an uncertain climate in their home country.

Greece's Golden Visa Program is Growing

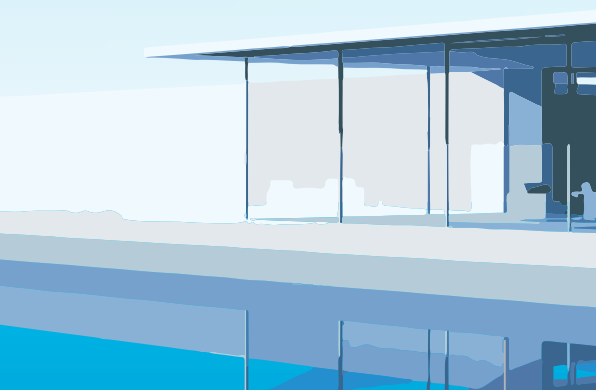
Golden Visas issued (cumulative total)

Year	Visas
2013	16
2014	435
2015	940
2016	1,522
2017	2,170

Golden Visas issued by nationality (cumulative total)

Nationality	Visas
China	945
Russia	387
Turkey	191
Egypt	97
Lebanon	89
Ukraine	72
Iraq	69
Syria	50
Jordan	49
USA	19
Other countries	202
TOTAL	2,170

Note: Data as of Nov. 30, 2017
Source: Ministry of Migration Policy,
Enterprise Greece



news in **brief**

Foreign Investment

Inflows of foreign direct investment to Greece are up 34% compared with a year earlier, the latest data show, bucking an overall downtrend in the rest of Europe. According to the Bank of Greece, net FDI inflows totalled €3.3 billion in the 11 months through November 2017, up from €2.5 billion for the same period in 2016. FDI has now returned to pre-crisis levels reflecting the ongoing recovery in the Greek economy. A separate UNCTAD report shows that FDI inflows into Europe dropped 27% in 2017.

American Tourists

The U.S. State Department has included Greece in its top category of safe destinations for American travelers to visit under its newly created travel advisory system. U.S. Ambassador to Greece Geoffrey Pyatt said on Twitter: "I'm looking forward to seeing even more American tourists here in Greece in the year ahead."

Fish farming

Investment firms Amerra Capital and Diorasis International have been shortlisted to acquire leading Greek aquaculture companies Nireus and Selonda. The two Greek companies, which are struggling with unpaid bank debt, are seen as world leaders in the area of fish farming.

Academy Gardens

Greece's Environment Ministry has given the final go-ahead to a long-delayed mall project to be developed in a Central-West district of greater Athens. The €300 million Academy Gardens mall, being financed by Blackrock, was first conceived in 2007.

Development Program

Greece's Ministry of Economy and Development has approved a first batch of 70 investment projects that will receive government support through tax breaks and subsidies under the country's newly revised, 2016 development law. The projects, which span a range of industries, represent investments worth almost €519 million.

Private Railway

A joint venture between Austria's Rail Cargo Group and Greece's Goldair Group has become the first private railway operator in Greece following liberalization. The company will initially serve routes from the northern city of Thessaloniki.

Unemployment Down

Greece's unemployment rate fell further to 20.7% in October, according to the latest data from the Hellenic Statistical Authority, reflecting the continuing recovery in the Greek economy. One year earlier, in October 2016, the unemployment rate was 23.3%.

Alpha Bank

Leading Greek lender Alpha Bank has successfully issued a covered bond worth €500 million at a yield of just 2.75%, marking the latest move by a Greek corporate to tap international debt markets. The bond was nearly five times subscribed demonstrating strong investor confidence in Greek debt issues.

Greek Beauty Products Attract Investors



Greece's two pre-eminent natural cosmetics firms - Korres and Apivita - have attracted the interest of major foreign investors, capping a decades-long transition from shopfront enterprises to international brands in the multibillion dollar global beauty products market.

In December, U.S. investment bank Morgan Stanley and a Greek-Chinese firm, Profex, acquired a majority stake in Korres for €55 million that will open the way for further worldwide expansion. Earlier last year, Spanish fashion and fragrances giant, Puig, acquired rival Greek brand Apivita, a move that will likewise help the Greek company grow internationally.

Drawing on Greece's rich natural flora and biodiversity, the two companies were pioneers in their sector: producing beauty products from the exceptional natural ingredients, like honey and herbs, the country has to offer.

Apivita, which was founded in 1979 by two pharmacists in Athens and offers products like face creams of Royal Jelly, now operates in 15 international markets, such as the U.S., China and Japan. In 1996, pharmacist Georgios Korres followed, creating beauty products like Wild Rose skin cream that still remains a best-seller across the company's dozen international markets today.

Reflecting the ever growing importance of the beauty products sector, some 40 Greek companies will participate in the national delegation being organized by Enterprise Greece to the Bologna Cosmoprof trade fair in March, one of Europe's most significant beauty products exhibitions. Last year, the fair drew some 250,000 visitors from 150 countries, with Greece being among the leading delegations present.



COMING UP JANUARY

Greece Reform Plan Gets Greenlight

Greece's budget and economic reform efforts have been given the thumbs up by fellow Eurozone members as the country prepares to emerge from eight years of bailout programs in August this year.

After reviewing Greece's reform drive, Eurozone finance ministers signed off in late January on €6.7 billion in aid and, more importantly, agreed to start talks on debt relief that were promised once the country had completed its reforms. The move paves the way for Greece to return to the bond markets sometime this spring.

As Greece exits from its crisis, market confidence has grown. Just three days prior to the Jan. 22 Eurogroup meeting, international ratings agency Standard & Poor's raised Greece's credit rating by one notch. And the day after the meeting, the yield on Greek 2- and 5-year government debt fell to historic lows amid growing international investor confidence in Greece.

In Greece, confidence is also growing. Economic sentiment is at a three year high and this Christmas retailers saw the first annual increase in holiday sales since 2009. A recent public opinion poll by Kapa Research shows that a slim majority of Greeks now sees an end to the crisis in sight.

- FRUIT LOGISTICA fresh produce trade fair, Berlin (Feb. 7-9)
- Gulfood food trade fair, Dubai (Feb. 18-22)
- CPM Moscow international fashion trade show, Moscow (Feb. 19-22)
- Hong Kong International Fur & Fashion Fair, Hong Kong (Feb. 21-24)
- AGRA International Agricultural Exhibition, Plovdiv (Feb. 21-25)
- Investors' Workshop: Development of Thermal Springs in Greece, Athens (Feb. 26)
- Mobile World Congress trade show, Barcelona (Feb. 26-March 1)

Economic Sentiment is Rising

Economic Sentiment Index

Jan/17	95.1
Feb/17	92.9
March/17	93.4
April/17	94.9
May/17	93.2
June/17	94.0
July/17	98.2
Aug/17	99.0
Sept/17	100.6
Oct/17	98.3
Nov/17	98.4
Dec/17	101.0

Source: Foundation for Economic & Industrial Research

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To learn more about the many investment and trade opportunities Greece offers, visit us today at www.enterprisegreece.gov.gr

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