



ENTERPRISE GREECE
INVEST & TRADE

NEWSLETTER

JUNE 18



**GREEK F&B
EXPORTS**

**RENEWABLE
ENERGY SOURCES**

**GREECE IN
NUMBERS**

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

Greek F&B Industry Enters New Growth Phase

Greece's food and beverage companies are entering a new growth phase as the industry increasingly looks overseas to fresh export and investment opportunities, even as it continues to consolidate at home.

Greek F&B producers have been riding a growing wave of international awareness about the health benefits of the Mediterranean diet. That has supported both double digit export growth over the past two years -- F&B exports are up a further 12% in the first quarter of 2018 -- and growth in manufacturing, where the industry accounts for roughly a third of output.

Those strengths, coming after several years of economic restructuring, has brought outside attention to the sector. In June alone, Greek F&B companies held more than 1,200 business-to-business meetings with foreign buyers from around the world at special forums organized by Enterprise Greece. Greek food products will also be the centerpiece at the Summer Fancy Food Show in New York City, June 30-July 2, where Greece is the featured country this year.

"With the continued popularity of the Mediterranean diet and its health benefits, this is a great time to focus on Greek foods," said Phil Kafarakis, president of the Specialty Food Association, which organizes the event.

The resilient Greek F&B sector is attracting keen investor interest from abroad. New York-based Amerra Capital Management is in the final stretch to acquire and consolidate Greek aquaculture giants, Selonda and Nireus, while it already has stake in Andromeda, another leading Greek fish-farmer.

Late last year, UAE-based bakery and pastry company Switz Group acquired Greece's Olympic Foods, a maker of baking ingredients and products. More recently, industry sources say that U.S.-based food giant Mondelez International has been eyeing an acquisition in Greece's F&B sector, while Greek snack food maker Chipita has been mulling raising capital abroad.

Several areas for further investment potential include the consolidation of smaller, organic producers with strong export potential, joint venture contract farming, and the exploitation of fallow land. The sector also stands to benefit from fresh investment in packaging and marketing techniques, and investments in new technologies.

Agribusiness and Food

Key structural characteristics

F&B: the most dynamic Greek industry sector



Greek Food is Growing in Popularity



Source: Grecotel Meli Palace

news in **brief**

Greek GDP

Greece's economy expanded at a stronger-than-expected 2.3% rate in the first quarter of 2018, confirming the growing strength of the country's economic recovery. The latest data from the Hellenic Statistical Authority, Elstat, show that the recovery is being led by strong growth in exports. The statistics agency said the economy grew by an upwardly revised 2.0% rate in the last quarter of 2017.

Greece Review

Eurozone partners have given the greenlight to the latest – and final -- package of reforms Greece must undertake as part of its support programs paving the way for Greece to exit the last of its reform memoranda in August this year. "We congratulate the Greek authorities and Greek people for the successful conclusion of the ESM program," Eurogroup members said in a statement June 22. "Greece is leaving the financial assistance program with a stronger economy building on the fiscal and structural reforms implemented."

Greek Budget

Greece's budget position this year is better than expected, the latest official data show. For the first five months to May, the cash deficit is just €799 million – about half of what it was a year ago – and well below an official deficit target of €2.16 billion.

Greek Exports

Greek exports leapt 11.6% in April, the latest data from the Greek statistics agency show, confirming that the country is on the path to another record-breaking year for exports. In the first quarter, a 9.5% jump in exports helped drive overall GDP growth.

Greek Banks

With growing private sector deposits and access to international capital markets, Greek banks are weaning themselves off central bank support. In June, the European Central Bank further lowered the ceiling on emergency cash funds available to Greek banks by €1.3 billion to €10.9 billion euros.

Golden Visa

Investor interest in Greece's Golden Visa program continues to grow. The latest data shows that 2,639 investors have signed up for a permit at the end of April, compared with 2,458 at the end of last year and 1,527 in 2016.

Hellenic Telecoms

Germany's Deutsche Telekom has acquired an additional 5% stake in Hellenic Telecommunications Organization (OTE) for €284 million, increasing its stake in the company to 45%. Strong customer growth in OTE's broadband, mobile communications and television packages make it a significant contributor to Deutsche Telekom's European operations.

Film Incentive

Greece has launched its first-ever incentive program for the audio-visual industry, offering foreign productions a 25% cash rebate in a bid to lure TV and film production companies to the country. Producers must spend a minimum of €100,000 locally and satisfy select criteria to qualify.

Renewable Energy Investment

Greece's government is set to roll out a series of electricity auctions in the months ahead that will further spur solar and wind development in the country and is already attracting billions of euros in new investments in renewable energy sources.

The first of three scheduled auctions, which represent a new pricing mechanism for renewable energy, is expected in early July and has already attracted strong interest from both domestic and international producers. According to Greece's energy regulator, more than 200 small and large power projects have submitted applications to participate.

Earlier this spring, the Greek parliament voted in a new, market-driven pricing program for renewable energy producers. The new system replaces the previous fixed-rate pricing scheme, which was seen as inefficient.

Renewable energy sources – wind, solar, hydro, geothermal – already play a key role in the country's energy mix. Currently, about 29% of Greece's energy demand is met from renewables, 27% from natural gas and 28% from lignite and coal.



Riding on Wind and Solar Power Investment

By 2030, Greece wants the share of renewables to cover 50% of demand, part of the country's updated efforts to meet both European Union and its own national, energy-supply targets. New investments in renewable energy sources – mainly in wind farms – are expected to total €2.5 billion over the next two years as part of that effort.





Greece in numbers:

Economic outlook, snapshot

SELECT ECONOMIC INDICATORS

	2015	2016	2017	2018 FORECASTS	2019 FORECASTS
GDP	-0,3	-0,2↓	1,4↑	1,9↑	2,3↑
Gross fixed capital formation	-0,3	1,6↑	9,6↑	10,3↑	12,1↑
Exports (goods and services)	3,1	-1,8↓	6,8↑	5,7↑	4,6↑
Unemployment rate ^(a)	24,9	23,6↓	21,5↓	20,1↓	18,4↓
General government balance ^(b)	-5,7	0,6↑	0,8↑	0,4↑	0,2↑

annual percentage change

(a) as % of total labour force. (b) as a % of GDP • Source: Spring 2018 Economic Forecast, European Commission

- Summer Fancy Food Show, New York (June 30-July 2)
- Nanotechnology 2018 international conference & expo, Thessaloniki (June 30-July 7)
- Greece renewable energy auction (July 2)

FDI inflows 2010 – 2017

IN MILLION EURO



According to the latest Bank of Greece data, net Foreign Direct Investment inflows as annual (year-on-year) increase of 142% between 2015-16, and 29,4% between 2016-17. • Source Bank of Greece

Tourism: a growth engine

FOR GREECE

Greece in 2017 for a 5th consecutive year, breaks its all time record in tourist arrivals:

30.2 MN Arrivals

14.6 BN € Tourist receipts

Export champion for Greece: **18.6% of GDP & 23.4% of employment** (2016)

Greece ranked **24th** globally in **Tourism Competitiveness (WEF)**, among 141 countries

Also ranked **5th** internationally in Tourism, according to the **Anholt-GfK Nations Brand Index** (2017)

519 Blue flags awarded to Greek beaches in 2017, ranking Greece **2nd** among 47 countries.

Source: Enterprise Greece

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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