



ENTERPRISE GREECE
INVEST & TRADE



NEWSLETTER
MAY 18

**GREEK HOTELS
& RESORTS**

**INVESTING IN
AQUACULTURE**

**FOCUS: GREEK
SHIPPING**

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

Greece's hospitality real estate sector -- buoyed by five consecutive years of record visitor numbers -- is attracting intense interest from foreign investors with a record number of new properties coming online.

This year and next, more than half-a-dozen flagship resorts – from northern Greece to the shores of Attica – have either opened their doors or will do so by the end of 2019. That follows a raft of hotel deals, new openings and renovations of the previous three years as Greek tourism boomed.

Early data show that Greek tourist arrivals are set to reach historic highs again this year, with some 30 million visitors expected in 2018. According to hotel consultancy GBR, first quarter data shows a 27.1% rise in visitor numbers, translating into a sharp rise in hotel and resort revenues.

Investors have taken notice. Established tour operators like Thomas Cook, TUI and FTI have all plan to expand their Greek portfolios. In May, the luxurious Ikos Dassia hotel opened in Corfu, this spring the iconic Astir Palace on the Athens Riviera will debut as the Four Seasons Astir Palace -- the first Four Seasons hotel in Greece. On Crete, Russian investors are pursuing a €400 million mixed hotel, resort and property project, while Kerzner International and Dolphin Capital recently announced a €150 million resort project on the island of Kea.

Along with Greece's traditional summer tourism season, the country is also seeing an impressive increase in off-season visitors, reflecting the successful 365-day strategy of the Greek National Tourism Organization, the increasing popularity of Athens as a city-break destination, and the fast-developing Greek conference & exhibition sector. A recent study by consultancy PwC says Greece will need 45,000 new hotel beds by 2022 – and some €5 billion in tourism related investment – to keep up with projected growth.

Reflecting the emergence of the Greek resort and hotel sector as the Mediterranean's hottest investment market, Athens – with the support of Enterprise Greece – will host the 2018 Mediterranean Resort & Hotel Real Estate Forum October 17-19.

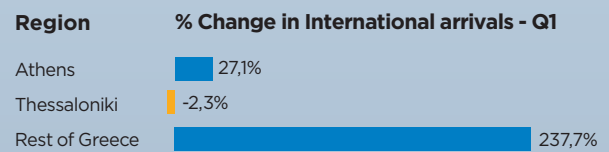
Greek Resort & Hotel Sector

Draws Investors

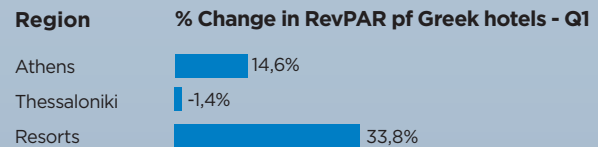
Investing in Greek Hotels & Resorts

Source: GBR Consulting, SETE, Greek Travel Pages

International arrivals in Greek airports, 2018 compared to 2017



RevPAR in Greek hotels, 2018 compared to 2017



Source: Ikos Resorts



Source: Wyndham Grand Athens



news in **brief**

Greek Exports

Following a record year in 2017, Greek exports continue to grow at double digit rates: rising 13.5% in the first quarter of 2018 to €7.85 billion. That's the best first quarter performance in 10 years and put Greek exports on track for a new record in 2018. And in April, Enterprise Greece led delegations to five major trade fairs in Moscow, Casablanca, Tokyo, Milan and Singapore to support Greek exports of building, hospitality and maritime products.

Mediterranean Gas

The leaders of Greece, Cyprus and Israel have reaffirmed their commitment to a natural gas pipeline linking the eastern Mediterranean to markets in Europe. At a summit meeting in May, Prime Minister Alexis Tsipras, along with his counterparts from Cyprus and Israel, pledged their support for a number of cross-border energy-related infrastructure projects, including an undersea transmission cable connecting the electricity grids of the three countries.

Greek Economy

The European Commission forecasts that Greece's economy will grow 1.9% this year as the country recovers from a steep, decade-long recession. According to the EU's spring outlook, Greek GDP growth will accelerate to a 2.3% rate next year. The forecasts come as fresh data show Greece on track to comfortably meeting its budget targets this year, and as a record number of new jobs were added this spring. The latest Labor Ministry data from April show Greece recorded the fastest rate of net jobs additions since 2001.

Credit upgrade

Canadian-based credit rating agency DBRS raised Greece's credit ratings by two notches to B from CCC and maintained a positive outlook. The move is the latest in a series of upgrades on Greek sovereign debt so far this year.

Cash Cushion

Greece's government has already set aside a €20 billion cash cushion, according to a recent HSBC report, more than enough to meet its financing needs when it exits the last of its three bailout programs this August. Greece is also expecting a final tranche of €12 billion in the weeks ahead which, combined with €18.5 billion projected from primary budget surpluses, more than covers Greece's estimated financing needs through 2020.

European Airlines

Spanish budget air carrier has launched operations in Greece, another sign of the airline industry catering to Greece's growing tourism industry. German low-cost carrier Eurowings is also expanding its connections with Greece, launching 16 new routes to and from the country this summer.

Greek Beaches

For another year running, Greece was the second most recognized country in the world for the cleanliness of its beaches and marine environment. Greece was ranked second among 47 countries evaluated, with 519 Blue Flags -- a label of environmental quality -- awarded by the non-profit Foundation for Environmental Education in Denmark.

Healthcare Deal

Greece's Marfin Investment Group has accepted a binding €198 million offer for a majority stake in its Hygeia healthcare unit from private equity group CVC Capital Partners. The acquisition marks the third investment by CVC in the Greek healthcare sector following deals to acquire the Metropolitan and Iaso General hospitals.

INVESTING IN AQUACULTURE



For years, Greek companies have been European market leaders in aquaculture. Now, with a restructuring of the sector underway and fresh investments in the pipeline, even greater prospects lie ahead.

By the end of this year, the long-awaited consolidation of Greece's two leading fish farmers - Nireus and Selonda - is expected to be completed, according to a restructuring and investment deal reached between Greek banks and American investors. The new entity will create a powerhouse of Greek exports: about 80% of production is expected to be exported.

Almost all of that will be to the voracious European Union market—the world's largest global importer of seafood. Overall, the EU imports 68% of the seafood it consumes and only 10% comes from aquaculture.

Since the 1980s, Greece has been at the forefront of European aquaculture. Its farmed sea bream and sea bass have been exported to the world: to some 32 countries according to official data. And worldwide, according to Food and Agriculture Organization and World Bank forecasts, by 2030 more than 65% of fisheries products will come from aquaculture.

To promote the prospects for the sector, a two-day Aquaculture Congress is organized in June 22-23 in northern Athens. The conference will bring together Greek government agencies - including Enterprise Greece - with industry representatives to discuss ways to support Greek aquaculture as a growth driver of the economy.



Source: Enterprise Greece



Focus on Greek Shipping

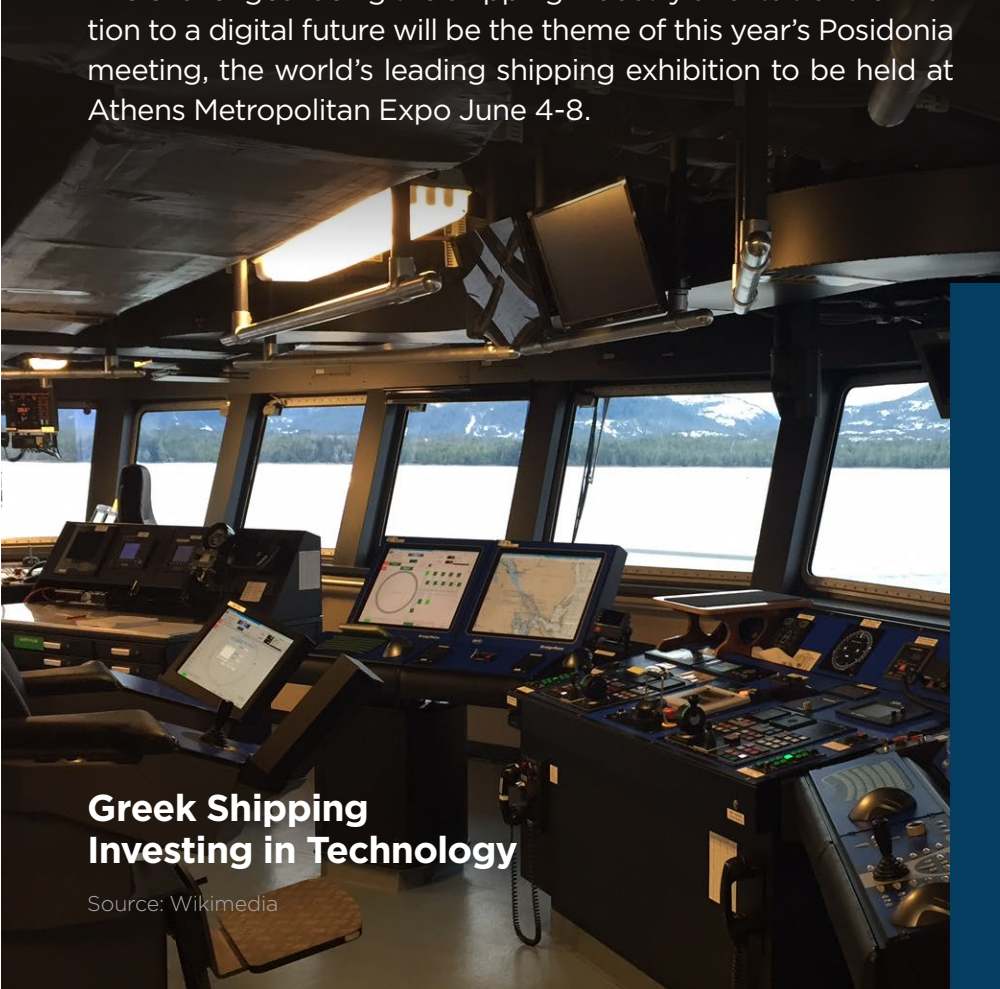
Amid the cross currents buffeting the shipping industry, one trend is clear: the industry is going hi-tech. Recovering from a multiyear downturn and facing new regulatory challenges, Greek shipping is undergoing a transformation that includes adopting new technologies in order to survive and prosper in a globally competitive environment.

And where Greek shipping goes, so goes global shipping. Shipping remains one of the pillars of the Greek economy: Greece is the world's largest ship owning nation representing half of the European Union's merchant fleet.

Although late to come to the digital revolution, the shipping industry has begun adopting new technology: from fully-automated ports to unmanned smart ships, from far more reliable location-specific weather forecasting to ship data processing.

Pressures stemming from the global downturn to new emissions regulations are introducing new technology into shipping. At the same time, technology companies have begun developing products customized to the unique needs of the shipping sector.

The challenges facing the shipping industry and its transformation to a digital future will be the theme of this year's Posidonia meeting, the world's leading shipping exhibition to be held at Athens Metropolitan Expo June 4-8.



**Greek Shipping
Investing in Technology**

Source: Wikimedia

JUNE

- JCK-Luxury Exhibitions, Greek jewelry design, Las Vegas (May 30 - June 4)
- Greek 1Q preliminary GDP estimate, Elstat (June 4)
- The Investment Migration Forum, Geneva (June 4-6)
- Posidonia biennial shipping exhibition (June 4-8)
- The World Forum for Foreign Direct Investment, Liverpool (June 11-13)
- CeBIT, leading international computer expo, Hanover (June 11-15)
- Hospitality Minds Europe 2018, future of hospitality sector, London (June 13-14)
- The Economist 22nd Roundtable with the Government of Greece, Athens (June 14-15)
- Enterprise Greece: Investment Roadshow, NYC-Washington-Chicago (June 18-22)
- Aquaculture Conference, northern Athens (June 22-23)
- The Hotel Show Africa, Johannesburg (June 24-26)
- Toulouse Space Show, Toulouse (June 26-28)
- Project Lebanon, building materials and equipment expo, Beirut (June 26-29)
- World Travel Awards, Europe Gala Ceremony 2018, Athens (June 30)
- Summer Fancy Food Show, New York (June 30-July 2)

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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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