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Embracing New Technologies
A strong policy commitment, notably through the National Digital Strategy (2006-2013), has led to an improvement of most benchmarking indicators in the Greek ICT sector. There is headroom for significant growth, as the public and private sectors embrace new technologies throughout the country.

The Greek ICT market is service oriented and roughly 85% of the sector is focused on telecommunications. Greece is displaying exceptional broadband penetration growth rates, driven by local-loop unbundling and the pickup of bundled telecom services in the domestic market. Greece reached 1.2 million broadband lines in 2008, a 63.8% y-o-y growth, and ranks within the top 10 countries on broadband uptake in 2006 and 2007. To date, xDSL has been the main technology for accessing the web, although this is expected to change as the Greek State is preparing a direct fibre access (FTTx) broadband network programme.

PC sales in 2007 saw a 30% y-o-y increase, and growth for 2008 is also expected to be strong. The attractiveness of the Greek retail ICT market can be seen by the expansion into Greece of electronics retailers Saturn, Electro World, FNAC, and Media Markt.

In telephony, Greece has one of the highest mobile penetration rates in Europe, with 17.2 million mobile subscribers, representing a penetration rate above 150%.

Greek ICT market exports are focused primarily toward Germany and the UK, highlighting the sector’s value-added potential. The Economist’s Intelligence Unit underlines a positive outlook in Greece’s human resources in the informatics industry.

Concrete Investment Opportunities
The Greek ICT sector offers a unique opportunity for investment in high-end, value added services with a global reach, including the creation of software development centres and microchip design labs. Greece provides highly skilled, top-notch researchers and engineers at competitive salaries, in an environment with superior infrastructure and R&D support. Furthermore, the FTTx programme will provide investment opportunities in the provision of telecom infrastructure.

Nokia establishes R&D center in Athens
Nokia, the leading global provider of ICT equipment, has established a R&D centre in Athens. It is one of four in Europe, manned by 400 highly skilled telecom and software engineers, and provides research and software development for three leading technology product lines.

Microsoft Innovation Centre in Athens - Greece
The R&D and innovation potential of Greece is highlighted by the Microsoft Innovation Center in Athens, established in 2008 by Microsoft Corporation, the world’s leading software developer. Microsoft Innovation Centres foster partnerships between academia, industry, and Microsoft. Industry partnerships include software industry clusters, software quality certification programs,
and support for select student-led research projects. The Centre’s aim is to link the country’s universities and other higher education institutions electronically and for students and researchers to have access to vast data banks and e-libraries, further spurring research and innovation in Greece.

**Deutsche Telekom acquires stake in the Greek incumbent, OTE**
Deutsche Telekom has acquired a 25% stake in Hellenic Telecommunications Organization (OTE), the Greek incumbent, and has assumed management responsibility through an agreement with the Greek State. The transaction provides access for Deutsche Telekom to an additional population of 56 million through OTE’s presence in Southeast Europe. Deutsche Telekom’s objective is to work closely with the Greek State to further establish OTE as the major regional operator.

**Sistema acquires a 51% stake in Intracom Telecom**
Russia’s Sistema, through its subsidiary Sitronics, has acquired a 51% stake in Intracom Telecom, the largest ICT solution provider in Southeast Europe and part of Greece’s Intracom Holdings Group. Intracom Telecom, which offers a broad range of ICT products, network integration and outsourcing services, boasts subsidiaries in 12 countries and has more than 2,600 employees.

**Advantages of Investing in Greece’s ICT Market**
- High quality personnel
- Strong pickup of new technologies
- Business-conducive environment
- R&D support
- Attractive investment incentives framework

**Human Capital**
The Greek workforce has a high percentage of graduate and post-graduate degrees:

*Workforce by level of education*

*Source: National Statistic Service*
Strong pickup of new technologies
Greece had seen an early-on pickup of mobile telephony, which has led to one of the highest mobile penetration rates in Europe. With a small time-lag to other EU countries, broadband pickup is also sky-rocketing and retail ICT sales remain strong. The government is expected to further spur pick-up of new technologies through the launch a direct fibre access (FTTx) broadband network program.

Conducive business environment
Greece's government has given increased emphasis to R&D activities and is committed to investing in high technology areas to take advantage of its considerable intellectual capital. Innovation is an important priority and the private sector is increasingly devoting more resources to foster new and marketable products and services. Cooperation among universities and business, the public and private sector, and research and production has been growing in recent years, providing the impetus for advances in innovation. The Lefkippos Incubator in Athens, the Thermi Incubator in Thessaloniki and the Technological Parks in Athens, Thessaloniki, Patras, Volos, Herakleio and Ioannina are examples of institutes that support cutting edge R&D in Greece.

R&D Support
The Foundation for Research and Technology - Hellas (FORTH), established in 1983, is one of the largest research centres in Greece. It functions under the supervision of the General Secretariat for Research and Technology of the Hellenic Ministry of Development and consists of seven research institutes located throughout Greece, in Heraklion, Rethymnon, Patras and Ioannina. The Foundation's headquarters are located in Heraklion, Crete.

The research and technological directions of the Foundation cover Computer Sciences, Molecular Biology, Lasers, Telecommunications, Medical Engineering, Microelectronics, Robotics, Biotechnology, Materials, Chemical and Biological Engineering, Applied and Computational Mathematics, Biomedical Technologies, Bioinformatics as well as Historical and Cultural Studies. FORTH has established itself as one of Europe’s leading research centres.

Attractive Investment Incentive Framework
Attractive investment incentives are offered to investors for the establishment of R&D centers or software development centers.

<table>
<thead>
<tr>
<th>Incentive</th>
<th>Investment Zone</th>
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<tbody>
<tr>
<td><em>Cash grant or leasing subsidy</em></td>
<td>Zone A Zone B</td>
</tr>
<tr>
<td>Or: Tax Benefit</td>
<td>Zone C</td>
</tr>
<tr>
<td>Or: Cost subsidy for the created employment</td>
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<tr>
<td></td>
<td>20% 30% 40%</td>
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* The above percentages are increased by up to an additional 20% depending on size of company and location.
Greece is divided into the following zones according to the investment incentives framework:

More information on the Greek ICT sector can be found at:
General Secretariat for Research and Technology: http://www.gsrt.gr/
Foundation for Research and Technology (FORTH): www.forth.gr
Information Society Observatory: www.observatory.gr
Association of Firms in Communication and Information Technologies: www.sepe.gr
Association of Information Technology Companies of Northern Greece (SEPVE): http://www.sepve.org.gr/
Information Society: www.infosoc.gr
National Regulatory Authority: http://www.eett.gr/