



ENTERPRISE GREECE
INVEST & TRADE

NEWSLETTER
APRIL 18

**WINNING GREEK
FASHION**

**HI-TECH
GREECE**

**NATURAL GAS
PRIVATIZATION**

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

Greece's fashion industry continues to expand abroad, attesting to the exceptional resilience of an industry that has helped lead Greece's export recovery from its recent economic crisis. Last year, Greek fashion exports grew 10.6% to a record high, and are on track for a new record this year.

Combining world class creative talent and manufacturing competitiveness, Greece's design, clothing and apparel cluster has undertaken a remarkable restructuring in the last few years to emerge as a new growth industry. First established a century ago with the skills of Greece's diaspora, the country's clothing and textile sector went through a period of prolonged consolidation in the years before the crisis.

But with a renewed focus on design, quality and exports, the Greek fashion industry weathered the crisis years remarkably well. Long before the rest of the Greek economy emerged from recession in 2017, many Greek fashion companies were expanding abroad and reporting rising sales from overseas markets.

Outstanding Greek design has also played a role. Drawing on the country's long tradition of world class craftsmanship, Greek accessories leader Folli Follie has successfully exported Greek creative design to the world: the company now has more than 900 points of sale in 30 countries, its jewelry collection is ranked among the top-10 luxury brands in Japan, and its revenues are now double pre-crisis levels.

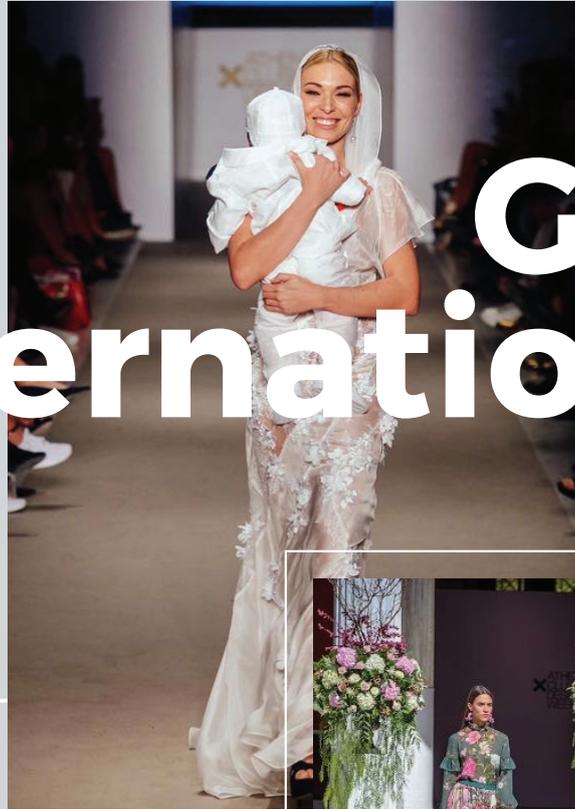
The company also shows how Greek design can attract foreign investment: China's Fosun

Group is a major shareholder and has helped Folli Follie expand abroad.

The edgy vitality of the Greek fashion scene was on show at the 23rd Athens Xclusive Designers Week – AXDW, which ran from March 28 to April 1 – drawing increased attention from foreign buyers. “The Greek market is recovering and they have the

Greek Fashion & Design

Grows Internationally



Greek Design in Fashion

Source: Athens Xclusive Designers Week



fashion to show for it,” the influential Deux Magazine reported.

Greek designers are increasingly being showcased abroad, including several first time showings at this year's prestigious Paris Fashion Week. Likewise, three cutting-edge Greek jewelry designers were part of a select group of 35 designers at the annual LOOT jewelry exhibition hosted by the Museum of Arts and Design in New York in April.

news in **brief**

Greek Budget

Greece achieved a primary budget surplus equal to 4.2% of gross domestic product in 2017, more than double the level called for under its reform program. According to a report by credit ratings agency Fitch, Greece's exceptional fiscal performance will help reduce its debt burden to 132.8% of GDP by 2026 even without any debt relief measures taken.

Real Estate

Following years of decline, Greek residential property prices have started to recover, according to a RE/MAX Hellas survey. The survey says Greek housing prices rose an average 1% in 2017 on a national basis.

Hellenic Petroleum

Greece's privatization agency has launched a long awaited tender for a majority stake in the country's biggest refiner. The sale of at least 50.1% of Hellenic Petroleum marks one of the biggest asset sales in the country's nearly decade-long privatization drive.

Power Plants

The Greek government is preparing the sale of lignite-fired power plants owned by the state-controlled Public Power Corporation, as part of Greece's moves to open its energy sector. Parliament has approved framework legislation for the sale of the power plants with the tender due to be launched in May.

Crete Connection

Greece's power grid operator has launched a tender for an undersea electric cable connecting the island of Crete with the Peloponnese. The Independent Power Transmission Operator, or ADMIE, has budgeted €324 million for the flagship project.

Greek Banks

Greece's leading banks have successfully passed the European Central Bank's latest stress test, confirming their strong capital position and improved outlook. Better liquidity conditions also allowed Greek banks to further cut their emergency central bank borrowing in April.

Aegean Airlines

Greece's Aegean Airlines has announced its long-term fleet renewal plans that could see it invest as much as €3 billion on 30 new Airbus aircraft and options on a further 12. The fleet renewal, to be implemented between 2020 and 2025, will allow the carrier to serve more long haul destinations.

Hellenic Telecoms

German telecom giant Deutsche Telekom will pay €280 million for a further 5% stake in Hellenic Telecommunications Organization (OTE), raising its stake in the company to 45%. The announcement prompted ratings agency Standard & Poor's to raise its credit rating on OTE one notch to BB from BB-.

Investors are ramping up funding in Greece's budding hi-tech sector, underscoring how the country's knowledge economy is emerging as a driving factor in Greece's economic recovery. In the past month and-a-half, roughly €1 billion in financing has been made available to Greek hi-tech companies, marking a distinct new phase for the industry that first began to blossom during the depths of Greece's economic crisis a few years ago.

Although slow to come to the digital race – 15 years ago internet penetration in Greece was less than 10% – that changed dramatically in the last five years. Since then, three flagship start-ups – taxi ride-hailing app Taxibeat, text-to-speech software developer Innoetics, and recruiting software program Workable – put Greek hi-tech start-ups on the global map.

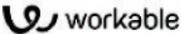
In April, the Greek government, the European Investment Bank and the European Investment Fund inaugurated a new fund-of-funds – Equifund – to finance Greece's tech sector. The fund has an initial capital of €300 million but is expect-

INVESTORS EYE GREEK HI-TECH

ed to raise another half-a-billion euros through leverage. It will engage nine private-sector venture capital funds to scout for promising Greek start-ups.

At the same time, the National Bank of Greece has signed an agreement with the EIF to provide up to €100 million in loans to small- and medium-sized Greek enterprises focussing on innovation and technology. And in late March, Abu Dhabi's state-investment fund, Mubadala Investment Company, inked a deal with Greece's New Economy Development Fund (Taneo) for a joint €400 million investment fund for new and innovative Greek companies.

The Greek tech start-up scene: Success Stories

	US Third Point Capital and Endeavor Catalyst invest in the online start up insurer HellasDirect , > €10mil.		Taxibeat has been acquired by Daimler (€40mn)
	Israeli fund 83North , Greek Openfund and other investors, invested in Greek start up Workable , €30mn		Greek start up Persado got €83M, from Bain Capital ventures, and other funding sources
	US DFJ and angel investors invested > €10mil. in Greek start-up Resin.io		Samsung Electr. acquired Innoetics approx. €35mn
	Austrian Novomatic announced the acquisition of Greek born US start up AbZorba games , €8.5 mn		Yemeksepeti.com invests in Greek startup ClickDelivery .
	Swiss u-blox AG acquired Greek start – up Antcor , 8,5 mn €		The Greek start up software company Nubis raised 1 mil. Euros funding by the investment fund Elikonos Jeremie Fund
	US Angel investors invest in Greek start-up Intelen – 1.6mn€		The Greek start up Metamaterial Technologies raised 3,1 mil.Euro funding by the venture capital Innovacorp
	US PIC Invest invests in Greek start up Daily Secret – 1.3mn\$		The German leading company Delivery Hero acquires the Greek start up e-FOOD.gr (> €10mil.)
	American Splunk acquires the Greek start up Bugsense (€6,7mn))		Greek born start up Pinnatta , a leading mobile messaging platform has raised \$3.7m funding up to date
	German Glispa acquired Avocarrot (€17,85mn)		The Greek start ups Metamaterial Technologies and Book'n'Bloom have raised €16mn and €12,5mn respectively in funding

Between 2013-2016 more than 80 startups have been created, absorbing approx. €400 mn. of funding



Greece Sells

Natural Gas Company

Greece has awarded a European consortium the majority stake in the state natural gas grid operator, marking an important step in the country's ongoing privatization program and further cementing Greece's position as an emerging energy hub in Southeast Europe.

In April, Greece's privatization agency accepted a €535 million offer from Italy's Snam, Spain's Enagas and Belgium's Fluxys for a 66% stake in DESFA. Pending final approvals, the deal is expected to be concluded by late 2018.

DESFA manages a 1,500 km gas transport network stretching from Greece's northern borders, to the Peloponnese in the south, as well as a regasification terminal near Athens. The sale of the company, combined with other energy projects, is helping establish Greece as a major player in the region's energy market. These include the €4.5 billion Trans Adriatic Pipeline now being built in northern Greece that is expected to be completed next year.

Snam, Enagas and Fluxys are shareholders in the TAP project and say that: "thanks to its strategic position in the Mediterranean, Greece could represent an important crossroads for the diversification of supplies and the opening of new natural gas routes in Europe."



Greece Emerging as Natural Gas Hub

Source: DESFA Hellenic Gas Transmission System Operator

MAY

- Seoul Food and Hotel 2018, Seoul (May 1-4)
- Hellenic Association for Energy Economics conference, Athens (May 3-5)
- Thessaloniki International Book Fair, Thessaloniki (May 3-6)
- East Med Yacht Show, Piraeus (May 3-6)
- PLMA's World of Private Label, Amsterdam (May 29-30)
- Vinexpo Hong Kong, Hong Kong (May 29-31)
- Enterprise Greece: Tourism investment roadshow, Moscow & St. Petersburg (May 29-31)
- Balkans & Black Sea Cooperation Forum 2018, Athens (May 31-June 1)

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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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