



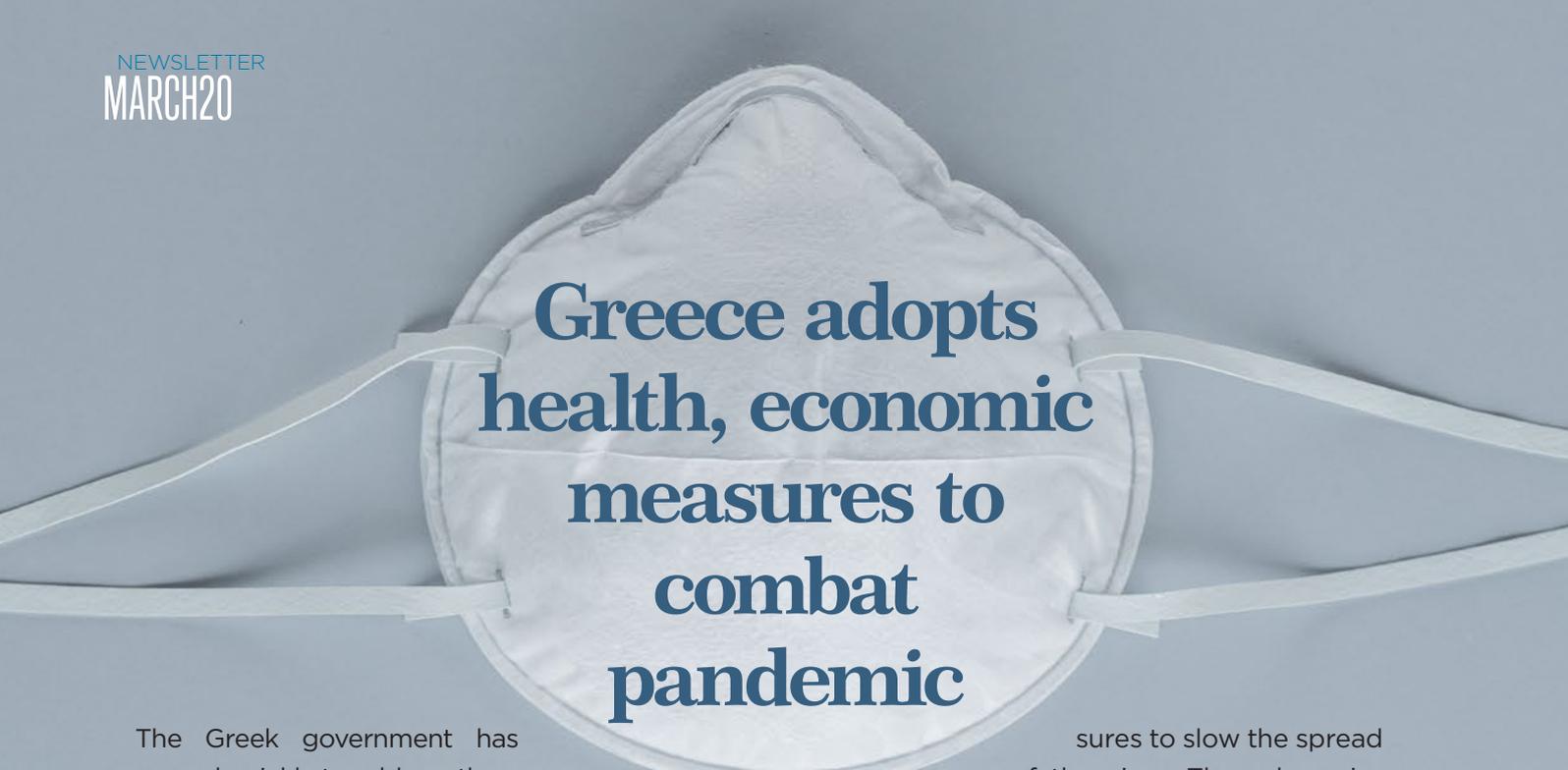
ENTERPRISE GREECE
INVEST & TRADE

NEWSLETTER MARCH 20

**GREEK HEALTH,
ECONOMIC MEASURES**

**RECORD
GREEK FDI**

**2019 YEAR
IN REVIEW**



Greece adopts health, economic measures to combat pandemic

The Greek government has moved quickly to address the new coronavirus pandemic by swiftly implementing public health measures and pledging at least €10 billion in public assistance to ease the economic shock of the outbreak.

“The next few weeks will be decisive for our country,” Prime Minister Kyriakos Mitsotakis said in a nationally televised address on March 19. The Greek economy will also face difficulties over the next few months, he added, but the government “now has more weapons” at its disposal to support workers and businesses.

Following an initial €3.8 billion support package, the Greek government has since pledged a further €3 billion from the budget, and an equal amount of European Union structural funds, to support the economy. The total package is equal to more than 5% of GDP and includes, among other things, employment subsidies and a rent relief program.

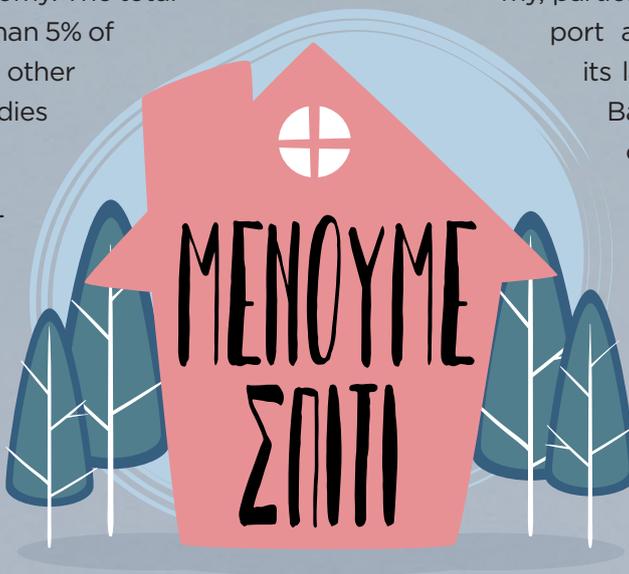
Earlier last month, the Eurogroup released Greece from meeting its primary budget surplus target of 3.5% of GDP this year.

Since early March, the Greek government has adopted a series of escalating public health mea-

asures to slow the spread of the virus. These have included the closure of schools, shutting down all retailers – except supermarkets, pharmacies and gas stations – as well as tight restrictions on social gatherings, religious services and foreign travel. On March 23, Greece initiated a general, nationwide lockdown.

The quick implementation of the public health measures – earlier than in many other European countries – combined with a national communications campaign entitled: WE STAY HOME (MENOYME ΣΠΙΤΙ), has raised hopes that Greece might restrain the spread of the virus. Opinion polls show 70% of Greeks support the measures.

But the effects of the pandemic are expected to weigh heavily on the Greek economy, particularly the tourism, transport and trading sectors. In its latest annual report, the Bank of Greece has forecasted a sharp downturn in the first two quarters, offset by a rebound in the second half. Greece’s economy is now expected to record zero growth in 2020, down from a previously forecasted growth rate of 2.4%.



news in **brief**

Greek Bonds

The European Central Bank has included Greek government bonds in its new quantitative easing program, reflecting Greece's improved fiscal position and credit standing. According to officials, a total of €12 billion worth of Greek government debt will be purchased under the ECB's €750 billion Pandemic Emergency Purchase Programme, helping to boost liquidity and reducing borrowing costs for Greek banks.

Greek Economy

Greece's economy grew at a 1.9% rate in 2019, confirming the country's steady recovery despite a slowdown in the fourth quarter of last year due to uncertainty in global markets. According to preliminary data from the Hellenic Statistical Authority, GDP rose 1% in the October to December quarter, down from a 2.3% rate in the third quarter.

Property Prices

Prices for Greek residential properties rose 7.2% in 2019 - compared with a 1.8% increase in 2018 - confirming that the price recovery in Greek real estate is accelerating. According to data by the Bank of Greece, prices for residential property rose 7.5% in the fourth quarter last year.

Real Estate FDI

Individual foreign investment in Greek real estate has increased sharply, more than tripling in the past three years. According to the latest annual report by the Greek Central Bank, net Foreign Direct Investment in Greek property rose to €1.45 billion in 2019, up from €1.13 billion 2018 and €414.7 million in 2017.

Tourism Record

Greek travel and tourism receipts jumped 12.8% last year to a record €18.15 billion, according to the latest Bank of Greece data. The figures also show a 4.1% increase in tourist arrivals last year, driven mainly by rising numbers of visitors from fellow European Union member countries.

Renewable Energy

Greece's leading wind power producer, Terna Energy, announced that it will invest €550 million in new renewable energy projects around the country, including in a 180 MW wind farm on the island of Evia. The company currently has more than 600 MW of installed wind power capacity in Greece and is planning on constructing a further 400 MW worth of capacity.

Greek Banks

Greek banks have reduced their stock of bad loans by €13.8 billion in the last year to €68 billion as of the end of 2019, according to the Bank of Greece's annual report. By end 2021, the banks want to lower the ratio of bad loans in their portfolios to below 20% from 40% currently.

Parliamentary Assembly of the Mediterranean 2019 award, 21/02/2020, Athens

Enterprise Greece Vice President of the ANIMA Investment Network received, on behalf of the Network, the Parliamentary Assembly of the Mediterranean 2019 award. The award was in recognition of ANIMA's continuous efforts in promoting the economic development of the Mediterranean region. ANIMA Investment Network aims at enhancing the networking and collaboration of all the European and Mediterranean economic players. In this context, ANIMA offers its partners economic intelligence tools on the Mediterranean markets, develops projects aimed at improving the attractiveness of the region and organises economic exchange and cooperation between countries within the region.

Greece attracts record Foreign Direct Investment in 2019

Foreign direct investment in Greece jumped 14% last year to a fourth successive record high, underscoring the continuing overseas interest in Greek assets from real estate to infrastructure.

According to the annual report by the Bank of Greece, FDI rose to €4.1 billion 2019 - equal to about 2.2% of GDP -- up from €3.6 billion a year earlier. The inflows were primarily in property and financial services related transactions, but also reflected investments in Greece's logistics and healthcare sectors.

In the past year, leading international funds have invested in a number of Greek industries including the former real estate holdings

of National Bank of Greece and Piraeus Bank, as well as the Iaso hospital group in northern Athens. Greece's strong tourism sector has also attracted interest. Over the last four years, more than 55,000 new 4- and 5-star hotel beds have been added in Greece while, in Athens alone, more than 40 new hotels opened their doors in the first half of 2019.

And despite considerable uncertainty stemming from the coronavirus pandemic, market sources say that foreign funds continue to remain interested in Greece's investment prospects.

One area of promise are upcoming privatizations in infrastructure and

energy assets. In the pipeline are the planned privatizations of Greece's regional ports in Alexandroupolis, Volos and Kavala; leading refiner Hellenic Petroleum and natural gas trading company Depa; and infrastructure projects like the Egnatia Motorway and the Athens International Airport.

According to the central bank, 20% of FDI last year was related to Greece's privatization program. The Bank of Greece notes that privatizations will continue to play a significant role in attracting foreign investment, particularly as Greece further steps up its sales of state assets.





APRIL

- Greek National Holiday: Good Friday (April 17)
- Greek National Holiday: Easter Sunday & Monday (April 19-20)



Enterprise Greece's response to the coronavirus outbreak

- Enterprise Greece's staff are working remotely to support Greek trade and investment efforts. We continue to operate as normal and to conduct business as usual.
- Enterprise Greece has launched a digital information campaign to inform businesses and exporters of the available economic support measures that the government has undertaken in order to mitigate the economic impact of the pandemic on the national economy.
- Enterprise Greece will be disseminating information regarding any restrictions imposed in countries of interest.
- Enterprise Greece is launching a "Support Greek Exports" information campaign in order to support the sectors / products and services most affected.
- Posing a serious threat to both global health and the world economy, Enterprise Greece is working in close collaboration with all its international and national stakeholders to control the impact on Greek SMEs.

2019 Year in Review: Enterprise Greece Export Initiatives

Agricultural Products -
Food & Beverage

9

national pavilions

441

participations from 319 unique businesses

Construction materials,
Consumer and Industrial
products

national pavilions in

27

international fairs with

310

participations from 252 unique exhibitors

specialized promotions:

26 Wine buyers from Japan, Korea, Russia, Belgium and Poland met with with **67** Greek wine producers

16 Korean buyers participated in the 44th Kastoria International Fur Fair

B2B event in **Belgrade and Moscow** for the Construction Materials industry

Wine Bar event at the Interwine Exhibition with the participation of more than twenty wineries

4th business meetings programme: **35** Greek dairy and cheese product companies were introduced to **23 buyers**

20 Masters of Wine visit to wine regions of Greece

National participation in **China International Import Expo**, Shanghai, 5-10 / 11

Museum of Arts and Design, New York - 20 jewelry designers participated in an exhibition event

information for exporters
and potential exporters

70

scheduled meetings

800

information requests

450

businessmen attended 8 educational seminars

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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