



ENTERPRISE GREECE
INVEST & TRADE

NEWSLETTER DECEMBER 17

**GREEK
BUILDERS
OVERSEAS**

**OPEN
DOORS TO
INVESTMENT**

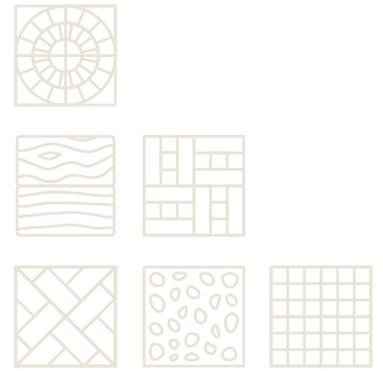
**FOCUS
ON
ENERGY**

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



Greek Building Sector

Grows Overseas



Greek construction and building materials companies continue to grow overseas, part of a successful, medium-term strategy the industry has adopted to diversify into new markets abroad. After experiencing a sharp downturn with the onset of the Greek crisis in 2009, Greek building and materials companies turned to foreign markets around the world, winning contracts from the Middle East to Africa to Europe and Latin America.

In the past five years, leading Greek construction groups have cemented their positions in the highly-competitive international construction market. Greek firms like Ellaktor, J&P Avax and GEK Terna now boast activities in more than two dozen countries and are involved in a wide range of public and private building projects. Most recently, in November, the three companies bid for a €128 million tunnel project in Bulgaria, while Terna completed work on a 250,000 sqm commercial project in the United Arab Emirates.

But Greece's construction sector has also seen many small- and medium-sized companies – from marble vendors to solar systems engineers to lighting companies – also expanding into overseas markets. Greek materials producers have followed: aluminum exports – one of Greece's key building products – have grown by more than a fifth in the past two years and are projected to reach €1.5 billion in 2017.

Many have tapped into the booming construction markets of the Persian Gulf region. At last month's The Big 5 2017 Dubai construction trade fair, 38 leading Greek companies participated. The fair – one the world's most important exhibitions of building materials and construction – drew more than 80,000 visitors and 3,100 construction related exhibitors from sixty-four countries. The Greek delegation was the third largest from the European Union.

In the peak years before the Greek crisis, Greece's construction industry contributed as much as €22.5 billion to the economy – representing about 11% of GDP – before collapsing to roughly a third of that five years later. But with an orientation on export markets, the sector has managed to recover and recently has seen strong interest from prospective business partners in Saudi Arabia, Iran, India, Sub-Saharan Africa and North Africa, say industry experts.

news in **brief**

Greek Growth

According to flash estimates, Greece's economy grew by 1.3% in the third quarter, following upwardly revised second quarter growth of 1.6% from 0.8% previously. The latest figures confirm the economic recovery that began in the spring. Recently released OECD estimates, predict that growth will accelerate further to 2.3% next year, while the Bank of Greece sees 2.4% growth in 2018. Both the European Commission and the Greek government predict growth of 2.5% next year.

Greek Bonds

Investors responded strongly to Greece's bond swap with more than 85% approving the exchange. The move – to replace post debt restructured two year notes with fresh 5 year issues -- was aimed at deepening liquidity in the sovereign bond market. The bond swap, combined with positive news about Greece reaching a staff level agreement with creditors and the positive GDP data, helped drive down the yield on the 10-year benchmark Greek government bond to below 4%, the lowest level since long before the start of the crisis.

Investor Ombudsman

As of December, Enterprise Greece's Investor Facilitation Division has resolved all but six of 49 investment cases it received this year, with the remainder still in progress pending resolution. The division, which was incorporated into the agency's newly established General Directorate for Investments this year, is mandated to assist investors in licensing procedures and in disputes with public authorities. The investments facilitated this year were in the tourism, energy, food & beverage, shipping, chemicals, technology and manufacturing sectors.

Mytilineos Investment

Greek metals and power company Mytilineos is planning a \$400 million investment in a new alumina plant at its facilities in Greece, which would make it one of the largest alumina producers in Europe. Speaking in an interview with Reuters, CEO Evangelos Mytilineos said the new facility would have an annual capacity of 1 million tons, effectively doubling its existing alumina production.

National Brand

The value of Greece's national brand has jumped 41% in the past year, said London-based Brand Finance, an international branding consultancy. Reflecting the renewed confidence of investors following years of crisis, the consultancy estimates that the Greek national brand is now worth \$80 billion, compared with \$57 billion in 2016.

Olympic Foods

Switz Group, a UAE-based bakery and pastry products company, has acquired Greece's Olympic Foods as part of its long-term strategy to penetrate the Greek and European markets. The acquisition, which was facilitated by Enterprise Greece, represents "a first step towards a long-term investment strategy in Greece that involves our Group's further expansion not only in the bakery and pastry products and ingredients, but also in other food areas," the company said.

Foreign Investment

Inflows of foreign direct investment to Greece have already reached €3 billion in the first three quarters, Bank of Greece Governor Yannis Stouraras said, surpassing last year's total which marked the highest inflows of FDI since the start of the crisis. In 2016, FDI inflows totaled €2.8 billion – corresponding to 1.6% of GDP – the highest level since 2010, the central bank chief said.

Greek Exports

Extending a two year long upswing, Greek exports rose 13% on year according to the latest data from the Hellenic Statistical Authority. For the 10 months to October, Greek exports totalled €23.6 billion this year, compared with €20.9 billion for the same period in 2016.

EIB Funding

European Investment Bank financing for Greek projects reached a record high of approximately €2 billion in 2017, EIB Deputy Director General Nicholas Jennett told website Euro2day. In 2016, EIB funding to Greece totalled €1.6 billion.

After a crippling, years-long economic crisis, Greece is now recovering and is a land of opportunity for foreign investment. Speaking to a high-powered forum in New York, Prime Minister Alexis Tsipras told prospective investors that the reforms and sacrifices the country has made are paying off.

a Land of Opportunity

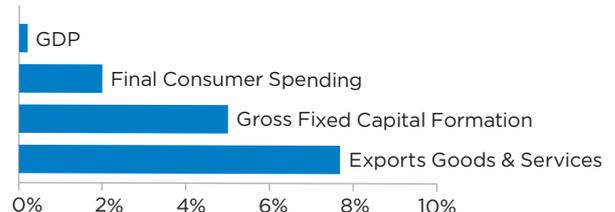
Greece's economy is projected to grow 2.5% in 2018, unemployment is falling, and foreign investment into the country – based on the latest nine month data – is on the rise. Recent budget figures confirm that the Greek government has surpassed its fiscal targets.

American investors, Mr. Tsipras told the Capital Link Forum in December, are among Greece's biggest investors and will benefit mightily from the country's growth prospects. "The land of opportunity has its doors wide open to profitable investment," the Greek prime minister said.

More than 1,350 bankers, investors and companies heard the prime minister's remarks and successive presentations by Development Minister Dimitri Papadimitriou and Finance Minister Euclid Tsakalotos. The annual Capital Link Invest in Greece Forum, this year held for the 19th time, is organized in cooperation with the New York Stock Exchange and major global investment banks.

Greece Has Returned to Growth

2014-2017



Source: Ministry of Development & Economy



COMING UP JANUARY

Focus on Energy

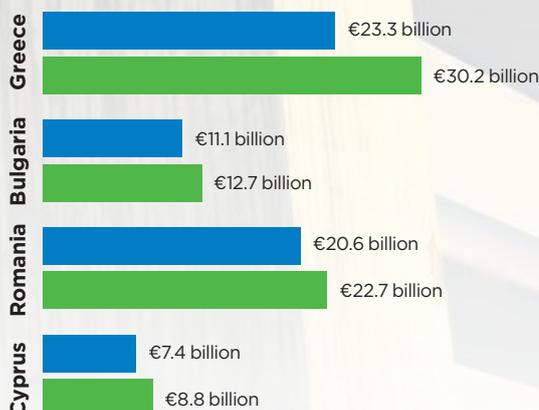
Greece and three of its regional neighbors are backing a 2,000 kilometer pipeline project that would transport gas from the eastern Mediterranean and further strengthen the country's role as an energy hub for Southeast Europe. The East Med pipeline envisions bringing newly discovered gas from the southeast corner of the Mediterranean to markets in Europe.

In early December, the Greek government – along with the governments of Cyprus, Israel and Italy – signed a memorandum pledging their political commitment to the project. Combined with other energy projects and investment prospects, like the €4.5 billion Trans Adriatic Pipeline now being built in northern Greece; mooted offshore oil & gas reserves south and west of the country; a future gas storage facility in the north; and the privatization of the national gas distributor, Greece is emerging as a regional energy hub.

The country is also privatizing the lignite power plants of one-time state monopoly Public Power Corp (PPC) early next year and some 40 companies from around the world have been invited to participate. According to the Institute of Energy for South East Europe, Greece is among the countries in the region moving fastest to attract investment. In its 2016-17 South East Europe Energy Outlook, the Institute says that Greece could see between €23.3 billion and €30.2 billion invested in its energy infrastructure by 2025.

Projected SEE Energy Investments for 2016-25

Total Investments



Note: For selected EU member countries.
Source: Institute of Energy for South East Europe (IENE)

- Parousies international gifts & handicrafts trade fair (Jan. 10-14)
- World Future Energy Summit, Abu Dhabi (Jan. 15-18)
- Greek launches privatization of Alimos and Chios marinas (Jan. 16 & 18)
- BOOT boating show, Duesseldorf (Jan. 20-28)
- IPEM International Private Equity Market, Cannes, France (Jan. 24-26)
- Athens Fashion Trade Show (Jan. 26-29)
- COSME TOKYO 2018 beauty products show (Jan. 24-26)

Season's Greelings

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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