



**ENTERPRISE GREECE**  
INVEST & TRADE



# NEWSLETTER NOVEMBER 18



**GREEK BEAUTY  
PRODUCTS**



**BUSINESS SERVICE  
CENTERS**



**GREECE MEETS  
CHINA**

# Greek cosmetics, beauty products see revival



**G**reek producers of cosmetics and beauty products have seen a revival in their fortunes thanks to growing exports, a recovery in their home market and a growing worldwide consumer trend towards natural products.

As a result of the country's economic crisis, Greece's roughly 120 cosmetics and beauty product makers witnessed a more than 40% decline in domestic sales to roughly €800 million in 2016 before a recovery began last year. As a result, many turned to overseas markets reflecting a broader trend among Greek companies that has translated into new records in Greek exports.

Last year, Greek exports of cosmetics and beauty products totalled €218 million as beauty product makers expanded internationally. At the signature Cosmoprof Worldwide Bologna exhibition this spring - one of Europe's leading beauty products fairs - Greek companies participated in record numbers. At the Bologna fair, the Greek delegation was the largest in 15 years with 32 companies taking part: a 25% jump from a year earlier and a 50% jump from 2016. Likewise, at the November Cosmoprof Asia exhibition in Hong Kong, there was also strong Greek participation.

Worldwide, Greek cosmetics and beauty product exports have been growing at more than a 2% rate on average over the last two years and in select markets even more. For example, exports to neighboring Cyprus, have grown fourfold in the last decade, according to industry estimates. Asian markets - like China, Korea and Japan -- hold even more promise.



Drawing on Greece's rich flora and biodiversity, Greek beauty product makers have also been expanding into natural beauty products, and have found a receptive world market as consumers increasingly turn to natural and organic products. Greek exports of natural beauty product have been growing at a rate of 20% per year, according to industry experts.

That has also drawn the interest of international investors. In the last two years Greece's two pre-eminent natural cosmetics firms - Korres and Apivita - have been acquired by foreign investors.

# news in **brief**

## **Greek Economy**

The European Commission has raised its forecast for Greek economic growth to 2.0% this year, up from 1.9% previously. In its latest autumn economic forecasts, it sees growth of between 2.0% and 2.3% next year, depending on two different policy scenarios.

## **Greek Exports**

Greek exports during the first nine months of 2018 rose by €3.49 billion (16.8%) from a year earlier to €24.7 billion, according to the latest data from Elstat, the Greek statistics service. The nine month figures confirm that Greek exports are on track to set another record this year.

## **Athens Innovation**

The City of Athens has been named European Capital of Innovation for 2018 by the European Commission, along with a €1 million prize. The city was awarded the prize for its innovative, hi-tech programs and services, as well as for its efforts to promote education, culture and tourism.

## **Strategic Investments**

Enterprise Greece is evaluating four new strategic investments that will bring in approximately €1 billion in fresh investment and create 3,000 new jobs, Chairman and CEO Grigoris Stergioulis said in a newspaper interview. Within the next six months, three other strategic investment projects will be launched and another three by the end of 2019.

## **Thomas Cook**

UK tour operator Thomas Cook will open four new hotels in Greece as part of a broader investment plan in Mediterranean properties. The four hotels include one on Crete and Rhodes each and two on Kos, are due to open by the summer 2019.

## **Property Upswing**

Residential property prices rose to 2.5% in the third quarter compared with a year earlier, the latest Bank of Greece data showed. From their pre-crisis peak, Greek property prices have fallen 42%.

## **Privatization Agenda**

Greece's privatization agency hopes to launch the privatization of four regional ports in northern Greece by year end, Chairman of the Hellenic Republic Asset Development Fund Aris Xenofos said at an Enterprise Greece organized event. Other regional ports, the Athens International Airport and the sale of a 50.1% stake in Hellenic Petroleum are also due to be privatized in coming months.

## **Greek Railways**

Italy's state rail operator, Ferrovie dello Stato Italiane, has agreed to pay €22 million to acquire the Greek state railway carriage maintenance company, Rosco. The Rosco sale follows the recent privatization of Greek state railway operator Trainose, which was also acquired by Ferrovie dello Stato Italiane.

# Greece to offer incentives for business, service centers

Greece plans to introduce new incentives to attract more business processing and shared service centers to the country, banking on the country's geostrategic position, multilingual workforce and highly skilled service sector.

In the past ten years, since the passing of a law on BPOs and SSCs in 2005, several leading multinational companies – from French business outsourcing giant Teleperformance to American financial services firm First Data – have set up contact centers in Greece.

By offering new incentives, Greece is hoping to expand its presence in the multi-billion dollar global BPO market following countries like India and the Philippines. According to estimates by the BPO Services Global Industry Almanac 2017, the global BPO market was worth approximately \$140 billion as of 2016.

Beginning in the 1990s, when major U.S. and European firms began the outsourcing of business processing and contact centers to countries abroad, the industry has helped transform local economies. In the Philippines, for example, more than 1 million people are estimated to be employed in the BPO and SSC sector.

Among the more than 120 call centers currently operating in Greece, the eight largest employ more than 20,000 employees. Teleperformance, which operates in nearly 80 countries, employs more than 6,000 staff in Greece. Its Greek contact center was named best multi-lingual contact center in Europe in 2017.



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The following investment incentives are to be introduced:

- Total wage cost (wage and social security contributions) subsidies for the creation of new employment in labor intensive GBS and SSCs
- Total wage cost subsidies up to 50% for new scientific personnel and technical staff
- Subsidy for research tools and research equipment up to 50%
- Provision of tax incentives: Tax exemption of 130% of total annual R&D expenses



- **847 companies in Greece** offer business services to other companies
- More than **120 are shared service centers, mainly call centers**
- Large contact centers operating in Greece currently **employ more than 20,000** employees



# Greece Meets

# China

Greece is continuing to expand its trade and investment ties with China, participating in China's first-ever international import exhibition in November. According to estimates, China – the world's biggest and fastest growing consumer market – will import an additional \$40 trillion worth of goods over the next 15 years.

This makes the Chinese market a high priority for Greek exporters. Currently, Greek exports to the country are modest: totaling \$420 million in 2017. But that figure represented a 51.7% increase over one year earlier.

In the last decade, Chinese investment in Greece has been growing, starting with the investment in the Piraeus Port container operations by Chinese shipping giant Cosco. Since then, Cosco has announced investment plans for the rest of the port as well. More recently, the China Energy Investment Corporation signed an agreement with the Copelouzos Group to enter the Greek energy market.

Individual Chinese have also been flocking to Greece: both as tourists and as investors. Chinese purchased €258 million worth of Greek real estate in 2017, according to Chinese real estate portal Juwai, and have increased further since.



Source: Enterprise Greece

## COMING UP DECEMBER

- American-Hellenic Chamber of Commerce annual conference, Athens (Dec. 3-4)
- Greece third quarter gross domestic product estimates (Dec. 4)
- Regulatory Authority for Energy holds second wind, solar capacity auction (Dec. 10)
- LPS Shanghai 2018, luxury real estate exhibition, Shanghai (Dec. 7-9)
- Capital Link Invest in Greece Forum, investment conference, New York (Dec. 10)
- National Holiday: Christmas, Synaxis of the Mother of God (Dec. 25-26)

## CONTACT US

To learn more about the many investment and trade opportunities Greece offers, visit us today at [www.enterprisegreece.gov.gr](http://www.enterprisegreece.gov.gr)

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