



ENTERPRISE GREECE
INVEST & TRADE



NEWSLETTER NOVEMBER 17

**GREECE
CONFIDENCE
RETURNS**

**MARINA,
HIGHWAY
PRIVATIZATIONS**

**CALLING ON
AUSTRALIAN
INVESTORS**

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

Confidence in Greece's financial system is returning after years of crisis, and as the country prepares to exit the last of its extraordinary bailout programs next year. Recent events – including the country's sovereign bond swap, the easing of capital controls and reduced bank dependence on official funding -- all show that the country is emerging from a years-long liquidity squeeze that has crimped the economy.

C Confidence

Returns to Greek Banks and Markets

After first seeking aid from its European partners and the International Monetary Fund in 2010, Greece is set to exit from its creditor-imposed austerity programs in August 2018. In the last few weeks, the government has been discussing a post-crisis economic program with creditors that will take effect from the second half of next year.

The progress Greece has made has been reflected in the country's cost of borrowing. Greek sovereign bond yields have dropped dramatically since the height of the crisis in 2010-2012, and have declined further still in the last 12 months.

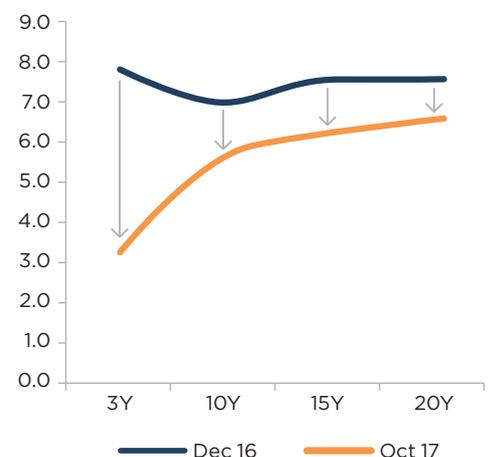
Earlier this year, Greece successfully returned to international debt markets for the first time in three years. And in November, the Greek debt management agency announced plans to replace its crisis-era debt issues with a series of new 5 year notes that will add liquidity to the Greek government bond market. The moves are allowing Greek companies – including two of Greece's leading banks and the country's largest cement producer, Titan Cement – to return to the private debt markets.

And for the second time in three months, the Greek government announced in November a further easing of capital controls after bank deposits rose for the fifth month in a row. That follows data showing that Greek banks are steadily reducing their reliance on emergency central bank funding: in October, Greek banks borrowed just €22.8 billion, roughly half the level of a year ago.

Also boosting confidence: Greece is on track to surpass its budget targets this year. That has allowed the government to announce a €1.4 billion social spending program for crisis stricken families and pensioners.

Greek Government Bond Yields Are Down

(monthly average, %)



Source: Alpha Bank, Bank of Greece data

news in **brief**

Strategic Investments

Greece's inter-ministerial committee for Strategic Investments has approved two new projects totaling €181.4 million for inclusion in the country's Fast Track program. The projects include a €61.4 million investment by Vodafone Greece in new fiber optic networks, and a €120 million project for a new VIP center on the island of Skorpios.

Tourist Spending

The latest central bank data show that Greek tourism receipts are up almost 10% from a year ago. Tourist spending totaled €13 billion in the first nine months of the year, up €1.2 billion from the same period a year ago, the Bank of Greece said.

Athens Hotel

Lampsia Hellenic Hotels will buy the iconic King George Hotel in central Athens for €43 million following an auction by owner Eurobank. Lampsia currently holds the management contract for the King George, and also owns the landmark Grande Bretagne Hotel next door.

Cretan Hotels

One of Europe's leading tour operators, FTI, said it plans to expand its portfolio of hotels in Greece, following similar announcements by TUI and Thomas Cook. The company said it will invest in two resort projects on Crete.

Investment Pipeline

One billion euros worth of investments, in sectors like tourism, energy, telecommunications and food, are currently in the pipeline, Enterprise Greece Chairman Christos Staikos said in an interview in the Ethnos newspaper. Mr. Staikos said that the agency is working with Greece's foreign ministry to create a portal for foreign investors.

Kea Venture

Kerzner International Holdings and the Dolphin Capital Group will invest €150 million to build a hotel resort and beach club on Kea island. Kerzner's participation with a 40% stake in the project represents the company's first investment in Europe.

Greek Oil

An international consortium of oil and gas companies has been awarded an offshore drilling license in the Ionian Sea off western Greece. The consortium includes Greece's Hellenic Petroleum, Italy's Edison and France's Total.

Hospital Sale

International private equity fund CVC Capital has agreed to purchase the Iaso General Hospital in Marousi for €48 million. The hospital is considered one of the leading private health centers in Greece.

Coca-Cola Greece

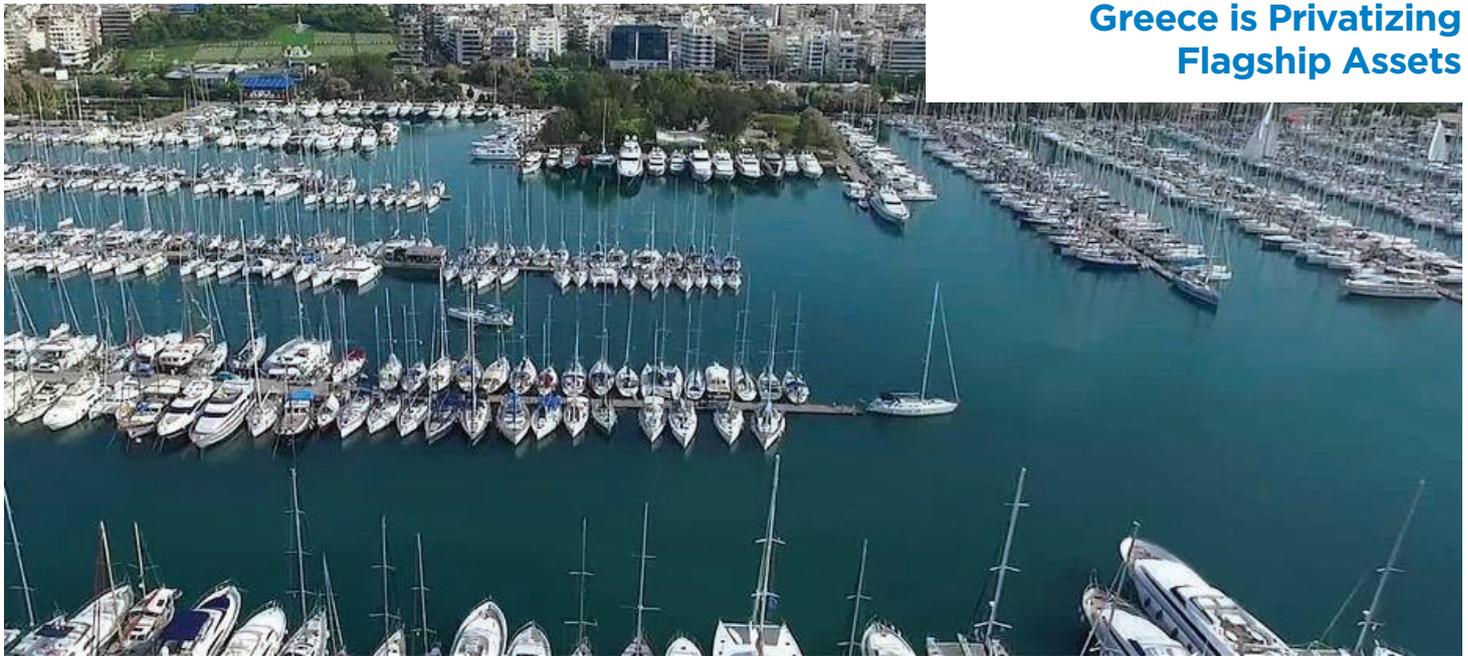
Leading Greek bottler, Coca-Cola HBC, said it will invest €8 million euros in a new bottled water production line at its Aeghio, Greece facility. The announcement is the latest in a series of investments by the company - in the last two years Coca-Cola HBC has invested €37 million in its Greek operations.

Franchise Sale

Piraeus Bank has sold off its Olympic Commercial and Tourist Enterprises subsidiary, which holds the Greek franchises for the Avis and Budget car rental brands. A joint venture of Turkey's Koc group and the U.S. based parent of Avis, will pay €80.6 million for the company.

Greece Invites Bids on Marina, Highway

**Greece is Privatizing
Flagship Assets**



Greece is calling for investors to bid for the country's largest marina and a landmark highway project in the north, two signature assets that are part of the country's privatization program.

The Alimos Marina, situated on the Athens Riviera south of the Greek capital, is the largest marina in southeast Europe, with berths for up to 1,100 boats and a surrounding 210,000 square meter parcel of land. The Egnatia Odos - built along the route of an ancient Roman highway - spans northern Greece from its border with Turkey to the Ionian Sea.

The Greek privatization agency, the Hellenic Republic Asset Development Fund (www.hradf.com), has invited investors to declare their interest in the two projects in January. Greece aims to raise €2.74 billion from privatizations next year, according to the 2018 government budget. Most of the proceeds, €2 billion, will come from tenders that will be completed in 2018, and the rest from privatizations that are not yet final, but where binding offers have been made.



Source: Hellenic Republic Asset Development Fund



COMING UP DECEMBER

Greece Calls on Australian Investors

Greek Minister of Economy and Development Dimitri Papadimitriou invited Australian investors to examine investment opportunities in Greece during a four city roadshow in Australia in mid-November that included stops in Sydney, Melbourne, Brisbane and Perth.

Home to as many as 400,000 citizens of Greek ancestry, Australia has long been one of Greece's best customers. The country exports more than €200 million in goods, and about €1 billion in services, each year to Australia.

But with the economy emerging from years of crisis, Greece offers opportunities to Australian investors in areas like property, tourism and technology. In each of the four cities visited, the Greek delegation hosted investment seminars, roundtables and B2B meetings for prospective investors.

"We have come to Australia because of its large Greek diaspora and we believe the country now has a good story to tell," Mr. Papadimitriou said during the visit to Brisbane.

The main interest of Australian investors was focused on sectors like infrastructure, tourism and real estate, waste management, energy, and the food and beverage industry. Australian superannuation funds also showed interest in Greece's privatization agenda.

- Greece 3Q preliminary GDP estimate (Dec. 4)
- Greece 9-mo unemployment data (Dec. 7)
- Greece 9-mo trade balance data (Dec. 8)
- LPS Shanghai – Greek Pavilion (Dec. 8-10)
- Capital Link Invest in Greece Forum (Dec. 11)
- Investment Seminar in Istanbul (Dec. 20)
- Binding bids due for Greek natural gas distribution company DESFA (Dec. 22)

Greece-Australia Trade Relations

→ **A\$201 million**
Greek goods exports to Australia

→ **A\$15 million**
Australian goods exports to Greece

→ **A\$917 million**
Greek services exports to Australia

→ **A\$79 million**
Australian services exports to Greece

→ **A\$240 million**
Australia's stock of investment in Greece

→ **A\$284 million**
Greece's stock of investment in Australia

Note: Data for 2015-16
Source: Australian Embassy in Greece

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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