



HELLENIC REPUBLIC  
MINISTRY OF ECONOMY,  
DEVELOPMENT & TOURISM

Annual  
Greek  
Roadshow  
in London

September 20-22, 2016



# Greece: Towards a low-risk, high-yield economy

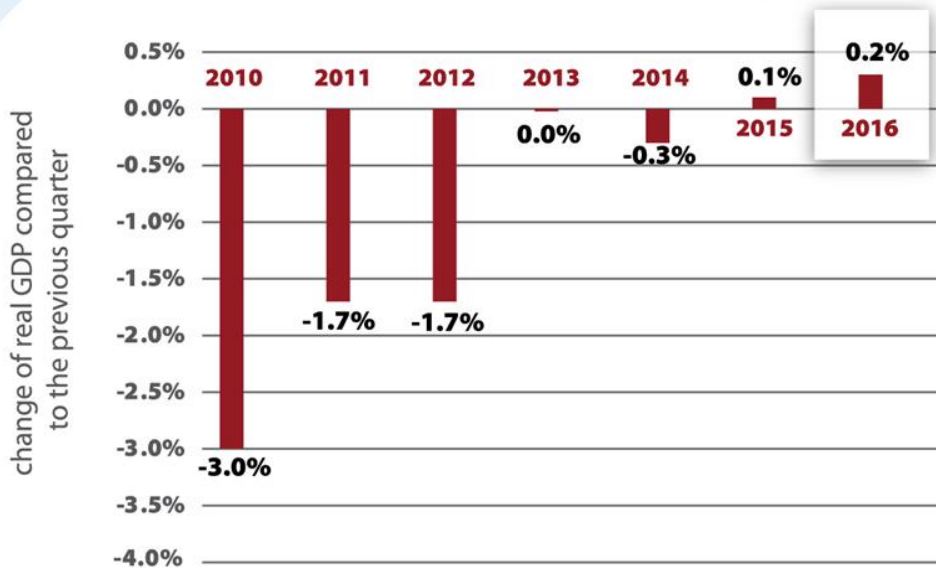
**Alexis Charitsis**

Deputy Minister of Economy, Development & Tourism

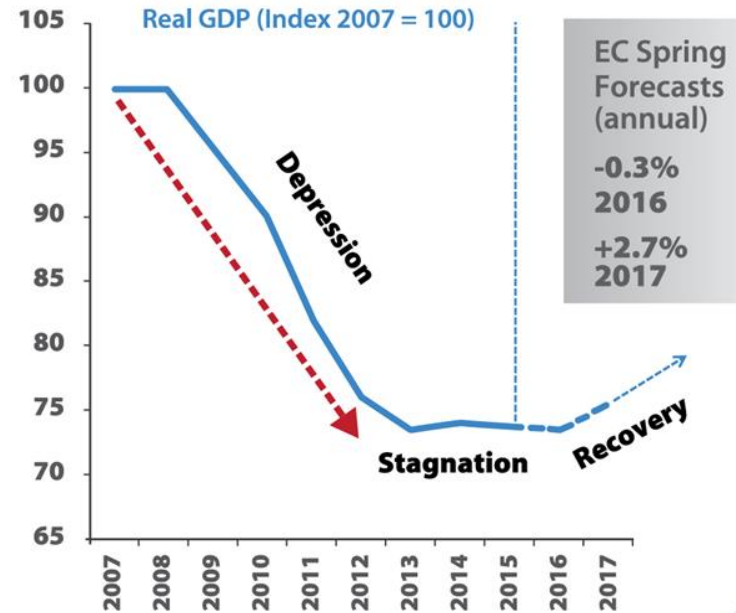
22.09.2016

## AFTER A PROLONGED PERIOD OF RECESSION AND STAGNATION, GROWTH RESUMES...

### Growth rate on the spring quarter



### Medium-term growth drivers

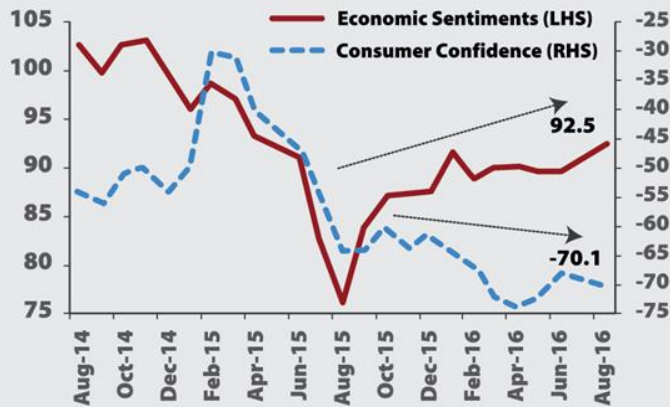




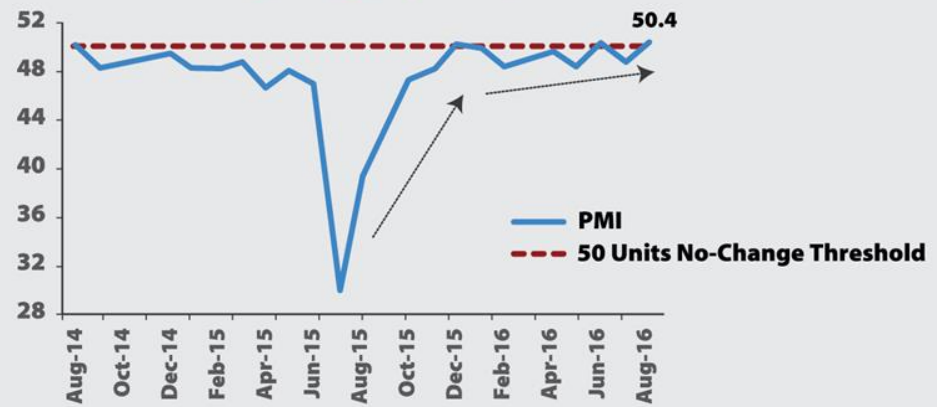
## AFTER A PROLONGED PERIOD OF RECESSION AND STAGNATION, GROWTH RESUMES...

Higher frequency indicators **Gradual stabilisation following last summer's turbulence**

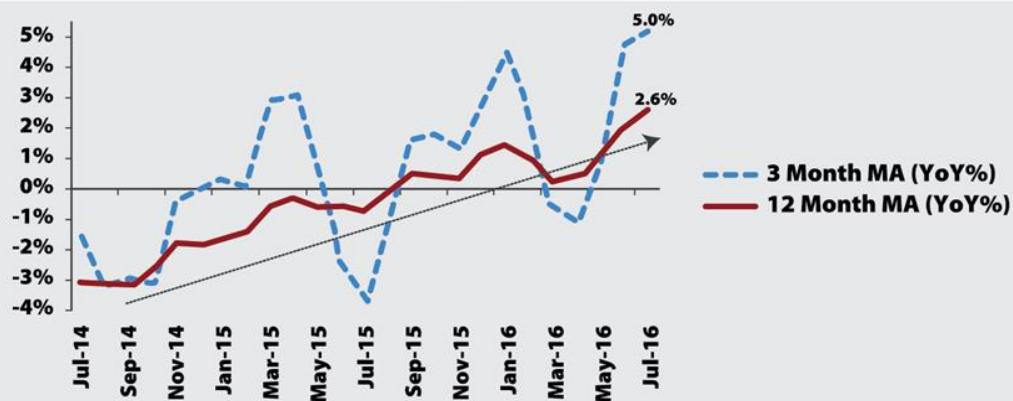
Economic Sentiment: gradual recovery continues



PMI manufacturing: struggling to surpass the boom-bust threshold



Industrial Production: positive signs in recent months



## AFTER A PROLONGED PERIOD OF RECESSION AND STAGNATION, GROWTH RESUMES...

### Tourism: a snap shot

Export champion for Greece, **20 - 25% of GDP & 23.1% of employment** (2015 data)

In **2015**, for a 3rd year in a row breaks its **all time records in tourist arrivals**.

**Arrivals:** 23.6 mn (7.1% y-o-y increase), while ~5 mn more through cruises

**Tourist receipts:** 14.2 bn €, 6% y-o-y increase.

#### Greece ranked, in 2015

**15<sup>th</sup>** in the world in number of international **tourist arrivals** and

**7<sup>th</sup>** in **tourism receipts balance in the world**

**31<sup>st</sup>** (among **141 countries**) in Tourism Competitiveness globally

**12<sup>th</sup>** in Tourist service Infrastructure globally

According to CBRE investments in Athens' hospitality sector has the highest return in the whole Europe, reaching 8.5%

### Tourist arrivals 2015 & 2016



Month of arrival

...AND WILL PROBABLY ACCELERATE IN THE COMING QUARTERS...

Public sector contribution to market liquidity by end of 2016

absorption of ECRF funds  
and public investments

**€6.75 bn**

+

clearing  
of government arrears

**€3.5 bn**

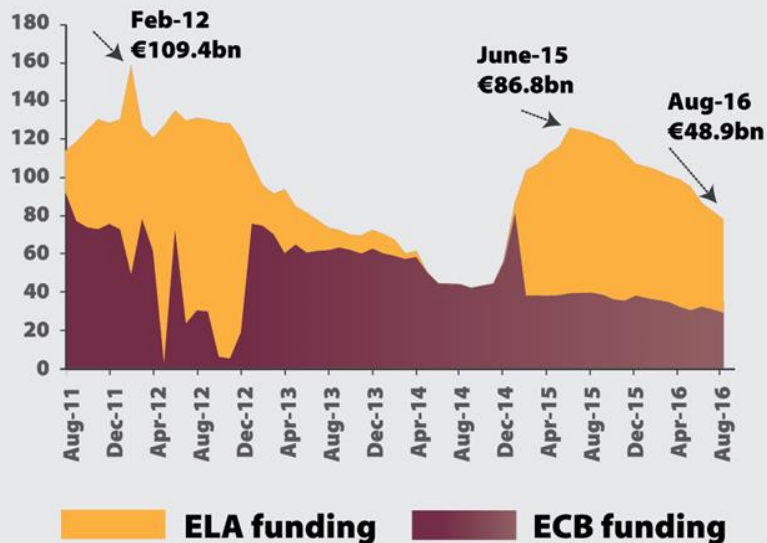
**More than €10 bn**

...AND WILL PROBABLY ACCELERATE IN THE COMING QUARTERS...

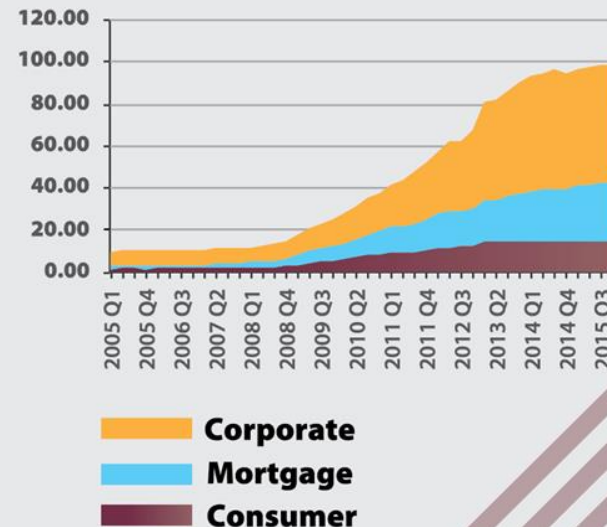


- Gradual relaxation of capital controls
- Normalisation of access to ECB funding
- Rebuild of confidence in the banking sector

Gradual decline in ELA reliance

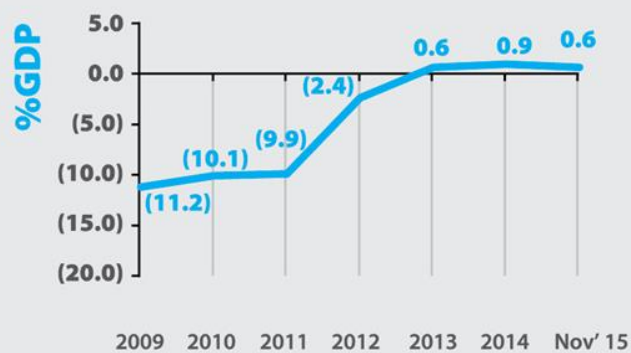


Greece: evolution of non-performing loans including restructured loans by major sectors (EUR bn)

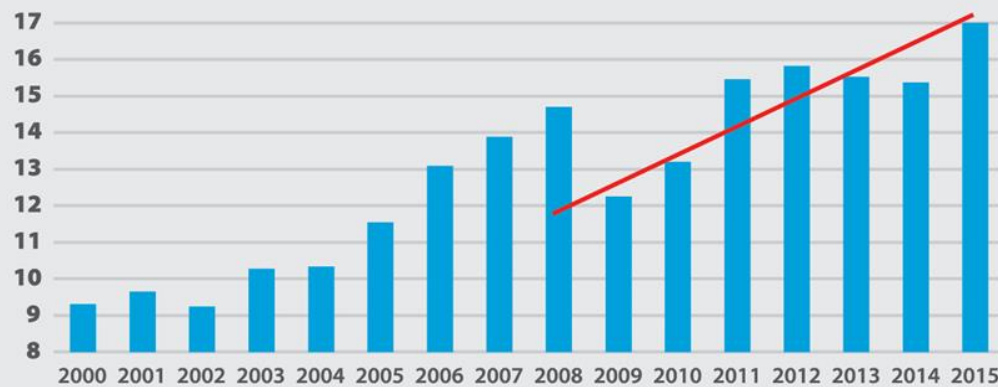


...WHILE MEDIUM-TERM PROSPECTS BECOME BRIGHTER.

Current Account (% GDP)

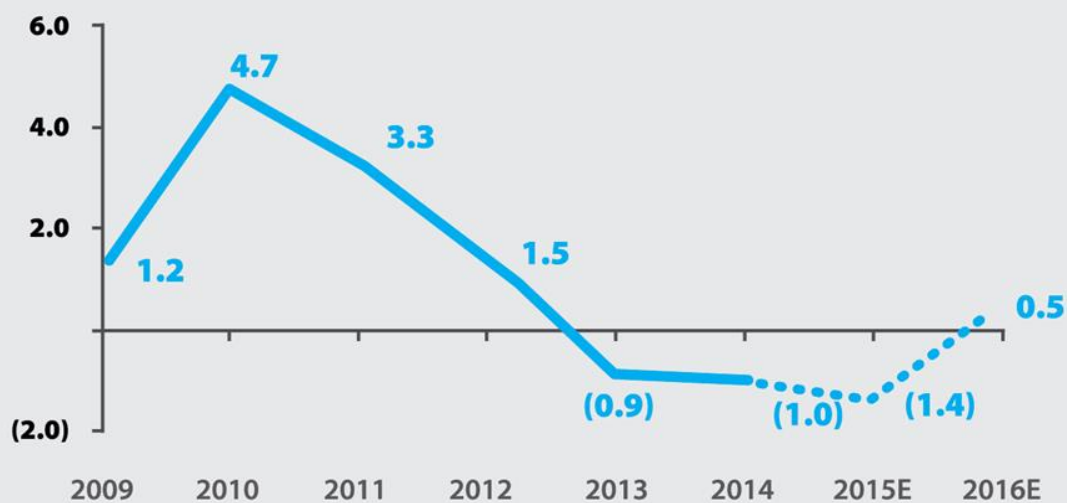


Exports, in bn euros (excluding oil products)



...WHILE MEDIUM-TERM PROSPECTS BECOME BRIGHTER.

## Inflation CPI (% Annual Average)



**According to the Hellenic Statistical Authority unemployment subsided to 23.1% in the 2nd quarter, from 24.9% in the 1st quarter and 24.6% in the 2nd quarter of 2015.**



**... WHILE MEDIUM-TERM PROSPECTS BECOME BRIGHTER.**

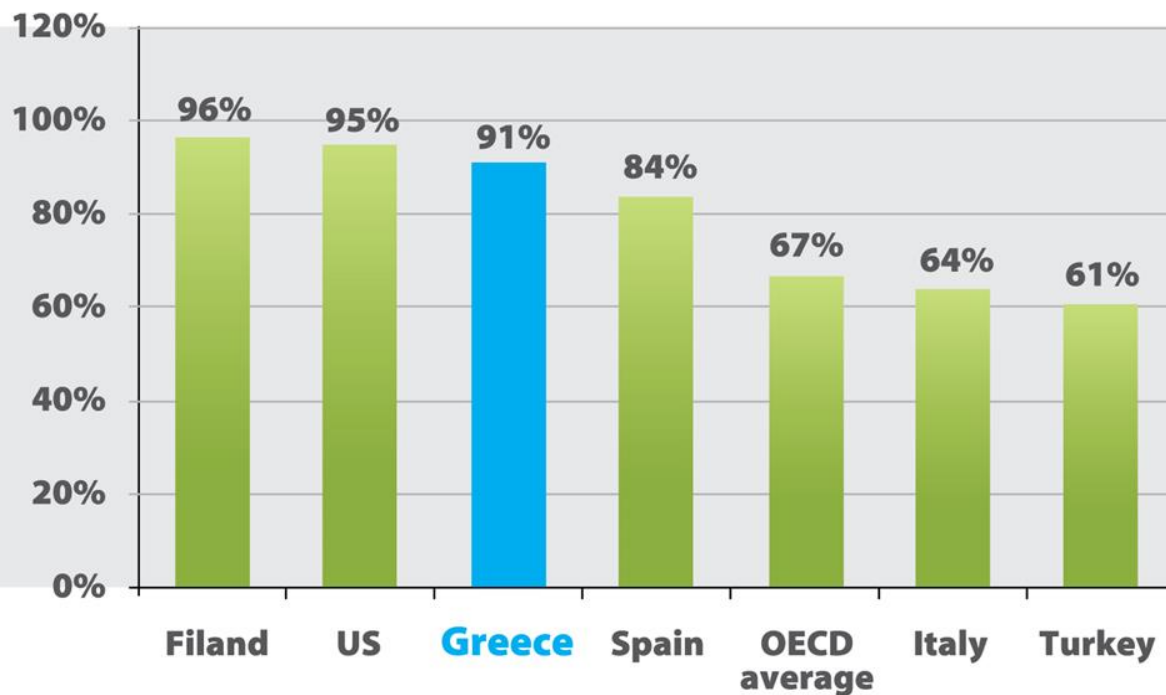
# Debt relief

Discussion on short term measures revolves around:

1. **The fixing of interest rates to lock in as much as possible the current favorable borrowing cost, thereby reducing risk and possibly long term cost**
2. **The re-profiling of maturities to ensure that no single year will carry disproportionate refinancing risk. This re-profiling will also likely embed an average extension of maturities by an average of 4/5 years, which is beneficial to our economy**
3. **The abolition of certain penalties that Greece would have incurred under its current debt obligations**

EXPLOITING ABUNDANT SKILLFUL WORKFORCE REQUIRES INNOVATION AND EXPORT-ORIENTATION...

## Enrolment in tertiary education



## EXPLOITING ABUNDANT SKILLFUL WORKFORCE REQUIRES INNOVATION AND EXPORT-ORIENTATION...

### Greece scores high in science

Greece ranks 3 in percent of graduates in Science ITIF Report Jan 2016

#### Countries' Percentage of Graduates in Science Fields

1.	<b>United Kingdom</b>	12.7%
2.	<b>Germany</b>	12.6%
3.	<b>Greece</b>	<b>12.3%</b>
4.	<b>New Zealand</b>	12.2%
5.	<b>Ireland</b>	11.9%
6.	<b>France</b>	10.3%
7.	<b>Estonia</b>	10.2%
8.	<b>Malaysia</b>	9.5%
9.	<b>Czech Republic</b>	9.4%
10.	<b>Austria</b>	8.9%
11.	<b>United States</b>	8.9%

### Greece exceptional human talent

Greece has the best score in eastern Europe IMD World Talent Report 2015

#### Skilled Labor readily available

1.	<b>Finland</b>	7.67
2.	<b>Greece</b>	7.50
3.	<b>Norway</b>	7.27
4.	<b>Denmark</b>	7.13
5.	<b>Netherlands</b>	7.05
6.	<b>Philippines</b>	7.00
7.	<b>Australia</b>	6.75
8.	<b>Israel</b>	6.70
9.	<b>Iceland</b>	6.69
10.	<b>Ireland</b>	6.68

#### Language Skills

1.	<b>Luxembourg</b>	8.89
2.	<b>Netherlands</b>	8.68
3.	<b>Denmark</b>	8.63
4.	<b>Switzerland</b>	8.57
5.	<b>Sweden</b>	8.48
6.	<b>Greece</b>	8.46
7.	<b>Singapore</b>	8.34
8.	<b>Belgium</b>	8.26
9.	<b>Norway</b>	8.24
10.	<b>Portugal</b>	8.11

The above two tables come from Europe IMD World Talent Report 2015.

**EXPLOITING ABUNDANT SKILLFUL WORKFORCE REQUIRES INNOVATION AND EXPORT-ORIENTATION...**

**Exploit highly-skilled  
workforce**



**Open economy,  
based on innovation  
and creativity**

• Agrifood industry

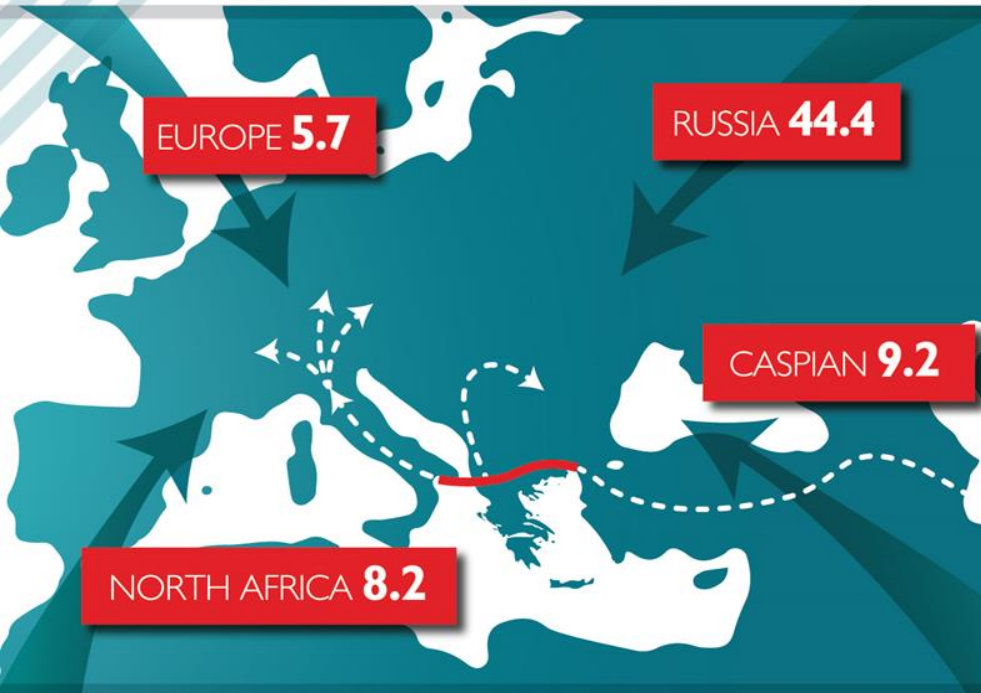
• ICT

• Health-care services



...WHILE STRATEGIC GEOGRAPHICAL POSITION OFFERS UNIQUE GROWTH OPPORTUNITIES.

## Shah Deniz Consortium selects TAP as European export pipeline



**TAP** will transport natural gas from the giant Shah Deniz II field in Azerbaijan, via **Greece** and Albania, and across the Adriatic Sea to Southern Italy, and further to Western Europe.



...WHILE STRATEGIC GEOGRAPHICAL POSITION OFFERS UNIQUE GROWTH OPPORTUNITIES.



### Privatisation of Piraeus port:

In August 2016 COSCO acquired **51% of the port**, for **280.5 mn €**. The percentage can reach **67% in five years time**, while COSCO should invest **300 mn €** upgrading infrastructure and then pay **88 mn €** more for the acquisition of new shares. **410 mn €** more will be the gains for the Greek public state from taxes and dividends.

### Business deals with major multinationals open new horizons

**HP** products will be distributed by sea from the terminal that COSCO controls in Piraeus and by rail via state railway service operator TRAINOSE, saving it 11 days

**Huawei** has started its operations at the Piraeus terminal, to transport its products to Europe

**ZTE** signed an agreement to use the Piraeus Container Terminal for 35 years as their logistics hub for the transportation of products to 12 major European markets

**Sony** will use the Piraeus Container Terminal to ship component parts to their factory in Slovakia



SETTING UP AN OPERATIONAL BUSINESS ENVIRONMENT ABLE TO SUSTAIN HIGH-YIELD OPERATIONS.

**Our Motto:** Making it Simple!

• Simplification

• Efficiency

• Transparency

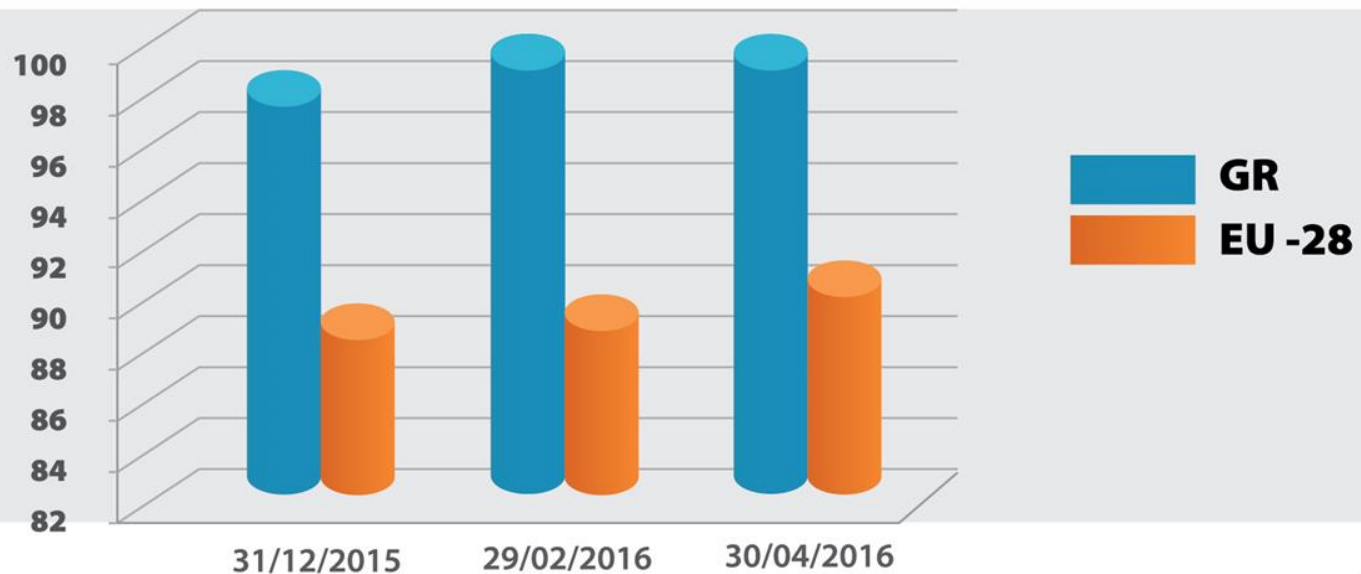
• Acceleration

## EU-FUNDED PROGRAMMES (COHESION FUNDS) AS IMPORTANT FINANCING INSTRUMENTS

### EU-funded programmes - Greece

2007 – 2013 programming period: **1<sup>st</sup> in funds absorption**

2014 – 2020 programming period: **40% funds activation**

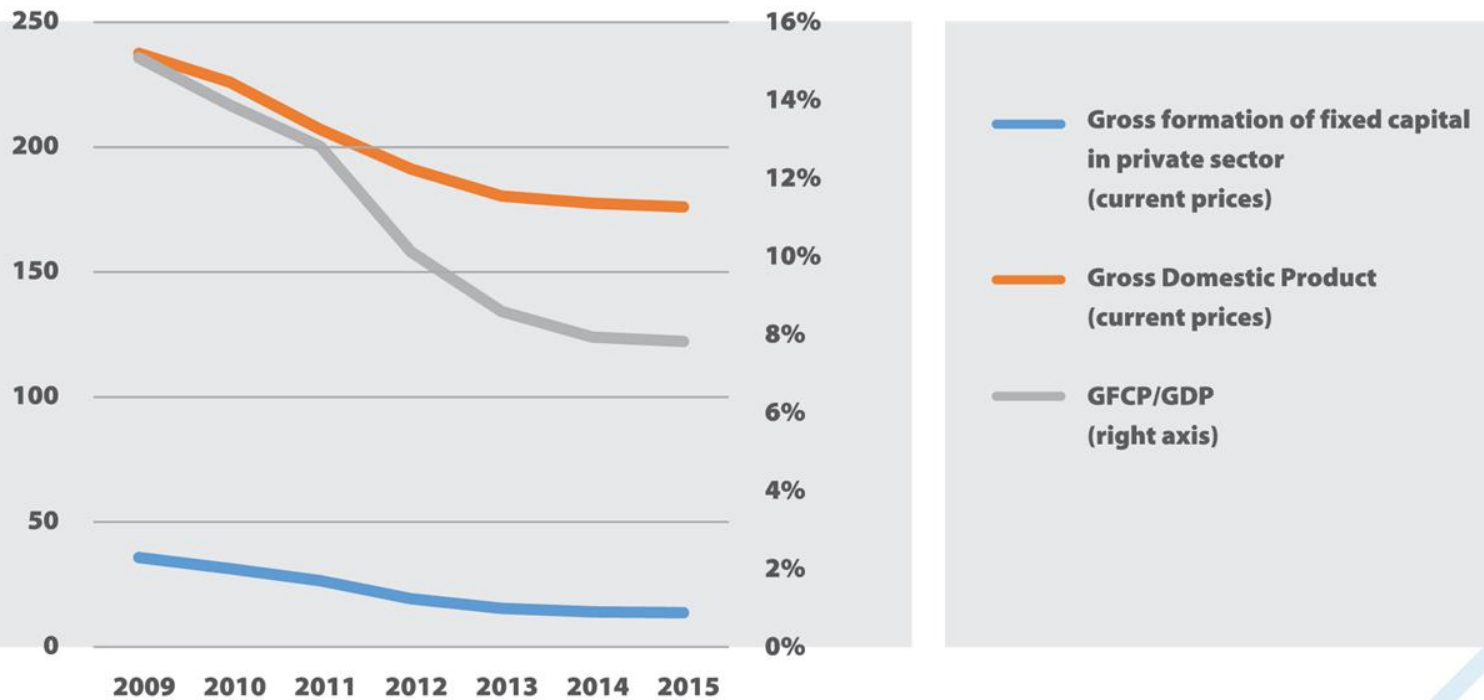


PERCENTAGE (%) STATE OF EXECUTION OF INTERIM PAYMENTS



## THE NEW INVESTMENT LAW: THE KEY TO FIGHT DISINVESTMENT...

Fixed capital, investment gap 2009-2015



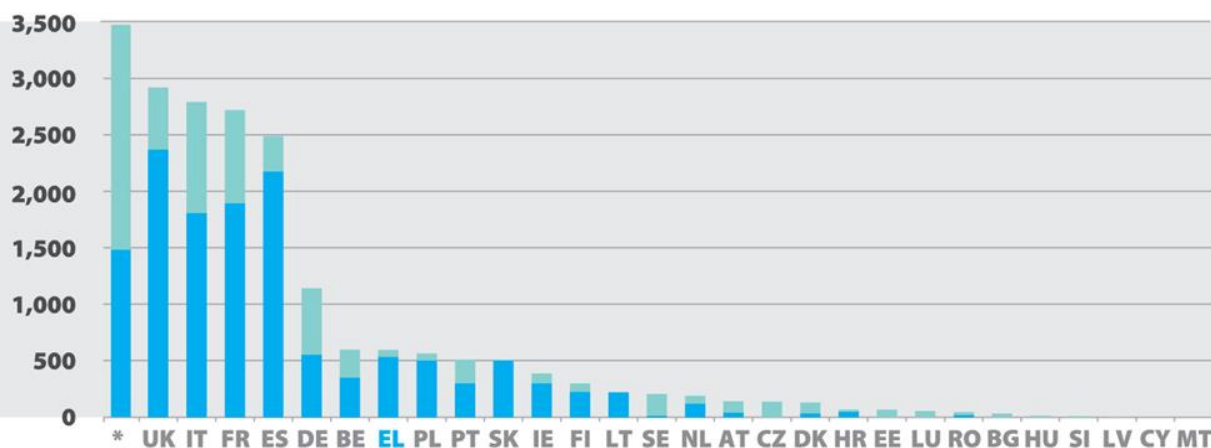
## ... ALONG WITH OUR INVESTMENT PLAN FOR EUROPE

### COUNTRY SHEET: GREECE

■ Infrastructure and Innovation projects approved by European Investment Bank (EIB)

■ SME financing agreements approved by European Investment Fund (EIF)

\* Multiple countries



Infrastructure and Innovation  
**4 projects**

SME financing  
**2 agreements**

#### INFRASTRUCTURE AND INNOVATION PROJECTS

The four projects amount to **EUR 535 million** in European Investment Bank (EIB) financing under the European Fund for Strategic Investments (EFSI). This is expected to trigger **EUR 1.1 billion** in investments and create more than **1,200 jobs**.

#### SME FINANCING

European Investment Fund financing under the EFSI for the two agreements signed with intermediary banks and funds amounts to **EUR 60 million**. It is expected to trigger **EUR 280 million** in investments and benefit **365 SMEs**.



## WHY INVEST IN GREECE?

1. Greece is a stable, developed Democracy that is rebounding from the deepest crisis since the second world war
2. It is part of the Eurozone, the IMF, the OECD and many other peripheral organisations
3. It is strategically situated in the crossroads of 3 continents, offering access to the rapidly growing markets of the Middle East and the SE Europe
4. It maintains strong cultural and business bonds with most countries in the region
5. It has an extended network of modern infrastructure and networks
6. Human resources have high dexterities and international experience
7. The new Investment Law offers 12 years of stable tax rates
8. The new legislation facilitates, accelerates and makes the set up procedure of companies transparent



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Thank you