

*November 2016*



**ENTERPRISE  
GREECE**  
Invest & Trade

*Tourism and Real Estate:  
Invest in Greece's  
classical competitive advantage*

# Greece. Economic Outlook (1)

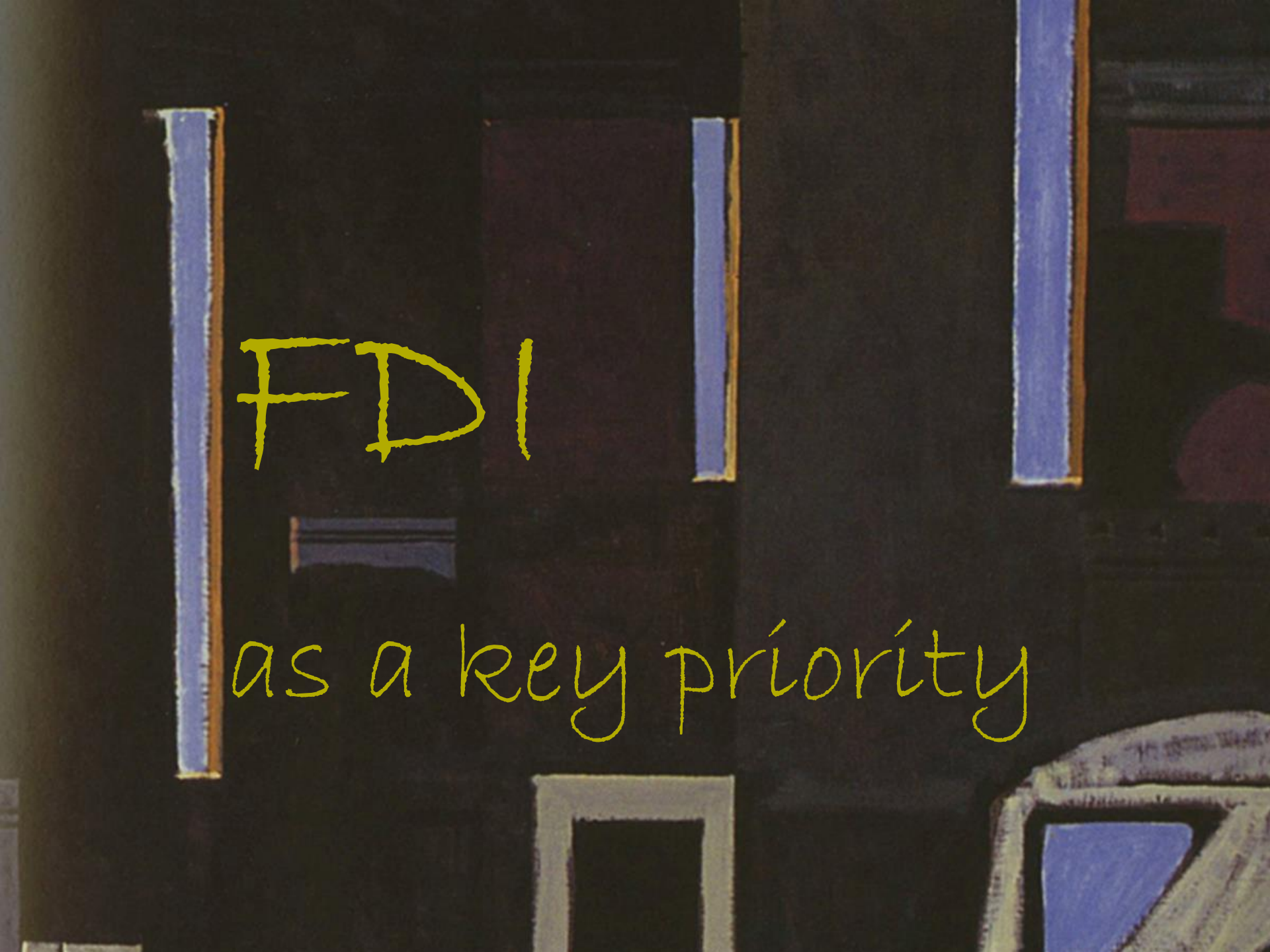
*European Commission for Greece (Autumn report 2016)*

- ❑ After a mild contraction of real GDP by 0.2% in 2015, economic activity is expected to **gradually pick up** as of the second half of 2016 and accelerate markedly in 2017.
- ❑ **Resilient of private consumption.** Inflation is expected to return positive on 2017. The end of deflation era points to revitalization of internal demand.
- ❑ **Domestic demand is expected to increase**, with investment fueling a positive net exports contribution.
- ❑ **Investment is expected to take off in 2017** backed by improved credit conditions and EU funding.

# Greece. Economic Outlook (2)

*European Commission for Greece (Autumn report 2016)*

- ❑ **Economic sentiment improved** further following the steady implementation of **structural reforms** under the new ESM programme and the conclusion of the first review.
- ❑ Progress with **the exploitation of public assets**
- ❑ The **tourism sector** continued to **outperform**
  - ↑ **7,6%** in foreign visitors, an all-time record, exceeding 26 mn tourists
  - ↑ **4,9%** in expenditure by overnight stay at **75 Euro**
  - ↑ **5,5%** in tourist receipts, reaching **14,12 bn Euros**
- ❑ Net **exports' contribution** to growth should **turn positive** in 2017 on account of increased goods exports driven by recent competitiveness gains and **higher investment** in the sector.



FDI

as a key priority



**1.5 bn € deal**

**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



## 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.





On **31 December 2015**, after long negotiations with the Investors, a contract agreement was signed by Jermyn Street Real Estate Fund, as an Addendum of the existing Shares Purchase Contract, regarding the modified Special Plan for the **Astir Pallas Vouliagmenis**.



# Former Athens airport regeneration project

The site spans a total area of approximately 6.2 million sq.m. (620 hectares). It has a 3.5 km coastline and includes a currently operational 337-berth marina (capacity for vessels up to 100 meters length). By way of an indication of its size, the site is more than three times the size of Monaco, more than two times the size of Hyde Park (London, UK) and Central Park (NY, USA).



June 2016: MoU signed between HRADF and Lamda Development

The MoU includes many improvements on the original agreement, such as completion of the investment in a shorter period of time and introducing a clause for to complete 80% of the investment within 12 years.





Condé Nast Traveler Votes  
**Greece** the Best Country in  
the World for 2016 Readers'  
Travel Award

## THE BEST COUNTRIES IN THE WORLD

What are your favourite countries to visit? In our Readers' Travel Awards you told us you really can't get enough of [Greece](#), which continues to capture your imagination with crowd-pleasing scores across the board. You think [Italy](#) produces the best food (closely followed by [France](#)), the [USA](#) has the finest places to stay and [South Africa](#) is fantastic when it comes to value for money. Yet when it comes to scenery, it seems no other destination can touch the vast open spaces and dramatic coastlines of [Australia](#). The Readers' Travel Awards celebrates the best of the best in travel, as voted for by people who love travel: the readers of Condé Nast

# Tourism

One of the most popular destinations in the world is undergoing a regeneration, offering an upgraded and diversified tourist product



# tourism

## a snap shot



- Export champion for Greece, **20 - 25% of GDP & 23.1% of employment** (2015 data)
- In **2015**, for a 3<sup>rd</sup> 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**

International air arrivals data for the 2016 seven month period prove positive again (depicting a + 6.4% )

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



# Greek Tourism 2021

## the new roadmap, just released

- **35 millions arrivals +10 millions**
- **€20 billions tourist receipts +30%**

### requirements:

**€6,5 billions investments** in the next 5 years from both public and private sector

### result:

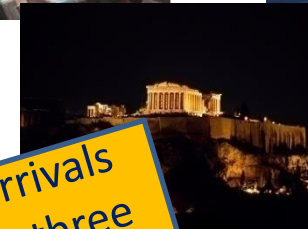
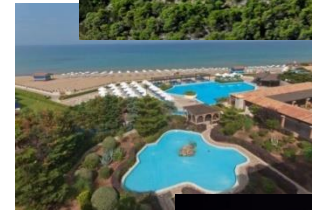
**€43 billions to the GDP with 1 million employment**  
***105,000 new 5\* beds through new developments or upgrades***

# tourism

## investment opportunities



- ✓ Upgrade existing infrastructure – Establish new destinations
- ✓ Large Integrated resorts - Vacation Homes
- ✓ Cruise – Marinas
- ✓ Thematic parks / sports tourism
- ✓ Medical tourism – Thalassotherapy
- ✓ Privatisations of publicly owned assets
- ✓ Enhance city break experience



**+60% in tourist arrivals  
in Athens the last three  
years**

***Private Projects & Public Assets  
available for development in our portfolio***

# residence permits when Investing in Greece

✓ In the case of investments, which are classified as “Strategic”, **residence permits can be granted to the investment’s legal representative**, and up to **ten (10) persons** whose residence permit is considered as a prerequisite for the proper realization of this investment project.

✓ These persons may be accompanied **by members of their families, as well as support staff**, if these are people with special needs.

✓ **Non-EU citizens may be granted a residence permit**, (that is renewed every 5 years) when they either personally or through a legal entity have the ownership, use and possession of property in Greece or have purchased a tourism residence timeshare for at **least 10 years or a 10 year lease** of hotel accommodation/ fully furnished tourism complex. The minimum amount of capital invested in order to apply for the above is **250,000 €**.

✓ They may also be accompanied by **members of their family** who are granted, on request, private residence permits that can be renewed and / or expire concurrently with his original permit



Greece  
My Residence  
Golden Visa Programme



Law 4146/2013

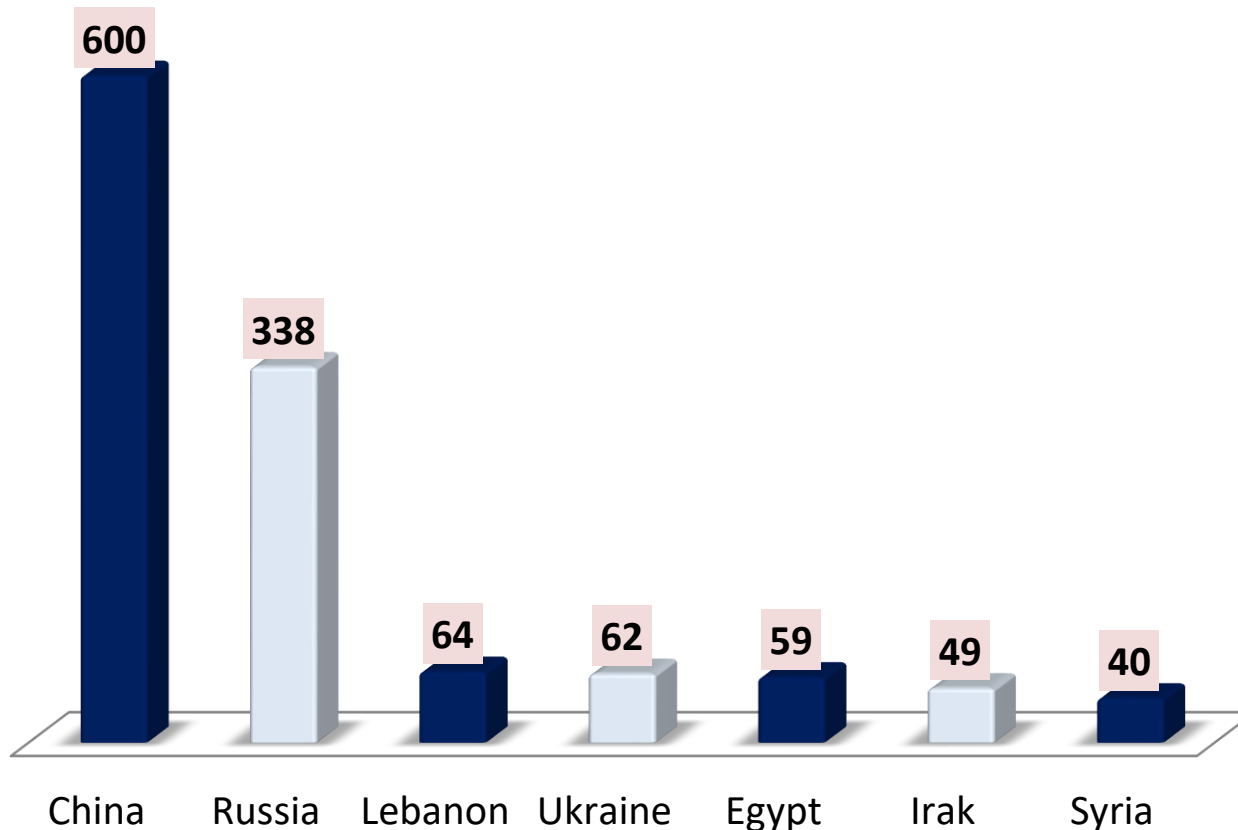
[www.enterprisegreece.gov.gr](http://www.enterprisegreece.gov.gr)



# residence permits when Investing in Greece

## A fast-growing Program

Number of residence permits for real estate owners  
issued per country (November 2016)



A total of **1.433** residence permits have been issued since the commencement of the program for real estate owners.

# *10 + 1 reasons to invest in Greek Tourism market*

Established tourism destination, among the 20 biggest tourism markets in the world

Low penetration of international hotel chains

Unique competitive advantages emerging from landscape, location, climate, history and culture

New legislative framework for integrated tourism resorts

Steps toward extension of seasonality provide huge potential for an increase in tourist visits

International public tenders for public tourist assets in progress and in the pipeline

Low percentage of 5\* and 4\* hotels provides room for expansion in these categories

Combined business opportunities with agri and food companies to promote world known Greek gastronomy

Need for quality 3\* accommodation facilities in major cities

Investments Incentives Law and Fast Track Law dramatically facilitate tourism investments

***+ 1 Government firm strategic decision to support the sector***

# *Strengths and Weaknesses creating investment opportunities*

Established  
tourism  
destination  
with an  
eternal brand  
name

Unique  
cultural  
heritage and  
archaeological  
monuments

Breathtaking  
landscape  
with more  
than 6,000  
island and  
islets

Heavily  
based on  
the sun-  
sea-sand  
tourism  
model

Tourism  
revenues at  
one of the  
highest % of  
GDP in  
Europe, but  
low average  
income per  
tourist

- Increase receipts per tourist
- Attract tourists from new markets
- Tackle seasonality
- Exploit current trends in tourism marketing
- Enhance tourism model, incorporating special forms and development of tourism residences
- Take advantage of the number of islands, promoting sea tourism
- Exploiting synergies between tourism and culture and between tourism and medical sector



# government policies

to improve Business Climate and return to growth

- ❑ Absorption of the available Structural Funds for the period 2014-2020
- ❑ New investment Law that will support new investments
- ❑ Cooperating with international financial institutions to increase liquidity and ease investment financing (EIB, EIF, EBRD, IFC, Black Sea Bank etc)
- ❑ New Development Fund to support SMEs through microcredit, guarantees, loans
- ❑ NPLs framework in place
- ❑ Acceleration of the Privatisation agenda
- ❑ Ease of licensing, with the cooperation of World Bank,
  - ✓ in tourism, horeca, food (summer 2016), and
  - ✓ mining (March 2017)

# New Investment Law - State aid schemes

## Aid schemes:

- 1) Tax exemptions
- 2) Cash grants
- 3) Leasing subsidy (leasing)
- 4) Wage costs subsidy
- 5) Financial instruments (capital participation, loan guarantee, loan etc.)
- 6) Fixed tax system for a certain period of time
- 7) Rapid licensing

Percentages depend on the size of the company and the region of the country in which the project will be implemented

## State Aid percentages :

Regional State Map percentages foresee maximum aid rates reaching **55%** of the total investment cost for small and very small enterprises and **35%** for large enterprises.

# Latest deals

## Latest deals in Tourism

- ✓ The **first Aman Resort (Amanzoe)** and the first Nikki Beach Hotel opened their doors in Argolida, while further luxury villas and hotel development is in progress in Peloponnese (Messinia, Argolida, Ilia, Laconia)
- **Lamda Development** supported by **Chinese and Emirati investors** has gained the tender for the former Hellinikon airport development (part of Athens Riviera).
- **US Oaktree Capital** announced joint venture with Greek SANI SA to expand in Greek tourism market
- **Saudi Group Somewhere Hotels invest in Hotels in Greece**
- **Arab and Turkish companies' consortium** gained a tender for Astir Vouliagmenis complex in Attica
- **US Fund NCH Capital** gained a tender for the development of a 50 hectare tourism land plot in Corfu – Kassiopi plot
- **Qatari investors** acquired private island and resort for further development
- **Russian billionaire Rybolovlev** acquired famous Onassis's island Skorprios
- **Turkish Dogus Holding** announced a joint venture with Lamda Development to expand marina network in Greece
- **US Hotel Group Diamond Resorts International** acquired the rights of five resorts located on the Greek islands
- **Russian Hotel Group Cronwell Hotels & Resorts** acquired Hotels in northern Greece (Chalkidiki and Pieria)
- **Vita Hotels** has added two new accommodation investments on the island of Crete



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