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ENTERPRISE GREECE
INVEST & TRADE

NEWSLETTER



Greece



EDITORIAL

Our View: Growth & Stability



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Greece continues to implement its program of fiscal discipline and economic reform. Investors, financial markets and credit ratings agencies are noticing.

In just the last few weeks, the Greek government has raised almost €4 billion from two landmark privatizations, submitted a draft budget that projects increased public investment, and has pledged to drastically reduce sovereign debt over the next four years, including the early repayment of billions of euros in crisis-era loans.

All this, even as economic growth in Europe remains slow and global financial markets are gripped with uncertainty. The trust that Greece inspires now is a vote of confidence by both foreign and Greek investors in the prospects of the Greek economy and the government's fiscal program.

Greece is witnessing a convergence of positive developments: a large reduction in debt, reduced tax evasion, increased defense spending, the strengthening of the welfare state, lower unemployment, lower taxes, and higher incomes. That means Greece will continue to grow and continue to inspire confidence in the years ahead.

Greek F&B exports grow amid slowdown, expand into new markets



Signature Greek foods and beverages – from Feta cheese to Ouzo – continue to gain ground in foreign markets, defying the slowdown in global exports that have weighed on other products and underscoring the continuing popularity of Greek cuisine.

Amid only a modest 2.7% increase in global merchandise trade so far this year, Greek F&B exports are up roughly 7%, and this year's gains represent the latest in roughly a decade of continuous growth. Overall, Greek food exports have more than doubled in value to over €10 billion a year in the last 10 years, and the sector remains a cornerstone of the Greek economy. The reasons, say experts, are manifold.

Among them has been the growing popularity of the Mediterranean diet with health-conscious consumers around the world. This year, for example, the American newsweekly, U.S. News & World Report named the Mediterranean diet the best overall diet for the seventh consecutive year.

The multiple health benefits of the Mediterranean diet have been endorsed yet again in scientific research. Just in the last several weeks, a trio of new research papers have declared that the diet can reduce heart disease in women, help control weight in children, and also arrest cognitive decline.

At the same time, there is growing recognition of the superior quality of Greek food products, something that became increasingly pronounced during the Covid pandemic when Greek foods and ingredients gained favor in Europe over rival products from other countries. That has also helped Greek producers enter and expand into new markets outside Europe, particularly in North America and Asia.

There is particularly strong demand for Greek dairy products – like Feta and yogurt – fish, fruits, vegetables, and olive oil. Compared with a decade ago, for example, Feta cheese exports have risen by 700% and now account for €1 billion in overseas sales, up from €142 million in 2014.

Helping showcase Greece's food sector, Greek exporters turned out in record numbers at this month's giant SIAL Paris food fair in the gastronomic capital of Europe. The biennial exhibition, which was held October 19 to 23 and celebrated its 60th anniversary, is the largest F&B trade fair taking place this year, drawing some 265,000 visitors and more than 7,000 exhibitors from some 200 countries. Greece was represented by about 280 exhibitors in total, including a national delegation of 120 companies organized by Enterprise Greece, marking the 40th year that Greek exhibitors have taken part in the fair.

Total value OF FOOD & BEVERAGE EXPORTS

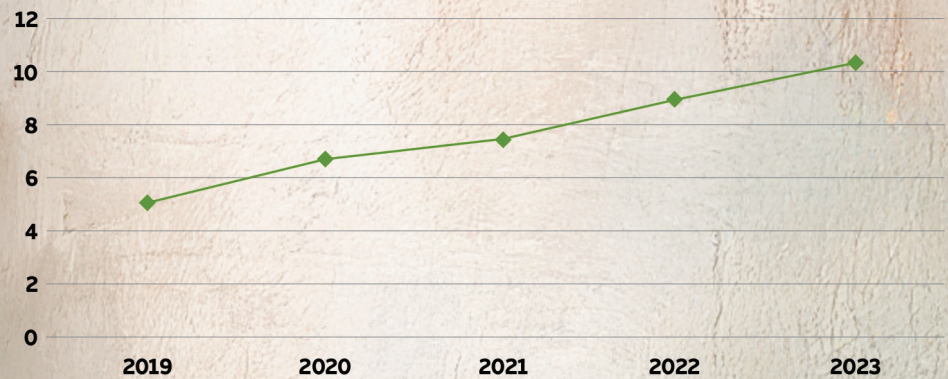
FOR THE PERIOD JANUARY-AUGUST 2020-2024
(€ millions)

	2020	2021	2022	2023	2024
Food & Live Animals	3.494,7	3.839,4	4.612,3	5.061,6	5.440,5
Beverages and tobacco	529,6	619,8	694,4	877,8	954,1
Oils and fats of animal or vegetable origin	366,1	490,3	545,3	1.130,3	676,9
Total	4.389,8	4.949,5	5.852	7.069,9	7.071,5

Source: Enterprise Greece, Hellenic Statistical Authority

Greek food exports

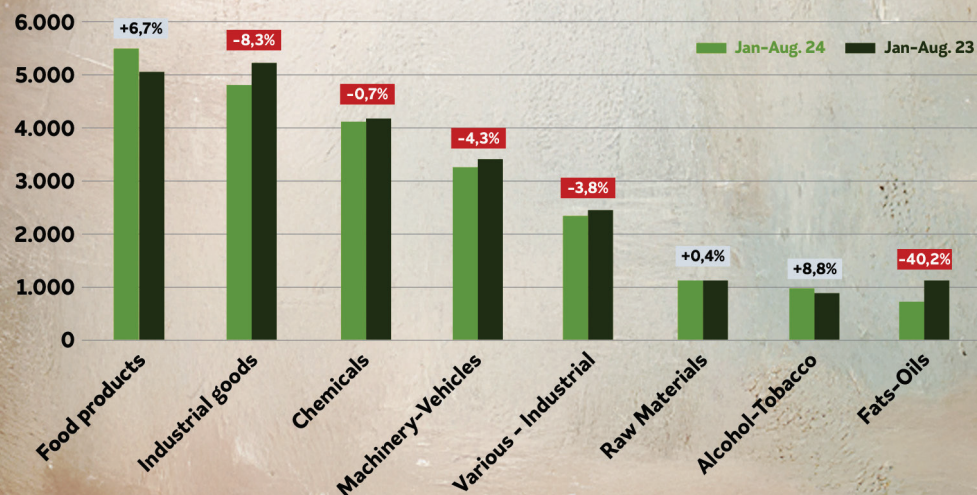
(€ billions)



Source: Enterprise Greece, Hellenic Statistical Authority

Greek F&B drive exports

(€ millions)



Source: SEVE Greek Exporters Association

Greece to accelerate debt reduction on strong growth, fiscal discipline

GREECE MEDIUM-TERM FORECASTS

	2023	2024	2025	2026	2027	2028
REAL GDP:	+2.0%	+2.2%	+2.3%	+2.0%	+1.5%	+1.3%
DEBT-TO-GDP:	161.9	153.7	149.1	143.1	138.0	133.4

Supported by strong economic growth and tight fiscal discipline, Greece aims to accelerate its debt reduction strategy, slashing roughly 20 percentage points off its debt-to-GDP ratio over the next four years, and will proceed with early repayment of outstanding debt for a third time later this year.

According to the Greek government's Medium Term Fiscal Plan, which was unveiled along with the draft 2025 budget, public debt is expected to decline to 133.4% of GDP by 2028 from 153.7% of GDP in 2023. This December, the government will also pay off €7.9 billion in loans stemming from the European financial crisis, which are due to mature in 2026, 2027 and 2028.

During the almost decade-long crisis, Greece received hundreds of billions of euros in special support from its Eurozone partners and the IMF. Its sovereign rating was reduced to junk status and the country's debt-to-GDP ratio peaked at over 200% in 2020. Since then, however, Greece has twice repaid loans ahead of schedule – in December 2022 and December 2023 – and has regained investment grade status.

Over the same period, the Greek economy has boomed, outpacing growth in the rest of the Eurozone and supported by strong public and private investment. "This solid performance is expected to continue, despite the challenging external environment, with projections indicating a continued positive trajectory in 2024 and 2025," according to the MTFP. "Real GDP is projected to grow by 2.2% in 2024 and 2.3% in 2025, supported by rising disposable income, increased investment, strengthening foreign demand and the waning impact of monetary policy tightening."

With respect to investment, gross fixed capital formation is projected to accelerate, growing at a 6.7% rate next year, and an 8.4% rate in 2025, up from 4.0% last year.

News in Brief



Greek Economy

Greece's economy grew at a revised 2.3% rate in 2023, up from a previous 2% estimate, on a 6.6% increase in investment, up from a previous estimate of 4%, according to the Hellenic Statistical Authority. The new estimates were the result of a European Union-mandated review of national accounts for the period 1995-2022. As a result, Greece's nominal GDP was revised €5 billion higher to €225.2 billion from €220.3 billion previously.

Bank Privatization

Greece's special bank support fund raised €690 million from the sale of a 10% stake in National Bank of Greece amid strong demand from investors. The sale is the latest in a series of privatizations of Greece's major lenders this year by the Hellenic Financial Stability Fund, a special fund created to help stabilize the banking sector during the financial crisis.

Road Privatization

Parliament approved the 25-year concession of the Attiki Odos ring road, the major east-west highway stretching across the northern suburbs of Athens. The contract was awarded to Greek construction and energy conglomerate GEK TERNA, which paid €3.27 billion for the contract.

LNG Facility

Greece's newly-built liquefied natural gas facility in the northern port of Alexandroupolis began commercial operations on October 1 with the arrival of its first cargo. The facility consists of a floating storage and regasification unit and a pipeline connecting it to Greece's natural gas grid through which it will be able to deliver natural gas throughout Southeast Europe.

Data Center

UK data center company Apto, a subsidiary of U.S. investment fund PIMCO, has partnered with Greece's Dromeus Capital Group, to develop a state-of-the-art €300 million hyperscale data center facility near Athens. In an announcement, the company cited Greece's strategic location, its rapidly developing digital infrastructure and its abundant renewable energy sources as reasons for initiating the project.

Athens Hotels

A new survey by consulting firm Deloitte named Athens as one of the Top 10 European cities for hotel investment in 2025. The same survey last year ranked Athens as the 11th most attractive European city for hotel investments.

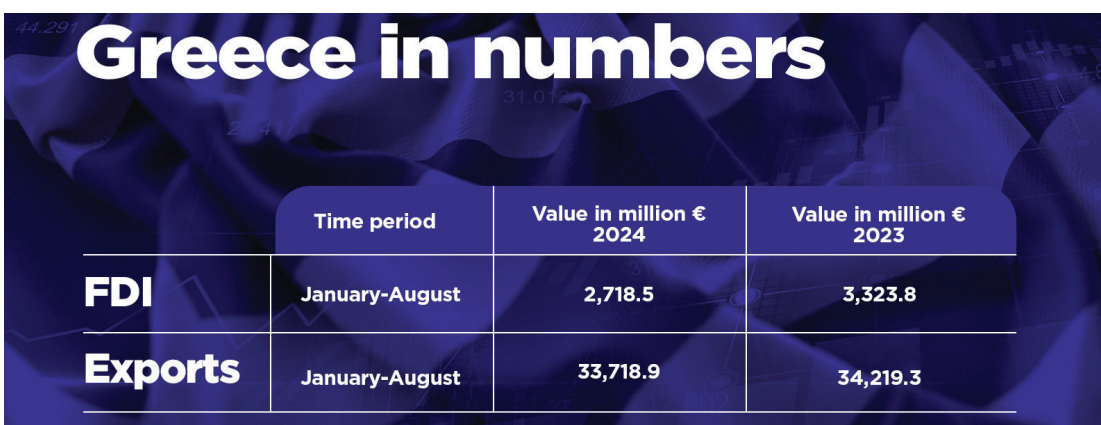
United Airlines

Leading American air carrier United Airlines will increase the number of non-stop seasonal flights to Athens for the summer of 2025, with services to New York, Chicago and Washington, DC. Overall, the airline's seat capacity between Greece and the U.S. will increase by nearly 30% next year.

CERN President

University of Ioannina Distinguished Professor Konstantinos Fountas was elected President of the Council of CERN, Europe's leading nuclear and particle physics research laboratory,

for a two-year term from 2025 to 2027. Prof. Fountas is currently the Greek representative to CERN and his selection as president is a first for Greece.



Greece sets ambitious new targets to cut emissions, expand renewable energy



Greece has set ambitious new targets to cut emissions of greenhouse gases and expand the use of renewable energy under its revised National Energy and Climate Plan, which foresees hundreds of billions of euros of investment through 2050.

The new strategy aims for a 58% reduction in greenhouse gases by 2030, an 80% reduction by 2040, and complete neutrality by 2050. The revised NECP for 2025-2050 will also ensure full energy independence for Greece by then. The plan foresees that the share of renewable energy sources in electricity generation – currently around 57% – will increase to 75% by 2030 and 95.6% by 2035.

The roll out of new renewable energy projects, new technologies, new power interconnections, and energy conservation measures will require combined investments of €436 billion by 2050. This will contribute €6 billion annually to gross value added and boost GDP by 2.5% through the middle of the century. It is forecast that 210,000 new jobs will be created each year from 2025.

The plan is divided into three sub-periods. The first, in 2025-2030, foresees the continued, rapid penetration of wind and solar projects, the accelerated adoption of electricity in urban transport, and energy efficiency in buildings. The next five years will also lay the groundwork for next-generation technologies and projects such as biomethane, hydrogen and offshore wind farms, as well as carbon capture and storage, and the roll out of large-scale heat pumps.

The second period, from 2030 to 2040, foresees the further greening of power production, accelerated energy conservation in buildings and electrification in transport, as well as the wider adoption of new generation energy sources and technologies. The third period, from 2040 to 2050, foresees the adoption of cleaner energy sources in industry, shipping and aviation, as well as new fuels and technologies like hydrogen and synthetic fuels.

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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