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**ENTERPRISE GREECE**  
INVEST & TRADE

# NEWSLETTER

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EDITORIAL

## Our View: Back to the Future



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After a tumultuous decade, Greece is officially back. In the past few weeks, two of the world's leading credit rating agencies have restored the country's sovereign rating to investment grade with more such actions expected in the months ahead. The upgrades reflect years of hard work and sacrifice by Greece and the Greek people.

A new and better Greece has emerged in that time. The country has been transformed and now boasts one of the fastest growth rates in Europe; a competitive and market-friendly economy; an ever healthier fiscal balance. These are the products of a consistent and far-sighted economic policy that have addressed the ills of the past.

But just as importantly, these latest rating upgrades are also a clear endorsement of the future. Greece's new economic model and the country's improved governance signal the beginning of a new and prosperous chapter for the years to come.

# Greece returns to investment grade amid ongoing reforms, economic growth



Source: Greek government

Greece has returned to investment grade status following back-to-back upgrades this month from international credit ratings agencies in Europe and Asia, signaling further upgrades in the months ahead and underscoring the success of the country's economic policies.

In separate announcements, Japan's Rating and Investment Information agency and Germany's Scope Ratings, raised Greece's credit rating one notch to BBB- from BB+ and assigned a stable outlook for the country. In their respective reports, the two agencies cited a host of reasons for their upgrades. Among them: Greece's sharply reduced sovereign debt burden, a successful and ongoing reform program, an improved fiscal balance, robust economic growth, healthier bank balance sheets and continued support from European institutions.

"The upgrade is the result of policies that have been implemented over the previous four years and which led, despite international crises, to the reduction in the debt, the acceleration of structural reforms and the utilization of resources provided by the European Union," the Finance Ministry said in a statement. "The intention of this government is to continue, without deviation or ambivalence, the same serious and responsible fiscal policy, which is the only solid foundation for the growth prospects of the Greek economy."

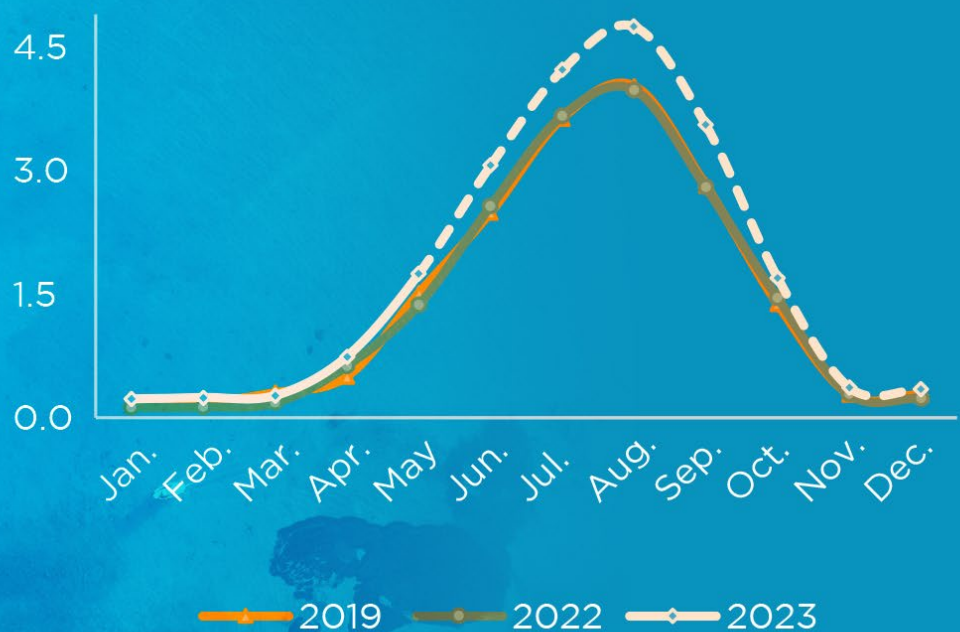
The latest ratings actions represent a significant milestone in the country's economic recovery. In 2011, in the midst of the global financial crisis, Greece was downgraded to junk status by the world's credit agencies. The following year, the country was forced to undertake a major debt restructuring that was followed by years of painful economic reforms.

These latest upgrades are also seen as a harbinger of similar actions from other rating agencies in the months ahead. Particularly important will be upcoming ratings decisions by the world's four leading ratings agencies – DBRS Morningstar, Moody's, Standard & Poor's, Fitch – each of which hold special status with the European Central Bank. An upgrade from an ECB-recognized agency will mean lower financing costs and greater investments in the country.

# Greek tourism on track for record setting year

On track for  
**a record  
year**

International tourism revenues  
€ billions



Source: National Bank of Greece

Despite successive heatwaves across the south of Europe in June and July, Greek tourism is on track for a record year, confirming the industry's role as the driver of the country's economy and helping Greece achieve one of the highest growth rates in Europe.

According to official Bank of Greece data, the country welcomed a total of 5.76 million international travelers in the first five months of 2023, 32.9% up from the same period in 2022. More recent data on international arrivals through Athens International Airport – a proxy for overall visitor numbers – show arrivals up 30% year-on-year in the seven months through July, and 8% above the same period in 2019, the previous record year.

“The momentum in spring, the first positive indications from summer bookings, and an improvement in consumer confidence in major markets, have set the stage for record arrivals in 2023,” said National Bank of Greece in a recent report. It projects that tourism revenues this year could surpass the previous 2019 record by 20% and reach €21 billion this year.

With its white washed island villages, plethora of world heritage sites and sunny Mediterranean climate, Greece is among the world's Top 20 tourism destinations. Each year, the country welcomes some 30 million visitors and tourism accounts for roughly one-fifth of GDP and one in five jobs.

Over the last five years, Greece's hospitality sector has welcomed a rush of investment with more than 150 new and refurbished hotels – most in the 4- and 5-star category – opening their doors around the country and including more than 60 in just Athens alone. According to Greek media reports, Greek short-term housing rentals have also seen a boom in visitors – both during the peak summer tourist season and after – making Greece one of the best performers among top European markets this year.

## News in Brief



### State Department

The Greek government has pursued “an aggressive investment and economic reform agenda”, the U.S. State Department said in its 2023 Investment Climate Statements report on Greece. “Greece is increasingly a source of solutions – not just in the fields of energy diplomacy and defense, but in high-tech innovation, healthcare, and green energy, improving prospects for solid economic growth and stability here and in the wider region,” the report adds.

### OECD Forecast

Greece’s economy is expected to grow 2.2% this year and 1.9% in 2024, according to the latest OECD forecast. It notes that the Greek economy has rebounded well from the pandemic. And, despite surging energy prices and uncertainty following Russia’s war against Ukraine, Greece has fared well thanks to increasing investments and exports, government support measures, and implementation of the Greece 2.0 Plan.

### Power Project

EuroAsia Interconnector has awarded France-based Nexans a €1.43 billion, turnkey contract for the engineering, construction and installation of a high voltage, submarine power cable between Greece and Cyprus. The multibillion euro project, one of the most ambitious cross-border power projects in history, aims to connect the power grids of Israel, Cyprus and Greece, offering a capacity of up to 2,000 MW and creating an energy highway between Europe and Asia. The project is expected to be completed by 2029.

### Natural Gas

Data from the National Natural Gas System Operator, DESFA, shows that natural gas exports grew 15% year-on-year in the first half of 2023, underscoring how Greece has emerged as energy distribution hub for Southeast Europe. The Revithoussa LNG Terminal was the primary gateway for natural gas imports to Greece, receiving 55.5% of total imports, up 7.87% compared to the first half of 2022. Approximately 17.3 TWh of LNG were unloaded in Revithoussa, of which 41.38%, or 7.16 TWh, came from the U.S.

### Offshore Wind

Greek refiner Helleniq Energy and German power company RWE have signed a framework agreement to jointly develop offshore wind projects in Greece. The two companies told Kathimerini newspaper that they are ready to survey prospective offshore sites that will be licensed for development. The Greek government has announced plans to develop 2-2.5 GW of offshore wind power capacity.

### Hotel Investment

Fattal Hotel Group, Israel’s largest hospitality organization, has inaugurated its 5-star NYX Esperia Palace Hotel in central Athens, marking its entry into the Greek market. Located close to Syntagma Square, the property is housed in a renovated 1970s building and offers 212 rooms.

### Golden Visa

Non-European Union nationals have invested some €1 billion in the first five months of the year to secure residency permits under Greece’s Golden Visa program, according to data from the Ministry of Migration and Asylum. And in the ten years since its launch, the program has brought in more than €5 billion in investments, mainly in real estate, with some 13,000 visas issued. Starting Aug. 1, the minimum threshold for property investment in select areas of the country has doubled to €500,000, but remains unchanged in the rest of Greece.

### Market Outlook

U.S. investment banking giant Morgan Stanley sees Greece as the world’s top rated emerging market thanks to its ongoing reform program. Speaking in an interview with broadcaster CNBC, said Marshall Stocker, co-head of emerging markets at Morgan Stanley, said: “Greece is our top holding because of the improvement in the economic institutions that country has undertaken under this current government.”

## Greece in numbers

	Time period	Value in million € 2023	Value in million € 2022
<b>FDI</b>	January-June	1,994.1	4,587.5
<b>Exports</b>	January-June	25,806.3	26,027.8

# Greek gaming, animation sectors gain growing recognition abroad

# SELINI

Who Reeks  
The three more Goblins running  
leads you from the tunnel opening!

I shoot at a Goblin using Verifiable Hit™.

Player  
ghter

A GAME B

Greece's creative talent is coming into its own, gaining recognition on the world stage with a growing presence in gaming and animation, two of the world's fastest growing creative industries with a combined market worth some three-quarters of a billion dollars.

Despite a rich talent pool and tradition in graphic design, technology and animation, Greek gamers and animators have had less visibility on the international stage relative to the country's other major export industries. But that is beginning to change.

This month, more than 20 Greek game developers from 10 of Greece's top companies and organizations, took part in gamescom 2023 in Cologne, Germany, the world's largest event for computer and video games. The Greek national delegation, organized by the Game Developers Association of Greece, in partnership with Enterprise Greece and Corallia's gi-Cluster, follows the country's first ever participation at the event in 2022.

And next month, Greek animators will be showcased at this year's Animasyros International Animation Festival, which will take place from September 26 to October 1 on the island of Syros, and with the support of Enterprise Greece.

At both the gamescom exhibition and the Animasyros Festival, Greek creatives will be promoted through a series of face-to-face meetings with international investors, judges and other special events. Several Greek games were showcased at gamescom's Indie Arena Booth, while in the special Agora event at Animasyros, 15 Greek creators will be selected to participate in 20 minute meetings with internationally renowned producers and artists from Europe and the U.S.

## CONTACT US

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