

# GREECE

## Marches forward

Greece's widely praised management of COVID-19 makes the Mediterranean country one of the safest and most rewarding places in the world for tourists and investors in 2020



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GREECE



CONTENT FROM COUNTRY REPORTS

GREECE



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## Greece marches forward

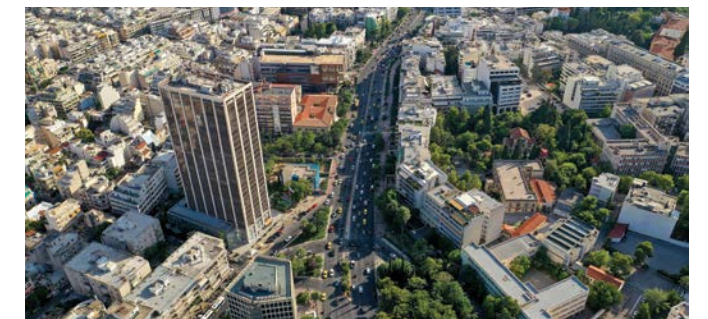
The dynamic economy shows signs of a rapid rebound after coronavirus

This month, construction began on Athens' €8-billion Hellinikon Project, Europe's largest urban redevelopment scheme that "symbolizes the new Greece," according to Prime Minister Kyriakos Mitsotakis.

Mitsotakis' new Greece is a country of optimism. Prior to coronavirus' emergence, his government's reforms had reignited the economy after a decade of financial crisis. Confidence was high, with foreign direct investment (FDI) and exports seeing double-digit growth rates. That confidence has risen with Greece's impressive management of coronavirus. The government rapidly introduced decisive measures to limit its spread, resulting in one of the lowest number of COVID-19 cases in the European Union. It also quickly announced a €24-billion stimulus package for its economy, which is expected to bounce back with 5 percent growth in 2021.

By 1 July, Greece could safely welcome back tourists. Tourism is a vital sector that supplies nearly 21 percent of the economy and one of the few that expanded during the financial crisis, as visitors enjoyed diverse, year-round experiences. "Greece has so much to offer beyond its sun and beaches. It has wonderful mountains, an incredible mainland and rich cultural heritage, for example," Mitsotakis enthuses. "Greece is also one of the safest places to travel to," adds George Hatzimarkos, governor of the South Aegean Region. Minister of Tourism Haris Theocharis agrees: "Greece has gained control of the virus and introduced many initiatives to uphold health standards to ensure that we don't put our population or visitors in harm's way."

"Our guests' health and safety is top priority at Mitsis Hotels," confirms Stavros Mitsis, managing director of the country's largest family hotel chain with 17 hotels and 11 spa and thalassotherapy centers. "The crisis caught Mitsis Hotels on the rise. We have worked intensively over the last three years



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in implementing large investment projects that showcase our valuable tourist assets, modern products, quality services and unique experiences. We are determined to carry on investing in new infrastructure, sustainability, advanced technologies and improved services to constantly add value for our guests."

Mitsis Hotels and Hellinikon's Lamda aren't the only ones investing right now, and Minister of Development and Investments Adonis Georgiadis predicts more investors will join them soon: "Just as we made the positive surprise in the health sector, we will do so with the economy." Georgios Filiopoulos, CEO of Enterprise Greece, the one-stop shop for investors and exporters that is helping to make Greece a more investment-friendly destination, explains why: "Greece's underlying investment story remains intact and there is strong international interest in our privatizations and planned infrastructure projects. Sectors ranging from exports to property, energy, tourism and logistics remain attractive, and asset prices in Greece are still undervalued. Moreover, some of Greece's unique assets, like a sophisticated life sciences sector, highly educated

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in the new era of the  
construction industry"





**Stefanos Vlastos**  
CEO, Hellenic Public Properties Company



**Petros Souretis**  
CEO, Intrakat



**Ioannis Foteinos**  
Founder and CEO  
Salfo and Associates



**Costis Frangoulis**  
Founder and CEO  
Franman



**Panos Kirnidis**  
CEO, Palau  
International Ship  
Registry



**Ioannis Chiotopoulos**  
VP Regional Manager  
South East Europe,  
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workforce, well-developed tech sector, and health and wellness ecosystem, are significant advantages as the world emerges from this pandemic.”

Panos Papazoglou, managing partner in Greece for EY—the worldwide leader in assurance, tax, transaction and advisory services—provides more reasons: “We’ve seen reforms during the crisis, around digitalizing services, which have cut bureaucracy. Greece is much more business friendly.” In collaboration with NCSR Demokritos, EY is creating a Center for Excellence in Artificial Intelligence in Greece to promote further digital transformation and leverage talent in new technologies. It is also supporting companies through the crisis. “Resilience is key today, not only because of coronavirus. Companies and countries need to think about the ‘now’, the ‘next’ and the ‘beyond’.” Stefanos Vlastos, CEO of Hellenic Public Properties Company (ETAD) that manages and exploits the state’s real estate portfolio agrees that red-tape has reduced: “We are heavily investing in IT and tackling processes much faster.”

Greece’s real estate sector has boomed in recent years and Piraeus Real Estate (PRE) CEO George Kormas offers two of his many insights into coronavirus’ impact on the property ecosystem: “Tourism has been behind the extraordinary recent increase in demand and we foresee more buyers as investors ‘ride the wave’ of a COVID-safe country. Prime locations will also remain unharmed in terms of value and revenue production.” Involved in some of the highest profile Greek projects, PRE is a subsidiary of Piraeus Bank Group and services that group’s vast array of properties across the country. “The main principal of PRE is to de-consolidate from real estate, we guarantee that everything is as it should be and eliminate risk for our counterparties. Sustainable, responsible investing is an urgent present-day obligation,” states Kormas.

This view is shared by Ioannis Foteinos, founder and CEO of Salfo and Associates, one of the world’s top engineering companies that offers cutting-edge services for infrastructure, energy and IT projects: “The most effective investment at this moment is in public infrastructure. Governments need to inject money to ensure that is developed.” Greece is doing just that. “In the next five years, we aim to create €10-12 billion of high-quality infrastructure and transport projects,” says Minister of Infrastructure and Transport Kostas Karamanlis. “These investments are vital because we have seen a systematic gap in investment that translates to a €13-billion shortfall in the last decade. Intrakat, as a leading Greek construction company, is determined to play a major role in Greece’s infrastructure plans,” asserts Petros Souretis, CEO of the firm that is part of the Intracom Holdings group and works throughout the Balkans.

“We focus on high added-value projects that we execute with consistency, reliability and quality,” Souretis says. A recent illustration of Intrakat’s work is the upgrading of 14 Greek airports, plus the design and construction of their extensions, which were carried out in parallel with the facilities continuing to function. “Among other projects, we are also working on a €54.3-million

road construction scheme and a €60-million broadband infrastructure expansion,” he reveals. Intrakat’s wider interests include operating an integrated passenger information and fleet management system for Athens’ public transport and a solid waste management plant, as well as developing renewable energy.

Greece’s most significant infrastructure is probably its ports, such as Piraeus and Thessaloniki, which are part of the global maritime industry’s most influential cluster. “Greece is shipping’s capital due to its location, heritage and expertise. Its fleet is the world’s biggest. That’s why I established our European headquarters in Piraeus,” says Panos Kirnidis, CEO of Palau International

**Greece has so much to offer beyond its sun and beaches. It has wonderful mountains, an incredible mainland and rich cultural heritage.**

Kyriakos Mitsotakis, Prime Minister

Ship Registry (PISR). The Pacific Ocean republic of Palau’s SMART.Registry has international backing and is the fastest-growing ship registry. “PISR is tomorrow’s leader. We have a global presence and blend traditional support with online, innovative technologies to deliver customer-centric services faster, more efficiently and for the best possible value for money,” he states. Top classification organization and advisor DNV GL is another important part of the cluster. “Our research department develops cost-efficient solutions to make clients’ lives easier and improve cost-benefit ratios, while our academy prepares them for new regulations,” says Ioannis Chiotopoulos, VP regional manager South East Europe, Middle East and Africa, DNV GL Maritime.

Greece’s shipowners have successfully transformed operations to meet the International Maritime Organization’s 2020 sulfur cap on fuels. “IMO 2020 changed the industry but highlighted the work needed for the next milestones. By working closely with makers, yards and shipowners, we have a good understanding of new sustainable and digitization technologies to guide customers,” notes Costis Frangoulis, founder and CEO of Franman, a global leader in shipping services like ship-building equipment, parts, repairs, servicing, consulting and security that represents 132 international corporations in Greece. Frangoulis is confident that the nation will remain shipping’s number-one power: “Greece is stronger, with an excellent government. I am very positive about the future.”



## The summer you deserve is here

The beautiful South Aegean is one of the safest places to travel to in 2020

With its Dodecanese and Cyclades islands sparkling in the dazzling Aegean Sea, traditional blue- and white-painted seaside towns, glorious year-round climate, fabulous beaches and famously warm hospitality, the South Aegean Islands Region has long been known as one of the most welcoming and beautiful regions in Europe.

This year, it is also one of the safest places in the world to enjoy a stress-free vacation. Having taken swift measures to limit the impact of coronavirus on its shores, “The South Aegean Islands have emerged from this crisis as a White Region on the global COVID-19 map, with the lowest numbers of cases at the national and European level. We have recorded only 10 positive incidents and zero fatalities,” says the region’s Governor George Hatzimarkos. During Greece’s two-month lockdown, the regional administration’s number one priority was to protect human lives. That continues to be the case now that the islands are opening up to international visitors again, with all employees in the tourist sector having received extensive training in new health and safety protocols in order to keep both themselves and their guests safe.

**The South Aegean is the perfect place to enjoy your freedom, connect with the sea and nature, and be with people you love.**

George Hatzimarkos, Governor, South Aegean Region



**George Hatzimarkos**  
Governor, South  
Aegean Region

This approach is to be expected from a region that has dedicated itself to serving the needs of visitors. “In the South Aegean, we breathe tourism. We produce one third of all Greece’s tourism income and 97 percent of our local gross domestic product is linked to the sector, which has always been our number one priority. We are looking forward to hosting our guests again and I am sure that, this year, our smile will be bigger than ever before,” states Hatzimarkos.

Lucky passengers flying into to the region’s five international airports will discover the vacation of their dreams on one of 50 inhabited islands, each of which has its own distinct personality. These include its “Star Islands” with plenty of 5-star facilities, like Santorini with its unbeatable views, glamorous Mykonos, the medieval Rhodes and Kos, home to unending beaches. But the region also includes many lesser-known, low-key gems such as Naxos and Patmos, which is a perfect destination for walkers. “Whatever you might be looking for, you can find it in the South Aegean. Historical sites, secluded areas, natural gems, cosmopolitan resorts—the choice is yours,” he says. If, understandably, choosing just one option in the region is too difficult, you can take advantage of over 100 ports in the region to hop between islands by boat.

Whichever island you visit, you will enjoy an amazing cuisine that contains a wealth of flavor-packed and authentic recipes, which are expertly prepared from locally grown and freshly caught ingredients. So unique, diverse and inspiring are the food and wines of the South Aegean Islands that it was named European Region of Gastronomy in 2019. According to Hatzimarkos: “This year, more than ever, travelers from around the world deserve to experience a Greek summer and it is here, in the South Aegean. Our islands are here for you to enjoy—as beautiful as always and safer than ever, the South Aegean is the perfect place to enjoy your freedom, connect with the sea and nature, and be with people you love.”



[www.aegeanislands.gr](http://www.aegeanislands.gr)

# The perfect destination to relax and unwind

**Harry Theoharis, Minister of Tourism,** describes how the sector is being supported to ensure tourists have safe travel experiences



A fantastic start to the new decade for Greece quickly became a high-risk situation with the emergence of COVID-19. What were the key elements that enabled Greece to tackle this crisis so effectively?

This is a totally different time for the whole world, not just us. There are three elements that were most important to our success. The first was the decisiveness of our prime minister—tough choices were made early. The second was the effectiveness of the government and of the people on the frontline. And the third, perhaps the most important, is the seriousness with which the Greek people took this task—the belief that we have to do this collectively and the trust that they placed in the experts. Altogether, united as one, we managed to weather this storm in a remarkable way.

**“Those who can should take some time off to heal from all this stress. I believe that Greece, given the way it has dealt with the crisis, is a great option to consider for your next travels.”**

Harry Theoharis, Minister of Tourism

How will the virus impact the Greek tourism sector?

Trust and the feeling of safety are at the heart of the tourism sector. We feel that the fact that we dealt with this crisis quickly means that we have an advantage in moving early into normality. As we have clearly gained control of the virus, under guidance from our health experts, people will start thinking about those plans they had left in limbo: tourism is part of that.

**The government has initiated a €24-billion stimulus package to help the Greek tourism sector get back on its feet. How is this being spent?**

This crisis contained a lot of phases. So the support package changed as we moved through those. The first phase focused on the health side and on the economy in lockdown, putting enterprises in hibernation and employees in a financial situation where they could withstand the severity of the crisis. Now, we're in a phase where we are gradually lifting the restrictive measures that were put in place. As a result, our measures are more about how to enable enterprises to operate in an environment where demand is totally unpredictable. So what do we do? The answer is, we give them more flexibility, critical support and we share the burden of the employees so that they can start to gradually build up their operations as demand picks up. Finally, we need to support the people that normally would have had the opportunities of employment were it not for this current environment.

What are some of the measures being introduced to ensure travelers are protected and that will build on Greece's reputation as a safe destination?

The economic pillar is an important part of the restart tourism plan. The second pillar is health and ensuring that this reopening process is carried out in a safe and responsible manner. In a way that doesn't put our population, tourist enterprises' employees or our visitors in harm's way. We are introducing a lot of initiatives to uphold health standards and are working to ensure that, when somebody spends time here, we limit the risk of infection. Those rules will be based on hygienic standards—there will be no sort of discrimination, just considerations about health. We will constantly review and possibly revoke those restrictions as time progresses, as long as the health situation continues to improve in the country. Finally, we have a whole operational plan for ensuring that people that come to Greece get the help and support that they need. We need to guarantee that we test people and must also ensure that, if someone has special requirements, they are attended to in a timely and effective manner.

**Why would you advise our international readers to visit Greece this year?**

A vacation in Greece is something that caters to the needs of everyone. During this crisis, we have all gone through a very stressful period and I think those who can should take some time off to heal from all this stress. I believe that Greece, given the way it has dealt with the crisis, is a great option to consider for your next travels.

**What are some of the lessons to be learned from coronavirus?**

Crises like this—global challenges that cannot be solved by a single nation, not even by a single region—require global cooperation. Therefore, for better or worse, it seems to me that we will become more connected across the world and we need to start thinking on a higher political level.



The tourism sector is responsible for **over 20% of the Greek economy**



Tourism also supplies **around 25% of the country's workforce** with employment



Greece is the **13th most popular tourist destination** in the world

# The South Aegean: Beautiful as always and safer than ever

**George Hatzimarkos, Governor, South Aegean Region,** the perfect place to experience the warmth of Greece this year



Greece and the South Aegean Region in particular have received global praise for their handling of the coronavirus crisis. What were the key elements that led to the amazing results you achieved?

The government and regions implemented very strict measures early and the measures enjoyed the full cooperation of citizens. The South Aegean, in particular, emerged as a White Region on the global COVID-19 map, with the lowest numbers of cases—we have recorded only 10 positive incidents and zero deaths—at the national and European level. Thus proving it to be one of the most secure places on earth. The South Aegean made decisions imposed by our number one priority: the protection of the human life. We reinforced our health system and initiated a large health and safety training program for business owners and employees. In the South Aegean we breathe tourism. 97 percent of our local gross domestic product is linked to tourism, a sector that has always been our number one priority, which is reflected in our action plans, policies and funding.

**“Whatever you might be looking for, you can find it on of our 50 islands. Traveling now is like making an escape and I cannot imagine a better escape than visiting the Aegean Sea.”**

George Hatzimarkos, Governor, South Aegean Region

**How do you think COVID-19 will affect tourism to your region in future?**

2019 was a wonderful year. In our region, we produce one third of all Greece's tourism income. We have the “Star Islands” like Santorini, Mykonos, Rhodes and Kos, and so many other precious gems like Naxos and Patmos among others. We have five international airports. In other words, the South Aegean and tourism are bound together. We do, however, understand that after this crisis, we will all be living on a new planet. We understand that tremendous amounts of habits have changed. We will also change but one thing is for sure: openness is in our DNA. Openness with protection and measures has become part of our system. Our dream is not to bring back the numbers we once had but to be back on the field gaining as much share of the tourism market as possible, while everyone remains healthy and safe.

**What message would you share with travelers from around the world pondering a visit to the South Aegean this summer?**

Thanks to our prompt and effective policies, we are one of the safest places to travel to as soon as the borders open. The message I would like to share is

that the Greek summer, which we all deserve more than ever this year to take off the pressure, is here in South Aegean. Whatever you might be looking for, you can find it on of our 50 islands. Traveling now is like making an escape and I cannot imagine a better escape than visiting the Aegean Sea. I would say to people around the world that the islands are here for you to enjoy. As beautiful as always and safer than ever, the South Aegean is the perfect place to feel the Greek summer, to enjoy your freedom, to connect with the sea and nature, and to be with people you love. Historical sites, great food, secluded areas, natural gems, cosmopolitan resorts, the choice is yours. The professionals in our tourism sector are very well trained and will be more than happy to host our guests again. And I am sure that, this year, our smile will be bigger than ever before.

**On top of the beauty of your region and the warmth of its people, the South Aegean has a gastronomy that has attracted millions of visitors. Your rich and diverse cuisine was recognized last year as the European Region of Gastronomy 2019. What makes it one of the best and healthiest in the world?**

Before I got involved in politics I was president of the Chamber of Commerce and Industry around the islands and, with my colleagues, I designed the Aegean cuisine platform. We were very happy that we won in 2019 for our cuisine and because we worked very professionally. If you respect history and tradition, you will find the recipes. Gastronomy is now contributing to our off-season tourism. Our visitor surveys show that no matter who they are or where they come from, no matter their age, no matter if they are well-educated or not, and no matter the income they have, food is number one or number two in their experiences. We started a large campaign around the islands to train the professionals in the food industry to offer Greek food over everything. Everybody is looking for the local experience. We want to feel like people from the country we are visiting.



The South Aegean has recorded **only 10 COVID-19 cases**



The region includes **Santorini, Mykonos, Rhodes, Kos** and many unknown gems



Over **6 million people** visited in 2019, a record for the region

# Leaving a mark in the new era of construction history

**Petros Souretis, CEO, Intrakat,** provides an overview of projects being undertaken by one of Greece's most successful contractors



What is your outlook for Greece, considering the strides it had made in its recovery prior to the emergence of COVID-19 and the surge in business sentiment recently?

The economy was gradually returning to normality after 10 years of economic crisis. Greece's growth was expected to hit 2.5 percent in 2020, with the unemployment rate dropping to 16.5 percent. Greek state bonds have recorded the best performance in the eurozone and we have seen bank deposits increase to €155 billion from €120 billion in 2015. We need to define a "new normality" for a productive, competitive and sustainable economy. We must be as open as other economies, maintain political stability and implement reforms and privatizations, while accelerating investment in infrastructure projects. In conclusion, following the successful management of the coronavirus crisis by Greece, we maintain an optimistic outlook for the future.

**"Intrakat, as a leading construction company, is determined to invest more to create new partnerships and play a major role in Greece's national strategic infrastructure plan."**

Petros Souretis, CEO, Intrakat

How would you describe Intrakat's role in building Greece's intermodal transport network?

Infrastructure investments have a high economic multiplier and are vital for the Greek economy. We are below our European peers, as in Greece there is a systematic gap of 0.7 pps of gross domestic product, that translates to a shortfall of €13 billion over the last decade. We need to accelerate and, to do this, we must face the obstacles to infrastructure investments, such as political consensus, poor planning, bureaucracy and delays. The new government of Kyriakos Mitsotakis has prioritized resolving these problems and encouraging public private partnerships (PPPs). Intrakat, as a leading construction company, is determined to invest more to create new partnerships and play a major role in Greece's national strategic infrastructure plan.

The geopolitical position of Greece indicates that we can be a hub for energy, logistics and telecommunications. For that, we need supporting infrastructure such as highways, airports, ports, facilities and other services. Some important projects are the Kastelli International Airport in Crete, and the ports of Piraeus and Thessaloniki, which can be hubs for Europe in terms of transshipment. Last but not least, the port of Alexandroupoli is an interesting prospect for the formulation of a strategic energy hub.

What is the timeline for Intrakat's large-scale projects and what is the scope of its work? For example, could you describe the projects taking place at 14 of Greece's regional airports?

In terms of these regional facilities, we are focusing on the refurbishment and upgrading of existing airport infrastructures, as well as the design and construction of extensions. Parallel construction is taking place at all the airports, as they continue to operate as normal during works. Nine airports have already been delivered and earlier than the scheduled contract date. These are Chania, Kavala, Zakynthos, Aktio, Kefalonia, Mytilene, Rhodes, Samos, Skiathos. During 2020, the remaining five airports will be delivered: Mykonos, Santorini, Corfu, Kos and Thessaloniki.

We are also working on a €54.3-million road construction project that runs from Potidaea to Kassandria in the Chalkidiki prefecture in northern Greece. We are in charge of the construction of the Kassandria road circuit that has a total length of 17 kilometers. In terms of PPPs, we are also involved in broadband infrastructure through a €60 million project that will expand it into rural areas. That is Intracom Holdings' project, with Intrakat having a 60 percent participation for an operating period of 15 years. Another of our projects is an integrated passenger information and fleet management system for the Athens Public Transport Organization, which is worth €48 million and has an operating period of 10.5 years. Lastly, we have a solid waste management plant in Serres prefecture in northern Greece that is a €31 million project focusing on recycling and composting. Intrakat's participation there is up to 45 percent and the duration of the operation will be 25 years.

What would be your final message to the readers of Newsweek?

At Intrakat, we focus on high added-value projects. We facilitate any adaptations required with flexibility and clarity. We foresee opportunities for new activities in a timely manner and, above all, we execute our projects with consistency, reliability and high quality.



*"We leave our mark in the new era of the construction industry"*

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# Market-driven strategy for the Greek state’s real estate assets



**Stefanos Vlastos, CEO, Hellenic Public Properties Company (HPPC—ETAD), sets new priorities within a vast portfolio of properties**

The Hellenic Public Properties Company (HPPC—ETAD) is responsible for managing and exploiting the state’s vast and diverse portfolio of real estate assets through investment, rental or sale. What impact has the global COVID-19 crisis had on ETAD?

The good thing to come out of the crisis is that international trust and credibility toward Greece have been further enhanced. We stayed ahead of pandemic, in contrast to many countries. However, ETAD felt the impact of COVID-19 because we had heavily invested in tourism in previous years—at this point of time, tourism assets are more than 80 percent of our total investments. The pandemic made us understand the need to reposition ourselves. We have developed a new business plan and our strategic priority is to divert our focus from tourism to telecoms, logistics, marinas, energy and office real estate assets—areas where we haven’t invested so much in the past.

**“Our strategic priority is to divert our focus from tourism to telecoms, logistics, marinas, energy and office real estate assets.”**

Stefanos Vlastos  
CEO, Hellenic Public Properties Company (HPPC—ETAD)

How else is ETAD evolving for the post-pandemic real estate market?

Before the crisis we were in the process of dealing with red-tape issues within the government and ETAD. Due to the crisis, we are now tackling these at a much faster pace and are heavily investing in IT. In addition, we are focused on maturing as many of our real estate assets as possible and as fast as possible. We will target our commercial assets in various regions of the country based on what the market wants. The market will drive our needs, changing our shift from the pre-crisis to the post-crisis environment and its market-driven solutions.

What can you tell us about ETAD’s strategies to maximize domestic and international investments in real estate?

Our strategy is transparent and clear. We are going to invest in the IT sector as we intend not only to mature our assets but, most importantly, to increase their commercial value. To achieve this, we are using digital solutions such as our e-auction platform. Our long-term objective is to expand our scope and make these assets available to as many actors as possible in both local and foreign markets, and to promote our rich and diversified portfolio as widely as possible by making it attractive to potential investors from across different markets. Our vision is to transform ETAD into a dynamic and modern real estate and man-

agement enterprise for all Greek public actors, assets and agencies. Therefore, we aim to minimize the red-tape issues of the past, and infuse the company and its people with an international, market-oriented approach that supports the pro-investment strategy of the Greek government and its efforts to revive the economy in the post COVID-19 era.

Where are opportunities to be found in the state’s real estate portfolio?

We have decided to direct our strategy based on where we have demand for assets, so we are prioritizing areas of high-commercial interest, such as Crete, Rhodes, Corfu, Mykonos, Santorini, Cephalonia, the Athenian Riviera, the ancient area of Plaka in Athens, Thessaloniki and the northern part of Greece. Besides being location focused, we have decided to be market driven, which is why we are putting emphasis on logistics, energy, telecoms and marinas.

How do you think Greece’s successful management of coronavirus will affect the country’s macroeconomic position?

The reopening of the economy will take place gradually and business activity will be majorly affected in 2020. However, we are optimistic that we will get back on our feet sooner than other countries. Firstly, as a result of the government’s performance last year toward restoring international credibility and the trust of investors and, secondly, given how quickly Greece responded to the development of this pandemic, demonstrating strong leadership, effective governance and solidarity.

We have managed to successfully flatten the curve in the best way possible compared to other EU countries. And this is now a major advantage for us—Greece is no longer the scapegoat of Europe, but a trustworthy country and a good case study for dealing with this crisis. We are now slowly easing our lockdown measures and have managed to enable our friends and partners abroad to visit the country. By removing restrictions sooner than others, Greece is able to work faster toward supporting its businesses and households, placing the economy back on track, continuing with its reforms and long-term pro-investment strategy.



**ETAD’s diverse portfolio covers real estate assets throughout Greece**



**e-publicrealestate.gr is ETAD’s digital auction platform**

# Greece looks to gain 8 gigawatts of renewable energy



**Gerassimos Thomas, Deputy Minister for Energy and Natural Resources, details the many opportunities in energy**

What is your assessment of Greece’s economic trajectory and how would you describe the energy sector’s role in that process?

Before COVID-19 struck the global economy, Greece was on a steady positive growth trajectory following close to ten years of deep economic and financial crisis. Now, because of the pandemic, Greece will have a recession in 2020 (like all European Union countries (EU)), followed by a recovery in 2021. It is too soon to forecast if the recovery will be V- or U-shaped but the government is determined to pursue structural reforms and a growth plan that will boost the output potential of the country. The energy sector will have a crucial role to play in the recovery effort. The European Green Deal has been recognized as an essential component of the EU growth strategy. Within this framework, Greece’s level of ambition remains high and we will intensify our efforts in order to achieve our ambitious goals set in our National Energy and Climate plan. All available existing tools and particularly the European Recovery and Resilience Fund, now under discussion, will be utilized in order to fast-track and frontload large-scale investments in the energy sector. Solar and wind renewable energy investments, the development and modernization of electricity and natural gas distribution networks, and large-scale energy efficiency schemes for buildings in line with the EU’s Renovation Wave.

**“We are reforming our licensing process for renewables. This has been the biggest factor that has slowed down investment.”**

Gerassimos Thomas  
Deputy Minister for Energy and Natural Resources

What is the role that Greece is called to play in South Eastern Europe when it comes to natural gas?

Greece plays a critical role in European energy security and is becoming a transport hub for natural gas. All the diversification of gas in the European market that used to come from production in the U.K., the Netherlands and from liquefied natural gas (LNG) terminals in the north west is now moving to the southeast. The Trans Adriatic Pipeline (TAP), the EastMed pipeline and LNG terminals in the Mediterranean will form the backbone of the diversification strategy for the whole EU and Western Balkans. The Greek section of TAP is finished and it will be operational later this year once the Italian landing is finalised. We are already discussing a potential increase in its capacity. We are also supporting the development of EastMed, which will bring gas from the Mediterranean, from Israel to Cyprus to Greece, to the EU. We are also looking to make these pipelines hydrogen compatible. And last but not least the IGB is progressing well. It will boost the South-North corridor and link the Alexandroupolis FSRU terminal.

What can you tell international investors about the opportunities in renewable energies in Greece and the type of incentives being offered in comparison with competing markets in the region?

The government is doing a number of things that favor investment in renewables. To start with, we have decided to transition out of lignite very quickly. Over the next three years, all lignite operating capacity will be terminated. This will create a gap for energy production that will be filled primarily by renewables and partially with gas, which will act as a bridge fuel until we can transition to an energy system based on RES. Second, we are prioritizing the extension and modernization of the electricity grid in order to support the integration of renewables. Third, our increased target is for renewables to represent 35 percent of our energy mix by 2030 (from 18 percent today). That translates to new investments in at least 8 gigawatts of additional capacity, compared to our current capacity of 6.8 gigawatts. This will be relatively frontloaded, because we are closing our lignite power plants by 2023.


Fourth, we are accelerating and simplifying our licensing process for renewables. This has been the biggest factor that has slowed down investment. The licensing of new renewable power plants has taken, on average, over seven years and we are bringing in new legislative measures that aim to reduce the licensing process to two years by cutting down bureaucracy.



**By 2023, all Greece’s lignite operating capacity will be terminated**



**Greece aims for 14.8 GW installed solar and wind power by 2030**



**Greece’s National Energy and Climate Plan foresees €9 billion investments for RES in the next decade**

Greek islands possess natural assets that make them prime locations for solar, wind and geothermal energy. Are there other underexploited renewable energy sources?

Beyond traditional photovoltaic and wind energy on shore, there is unexploited potential in offshore wind. But in Greece, offshore waters are deep, so you cannot have similar projects to those in the North Sea, for example. So, we need to look at floating offshore wind. We are going to develop a regulatory framework this year so that investments can start developing.

# Greece will continue to be a dynamic real estate market

**George Kormas, CEO, Piraeus Real Estate and Executive GM, Piraeus Bank Group, takes the risk out of Greek real estate for investors**



Part of Piraeus Bank Group (PBG), Piraeus Real Estate (PRE) services Greece's largest real estate portfolio and is involved in many high-profile projects, including City Link, Kosmopolis, Thessaloniki Square, Piraeus port and the Votanikos Project. How has PRE evolved?

Before 2008's financial crisis, real estate was the dominating collateral for loans. Greek banks ended up with a huge non-performing loan problem in that regard and were somewhat obliged to acquire the properties. Piraeus Bank is the outcome of an amalgamation and consolidation process of other banks. It absorbed their real estate portfolios and now has an interesting mix of all asset types spread over the whole of Greece. The sole principal of PRE's strategy is to de-consolidate from real estate. We are there to enter into a transaction with any possible market participant at market prices. As a subsidiary of PBG, we guarantee that everything is as it should be and is legalized. We eliminate that potential risk for our counterparties, as it is crucial to safeguard the reputation of the group.

**"Sustainable, responsible investing isn't a vague 'nice-to-have' concept, but an urgent present-day obligation that must be incorporated in business models."**  
George Kormas, CEO, Piraeus Real Estate

Prior to COVID-19, Greece had one of the hottest real estate markets in the EU. Why was this and how will the pandemic impact the market?

Greece is at the beginning of the yield curve. For the very same asset type, here you can achieve double the yield you would achieve in any other European country. The exact measurement of COVID-19's impact is impossible at present, but we can make some estimates about potential changes to the real estate economic system. We can predict future lower demand for office and retail space due to increased teleworking and e-commerce respectively. On the other hand, with lower interest rates and some decrease in assets' prices we will see an increase in the residential sector. Tourism has been behind the extraordinary recent increase in international demand for Greek real estate and we foresee more buyers of cottages, associated with Greece's Golden Visa program, and Airbnb-related residencies as investors decide to "ride the wave" of a COVID-safe country. I believe tourism will boom during 2021 and some of those tourists will want to acquire their dream house to our wonderful country.

There has been a disproportionate increase in prices of assets between the high-level destinations like Athens' historic triangle, the Athenian Riviera,

Mykonos and Santorini, and lower demand areas recently. After the pandemic, valuations differences will be reinforced between prime and secondary locations. Prime high streets will remain unharmed in value and revenue production—Greece's 10-year recession proved the dynamism of prime locations and it is very likely investors will be focused more than ever on them after this crisis. Real estate may lose a portion of its value at times, interacting with national, regional or worldwide events like COVID-19, but it will always be a reference point as a shelter for people, production inflow or investment vehicle.

### What impact has the pandemic had on PRE's activities?

During the lockdown, PRE deployed a thoroughly prepared business continuity plan that relies on modern technology, and our employees' sense of responsibility and commitment. We remained fully operational, continuing to offer our services to customers by exploiting the advantages of technology through teleworking and video conferences. Our innovative e-auction platform Properties4Sale, is also fully effective.

### How is PRE driving sustainability in real estate?

As a result of this crisis, real estate companies and stakeholders will be forced to realize that sustainable, responsible investing isn't a vague "nice-to-have" concept, but an urgent present-day obligation that must be incorporated in business models. PBG as a whole is committed to responsible investment and implementing environmental, social and governance issues into its investment analysis and decisions. For example, PRE will undertake responsibility for a total approach to assets and will conduct technical due diligence according to international environmental standards when assets are requested to be used as collateral for loans and we are ready to refuse to accept assets with heavy environmental footprint. Another illustration is City Link, "the city's finest destination" for high-end shopping, food, beverage and art. At nearly 60,000 square meters, this will be the first building in Greece to be awarded with Germany's DGNB sustainability certification.



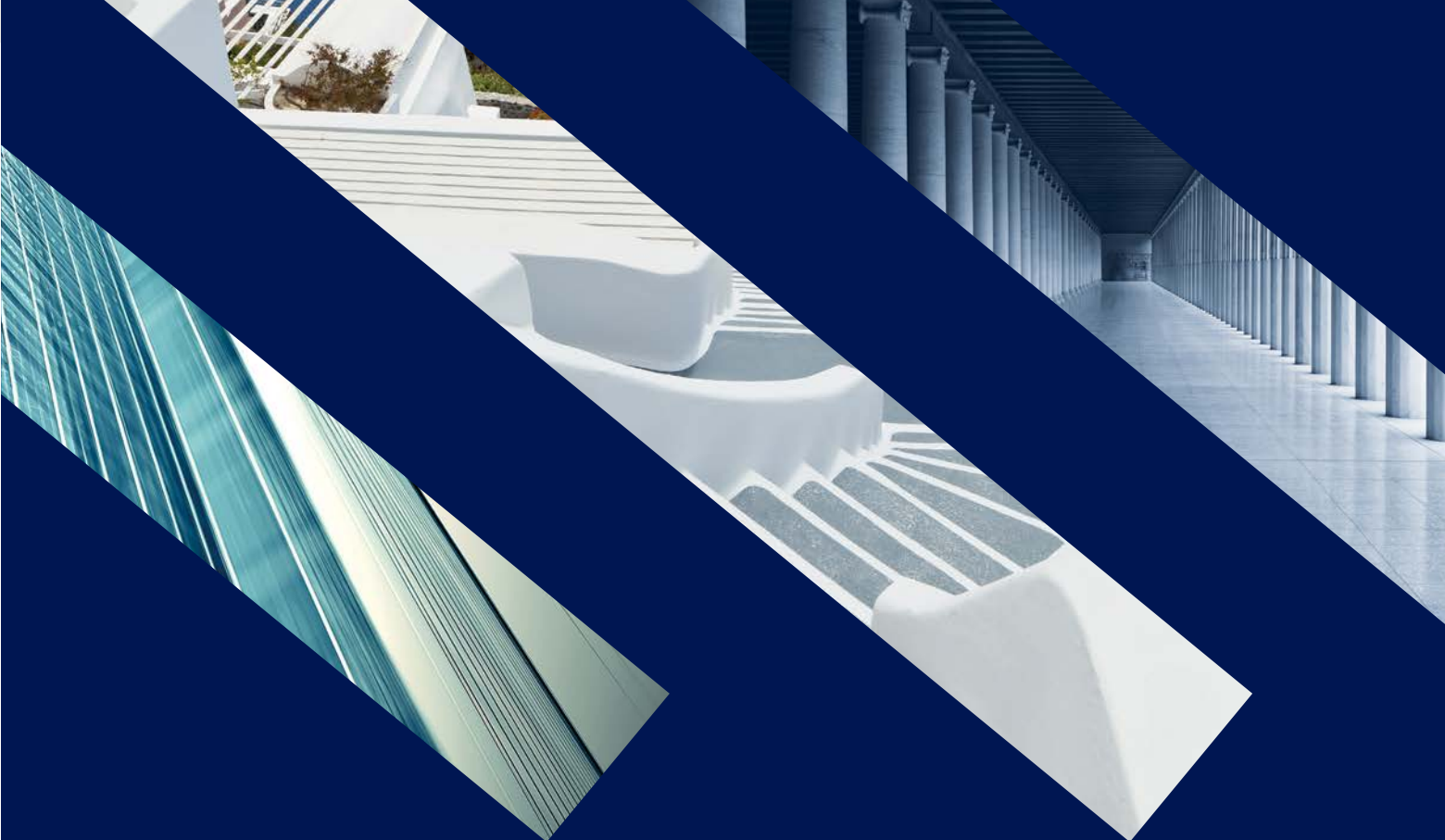
PRE services a portfolio of real estate assets worth **€1 billion**



FDI into Greek real estate was **€1.45 billion in 2019**



PRE's innovative e-auction platform is at **www.properties4sale.gr**



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**Piraeus Real Estate SA** provides a **full range of services** in real estate planning, development, monitoring and asset management. Its activities include selecting and selling property from the largest real estate portfolio in Greece, property development, project management and project monitoring, property and facilities management, property valuation, intermediation, as well as real estate consulting and fund management.

The **Group Real Estate** unit of **Piraeus Bank Group** has the overall responsibility for planning and implementing focused strategies and policies concerning **Piraeus Bank Group's** overall real estate exposure. **Piraeus Real Estate SA** supports **Group Real Estate** as its executional arm in pursuing its targets.



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# Greece’s investment potential remains as strong as ever

**Georgios Filiopoulos, CEO, Enterprise Greece,** explains why the country’s unique assets will be advantages after COVID-19



Greece has drawn global praise for its successful handling of the coronavirus crisis. What impact will this have on investments into the country?

The fact that the government acted quickly and decisively in containing coronavirus sends a strong message that the country is committed to effective and transparent governance. This will have wider benefits. It shows that Greece is a safe country to visit and invest in, since we have managed so far to avoid the traumatic impacts experienced elsewhere. The world economy will suffer an extraordinary shock and a contraction in the Greek economy of 5-10 percent is expected this year. However, Greece’s quick reaction may help soften the economic impact and reboot our economy faster than others around us. Moreover, some of Greece’s unique assets, like a sophisticated life sciences sector, highly educated workforce, well-developed tech sector, and health and wellness ecosystem, will be significant advantages as the world emerges from this pandemic.

In the last two years, foreign direct investment (FDI) and exports have grown at double-digit rates to record levels. Major multinationals from the U.S., Europe and Asia have chosen to invest here. Greece’s underlying investment story remains intact, in spite of the crisis. Market sources suggest that there is

**“Market sources suggest that there is still strong international investor interest in privatizations and many of the infrastructure projects Greece has planned.”**  
Georgios Filiopoulos, CEO, Enterprise Greece

still strong international investor interest in privatizations and many of the infrastructure projects Greece has planned for the months ahead. Sectors ranging from exports to property, energy, tourism and logistics remain attractive. And following 10 years of financial crisis, asset prices in Greece remain undervalued. Major investors look at the long term and the long-term prospects for Greece have not changed. If anything, this crisis has brought some of the country’s assets to the forefront of public awareness and we expect to see greater interest in the Greek life sciences and tech sectors, for example, in the future.

**How has Enterprise Greece, the official agency for promoting investment and exports, adapted to COVID-19?**

Our role is twofold: to assist investors and to advise the government on how best to attract investment. Enterprise Greece is helping to make Greece a more investment-friendly destination with a number of initiatives aimed at streamlining projects. For example, we help shepherd major strategic investments through Greece’s fast-track process. We aim to be a one-stop shop for investors.

Even before the crisis, the agency had embarked on a process of aligning its operations to private sector standards. That allowed us to respond rapidly to changes in the environment. To help Greek businesses and exporters, Enterprise Greece launched a digital campaign to inform them of government support measures to mitigate the pandemic’s economic impact and we launched a “Support Greek Exports” information campaign to assist the sectors, products and services most affected. In parallel, we are working in close collaboration with our international partners—such as other European trade promotion agencies and the ANIMA Investment Network, a Mediterranean cooperation platform—to mitigate the impact on Greek businesses. We are also keeping exporters up to date on restrictions imposed in countries of interest, creating a promotional product flipbook, organizing social media campaigns, producing FDI testimonials and offering webinars for Greek companies. Faced with a radically different work environment, our teams have come up with creative solutions at every turn.

**Is there a silver lining to the coronavirus crisis in Greece?**

The crisis triggered a digital leap forward. Before the crisis, the Greek government was planning to launch a new e-government platform to streamline public services. The crisis became a catalyst for more rapid implementation of those plans. The new platform—gov.gr—offers more than 500 services online and new ones are being added constantly. This digital leap will greatly contribute to improved productivity and competitiveness for Greek businesses. At the same time, the quarantine measures gave a boost to e-commerce and, going forward, I believe we will see a strengthening of online commerce and marketing by Greek businesses, including exporters. Greece has a growing startup sector, a significant segment of which is involved in applications in the health sector. Coronavirus will continue to be an issue for the foreseeable future, which provides an opening for Greek expertise to come to the forefront. In short, Greece is fully prepared to move into this new era.



In H1 2019, investments in **Greek** commercial real estate reached nearly **€450 million**



Life sciences and health care command nearly **20%** of the total R&D spending in **Greece**



The **Greek** pharma sector generates an average of **€1 billion** worth of exports per year

## ENTERPRISE GREECE INVEST & TRADE



### Attracting investments, promoting exports

Enterprise Greece is the official agency of the Greek state, under the auspices of the Ministry of Foreign Affairs, that promotes investment in Greece, exports from Greece, and makes **Greece more attractive as an international business partner.**

Enterprise Greece promotes Greece as an **investment destination**, especially in the key sectors in which the country offers a highly compelling advantage: **tourism, energy, food and agriculture, logistics, ICT, environmental management, and life sciences.** At the same time, the agency showcases the **vast natural and human resources** of the country and optimizes the efforts of Greek enterprises to reach global markets.

## INVEST + TRADE

- Attracts, welcomes, promotes, supports, and retains investment in Greece

Promotes Greece internationally as an attractive investment destination through marketing, events, and strategic outreach

Accepts applications, evaluates and supports Greece’s Strategic Investment (Fast Track) projects

Provides investors with the Investor Ombudsman service

Informs investors of Greece’s institutional, tax, legal, and financial framework

Supports investors in accessing funds

Partners with relevant organizations, domestic and international, to promote Greece as an investment destination
- Promotes the export of Greek products and services internationally through marketing, events, and trade centers

Supports Greek producers and service providers with guidance, assistance, information, and resources to better reach international markets

Connects Greek exporters and entrepreneurs with potential partners around the world

Organizes the presence of Greek companies at conferences, fora, exhibitions and trade shows in global markets

Hosts foreign delegations and visitors to Greece

Briefs foreign buyers on the Greek market and Greece’s export potential

Partners with relevant organizations, domestic and international, to promote Greece’s export market

# Supporting the resilience of Greece and its businesses

**Panos Papazoglou**  
Managing Partner in Greece, EY

EY, a global leader in assurance, tax, transaction and consulting services, has been established in Greece since 1926. What is your opinion on the country's economic outlook for 2020 and what will help revitalize the economy?

We expect a recession across the eurozone. How deep the recession will be in Greece depends on tourism. If that can somehow recover by September, the recession will be lower. The good thing for Greece is that, after a number of years, it appears to have political stability and, within the first months of its being in power, we've already seen some reforms from the government, including during the COVID-19 crisis, specifically around digitalizing services and government processes. This gives a significant boost to investment through the public sector, because it has cut bureaucracy. What the business community now sees as important is reducing income tax, especially because the cost of employing people is too high. The environment is much more friendly for businesses in Greece these days. Before coronavirus, we saw significant interest from foreign investors and Greek entrepreneurs investing again, something that will give rise to significant growth in the economy.

**"Companies need to think not only about the 'now'—which is about people management, safety and operating models—but also about the 'next' and the 'beyond'."**

Panos Papazoglou, Managing Partner in Greece, EY

According to the Global Risk Survey conducted by EY before COVID-19, only 21 percent of board members believed their organizations were prepared to respond to adverse risks from a planning, communications, recovery and resilience standpoint. EY in Greece has joined forces with the European Bank for Reconstruction and Development and the Athens Chamber of Commerce and Industry around the topic of facing the COVID-19 challenge. What can you tell us about EY's insight on enterprise resilience and planning for recovery?

EY is supporting companies to become more resilient and overcome the crisis. Resilience, at a corporate and a country level, is key today—not only because of COVID-19. Companies need to think not only about the "now"—which is about people management, safety and operating models—but also about the "next" and the "beyond". We need to rethink the supply chain as a country and as individual corporations. We must rethink bringing forth more digital transformation. We have to think about different working models, such as working



remotely, which COVID-19 has accelerated. The "beyond" talks about a greener, circular economy and the value that businesses can bring to society. Overall, we need to rethink everything. Similar crises will happen in the near future, we cannot avoid them and need to be proactive.

**In collaboration with NCSR Demokritos, EY created a unique Center for Excellence in Artificial Intelligence in Greece. Why Greece?**

It has a lot of well educated young talent and I believe the way forward is to invest more and leverage that talent in emerging and disruptive technologies.

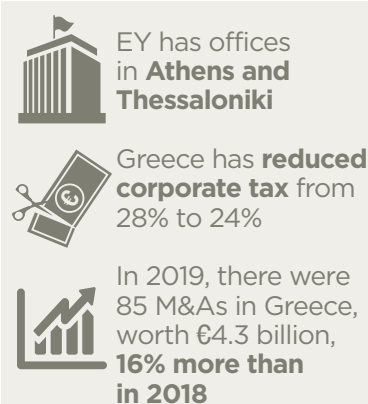
**You have stated that Greece must focus on exports. How can this happen?**

I'm a believer in small entrepreneurship. But in reality, after a certain point, size matters. Therefore, I'm in favor of joint ventures, mergers and in clustering companies to be able to sell products or services outside of Greece, because increasing our exports is a "must" and a matter of survival. We are seeing more small companies realizing that they need this to compete in the wider global economy.

**Greece came into the COVID-19 crisis with a positive economic performance and has applied effective crisis management to it. Is there a silver lining to the crisis for Greece?**

Something I consider to be very positive is the digitalization of the Greek state. It will be much easier to embrace digitalization and new technologies now than it was in the past. Another benefit is that widely conceived myths have been dispelled.

One was that Greeks are not patient; it has been said before that, if the government says one thing, Greeks do the opposite. The second is that we cannot work remotely and we need to be together to deliver work—that myth is now gone as well. A key message is: Greece is changing. We have reframed our future. We want to be seen as a good example. There is significant commitment from the majority of the Greek people and the political system for Greece to become a positive example in Europe and to stop being its "black swan".



## Do you have the ability to adapt to an unfamiliar landscape?

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# A new, sustainable landscape for Greek tourism

**Stavros Mitsis, Managing Director, Mitsis Hotels,** underlines the importance of shifting the focus from quantity to quality in tourism

Your father established Mitsis Hotels over 40 years ago and it has since become Greece’s largest privately owned hotel chain. How has COVID-19 affected your firm and what will its impact be on Greek tourism?

The country’s excellent performance in this crisis will certainly boost tourism in the short term, as Greece appears to be the single safe destination in the region. It came at a time when Greece has the lead over other countries: our tourism is more mature than ever and is extending its product as a 12-month destination beyond the sea-sun-sand model—the richness of this country creates endless possibilities. Likewise, it caught Mitsis Hotels on the rise. We have worked intensively over the last three years in implementing large investment projects that showcase our valuable tourist assets, modern products, quality services and unique experiences that we offer to our visitors, enabling us to reach out to new interest groups and chart a dynamic development path.

**“We are determined to carry on investing in new infrastructure, advanced technologies and improved services to constantly add value to our product.”**  
Stavros Mitsis, Managing Director, Mitsis Hotels

Despite the crisis, we are completing our infrastructure projects that were underway—investments in renovations, modernization and the improvement of all units. Technology and artificial intelligence, which offer us creative apps for better services and interactive communication, are our best allies in the development of holistic experiences for our guests and to maximize our group’s competitiveness, and we have invested heavily in them. This crisis has empowered Mitsis Hotels’ effort for progress even more, which was already an intrinsic element in our DNA. We are determined to carry on investing in new infrastructure, advanced technologies and improved services to constantly add value to our product. With our guests’ and employees’ health and safety as top priority, we have drawn up an integrated health and safety plan, specifying detailed procedures for all departments. Aspiring to take care of others as well, we have organized a large blood donation and offered 10,000 nights in our premises to healthcare staff as a way to extend our deep appreciation.

**What other decisions have you taken to move the group forward?**

We are turning our attention toward becoming a management company. At the moment, we are separating hotel operations from asset management




and the real estate sector. We have had the chance to organize the right teams to help us provide consulting services to other companies. We believe that we will become vertically integrated across the whole spectrum of tourism. At the same time, we are also thinking horizontally. We can offer so many services in so many segments of the business. The second part is still under discussion, but when it comes to consulting, we are pretty much ready and are able to provide consulting to more than eight sectors already. The name of our company will be Philoxenia, which signifies the Greek essence of hospitality.

**What is your vision for sustainability within your operations and for the wider support of your local communities?**


Overall, this crisis has further highlighted the unique role our brand plays in the lives of Greek people. As a trusted partner, visionary sponsor and proud ambassador of Greece, we invest capital, time and expertise in the progress of our communities. We all need to develop our own piece of corporate social responsibility and show our modern visitors that we care about sustainability and respect human rights. We must all be geared toward local communities and their power to give birth to unique authentic experiences.

Last year, Mitsis Hotels was awarded with Travelife’s gold certification for accommodation sustainability and in two years we aim to acquire the ISO 14001:2015 certificate for environmental management and sustainability. The idea is to be able to recycle 100 percent of the garbage that we produce, go 100 percent green and leave zero footprint on the environment. We will be recycling on site and through some external partners. We started a couple of years ago, but the goal is to reach the maximum in these regards.


Tourism is one of our greatest opportunities to excel, both individually and collectively. We are proud that excellence is the key principle guiding Mitsis Hotels’ growth in the years to come.



During the financial crisis, **Mitsis Hotels** nearly doubled its revenue



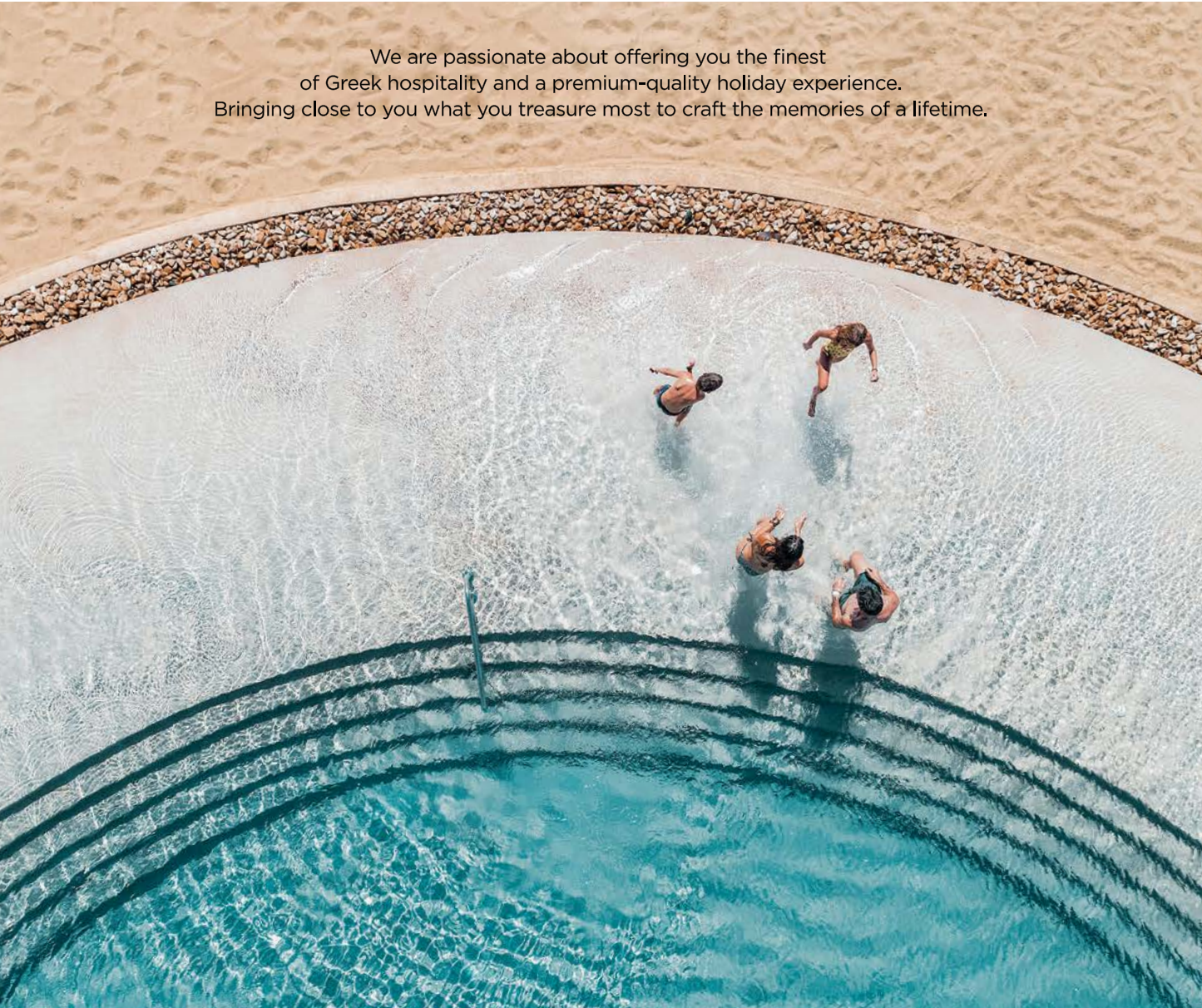
**Mitsis Hotels** attract **400,000** guests per year on average



**Mitsis Hotels’** portfolio includes **17** city, beach and resort hotels and **11** spa and thalassotherapy centers



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## Boosting digital services to better serve banking customers

**Costas Mitropoulos, Chairman, Attica Bank,** provides an insight into how the bank is changing in response to coronavirus

**How has the international business community's perception of Greece as an investment destination evolved in recent years?**

The perception of Greece as a potential investment destination improved substantially between 2017 and the beginning of 2020, especially toward the end of that period. I think this should continue, as the handling of the coronavirus crisis by the Greek government has clearly been a case study in crisis management. Over the course of the crisis, its decision making was swift, data based and responsive to new evidence. By strengthening its operational leadership, digitalizing interfaces and introducing economic support measures, the government contained the health situation without paralyzing the economy and with no political arguments. All investments into Greece are welcome. To date, we have not had many large projects that could attract significant overseas capital but our privatization programme can assist in bridging this gap by generating investments with significant multipliers, which will help the economy to accelerate.

**“We are moving away from the current paradigm into the new era of digital execution, while retaining the human face of real banking in lending money to our customers.”**

Costas Mitropoulos, Chairman, Attica Bank

**Formed in 1924, Attica Bank is Greece's fifth-largest bank. From your perspective, what are some of the main lessons to be learned from the coronavirus crisis for the country and its banking sector?**

There are valuable lessons to be learned for when we return to normality. First, we need to ensure the continuity of vital supply chains at all times. Second, technology was instrumental in retaining the lockdown's effectiveness. Remote working will expand in all sectors and will become the dominant mode in some of them, while digital transactions and interfaces are now embedded in every day life. Third, consumer attitudes and behaviors—such as in retail shopping, health care, personal entertainment and banking—have been influenced by the limitations introduced to limit COVID-19's spread and that will survive after the end of the measures. Interestingly, human contact remains indispensable in doing business, in injecting creativity and in strengthening social coherence.

**How is Attica Bank different to other banks and what is your vision for its future?**

Prior to the emergence of COVID-19, we had started and are still working to differentiate ourselves in four ways. Firstly, by financing the ecosystem around



environment, energy and infrastructure projects. Our aim is to work with all the companies, usually small- and medium-sized enterprises, that make projects happen. Secondly, we have a focus on the professional classes, engineers, lawyers, pharmacist, doctors, and look at them simultaneously as both small businesses and individuals. A third difference is the small number of NPLs that we still have on our balance sheet—a bit less than €800 million, which we hope to clear through our securitization program. If that goes well, we will become the first Greek bank with zero legacy NPLs.

Our fourth differentiating factor is that we have decided to become the first officially hybrid bank. We are focusing on digital banking, while retaining our 55 branches, and will offer customers a fully digitized pack of services, without them having to physically visit the bank if they don't want to. We are moving away from the current paradigm into the new era of digital execution, while retaining the human face of real banking in lending money to our customers. We will soon start rebranding our branches to transmit this new message to the public. We are small enough to be able to modernize quickly, but our emphasis will always be on maintaining long-term relations with our customers.

Having said all that, neither the path to normality nor the new normality after COVID-19 are clear at the moment. Supply and demand imbalances, restrictive measures, behavioral changes, fiscal stretching and non-coordinated international actions make the dynamics difficult to read. So, for the time being, we are trying to make sense of the evolving environment before reparametrizing our business plan. We are currently focusing on four change areas: understanding our customers better and tailoring solutions to their emerging needs, making remote working standard, digitalizing as fast and as much as we can, and strengthening our supervisory management that links everything together. When dealing with crisis and intense pressure, creativity comes out naturally from many quarters and we are making good use of it. All in all our small size allows us to adjust swiftly to the new environment and our strategy appears to be relevant to the new challenges.

**In 2019, Attica Bank's total assets amounted to €3.4 billion**

**In 2019, in terms of financing and refinancing, €75 million was disbursed**

**Attica Bank's exposure to the energy sector has reached €0.5 billion, with plans for an imminent increase**

## Dynamic hub for shipping services

**Ioannis Chiotopoulos, VP Regional Manager South East Europe, Middle East and Africa, DNV GL Maritime,** drives the sector forward



**How has COVID-19 affected DNV GL Maritime, the world's leading classification organization and advisor, which enhances safety, quality, efficiency and environmental performance in the global shipping industry?**

DNV GL Maritime was already set up to adapt, because the nature of our job is remote. Our people are always on the run, onboard vessels or at client sites. Almost everyone in the maritime industry has been impacted by the pandemic. But thanks to our long-held commitment to digitalization and our extensive experience in delivering remote surveys, we were spared its worst effects.

**DNV GL in Greece has become a dynamic regional hub for the company. Can you describe your Greek-based research and development (R&D)?**

11 years ago, DNV GL was the first to establish an R&D department in Greece. We have developed solutions that are cost efficient for our customers, making their lives easier and improving their cost-benefit ratio. A few examples are COSSMOS, a platform that uses thermodynamics criteria to boost energy

efficiency; Direct Access to Technical Experts (DATE), a centralized service through which customers can ask questions and receive answers within a few hours; and a smart survey booking service for competent services around the world. DNV GL Piraeus collaborates with our global headquarters on the development of new services. We need to have global synergies to deliver these multinational and complicated services to our customers.

**Can you explain the role of DNV GL Maritime Academy Hellas?**

Our industry has seen a lot of changes in recent years, with new regulations and requirements coming into force. Our academy prepares our clients for these changes and offers training solutions fit for their needs that are delivered by top-level experts. Over 10 years, we have conducted about 1,150 courses with almost 13,000 attendees from 400 shipping companies within the shipping industry. Maritime Academy Hellas received the 2020 SMART4SEA training award in recognition of its achievements.

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# Greece, the power of the international shipping sector

**Costis Frangoulis, Founder and CEO, Franman,** explains how preparation and agility will keep the shipping sector at the top



As a longstanding member of the community, what is your personal vision for Greece's shipping sector? What are your thoughts on the new Maritime Hellas cluster and its potential to become a global hub for shipping services?

I can only be proud of the fact that Greece is considered to be the number one ship-owning nation worldwide. We are a nation of islands at the crossroads of the Mediterranean trade routes, with the maritime industry at the heart of the Greek economy. I feel confident that this will not change in the future, as shipping is a fundamental part of this country's DNA. The mentality of Greeks and our success in business is born out of our experience as shipowners or service providers in the industry.

**“It is of the utmost importance to find partners who not only have expertise and a leading position in their field, but that also share our business values.”**  
Costis Frangoulis, Founder and CEO, Franman

As an industry, it is important to have a strong cluster supporting you—providing research and development (R&D), economies of scale and innovative products and services to drive the industry forward, challenging the status quo. We are prepared for whatever is coming next, be it sustainable shipping, the International Maritime Organization's (IMO's) goals for 2030 and 2050, increased digitization of maritime trade, and the ups and downs of the shipping market.

**This year marks a new era for the global shipping sector with the implementation of the IMO's 2020 sulfur cap. How would you describe the impact of the sulfur cap on your business and what types of opportunities are emerging from this new paradigm?**

As a marine trading house, we were heavily involved in scrubber installations with the majority of tanker, bulker and containership owners placing orders over the last two years in preparation for 2020. This January, very large crude carriers with scrubbers were making savings of \$20,000 per day in fuel costs due to the fact we had big price spreads between regular and low sulfur fuel.

IMO 2020 highlighted the work shipping needs to do to meet the next milestones in 2030 and 2050. As a result, I firmly believe we will see an increase in industry-wide R&D and decarbonization efforts. Incremental improvements in engine technology are unlikely to get us to 2050 emissions standards, but there are huge opportunities for those who can rethink the way we power ships.

What are some of the core values instituted by you that make your company stand out among the competition when it comes to high standards of customer service?

I started the company from scratch back in 1991. As the company was growing, I always emphasized the quality of the services as my highest priority. Even today, this one of my main roles in the company, making sure that we are providing the best possible service to our customers and partners worldwide. We try to be constantly on top of our game and we never forget that we need to evolve, as success is not permanent. In our early years, we adopted the Japanese trading house 'one-stop-shop philosophy' model and this helped us differentiate from our competitors and get to where we are today.

What are the necessary ingredients that a company and potential partner of Franman will have in order to establish a long-term, trusting relationship?

We try to find partners that share the same value and corporate philosophy with us. We have seen in the past that there are some excellent companies out there, but this is not enough in order to have a successful commercial relationship. It is of the utmost importance to find partners who not only have expertise and a leading position in their field, but that also share our business values. We feel quite fortunate to have established excellent partnerships from the very early days of our operation.

**As an ambassador for the Greek shipping industry, would you like to share a final, powerful message with the readers of Newsweek?**

Greece may be a small country that has had a lot of problems in the past, but it is stronger today. With an excellent government in power we are seeing a lot of opportunities for companies who wish to invest in our country. As a member of the Greek shipping community, I am very positive about the present and the future of Greek shipping, which has all the ingredients needed in order to stay number one worldwide.



Since **2014**, the **Greek** fleet has grown by **22%**, employing more than **160,000** people



**Greece** holds **22%** of the global fleet with **4,536** vessels



**Franman** represents **132** corporations in **Greece** and trades in **13** other markets



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Always obsessed with the sea,  
with the vessels that travel the sea.  
Obsessed with doing everything we need to do  
to keep your business safely, efficiently, on the move.



## Posidonia: The Greek shipping sector's biennial flagship event

**Theodore Vokos, Managing Director, Posidonia Exhibitions,** is adamant that the Greek shipping community will remain dominant



**What impact has COVID-19 had on Posidonia's event planned for 2020?**

The purpose of Posidonia is to promote Greece and Greek shipping globally, guarantee a productive and safe exhibition for global participants, and contribute to the Greek economy. If one of the above criteria is not met, we will have to adjust our plans. We will be evaluating the situation in the coming weeks and, depending on how the crisis develops, will consider cancelling the exhibition and move on to the next Posidonia, planned for 6-10 June 2022.

**This year marks a new era for the shipping sector with the implementation of the International Maritime Organization's (IMO's) 2020 sulfur cap. What's the current status on this and future regulations?**

We are at the first stages of implementation of the new cap. Early adopters of scrubber technologies are sharing their experiences regarding whether the technology actually works, the availability of low sulfur fuel is a crucial topic, as is its quality. But it is not only the technical issues, the industry is now looking into the legal aspects of the new regulations. Another important issue is the IMO 2050 regulation on greenhouse-gas emissions. However, the technology to achieve that is not there yet.

**"Shipping is a very important industry for the Greek and the global economy, which has not received the recognition it deserves."**

Theodore Vokos, Managing Director, Posidonia Exhibitions

**Do you foresee a post-COVID surge for the Greek shipping sector and the new Maritime Hellas cluster?**

Shipping will continue to be strong and I am amazed that new companies are being created by new entrants to the sector and by big traditional shipping names. The transition from the previous generation of shipowners to their children is also coming along smoothly, with the younger generation keen to take the business further. But the success story lies in the rise of Greek equipment and services companies. Judging by the success of two Greek associations—the Hellenic Marine Equipment Manufacturers and Exporters and the Worldwide Industrial and Marine Association—Greece has become a technology innovator and premium quality producer. The Maritime Hellas cluster is a very important initiative, which compliments the efforts of the maritime community. We are proud to be a member of the cluster and further promote Greek products and services to the global maritime industry.

**Smart tech experienced a surge in representation at the most recent Posidonia, with over 60 international companies participating. What does this tell us about the shipping sector?**


In the last few years, Greek shipping has been embracing technology at full speed, through a top-down and bottom-up approach. New regulations oblige companies to adopt certain technologies but, at the same time, in their continuous efforts to optimize performance, shipping companies started producing their own proprietary technology. The adoption of new technology coincides with a generational change in the shipping community.

**Are sustainability and the climate a central part of Posidonia?**


They are always on Posidonia's agenda—the industry as a whole is focusing on sustainability and the environment. Greek shipping has stepped up to its responsibilities. It has been keen to comply with all new regulations and is an active member of the IMO, suggesting new solutions, like slow speeding, to reduce greenhouse gas emissions. On the other hand, we have to get the message across that shipping has been over-targeted in the climate pollution agenda. The sector has faced an unfair amount of criticism, while the expectations for change on its part have never been higher.

**As an ambassador for Greek shipping, do you have a final message?**


The Greek shipping community is here to stay. It is a dominant force, providing a service of global importance. Shipping is a very important industry for the Greek and the global economy, which has not received the recognition it deserves. Greek shipping has proven it remains open for business, regardless of what happens with the country's economy. Greece's shipping companies are and will remain trusted partners. The industry should be regulated and must focus on protecting the environment as much as it can. However, regulators should be careful not to handicap the industry as a vital business partner and the EU should not risk losing this industry.



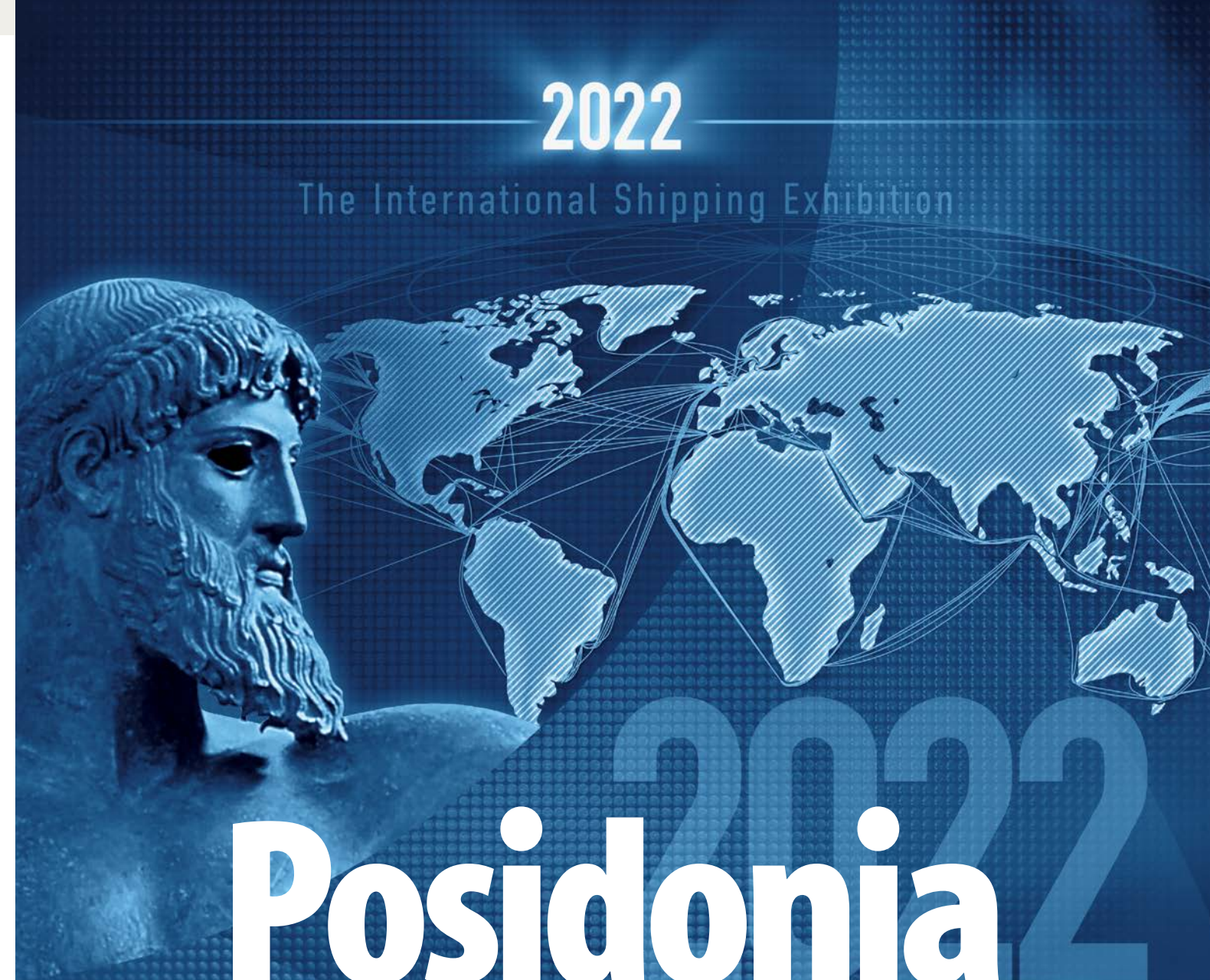
**2009** exhibitors from **92** countries participated in **Posidonia 2018**



**50%** of **EU** shipments are carried on Greek ships



By **2050**, the shipping industry has agreed to lower greenhouse-gas emissions by **50%**



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The International Shipping Exhibition

Organisers: **Posidonia Exhibitions SA**, e-mail: [posidonia@posidonia-events.com](mailto:posidonia@posidonia-events.com)

[www.posidonia-events.com](http://www.posidonia-events.com)

## Raising the profile of Greece to the international level

**Panos Kirnidis, CEO, Palau International Ship Registry,** sees innovation as core for any successful registry in the future



What are your views on the evolution of the maritime sector in Greece, in terms of its historical significance and current status, as well as the emergence of the Maritime Hellas cluster?

The contribution of shipping to the country is as important as it is diverse, going beyond maritime transport services, through indirect economic investments and employment opportunities. While Greece might only account for 0.15 percent of the world population, 21 percent of the global shipping tonnage is Greek-owned. This makes the Greek merchant fleet the biggest fleet in the world, with 4,936 vessels of 389.69 million deadweight tons. Greek shipowners increased their investments in the maritime sector between 2007 to 2018 by more than doubling the capacity of their fleet. These ship owners have very specific needs and requirements, and consequently our registry has been designed to help them meet these challenges. Looking forward, trade disputes and shipping-related regulatory trends will continue to feed uncertainty in the shipping market. Brexit stands to disrupt European markets and as China continues its growth internally it will transform from the world's factory to a consumer country.

**“PISR is tomorrow’s leader, globally known as the ‘SMART.Registry’, with a customer-centric focus and offering real value-added services and innovative solutions for shipowners and managers.”**

Panos Kirnidis, CEO, Palau International Ship Registry

The launch of a new decade in 2020 also kicks off a new era in the global shipping industry with the implementation of the International Maritime Organization’s (IMO’s) sulfur cap. Do you think that this and other measures focused on curbing emissions will impact your ship registry?

The shipowners in our fleet have been preparing for the IMO’s sulfur cap for the past two years. We have been in discussions with them about how it will affect their operations, and are offering them advice and support. We are working with the IMO and have a permanent representative at that organization, so we understand the changes and implications for our fleet. We fully back the importance of a proper, effective global regulatory regime through the IMO.

One of the concerns, especially for those with older fleets, is the uncertain impact of the incompatibility of bunker fuels. This may leave shipowners facing serious engine repair issues, requiring vessels to be taken out of service and leading to serious loss of earnings. Our work as a ship registry is to provide support, guidance and development for shipowners, who see us a flag of confidence and a real partner in their daily operations.

Palau is an island republic in the western Pacific Ocean. Can you explain how its registry—Palau International Ship Registry (PISR)—tapped into a new market niche by fully leveraging technology and digital solutions to cater to the needs of shipowners?

PISR is tomorrow’s leader, globally known as the “SMART.Registry”, with a customer-centric focus and offering real value-added services and innovative solutions for shipowners and managers. We are the world’s fastest-growing ship registry and one that is increasingly being called “tomorrow’s registry today.” PISR wanted to be a registry for the future; one based on unique online services that also utilized the skills and experience of real people. Our goal is clear: we are aiming to be one of the leading ship registries in the global shipping industry.

We deliver our services faster, more efficiently and for the best possible value for money in comparison with others. As times change and technology develops, our clients are looking for traditional registry support blended with new technologies, which is why we have made significant investment in our information technology systems and have developed our unique SMART.Registry solution that is fully integrated with the software systems SAP Business One for enterprise resource planning and Salesforce for customer relationship management.

Our investment in technology has not overridden our commitment to shipowners. Our registry is based on four pillars: responsiveness, instant and transparent decision making, localization and effectiveness. To be as responsive as possible, we have established a global presence and have offices in the U.S., Greece and Cyprus, with a new office in Europe opening soon. These offices are empowered to make decisions themselves and all their work is coordinated through our global workflow management system.

In addition, the strong relationship that Palau has with the U.S. under our Compact of Free Association has strengthened the economic standing of the republic. PISR is now one of the strongest and most politically supported ship registries in the world, which is a further benefit for those ships flying the Palau flag.

-  **31.8% and 22.5%** of the Greek-owned fleet’s activity is involved in Asian and U.S. routes respectively
-  PISR has created a network of **40** deputy registrars in **24** countries
-  Currently, the **PISR** fleet comprises more than **400** active ships

# The world’s oceans are big enough for a SMART Registry



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# Granting Greece a more business-friendly profile

**Simos Anastasopoulos, Chairman, Petsiavas, and President, Council on Competitiveness of Greece,** suggests that extroversion for Greece is key

This year Petsiavas celebrates 100 years of history. What are some of the core values instituted by its founder that continue to be embraced today and which enable the company to work at the highest levels of standards?

First of all, we have focused heavily on diversification and, secondly, we have maintained the family aspect of the company, focusing on the family atmosphere we share with the people working with us. Petsiavas was operating with corporate social responsibility (CSR) principals before CSR became a standard in business. People do not leave the company, as we have people working with us for more than 50 years. We are not a multinational company and we certainly do not offer the level of salaries that some of our multinational competitors might offer. However, the environment within the company is supportive of everyone, which played a fundamental role when it came to our company's survival through dark times.

**"We have invested heavily in our manufacturing facilities and that is how we managed to turn things around in the pharma sector during hard times."**

Simos Anastasopoulos, Chairman, Petsiavas

What aspects of Greek's social and economic fabric have you focused your attention on that you believe, if addressed strategically, can have a dramatic effect on competitiveness?

Even though Greece has human capital of high quality, it seems that we lack the necessary skills for the current environment, either in Greece or abroad. We see areas where basic skills seem to be lacking. Change in our education system seems to be more necessary than ever before. Our current government and the Minister of Education, Niki Kerameus, recognize the issue and have proposed reforms in order to fix this problem. We have been working with the government on several fronts. We need to work with the government, especially in a country like Greece, where we believe that organizations that are focused on competitiveness can heavily influence the direction of policies.

With the deepening of the financial crisis came harsh austerity measures that created a challenging environment for the pharmaceutical sector. How have you used this period to refocus, adapt, innovate and make Petsiavas more resilient and committed to patient needs?



Petsiavas is slightly different to other pharmaceutical companies, as we produce in Greece but we don't produce generics. In that sense, we have the license to manufacture, promote, produce, import and distribute products into the Greek market. As our prescriptions base is very healthy, we have managed to safeguard our volumes and survive decreases. However, we do face the same issues as the rest of the pharmaceutical industry, which are the multiple clawbacks and rebates. At their current level, clawbacks and rebates will not allow the Greek pharmaceutical industry to survive for much longer.

There has also been significant discussion about the distribution of clawback, as the system is unfair. Returns are distributed among all marketing authorization holders and not only those that created the increase in pharmaceutical expenditure in the first place.

How would you describe the evolution of your company and its diversification strategy? Moreover, where will new growth come from? Do you have plans to tap any new, possibly related, segments?

Over the years, we have managed to survive thanks to diversification. We believe in the products that we represent, especially in our niche area, which is diabetes products. We have invested heavily in our manufacturing facilities and that is how we managed to turn things around in the pharma sector during hard times. At the time, the company used to make money from plastics and textiles. The textile industry is currently dead throughout Europe, but plastics might be an opportunity, as we are currently focusing in recycled materials to offer to our customers.

We see a very good opportunity in the over-the-counter (OTC) market. The plan for Petsiavas over the next decade, and hopefully even longer, is to increase our presence in OTC through our own products that we will be able to manufacture in our facilities and then export. The new model for Greece is commonly agreed to be based on innovation and exports.

**In 2019,** pharmaceutical products were second among the **100** most important **Greek** exports

**Petsiavas** has more than **150** employees

Between **2018** and **2019**, the rate of change in value for pharma exports was **45.6%**

# Engineering complex infrastructure

**Ioannis Foteinos, Founder and CEO, Salfo and Associates,** heads a globally important engineering company



Salfo and Associates was the first Greek company to enter Engineering News-Record magazine's global top 200 design firms. How did it become an international leader behind pioneering infrastructure projects?

We established the company in 1994. By 2004, we had accumulated a lot of know-how and thought it was the right time to expand outside Greece, with the best place to do that being the Middle East. At the beginning it was tough, as we had to prove that Greek engineers are world class. Demonstrating our ability was a crucial element in our Middle East success, as was the fact that we are competitive in pricing. Over 90 percent of Salfo's turnover now comes from outside Greece and, at the moment, we are working with countries like Saudi Arabia, Qatar, Dubai, Oman, Malta, Cyprus and Serbia. Every year, we try to expand into new countries and are currently considering Kazakhstan and Africa.

How will COVID-19 affect the global engineering sector?

The virus has brought uncertainty and there will be a slowdown in construction. In my opinion, the most effective investment at this moment is in

public infrastructure such as roads, ports, hospitals and schools. Governments need to inject money to ensure these projects are developed. It is also a good time to examine renewable energy and environmentally respectful initiatives. Climate change must be a priority.

How is Salfo embracing sustainability in its project portfolio?

For a few years, Salfo has focused on expanding into new sectors, including energy, the environment and IT. We are already involved in energy-saving projects and in the IT sector here in Greece. Clearly, we are not only an engineering company with infrastructure projects but also a dynamic company focused on other sectors. Our basic know-how allows us to expand our horizons as a company that is well grounded and diverse with regard to the sectors we operate in.

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# Introducing unique resources in a highly curated product

**Ioanna Dretta, CEO, Marketing Greece,** describes Greece’s plan to enhance the renowned ‘Philoxenia’ experience



As a figurehead of Greece’s champion sector—tourism—how would you sum up the ‘essence’ of Greece and what makes it so unique as a destination?

Marketing Greece represents a globally unique case of a private company with the promotion of the country as its main purpose. We have been raising funds throughout the years, trying to promote various national destinations and the Greek tourism product in general. In 2013, the company was founded during the very dark days of the financial crisis in order to promote the country. Nowadays, we are still promoting it, trying to implement the national strategy, which is led by the Ministry of Tourism and the Greek National Tourism Organisation (GNTO). We work in cooperation with all the stakeholders of the tourism industry, public sector included. Our visitors are choosing the country based on the feeling they have when they get here. They form a connection with the locals and appreciate the ease of achieving that.

**“The old days of a cold beer on a sunny beach are over. Travelers are now looking for experiences, as tourism in general has become more experience-driven.”**  
Ioanna Dretta, CEO, Marketing Greece

We know that our flagship product is the ‘Sea and Sun’ product, which generates around 70 to 80 percent of the income for the business. However, we have been working really hard, here in Marketing Greece along with all players, in order to extend the touristic period, but also to enrich the overall product. The old days of a cold beer on a sunny beach are over. Travelers are now looking for experiences, as tourism in general has become more experience-driven. They are seeking a more enriched product. In our case, an enriched product can be achieved through culture, gastronomy, outdoor activities and events. We know from data that our competitive advantage in comparison with other countries lies in the beauty of the nature, as well as the cultural heritage and the way of life in general. The way of life includes gastronomy, but also the communication and the connection that can be achieved with the locals.

Considering the ‘Oh My Greece’ campaign was launched last year in February, people should be waiting an imminent launch for your new campaign. Are you able to give us a sneak peak? What key concepts will be embraced by it?

Oh My Greece’ was the flagship campaign of 2019. However, it does not cover the entire range of our strategy, as we have other things in addition to that.

We are trying to increase the demand over the winter months or even distribute the demand all over the country, increasing significantly the spending. This year we are going to run again ‘Oh My Greece’. We created the content last year but, interestingly enough, we gave it to GNTO, free of any charge. They put great numbers into this project, as we are moving to tackling the sustainability issue more. Last year, we made the first step toward that direction, as we ran our first business-to-business campaign, encouraging companies to implement zero-waste practices. In addition, last year we produced around 60 videos. We know how to create content and that is not solely on the practical level. We are a non-profit organization, which puts great restrictions on our budget. We are mainly doing digital work, as it is cheaper and easier. The idea is that we create content and give it to big players like GNTO or the regions themselves to use it. We are considered to be a destination marketing organization (DMO), but we are not officially; we are acting as a DMO. Throughout the world, DMOs are usually state-owned or mixed funds. Here we are entirely private. So, we are trying to cooperate with the GNTO, so that we create a mixed scheme.

What is the importance of collaboration for an organization backed by the private sector that is also related to all stakeholders in the industry?

Collaboration is the key for the tourism sector, as there are too many players, starting from the state, going to regional government, the private sector and society itself. Our goal here is to increase the quality of the touristic product offered from our side. All the above-mentioned players need to be able to cooperate, as this cannot be enforced. Collaboration should be a common goal, inspired by the people.

What would be your final message to the readers of Newsweek?

Greece is a place where people have the ability to feel true freedom. People have the chance to travel around, visit islands or mountains, with a free spirit. That has been a fundamental message through our campaigns.



**Marketing Greece** has more than **60** partners in the tourism sector



In **2019, Marketing Greece** carried out more than **20** destination campaigns throughout the country



During **2019, Marketing Greece** produced **35** destination videos with millions of views

# Greece unlocks a brighter future step by step

**Basil Theocarakis, President, Theocarakis Group of Companies,** guides us through the endeavors of one of Greece’s oldest conglomerates



What is your current outlook for Greece, considering the optimistic business climate found here today?

I have a passion for business and art. During my many years of service in business I have seen very good days and days so bad that I do not want to be reminded of them. To climb up from small beginnings, not to any great heights but to a halfway reasonable level, requires a lot of effort and I never gave up.

Greece’s best days are certainly coming but it won’t be immediate. We have to be patient and believe that the very difficult period we have been through is over. Better days will come but only through hard work, collective effort and an honest desire to revive anew both the state and society.

**“To climb up from small beginnings, not to any great heights but to a halfway reasonable level, requires a lot of effort and I never gave up.”**  
Basil Theocarakis, President, Theocarakis Group of Companies

Theocarakis Group of Companies has evolved to become a highly diversified conglomerate with its core still set in the automotive industry and shipping. Under your leadership and entrepreneurial drive, the group has expanded into sectors such as insurance, energy, digital services and cosmetics. When does an opportunity become too good to pass up? Can we expect to see further diversification in the near future?

Our companies were based on the import of cars and later on shipping, which has brought us quite a lot of joy as well as sorrow. After that we moved forward with the establishment of a number of other companies in different areas with different methods of organization. Each company was autonomous in its management, while I had general oversight of their administration. Ultimately, we survived, but not without casualties. If we are given the right business opportunity, we will certainly examine it carefully, even if it means we have to diversify our activities or the company model we employ today.

What can you tell us about the evolution of the automotive sector in Greece and the role that you have played in shaping the market into what it is today?

We did play an important role in the automotive sector by establishing an outstanding Nissan car assembly plant in Greece. The plant started its operation in 1980 and it was built on a land area of 264,000 square meters. During its lifetime it produced 170,000 vehicles of a quality equal to those produced in

Japan. Unfortunately, despite its extremely successful production, the plant was forced to close down its operations due to government failures that rendered the entire venture uncompetitive. This has been the biggest disappointment of my business career. Greece could have had a car manufacturing industry today like that of other countries in both southeastern and central Europe.

How much potential does Greece have to further develop renewable energies and could it become a global leader in the green economy?

After the enactment of laws in 2007 that allowed for the licensing of photovoltaic parks in Greece, we immediately went ahead with investments in this sector. In 2009, we put our first photovoltaic power plant, with an output of 2 MWp, into operation and this was followed by two more photovoltaic plants. Today, our operations generate 6 MWp and we already have licenses we can use for future developments.

Greece’s potential in renewable energy could be truly favorable because it has sun and wind like no other country in Europe—as long as the regulatory environment remains stable and encouraging with regard to all the factors that make these investments possible. Improved license processing times and the upgrading of Greece’s electricity transmission networks are necessary in order to assist the profitability of companies that invest in this sector.

What would be your final message to the readers of Newsweek?

At the start of a new decade, 2020 finds us wiser from the experience of the financial crisis. Individual people and society as a whole, the state and businesses have reconsidered their attitudes to erroneous practices of the past, while working to establish a sound basis for future development. The Greek economy is running on new tracks and we all have to be part of the engine. With new synergies, export orientation and investments I believe we will succeed.



**The Theocarakis Group of Companies** started as one small firm back in **1924**



**Nic. J. Theocarakis** was the **first** distributor of Nissan cars in **Europe**



**The Theocarakis Group of Companies** represents more than **17** different brands

# Success from the perspective of an insightful entrepreneur

**Nikos D. Pateras, Chairman, Contships Management,** shares his views on the international outlook for the shipping sector



As a member of the Greek shipowning community, you have navigated with determination and contributed to the development of the shipping sector worldwide. What is your view on the current state of the shipping sector at the global level, the impact of the International Maritime Organization's 2020 sulfur cap and other critical issues affecting the sector?

Between 1986 and 1989, my father and uncle entrusted me to acquire 11 ships. I managed to resell the ships in less than three years with 300 percent profit. My initial idea of shipping was close to asset management. In 1993, I created my own shipping company, Pacific & Atlantic, which specialized in managing bulk carriers and multipurpose ships. Between 1993 and 2007, I owned a fleet of 52 vessels. Just before the financial crisis started in 2008, I sold my fleet, making a substantial profit. For a period of over 20 years, we were not making any money from the trading of vessels, but in 1989 and 2008 we gained remarkable profits from asset play.

In terms of the current state of the sector, the banks that finance shipping have reduced dramatically. Most shipowners now look for financing elsewhere, such as by approaching the big Chinese leasing houses. In order to invest in a ship, you are required to put down substantially more equity than you would have 20 years ago. At the same time, you need to have a very good management team in order to be able to implement all the new regulations that have or will come into force. One of those is the 2020 sulfur cap, which is a regulation that will be either covered by the installation of a scrubber on a ship or by the use of lower sulfur bunkers.

**“For a period of over 20 years, we were not making any money from the trading of vessels, but in 1989 and 2008 we gained remarkable profits from asset play.”**  
Nikos D. Pateras, Chairman, Contships Management


In our case, as feeder ships do not have large engine rooms, we do not have the space to fit scrubbers. Consequently, we have to use low-sulfur fuel. In terms of regulations, everything has become stricter since I started. However, all of this has had quite a positive effect, as the quality of ships has improved dramatically. The regulations have forced us to become better managers. The main problem that the shipping sector is facing today and potentially, in my view, for the coming decades, is the lack of talent and competent crew to man ships. We, as Contships Management, have handled the situation by creating a pool of officers that mostly come from Europe, as well as a competent pool of ratings that are from the Philippines.

What are the high-growth markets that your vessels will be servicing in the coming decade and where will new growth in the containership feeder sector be coming from?


In 2018, when the U.S. embarked on this trade war on China, we saw the market in the feeder segment drop by 25 to 30 percent. There was less cargo coming in, which meant that feeder vessels had less containers to carry, leading to charterers decreasing their rates. This was something unexpected for us, as between 2018 and 2019, we expected to make a net profit of around €30 million, but instead we made nothing. We see that 2020 is again going to be a very difficult year and won't lead to the expected uplift. The other issue we have been facing is the recent coronavirus epidemic. China's industrial side has destabilized and this has dramatically affected the market. Even though some of the factories will reopen, it is going to take months before we see the market return back to normality.

As an ambassador for the Greek shipping industry, you are also committed to promoting and supporting the country's social, cultural and maritime heritage through your foundation. What are some of the foundation's initiatives that make you feel the proud-est?


My foundation, the Nikolas D. Pateras Foundation, started 20 years ago. The initial idea for the foundation was to cover the costs and expenses of military families that had lost their loved ones while serving their country. We have covered a significant social gap that was never covered adequately by the government. Over the last 20 years, we have taken care of about 110 families, based on the above parameters. Additionally, we decided to also get involved in cultural work, we have helped by supporting the National Gallery as well as various publications related to shipping. We have also assisted in the renovation of 10 churches around Greece and have provided medical equipment for multiple hospitals.



In 2020, Contships Management counts **42 ships** in their fleet, after starting with just **5 in 2015**



In February, the container market loses **EUR 350 million** per week, due to the recent **COVID-19** outbreak



The **Nikolas D. Pateras Foundation** spends about **EUR 1 million** per year in local humanitarian causes

# Full steam ahead for a famous Greek shipping company

**George Karageorgiou, President and CEO, Olympic Shipping and Management,** shares his vision for shipping



Olympic Shipping and Management has vast experience and importance, having originally been set up by Aristotle Onassis in the 1930s. We would be interested, therefore, to hear your views on the impact of the International Maritime Organization's (IMO's) 2020 sulfur cap and other initiatives affecting the sector?

I see these initiatives as part of our evolution. Shipping is one of the most efficient industries in terms of generating greenhouse gas, in comparison to the amount of cargo it transfers. We should all try to make it even more efficient. The industry is regulated by the IMO and should remain as such. Everybody needs to comply with these directives as they aim to improve the global climate. The initial findings, after the implementation of the IMO 2020 cap, show that the industry has been able to comply with the new regulations. These steps will benefit our planet's environment in the future.

**“Shipping is one of the most efficient industries in terms of generating greenhouse gas, in comparison to the amount of cargo it transfers.”**  
George Karageorgiou, President and CEO  
Olympic Shipping and Management

How do you view the current state of the global shipping sector and Greece's role within it?

Shipping is an extremely important industry, responsible for 90 percent of the transportation of global trade. Not only is it crucial for world trade but it has been a key industry for Greece, and I believe it will remain that way. Shipping is a source of employment for a large number of Greeks, and the country relies on the sector in order to boost its gross domestic product.

Greece will continue holding a predominant position in the shipping industry with multiple shipowners. I believe that there will be some consolidation, with smaller companies merging in order to form bigger entities. We need to do that in order to be able to compete in a much better and more efficient way with the state entities that are being formed, mostly in Asia.

Looking a little further ahead, what key issues are you looking at when deciding a medium-term growth strategy for Olympic Shipping and Management?

The three principles that govern our policy are top-tier assets, great talent and long-term investments. Our core values have always been around investing in the top assets in the class we are interested in, while we are also


investing a lot in our people. We look at our investments over the long term and not the short term.

We do not have any growth strategy at the moment as we have made several investments over the last three years. We invested in very efficient, eco-friendly very large crude carriers (VLCCs) in 2017 and 2019. We have now reached a point where these assets are starting to produce economic output.


One of the first things I did when I took over this position was to digitize many of the internal processes of the company. We invested a tremendous amount of money in trying to digitize all of the processes and create applications that our seafarers can use on board in order to make their lives easier. We have also invested a lot of money in connecting the ship with the office. We receive approximately 50,000 data signals every hour from our fleet. That helps us manage the ships better than we used to. In some cases, it also allows us to identify the beginning of a problem before it presents itself. We have connected the ship with the office. We have placed sensors onboard the vessels and are now monitoring all the critical equipment on board from the office.

Technological innovation is having a phenomenal impact on the shipping sector, in terms of sustainability, efficiency and profitability. What has Olympic Shipping and Management's experience been so far with such technologies?


We will see more of these technologies entering the sector in the future. We are a big investor in this area and we have already started seeing some small benefits during our operations, as well as in our financial results. If you start with a good and efficient operation, then those technological advances will help you become a little more efficient. However, they are not a very big step forward on their own. The majority of the work has been already done by the people: if you have great talent and an effective management structure, then the benefits will show value over time.



Olympic has 21 crude oil tankers and 10 dry bulk carriers, with total capacity of **6.1 million dwt**



Olympic invested in **eco-friendly VLCCs** in 2017 and 2019



Olympic receives **50,000 digital data signals** from its fleet every hour

# The modernization of a cornerstone industry

**Stamatis Tsantanis, Chairman and CEO, Seanergy Maritime Holdings,** shows how shipping is going greener



What is your overall view of the current state of the shipping sector at the global level and the impact of the International Maritime Organization’s (IMO’s) 2020 sulfur cap?

Seanergy is the only U.S.-listed pure-play Capesize shipping company, with a cargo-carrying capacity of approximately 1.75 deadweight tonnage and trading around 8 million tons of cargo per year. We have strong relationships with some of the world’s most predominant charterers. In particular, in order to accommodate and make our ships environmentally compliant with the IMO 2020 rules, we have got into three to five-year partnerships with companies that are involved in the market for the installation of energy saving devices and scrubbers.

As a company, we decided not to take an active position in scrubbers—instead, we have invested in such way that those installations are shared through partnerships with various charterers. In terms of the impact of the sulfur cap, I believe that it was really significant at the very beginning of the year. Now, due to COVID-19, fuel prices have collapsed to a level where scrubber installation may not be an economical project for most companies.

**“Due to COVID-19, fuel prices have collapsed to a level where scrubber installation may not be an economical project for most companies.”**  
Stamatis Tsantanis, Chairman and CEO  
Seanergy Maritime Holdings

Seanergy has evolved from a dry bulk carrier established in 2007. If we look back, what are some of the roughest waters it navigated through and how were these turned into opportunities for the company?

Seanergy’s first fleet that was established in 2008 was composed of assets that were at the peak of their prices. No matter what good efforts the company put in at the time to restructure those acquisitions, it was impossible to make it happen. As a result, we had to sell all of our ships, in a procedure that started in 2012 and ended in 2014. I joined the company in 2012 and I led this restructuring phase. I must say that we oversaw the most successful restructuring process in the entire history of the U.S.’s public markets at that time. We did not have to resort to any type of bankruptcy, unlike many of our competitors. We did not change anything in terms of shareholders and also maintained our listing on the NASDAQ Stock Market. In the meantime, we managed to get rid of all those expensive assets, moving onto a clean operating list platform to rebuild it. The fact that we led this clean financial

restructuring without undermining the future operations of this company represents a huge effort on behalf of a company of our size and makes us really proud.

Do technologies like machine learning, artificial intelligence, the Internet of Things and big data lend themselves well to the maritime sector?

We are one of the pioneers in this area. Not only were we the first Greek shipping company to participate in the American Bureau of Shipping, through a feasibility study for scrubbers in 2016 but also, we are one of the very few firms that has established partnerships with our charterers to install energy saving devices onto our ships. We strongly believe that our existing fleet can become more efficient and leave a significantly smaller carbon footprint by installing devices that can make the ships more economical.

Shipowners are usually asked to pay the price for major technologically advanced investments, which I believe is unfair. On one of our ships, though, we have partnered with one of our charterers in an investment of around \$1.5 million through which we will try to create a paradigm of a more fuel-efficient fleet that reduces its carbon footprint substantially without building new tonnage. Interestingly, our most fuel-efficient ship is one of our oldest ships and was built in 2001.

As an ambassador for the Greek shipping industry, do you have a message for the readers of Newsweek?

Shipping is an essential part of the global supply chain. If you do not have shipping, you have no transport of any materials around the world. People sometimes tend to take that for granted. There is a big misconception about shipping—it can become greener and more environmentally friendly, in fact it already has. Shipping is a cornerstone industry that will continue to hold that position for the foreseeable future.



The **only U.S.-listed** pure-play Capesize shipping company



Pioneer company with the **American Bureau of Shipping** for assessment of environmental compliance



Seanergy currently has a **fleet of 10** modern Capesize vessels

# Promoting a key access point to continental Europe

**Yu Zenggang, Chairman, Piraeus Port Authority,** explains COSCO Shipping’s long-term vision for Greece’s most important port



China’s COSCO Shipping has a majority stake in the Piraeus Port Authority (PPA). What is the port of Piraeus’ significance as a node and regional hub in for the Chinese Belt and Road Initiative (BRI)?

The BRI was inspired by the ancient Silk Road but has been adapted to the modern age. It was initiated by China but now is of global scale, with more than 190 countries participating in one aspect or another including many European Union countries. The BRI is an inclusive, non-formative initiative that aims to develop global trade and consequently economic growth. The port of Piraeus—at the center of Europe, North Africa and Mediterranean Asia—is a key end node of this trade corridor and will play a very important role in achieving the benefits of increased trade and efficiency.

**“Greece is one of the biggest maritime nations of the world. The port, however, until recently was not within the top ports in terms of volumes.”**  
Yu Zenggang, Chairman, Piraeus Port Authority

PPA’s plan to make Piraeus the number one port in the region and the biggest transit hub between Asia and Europe is reflected in its latest investment program, which is worth €600 million. What is the scope of these investments?

Piraeus already has the necessary natural port characteristics to become a regional and continental leader in the global supply chain. However, it needs significant investment to keep up with the developments in the port industry, in order to attain sustainable development and overall growth in trade volumes. To this end, our investment plan is holistic and focuses both on capacity development as well as on the revamping of the seafront of Piraeus for the benefit of passengers and the city. More specifically, the investments are based on four pillars: capacity development; the revitalization of the ship repair sector that provides jobs and supports the local economy; the reduction of our environmental footprint through a series of actions such as eco-bus transfers within the port, providing electricity to ships and preparing for liquefied natural gas; and finally creating the foundations so that Piraeus can become a stand-alone business center with new hotels and points of interest.

In what ways are the PPA’s investments contributing to the further development of the maritime sector in Greece and particularly to the new cluster, Maritime Hellas?


Greece is one of the biggest maritime nations of the world. The port, however, until recently was not within the top ports in terms of volumes. This will change and we are committed to cooperating with all stakeholders in order to share the benefits of increased volumes within the port. PPA contributes 0.68 percent of the country’s gross domestic product, and we provide 1,500 direct employment positions and more than 8,000 indirect and induced positions.

In addition to a boost in container handling, with the port reaching a new record of 5.65 million twenty-foot equivalent units, Piraeus has also seen important growth in cruise ship calls and ship repair activity. What can you tell us about the development of these two business segments?


The rapid container handling growth was the result of major investment in infrastructure and superstructure, improved performance and service quality. The combination of investments and service quality improvements is the strategy we have started to apply in all areas, including the cruise and ship repair sectors. We believe that this has started to pay back, as pre-COVID-19 scheduled cruise ship calls were significantly increased by over 20 percent for 2020 compared to the previous year.

The signs are positive also for 2021, although it is still too early to be definite. More importantly though, we are noticing a quality shift in our client pool, with an increasing number of merchant ships that could choose any yard around the Mediterranean, especially since we purchased and started operating a Panama-size floating dock.


What would be your final message for the readers of Newsweek?  
Piraeus is an ancient and historic port that is on its way to again becoming a point of reference for the Mediterranean port industry, with its international seaborne trade supporting the outward focus of the European and Greek economies.



**Port of Piraeus is the top container terminal in the Mediterranean and 4th in Europe**



**In 2019, 17.65 million** passengers traveled through the **port of Piraeus**



PPA has a **€600 million** investment plan for the expansion of all port activities

# A unique destination for yachting

**Antonis Stelliatos, President, Hellenic Professional Yacht Owners Association,** demonstrates why Greece is the sector's global leader



With tens of thousands of kilometers of pristine coastline, Greece is a paradise for travelers who love the sea. What makes Greek yachting distinct when compared to competing destinations?

Greece is the ultimate destination for yachting, with the clearest and most transparent waters in the Mediterranean. Whether its the classic splendor of the Cyclades in the Aegean, the lush flair of the Ionian region or the cosmopolitan Dodecanes islands. Whether you would prefer spending your days lounging on a beach or experiencing our museums and archeological sites—what better way to experience it all than with a yacht. Since the yachting season in Greece runs from April to early November, the Greek seas offer attractions and delights for all tastes.

**“Since the yachting season in Greece runs from April to early November, the Greek seas offer attractions and delights for all tastes.”**

Antonis Stelliatos, President  
Hellenic Professional Yacht Owners Association

**Tourism is Greece's champion sector: during the financial crisis, it was the only sector that saw consistent growth. How does yachting contribute to tourism?**

Today, according to researchers, yachting contributes 1.1 percent of the tourism sector's entire contribution. In comparison, cruise ships represent 0.0082 percent.

**Prime Minister Kyriakos Mitsotakis has announced a three-pronged plan to boost Greece's maritime sector, with nautical tourism being one prong. From your perspective, what are the critical issues that you are focused on tackling?**

We are promoting Greece as a unique yachting destination and nautical tourism. Beside that, our shipyards are being upgraded to allow for the construction of new yachts in Greece. We are also giving a lot of attention to tourism education, which is important for high-level VIP passengers. We are now negotiating to lower VAT incurred by yachting, which is important for the sector to flourish. In comparison, our neighbors Turkey and Albania have a 0-percent VAT rate on yacht chartering.

**The Hellenic Professional Yacht Owners Association, known as EPEST, is committed to raising the standards of service in nautical**

**tourism and is proactive about combatting illegal charters. How would you gauge the success of your efforts in this?**

We have coordinated with the government and other stakeholders to keep illegal chartering within our scope. The Greek charter fleet consists of over 5,500 yachts, consisting of motor yachts, sailing yachts, catamarans, traditional yachts and mini-cruise ships with a capacity of 49 passengers. We want equal treatment for Greek and foreign flags.

At the moment, we have 5,000 seamen working for us in various positions for who we pay insurance at a huge expense and we are currently mandated to employ Greek-only crew, which we want to reconsider with the government. Equal treatment for foreign and Greek flag's is crucial, in our opinion.

**What are some of the opportunities on offer to investors in Greek nautical tourism?**

Hopefully, the government will focus further on nautical tourism, including marinas. With the amount of yachts visiting Greece during the summer, a marina investment would present an excellent opportunity and there are already foreign investors that have invested in marinas. There is also currently a serious focus on the shipyards of Piraeus, which would allow us to compete with Italy or France and provide job opportunities to thousands.

**As an ambassador for the Greek shipping industry, do you have a final message to share with the readers of Newsweek?**

Shipping and tourism are the two pillars of the Greek economy, and we would welcome more investors and partners for our two core sectors. We would also like to assure every visitor that our seas are secure for them to sail. We will continue to roam those seas, maintaining our position as indisputable leaders of the yachting industry worldwide.



The Greek charter fleet contains **over 5,500 yachts**



The maximum distance between any point in Greece and the sea is **85 miles**



Greece enjoys more than **250 days of sunshine** (or 3,000 sunny hours) a year

# A role model for the next generation of shipping

**Danae Bezantakou, CEO, Navigator Shipping Consultants,** examines challenges and opportunities facing the sector



**How well has Greece and the shipping sector coped with the COVID-19 pandemic?**

Greece has been through a very tough 10-year period, which will be extended due to the pandemic. However, crises can also bring opportunities. Greece had to change and it did—which is obvious from the effective plan that it put in place against COVID-19. The shipping industry has always been exposed to any kind of crisis in the world. When a sector holds more than 90 percent of worldwide trade, it cannot be on the outside in a worldwide crisis. Shipping has had ups and downs during the pandemic but during the quarantine period, it was one of the few sectors that did not stop operating—shipping is one of the basic parts of the supply chain that prevented us from facing empty shelves at supermarkets and insufficient medical equipment.

In the Greek shipping industry, we succeeded in adapting quickly to remote working—that was always in our lives one way or another—and to using technology to carry out the digital transformation that had been discussed for the last few years but happened much faster because of the crisis. The Greek industry now needs to consider the upscaling and training that we have to do in our offices and for the next generation of shipping in order to maintain our global position. We have to create a new ecosystem by educating the next generation. We are going to see a huge change, with shipping becoming more corporate and Europe is not ready for this change, including us, but the value of the knowledge of shipping as seen through the eyes of the European leader with a worldwide reputation—Greece—is immense.

**“Shipping is one of the basic parts of the supply chain that prevented us from facing empty shelves at supermarkets and insufficient medical equipment.”**

Danae Bezantakou, CEO, Navigator Shipping Consultants

**Navigator is a leading representation company, with an extensive network of towing companies and ship agencies around the world. What are some of the current ambitions you have for the company?**

Navigator represents multiple big companies worldwide. We have created a pool of companies so that we can offer very good solutions through tailor-made programs. If we see that some ports have more trade than others, we can fluctuate the prices, so that trading continues to be profitable. The challenge of this sector is that there are not many daily patterns. The cultural challenge is another issue that was efficiently dealt with by the Greeks. The U.S. and EU have been

quite open for many years when it comes to competition, but Africa and Asia are still not to the same extent.

**After November's successful 19th Shipping Decision Makers Forum—an event organized by Navigator and attended by leading industry stakeholders from around 50 countries—what are your plans for the 20th edition?**

Before COVID-19, it was going to be held in September on Chios island. As Navigator's first priority is safety, we will postpone the forum until 2021 and celebrate its 20th edition at the same time as the 30th anniversary of the company's founding. However, Navigator is enhancing open dialogue among shipping executives and decision makers and is organizing weekly online meetings with the forum's advisory board—which consists of renowned professionals from the whole spectrum of the industry—to keep updated on issues related to shipping and society in this unprecedented situation we all face.



**Navigator Shipping Consultants** has more than **3,500** vessels under towing or agency contract



**Navigator Shipping Consultants** receives more than **10,000** calls a year



**iforU** has forged a network of over **3,000** female entrepreneurs

**As a mentor and youth leader, you have worked on activities such as iforU, which empowers female entrepreneurs, and the Yes Forum, a dialogue platform for the next generation in shipping. When did you realize that this was a path you wanted to follow?**

I am honored to be part of many fora as a speaker, a moderator and a Young Global Leader. My role model has always been my mother, a mother of four daughters, married to a captain and standing next to him. She did not just raise me, she provided me with substantial mentoring and remarkable ideas that led to business opportunities. I want young people to recognize the chances that the Greek shipping industry can offer them and to convince them that they should never give up. That is why, during the quarantine, we organized many webinars and social media campaigns, as well as the Global Young Shipping Forum: What Now?, where representatives from 13 youth shipping organizations discussed the challenges and opportunities for the next generation in shipping.

# Meeting the global challenges in dry bulk shipping

**George Souravlas, Founder and CEO, Load Line Marine,** reveals how his company continues to stay ahead of the competition



Load Line Marine is an important member of Greece's shipowning community that operates and manages dry cargo vessels. Considering your experience, how do you view today's global environment for shipping?

Our area of expertise is dry bulk shipping, which has suffered 10 years of drought and low rates, mainly due to an oversupply of ships rather than a lack of demand. The International Maritime Organization's 2020 fuel sulfur cap has also produced major disruption in shipping because many suppliers had to change their facilities to abide by the new regulations. Now, we are seeing availability of the new fuels and prices are normalizing.

The next plan is to reduce carbon dioxide (CO<sub>2</sub>) emissions, as well as other greenhouse gases, by 40 percent in 2030 and 50 percent in 2050. This is the most important issue the sector has to address today. The sulfur content was an easily reachable target compared to that. In my view, we could achieve these new targets in two ways: by reducing the speed of ships and through more environmentally friendly fuels, although any new fuel technology needs to be safe, user friendly, cost effective and generally available. We can't overlook the COVID-19 global crisis, which has affected shipping through immense drops of consumption, trade and market sentiment. We are concerned that, once the COVID-19 situation has passed, people will start speeding up their ships, which will increase fuel consumption and CO<sub>2</sub> emissions.

**"We have a very strong technological background and constantly look for innovative ways to minimize fuel consumption and greenhouse emissions."**

George Souravlas, Founder and CEO, Load Line Marine

This year, Load Line Marine celebrates its 10th anniversary. Can you give us a snapshot of its achievements and strategies for the future?

There have been challenging periods, especially in the dry bulk shipping market, but the company has grown to have a fleet of 11 ships. Shipping is a hands-on business and we have invested in our intellectual capital to develop our skills and team, which is our strongest asset. Our happiest times came between 2011 and 2013, with the delivery of our three newest investments M/V Charlie, M/V Delta and M/V Eco.

Over these 10 years, we have exceeded the general shipping indexes by 13 percent in terms of income—we are earning a little more than the average, while we have managed to maintain operating costs below the average index and this is something we will try to keep doing. We have a very strong technological back-

ground and constantly look for innovative ways to minimize fuel consumption and greenhouse emissions, to keep our vessels ahead of the competition and to evolve toward new markets and opportunities.

We now want to build on the relationships we have forged over the years and grow stronger on that basis. We also want to expand and are looking for the right opportunity to make a move, although we would prefer not to increase our fleet by a large number. We are not interested in building new ships but would like to invest in modern second-hand ships of the types we already have. When there is new, reliable and cost-effective technology available, then we will look at those opportunities for investments.

**What is your vision for Greece's shipping sector?**

The Greek fleet has been for many years the world's largest fleet, as well as one of the strongest pillars of Greece's economy. The strength of Greek shipowners is that they have evolved with the times—in shipping, you have to have commercial and technical know-how combined with an open and flexible mind in order to evolve. Piraeus is one of the largest ports in the world, with a remarkable capacity thanks to investment made by COSCO, and other Greek ports are being developed following the same footsteps. Greece used to have a very vibrant ship-repair community and we would like to see this business flourishing again. Load Line Marine itself has always supported Greek shipyards, preferring them for repairs, conversions and upgrades.

Greek seafarers are the industry's largest asset and Load Line Marine only employs high-quality personnel. However, we would like to see the upgrade of Greek maritime academic centers. The salaries of seafarers are triple the amount of the land-based salaries and the career development is better, with multiple opportunities in Greek shipping companies' offices when they decide to come ashore. We should encourage more young talent to consider this opportunity. We are also very proud of the way that Posidonia has evolved into one of the largest exhibitions for the global shipping industry.



# The marina sector will be stronger than ever after COVID-19

**Stavros Katsikadis, President, Greek Marinas Association,** on plans to change the industry and maximize Greece's potential



From your position as president of the Greek Marinas Association (GMA), what is the current outlook for the sector in 2020?

Things are not as we thought they would be when the GMA held a very successful forum in Greece at the end of January. We had an excellent, honest discussion with the authorities and ministers, and all agreed that we have to move quickly to address problems like bureaucracy, the opening of the market to foreign markets and the framework of competition with other sectors. Nobody expected that things would deviate to this degree. However, 2020 could have been much worse for Greece and our industry. It is too early to predict the impact on marinas but I estimate it will be around 20 to 30 percent of our revenue. I want to be optimistic and say that in July, August and September, hopefully we will save a good percentage of our original forecasts for the year.

**"It is important for us to extend the Greek tourism season. We have the ideal climate and the natural beauty of our islands."**

Stavros Katsikadis, President, Greek Marinas Association

**How are you helping your members navigate 2020's economic shock?**

When the airlines start, it will be possible to charter boats from marinas. If that is delayed, chartering will be further delayed. That is why it is important for us to extend the Greek tourism season. We have the ideal climate and the natural beauty of our islands. Extension depends on other sectors of the economy and life but, if there is good cooperation, we will find a way.

As well as working with the Minister of Tourism, the GMA is working closely with the Hellenic Merchant Marine authority and central committees of doctors to finalize and achieve the health and operating protocols to restart businesses. When I say restart, I don't mean the operation of marinas—this never stopped. They continued with daily operations, liabilities, expenses and personnel. That involves a lot of expense.

We are in discussion with the government for a relief in concession fees. This will be circulated and distributed to our tenants and commercial boats. Any financial assistance we get from the government will end up with our clients and customers.

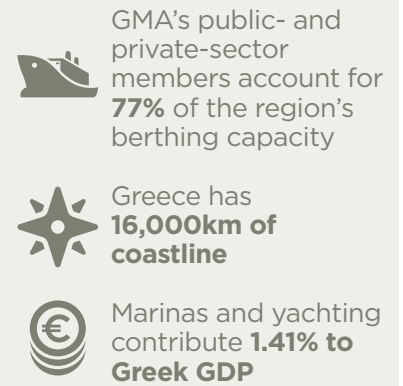
We are also about to complete a contingency plan for each marina in the case of COVID-19 incidents. If a boat arrives with an infection, everybody—the captain, marina, port police and health services—will know what to do. It is our obligation to provide this. It is also very important to the GMA that we continue to support our doctors, hospitals and community.

Marinas and yachting contribute 1.41 percent to Greek GDP and GMA forecasts that another €1.3 billion could be contributed, with 479,000 more annual tourist arrivals, 44,389 extra jobs and €1.8 billion in marina and yachting-related investments. How can you make this happen?

Our detailed plans and proposals, which have been submitted to the authorities, are mid- to long-term targets. We want to change things in Greece and our industry. The problem is that there is never just one authority involved in marinas. The first thing I raised at the GMA's January forum was that unless we have central coordination from one committee for our industry, we won't be able to solve the marinas' issues effectively.

**What are the main lessons GMA learned from the coronavirus crisis?**

We learned that we can find good solutions when we work with others. With the International Council of Marine Industry Associations and the European Boating Industry, we set safe operating guidelines that we are recommending to our government. Another good thing is technology—we upgraded our facilities, automation, software and our business. In addition, we are becoming better professionals, not only because of the new technology solutions applied but we can now use contingency plans and risk management in better ways.



**Are there opportunities for international investors in the marina sector?**

When you invest in times of uncertainty, you will get a higher return in times of success, and I know there is a strong interest from Greek and foreign investors in marinas. I think that, after COVID-19, it will be proved that investing in marinas is not the highest risk because they will suffer less than other tourism sectors. In Greece, we have a strong advantage in our 16,000 kilometers of coast; our friendly seas; the know-how in marinas, shipping and personnel; and the expertise of our seamen. We will continue having these advantages and I believe we will be stronger after COVID-19.

# Big enough to meet the challenge, small enough to care

**Arsenios Papatheodorou, Founder and CEO, BPCO,** expects to see many innovative solutions in the shipping industry in the future



What is your personal view of Greece’s shipping sector and of the country’s potential to become a global hub for shipping services through the activities of the new Maritime Hellas cluster?

Nowadays the shipping industry has changed a lot, but Greek companies are amongst the ones that keep this business running with great success. Unfortunately, as a country we have not yet managed to turn the port of Piraeus or Athens into hubs in terms of shipping services. All this new business will hopefully provide the momentum for the development of services into Piraeus and Athens. Moreover, Greek firms could further develop the legal and insurance services they offer, as these fields are currently dominated by the British.

**“I can recall many cases where we have refused to undertake a job. We know when a project cannot be done properly and our aim is to offer services that please our clients in the long run.”**  
Arsenios Papatheodorou, Founder and CEO, BPCO

As a global leader in ship repair solutions, how would you describe the impact of the International Maritime Organization’s (IMO’s) sulfur cap on BPCO’s business and what opportunities are emerging from this new paradigm?

BPCO represents Panasia, which is a Korean manufacturer and one of the leaders in the area of scrubber unit manufacturing. In order to adapt to the IMO’s 2020 sulfur regulation, each shipping company has two options. On the one hand, shipowners could continue using marine gasoil (MGO), but with a very-low-sulfur gasoil. However, in this case new combined fuels as well as newer special chemical additives must be used, to make the engine operate within safe margins. On the other hand, shipowners can adopt scrubber technology. The vast majority of the companies have kept on using MGO, mainly for economic reasons. Vessels with lower capacity would never see any benefit from the installation of a scrubber, as their fuel consumption is very low. BPCO has secured the exclusive representation of Power Research, a U.S.-based company that makes fuel additives that enable engines to run within safe margins under the new combined fuels. My prediction is that, in the long run, the scrubber business will slow down as new engine technologies will not require their use.

What are some of the core values you have instituted that make BPCO stand out from the competition when it comes to high standards of customer service?

At BPCO, we have a certain code of ethics that we follow throughout every

step of our work. If we have the means and know-how to undertake a job, we will. We check every aspect of a job on behalf of our clients in terms of technical and, from a larger perspective, commercial outlook. It is extremely crucial that our work is carried out in a timely and efficient manner. I can recall many cases where we have refused to undertake a job. We know when a project cannot be done properly and our aim is to offer services that please our clients in the long run. This is why we have a trusting relationship with our clients and they choose us. I believe that any decision we make must be for the benefit of the shipowner. We cannot jeopardize their investment, our reputation and relationship.

Can you tell us about your partnership with Panasia and how your collaboration has resulted a number of innovative products?

It took a lot of effort from our side to make Panasia understand how crucial after-sales service is. Eventually, they trusted BPCO to run the after-sales service in Greece. It is understandable that Panasia has been operating in a more ‘closed’ system and has avoided sharing their technology and know-how, but once they examined and understood our reasoning and motive, they supported us fully.

As a company that relies on new technologies to help shipowners boost efficiencies and adopt greener practices, what is your vision for driving innovation and sustainability in the maritime sector?

Revolutionary ideas in the shipping industry are fueled by the efforts of all stakeholders to do business more efficient, effective and with greater respect for the environment. One example that comes to mind are ports, which are aiming on lowering their carbon footprint, minimizing pollution and protecting the natural environment. We believe that evolution comes from detecting the needs of shipowners for specific solutions. At the moment, BPCO is developing a specific software program that will allow shipowners to have greater reliability in the use of scrubbers.



**BPCO provides 38% of the Greek market with scrubbers, in accordance with the IMO 2020 sulfur cap**



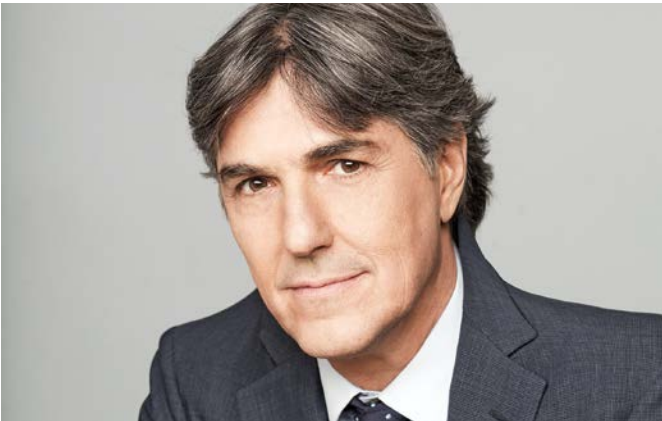
**Between 2018 and 2019, BPCO’s revenue increased by \$400 million**



**BPCO’s flagship partner, Panasia, accounts for 70% of the company’s projects**

# Outward-looking fund manager drives investor profits

**Nicos Koulis, CEO, DECA Investments,** speaks about the trends and strategies of the investment firm



As a major alternative investments fund manager, what is DECA Investments’ outlook for Greece, considering the strides it had made in its recovery prior to the emergence of COVID-19 and the surge in business sentiment recorded recently?

I would say that we are cautiously optimistic. In the past, Greece had a lot of weaknesses in terms of economic model and business development.

There was some significant resistance in having the structural changes that needed to be made, but some of them were made. Greece now is in a significantly better position in that respect than in 2008. We have seen determination by the current administration to continue with the necessary changes.

**“Operating in just the Greek market used to be much less desirable, forcing companies to play in bigger leagues. This meant that they had to be more efficient and scale up.”**  
Nicos Koulis, CEO, DECA Investments

In your dealings with foreign investors, have you noticed a substantial change in their perception of Greece as a lucrative investment destination?

The majority of investor funds are coming from abroad. I would describe us as a quasi-foreign investor. We focused more on export-oriented companies. We are more optimistic now, partly due to what is happening within the country and partly because this is specific to what we do.

Operating in just the Greek market used to be much less desirable, forcing companies to play in bigger leagues. This meant that they had to be more efficient and scale up. In our portfolio, we have a fintech company, Viva Waller, which is currently expanding all over Europe. This is clearly a sector that has done well and can do even better. There are quite a few other high-tech companies based in Greece that are doing well. Greece happens to have great quality in terms of electrical engineers, who are paid considerably less than their U.S. or U.K counterparts.

So, you would say that the more outward-looking Greek companies better weathered the financial crisis?

I believe that there has been a change in the paradigm. Back in 2015, people and owners of companies stuck with their businesses after managing to salvage them through the early years of the crisis. Now, we see that more and more people are realizing that, in order to add economic value for their shareholders, they need to grow on an international level. When it comes to companies that we seek to acquire, we see them being much more willing to listen to the fact that, with our help, they may not have 100 percent of their business’ profits but they will be wealthier in terms of value.

What will be the fund’s investment strategy as it enters the new decade?

We have just completed our investment period, having invested in 10 companies. Now, we are focusing on continually adding value in our existing investments.

In addition, we will be monitoring and preparing our existing investments for the “exit”. On another note, we are laying the groundwork for the creation of a new fund. Besides the Hellenic Brewery of Atalanti (EZA), we have moved forward with the acquisition of a well-established and historic Greek company, with more than 100 years of history in the food sector, Minerva. Before that, we added Pharos, a respectable pharma company, to our portfolio.

Do you have any final message for the readers of Newsweek?

I believe that it is elementary that those who are interested in investing in Greece need a local partner. I hope that the remaining structural changes that are required to be made in Greece, which the current government has been pushing quite heavily, will be implemented eventually, as they are going to make a huge difference.



There are **10 companies** in DECA Investments’ portfolio



**€135 million** in private equity is managed through Diorama, one of DECA’s funds



Diorama invests primarily in **Greek SMEs**

# Supporting film and TV productions with a slew of incentives

**Panos Kouanis, President and CEO, EKOME,** describes the agency’s support measures as well as Greece’s inherent advantages



The National Center of Audiovisual Media and Communication S.A. (EKOME) is a strategic Greek agency founded just three years ago with the overarching objective of promoting all sectors in the audiovisual industry. Tell us a bit about the agency’s mission as well as its three key pillars: invest, digitize and educate.

After the financial crisis, EKOME was set up in an attempt to salvage a sector that had been hit severely. Companies were closing and we found a niche in the market that we wanted to support. We had to initiate and create incentives, both for the local industry as well as for foreign productions to come to Greece. We started a cash rebate program, in which we give producers 35 percent of their total expenses back if they come to Greece to shoot films, TV series, documentaries and video game material. This has been really successful. In the last two years, we have had more than 90 projects, with a total investment of about €80 million, meaning that we are going to give the production companies more than €20 million in cash back. We also have another incentive coming out which is related to tax relief. It is complimentary to the cashback incentive and provides a 30 percent tax return for the people that invest in productions in Greece. These are two strong incentives toward the local industry and international producers.

**“From concept to materialization, EKOME provides any creator, artist and producer with the right kind of tools so that they can bring their idea to fruition.”**  
Panos Kouanis, President and CEO, EKOME

On another note, we support many educational programs talking about media information literacy. This starts from the very beginning, from elementary school going all the way through to professional training. We have sent several proposals to the Ministry of Education to incorporate audiovisual education into the curriculum at various levels of study. We are expecting the Ministry of Education to respond to that and incorporate audiovisual education hopefully from the next year. We are also supporting internships through our established partnership with Nu Boyana Film Studios, an American studio in Bulgaria, sending 15 interns every semester to get work experience on various productions.

Our third core pillar is digitization, in terms of the preservation of our national audiovisual archives. We are beginning to support the digitization of films, audio, photo and video archives. These also have a huge value, not only

historical and cultural, but they can also be used in creating other films and documentaries based on archival footage.

What advantages would drive a foreign producer to choose Greece over a competing destination and what other incentives are on offer?

Greece is a natural studio, a point for which we have an added value that only a few countries can match. Not only the fact that in order to shoot you need sunlight, but we provide an incredible variety of locations covering ancient Greek, Roman, Medieval, Byzantine and later elements for every occasion. From mountains with snow to forests and beaches, we can offer every type of scenery. We are offering a true product and not a bubble. In terms of genre, we have had many romantic comedies, action films, thrillers, dramas and some war films.

In addition, we can provide the full package to production companies. We start with the location, the natural sunlight, the crew, the production set, the equipment, all the incentives and the right infrastructure as well as the backing of the government. We want to be a one-stop shop for productions. I’ve been in contact with major U.S. studios including Netflix, Amazon, Disney and Universal. Last year, Warner and Universal were here to make TV series and Sony Pictures shot another film in September. We have been in further discussions and they are planning to come again for various upcoming films and TV series.

From concept to materialization, EKOME provides any creator, artist and producer with the right kind of tools so that they can bring their idea to fruition. We have the seal of approval of major investors coming to Greece to carry out multiple infrastructure projects. We have seen that, year after year, demand for Greece is rising among major stakeholders, as they confide that they would not be in Greece if it were not for those changing factors. It is a sort of a public diplomacy tool that helps advertise a country from a completely different perspective.



Greece offers a **35% cash rebate** for audiovisual productions



Other incentives include **30% tax relief**



A network of **15 film offices** assist productions around the country

# Focusing on an international project of strategic significance

**Jonathan Collingwood, Director of Corporate Services & Greece Country Office, Trans Adriatic Pipeline,** guides us through a groundbreaking investment



As an outside observer now based in Greece, what is your outlook for the economy and how palpable is the boost in confidence that many speak of?

I have been really impressed by the knowledge and experience of people here. Greek professionals are highly skilled, perform excellently in their respective fields and have great potential for further development and success. In addition, ever since the Trans Adriatic Pipeline (TAP) was selected as the preferred route for natural gas from the Caspian region into Europe, we have had incredible support from the Greek state, which demonstrates the commitment to assisting with the implementation of strategic investments. That level of support is also a significant factor in creating a healthy, attractive environment for future investments that can lead to substantial economic growth.

**“The way that we have built the pipeline is through extensive preparation, professional project management, application of best practices and responsible behavior.”**  
Jonathan Collingwood, Director of Corporate Services & Greece Country Office, TAP

Once on stream, what will be the impact of TAP in terms of energy security and diversity of supply for Europe?


TAP is a very important and strategic project for the European Union, and specifically for the region of Southeast Europe and Greece. The pipeline itself is 878 kilometers long and crosses three host countries. Greece, with 550 kilometers contains the most. We are developing a pipeline that will transport natural gas from the Caspian region to Europe. Even though TAP does not own the gas to be transported, it does enable the provision of gas to Greece and to Southeast Europe through access points offered along its route. The way the pipeline is being built, it offers interconnection with other markets, such as between Greece and Bulgaria via the connection with the IGB Pipeline in Komotini that is currently under construction. There is also an interconnection point with the pipeline of DESFA, the Greek national gas system operator. Furthermore, three exit points are being provided in the areas of Central and Western Macedonia, which can be used in the development of a local gas distribution network in those regions. There are also two more connection points on the pipeline route in Albania and other interconnection opportunities with future projects, such as the Ionian Adriatic Pipeline. In terms of pipeline’s capacity, in its initial phase it will transport 10 billion cubic meters a year, but it is designed to enable the potential doubling of that capacity in order to provide additional gas supplies to European markets, thereby supporting the transition to a cleaner energy mix and addressing Europe’s future demand.

Could you explain how the development of the pipeline is progressing?


The way that we have built the pipeline is through extensive preparation, professional project management, application of best practices and responsible behavior. I would like to think that our project will not be valued solely by the result, but also by the way it was carried out.

In Greece, we have successfully completed the introduction of hydrocarbons in all 550 kilometers of the Greek section of the pipeline, following rigorous testing. As of May 2020 natural gas is also being gradually introduced into Albania, while the offshore section under the Adriatic Sea was concluded this past June. TAP is progressing on schedule, and we are looking into completing commissioning and starting commercial operations within 2020, potentially within the last quarter of the year.


What will be the legacy of TAP in Greece and how will its social and economic impact evolve once the taps are open?



In **2020**, TAP had a world-leading safety performance with **more than 50 million** work hours and **136 million kilometers** driven



TAP has invested **€1.5 billion** in Greece and created more than **3,500** job positions



TAP conducted over **400** archaeological excavations during construction

Greece has received over the last decade. We procured goods and services from more than 800 local companies over the project’s implementation period, which has provided them with valuable know-how. Besides the obvious geopolitical and financial benefits of the pipeline, we think that TAP could be used as a really valuable blueprint for future large-scale projects.

What would be your final message for the readers of Newsweek?

2020 is the year during which major landmarks are anticipated for TAP overall and for Greece specifically, as the first host country to receive gas from the Southern Gas Corridor via the pipeline’s commercial operation.

In conclusion, we hope that the successful completion of our project and the lessons learned during its implementation will serve as the foundation and the road map for further endeavors, as Greece will play a more pivotal role in TAP’s next phase.

# A return to world-class shopping for tourists to Greece

**George Velentzas, Executive Chairman, Hellenic Duty Free Shops,** assesses the prospects for the country’s tourism sector



What is behind Greece’s successful management of the COVID-19 crisis and what impact will that have on the country’s tourism sector?

Without a doubt, the international praise we have received is merited and Greece’s effective handling of the pandemic wasn’t a matter of chance. Our success is due to the reliability displayed by our institutions and, because of this, the trust the Greek people showed in those institutions. The government set up a committee comprised of 26 distinguished scientists and adopted all the decisions and measures it set. The government then displayed administrative competence by implementing the committee’s proposals promptly and convincing society at large to put the measures into effect. As you know, not all countries followed these very difficult measures. Collective effort was key to our success.

It is predicted that this success will benefit by helping us, probably only partially, to achieve the goals set for tourism this year. Greece is now considered a safe destination and a priority place to visit for foreign travelers. We will, of course, operate within the framework of protocols that the European Union (EU) adopts. As a friend of the Minister of Tourism, Haris Theocharis, I believe that at the end of May or beginning of June, travel between EU countries will be allowed, with travel to other countries in the Schengen area being allowed after 15 June.

**“HDFS has the exclusive right to sell duty-free goods at all points of exit from Greece—including airports, ports and border stations—up to 2047.”**  
George Velentzas, Executive Chairman  
Hellenic Duty Free Shops

What are the main lessons to be learned from the coronavirus crisis for Greek tourism and Hellenic Duty Free Shops (HDFS), the company that provides all travelers exiting through Greece’s airports, ports and borders with a world-class, one-stop shopping experience?

Where HDFS is concerned, and given the sector in which it is active, I would say that the conclusions, rather than the lessons, are: whatever trends have taken shape will accelerate; many airlines will shut down; airline tickets will become more expensive; “easy” travel will become scarcer; and tourism will decrease but may, however, rise in quality. Sales at our 145 shops have decreased up to 98 percent, as there have been no customers. This is because our company is active only in travel retail and, based on the legislation that governs its operations, can sell taxed and tax-free products solely to departing passengers. In this sense, it has no right or even the capability to make use of alternative sales channels.

The situation we and the rest of the tourism sector are experiencing is indescribable, unprecedented, not easy and we must now face reality and work out how we can overcome this crisis. I believe that we should not expect much tourism from markets like the U.K., France, Italy, Spain and the U.S., which have been severely hit by COVID-19 and still have serious issues, especially in the first phase of reopening our borders. At this point, we need to address other countries that have suffered less, as they have shown better results in their fight against the pandemic—Israel, for example, Norway, Finland, Denmark and the Balkan countries. We can also take advantage of road and domestic tourism.

Businesses have to strategically deal with this crisis and take gradual steps to overcome it as soon as possible. We must not lose our composure, as recovery will take some time. I estimate that, as far as HDFS is concerned, our sales will return to their previous levels in 2022.

Switzerland-based Dufry—HDFS’s parent company and a global travel retailer with operations in 64 countries—made a strategic investment in your company in 2013, at the height of the financial crisis. What were Dufry’s expectations at the time and how would you sum up the company’s experience as a foreign investor in Greece?

I believe that the basic criteria for Dufry investing in Greece were three fold. Firstly, Greece’s strong tourist culture that covers a significant part of the Mediterranean, the most frequented tourist destination worldwide. Secondly, the contract agreed between the company and the Greek state, according to which HDFS has the exclusive right to sell duty-free goods at all points of exit from Greece—including airports, ports and border stations—up to 2047. The third is the proven high profitability of our company, which I consider to be the most powerful motivation behind the investment.

As a foreign investor I would be exceptionally satisfied by the investment, both with regard to the financial returns and the image of the company in all the spaces in which it operates. Our shops are among the best worldwide.



HDFS operates **145 stores** at 46 airports, ports and border stations



HDFS offers **luxury branded items** from over 1,000 suppliers



Parent company Dufry has around **2,200 shops** at travel locations in **64 countries**

# Multidisciplinary local expertise with global reach

**Dimitris Koutsopoulos, CEO, Deloitte Greece,** gives his outlook for the country and explains how his firm is promoting Greek innovation



Deloitte Greece is a leading provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services, and part of the global Deloitte network. What is your current assessment of the Greek economy and its government’s €24 billion stimulus package?

In our opinion, the government adopted a pragmatic, prudent approach to the pandemic following scientific advice, while the Greek people supported this restrictive strategy and behaved responsibly. Thus, early taken measures contributed to a successful outcome so far. There is still significant uncertainty ahead but the impact on the Greek economy can only be expected to be hard, as the crisis predominantly hit critical sectors like tourism and transportation. At present, the European Commission forecasts -9.7 percent growth for Greece in 2020. The Greek government is more optimistic, on the basis of the predicted effects of its stimulus measures.

The government doesn’t have unlimited resources, especially following a 10-year recession and accumulation of public debt, to embark on a gigantic stimulus program. However, its general response to the crisis seems to be pragmatically right. Currently, the main effort focuses on supporting smaller businesses and households because smaller enterprises represent the backbone of the Greek economy and the ability of households to consume is vital for the economy. Obviously, critical sectors for the Greek economy, like tourism and transportation, should be supported too.

**“Deloitte Greece has been holistically transformed into a genuinely multidisciplinary member of a truly globalized organization.”**  
Dimitris Koutsopoulos, CEO, Deloitte Greece

What reforms are needed to help revitalize the Greek economy?

There are still difficult but fundamental structural reforms to be done—for example, the holistic revamping of public administration and judicial systems, the stabilization of a competitive taxation system, improving labor law flexibility and the liberalization of closed markets and professions. Obviously, the pandemic crisis doesn’t assist promoting such politically and socially painful reforms. On the other hand, the extensive lockdown imposed a rapid digitalization of our lives, including the automated serving capacity and digitalized reality of public administration. This evolution, coupled with an increased trust of the people toward public institutions, is very promising and may contribute to the realization of all the above, long deferred but much needed, reforms.

How quickly can Greece bounce back from COVID-19?

The economy overly depends on tourism and this heavy dependence is a structural issue itself. So, unavoidably, the recovery will depend on reigniting tourism. Despite this temporary drawback, there are many great opportunities for investing in Greece and, under the current administration, foreign strategic investors are welcomed to consider such opportunities and the advantages arising from Greece being a European Union and eurozone country.

How have Deloitte Greece and the country changed and embraced innovation since the financial crisis in 2008?

Having weathered the crisis, Deloitte Greece has been holistically transformed into a genuinely multidisciplinary member of a truly globalized organization. It has been rapidly expanding to non-traditional services, especially technology and innovation-related advisory business, while injecting innovation and digitalization into all of its businesses. This has been achieved by adapting our workforce to the new realities of the future of work and by creating a center of development, creative thinking and productivity—the Deloitte Alexander Competence Center in Thessaloniki—that supports Greek entrepreneurship and employment by investing in the potential and talent of young graduates, but also delivers projects with an emphasis on new technologies and innovation.

We work closely with our clients in the public and private sector, across various industries, to imagine and deliver their digital ambitions. Moreover, through our close collaboration with various federation bodies, we are actively supporting the digital transformation of particular sectors of the Greek economy for the Industry 4.0 era. Athens has the potential to become a startup hub, as the success of certain startups in raising significant funds has shown. Deloitte Greece is acting as an accelerator of the Greek scale-up ecosystem, bringing together the country’s funding mechanism, large organizations searching for investment opportunities and scale-ups seeking new rounds of funding.



Deloitte Greece has offices in **Athens, Thessaloniki and Heraklion**



Deloitte Alexander Competence Center is a hub for **next-generation services and talent**



The center already employs **over 300** young professionals

# Pharmaceutical leader looks to double in size within 5 years

**Dr. George Garbolas, President, Cooper Pharmaceuticals,** explains how the sector supported Greece during the coronavirus crisis



Cooper Pharmaceuticals is an established leader in the Greek pharmaceutical market. From your scientific viewpoint, what key elements allowed Greece to tackle the COVID-19 pandemic so effectively?

Most importantly, Greece assessed the threat, and responded maturely and swiftly, applying strict measures not seen or not apparent in other countries. The government included scientists in their decision-making processes and applied a collective strategy that prioritized health and wellbeing, while trying to balance out the effects on the economy. People we made to feel part of the collective strategy and that they were participating in the government’s plan. Another important thing is that we were provided with very detailed data analysis every day by a professor of medicine.

**“We have two big lines of products: injectables for hospitals and products for ophthalmology, which is a niche market with few operators.”**  
Dr. George Garbolas, President, Cooper Pharmaceuticals

How has COVID-19 affected your business priorities and did Cooper tweak its production during this period in a similar way to how—as one of Greece’s oldest pharma companies—it supplied key medical products to the Red Cross during World War 2?

There are two sides to this. One is that we had products that really were essential medicines for patients that were hospitalized due to the coronavirus—mainly antibiotics for the respiratory system and products for anesthesia. We had to overproduce and tried to support all of the state hospitals, especially those allocated to coronavirus. The crisis also negatively influenced all the other parts of our operation. Everything was focused on the products that were needed for COVID-19.

Cooper learned how to operate differently as well. We were hesitant about working from home but introduced new technologies and saw that people could work remotely at the highest professional standards. The next issue is that we have to change to more automated production, which might lead to other problems with respect to technological supremacy and its effects toward the end of the human industrial workforce era.

How has your outlook for the Greek pharma sector changed since the emergence of COVID-19?

It was important in this pandemic that Greece has a strong pharmaceutical

industry that provides almost 85 to 90 percent of its medicine needs through local production. I hope the government appreciates that, during this epidemic, the Greek pharmaceutical industry supported the healthcare system and that it understands that the claw-backs and rebates it is imposing on the sector hamper growth and make investments more difficult. The sector’s high levels of activity in R&D and new product development have a positive impact on the economy. As for Cooper, we have to look into further investments because there are more opportunities in Greece and outside. Our products are exported to over 30 countries. During the coronavirus crisis, we kept exporting to countries with big problems, such as in the Far East and Europe. In the future, we will keep investing in new production lines, in optimizing our production and capacity, and in all areas that will improve production.

Cooper has embraced the growing demand for its products in markets like the Middle East, Africa and Asia. How did it transform into an international player?

To expand and grow we had to expand our production facilities and look outside Greece. Our first move was to become a dominant player in our region. Progressively, we expanded into the Middle East and then the Far East. We have two big lines of products: injectables for hospitals and products for ophthalmology, which is a niche market with few operators.

Can you outline your vision for the company?

Cooper is a mid-sized company by Greek standards, but small by international standards, so we have to grow. Within the next five years, we are primarily looking at expanding our production lines. We are looking at different pharmacological areas in which we will invest and have already started a branch for medical devices, generally for hospitals, in fields like laparoscopic surgery, orthopedics or surgical oncology. Secondly, we are continuously searching for opportunities to consolidate through mergers or acquisitions. We are now at a €35 million turnover. In the next five-year period, we want to have a €60-70 million turnover.



Cooper’s pharmaceuticals provide an **annual turnover of €35m**



Cooper’s products are exported to **more than 30 countries**



Greece manufactures **almost 90%** of its domestic pharmaceutical needs

# The Greek pharmaceutical industry is a key growth sector

**Theodore Tryfon, President, Panhellenic Union of Pharmaceutical Industries,** is optimistic about the sector’s future



Greece’s pharma sector has been a high-growth industry and a leader in research and development (R&D) and exports. As president of the Panhellenic Union of Pharmaceutical Industries (PEF), which represents the country’s domestic manufacturers, what is the position today?

The pharmaceutical business environment has not been easy during the past years, especially for Greece which has seen an unprecedented under-financing in terms of public pharmaceutical expenditure. However, some progress has been recorded recently in terms of the much-needed structural demand side measures, to control the expenditure in a viable way. We believe that this is the real challenge ahead.

The pharmaceutical sector in Greece marks a substantial manufacturing footprint with 28 production units, operated by highly skilled personnel and some very active R&D centers. We maintain close ties with the academic community and invest in R&D, keeping up with the technological developments in the field. However, there is still much to be done for the incentivization of R&D investments that would better allow the Greek manufacturing industry to capitalize more efficiently over opportunities for development that come up especially in the field of generics and added value products.

**“The pharmaceutical sector has a substantial manufacturing footprint in Greece. We have 28 production units and very strong R&D centers.”**  
Theodore Tryfon, President  
Panhellenic Union of Pharmaceutical Industries

The pharma sector represents 22 percent of Greece’s total investment in R&D and 8 percent of all private sector investments. In what research areas does Greece stand out and what potential do you see in the relatively untapped field of clinical trials?

Greek companies are endeavoring into the development of both generics and added-value products which are based on known molecules that address healthcare needs and deliver relevant improvement for patients, healthcare professionals and payers, in terms of better efficacy, safety and tolerability profile, ease of use and increased therapeutic adherence. This requires the extensive use of resource planning and quality assurance systems to address the complexity of the different business functions. Especially in terms of production process, systems automation and artificial intelligence play a significant role in order to monitor and control quality in all stages of production.

Greece could do much better in the area of clinical trials, however this requires the creation of a business/research ecosystem whereby large multinational companies would find it interesting and efficient to invest, especially for phases one to three. The pillars of this environment consist in the infrastructure, in the availability of a patient pool and the establishment of rigid procedures in terms of timeframes and deliverables. There are significant incentives to invest in Greece now, as a recent legislation provides that a part of investments in production and R&D are offset with the clawback that companies are burdened by. Thanks to this, 17 Greek companies have been projecting specific investment plans to a total of €500 million in production and R&D within the next four years. These investments would advance production, increase market size and potentially set a cap over the clawback, mimicking the best practices from other countries.

Why does Greece do so well in pharmaceutical exports?

We have a very strong industrial base and, over numerous years, we have formed a robust commercial network covering many countries and companies that we cooperate with. We tend to build strong bonds with our business partners, based in our product quality, uninterrupted supply and competitive price.

As well as being president of PEF, you are vice president of ELPEN, a leader in dry powder inhalers, generics and experimental biomedical research. What are ELPEN’s priorities as it enters a new decade?

Our first priority is to further strengthen our production base. We currently have three production units and are building a fourth, mostly dedicated to the respiratory market. Furthermore, we are expanding our research and training centers, and running new training programs, seminars and research protocols. Our goal is to create a hub to facilitate companies to enter the sector. This is a project that we have already put on track, in collaboration with the government and with funding from the state and the EU.



Greece aims to **double** its number of **clinical trials** within 2 years



**17 companies** plan to invest **€500 million** in R&D and production in the near future



Pharmaceuticals are 1 of Greece’s **top 4 export products**

AEGEAN  
ISLANDS  
LIKE  
NO OTHER

#aegeanlikenoother

JOIN  
THE CAMPAIGN  
SHARE  
THE SUNSHINE

Feel the rippling tides of history like the gentle waves that beckon you to the water's edge.

# — TIMELESS TEMPTATIONS — RHODES —

GREECE

