

Greece - Clear skies ahead for Greek economy

The Greek economy is experiencing a strong upswing, growing by 8.3% in 2021, according to the Hellenic Statistical Authority, driven by an 8.8% rise in consumer spending and 24.1% jumps in both private investments and exports. The country also saw foreign direct investment increase to €5 billion in 2021, according to the Bank of Greece, up from €2.9 billion in 2020, highlighting renewed confidence in the Greek economy after a challenging decade. Sectors like renewable energy, pharmaceuticals and tech are seeing increased investments and interest.

In December, Prime Minister Kyriakos Mitsotakis said that the Greek economy could grow by more than earlier predicted in 2022, after contracting by 9% in 2020. "Assuming there is no major hiccups with the pandemic, assuming that the pandemic is gradually going to come to an end during the first six months of 2022, I'm very bullish about the prospects of the Greek economy. This is a country that has put its public finances in order," he said.

Greek business owners are also seeing a renewed sense of optimism for their country, after a difficult decade that saw a financial crisis and concerns that the country could be forced out of the eurozone. "Our expansion as Greece has just started in many ways,



Kyriakos Mitsotakis
Prime Minister of Greece

even in tourism, which is one of our biggest advantages," says George Bitharas, vice president of B&F S.A, one of the largest and most dynamic groups operating in the field of women's clothing in Greece.

More than a fifth of Greece's GDP comes from tourism. However, Bitharas points out that the country has over 100 islands, many still not fully developed as tourist destinations. "Opportunities are endless for tourism here," he says.

After a challenging period, there is also a strong sense that the country has plenty of room to grow. "We still have a lot of ground to catch, and there is a strong wind of change, which is exactly what we need right now," says Panayotis Laskaridis, CEO of Greek shipping

company Lavinia Group. "During the [financial] crisis we lost about 500,000 young people that went to work abroad; now we are starting to get them back, but we still have a lot to do."

The Greek shipping industry accounts for more than 50% of European shipping, says Laskaridis, making it a key industry for the country, alongside tourism. "Through the example of shipping we can show that Greece is not anything magical or extraterrestrial. It comes to hard work, especially when we go internationally to compete," Laskaridis says. "Greece should follow this example, that means that we should not depend on local resources and connections, but be internationally competitive."

Others point out that the country has many positives that will help to draw in international businesses and workers. "Of course there is the climate, the sun, the sea, the way of living. It actually attracts talents - there are many that fall in love and want to come to live in Greece, and in Thessaloniki particularly," says Giannis Masoutis, CEO of Greek supermarket chain Masoutis. Masoutis adds that the country also has a very solid workforce of its own. "There's a lot of skilled staff that work hard and want to contribute to the economy," he says.

Greeks will be hoping that the sun now shines brightly on their economy.

B&F Group Bringing Greek Fashion to the World

Greece has come a long way since the financial crisis of the mid 2010s. The governor of the Bank of Greece, Yannis Stournaras, recently said that he expects the economy to grow by an average of 2% a year over the next decade, and that the use of EU NextGeneration funds could boost the country's real GDP by 7% by 2026.

This is good news for Greek businesses, especially those in consumer-facing industries. B&F Group is one of the largest and most dynamic groups in the field of women's clothing in Greece, with more than 40 years of experience and a presence in 23 countries. "2021 was a very good year for us in terms of turnover and profits," says George Bitharas, B&F's vice president, adding that despite the pandemic, company turnover was roughly the same as it was in 2019.

B&F Group's annual turnover is now €75-80m, which is large for the Greek market but small compared to many of its international rivals. Within the next five years the company plans to hit annual turnover of €150m.

"We can see that through the internet and new technologies we can go much



George Bitharas
Vice President

faster and with less risk," says Bitharas. "Our strategy for the last five years was to not make big investments in one country, but small investments in several different places which helps us grow. We're a 'small-big' company, we're very flexible, and that's how we've managed to succeed," he adds.

Exports now account for 20% of the group's business, with 20% of this coming from online sales. Outside of Greece, B&F has a growing presence in Romania, Italy, France and Spain, among others.

While B&F's corporate identity as a family owned and reliable company is crucial - as is its goal of promoting Greece as a business destination - the company is increasingly open to partnerships, seeing these as the best way to thrive.

"As a company we're very open-minded, because we know that's the only way to grow worldwide," Bitharas says. "We're trying to be very fair with whomever we work with, and we expect the same in return. It's the same with the clothes; we are making great quality products at very competitive pricing and we continuously trying to maintain a strong and lasting relationship with the people we work with."

When it comes to Greece, Bitharas sees plenty of opportunities. "Greece is a small country but because of our strategic position and because of tourism it's actually three times bigger than it's supposed to be," he says. "Greece is a great and safe choice for investors and for business in general."

B&F

Masoutis - Growing with family values

With more than four-fifths of business leaders confident of the economic outlook, Greece is looking forward to another period of strong growth. Some 82% of Greek CEOs expressed confidence in their country's growth prospects over the coming three years, according to the 2021 CEO Outlook produced by professional services company KPMG. More than three-quarters (76%) were confident of the global economic outlook. Meanwhile 84% of those surveyed said that mergers and acquisitions are crucial to support the growth and acquisition of digital capabilities, an ever more important aspect of business - suggesting a wave of dealmaking may follow in the coming years.

The rising tide is benefitting Masoutis, one of Greece's leading supermarket chains, which has the largest network of shops in Northern Greece and has been expanding across the country. Founded 45 years ago by Diamantis Masoutis as a single shop in the heart of Thessaloniki, the company now has 334 grocery stores, 313 supermarkets, and 21 wholesale cash and carry outlets. Yet at heart, it remains a family-run enterprise both in leadership and values - this is a company that is grounded in care for its people.

"Although we have 10,000 employees, we consider ourselves as a family business," says Giannis Masoutis, Diamantis Masoutis's son and the CEO of the company. "It's been in our DNA from the very first days. Forty-five years ago, my father and the founder of the company had this value, this principle: our power comes from our people. My door is always open; being human first is the most important thing."

In hiring staff, Masoutis places an emphasis not only on experience and skill, but most importantly on character. In keeping with the company's emphasis on family and values, its leadership wants to ensure that those it hires will become part of the extended family that is the business, work well with others, and provide the best services to customers.

"Character is something we measure when we take the decision of hiring someone, and this creates a good relationship between management and employees and also between the teams," says Mr. Masoutis. "We're proud that our people are happy to come to work, they want to stay around, they enjoy the environment. Our people always go the extra mile." And this is the reason our company has won a number of prizes on annual basis as one of the best workplaces in Greece and Europe.

He adds that the company is happy to see its employees' families grow, believing in a work-life balance and the importance of family for staff and in society as a whole. Masoutis reflects this in hiring as well, often employs relatives of its current staff, some of whom work their whole careers with the company.

The business's values and the centrality of caring for its community are also reflected in its response to the covid-19 pandemic. In recognition for the unprecedented efforts made by its staff, the company donated 30% of its profit after tax - approximately €5m - to employees working on the frontline in its shops and warehouses. Great efforts were made to ensure that the distribution was fair,



based on the hours employees were working.

These efforts exemplify the active implementation of three "axes" of the company's values, as Masoutis puts it: human beings, society, and the environment. The business has activities to support each of these areas every day, publishing them on its website in the calendar section.

Underpinned by these enduring principles, Masoutis has become one of the most successful retailers in the region, expanding across Greece, particularly the north (being market leader) and the islands, including Crete. Within its first decade in business, Masoutis had nine shops in Thessaloniki, and had opened its first hypermarket, the "Grand Masoutis". It soon branched out into the cash & carry segment, and expanded across the country, particularly through well-targeted acquisitions. In 2009 it opened the first green store in Greece, in Kastoria, and the company has been a pioneer of establishing supermarkets as anchor tenants in shopping malls.

Masoutis's branch network and online reach gives its outlets proximity not only to numerous communities around the country, but access to the large tourist market. It has made significant investments in IT and in state of art 62,000 sq m logistics centre - the largest in the Balkans.

"We put a lot of care and attention into the customer experience, from the moment they enter a Masoutis shop," says Mr. Masoutis. "The shelves size, the lights, the colours we

use, the music we play - everything has to come together and fit like a puzzle. Special offers, good low prices, value for money and variety - that's the recipe. Even our logo stands for good value, economical, and Greek. When we acquire new businesses, we go with the same principle: respect for local society, for human beings, and respect for the environment."

Masoutis is a Greek company, rooted in the culture of its country, and its CEO is an enthusiastic advocate of Greece and its dynamic economy - and way of life. In February 2022, Giannis Masoutis was elected as president of the Union of Hellenic Chambers of Commerce and since 2017 is a president of Thessaloniki Chamber of Commerce, with a commitment to provide the motivation and vision to strengthen business development in his homeland. His election is an affirmation of the family's model of success in the Greek business world - and its dedication to Greece.

"We have stability, security, membership of the eurozone," he says. "Albeit a small country, Greece attracts talent and has a very solid workforce, with a lot of skilled staff that work hard and want to contribute to the economy. Add to this good weather, sea, the islands - what more can you ask for?"

Laskaridis Shipping

Building on ancient heritage to serve the world

Noting “strong economic growth dynamics and a falling fiscal deficit”, ratings agency Fitch upgraded its outlook for Greece to positive in January 2022. Fitch noted that Greek banks have made “substantial progress” on improving their asset quality, lowering the ratio of non-performing loans across the sector, and strengthening their ability to provide credit to power the real economy. Greece’s economy has recovered more quickly than forecast following the 2020 global recession, with Fitch estimating remarkable growth of 8.3% for 2021, almost twice its earlier estimate of 4.3%. By the third quarter of 2021, the economy had already topped pre-pandemic levels, with growth in the first three quarters of the year nearing 10% on a year-on-year basis. Fitch expects the recovery to continue in 2022, powered by Next Generation EU funds and the government’s €18bn Recovery and Resilience Plan, which is worth the equivalent of 10% of GDP.

The global economic rebound, as well as Greece’s own strong domestic performance, should help drive the continued expansion of the huge Greek shipping industry. Greece ranks first in the world in terms of ownership of merchant vessels, according to a February 2022 report by KPMG, with 4705 ships and a 18% share of the world shipping fleet by capacity. Greek shipowners have seen capacity growth of a striking 28% over the past five years, in deadweight tons (Dwt) terms.

Laskaridis Shipping will be at the forefront of this growth. Owned by a Greek family with a long history in the industry, Laskaridis epitomises the millennia-old values and identity of Greece’s shipping sector, perhaps the country’s most successful and international industry.

“Shipping is a very special business,” says Panayotis Laskaridis, CEO of Lavinia Group, which owns Laskaridis Shipping. “Greeks have been engaged in the shipping business in every kind of historical environment: Ancient Greece, the Roman Empire, Byzantium, Ottoman Empire, and modern times. It now contributes around 8% of our GDP, more than for almost any other country. It’s our national pride.”

Greece has benefitted from its political and commercial independence to offer “the taxi of the world”. Having good relations with most countries on the globe makes Greek ships an ideal neutral carrier, hence the country building a large shipping sector despite its own modest trade volumes. Laskaridis Shipping, like other Greek companies, goes wherever its customers take it, with no geographical preference.

These strengths benefit the Greek economy and society as a whole. Laskaridis says that the industry contributes up to \$15bn a year to the national economy and between 250,000 and 300,000 people depend on shipping, with higher incomes than in many other sectors. Much of the investment that has been made in Greek banks, shipyards, hotels, and entertainment since the Second World War was originally earned through shipping, while the sector has also funded a range of major foundations focusing on social work, culture, and education.

Indeed, one of the leading cultural institutions in Greece is the Aikaterini Laskaridis Foundation,



founded by Panayotis Laskaridis and his wife Marilena. The organisation is dedicated to the promotion of Greek culture in Greece and abroad, with an emphasis on historical and nautical research. It runs a large number of programmes every year, including educational schemes that engage more than 30,000 children annually.

In the business world, the Laskaridis family have interests in areas including tourism; Lampsa Hellenic Hotels owns a number of landmark properties including the Hotel Grand Bretagne and King George in Athens.

Laskaridis Shipping meanwhile manages vessels for Lavinia Bulk, which operates a large and modern fleet of mid- to large-size dry bulk vessels ranging from 64,00 to 208,000 Dwt. Lavinia Bulk transports major cargos such as iron ore, coal, and grain, as well as smaller bulks such as bauxite, fertilisers, and steel products. With commodity prices soaring due to the geopolitical situation in early 2022, the company is well-placed to play a role in maintaining global supply of crucial goods.

“We serve world trade in a fair and environmentally-friendly way,” says

Laskaridis. “The industry is going where conditions drive it, towards greater digitisation and use of new fuels and technologies, though these will take time to develop.”

Laskaridis Shipping will continue to lead the way, building on its strong corporate identity. The company is known as one of Greece’s best employers, as well as one of its most successful businesses; and its leadership is passionate about advocating for their homeland.

“We need to contribute to promoting Greece,” says Laskaridis. “We can contribute directly as a shipping company, but also indirectly by showing that we can be internationally competitive. Greeks place a strong emphasis on education, and we have a valuable asset in our young, well-educated people, many of whom have experience of working overseas. We have recovered from the financial crisis, there is real change in the public administration, and have attracted a lot of interest in industries such as ICT, including data centres. Greece is a great place from which to work remotely, so we can also attract foreign talent. We have a very strong combination of assets.”