

SURVEY GREECE, AN ATTRACTIVE INVESTMENT DESTINATION?

MAIN FINDINGS

For the second consecutive year, Metron Analysis in collaboration with Public Affairs & Networks has conducted the survey "Greece, an attractive investment destination?" to which 35 CEOs of major multinational companies active in Greece have responded by expressing their views in depth.

Before referring to the findings of this year's survey, we are pleased to note that data by the Bank of Greece on Foreign Direct Investments (FDI) in 2018 have confirmed our estimates of a continuing and increasing trend in FDI, which we presented last year based on the data of the first survey.

According to the latest Bank of Greece data, the (net) inflow of Foreign Direct Investments in Greece in 2018 amounted to 3,606 million euro (the highest amount in the last decade) compared to 3,204 million in 2017, showing an increase of 12.5%. The year 2018 was the third consecutive year of increased FDI inflow for our country, that had risen by 28.3% in 2016-2017 and by 118.5% in 2015-2016.

All things indicate that the upward trend in FDI will continue in the following years, as is apparent from the answers that the 35 CEOs gave in our survey. A reasonable trend, after all, since the economy has come out of a deep recession and can face the future with greater optimism.

As was the case last year, eight out of ten CEOs (83%) say that it is very likely or somewhat likely that their company will make further investments in our country. It is characteristic that those who say they are "certain" of it have increased to 60%, compared to 53% last year.

Also, more than eight out of ten (86%) say that they are optimistic about the growth of the Greek economy in the next five years.

Furthermore, more than seven out of ten CEOs hold the opinion that "the image of Greece as an investment destination will improve in the next few years."

We note that the CEOs who took part in the survey represent companies with a strong investment activity in our country, since 9 out of 10 of those companies have invested in Greece in the past and over half of them plan to invest in the next year.

Compared to last year, the country's image as an investment destination has improved, both from the perspective of the CEOs and that of their parent companies. This improvement is mainly a result of the perception that the country has emerged from the financial crisis.

According to the CEOs, investment interest is focused on specific investment areas that are considered particularly attractive, such as tourism, food services, education, the primary sector, energy, health services, transportation and real estate, and secondarily by a range of other activities.

However, despite the positive fact that the country is coming out of the financial crisis, there is a number of endogenous factors that continue to pose obstacles to attracting investments and are rated negatively.

The most important of these factors are:

- The administrative framework
- The taxation framework
- The perception of corruption
- The speed of delivery of Justice
- Limited research & development

The only factor that is rated as satisfactory by the majority of CEOs is the existence of skilled human resources.

Regarding both the country's weaknesses and advantages as an investment destination, the image is almost identical to the one recorded in last year's survey.

Finally, we note that since CEOs consistently have a more positive perception of Greece as an investment destination, compared to the perceptions in their companies' HQs, they state that they can function as "ambassadors" for our country abroad.

In turbulent times and in a turbulent region, Greece is called upon to resume a leading role by improving its performance in all the sectors that were hit by the long-lasting – almost decade-long – crisis.

It appears that the international investment environment has an increasing interest and a positive outlook, even though this is an election year for Greece.

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