

2nd InvestGR
Forum 2019:
Foreign
Investments in
Greece

May 2019

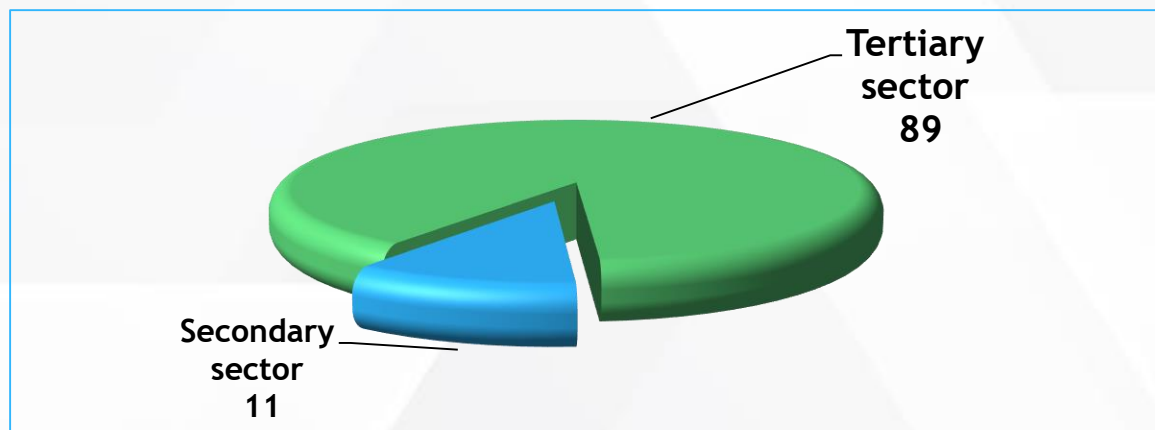
Survey identity

Commission:	Public Affairs and Networks
Coverage Area:	Attica
Type of Survey:	B2B survey, 89% of the interviews were conducted via personal interviews and the remaining 11% were self-completed by the respondents
Sample Size:	Sample of 35 CEOs of foreign companies in Attica
Recruitment:	The recruitment of the CEOs of the foreign companies was carried out by a member of the company “Public Affairs and Networks” who also planned the appointments. Then a researcher from Metron Analysis conducted the interviews at a fixed place and time
Survey Duration:	Fieldwork took place on 06/02-06/05/2019
Field Staff/Controls:	1 supervisor and 5 interviewers worked for the survey. 100% of the interviews were checked electronically

METRON ANALYSIS is a member of ESOMAR and AGMORC and abides by the relevant codes and principles of professional practice of ESOMAR and AGMORC.

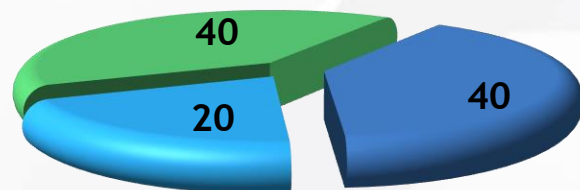
%

Companies' main activities



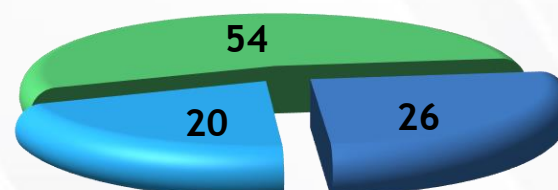
Type of companies

- Small (1-49 employees)
- Medium sized (50-249 employees)
- Large (250+ employees)



Number of years active in Greece

- 1-10 years
- 11-45 years
- 45+ years

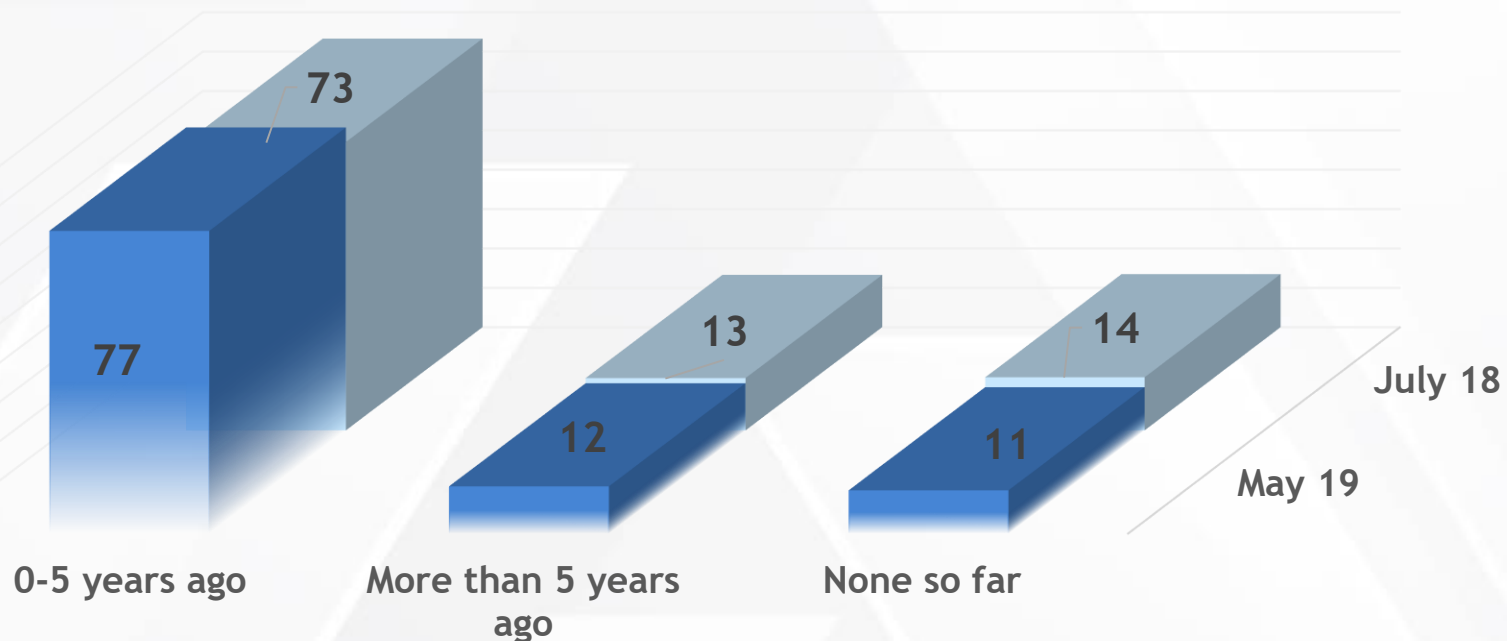


Foreign Direct Investments in Greece

During the last ten years, almost 9 out of 10 companies have made investments in Greece

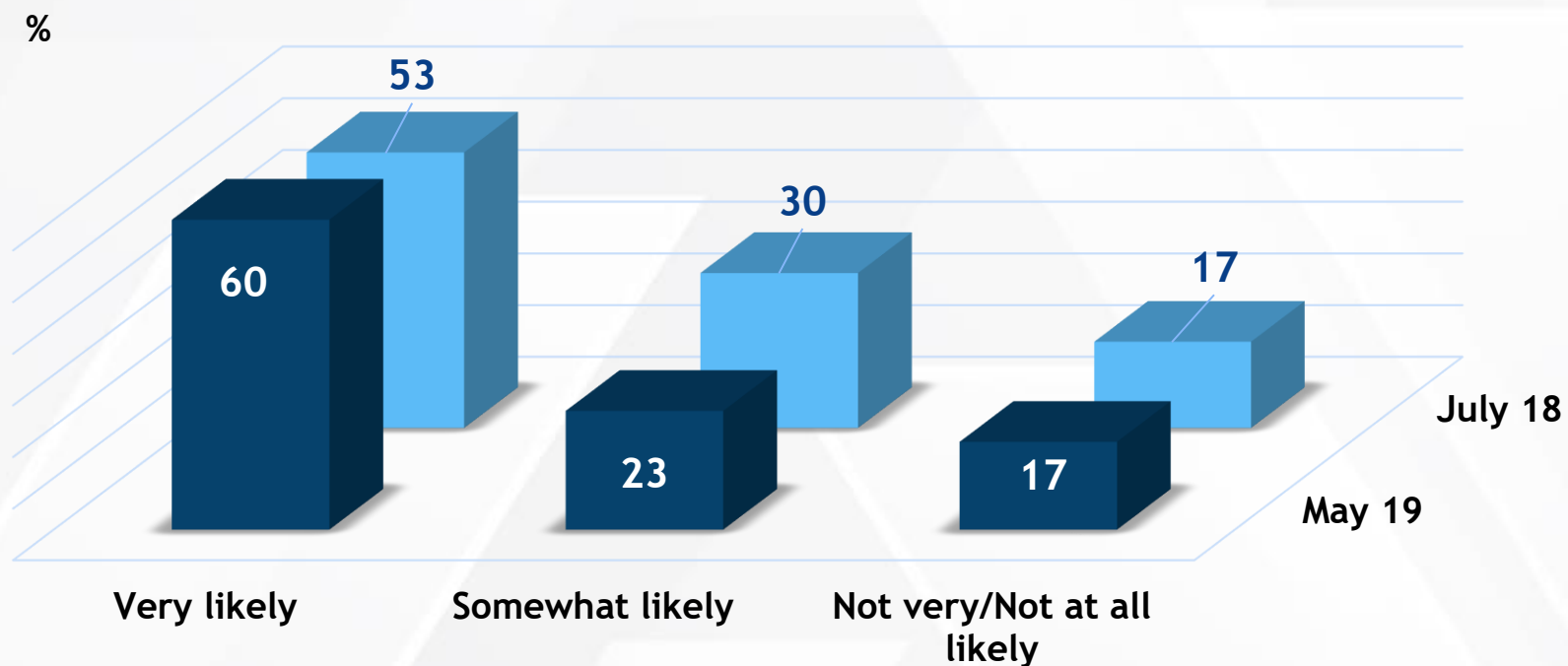
'Has your company made any investments in Greece in the last few years and, if yes, when?'

%



8 out of 10 companies are likely to make future investments in Greece (certainly/likely)

‘How likely is your company to invest in our country in the future?’

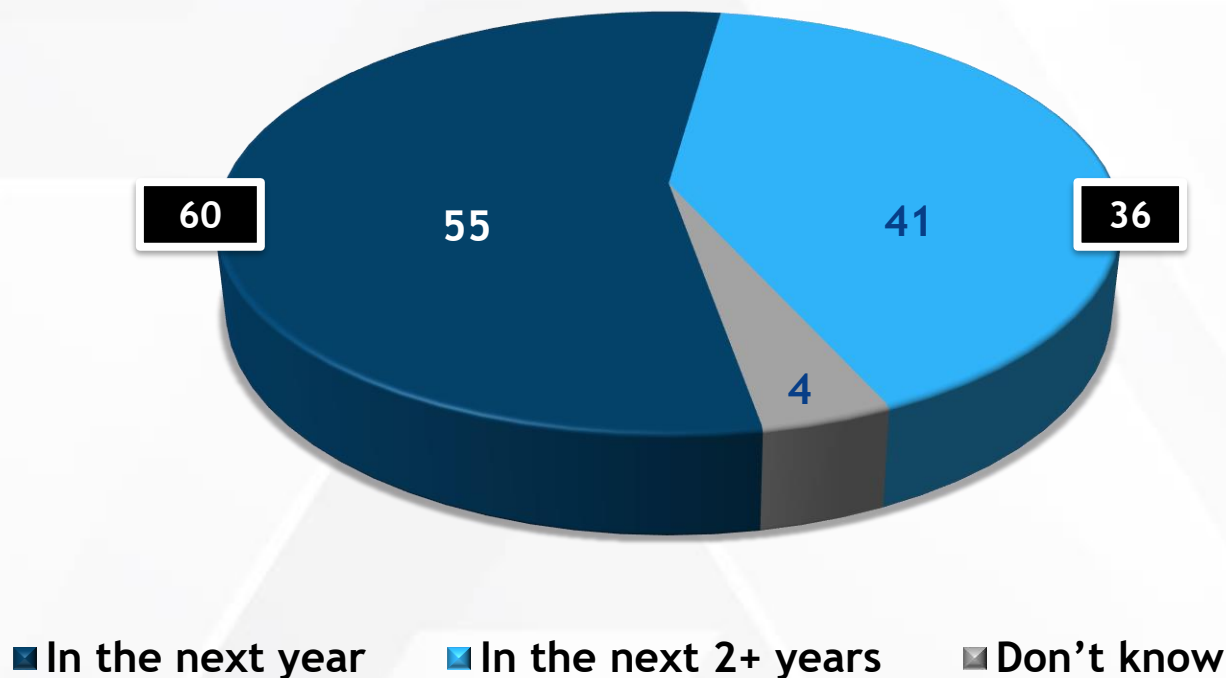


And more than 5 out of 10 companies are planning to invest in Greece within the next year

‘When would you say these investments are most likely to be made?’

Base: companies that are very/somewhat likely to invest in Greece in the future (83% of the total sample)

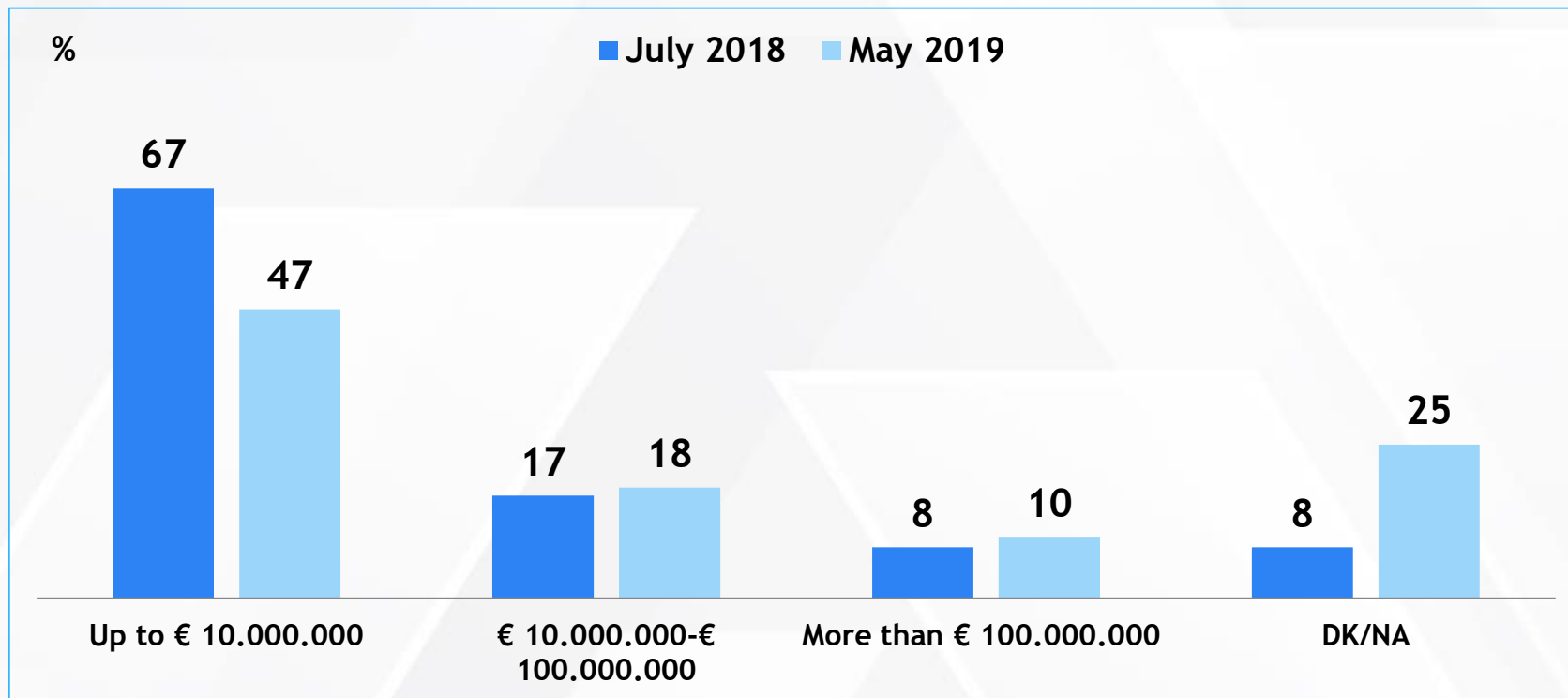
%



1 out of 10 companies (10%) that intend to invest in Greece, are planning investments of over €100 million

‘How high, approximately, will the investments planned by the company be?’

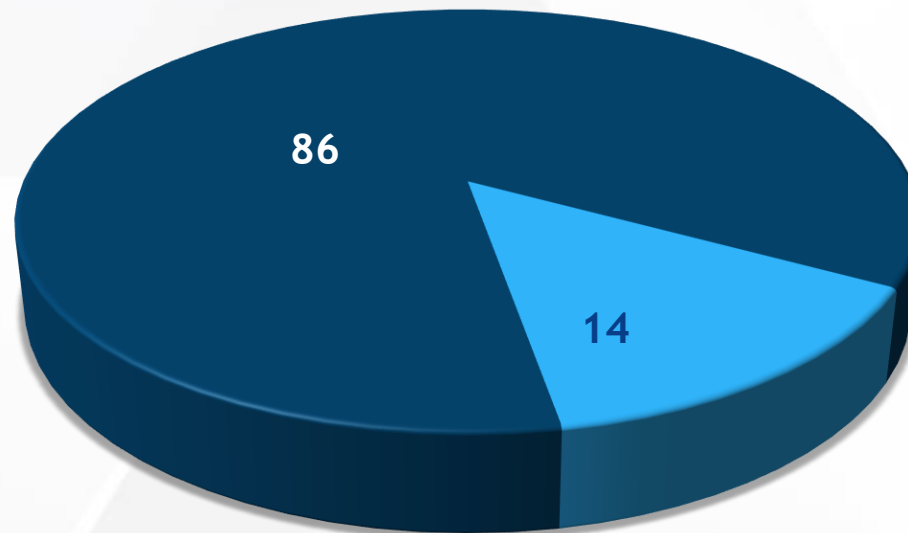
Base: companies that are very/somewhat likely to invest in Greece in the future (83% of the total sample)



More than 8 out of 10 are optimistic about the growth prospects of the Greek economy in the next 5 years

‘Generally speaking, are you rather optimistic or rather pessimistic about the growth prospects of the Greek economy in the next five years?’

%



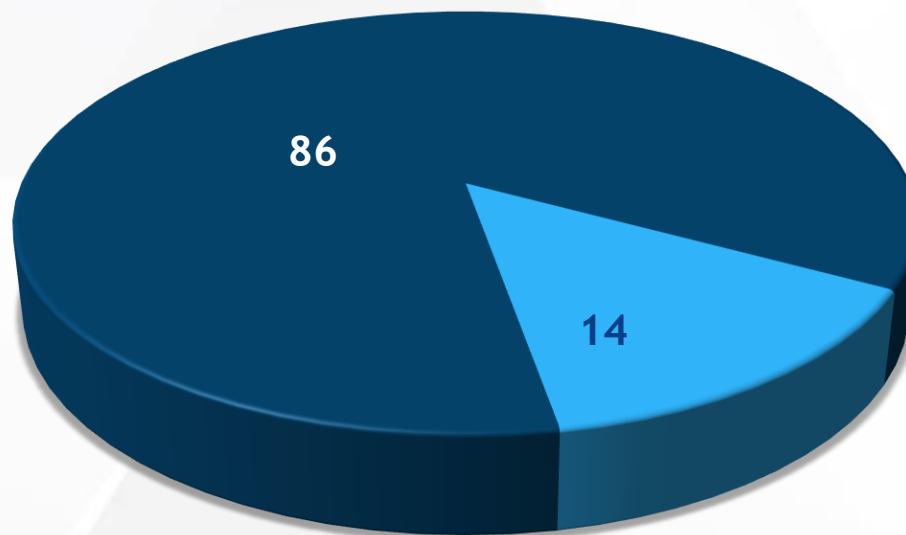
■ Rather optimistic

■ Rather pessimistic

A change in government due to elections is considered a positive development for the investment climate

‘This is an election year for our country. Do you think that a change of Government would be a positive or a negative development for the investment climate?’

%

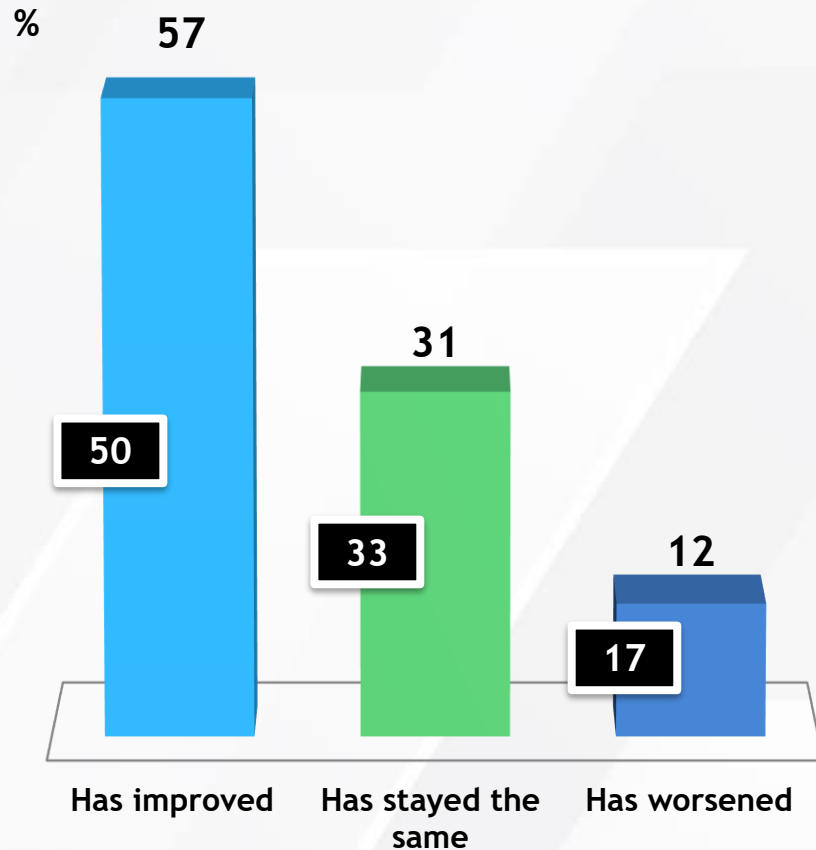


■ Rather positive ■ No opinion

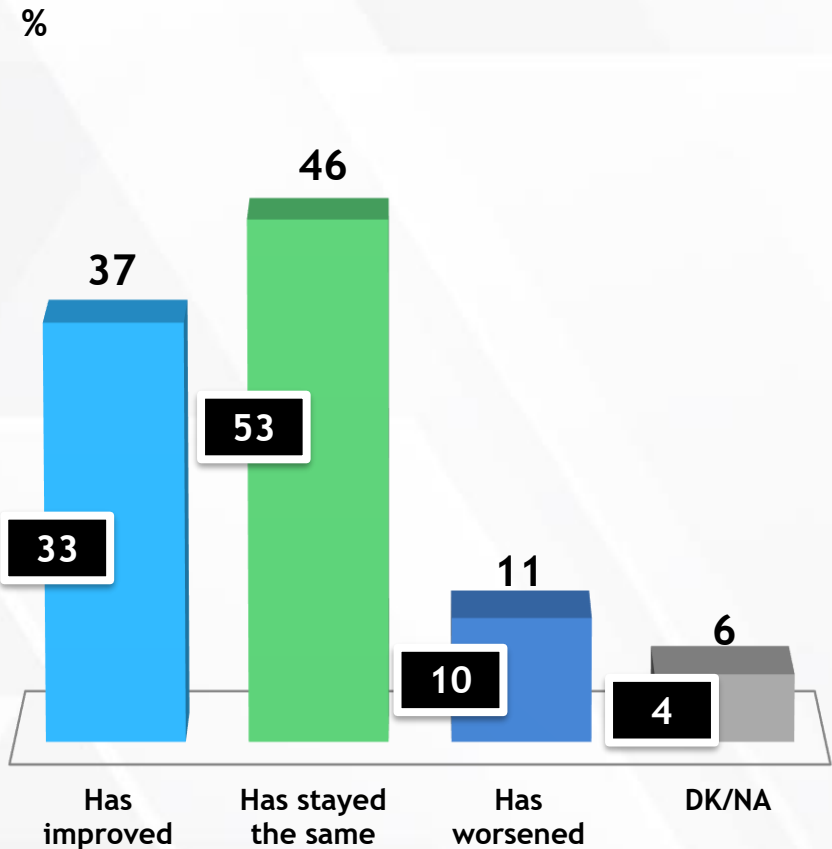
The environment of FDI in Greece: Attitudes and Concerns

CEOs have a more positive opinion about the country's progress than the opinions found at the HQs of companies abroad

'For you, personally, compared to the first years of the crisis has the image of Greece as an investment destination improved, stayed the same or worsened?'



'And at the HQs of your companies, compared to the first years of the crisis has the image of Greece as an investment destination improved, stayed the same or worsened?'



Headquarters: Recovery of the economy is the most important factor that has improved compared to the first years of the crisis

‘You told me that at the HQs of your companies the image of Greece as an investment destination has improved. In your opinion, what are the most important factors that have improved compared to the first years of the crisis?’

Base: 37% of the total sample



Headquarters: High Taxation is among the factors that have worsened compared to the first years of the crisis

‘You told me that at the HQs of your companies the image of Greece as an investment destination has worsened. In your opinion, what are the most important factors that have worsened compared to the first years of the crisis?’

Base: 11% of the total sample

Tax framework



Political instability

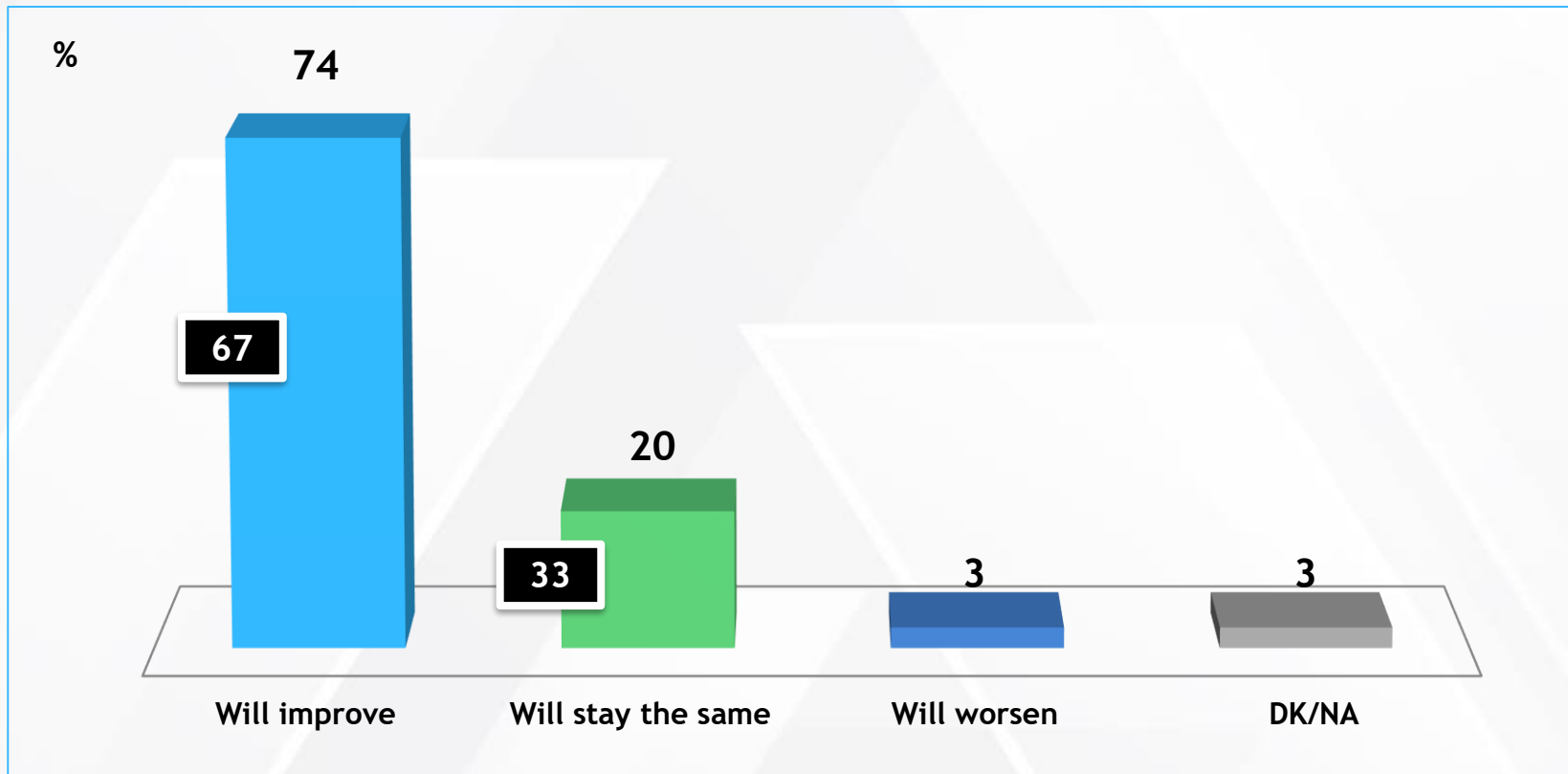


Absence of reforms



More than 7 out of 10 CEOs believe that the country's image as an investment destination will improve in the immediate future

'And what do you think will happen in the immediate future regarding the image of Greece as an investment destination? Will it improve, stay the same or worsen?'



Accommodation and Food services are perceived as the most attractive investment sectors

'On which activity sectors do you think Greece should focus, in order to attract foreign direct investments?'

Multiple answers



	July 18	May 19
Accommodation and Food services	80	63
Agriculture, Forestry, Fishing	43	60
Transportation and Storage	40	60
Education	47	49
Electricity, Natural Gas, Steam and Air-conditioning supply	43	43
Human health and Social work activities	43	40
Water supply, Sewerage, Waste management, Remediation	27	26
Mining, Quarrying	17	23
Real estate activities	40	23
Professional, Scientific and Technical activities	27	23
Arts, Entertainment, Recreation	17	20
Manufacturing	30	17
Administration and Support service activities	13	11
Public administration and Defense, Compulsory social security	23	11
Construction	17	9
Wholesale and retail trade, Repair of motor vehicles and motorcycles	3	9
Financial and Insurance activities	13	9
Publishing and Broadcasting, Telecommunications	3	6
Other services	10	6

According to CEOs, a stable legal/regulatory and taxation framework is the most important factor that positively influences FDIs

‘And which of the following factors do you think would most help to attract foreign direct investments in Greece?’

(Up to 3 answers)



	July 18	May 19
Stable legal/regulatory and taxation framework	90	91
Political stability and security	57	60
Rapid delivery of Justice and dispute resolution	23	43
Effective public administration	47	40
Economic growth of the country	37	31
Infrastructure in new technologies	10	14
Existence of skilled human resources	20	11
Incentives to attract executives from abroad (expats)	3	6
Existence of other appropriate infrastructure	13	*

Other factors mentioned...

‘Would you like to add some other factor that was not included above and you think is important?’

Business-friendly
policies



Enhancement of
transparency

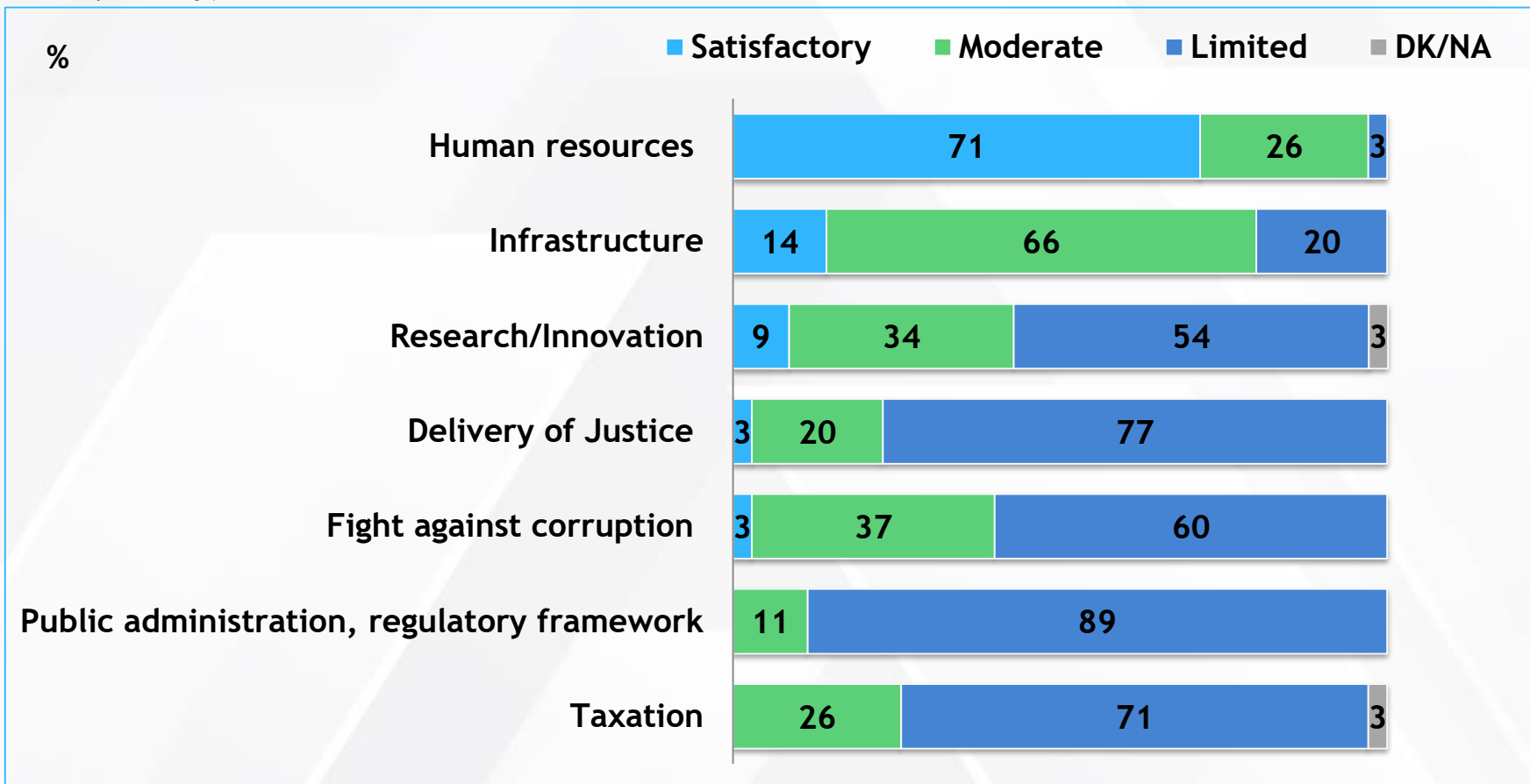


Better banking
services



Apart from human resources, most of the factors that influence business activities are rated negatively

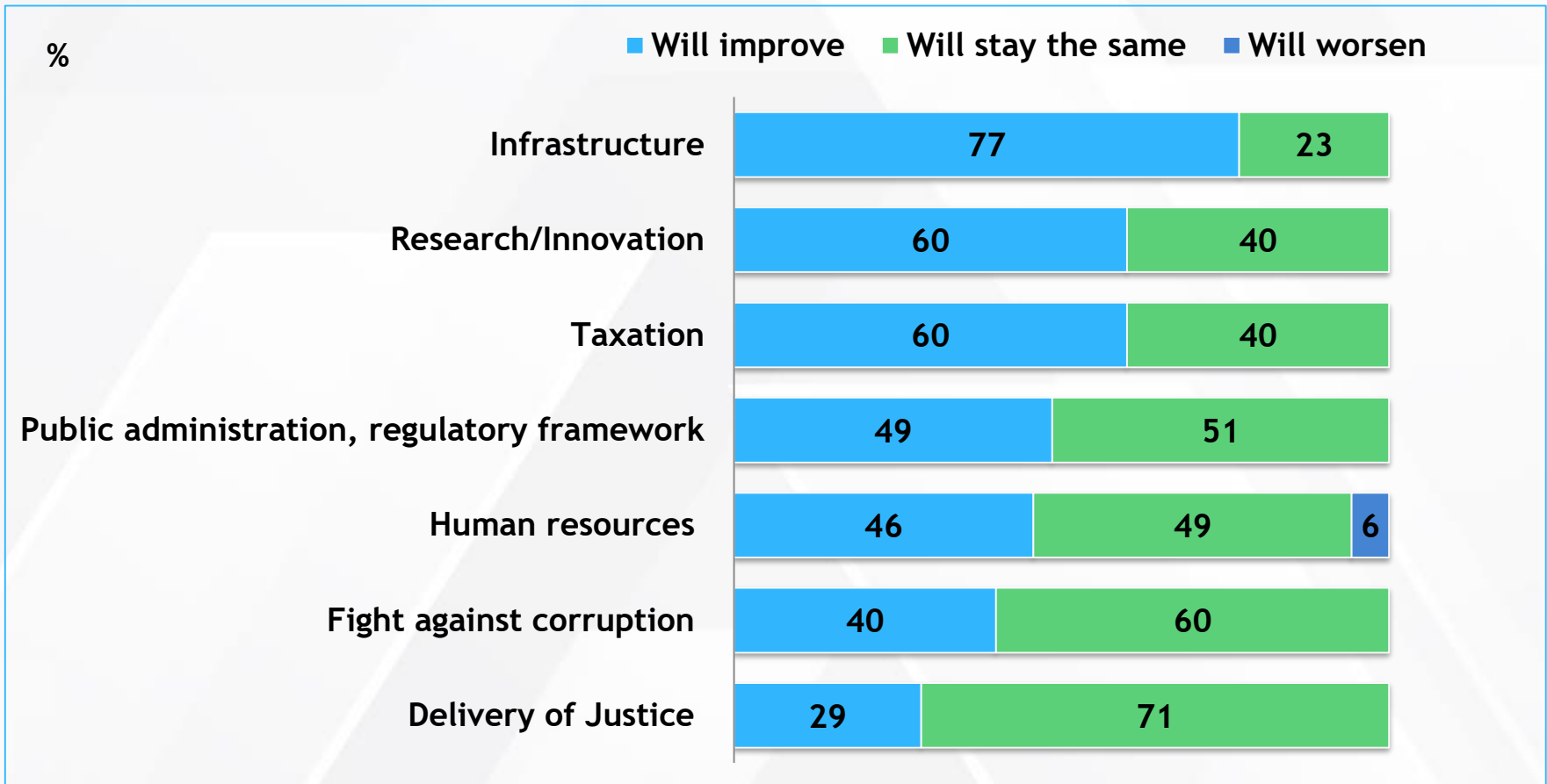
*'How would you rate the level of the business factors that I will read to you in our country?**
Satisfactory, moderate or limited?'



	Satisfactory		Moderate		Limited	
	July 18	May 19	July 18	May 19	July 18	May 19
Human resources	73	71	20	26	7	3
Infrastructure	13	14	80	66	7	20
Research/Innovation	7	9	36	34	57	54
Delivery of Justice	3	3	30	20	67	77
Fight against corruption	3	3	34	37	63	60
Public administration, regulatory framework	3	*	17	11	80	89
Taxation		*	17	26	83	71

Infrastructure is the only factor with a strong expectation of improvement in the next 5 years

‘And what do you think will happen to each of these factors in the next 5 years? Will they improve, stay the same or worsen;’



	Will improve		Will stay the same		Will worsen	
	July 18	May 19	July 18	May 19	July 18	May 19
Infrastructure	73	77	24	23	3	*
Research/Innovation	43	60	57	40	*	*
Taxation	23	60	77	40	*	*
Public administration, regulatory framework	27	49	73	51	*	*
Human resources	43	46	50	49	7	6
Fight against corruption	33	40	63	60	4	*
Delivery of Justice	20	29	80	71	*	*

Main Findings (1)

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 important 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 wave.

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.

Main Findings (2)

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».

Main Findings (3)

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 following year.

Compared to last year, the country's image as an investment destination has improved, both for the CEOs and for their parent companies. This improvement is mainly a result of the perception that the country is coming out of 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 have a steadily 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 mood, despite the fact that this is an election year for Greece.

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