

# Greece can be a good place to invest

*Surprisingly this country has the potential to be the ideal destination for investors who find opportunities*

## COMMENTARY

BY ANDREAS YANNOPOULOS \*

This may come as a surprise, but Greece really is a good place to invest. Over the years – and even including the financial crisis – the American, European and Asian firms that dared to venture into the Greek market did well on balance.

Not all of them prospered and some failed. Greece is still not the easiest place to invest. But overall there are countless success stories including a Chinese shipping giant, a German retailer, a telecom world leader and a multinational construction company.

And many have been good for Greece, sometimes in unexpected ways. The concession to build and operate Athens International Airport, awarded to German construction giant Hochtief more than 20 years ago, helped pioneer Greek legislation on public-private partnerships.

It has also created thousands of jobs, helped increase tourism flows to the country, and boosted government coffers with concession fees and taxes, while earning a profit for its shareholders.

Another German airport operator, Fraport, is now making the same bet on Greece by investing more than a billion euros in the 14 regional airports it currently runs.

Telecommunications leader Deutsche Telekom also showed faith in Greece when it paid top dollar for a stake in Hellenic Telecommunications Organization (OTE) before the crisis, and has raised its share in the company on several occasions since then. It has proven to be a very good investment over the years and, reportedly, offset a disastrous earnings cycle for Deutsche Telekom in the US – it is no exaggeration to say



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Another German company, supermarket chain Lidl, is now celebrating its 20th year of operations in Greece. Since its launch in 1999, the company has invested 1.3 billion euros in Greece and has hired more than 5,000 employees. It's planning to invest another 120 million euros over the next year and hire roughly another 500 staff by then.

A major foreign investment success story is Chinese shipping company Cosco, which paid a small fortune in 2009 for part of the Piraeus container operations. Ten years later, it has taken control of the rest of the port, is planning to invest more than a billion euros and has hired more than 1,000 employees (so far). In the process, it has transformed Piraeus from a backwater to one of the top 10 container ports

in Europe.

To be sure, there have been unhappy stories too, due to the depth and intensity of the economic crisis, like the decisions by French companies Credit Agricole and Carrefour to exit Greece during the height of the crisis. Several other, smaller foreign banks also sold their few assets and packed up shop.

But the foreign multinationals which stayed the course mostly saw opportunity.

### Precious contribution

According to a Metron Analysis survey conducted for the 1st InvestGR Forum 2018, Foreign Investments in Greece (investgr.eu) last July, almost nine out of 10 multinationals already operating in Greece have invested even more in the country in the last five or more years. That made them just

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about the only companies investing in Greece during the crisis. In the same period, domestic private investment collapsed: from a level equal to 18 percent of gross domestic product before the crisis, to less than one-tenth now.

If there is a lesson to be learned it's that Greece can be an attractive place to invest, both to the benefit of the investor and to the benefit of the country. True, more needs to be done to attract overseas investors, but the foreign investors who have toughed it out have mostly been rewarded for their efforts and, most importantly, they today appear to be cultivating expectations for the near future.

\* Andreas Yannopoulos is founder of Public Affairs & Networks and the InvestGR Forum: The event's second version is scheduled to take place on June 11, 2019 at the Athens Hilton hotel.

## Investments 'more than advertised'

Investments in Greece could actually be more than meets the eye, though obviously the potential is much greater than what has been realized to date, according to former economy and finance minister Petros Doukas.

Speaking at the 2nd IMN Annual Investors' Conference on Greek and Cypriot nonperforming loans in Athens last Friday, Doukas stressed that "there is quite a big set of investments going on across Greece, from Evros to Crete, that we have not advertised. It is in agribusiness, in plastics, in pharmaceuticals and many other sectors."

Despite the constant decline in public investments by this government (250 million less this year compared to 2018), the contribution of investments in general is expected to increase the country's gross domestic product by 1.5 percentage points this year according to the 2019 state budget. Private investments are projected to advance by 11.9 percent year-on-year. Prospects are about to improve, said Doukas, who is currently chair of financial firm Capital Partners SA: "Polls show a victory for New Democracy in the upcoming election this year, so, with a pro-business government in power, Greece will be a very good place to invest in, including in nonperforming loans."

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