



# Fact Sheet on the Greek Economy

January 2007

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## **Greece's Outward-Looking Economy and Comparative Advantages**

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### **Economic Stability and Growth**

- ✓ The Implementation of a New Economic Model
- ✓ Brisk Economic Growth
- ✓ Among the Highest Growth Rates in the Eurozone
- ✓ Commitment to Fiscal Transparency & Consolidation
- ✓ The Strategically Revised Stability & Growth Programme
- ✓ Positive Economic Prospects
- ✓ Focus on Privatizations and the Opening of the Markets
- ✓ Upgrading Key Organizations

### **Strategic Geopolitical Location**

- ✓ The Crossroads
- ✓ The Business Hub
- ✓ The Energy Hub
- ✓ The Banking Hub
- ✓ The Leading Position in a Fast Developing Region of 140 million people

### **New Legislative Framework Encouraging Foreign Investment**

- ✓ New Tax Reform
- ✓ New Investment Incentives Law
- ✓ New Framework for Public and Private Partnerships
- ✓ Significant increase in foreign investment demonstrating confidence in the economy

### **Business Sectors with Great Growth Potential**

- ✓ The Shipping Sector
- ✓ The Banking Sector
- ✓ The Trade Sector
- ✓ Top Quality Greek Products
- ✓ The 'Renewable Energy Resources' Sector

### **Business Sectors with Great Growth Potential - Tourism**

- ✓ One Tourist Per Inhabitant
- ✓ Unique Attributes
- ✓ Upgraded and Increased Tourism Inflow in the Post-Olympics Era
- ✓ Investment Opportunities

### **The 2004 Olympic Games and Greece's Ability to Deliver**

- ✓ The Repositioning of Greece on the World Map
- ✓ The Legacy of the Games
- ✓ Investment Opportunities in the Post-Olympic Games Era

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## Economic Stability and Growth

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### ✓ THE IMPLEMENTATION OF A NEW ECONOMIC MODEL

A new economic model is implemented, aiming to create a favourable business environment and foster a climate of confidence and trust, based on the following three principles:

- *Entrepreneurship,*
- *International orientation,*
- *Competitiveness.*

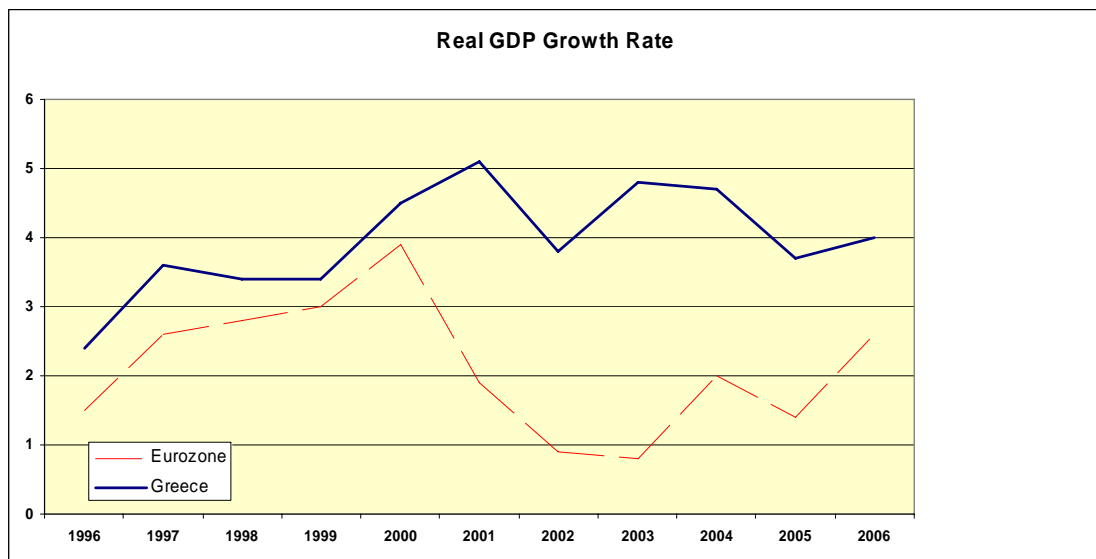
### ✓ BRISK ECONOMIC GROWTH

Greece has enjoyed several years of brisk economic growth based on:



- Supportive fiscal policies,
- Entry into the eurozone - accommodative monetary policy in the Eurozone – banking sector liberalization,
- Undertaking the ATHENS 2004 Olympic Games and the heavy infrastructure spending associated with it,
- EU Community Support Framework (CSF) spending.

### ✓ AMONG THE HIGHEST GROWTH RATES IN THE EUROZONE



- The Greek economy is responding to the reforms introduced in 2004 & 2005. During the third quarter of 2006 it experienced a 4.4% growth rate, while during the same period in 2005 the growth rate was 3.8%. This is among the highest rates in the EU and the eurozone, where the average growth rates for 2005 were 1.7% and 1.4% respectively. In 2007, Greece is expected to maintain a 3.9% growth rate.
- Greece managed to maintain high growth rates despite soaring oil prices, the sub-par economic performance of the euro zone, the expectation of an economic slowdown after the Olympic Games and the fiscal consolidation process underway.
- Greece's high rate of growth is expected to continue, providing a platform for the growing domestic market.

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## Economic Stability and Growth

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✓ COMMITMENT TO FISCAL TRANSPARENCY & CONSOLIDATION

At the end of 2004, Greece, after having closely cooperated with Eurostat, completed a thorough fiscal audit in order to:

- Restore fiscal transparency,
- Develop, implement and monitor economic policies effectively,
- Pursue economic growth.



"Let me congratulate you (the Greek Government) for the courageous step you took and the steps that you will take so that things can be back to order by 2006."

J. Barroso, EU Commission President  
April 18, 2005

✓ THE STRATEGICALLY REVISED STABILITY & GROWTH PROGRAMME (SGP)

The revised Stability and Growth Programme promotes important reforms to:

- Rationalize public spending while providing quality services, through:
  - ✓ A significant reduction in the growth of current general government expenditure,
  - ✓ Moderate increases in wages and pensions,
  - ✓ A restrictive hiring policy in the public sector,
  - ✓ Expenditure control in Public Sector Enterprises.
- Increase State revenues with the least possible repercussions to the economy by:
  - ✓ Improving the efficiency of the tax authorities,
  - ✓ The electronic cross-checking of tax data through the General Secretariat for Information Systems,
  - ✓ The re-introduction of periodical mandatory filing of VAT returns,
  - ✓ Enforcing sanctions to tax evaders.



*"The good performance of the Greek economy during the last two years is not random. It is the direct result of carefully planned policies and reforms, which managed to produce clear and tangible results in every sector of the economy."*

*"The 2007 Budget aims to stimulate further economic growth and enhance social cohesion. It builds on what has been achieved since March 2004."*

G. Alogoskoufis  
Speech in the Greek Parliament  
14 December 2006

## Economic Stability and Growth

### ✓ POSITIVE ECONOMIC PROSPECTS

	2003	2004	2005	2006
Real GDP Growth Rate	4.8%	4.7%	3.7%	4.0%
Real Exports Growth Rate	1.0%	11.5%	3.0%	5.1%
Inflation Rate	2.8%	2.5%	3.7%	3.4%
Employment Growth Rate	1.3%	2.9%	1.3%	1.7%
Unemployment Rate	10.4%	11.0%	10.4%	9.2%
Labour Productivity Growth Rate	3.4%	1.7%	2.3%	2.2%
General Government Deficit, % of GDP	6.1%	7.8%	5.2%	2.6%
General Government Debt, % of GDP	107.8%	108.5%	107.5%	104.1%

*Sources: Greek Ministry of Economy & Finance, National Statistical Service of Greece*

#### Gradual Fiscal Adjustment Safeguarding the Performance of the Economy

- ✓ A policy of gradual fiscal adjustment is implemented to contain budget deficits while safeguarding the performance of the economy.

#### Reduction of the Budget Deficit by 5.2 percentage points

- ✓ In 2006 the general government deficit was reduced from 7.8% of GDP in 2004 to 2.6% of GDP, in line with Greece's commitments to the European Union. This significant reduction is primarily achieved through the *reduction of public spending*.



*"I had the opportunity to congratulate George (Alogoskoufis) because he took over an obviously very difficult situation and had to deal with the very high deficits of the last few years. And my impression is - and I think not just my impression but the one of many foreign colleagues - that he was really able to tackle that problem effectively and there is good hope that in 2006 the Greek deficit could be below 3%. And if that is true, then he will have solved all the problems of the deficit procedure".*

K.H. Grasser, Austrian Minister of Finance & ECOFIN President  
January 10, 2006



*"I believe that after some initial problems, Greece is doing very well. We are estimating that the budget will soon be reduced and Greece will be under the 3% limit".*

Jean-Claude Juncker  
Luxembourg Prime Minister and EUROGROUP President  
November 11, 2006

#### Decline in the Unemployment Rate

- ✓ The unemployment rate fell from 11.3% in the 1<sup>st</sup> quarter of 2004 to 8.3% in the 3<sup>rd</sup> quarter of 2006, despite the end of the preparation for the Olympic Games that could have caused, according to many economists, a considerable economic slowdown.

## Economic Stability and Growth

### ✓ THE FOCUS ON PRIVATIZATIONS & THE OPENING OF THE MARKETS

2004 – 2005 Privatizations			
Company / Organization	Action	Date	Revenues
Hellenic Petroleum Group	Trade sale of 8.21% of total shares	Aug. 2004	€192mn
National Bank of Greece	Placement of 7.46% of total shares (full privatization)	Nov. 2004	€562mn
OPAP S.A. (Football Prognostics Organization)	Placement of 16.44% of total shares	July 2005	€1,266mn (80% the 2005 Privatizations Budget)
OTE (Hellenic Telecommunications Organization)	Placement of 10.00% of total shares	Sept. 2005	€335mn
			Total: €2,855mn

*“This is the largest placement that the Greek State has ever accomplished. With this placement our structural reforms programme has gained considerable momentum and it constitutes solid proof of the faith that Greek and foreign investors have in this administration. At the same time, public debt will be reduced substantially.”*

G. Alogoskoufis on the OPAP placement  
Greek Minister of Economy and Finance  
July 18. 2005

2006 Privatizations			
Company / Organization	Action	Date	Revenues
ATE Bank (Agricultural Bank of Greece)	Placement of 7.18% of total shares	May 2006	€28mn
Postal Savings Bank (PSB)	Recapitalization & cross-shareholding between Hellenic Post and PSB	May 2006	€36mn
	Listing on the Athens Exchange through the placement of 34.84% of total shares	May 2006	€12mn
Emporiki Bank	Placement of 11.01% of total shares	August 2006	€64mn
			Total: €1,740mn

- In 2005, the national budget target for revenues from privatizations, originally set at €1.6bn, was surpassed by about one third (i.e. 31.3%), reaching €2.1bn.
- In 2006, the national budget target for revenues from privatizations, originally set at €1.65bn, has already been surpassed, reaching €1.74bn.
- From March 2004 till August 2006, Greece generated a total of €4.6bn, most of which came from foreign direct investment.
- In 2007, the Greek State is planning to sell part of its residual shareholding in OTE (Hellenic Telecommunications Group) to a strategic partner from internationally recognized telecoms groups.
- Other future steps: The developing of assets of the Tourism Development Co (e.g. Faliro Marina, the Corfu Casino, the Golf Club of Afandou in Rhodes). The listing of the Athens International Airport and the Public Gas Corporation (DEPA) S.A are also expected to follow. Moreover, the newly established regulatory framework for partnerships with private investors (PPPs and PFIs) could result in the optimum use of the real estate property of various state-owned entities (e.g. Olympic Properties, Port Authorities).

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## Economic Stability and Growth

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### ✓ UPGRADING KEY ORGANIZATIONS

Greece is currently upgrading key organizations such as:

- The *General Secretariat for Information Systems*,
- The *General Secretariat of the National Statistical Service of Greece*,
- The *Hellenic Center for Investment*,
- The *Hellenic Foreign Trade Board*.

For instance, in the context of the Hellenic Foreign Trade Board activities, Greece has a strong presence in world exhibitions such as EXPO 2005 in Aichi, Japan, where the Greek pavilion received the third prize for its harmonization with the main concept of the “Nature’s Wisdom” Exhibition (EXPO 2005 had 120 participating countries and received over 22 million visitors).



*“I would like to thank Greece for being, once again, so brilliant, warm, and...Greek in this world exposition in Japan this year.”*

B. Testu, President of General Commissioners

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## Strategic Geopolitical Location

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### ✓ THE CROSSROADS

Thanks to its key geographic location, Greece links the east with the west, the Mediterranean with the Balkans, and serves as the ideal location for investments and trade.



### ✓ THE BUSINESS HUB

#### Greece: The Gateway to S.E. Europe & the Middle East for Multinational Corporations

Greece serves as the business hub for some of the biggest multinational companies. Business giants such as the *AIG Group*, the *Coca-Cola Co.*, *Diageo*, *Ernst & Young*, *Kodak*, *Siemens*, *Toyota*, and *UPS* established in Greece their regional headquarters for the Central and Eastern Europe, the Mediterranean and/or the Middle East.

*"We hope to turn Greece into a logistics hub to distribute our products in Southeast Europe."*

Tian Xuejin, Chinese Ambassador in Greece  
French daily "La Tribune", April 4, 2006

*"It is easier to go and establish yourself in the Balkans through Greece."*

Patrick Salomon, Fnac Greece, General Director  
French daily "La Tribune", April 4, 2006

*"We actively encourage German companies to use Greece as a base for their activities in the Balkans."*

Michaela Ballis, German-Greek Chamber of Commerce  
French daily "La Tribune", April 4, 2006

#### Greece: The Leading Foreign Investor in the Balkans

- Greek Foreign Direct Investment contributes to the development and the stability of the region with a dynamic network of more than 3,600 Greek companies that do business in the Balkans and the Eastern Mediterranean, in a multitude of sectors, ranging from manufacturing to services.
- Greek investments in S.E. Europe over the last decade have exceeded €12bn.
- Greece is currently the leading foreign investor in Albania and FYROM and ranks among the first three leading foreign investors in Bulgaria, Romania and Serbia.

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## Strategic Geopolitical Location

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### ✓ THE ENERGY HUB

- In September 2006, following a meeting of the Greek Prime minister with the Russian and the Bulgarian Presidents, the three countries announced that they have agreed to begin construction of an oil pipeline that will link the Black Sea to the Aegean.
- Greece signed an agreement with Italy to construct a gas pipeline connecting the two countries.
- A pipeline connecting Greece with Turkey is already under construction.

### ✓ THE BANKING HUB

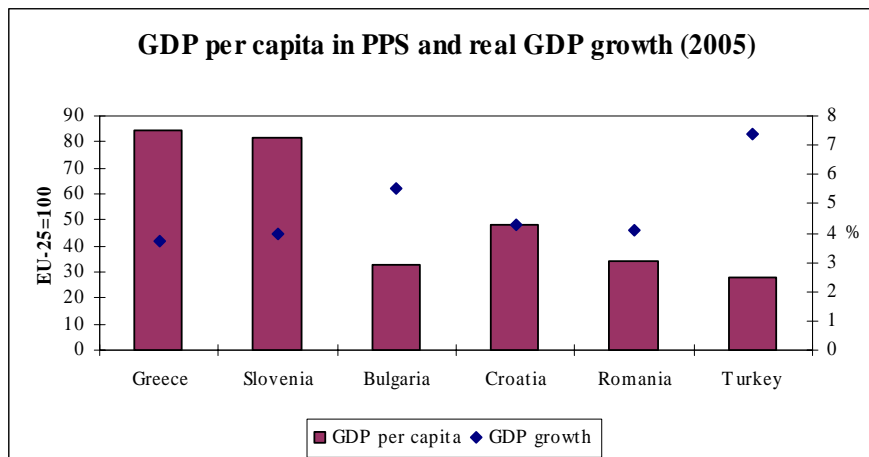
- Greek banks operate, directly or through their subsidiaries, a network of over 1000 branches across the region, employing 16,000 people and accounting for approximately 16% of the banking market share in Southeast Europe.
- Total assets in the banking sector in the five Balkan countries where Greek banks were present at the end of 2005 (i.e. Albania, Bulgaria, FYROM, Romania, Serbia-Montenegro), amounted to 66bn euros (53% of their GDP) while bank assets in Greece amounted to 266bn euros, equaling 156% of the Greek GDP.

*"The Balkans are not very far. They constitute a natural opening for the Greek markets and Greece wants to play its role in the banking network of the region."*

Jacques Tournebiz, Societe Generale / Geniki Bank Managing Director  
French daily "La Tribune", April 4, 2006

### ✓ THE LEADING POSITION IN A FAST DEVELOPING REGION OF 140 MN PEOPLE

- Greece neighbors with four rapidly developing economies that will soon join the E.U.
- Greece has the highest per capita income in the region:



- Greece is the only country in the region that is both an EU and eurozone member providing foreign investors with the monetary and exchange rate stability they desire.
- Greece offers some of the most advanced infrastructure and sophisticated work force in the region. It also offers a stable political and financial environment.
- Greece implements the Plan for the Economic Reconstruction of the Balkans (HIPERB), a 5-year development aid programme which was launched in 2002 and will allocate €50mn from the national budget to foster peace, stability and the European orientation of the Balkans. The benefiting states are: Yugoslavia, Bulgaria, Romania, FYROM, Albania and Bosnia-Herzegovina. The programme was developed by the Ministry of Foreign Affairs in collaboration with the Ministry of Economy & Finance and the Ministry of Macedonia and Thrace.

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## New Legislative Framework Encouraging Foreign Investment

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### ✓ NEW TAX REFORM

The Ministry of Economy and Finance passed a new Tax Reform Law which:

- Reduces the corporate tax rate from 35% to 25% by 2007,
- Simplifies the tax system,
- Cuts red tape,
- Establishes transparency in tax audits,
- Spurs private investment and encourages innovation.

The fact that in Greece there is no double taxation of dividends is also of great importance to businesses.

In 2007, the second stage of the tax reform was launched, focusing on lowering personal income taxes and establishing of a fair tax system. As of 2007, all Greek citizens will start paying less taxes as:

- The tax free threshold for physical persons will be increased by €1000, reaching €2,000.
- During the next three years (2007-2009), the central tax rate will gradually be reduced to 25% (from 30% today) and the highest tax rate to 35% (from 40% today). Simultaneously the bracket of the central tax rate will be widened to include incomes of €30,000, from €23,000 today. The highest tax rate of 40% will be maintained only for incomes exceeding €75,000.

### ✓ INVESTMENT INCENTIVES LAW

The Ministry of Economy and Finance developed and implemented a *Law for Private Investment Incentives for Economic Development and Regional Convergence* which funded up to 55% of the investments made by older or newly established companies and has improved the competitiveness of the economy, simplified complex procedures for the evaluation of investment projects and helped regional convergence.

Facts and Figures: The new investment incentives law was received very warmly by the business community. Since the beginning of its implementation (March 2005) and as of the beginning of December 2006:

- 4,236 applications have been submitted accounting for €10.7bn,
- 2,260 applications have been approved, accounting for more than €3.4bn,
- More than 10,187 new full-time jobs are directly created.

*"We applaud Greece's decision to make its economy more forward looking and competitive. Through a combination of incentives and corporate tax breaks, the new government's (Investment Incentives) Law promises to shift the focus of the economy to sectors that are open to international competition, such as tourism, information technology, financial services, and quality agricultural exports. "*

C. Reis, US Ambassador in Greece, on the Investment Incentives Law  
(April 7, 2005)

### The New Investment Incentives Law for the period 2007-2013

- A new Law which will replace the previous one is currently being drafted and will be put in effect on January 1, 2007.
- The new Law- as was the case with the older one- will place particular importance on regional convergence and on the provision of important incentives for new investment projects, especially to small and medium sized enterprises and will cover up to 60% of the investment.

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## New Legislative Framework Encouraging Foreign Investment

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### ✓ NEW FRAMEWORK FOR PUBLIC-PRIVATE PARTNERSHIPS



The new law for Public-Private Partnerships, which was legislated in September 2005, paves the way for more efficient provision of public goods and services through partnerships with the private sector and the active development of state-owned real estate.

The Special Secretariat for PPPs which was established in October 2006 is currently evaluating PPP projects that account for 1.4bn euros and fall in various sectors such as sport facilities, tourism and environmental infrastructure, or in the fields of health, education, and justice.

The following eight projects have already been approved by the Inter-Ministerial PPP Committee and account for more than 800mn euros:

- The construction of 27 new school buildings in the area of Attica,
- The facility management of four Police building complexes,
- The construction and maintenance of seven fire stations all around the country,
- The reconstruction of the interior of the Faliro Olympic Sports Complex to an International Conference Centre,
- The construction and maintenance of two justice Courts in Patra and Heraclion in Crete,
- The construction and maintenance of three new prisons in Thessaloniki, Volos and Korinthos,
- The construction and maintenance of four new faculty buildings, one administration building, and one building with amphitheatres and rooms for seminars in the University of Peloponnisos,
- The construction and maintenance of 31 new schools in the region of Central Macedonia.

### ✓ SIGNIFICANT INCREASE IN FOREIGN INVESTMENT DEMONSTRATING CONFIDENCE IN THE GREEK ECONOMY

- During the first 9 months of 2006, Foreign Direct Investment (FDI) in Greece increased by 970.8% in comparison with the same period in 2005 reaching €3.71bnn.
- After years of resistance, Greece has started to attract a number of large-scale investments. For example:
  - Credit Agricole acquired 70% of Emporiki Bank for €1.1bn.
  - Minoan Group, a British company, will invest €1.2bn in the development of an integrated resort on the island of Crete.
  - AXA acquired Alpha Insurance, the insurance subsidiary of Alpha Bank, the 2<sup>nd</sup> largest bank of Greece, for €255mn.

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## Business Sectors with Great Growth Potential

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### ✓ THE LEADING SHIPPING SECTOR

- With over 3,800 ships of more than 1,000 tn, Greece's fleet is the largest in Europe, the 5<sup>th</sup> in the world and continues to develop even further.
- More than 260 new Greek ships are currently being built.
- In 2004, the Greek commercial fleet contributed more than €12bn to the Greek economy.



### ✓ THE STRONG BANKING SECTOR

- Greek banks have been among the top performers in the European banking sector. Recently published results prove that the earnings momentum for the Greek banks remains intact.
- The core revenue growth (17% yoy for the combined three majors) was among the highest in Europe.
- The operations of Greek banks in the wider region, extending from S.E. Europe to Poland are expanding at double-digit rates of growth every year.
- With asset quality continuing to improve and core equity exceeding 9%, the banking sector is poised to provide positive results.
- The five biggest banks (The National Bank, Alpha Bank, EFG Eurobank Ergasias, Emporiki Bank and Piraeus Bank) recently reported net profits after tax of 1.24 billion euros, an increase of 13.86% over the previous financial year.

### ✓ THE DYNAMIC TRADE SECTOR

According to figures published by the National Statistical Service of Greece,

- In 2005 exports increased by 13.1% as compared to 2004.
- In the first 10 months of 2006, the total value of exports was €13.578mn as compared to €11.377mn during the same time period in 2005, presenting a 19.4% increase - one of the highest increases in exports among all eurozone members.
- In November 2006, exports presented a 14.9% increase – as compared to November 2005.

The continuous increase in exports is highly attributed to the special emphasis placed by the Greek government and the Ministry of Economy and Finance to the international orientation of the Greek economy and a dynamic strategic plan developed and implemented by the Hellenic Foreign Trade Board ([www.hepo.gr](http://www.hepo.gr)).

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## Business Sectors with Great Growth Potential

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### ✓ TOP QUALITY GREEK PRODUCTS

*“If you disassemble Greece, eventually you will see that an olive tree, a vine and a ship still remain. Which means: using as much you may reconstruct it.”*

Odysseus Elytis, Greek Poet, 1911-1996  
1979 Nobel Prize in Literature

Greece is famous for its olive oil as:

- The largest producer of extra virgin olive oil in the world,
- The 3<sup>rd</sup> olive oil producer in the world,
- The country with the highest per capita consumption of olive oil in the world,
- The country with 120 million olive trees which produce extra virgin olive oil of exceptional quality.



Greece's landscape physiognomy and climatic conditions are also ideal for the cultivation of the vine. Especially during the last years, progress in the winery and cellar has been spectacular and wine makers educated in France, Germany and the US heavily invest in Greek vineyards. A lot of emphasis is placed on the potential of indigenous varieties.

Other high-quality products that thrive in Greece include Greek honey, vegetables, and sweet-smelling fruits such as peach, apricot, grape, melon, kiwi, citrus, etc. Crocuses of exceptional quality in the area of Kozani, produce a rare saffron while a special type of mastic that has aromatic and therapeutic properties grows only on the island of Chios.



'Kerasma' is the name chosen for the campaign which aims to bring Greek food, wine and beverages closer to consumers and trade professionals around the world. It is an initiative of the Hellenic Foreign Trade Board and the Hellenic Ministry of Economy and Finance to promote the country's untapped wealth of delicious foods and beverages through the Greek gastronomy and tourism ([www.kerasma.gr](http://www.kerasma.gr)).

### ✓ THE 'RENEWABLE ENERGY RESOURCES' SECTOR

Investments in the Aeolian (wind) power market are highly encouraged and are expected to be extremely successful and profitable given:

- Greece's environment,
- The mapping of Greece's Aeolian potential by the Center of Renewable Energy Sources ([www.cres.gr](http://www.cres.gr)),
- The large part of Aeolian potential that remains unexploited,
- The increasing awareness of environmental issues,
- Greece's goal to substantially increase the use of renewable resources by 2010.

Water power is currently produced in various hydroelectric projects, while 8 additional major plants are scheduled for operation in the next five years. Investments in hydroelectric projects are highly encouraged given:

- The considerably increasing demand in the annual power consumption,
- The large proportion of unexploited water potential.

Several European and Asian power-producing companies are already in close collaboration with their Greek counterparts on various important investments of international scale.

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## Business Sectors with Great Growth Potential

### Tourism

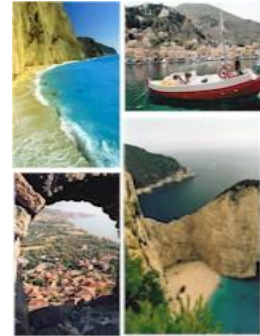
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✓ ONE TOURIST PER INHABITANT

Greece has a long tradition in tourism and receives more than 12 million tourists a year – which means more than one tourist per inhabitant.

✓ UNIQUE ATTRIBUTES

- Captivating natural beauty,
- Ideal and mild climate,
- Long history, numerous archaeological sites, monuments and museums,
- Rich cultural heritage,
- Exceptional tradition in hospitality,
- Vibrant and modern lifestyle.



✓ UPGRADED & INCREASED TOURISM INFLOW IN THE POST-OLYMPICS ERA

- Tourism infrastructure was greatly upgraded as a result of hosting the Olympic Games and Greece is now perfectly equipped to meet high accommodation standards. Greece is gradually establishing itself as the ideal choice for hosting conventions, international exhibitions and other events as well as for major investments in the tourist industry, such as the development of big hotel complexes or the creation of specialized facilities (e.g. a golf course) attracting specific groups of tourists.



- In 2005, according to the Bank of Greece, revenues from tourism amounted to €11bn (6.1% of the GDP), presenting an increase of 6.7% as compared to 2004. Arrivals also increased by 6.8%.

By capitalizing on the Olympic Games success and the repositioning of the country in the world map, Greece is currently running an international advertising campaign that aims to give a significant boost to the tourism industry.

✓ INVESTMENT OPPORTUNITIES

The tourism sector constitutes one of the main sources of Greece's national wealth as it contributes annually more than 17% of the GDP, promotes employment opportunities (approximately 700,000 jobs are offered every year) and plays a decisive role in the development of the periphery. Greece today ranks 4<sup>th</sup> in Europe in net profits from tourism.



Specialized organizations such as the Olympic Properties S.A. and the Tourism Development Co. ([www.tourism-development.gr](http://www.tourism-development.gr)) have been established to ensure the optimal development and use of Olympic and tourist infrastructure.

For instance, the Olympic Tae-kwon-do facility on the Faliro coastal front is being redeveloped into an international convention centre.

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## The 2004 Olympic Games and Greece's Ability to Deliver

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### ✓ THE REPOSITIONING OF GREECE IN THE WORLD MAP



Greece's successful hosting of the Olympic Games was internationally acknowledged and gave the country a boost in its image, reflecting its modern, confident and dynamic profile.

#### International Headlines on the Success of the Athens Olympic Games

**CNN:** *"We were wrong, Greece overcame the world's paranoia to stage a glorious Games"*

**REUTERS:** *"Olympics-gold medal for Athens' security-with-a-smile"*

**AGENCE FRANCE PRESSE:** *"Greece positively surprised the whole world"*

**DEUTSCHE PRESSE AGENTUR:** *"Grand and Joyful Games Finale: Rogge praises Greeks for Dream Games"*

**CHICAGO TRIBUNE:** *"Greece's show brilliantly done"*

**WASHINGTON POST:** *"Proud Country Shows the World 'Great Things Greeks Can Do'"*

**USA TODAY:** *"Security issues and fears fade as games roll smoothly to close"*

**THE TIMES:** *"Shame on us for having little faith — Greeks pulled it off with style"*

**INDEPENDENT ON SUNDAY:** *"The ideal home"*

**THE AGE:** *"Greeks Grin and keep the dream alive"*

**SYDNEY MORNING HERALD:** *"Thanks Athens: you pulled it off"*

**DIE WELT:** *"Truly Moving Moments"*

**EL PAIS:** *"ATHENS 2004: a Games truly exceptional and worth-noting"*

### ✓ THE LEGACY OF THE GAMES

- The state-of-the-art sports facilities,
- The know-how in hosting international large-scale events,
- A well-qualified and experienced labor force,
- The excellent transport infrastructure that significantly eased traffic,
- The "...transformation of Athens into a sparking capital..." (The Wall Street Journal, May 11, 2005).

### ✓ INVESTMENT OPPORTUNITIES IN THE POST-OLYMPIC GAMES ERA

The legacy of the Games also includes the development of an investment-friendly environment. For example, the Olympic properties, i.e. buildings and sports venues with state-of-the-art equipment, can be used for a number of purposes relating to business activities, leisure and the hosting of major sports and cultural events.

*"You have won. You have won by brilliantly meeting the tough challenge of holding the Games. (...) These were unforgettable, dream Games."*

J. Rogge

International Olympic Committee President

Speech in the Closing Ceremony of the ATHENS 2004 Olympic Games

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**WONDER MARKET**

DISCOVER THE BUSINESS HUB OF A FAST DEVELOPING REGION

Greece has entered into a new era. Enforced by the Olympic games success, it presents a new face in the world along with a new environment for business. An environment that offers the most promising opportunities for both foreign investors and local enterprises. Combining the main comparative advantages with the necessary economic decisions, Greece proposes a dynamic, competitive, outward-looking and efficient market place that provides: Major cuts on corporate taxes through the Tax Reform Act. The reduction of corporate tax rates from 35% to 25% by 2007 is already in effect. Generous subsidies which fund up to 55% of the private investment projects through a new Investment Incentives Act. More efficient provision of public goods and services by a new framework for Public-Private Partnerships. A strong, reliable and flexible banking sector that offers one of the highest core revenue growth in Europe. Only the 3 major banks score up to 17%. Highly educated human resources. A new wave of privatization in strategic parts of public sector. A more flexible and efficient labour market through necessary reforms.

**WONDERFUL GREECE**

Hellenic Republic-Secretariat General of Information

*This ad presenting the prospects of the Greek economy appeared in a Special Issue of **Fortune Magazine**, on January 16, 2006, in the context of the 'Wonderful Greece' campaign, run by the Greek Secretariat General of Information.*

### NOTE:

Updated versions of this Fact Sheet are posted on the website of the Ministry of Economy and Finance: [www.mnec.gr](http://www.mnec.gr)