U.S. COMMERCIAL SERVICE
United States of America Department of Commerce

U.S. Country Commercial Guides

2017

Greece

U.S. Department of Commerce | International Trade Administration

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Doing Business in Greece

Market Overview

Greece continues to present a challenging economic climate as it seeks to emerge from the deepest recession in post-World War II history. Previous governments have made progress in carrying out widespread economic reforms in exchange for the disbursement of financing assistance to enable meeting their obligations. Many of these reforms aim to simplify the investment framework and attract foreign investment to drive the country's long-term economic recovery. A leftist government took office in January 2015 parliamentary elections and won a renewed mandate in September 2015 elections for a four-year term. The SYRIZA-ANEL government, although highly critical of the existing reform plans, signed a new memorandum in August 2015 and agreed on a new reform program, the third since the start of the crisis. In May and June 2017, the government agreed with its creditors to implement pending and additional reforms in exchange for an additional tranche of bailout funds that will help it meet its fiscal obligations through 2019.

After six years of recession, Greece returned to positive growth rates (+0.4%) in 2014. However, this trend was interrupted in 2015 and the economy ended the year with a recession of -0.2% following Greece's near default in summer 2015. The protracted economic crisis led to a contraction in bank lending, project development, and investment. Business confidence dropped sharply during the crisis. In 2016 the economy contracted the first two quarters, but ended flat (0% growth). Although, the economic sentiment improved slightly in May 2017 as a result of the preliminary agreement between the government and its creditors, economic activity remains low, as well as the investor and consumer confidence. Capital controls – though eased since June 2015 (when originally imposed) - are still in place and remain one of the main barriers to investment. If the new program is implemented in full, growth is expected to return in 2017.

Greece scores poorly on a number of widely used business and investment climate scorecards, reflecting a commercial environment that is burdensome for business, creates barriers to entry for new firms, permits oligopolistic incumbents to earn high profits, and allows for arbitrary decisions and corruption on the part of some public servants. For 2017, Greece was listed at the 61st position (out of 190 countries surveyed) in the World Bank's "Doing Business" report, from the 60st place in 2016 (the big jump was recorded in 2014, when the country was placed in the 65th position from the 100th position in 2014, as a result of the implementation of reforms between 2012 and 2014).

In May 2010, due to its exclusion from international capital markets and facing an enormous deficit and public debt load, Greece requested financial assistance from the European Commission (EC), the European Central Bank (ECB) and the International Monetary Fund (IMF) - the so-called "Institutions" (formerly known as the "Troika"). An initial multi-annual financing package for Greece of €110 billion was announced, payable in installments through 2012. In exchange, Greece agreed to implement tough fiscal austerity measures and structural reforms. In October 2011, the EU agreed to a second multi-annual financing package for Greece that was approved on February 21, 2012. The second package included €130 billion in official loans, and incorporated a voluntary write-down of over 50% of the nominal value of privately-held Greek government debt (€103 billion in absolute terms), which occurred in March 2012. This debt restructuring was followed by a buyback program in December 2012 that erased a further €20 billion from Greece's debt stock.

After it took office in July 2012, the country's prior coalition government made rapid progress in reducing Greece's enormous national fiscal imbalances. The fiscal deficit rapidly declined from 10.3% of GDP in 2011 to 3.7% of GDP in 2014. However, public debt as a percentage of GDP increased to 179.7 % in 2014, largely the result of the addition to the debt of Greece's bailout loans and the country's sharply contracted GDP. At the end of 2014, the general government deficit was 3.7 % of GDP. When the cost of debt servicing is excluded from this figure, Greece generated a primary budget surplus of 0.3 % of GDP. Consistent with the requirements of Greece's EU/IMF bailout program, the government had sought to liberalize the labor market, open closed product markets, sell state-owned assets and enterprises to generate revenue and enhance competitiveness, cut public payrolls, reform the tax code, strengthen tax enforcement, and streamline investment procedures. The government restructured its one-stop-shop investment promotion agency, Enterprise Greece, to assist interested foreign investors. The then government agreed with the EU/IMF to adopt and implement the majority of 329 recommendations the OECD made in November 2013 on improving economic competitiveness.

Shortly after its January 2015 election, the newly elected Greek government agreed in February 2015 to a four-month extension of the second bailout program, through June 2015, as it sought to negotiate new, more favorable terms with the country's EU and IMF lenders. However, the SYRIZA-ANEL government's stated positions on labor market liberalization, pension reform, enhancing competition, and privatization differed from the measures traditionally considered by these institutions as best practices. The negotiations collapsed in summer 2015 and Greece appeared likely to default on its sovereign obligations. On June 29, 2015, the government and Bank of Greece instituted a two-week bank holiday, shuttering local financial institutions temporarily, and imposed capital controls to restrict capital flight. The economic uncertainty of the summer 2015 negotiations and the imposition of capital controls to prevent economic collapse drove the economy back into a recession. In August 2015, the government and its Eurozone lenders – acting through the European Stability Mechanism (ESM) – reached agreement on a third €86 billion bailout program set to run through 2018. The IMF chose not to participate in the initial August 2015 ESM agreement, as its own program remained in force through March 2016.

In the fall of 2015, following new elections, the Tsipras government returned to office with a mandate to implement the August agreement. In November, under the European Central Bank's supervision, Greece's major banks were successfully recapitalized, largely by foreign investors. The government passed several legislative packages to raise taxes and implement some of the August 2015 bailout agreement. In January 2016, the creditors, acting through the European Commission, European Central Bank, and the IMF, collectively known as the "Institutions," launched the first of several periodic reviews of Greece's compliance with the terms of the program in order to justify further disbursement of program funds to Athens. The talks proved difficult, but on May 2 Greece reached a preliminary deal with its creditors to conclude the second review of the current bailout program. The agreement includes pension cuts, a reduction in the tax-free threshold, and the elimination of myriad tax breaks. The government has subsequently engaged in the second review of the obligations under its current bailout agreement, which concluded in June 2017. Greece is expected to receive new funds from its European creditors prior to debt obligations in July 2017, which could remove some market instability through the remainder of 2017. However, Greece's creditors remain at loggerheads over the question of whether and how much debt relief is needed to ensure that Greece's debt obligations are sustainable over the long term.

In spite of the serious challenges in the Greek market, areas of opportunity remain for U.S. companies. The keys to doing business successfully in Greece include finding an effective local partner and sourcing financing for either commercial transactions or project implementation. As indicated above, the contraction in bank lending has drained capital from the domestic market. Otherwise, U.S. products are viewed favorably in Greece for their innovation and quality and are popular in this market despite stiff competition from EU and Asian suppliers.

- Population: 11 million (2014 estimate)
- Demographics:
  - 0-14 years – 15.2%
  - 15-64 years – 67.71%
  - 65 and over – 17.08%
- GDP: €175.9 (2016), €175.7 billion (2015), €177.9 billion (2014), €180.7 billion (2013) Real Growth Rate: 0.0% (2016)
- Per Capita: $18,377 (2015)
- Unemployment Rate: 23.5% (2016)
- Greece is an import-dependent economy
- No significant non-tariff barriers to U.S. exports
- Exports to the U.S.: $1,200 (2016)
- Exports from the U.S.: $636,0 (2016)

The United States and the European Union (EU) enjoy a mature economic relationship that is characterized by nearly $4 trillion in two-way investment as well as a massive merchandise trade of approximately $700 billion in 2014 – almost double the level from 2000.[1] U.S.

[1] The Transatlantic Economy 2015, Annual Survey of Jobs, Trade and Investment between the U.S. and Europe; Daniel Hamilton and Joseph Quinlan

exports of goods and services to the EU-28 in 2015 reached approximately $272 billion and imports from the EU, $426 billion.[2] It is estimated that transatlantic commerce generates more than 15 million jobs.

Recognizing that the U.S.-EU economic relationship is already the world's largest, accounting for one-third of total trade in goods and services and nearly half of global economic output, President Obama, in his State of the Union address on February 12, 2013, announced the Administration's plans to begin negotiations on a Transatlantic Trade and Investment Partnership (T-TIP) with the EU. The negotiations were officially launched at the G8 Summit on June 17, 2013. Since that time, fifteen negotiating rounds have taken place on both sides of the Atlantic.

T-TIP is an ambitious and comprehensive trade and investment agreement that will promote transatlantic international competitiveness, jobs and growth. T-TIP aims to address non-tariff barriers that impede trade in goods and services and seeks to promote greater compatibility, transparency and cooperation in the regulatory and standards arenas. According to non-U.S. government estimates, transatlantic zero-tariffs could boost U.S. and EU exports each by 17%.[3] A 25% reduction in non-tariff barriers could increase the combined EU and U.S. GDP by $106 billion._[4] For up-to-date information on T-TIP, please visit the website of the USTR.

Market Challenges

Lack of market liquidity reduces consumption, necessitates supplier flexibility on payment terms, and seller-financing solutions. The situation worsened with the imposition of capital controls in June 2015, and has slowly improved since then.

Stiff competition from Greece's traditional EU trading partners -- Italy, Germany, France, the U.K., and the Netherlands.

EU suppliers have duty-free status and proximity to the Greek market (lower transportation costs and faster service).

Competition in many industry sectors in Greece can be characterized as oligopolistic, making it difficult for new entrants to penetrate the market.

Eurostat ranks Greece low on its Payment Index, meaning that the risk of non- or delayed payment is high, especially for public sector contracts.

According to the OECD, Greece has one of the more restrictive business environments as it pertains to inward investment. Business is heavily regulated.

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[2] US Dept of Commerce, Office of the EU
[3] The Transatlantic Economy 2014, Annual Survey of Jobs, Trade and Investment between the U.S. and Europe; Daniel Hamilton and Joseph Quinlan
[4] ibid

The public sector share of GDP exceeds 40%. Public procurement is consequently an important feature of the commercial landscape. The Government of Greece prefers, and often requires, foreign bidders to partner with Greek companies.

Businesses face frequent changes to the tax and regulatory environment.

Greece is a signatory to the OECD Anti-bribery Convention. On Transparency International's respected Annual Perception of Corruption Index for 2016, Greece ranked 69 out of 176 countries surveyed.

Historically, U.S. exporters and investors have faced relatively low barriers to doing business in the EU. Nonetheless, issues exist, as would be expected, given the breadth and depth of the commercial relationship.

While the EU continues to move in the direction of a Single Market, the reality today is that U.S. exporters in some sectors continue to face some barriers to entry and other challenges. In several industries such as pharmaceuticals, telecommunications, legal services, and government procurement, some of these barriers are pronounced in some member states.
EU legislation generally takes two forms. "Regulations" have mandatory language and are directly applicable in member states when implemented. "Directives" provide a general framework and must be "transposed" into national legislation at the member state level. Differences in how directives are transposed in Greece and other member states complicate compliance for U.S. companies doing business in the EU. Industry has periodically raised concerns over perceived onerous regulations and high compliance costs.

Market Opportunities

Best Prospect Sectors include:

- Shipping Equipment and Services
- Information and Communications Technologies
- Travel and Tourism
- Safety and Security
- Defense and Aerospace
- Maritime and Border Security
- Cosmetics and Beauty Products
- Almonds, Mink Fur Skins, Soybeans, and Wood Products

Reasons U.S. companies should consider exporting to Greece:

- Long-term tourism trends and potential: Greece's tourist trade continues to grow, and the country will need continued investment to upgrade tourist facilities and infrastructure.
- Shipping: Greece's shipping sector is among the world's strongest and is buffered to a degree from economic uncertainty in the country.

- Geographic location: Greece's geographic location in the Mediterranean and Southeastern Europe is an advantage for companies seeking to serve regional customers.

Hydrocarbons exploration expanding: After several decades of intermittent and uncommitted efforts, the Greek government now seeks to advance domestic hydrocarbons exploration and development processes. Geological surveys indicate Greece may have oil and gas deposits of possible interest to mid-sized firms, and U.S. firms may consider participating in tenders as exploration participants or as service or equipment providers.

Market Entry Strategy

U.S. firms doing business in Europe should be aware that there are several organizations in Brussels focused on representing U.S. business interests and engaging with EU institutions including the European Commission, European Parliament and the Council.

The European Union market is a differentiated one, as supply and demand needs vary from member state to member state. While a pan-European business strategy is critical, individual market entry plans must be developed on a country-by-country and industry-by-industry basis. To conduct a more thorough search for reports on specific industries and sectors within EU member states please consult the Commerce Department's Market Research Library.

The U.S. Commercial Service office in Athens can assist U.S. companies on an individualized basis to develop a market entry strategy and customized business solutions for Greece and the European region. Contact us at Office.Athens@trade.gov or visit our website.

Political Environment

Political Environment

For background information on the political and economic environment of Greece, please click on the following link to the U.S. Department of State Background Notes.

Selling US Products & Services

Using an Agent to Sell US Products and Services

The key to success in the Greek market is engaging the services of an experienced agent/distributor or joint venture partner with suitable business experience and access to the appropriate sales networks. The agent can also help identify possible political and micro-political angles to business decisions. A commitment to offering full after-sales support to the end-user, along with carrying spare parts, is also crucial.

Historically, the government of Greece (GoG) accounted for most major purchases, a practice that kept the market moving. Whether the end user is the GoG or the private sector, it is essential that local agents or joint venture partners have the knowledge and experience of operating in Greece's business environment. Knowledge, experience and good connections have always been vital to successfully participate in government tenders and develop private sales on behalf of U.S. suppliers. Low price has been a main factor in government purchases along with strict adherence to specifications. Private sector purchasers are more likely to weigh price over quality, and credit terms have become a key factor in procurement decisions.

Companies wishing to use distribution, franchising and agency arrangements need to ensure that the agreements they put into place are in accordance with EU and member state national laws. See the European Union Country Commercial Guide for more information.

Establishing an Office

In order to establish any type of business office in Greece, a certified, original copy of the company's articles and relevant agreements needs to be filed with the Court of Misdemeanors. The next step is to register with the recently created entity EFKA, which as a uniform social insurance organization has replaced OAEE and certain other social insurance funds. Once this is done, the local Chamber of Commerce can issue the license number under which a company can operate in Greece. These tasks are usually assigned to lawyers.

All traditional types of business organizations exist in Greece, including: Corporation, Limited Liability Company, General or Common Partnership, Limited Partnership, Sole Proprietorship or Individual Enterprise, Cooperative, and Joint Venture or Consortium.

Under Greek law, joint ventures and consortia are not recognized as different forms of legal entities. The law governing joint ventures has been developed through court decisions and directives issued by the Ministry of Finance. In general, each participant in a joint venture is liable for his share of the total debt, including taxes. Current tax law recognizes the existence and special nature of joint ventures and provides specific rules as to the maintenance of the joint venture's accounting records.

Foreign enterprises may establish operations in Greece. In the case of industrial projects, the foreign investor is generally required to organize a Greek corporation in order to enjoy the full benefits of Law 2687.

If none of the above types of business structures is appropriate, a foreign firm may establish a branch office in Greece. This requires the written approval of the Ministry of Economy and Development and a power of attorney designating a person who permanently resides in Greece to act as the foreign corporation's legal representative in the country.

Franchising

Though franchising is a popular form of business, there is no specific law governing franchising in Greece. Franchising is governed by Greece's Commercial Code. The Franchise Association of Greece has voluntary Code of Ethics, based on the European Franchise Federation's code, which is sometimes wrongly understood as law.

Rental fees for retail space may have decreased significantly in Greece, but some business people characterize rent for prime locations as too high. Additionally, due to growing concerns by property owners that any new store or business may not succeed, landlords may ask for large down payments sometimes in the form of "key-money" (an under the counter lump-sum payment at the time the lease contract is signed) to alleviate risk of losses from what could occur in the future.

More information on broader EU legislation can be found on the website of the European Franchise Federation.

Direct Marketing

The economic recession in Greece has impacted direct-mail advertising as well as advertising in general. Many companies tend to reach their consumers through off-peak hour TV ads, which invite consumers to dial-in and order items on a cash-on-delivery basis. New TV licensing procedures expected to come into effect could impact this selling option. . Personal checks are not used. Credit, debit and prepaid cards are used, but many businesses choose to task couriers to deliver cash-on-delivery terms.

Employee health insurance and income tax laws and regulations are less flexible in allowing direct sales companies to legitimately develop sales forces as they can in other EU countries. A new law which came into effect in 2016 has set direct selling at further disadvantage because it requires that the people practicing direct selling pay social security contributions not based on their actual sales or earnings, but as if they were fully-employed with the basic salary in effect. CS/Athens has been advocating for the Greek Government to find a more sustainable framework for this category of business activity.

Delivering direct mail purchases to people's homes remains difficult as there is usually no-one to collect during work hours. Thus direct sales companies tend to engage local low-cost courier companies. Due to increase in criminality, Greeks are less likely to open their front door to some stranger. Thus door-to-door selling exists on a limited scale. Although door-to-door delivery is limited, door-to-door pamphlet distribution advertising still takes place.

Print Media Advertising

Greek media has suffered some severe setbacks in the past year due the GoG and banks tightening what used to be loose financing rules. The concept of no-cost publications had picked up remarkably well in Athens and a few other cities, with a host of free daily and weekly publications to match a range of interest groups. The continuing crisis, however, is affecting these publications ability to stay in operation and keep staff.

There is a wide-range of EU legislation that impacts the direct marketing sector. Compliance requirements are stiffest for marketing and sales to private consumers. Companies need to focus, in particular, on the clarity and completeness of the information they provide to consumers prior to purchase and on their approaches to collecting and using customer data. Consult the European Union Country Commercial Guide for more information on EU-wide rules on distance-selling and on-line commerce.

Joint Ventures/Licensing

Licensing agreements have to be filed with the Industrial Property Organization and Greek tax authorities. All procedures for payment and transfer of royalties to EU and non-EU residents are handled by commercial banks operating in Greece.

U.S. firms should be aware that royalties are subject to a 20% withholding tax until the Greek company submits IRS tax forms obtained by the U.S. company showing residency in the U.S.

For more information, please the website for IRS.

Public tenders may have a stipulation that foreign bidders must submit their offers in a venture with a local company. In major projects, the utilization of local resources, (engineering services, manpower supplies, manufacturing, or assembly), is an important factor in bid evaluations. Foreign, as well as local bidders must quote and accept payment in Euro, unless otherwise specified in the tender documents.

Selling to the Government

Many governments finance public works projects through borrowing from the Multilateral Development Banks. Please refer to "Project Financing" Section in *"Trade and Project Financing"* for more information.

Public Procurement

As of June 2016, the legal framework for public procurement is determined by law 4281/2014. This law incorporated European Directives 2004/17/EC and 2004/18/EC into the

Greek legal systems harmonizing the mandatory procedures for the scheduling overseeing and awarding public procurement contracts, supplies, services and works contracts also providing specific regulation for e-procurement, i.e. the award of public contracts via an independent electronic platform named "Promitheus," controlled by the Greek State and accessible world-wide. This law is likely to the be further amended, but the core of its provisions regarding public procurement awards remain un-influenced by the new European Union legal framework and will remain as is. The new legislative framework includes the European Regulations EC 2015/2342, 2015/2341, 2015/2340.

According to the current resolution issued by the Ministry of Infrastructure and Transport and the Ministry of Finance, law 4281/2014 came into effect regarding the award of (a) public works and (b) design contracts on public works and related engineering services.

Law 2286/1995 and relevant bylaws provide tender guidelines and procedures to be adhered to by the supplier and one or more of the following entities.

- i) the State,
- ii) local Government organizations,
- iii) legal entities of public law,
- iv) public enterprises,
- v) banks owned by the State,
- vi) state owned legal entities of private law,
- vii) enterprises associated with legal entities of private law. and
- viii) associations formed by one or several of such bodies.

In brief, Law 2286/1995 states the procurement of purchasing (goods), leasing, and the provision of services must be awarded through an announced public tender. The details of the procedures are prescribed in the Regulation of Public Procurement (Presidential Decree 394/1996

The Greek government has attempted to establish one central procurement agency to offer the country economies of scale, and optimal control and application of common technical specifications. The General Directorate of State Procurement plans, modifies and implements Greece's Unified Government Supply Program. Procurement actions follow three stages: stage one is the identification of the needs of all agencies and the drafting of the procurement program; stage two is publicizing the tender, selecting the best offer and awarding the contract to the winner; and stage three is the implementation of the contract. The armed forces, municipalities, public hospitals, and the Public Power Corporation carry out procurement independently, pursuant to special procurement rules and regulations. In certain instances, the General Secretariat of Commerce involvement is limited to the first phase of the tender.

U.S. company sworn affidavits can be submitted in place of documents normally issued in the United States, but not produced by U.S. federal government authorities. In previous years, Greek authorities has required that such affidavits be supported by a letter from the U.S.

Commercial Service. This procedure has not been followed in recent years, but in the event, that a U.S. company encounters an issue, please contact Commercial Service Athens at: George.Bonanos@trade.gov or Tel: +30/210 720 2331.

Defense procurement and military construction projects are governed by Law 3433/06, effective February 1, 2007, as well as other ministerial decrees, clarifications and decisions. This law regulates procurement issues such as Domestic Added Value, Industrial Participation, Defense Materials Specifications, and the Offsets Programs. The newly enacted Law 3883/2010 regulates the transitional arrangements for Offset Contracts that have been signed between the Ministry of Defense and various defense equipment suppliers. The law impacts contracts that have expired without having been fulfilled, thus resulting in penalties by the Ministry of Defense. These contracts may be re-established within six months from the date of issuance and the Ministry of Defense must provide a written declaration accompanying the re-established contract. Additional information on this new law is available from CS Athens.

Greek Law on Public Private Partnerships (PPPs)

Greek Law (Law 3389/2005) introduces regulation on Public Private Partnerships (PPPs) in Greece and opens the market to this type of public procurement. Public Private Partnerships (PPPs) are contractual agreements, usually long-term, between a public entity and a private counterpart, with the objective of implementing a project and/or providing a service.

In a PPP scheme, the private partner bears, in whole or in part, the implementation cost of the project, as well as a substantial part of the risks related with its construction and operation. The public partner, on the other hand, lays out a set of output specifications on the design, technical, and operational characteristics of the project and determines the private partner's payment mechanism, either through partial (e.g. annual) payments, or through direct payments by the end-users via fees.

Greek law intends to create a market-friendly legal framework, to abolish the approval of all concession agreements by Parliament (a current requirement) and to set a standardized procedure for the tendering of concession agreements.

The law mainly attempts to set a comprehensive procedure regarding the planning, approval, award and implementation phases of the whole range of PPPs by clearly defining the scope and minimum requirements of such projects. Its ultimate aim is to ensure the attainment of the most efficient outcome by supporting the positive aspects of the whole scheme on the one hand, and by minimizing the possibilities for the occurrence of potential risks on the other. Detailed information on the PPP law is available at the website of the Ministry of Infrastructure, Shipping & Tourism.

European Union Directives and Public Procurement Restrictions

Policies governing the public procurement market in the EU have recently been revised and a new legislation on concession has also been adopted. Consequently, currently there are four relevant legislations:

- Directive 2014/24/EU (replacing Directive 2004/18/EC) on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts applies to the general sector;
- Directive 2014/25/EU (replacing Directive 2004/17/EC) coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors;
- Directive 2009/81/EC on defense and sensitive security procurement. This Directive sets Community rules for the procurement of arms, munitions and war material (plus related works and services) for defense purposes, but also for the procurement of sensitive supplies, works and services for non-military security purposes;
- Directive 2014/23/EU on the award of concession contracts. A concession contract (either for the delivery of works or services) is conducted between a public authority and a private enterprise that gives the right to the company to build infrastructure and operate businesses that would normally fall within the jurisdiction of the public authority (e.g. highways).

For more information on EU public procurement Directives and restrictions, please consult the European Union Country Commercial Guide.

U.S. Commercial Service Liaison Offices at the Multilateral Development Banks (World Bank)

The Commercial Service maintains Commercial Liaison Offices in each of the main Multilateral Development Banks, including the World Bank. These institutions lend billions of dollars in developing countries on projects aimed at accelerating economic growth and social development by reducing poverty and inequality, improving health and education, and advancing infrastructure development. The Commercial Liaison Offices help American businesses learn how to get involved in bank-funded projects, and advocate on behalf of American bidders. Learn more by contacting the Commercial Liaison Office to the World Bank.

Web Resources

Commercial Liaison Office to the World Bank.

Distribution & Sales Channels

Traditionally, sales agents and distributors have handled a large amount of Greece's import trade. With Greek banks no longer able or willing to provide financing to Greek companies, and foreign suppliers demanding payment before releasing goods, an increasing number of these Greek firms caught in a "deadlock situation" are closing.

Agency agreements are not required to be exclusive and may be signed for any period of time. Distributorship agreements, however, usually guarantee exclusive sales rights for certain districts, or the entire country. Distributors operate on a wholesale, and in some cases, a retail basis. Importers usually maintain offices in Athens, Piraeus, or Thessaloniki with branch offices, subagents, and traveling sales staff covering the rest of the country. In certain cases, small importers may join together to form cooperatives, but this does not suffice for them to keep up with the competition from the foreign distribution companies, which are not effected by lack of financing or capital controls.

Greek retail and wholesale trade was characterized by small, family-owned and operated businesses, each dealing with a narrow range of goods. Because liquidity is very tight, many businesses find it difficult to finance purchases.

A handful of American-style shopping malls operate in Greece; however, their parking fees act as disincentive to shoppers spending much time shopping. Retail stores in malls have not been allowed to open on Sundays on a regular basis, and this is unlikely to change over the next year. In November 2016, many Greek retailers participated in the first "Black Friday" which marked a massive success with the younger and "internet knowledgeable" generations.

Express Delivery

There are few express delivery firms in Greece. Overall, Greeks use them to ensure the quick and sure transport of their mail and/or parcel within Greece and worldwide. Controlling the market are the semi-government ELTA courier, foreign firms FedEx, DHL, UPS, and Greek firms SpeedEx, and ACS courier. The standard delivery time to and from Greece to United States is two days. The weight of the parcel and the CIF (Cost, Insurance, and Freight) value are factored into pricing. The fee may also increase due to the value and description type of the shipped item (dangerous, valuable, perishable) as well as by storage fees, which vary according to type. Finally, export shipments that require customs release are subject to an additional fee.

Selling Factors & Techniques

Selling factors and techniques applicable to Greece are generally the same as those in other western European countries and the United States. Retail stores were heavily dependent on credit card purchases, which were settled in monthly installments. This trend is becoming less popular as consumers have little money to spend on non-essential goods and services and banks very selectively extend credit, and credit cards are issued more sparingly.

eCommerce

Overview

Electronic Commerce (eCommerce) in Greece has exhibited considerable growth during the last two years, and this upward trend is expected to continue in 2017. ECommerce sales reached about $5.0 billion in 2016, growing 18.8% over $4.2 billion sales in 2015. Despite that growth, eCommerce in Greece is less advanced than in other EU member States. The main reason, in addition to the prolonged economic crisis, is that Greece has not captured the benefits of ICT adoption and falls below the EU average in many ICT indicators defined by the European Digital Agenda. Based on the EU's 2017 Digital Economy and Society Index (DESI) published by the European Commission, Greece ranked third lowest among the EU28 countries for its performance in the digital economy and society. Furthermore, even though internet usage has improved compared to previous years, Greece has one of the lowest levels in the EU, 69% compared to the EU average of 82%. Improvement in these areas, especially internet penetration, would lead to stronger growth in eCommerce.

Current Market Trends

According to the latest annual survey of ELTRUN, the E-Business Research Center of the Athens University School of Economics and Business (AUEB), eCommerce continued to see increased demand in 2016, despite the financial crisis. This is mainly attributed to income reduction that made consumers more price sensitive, many new local e-shops in all categories of products and services, and the imposition of capital controls.

Greeks have become highly price-driven, realizing that online retailing could offer them the advantage of comparing a wide range of products in a short time, as well as the attraction of online offers and discounts. Since economic instability is expected to continue to have an impact on Greek consumers' purchasing patterns and trends, bargain hunting will continue to be the most important factor driving internet retailing in Greece. Forecasts for 2017 remain positive, with six out of ten online consumers expected to increase online purchases, while only one in ten is expected to decrease spending.

Domestic eCommerce (B2C)

Business-to-consumer (B2C) electronic commerce in 2016 has improved compared to 2015, evidenced by an overall increase of 5% in the number of product categories purchased online. It is estimated that three out of ten Greeks are mature online buyers and that 10% of online consumers began purchasing in 2016. A large percentage (29%) of online consumers in 2016 made over 50% of their purchases electronically, while in 2015 this was about 25% and in 2014 only 9%. The annual survey of ELTRUN also showed that six out of ten consumers made more than 80% of their online purchases from local e-shops in 2016, compared to five out of ten in 2015. Greek consumers had one of the highest percentages of purchases in Europe from foreign e-shops at around 30%.

Despite the 5% increase in the number of product categories, the five top categories for online purchases remained unchanged from 2015. Travel services topped the list with at 84%, followed by hotel reservations at 70%, electronic equipment and peripherals at 69%, entertainment tickets at 69%, and apparel and footwear at 62%. However, three out of ten online consumers that made a purchase through an e-shop did not return for purchases again due to lack of trust.

Online shopping behavior is mainly driven by online market research, price comparison, and by the significant increase of online banking mainly due to capital controls. Specifically, price sensitivity is the major factor for online consumers (73%), followed by direct product comparison (55%), and finding better offers (42%). There are reasons related to the variety of products, such as finding products that are not available in physical stores (46%) and the availability of largest variety of products (37%). These reasons, of course, also relate to the general decrease in stock in small physical stores due to cash-flow problems. Popular e-shops include Amazon, eBay, Amazon third parties, e-shop, Plaisio, Public, and Skroutz.

Cross-Border eCommerce

Buying from foreign e-shops increased, as Greeks were again able to make online purchases by using their Greek bank cards in contrast to when capital controls were first imposed in 2015. Cross-border commerce in Greece accounts for 30% of total online purchases and estimates show that 54% of buyers prefer e-stores based in the UK, followed by China at 47%, the USA at 34%, and Germany at 21%. Amazon and its third party merchants continued to lead internet retailing in Greece, recording a combined value share of 12%, followed by eBay 8%.

Despite the rapid growth of eCommerce, most businesses in Greece do not yet make the most out of the cross-border eCommerce potential. Only 24% of Greek retailers sell online to consumers in other EU countries, while almost twice as many (47%) sell online in their own country. Nevertheless, the cross-border trade is constantly growing as an increasing number of Greek traders are selling abroad and expand their business at international level. The main markets that buy goods and services from Greece are the United States, the United Kingdom, Germany, France and Italy.

Online Payment

Cash on delivery remains the most popular method of payment, whereas most electronic payments are made with credit cards, debit cards, PayPal, and Bank transfers. 51% of consumers used credit cards for their online purchases in 2016, up from 44% in 2015.

Mobile eCommerce

The use of the mobile devices for digital transactions is rapidly increasing among Greeks. Nine out of ten online consumers have daily access to the Internet via their mobile phones, eight out of ten through a laptop computer, seven out of ten via a tablet, and only six out of ten via desktop PC. Daily banking mobile transactions account for 25% of the total, bidding 20%, accessing suppliers’ or retailers’ mobile applications 20%, and one in six to compare prices while in a physical store.

eCommerce Legal Framework

Entrepreneurial activity in the retail B2C eCommerce is governed by the general consumer protection law (Law 2251/1994) and the legislation regulating electronic commerce (PD 131/2003, which incorporated the Directive 2000/31/EC on electronic commerce; and the Joint Ministerial Decision Z1-891/13-06-2013, which incorporated Directive 2011/83/EU on consumer rights). These laws provide for the free and unlicensed provision of e-commerce services as well as the ability to produce valid contracts by electronic means (3 and 8 § 1 of PD 131/2003). As regards the privacy of the end-user, the data protection law (Law 2472/1997 and 3471/2006), which incorporated Directives 95/46/EC and 2002/58/EC, applies.

Web Resources

[Greek e-Commerce Association (GRECA).]
[Hellenic Data Protection Authority (HDPA)]
[The Hellenic Confederation of Commerce and Entrepreneurship (ESEE)]
[Hellenic Bank Association (HBA)]
[The Hellenic Management Association (EEDE)]
[Ministry of Digital Policy, Telecommunications and Media]
[Ministry of Economy]
[Hellenic Statistical Authority (ELSTAT)]
[Greek Industry Association of Communications and Technology]
[European Commission]
[A Digital Single Market Strategy for Europe]
[EUROSTAT]
[A Digital Single Market Strategy for Europe]
[Summaries of European Union (EU) legislation eCommerce]
[eCommerce Directive - European Union]
[Online Services - European Union Directive 2000/31/EC]
[Directive 2000/31/EC – electronic commerce in the EU]
[European eCommerce Association]
Commercial Specialist: nikos.papachrys@trade.gov

Trade Promotion & Advertising

General Legislation

Laws against misleading advertisements differ widely from member state to member state within the EU. To respond to this issue in the internal market, the Commission adopted a directive, in force since October 1986, to establish minimum and objective criteria regarding truth in advertising. The Directive was amended in October 1997 to include comparative advertising. Under the Directive, misleading advertising is defined as any "advertising which in any way, including its presentation, deceives or is likely to deceive the persons to whom it is addressed or whom it reaches and which, by reason of its deceptive nature, is likely to affect their economic behavior or which for those reasons, injures or is likely to injure a competitor." Member states can authorize even more extensive protection under their national laws.

Comparative advertising, subject to certain conditions, is defined as "advertising which explicitly or by implication identifies a competitor or goods or services by a competitor." Member States can, and in some cases have, restricted misleading or comparative advertising.

Greek consumers often respond well to comparative advertising, which is subject to certain conditions and is defined as "advertising which explicitly or by implication identifies a competitor or goods or services by a competitor. EU member states can, and in some cases have, restricted misleading or comparative advertising.

The EU's Audiovisual Media Services Directive lays down legislation on broadcasting activities allowed within the EU. Since 2009, the rules allowing for U.S.-style product placement on television and the three-hour/day maximum of advertising have been lifted. However, a 12-minute/hour maximum remains. Child programming is subject to a code of conduct that includes a limit of junk food advertising to children. Following the adoption of the 1999 Council Directive on the Sale of Consumer Goods and Associated Guarantees, product specifications, as laid down in advertising, are considered as legally binding on the seller.
The EU adopted Directive 2005/29/EC concerning fair business practices in a further attempt to tighten consumer protection rules. These rules outlaw several aggressive or deceptive marketing practices such as pyramid schemes, "liquidation sales" when a shop is not closing down, and artificially high prices as the basis for discounts in addition to other potentially misleading advertising practices. Certain rules on advertising to children are also set out.
Key Link: European Commission Unfair Commercial Practices , European Commission Digital Single Market.

For more information on advertising medicines, nutritional supplements, and tobacco; making nutrition and health claims; and providing food information to consumer, consult the European Union Country Commercial Guide.

Pricing

Greece has no price controls, except for pharmaceutical and food items. When pricing their products, firms should consider payment and credit terms. Orders are usually small, and Greek importers will request special consideration if a U.S. supplier requires large orders.
The Greek government regulates the price of pharmaceuticals, and its methodology has been a source of debate for years. Pharmaceuticals prices are among the lowest in the EU, but the Greek government has established a pattern of falling behind on payments for as much as over a year to pharmaceutical suppliers.

Certain food prices, particularly on fresh products like fruit and vegetables, are subject to monitoring by the Ministry of Economy, Development & Tourism. Greek fruit and vegetable importers generally expect a C.I.F. quotation, except when the purchasing company does a large amount of direct buying and provides its own insurance. American firms should be prepared to quote prices on whatever basis is preferred by the prospective buyer.

Sales Service/Customer Support

Greek Sales Service/Customer Support standards are consistent with American and Western European standards.

Conscious of the discrepancies among member states in product labeling, language use, legal guarantee and liability, the redress of which inevitably frustrates consumers in cross-border shopping, the EU institutions have launched a number of initiatives aimed at harmonizing national legislation. Suppliers within and outside the EU should be aware of existing and upcoming legislation affecting sales, service and customer support.

Consult the European Union Country Commercial Guide for more information on product liability, product safety, legal warranties, and after-sales service.

Protecting Intellectual Property

A Greek law enacted in June 2011 (Law 3982/2011), provide the police ex officio authority to confiscate and destroy counterfeit goods, has been effective in some areas, but much progress remains to be done due to continued budget cuts, high turnover in the public administration. A 2013 law to protect trademarks , Law 4155/2013, shifted the burden of the cost of storage and destruction of counterfeit goods to the holder and beneficiary rights. Companies have requested Greek authorities to only require storage of a sample of the seized goods in official government facilities in order to reduce their burden of having to pay for storage for long periods of time. This remains an issue of contention for relevant parties. According to the government, counterfeit products in Greece are mainly luxury bags, wallets, footwear, clothing, accessories, watches, cigarettes, spirits, cell phone batteries and accessories, sunglasses, toys, and spare car parts.

Trademark violations, especially in the apparel and footwear sectors, are still widespread. Given these ongoing significant issues, Greece was placed back on the U.S. Special 301 Watch List in 2008, where it remains.

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles. The U.S. Commercial Service can provide a list of local lawyers upon request.

In any foreign market companies should consider several general principles for effective management of their intellectual property. For background on these principles please link to our article on Protecting Intellectual Property and also Corruption.

IP Attaché Contact For Greece

Name: Susan F. Wilson
Address: U.S. Mission to the European Union
Unit 7600 , Box 6100
United States
Telephone: +32 2-811-5308
E-mail: susan.wilson@trade.gov

Due Diligence

Greek banks adhere to OECD and EU Due Diligence rules and regulations, especially as to money laundering. In Greece, Law 3424/05 prohibits money laundering.

U.S. firms should consider taking advantage of the U.S. Commercial Service's International Company Profile (ICP) service before signing an agency agreement with a local concern, choosing a local partner to bid jointly on a major project, or doing business for the first time with a local company. ICPs are prepared at the request of U.S. firms and provide financial and background data on Greek companies. Please contact Office.Athens@trade.gov regarding the ICP due diligence service.

Local Professional Services

For more information, kindly refer to the following websites:

Bar Association of Athens
Bar Association of Volos
Bar Association of Piraeus
Medical Association in Athens
Medical Association in Thessaloniki
Institute of Certified Public Accountants
Sworn-in Valuers
Hellenic Bank of Association

Selected professional service providers in Greece can be located in our Business Service Provider Directory.

Local service providers focusing on EU law, consulting, and business development can be viewed on the website maintained by the Commercial Service at the
U.S. Mission to the European Union.

Principle Business Associations

American-Hellenic Chamber of Commerce - E-mail: president@amcham.gr
The American-Hellenic Chamber of Commerce (AMCHAM) is open to all businesses and individuals regardless of country. Its main purposes are to boost Greek-American relations and trade, create business partnerships between those countries, and provide assistance in imports and exports. The AMCHAM represents the American Business community in meetings with the Government serving as an advisory body.

The Propeller Club of the United States - no website – E-mail: propclub@otenet.gr
The Propeller Club has no restrictions related to membership, except for an annual or a life time fee. The Propeller Club has limited to no influence to political decisions, while it mainly serves as a social and business hub for people involved but not limited to the Shipping sector.

Association of Pharmaceutical Companies of Greece (SFEE). E-mail: sfee@sfee.gr
Current members include both Greek and foreign multinational subsidiaries. SFEE serves as an advisory body to the Greek Government aiming to promote the interests of pharmaceutical companies.

Athens Association of Commercial Agents – no website – E-mail: aaca@otenet.gr
In order to become a member, one just needs to have the necessary permit of becoming an Import-Export Commercial Agent, which is obtainable after a request to the Chamber of Commerce and Industry. The Association's objective is to promote the interests of its members, make information available, settle disputes etc. The Association has limited to no influence over political decisions.

Athens Chamber of Commerce and Industry - E-mail: president@acci.gr
Membership is open to anyone running a business in the Attica area. This association represents, supports, and promotes entrepreneurship and advises the government in formulating policies.

Federation of Greek Food Industries (SEVT) – E-mail: info@sevt.gr
SEVT membership is made up of Greece's food and beverage companies, but also includes sectoral associations. SEVT's mission is to facilitate the development of an environment where food and beverage companies, regadless of size, can meet consumer and society needs,and at the same time compete effectively for smart, sustainable, and inclusive growth. SEVT represents the Greek Food & Beverage sector in the national, European, and Non-European International arena. Foreign companies can become members of SVET if they own a branch in the Greek market.

Hellenic Federation of Enterprises (SEV) – E-mail: info@sev.org.gr
Members of SEV are companies that are active in Greece. Serving as the voice of Employers and Enterprises, SEV seeks to create the needed conditions to encourage entrepreneurship improve the competitiveness of the Greek companies. Its committees serve a powerful instrument for policy and strategy making.

Hellenic Central Union of Chambers of Commerce & Industry - E-mail: keeuhcci@uhc.gr
The Union that represents all chambers of commerce (more than 56) throughout Greece. It is the main advisory body, representing the views of all the Chambers of Commerce and Industry in Greece, which influences the economic policy and decisions of the Greek Government.

Pharmaceutical Research and Manufacturers of America (PhARMA) - E-mail: jim.sage@pfizer.com
Membership is limited to U.S. pharmaceutical companies. PhRMA and its member companies encourage the GoG to recognize and protect innovation in the pharmaceutical sector by ensuring efficient and timely government pricing and Social Security Funds reimbursement procedures for medicines as well as protect the interests of U.S. industry.

Piraeus Chamber of Commerce and Industry - E-mail: evep@pcci.gr and secretariat@pcci.gr
Membership is open to anyone that has a business in the Piraeus area. The association represents, supports, and promotes entrepreneurship and it advises the government in formulating policies.

Technical Chamber of Greece (TEE) – E-mail: gramproedrou@central.tee.gr and president@central.tee.gr
Non-Greek individuals can become members of "TEE" if they possess an engineering degree and pass an examination. "TEE" acts as an advisory body to the Greek state about issues within its scope and only upon request.

Thessaloniki Chamber of Commerce and Industry - E-mail: sec@ebeth.gr
Membership is open to anyone that has a running business in the area of Thessaloniki. This association represents, supports, and promotes entrepreneurship and it advises the government in formulating policies.

Union of Greek Shipowners – No website - E-mail: ugs@ath.forthnet.gr
Membership is open to Greek Ship-owners. Major ship-owners have the ability to influence the Greek government.

Limitations on Selling US Products and Services

Greece being an EU member complies with EU rules and regulations. US companies are strongly advised to have an experienced agent or joint venture partner with suitable experience and an extensive sales network and in the case of working with the government to appoint some sole authorized legal representative.

Web Resources

Greek websites:
Freelancers' Insurance Organization
Ministry of Finance, Infrastructure, Shipping and Tourism
Export.gov for Greece
General Secretariat of Commerce and Consumer's Protection
Special Secretariat for Public - Private Partnerships (PPPs)
Greek Pharmaceutical Association
Athens Bar Association
Volos Bar Association
Piraeus Bar Association
Athens Medical Association
Thessaloniki Medical Association
Greek Institute of Certified Accountants
Greek Institute of Chartered Valuers
Hellenic Bank Association
International Intellectual Property Alliance (IIPA)

Enterprise Greece
Hellenic Copyright Organization
Industrial Property Organization
Hellenic Society for the Protection of Intellectual Property

EU websites:
Please refer to the European Union Country Commercial Guide for EU websites.

Leading Sectors for US Exports & Investments

Beauty (Cosmetics Sector)

Overview

The beauty and personal care market in Greece has managed to stay stable during the past several years, experiencing only a slight decline of 3% over the past year. However, the market decline has slowed, and sales volume is now stable in several categories. Despite the overall market decline over the past year and according to ICAP, the beauty and personal care market in Greece is expected to grow over the next 2 years (2017-2018) at 2.5% per annum.

Sales revenue has not kept pace with sales volume as special offers and discounts are common. The economic situation in Greece has resulted in shoppers being price sensitive rather than brand loyal. This, in turn, has meant that consumers are willing to try new products and services, which provides opportunities for new market entrants.

One of the prime characteristics of this market is the high level of imports. American companies are among the largest suppliers, in some cases through regional distributors in Southeastern Europe. Although large U.S. multinational companies like Avon, Procter & Gamble, and Estée Lauder are doing well in Greece, they are facing increasing competition from a number of local and international players, primarily from France, Germany and Italy.

Over the past several years, Greek consumers have turned increasingly to Greek brands or have chosen natural, eco-friendly products. Currently, consumer trends favor naturally-positioned products, such as KORRES and APIVITA, which remain among the market leaders.

Leading Sub-Sectors

Price-conscious consumers have favored e-shops and supermarkets at the expense of beauty retailers, despite aggressive marketing and special promotions by the latter. Grocery retailers and direct sellers have benefitted from consumer interest, having switched from premium- to mass-market products. Mass-market products are increasingly incorporating more premium-brand features at a lower price than private labels. Furthermore, “pharmaceutical” products (i.e. companies using the pharmacy channel to promote their products – otherwise known as “cosmoceuticals”) have experienced growth as many consumers perceive them as safer than products marketed through other channels. Mass-produced and relatively inexpensive products, which are marketed as luxurious, have done particularly well through direct selling channels, which have expanded due to high unemployment. Products related to hair and skin treatments have benefitted the most in the Greek market. More specifically, skin and hair care products that combine multiple- or cross-category benefits are becoming the industry norm for manufacturers and consumers.

Sun care products have witnessed a revenue increase of 8% 2014. Consumers prefer to purchase items through special offers, package offers (for example "purchase 2+1 free"), and discounts. Bargain hunting and price sensitivity will likely continue to characterize the Greek market for the foreseeable future and will not be limited to low-income earners. As a result, beauty retailers will continue to offer aggressive discounts and engage in promotional activities.

Opportunities

Greece's geographic location continues to make the country a business gateway into Southeastern Europe. As such, use of Greek distributors for wider area coverage may be a consideration for U.S. manufacturers.

Consumers are increasingly purchasing products online. Online shops in Greece provide a wide range of products, prices, and brands that lure customers.

Non-essential and premium products have been, in part, replaced by multi-use products. Another trend is increased demand for products that offer longer-lasting results and improved performance as well as products that can be used at home rather than at a beauty salon.

Given Greece's near doubling of its population during the summer tourist season, demand for sun-care products continues to grow and provide opportunities for companies that are competitive in this market segment.

Web Resources

Hellenic Association of Pharmaceutical Companies
Greek National Organization for Medicines
Euromonitor International
ICAP Group Industry Report: Cosmetics 2015

Commercial Assistant: Maria.Georgousi@trade.gov

Agricultural Sector

Overview

The agricultural sector in Greece remains an important sector of economic activity and employment for Greece, with exports of agricultural products accounting for one third of total exports in Greece. Agriculture contributes 4.1 percent of GDP and is characterized by small farms and low capital investment. Greece's utilized agricultural area is close to 5 million hectares, of which 57 percent is in the plains and 43 percent is in mountainous or semi-mountainous areas. There are about 150 million olive trees in the country, either in systematic orchards or scattered across the country. Lower agricultural productivity in Greece, compared to other EU Member States, is correlated to the smaller average-size of holdings. The economies of scale offered by modern farming practices have limited impact on the small plots of land typically used in Greece.

Greece’s financial crisis is affecting all areas of the economy, including agriculture. Agricultural output has steadily declined from 17 percent of GDP in the early 1990’s to 4.1 percent today. Greece’s main competitors are other European Union countries. The leading agri-food suppliers to the Greek market are the Netherlands ($894 M), Germany ($851 M), Italy ($672 M), Bulgaria ($628 M), and France ($603 M). The leading markets for Greece’s goods are Italy ($1.1 B), Germany ($776 M), the United Kingdom ($397 M), the United States ($349 M) and Bulgaria ($339 M). Greece’s top agri-food imports include cheese ($357 M), pork ($231 M), beef ($203 M), and food preparations ($190 M), whereas olive oil ($553 M), cheese ($439 M) and olives ($404 M) dominate Greece's agricultural exports, followed by cotton ($340 M), sea bream ($273 M), and canned peaches ($243 M). In 2016, U.S. agri-food exports to Greece were valued at approximately $80.6 million, while imports from Greece reached $412.4 million. Tree nuts ($25.3 M), distilled spirits ($9.9 M), soybeans ($6.0 M), forest products ($5.8 M) and seafood products ($4.3 M) were the top U.S. exports to Greece in value terms, whereas processed fruits and vegetables ($208.0 M), seafood products ($60.4 M), vegetable oils ($39.3 M), and cheese ($27.6 M), were the leading U.S. imports from Greece.

Greece imports significantly more food and beverages than it exports. Products with good sales potential include cheese, meat, alcoholic beverages, organic foods, dairy products, some exotic fruits, off season fruits and non-GMO ingredients for the domestic food processing and confectionary/ice cream sectors.

Bilateral Ag Trade 2016

U.S. Ag Exports to Greece $80.6M	U.S. Ag Imports from Greece $412.4M
Tree Nuts: $25.3M	Processed Fruit & Vegetables: $208.0M
Distilled Spirits: $9.9M	Seafood Products: $60.4M
Soybeans: $6.0M	Vegetable Oils: $39.3M

Forest Products: $5.8M	Cheese: $27.6M
Seafood Products: $4.3M	Wine & Beer: $13.0M
Hides & Skins: $4.0M	Snack Foods: $8.7M

- Greece is a net agricultural importer.
- The United States exports mostly consumer oriented and intermediate commodities to Greece and mainly imports their consumer-oriented products.

Leading Sub-Sectors

A. U.S. products in the Greek market that have good sales potential:

- Tree Nuts (almonds, walnuts, pistachios)
- Whisky (and other distilled spirits)
- Crustaceans (shrimps, lobsters, and crabs), Mollusks, and Squid
- Hardwood Lumber and Veneers
- Pulses
- Dried Plums and Cranberries

B. Products not present in significant quantities but which have good sales potential:

- Mink Furskins (and other hides & skins)
- Soybean Meal and Soybeans
- Planting Seeds
- Beans

C. Products not present because they face significant trade barriers:

- Beef, other than that sold thru the High Quality Beef Quota
- Poultry, use of chlorine as a post-slaughter pathogen reduction treatment is not accepted by EU
- Processed food products containing biotech ingredients

Opportunities

In spite of the institutional challenges and ongoing economic downturn, areas of opportunity remain in the Greek market for U.S. companies. Greece is a potential market for seafood; U.S. seafood exports to Greece in 2016 increased 34.4 percent and are forecast to further increase in 2017 favored by record tourism arrivals. U.S. Pulses exports (mostly lentils) are expected to recover in 2017, after a 33 percent reduction last year, and pulses market is expected to continue to grow over the next five years because of increased demand for inexpensive and healthier meal choices.

Web Resources

Embassy of the United States in Athens, Greece
United States Mission to the European Union
Global Trade Atlas, trade statistics
Global Agricultural Information Network
European Commission Agriculture Website
Alaska Seafood Marketing Institute
USA Dry Pea and Lentil Council

Information and Communications Technology (ICT) Services

Overview

The prolonged economic recession in Greece has had a negative impact on the ICT market. In 2016, the ICT market contracted by 1.9%, compared to a 2.6% contraction in 2015 and 1.3% in 2014. The result is a 2016 market of $6.259 billion. Although the 2016 decline was lower than originally anticipated, the market is expected to continue this downward trend in 2017, with a marginal decrease of 0.9%, placing the total market value at around $6.203 billion. Based upon the European IT Observatory (EITO) 2016 sales figures, the information technology sector accounts for 30% of the ICT market total, while telecommunications accounts for the remaining 70%.

Among the leading ICT companies in Greece are Accenture, CISCO, DELL, Google, Hewlett Packard, IBM, Info-Quest, Intracom, Intrasoft, Microsoft, Oracle, SAP, SINGULARLOGIC, SPACE HELLAS, Unisystems, Cosmote, Vodafone, and Wind.

Information Technology (IT)

The IT sector consists of IT hardware equipment, IT services, and business software. IT services remains the leading category along with business software, exhibiting a slow but steady growth over the last two years. In absolute terms, the IT market in 2016 stood at around $1.783 billion, with estimates for 2017 in the area of $ 1.774 billion.

IT Services

IT services are comprised of IT and business consulting, system integration, network consulting and integration services, custom application development, and business process outsourcing (BPO). The total value of IT services in 2016 amounted to $906 million, an increase of 1.7% compared to 2015. The upward trend is expected to continue in 2017, with a 2.6% increase. All of the subsectors are experiencing growth, with IT outsourcing experiencing the strongest growth at 5.2% in 2016, with a projected increase by another 5.3% in 2017.

Business Software

The business software market consists of application software (64%) and system infrastructure software (36%). In 2016, sales remained stable compared to 2015 with a total market value of $272 million. The software market is expected to strengthen its value in 2017 by a marginal increase of 0.4% with sales of $273 million.

Telecommunications

Telecommunications services, the leading category in the telecom sector, accounts for 86% of the market, with equipment accounting for the remaining 14%. In 2016, the telecommunications sector in Greece declined by 1.4% to $4.476 billion, with an expected reduction in 2017 of 1% (the industry suffered losses of 1.7% in 2015 and 6% in 2014).

Telecommunications equipment
The 16% increase in equipment sales in 2015 was not sustained in 2016, during which time the market declined by 3.3% to $616 million. This downward trend is expected to continue in 2017, with a projected 4.9% decline to $586 million. The increase in 2015 was mainly triggered by 3G network upgrades and investment in 4G LTE infrastructure, especially in large urban areas with increased demand for data usage. The market was strongly affected by the exceptional increase in sales in 2015 of both conventional mobile devices and smartphones. In 2016, however, market saturation led to a decrease in both categories by 6.5% and 5.9% respectively. The decline will likely continue in 2017 for both conventional mobile devices and smartphones sales at a rate of 8% and 7% respectively.

Services
The market value of service fell by 1.1% in 2016 to $3.860 billion, with a marginal decrease of 0.4% expected in 2017. The overall better picture of services compared to the rest of the sector is mainly attributed to the continuous growth shown in the mobile data services subsector, with a 8.5% increase in 2016 to $667 million. Growth of around 9.3% is expected in 2017. In contrast, the fixed telephony market dropped by 4.2% in 2016 to $1.211 billion, and the decline will likely accelerate in 2017 at 7.8%. Similarly, mobile telephony services declined by 4.7% in 2016 to $1.210 billion, with a further reduction of 3.0% expected in 2017.

Leading Sub-Sectors

Current environment
Greece has not captured the benefits of ICT adoption and falls below the EU average in many ICT indicators based on the European Digital Agenda. Based on the European Union's 2017 Digital Economy and Society Index (DESI) published by the European Commission, Greece ranked third lowest among the EU28 countries for its performance in the digital economy and society. The index measures a variety of factors, including connectivity, digital skills, use of the internet by citizens, integration of digital technology by businesses, and digital public services. To address this challenge, the Greek Government formed a new Ministry of Digital Policy, Telecommunications and Media. The main objective of the Ministry is the development of a unified digital and telecommunications policy to support the new National Digital Strategy (2016-2021), a major change for Greek public administration and governance.

Government strategic targets
ICT companies in Greece are focusing on government projects that are in progress, delayed, or need to be initiated and are vital to improve the competitiveness of the Greek economy. Policy makers are facing a challenge in supporting the European

digital economy strategy to enhance the use of e-Government services. The Greek Government views broadband penetration, internet use, electronic transactions, cloud-computing services, and integrated Government ERP as increasingly important.

Syzefxis II: Greek national network for the public sector:
The Government aims to upgrade the voice and data infrastructure of the public sector in Greece. Under the Syzefxis II project, the Government seeks to expand network and telephony services in approximately 34,000 buildings nationwide and implement wireless access through 55,000 government smartphones. The goal of this project is to deploy more fiber connections to include all 34,000 Greek stakeholders, with the most important state agencies operating at 100/1,000 Mbps.

The EU will provide $191 million to build the infrastructure. The three-year operational costs of $164 million per annum will be covered by national funding with an estimated budget of $684 million.

Public Sector ERP
Digital projects in Greece, both ongoing and expected to begin in the near future, include the implementation of Enterprise Resource Planning (ERP), Human Resources Management (HRMS), and public e-procurement systems to support the Government's fiscal reform project.

Tax evasion and contraband detection systems
The new Independent Authority for Public Revenue in Greece has reactivated tenders focusing on the implementation of systems founded on the latest technologies and applications systems, which can support the Greek government in its efforts to collect revenue. These systems would enable customs, border, security, and tax collection agencies to increase tax revenue collection by deterring the contraband smuggling and VAT fraud. Automated inspection and verification of trucks, rail, and cargo containers as well as fuel-marking programs and control systems that process online real time information promise to significantly improve revenue collection.

Next Generation Access NGA)
This project aims to the deploy fast and super-fast broadband technologies in rural areas with support from EU funds. The first phase was started in 2014, with the rural broadband project, which is now in the implementation phase. Over the next two years, the Government will dedicate a budget of up to $472 million for the extension of rural broadband and the introduction of superfast broadband in urban areas.

Transition to a digital economy
Support the European Digital economy strategy by implementing digital projects to enhance e-skills, digital transactions between public administration and citizens/businesses, development of open data and creation of new opportunities for innovative SME's and start-ups.

IT consulting

ICT consulting is a key growth area for vendors as markets mature and end-users become more knowledgeable about IT needs, risks, and technologies. Consulting firms can help the government evaluate and make decisions on systems management, infrastructure needs and solutions, as well as IT security.

Data Center Outsourcing & Integration Services

Optimization of ICT costs are realized through main or disaster recovery centers of large private- and public-sector organizations as well as service providers in Greece. It's possible that Greece could eventually be a data center outsourcing hub in Southeast Europe.

Cyber Security

Security solutions to support projects compose a significant portion of the market, with security software, services, and infrastructure being deployed in organizations of all types and sizes. The demand for security comes mainly from three major segments that comprise the Greek market: the government, corporations, and small- to medium-sized businesses. The financial industry is leading the private sector in demand for cyber security products and services. Banks are demanding more cyber security solutions as they face increasing number of cyber-attacks.

Opportunities

Digital services can be an important force economic development in Greece. Increased digital innovation creates added value and new services for businesses and the government. ICT adoption and usage by businesses, citizens, and the public sector will contribute to financial savings, increasing government revenues, and ultimately create the conditions for new business development and job creation. The continuing development of fast internet in Greece will contribute to the increased demand for digital services that will enhance the competitiveness of the country and support employment.

Greece possesses a highly-educated workforce, combining first-class technical knowledge with global experience and entrepreneurial talent. Large international software firms represented in Greece have well-established policies and methodologies to deliver projects and serve customers with strong and well-established solutions. Multinational software companies disseminate state of the art expertise in both ERP applications and specialized solutions in government, retail, logistics, utilities, and other sectors. The need to comply with international regulations and treaties, such as the International Accounting Standards, the Basel III agreement, and corporate governance rules, is anticipated to increase the demand for specialized applications software and services.

The 2014-2020 National Strategic Reference Framework (NSRF) programming for the absorption of European Union Funds is expected to be a major driver for economic and ICT market growth in Greece. The new NSRF 2014-2020 constitutes the primary strategic plan for the development of the country with the help of significant resources from the European Structural and Investment Funds. The implementation of the new NSRF seeks to address the structural weaknesses of the country that contributed to the emergence of the economic crisis. The NSRF 2014-2020 consists of 20 projects, of which 7 are sectoral and 13 regional, with $28 billion in funds to be allocated. Though there is not a distinct program in the new NSRF for ICT, as in the NSRF 2006-2013 (Digital Convergence), the effective implementation of the programs and NSRF funding is expected to positively impact ICT demand. The operational programs are Transport Infrastructure, Environment and Sustainable Development, Competitiveness Entrepreneurship and Innovation, Human Resources Development - Education and Lifelong Learning, Public Sector Reform, Technical support, Agricultural Development, and Fisheries and Maritime.

Web Resources

Ministry of Digital Policy, Telecommunications and Media
Ministry of Economy
Independent Authority for Public Revenue (IAPR)
European Commission
Hellenic Statistical Authority (ELSTAT)
Greek Industry Association of Communications and Technology
Foundation for Economic & Industrial Research
National Strategic Reference Framework
National Telecommunications Regulatory Authority
Society of Information S.A.
Information Society
General Secretary for Research and Technology
International Data Corporation
European IT Observatory
ICAP

Commercial Specialist: nikos.papachrys@trade.gov

Greek Shipping and Marine Services (PRT)

Overview

Greek-interest controlled shipping has continued its growth, with the number of Greek controlled vessels rising to 4,092 (vessels exceeding 1,000 Gross Tonnage). Shipping counts second only to tourism in Greece in terms of economic contribution, contributing an estimated 7% to the country's GDP and employing over 190,000 people. Unlike other industries in Greece, shipping's business cycle traditionally follows global trends driven by the world's transportation needs, and it remains largely immune from the economic and political instabilities in Greece. Although low crude oil prices have been boosting refinery utilization, the recent rock-bottom level of dry bulk suggests a very slow and painful recovery due to unfavorable trading conditions, large order books, and pressure to delay newbuild deliveries.

Greece currently possesses the largest merchant marine fleet in the world, with the Greek flag fleet ranking fifth internationally and first within the EU in terms of DWT. Greek's control 4,092 ships of various categories, with a total of 320,597,574 DWT and 188,904 GT. The fleet registered under the Greek Flag has decreased slightly, now comprising 809 ships of 78,948,501 DWT and 46,049,729 GT. Greek ship owners, however, rank first in terms of both new tonnage and new build fleet value, bringing vessel ages well below the international average. Greek ship owners have been moving into more sophisticated LNG and LPG carriers, offshore supply vessels, and container ships. It is alleged that ship owners with significant stakes in drill ships are now experiencing difficulties. The question of choosing the right moment and the right technology to upgrade their fleets for efficient and environmentally friendly operations is becoming even more important.

TABLE 1: GREEK CONTROLLED SHIPPING

Greek- owned ships registered under various flags (ships over 1000 gt)

Date		Ships	DW	GT
March	1988	2,487	85,047,436	47,269,018
March	1989	2,428	81,928,296	45,554,419
February	1990	2,426	84,439,159	46,580,539
March	1991	2,454	87,102,785	47,906,852
March	1992	2,688	98,218,176	53,891,528
March	1993	2,749	103,958,104	56,918.268
March	1994	3,019	120,650,373	66,342,046
March	1995	3,142	126,128,352	71,666,943
March	1996	3,246	129,737,336	75,156,763
March	1997	3,204	127,782,567	74,982,110
February	1998	3,358	133,646,831	78,900,843
March	1999	3,424	139,255,184	83,454,890
March	2000	3,584	150,966,324	90,227,491

March	2001	3,618	168,434,370	100,220,348
March	2002	3,480	164,613,935	98,195,100
May	2003	3,355	171,593,487	103,807,860
March	2004	3,370	180,140,898	108,929,135
March	2005	3,338	182,540,868	109,377,819
March	2006	3,397	190,058,534	113,603,803
February	2007	3699	218,229,552	129,765,470
February	2008	4,173	260,929,221	154,599,274
February	2009	4, 161	263,560,741	156,214,619
February	2010	3,996	258,121,898	152,616,046
March	2011	3,848	261,675,981	153,128,919
March	2012	3,760	264,054,167	155,904,976
March	2013	3,677	265,336,520	155,988,384
March	2014	3,901	290,847,132	170,984,684
March	2015	4,057	314,456,451	184,063,875
February	2016	4,092	320,597,574	188,904,194
March	2017	4085	328,763,767	192,430,519

Source: Greek Shipping Co-operation Committee based on data from the Lloyd's Register

Greece's extensive coastal waterways and its geographic location have traditionally served as a gateway to the central Balkans and the Middle East as well as a passage to the Black Sea. This generates opportunities for U.S. firms and demand for maritime transportation services and products and services with maritime application. The Port of Piraeus, located adjacent to Athens, serves as a primary crossroad between East and West. The Greek Government initiated modernization of the port in 2010, and in 2013 granted China's COSCO the management of the container operations for 35 years under a €4.3 billion contract. Additionally, COSCO was selected as the preferred bidder for a 67% stake in the Piraeus Port Authority (OLP) for €368.5 million, and the concession agreement, which was signed April 8, 2016, is proceeding smoothly.

Greece has also sold 67% of the shares of the Port of Thessaloniki, in which Deutsche Invest Equity Partners acquired 47% and Belterra Investment, controlled by Greek-Russian businessman Ivan Ignatyevich Savvidis, acquired 20%. Greece's Hellenic Republic Asset Development Fund (HRADF) intends to privatize ten of Greece's smaller ports operating in the form of corporations, namely the ports of Volos, Rafina, Igoumenitsa, Patras, Alexandroupolis, Heraklion, Elefsina, Lavrion, Corfu, and Kavala. The HRAF holds 100% of these port companies, which have rights to operate them until 2042.
Further information on HRADF.

Domestic business interests dominate this sector; however, foreign competition is increasingly active in partnership with Greek companies. While British and Dutch interests are strong, U.S. marine equipment and service providers continue to be well represented. U.S. businesses should be aware that Greek ship owners become personally involved in most buying decisions. This applies also to those Greek ship owners who live and operate outside of the country, because they often process their decisions through their offices and trusted staff in Greece.

Despite the turmoil caused by the global financial crisis, many Greek-owned shipping companies appear to continue to possess sufficient liquidity to be able to re-enter the market with even more modern, larger, and more efficient vessels.

Globally, Greek ships are registered under over 40 national flags, with 18% of vessels globally flying the Greek flag. The Greek flag lost 62 ships over the last year. The flags that gained Greek-owned ships were Marshal Islands - 74, Liberia - 31. Cyprus – 13, and Malta - 4. Greek ship owners are the leading customers of the world's shipyards, purchasing their ships from Japan, South Korea, China, Germany, and to a lesser extent from France and Italy.

As shipping in Greece is a predominantly family business for Greeks, it is sometimes hard to know who exactly the largest industry players are. This may occur because the assets of the ship owners may suddenly become separated or merged, rearranging the picture. Also, it is worth noting that it is the family names of the ship owners that are usually known throughout the shipping business communities and not so much the names of companies through which the fleets are managed. Greece continues to be on top of worldwide shipping in 2016, while 13 Greek ship owners stand among the 100 most important in the industry. Greek shipping continues to lead the world, with Japan coming second and China third. According to the "Lloyd's List one Hundred", there are 13 Greeks amongst its listing of the "One Hundred most influential people in global shipping":

#7. John Angelicoussis, Angelicoussis Shipping Group
#12. George Prokopiou, Dynagas
#19. Angeliki Frangou, Navios
#20. George Economou, DryShips
#23. Peter G. Livanos, GasLog/Ceres Shipping
#35. Petros Pappas, Star Bulk
42. Nikolas Tsakos, Tsakos Energy Navigation
#50. Kostis Konstantakopoulos, Costamare
#53. Theodore Veniamis, Union of Greek Shipowners
#60. Peter Georgiopoulos, Gener8 Maritime
61 Evangelos Marinakis, Capital Maritime & Trading
81 John Platsidakis, Intercargo
95. Simos P. Palios, Diana Shipping

96. Polys Hajioannou, Safe Bulkers

Leading Sub-Sectors

Communication aids, computer and software applications, navigation aids, radar, safety equipment, coatings and paints, cutting-edge navigation, maritime anti-piracy solutions and technology, maritime financial and insurance services, ship repair, and conversion products and services. Greek ship owners are currently keenly interested in technologies for LNG and LPG carriers, for offshore supply vessels, and container ships.

Opportunities

For the 18th consecutive time, the U.S. Commercial Service in Athens will organize a U.S. Pavilion at the Posidonia Shipping Expo from June 4 to 8, 2018. The expo is a U.S. Department of Commerce Certified Trade Fair. Posidonia provides direct access to Greek shipping and also the owners of the largest fleet under the control of any national group, dominating the new builds order book. During the week of Posidonia, nearly all Greek ship-owners converge in Greece. In addition to the main event, there are also numerous other gatherings where companies can obtain exposure to Greece's shipping decision makers. The U.S. Embassy reception to honor the U.S. participants in Posidonia is one of the most prestigious gatherings held during Posidonia, as it draws some of the Greece's most important ship owners and most influential policy decision makers.

Participation in the U.S. Pavilion offers un-matched worldwide business expansion opportunities for the U.S. shipping industry and related U.S. service and supply sectors.

Web Resources

Posidonia Exhibitions SA
Hellenic Chamber of Shipping
Ministry of Shipping and Island Policy

Resources & Contacts

Ministry of Shipping and Island Policy
Akti Vasiliadi
185 10 Piraeus
Tel: +30 210 4191700 & 4064700
Fax: +30 210 4191561, 4191562 - 210 419156
Email: info@yen.gr

Thessaloniki Port Authority S.A
Inside the Port

54 110, Thessaloniki, Greece
Tel: +30 2310 593121
Fax: +30 2310 510500
Email: secretariat@thpa.gr

Piraeus Port Authority (OLP)
10 Akti Miaouli Street
185 38 Piraeus, Greece
Tel: +30 210 4550229
Fax: +30 210 4550310
Email: olp@olp.gr

Union of Greek Shipowners
85 Miaouli Street
185 38 Piraeus, Greece
Tel: +30 210 4291159 through 65
Fax: +30 210 429 1166
Email: ugs@ath.forthnet.gr
Website: N/A

Commercial Specialist: George.Bonanos@trade.gov

Customs, Regulations & Standards

Trade Barriers

Greece maintains nationality restrictions on a number of professional and business services, including legal advice. These restrictions do not apply to EU citizens, and U.S. companies avoid these barriers when partnering with Greek or EU businesses. Through Law 3693/2008, Greece harmonized its regulation of auditing services with European Directive 2006/43/EC. Audits can now be performed by any company/auditor, regardless of nationality, with the appropriate license. Licenses can be obtained without taking exams. Law 3919/2011 further liberalized some of the remaining restrictions on the auditing profession, specifically the minimum fees imposed by Presidential Decree 341/1997. Auditors are now free to set fees with the interested party.

A special tax (percentage on admission tickets) that applied to motion pictures (12% in Athens and Thessaloniki and 8% of the ticket price in other cities) was abolished with the law 4336/2015. Revenue from this tax were used to provide grants to Greek film companies to support and develop the industry.

The general position towards GE (Genetically Engineered) crops in Greece remains unfavorable. Greece does not have a coexistence policy and maintains a de facto ban on both the cultivation and importation of GE products. In Greece, there are no GE plants or crops under development. Greece does not commercially cultivate any GE crops, even for GE seed production. Greece has maintained a de facto ban on GE products since April 2005, when it implemented a “safeguard clause” prohibiting the field release of MON 810, a GE corn developed by Monsanto and approved by the European Food Safety Authority (EFSA). In July 2008, EFSA determined that Greece’s ban lacked a scientific basis. In November 2011, Greece extended the ban for another two years and expanded the measure to include both importation and cultivation. EFSA again rejected this argument in September 2012. Greece still enforces the cultivation ban despite the EU Court of Justice stating that it has no grounds for relying on the safeguard clause.

In March 2015, Directive (EU) 2015/412 allowed Member States (MS) to restrict or ban the cultivation of genetically engineered (GE) plants in their territory. In August 2015, Greece informed the Commission that it intended to officially opt-out of growing MON 810 corn anywhere in its territory. A similar European Commission proposal to enable Member States to restrict or prohibit the sale and use of EU-approved GE food or feed was rejected by the European Parliament in October 2015, as Member States were concerned the law might prove unworkable or would lead to the reintroduction of border checks between pro-GE and anti-GE countries. However, in December 2015, the Environment Committee passed a resolution calling on the Commission to table a new proposal and withhold any new approvals until the process has been revised.

On March 21, 2015, the Greek Parliament passed a new law (4321: “Provisions to Restart the Economy” to prevent triangular trade transactions with third countries that have lower taxes than Greece (i.e. Bulgaria, Cyprus, and Ireland). According to Article 21 of the new law, a company which imports goods into Greece from another country with a lower tax rate must prepay the 26% withholding tax. In order to secure a refund, the entity has three months to demonstrate the transaction was made on market terms and is not triangular (not an exchange between corporate partners exploiting the tax rate differential between the countries).

The Greek Federation of Enterprises believes this potentially bureaucratic process is likely to adversely affect the agricultural sector, particularly small and medium sized enterprises as well as transportation and logistical service providers.
Many products that are freely available and sold "over-the-counter" in the United States, such as protein-based meal replacement products, can only be sold in pharmacies and specialized stores, limiting the ability of U.S. companies to sell their products through direct sales.

For information on existing trade barriers, please see the National Trade Estimate Report on Foreign Trade Barriers, published by USTR.

Information on agricultural trade barriers.

To report existing or new trade barriers and get assistance in removing them, contact either the Trade Compliance Center or the U.S. Mission to the European Union.

For more information and help with trade barriers please contact:

International Trade Administration
Enforcement and Compliance
(202) 482-0063
ECCommunications@trade.gov

Import Tariff

Greek websites:
Freelancers' Insurance Organization
Ministry of Finance
Export.gov for Greece
General Secretariat of Commerce and Consumer's Protection
Special Secretariat for Public - Private Partnerships (PPPs)
Greek Pharmaceutical Association
Athens Bar Association
Volos Bar Association
Piraeus Bar Association
Athens Medical Association
Thessalonikis Medical Association
Greek Institute of Certified Accountants
Greek Institute of Chartered Valuers

Greek Banks Association
International Intellectual Property Alliance (IIPA)
Enterprise Greece
Hellenic Copyright Organization
Industrial Property Organization
Hellenic Society for the Protection of Intellectual Property

EU websites:
Please refer to the European Union Country Commercial Guide for EU websites.

Import Requirements & Documentation

The TARIC (Tarif Intégré de la Communauté), described above, is available to help determine if a license is required for a particular product. Moreover, the European Commission maintains an export helpdesk with information on import restrictions of various products.

In addition, please consult the European Union Country Commercial Guide for more information on import requirements and documentation in the EU.

Food and Agriculture Import Requirements
To the extent that European Union food laws have been harmonized, Greece's food laws and regulations follow European Union rules.

In Greece, food safety is the primary responsibility of the Greek Ministry of Rural Development and Food in cooperation with the General Chemical State Laboratory of Greece and the Ministry of Citizen Protection. Occasionally, the Greek Ministry for Development and Commerce may play a role. The Greek Food Safety Authority (EFET) is responsible for enforcing the regulations and collecting samples from selling points to check compliance with food legislation, both to ensure food safety and protect consumer health in accordance with EU Directive 89/397.

Please see FAS Greece GAIN Report IT1586 Greece Food and Agricultural Import Regulations and Standards for a complete overview of Greek and EU requirements and GAIN Report IT1553 Greece Exporter Guide written for U.S. companies interested in doing business in Greece.

Labeling/Marking Requirements

Manufacturers should be mindful that, in addition to the EU's mandatory and voluntary systems, national voluntary labeling schemes might still apply. These systems may be highly appreciated by consumers, and thus become unavoidable for marketing purposes.

Manufacturers are advised to take note that all labels require metric units although dual labeling is also acceptable. The use of language on labels has been the subject of a Commission Communication, which encourages multilingual information, while preserving the right of member states to require the use of the language of the country of consumption.

An overview of EU mandatory and voluntary labeling and marking requirements has been compiled in a market research report.

The EU has mandated that certain products be sold in standardized quantities. Council Directive 2007/45/EC harmonizes packaging of wine and spirits throughout the EU. Existing national sizes will be abolished with a few exceptions for domestic producers.

The Eco-label
The European Eco-label enables European consumers, including public and private purchasers, to easily identify officially approved green products across the European Union, Norway, Liechtenstein and Iceland.

International Trade Aministration information on labeling and marking requirements in the EU.

Key Links:
European Commission: Environment.

U.S. Export Controls

The U.S. Department of Commerce's Bureau of Industry and Security (BIS) is responsible for implementing and enforcing the Export Administration Regulations (EAR), which regulate the export and re-export of some commercial items, including "production" and "development" technology.

The items that BIS regulates are often referred to as "dual use" since they have both commercial and military applications. Further information on export controls.

BIS also discovers possible violations of the EAR. To learn more, visit BIS.

If there is reason to believe a violation is taking place or has occurred, report it to the Department of Commerce by calling the 24-hour hotline at 1(800) 424-2980, or via the confidential lead page.

The EAR does not control all goods, services, and technologies. Other U.S. government agencies regulate more specialized exports. For example, the U.S. Department of State has authority over defense articles and services. A list of other agencies involved in export control can be found on the BIS web.

It is important to note that in August 2009, the President directed a broad-based interagency review of the U.S. export control system, with the goal of strengthening national security and the competitiveness of key U.S. manufacturing and technology sectors by focusing on current threats, as well as adapting to the changing economic and technological landscape. As a result, the Administration launched the Export Control Reform Initiative (ECR Initiative), which is designed to enhance U.S. national security and strengthen the United States' ability to counter threats such as the proliferation of weapons of mass destruction.

The Administration is implementing the reform in three phases. Phases I and II reconcile various definitions, regulations, and policies for export controls, all the while building toward Phase III, which will create a single control list, single licensing agency, unified information technology system, and enforcement coordination center.

Additional information on ECR.

BIS provides a variety of training sessions to U.S. exporters throughout the year. These sessions range from one to two day seminars and focus on the basics of exporting as well as more advanced topics. A list of upcoming seminars.

A list that consolidates eleven export screening lists of the Departments of Commerce, State and the Treasury into a single search as an aid to industry in conducting electronic screens of potential parties to regulated transactions.

For further details about the Bureau of Industry and Security and its programs, please visit the BIS website.

Temporary Entry

There are specific regulations governing temporary entry of goods in Greece. Regarding goods please see the European Commission website.

Prohibited & Restricted Imports

The TARIC is designed to show various rules applying to specific products being imported into the customs territory of the EU or, in some cases, when exported from it. To determine if a product is prohibited or subject to restriction, check the TARIC for the following codes:

- CITES Convention on International Trade of Endangered Species
- PROHI Import Suspension
- RSTR Import Restriction

For information on how to access the TARIC, see the Import Requirements and Documentation Section above.

Eropean Commission: TARIC.

Customs Regulations

The following provides information on the major regulatory efforts of the EC Taxation and Customs Union Directorate:

The Union Customs Code (UCC) was adopted in 2013 and its substantive provisions apply from 1 May 2016. It replaces the Community Customs Code (CCC). In addition to the UCC, the European Commission has published delegated and implementing regulations on the actual procedural changes. These are included in Delegated Regulation (EU) 2015/2446, Delegated Regulation (EU) 2016/341 and the Implementing Regulation (EU) 2015/2447.

There are a number of changes in the revised customs policy which also require an integrated IT system from the customs authorities. In April 2016 The European Commission published an implementing decision (number: 2016/578) on the work program relating to the development and deployment of the electronic systems of the UCC.

Homepage of Customs and Taxation Union Directorate (TAXUD) Website.

Customs Valuation – Most customs duties and value added tax (VAT) are expressed as a percentage of the value of goods being declared for importation. Thus, it is necessary to dispose of a standard set of rules for establishing the goods' value, which will then serve for calculating the customs duty.

Given the magnitude of EU imports every year, it is important that the value of such commerce is accurately measured for the purposes of: economic and commercial policy analysis; application of commercial policy measures; proper collection of import duties and taxes; and import and export statistics.

These objectives are met using a single instrument - the rules on customs value. The EU applies an internationally accepted concept of "customs value".

The value of imported goods is one of the three 'elements of taxation' that provides the basis for assessment of the customs debt, which is the technical term for the amount of duty that has to be paid, the other ones being the origin of the goods and the customs tariff.

European Commission's definition of Customs Valuation.

Standards for Trade

Overview

Products tested and certified in the United States to American standards are likely to have to be retested and re-certified to EU requirements as a result of the EU's different approach to the protection of the health and safety of consumers and the environment. Where products are not regulated by specific EU technical legislation, they are always subject to the EU's General Product Safety Directive as well as to possible additional national requirements.

European Union legislation and standards are under the responsibility of the European Standardization Organizations (CEN, CENELEC, ETSI) and can be used to support EU

legislation and policies. The Commission pays special attention to standardization because standards can influence most areas of public concern such as the competitiveness of industry, the functioning of the Single Market, the protection of the environment and of human health, not to forget the enhancement of innovation.
For more information about what the European Commission does with regards to Industry, Single Market and Innovation, please follow the below links:

Industry
Single Market
Innovation

While harmonization of EU legislation can facilitate access to the EU Single Market, manufacturers should be aware that regulations (mandatory) and technical standards (voluntary) might also function as barriers to trade if U.S. standards are different from those of the European Union. For more information about the NLF, visit the NLF website.

Standards

Agricultural Standards
The establishment of harmonized EU rules and standards in the food sector has been ongoing for several decades, but it took until January 2002 for the publication of a general food law establishing the general principles of EU food law. This Regulation introduced mandatory traceability throughout the feed and food chain as of Jan 1, 2005. For specific information on agricultural standards, please refer to the Foreign Agricultural Service's website.

There are also export guides to import regulations and standards available on the Foreign Agricultural Service's website.

Standards Organizations
NIST Notify U.S. Service
Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. Notify U.S. is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL.

EU Standards
EU standards setting is a process based on consensus initiated by industry or mandated by the European Commission and carried out by independent standards bodies, acting at the national, European or international level. There is strong encouragement for non-governmental organizations, such as environmental and consumer groups, to actively participate in European standardization.

Many standards in the EU are adopted from international standards bodies such as the International Standards Organization (ISO). The drafting of specific EU standards is handled by three European standards organizations:
CENELEC, European Committee for Electrotechnical Standardization
ETSI, European Telecommunications Standards Institute
CEN, European Committee for Standardization, handling all other standards

For more information on standards, refer to CS European Union website.

Testing, inspection and certification

The main national testing organizations are:

General Chemical State Laboratory
16 A. Tsoha Street,
115 21 Athens, Greece
Tel: +30 210 6479211
Fax: +30 210 6466811
Contact: Mr. Nikolaos Vlachos
Email: gen.dir@gcsl.gr

Test, Research & Standards Center of PPC (KDEP)
9 Leontariou Street,
Kantza, 153 51 Palini, Greece
Tel: +30 210 6601768
Fax: +30 665 9396
Contact: Mr. Anastasios Papadopoulos
E-mail: kdep@dei.com.gr

The Greek accreditation body, which is member of the international laboratory Accreditation Cooperation (ILAC), is:

Hellenic Accreditation System S.A. (E.SY.D.)
7 Thiseos Street
176 76 Kallithea, Athens. Greece
Tel.: +30 210 7204600
Fax: +30 210 7204555
Contact: Ms. Maria Papatzikou
Email: esyd@esyd.gr

Independent test and certification laboratories, known as notified bodies, have been officially accredited by competent national authorities to test and certify to EU requirements. For a catalogue of accredited bodies and laboratories please refer to the ESYD website.

"European Accreditation" is an organization representing nationally recognized accreditation bodies. Membership is open to nationally recognized accreditation bodies in countries in the European geographical area that can demonstrate that they operate an accreditation system compatible to appropriate EN and ISO/IEC standards.

To sell products in the EU market of 28 member states as well as in Norway, Liechtenstein and Iceland, U.S. exporters are required to apply CE marking whenever their product is covered by specific product legislation. CE marking product legislation offers manufacturers a number of choices and requires decisions to determine which safety/health concerns need to be addressed, which conformity assessment module is best suited to the manufacturing process, and whether or not to use EU-wide harmonized standards.

For more information, refer to:
CS European Union website.

Greece, being an EU member, complies with EU rules and regulations. Thus, costs related to certification requirements burden either U.S. exporters or importers, depending on type of product i.e., food, or other. Test certificates from U.S. laboratories are accepted, provided that subject laboratories are accredited by the International Laboratory Accreditation Cooperation (ILAC). Currently, there are no US testing laboratories operating in Greece.

Publication of technical regulations

The Official Journal is the official publication of the European Union. It is published daily on the internet and consists of two series covering adopted legislation as well as case law, studies by committees, and more. It also lists the standards reference numbers (Harmonised Standards) linked to legislation.

National technical Regulations are published on the Commission's website to allow other countries and interested parties to comment.

Also see the NIST Notify service under "Standards Organizations" above.

Contact Information

U.S. Mission to the EU
Marianne Drain, Standards Attaché
Marianne.Drain@trade.gov
Tel: +32 2 811 5034

Louis Fredricks, Commercial Assistant
Louis.Fredricks@trade.gov
Tel: +32 2 811 4194

[**National Institute of Standards & Technology**]
Dr. Kent Rochford, Director and Acting Under Secretary of Commerce for Standards and Technology
Standards Coordination Office
100 Bureau Dr. Mail Stop 1070
Gaithersburg, Maryland 20899
Tel: (301) 975-5627

CEN – European Committee for Standardization
Avenue Marnix 17
B – 1000 Brussels, Belgium
Tel: 32.2.550.08.11
Fax: 32.2.550.08.19

CENELEC – European Committee for Electrotechnical Standardization
Avenue Marnix 17
B – 1000 Brussels, Belgium
Tel: 32.2.519.68.71
Fax: 32.2.519.69.19

ETSI - European Telecommunications Standards Institute
Route des Lucioles 650
F – 06921 Sophia Antipolis Cedex, France
Tel: 33.4.92.94.42.00
Fax: 33.4.93.65.47.16

SBS – Small Business Standards
4, Rue Jacques de Lalaing
B-1040 Brussels
Tel: +32.2.285.07.27
Fax +: 32-2/230.78.61

ANEC - European Association for the Co-ordination of Consumer Representation in Standardization
Avenue de Tervuren 32, Box 27
B – 1040 Brussels, Belgium
Tel: 32.2.743.24.70
Fax: 32.2.706.54.30

ECOS – European Environmental Citizens Organization for Standardization
Mundo-B, the Brussels Sustainable House
Rue d'Edimbourg 26
B – 1050 Brussels, Belgium

Tel: 32.2.894.46.68
Fax: 32.2.894.46.10

EOTA - European Organization for Technical Assessment (for construction products)
Avenue des Arts 40 Kunstlaan
B – 1040 Brussels, Belgium
Tel: 32.2.502.69.00
Fax: 32.2.502.38.14

Trade Agreements

For a list of trade agreements with the EU and its member states, as well as concise explanations, please see the website.

Licensing Requirements for Professional Services

Greece has a protective attitude against non-EU citizens offering professional services in Greece. U.S. law firms cannot operate in Greece. Greek law requires lawyers join a local bar association. Requirements include an undergraduate law degree from a fully recognized institution, an eighteen-month apprenticeship, and the passing of the bar examination. Candidates from non-EU citizen can only join a local bar association when they fulfill certain special criteria outlined here (in Greek language only).

The profession of Accounting and/or Business Consultant in Greece is largely controlled by the Economic Chamber of Greece. The website of the Economic Chamber states that graduates of Greece's state Universities are required to join this chamber. Graduates of foreign universities also apply for recognition of their degrees and then to join the chamber because otherwise they can encounter obstacles. Companies hire local professionals who meet these criteria.

Information on how a company can join the Hellenic Association of Management Consulting Firms can be obtained on the SESMA website.

Certified Public Accountants should not be confused with the accountants and/or tax assistor service providers who assist "on-line filing" of tax return statements. In order to become a CPA, the Institute of Certified Public Accountants directs interested parties to review Article 10 of Presidential Decree 226/92, which is available in the Greek language. See articles 3 to 10, 12 and 40 of law 3693/2008, as well as the relevant ELTE regulatory acts.

In accordance with article 6, paragraph 1 of Law 3693/2008, it is required that, in addition to a high school diploma, the applicant needs to successfully complete the Panhellenic examinations for entry into a Higher Education Institution in Greece or abroad.

The individual wishing to follow the profession of Certified Public Accountant may become a Trainee Certified Public Accountant if he/she meets the following requirements:

- Has Greek citizenship or is ethnic Greek formerly resident abroad, or a citizen of a member state of the European Union who is a permanent resident of Greece.
- There is a legal obstacle in accordance with annex 1 of Presidential Decree 226/92, with regards to the provisions on the employment of formerly non-resident ethnic Greeks in the first part of the present paragraph or of foreigners who have the right to reside in Greece.

For licensing requirements within the EU, please see the CS European Union website.

Web Resources

EU websites:

Online customs tariff database (TARIC)
The Modernized Community Customs Code (MCCC)
ECHA
Taxation and Customs Union
Security and Safety Amendment to the Customs Code - Regulation (EC) 648/2005
Electronic Customs Initiative: Decision N° 70/2008/EC
Modernized Community Customs Code Regulation (EC) 450/2008)
Legislation related to the Electronic Customs Initiative
Export Help Desk

International Level:

What is Customs Valuation
Customs and Security: Two communications and a proposal for amending the Community Customs Code
Establishing the Community Customs Code: Regulation (EC) n° 648/2005 of 13 April 2005
Pre Arrival/Pre Departure Declarations
AEO: Authorized Economic Operator
Contact Information at National Customs Authorities
EU economy, trade, and resources for businesses including networking and funding opportunities
Cenelec, European Committee for Electrotechnical Standardization
ETSI, European Telecommunications Standards Institute
CEN, European Committee for Standardization, handling all other standards
Standardisation – Mandates
ETSI – Portal – E-Standardisation
CEN – Sector
CEN - Standard Search
Nando (New Approach Notified and Designated Organizations) Information System
Mutual Recognition Agreements (MRAs)

[European Co-operation for Accreditation]
[Eur-Lex – Access to European Union Law]
[Harmonised Standards]
[What's New]
[National Technical Regulations]
[NIST - Notify U.S.]
[Metrology, Pre-Packaging – Pack Size]
[European Union Eco-label Homepage]
[EU Battery Directive]

U.S. websites:
National Trade Estimate Report on Foreign Trade Barriers
U.S. Department of Commerce's Bureau of Industry and Security (BIS) Commerce Control List
U.S. Department od Commerce's BIS Enforcement
Agricultural Trade Barriers
Trade Compliance Center
U.S. Mission to the European Union
The Latest on REACH
WEEE and RoHS in the EU
CE Marking
Overview of EU Certificates (FAS)
Center for Food Safety and Applied Nutrition
EU Marking, Labeling and Packaging – An Overview
The European Union Eco-Label
Trade Agreements

Investment Climate Statement

Executive Summary

Greece continues to present a challenging climate for investment, both foreign and domestic. Greece's leftist government, which came to power in January 2015 and whose term ends in September 2019, has overseen a general deterioration in the country's overall economic and investment environment. At the end of Q2 2016, public debt reached a high of 179.2% of GDP. The economy contracted in two quarters of 2016 (Q1 and Q4) and ended the year with near 0% growth. Since 2008, Greek GDP has shrunk by 27.3%. A drop in consumer demand, wage, and pension cuts, and high unemployment have led to a considerable rise in the percentage of loans which are non-performing (NPLs), which now represent over 40 percent of domestic loans and have undermined the stability of the financial system.

Between January and July 2015, the government sought extensive renegotiation and easing of the terms of the country's bailout agreement with the European Union (EU), European Central Bank (ECB), and International Monetary Fund (IMF). These efforts largely failed and the country's finances worsened. In June and July 2015, the government missed sovereign loan repayments to the IMF and ECB. On June 29, 2015, the government imposed capital controls on financial institutions to restrict deposit flight and avert an imminent banking sector collapse. Economic activity slowed markedly. Capital controls – although eased considerably since then – are still in place and continue to deter growth in investment activity, both because of transactional difficulties for firms doing international business and broader negative signaling effects.

In August 2015, to prevent national bankruptcy and the country's potential exit from the Eurozone, Greece and its EU creditors signed a third €86 billion bailout agreement under the auspices of the European Stability Mechanism (ESM). Since then, discussions have continued on whether the IMF will participate in the third bailout with new financing or if it will remain as a technical advisor. The government is presently unable to obtain financing through international bond markets because Greek bonds are not investment grade and yields on Greek medium and long-term debt remain prohibitively high.

The current three-year ESM program agreement details fiscal and structural reform obligations Greece must meet in exchange for the disbursement of financing assistance to enable the government to meet its debt obligations. These reforms include enhanced and accelerated privatization of state assets, enhanced tax collection, reduction in government bureaucracy, restructuring of the civil service, improvements to judicial procedures, and new fiscal measures to close the social security system's deficit. If implemented fully, the agreement envisions Greece reaching a 3.5% primary budget surplus in 2018, the year the program concludes.

In November 2015, as part of the initial implementation of the August 2015 ESM agreement, Greece recapitalized its four major banks for the third time in five years. Large U.S. and foreign hedge funds participated in a recapitalization of the four major Greek banks. The banking system, saddled with an unsustainable share of non-performing loans, remains unable to finance the national economy. As a result, businesses of all sizes struggle to obtain bank loans to support their operations. In an effort to tackle the issue, and as a requirement of the agreement with the ESM, the government is in the process of establishing a secondary market for NPLs. To date, three companies have secured licenses to operate as a debt service provider: Sepal (an Alpha Bank-Aktua joint venture), FPS (a Eurobank subsidiary) and Pillarstone (a KKR subsidiary). At least ten more licensees are pending approval by the Bank of Greece.

In January 2016, Greece and its lenders began a first review of the country's compliance with the terms of the August 2015 ESM agreement, which after several delays was completed at the May 24, 2016 Eurogroup meeting. The consultations for the second review of the program started on October 18, 2016, but as of April 3, 2017, the Greek government had not yet reached an agreement with its creditors on the review's closure. The delays in the completion of the second review have had a further negative impact on the domestic economy and have led to renewed concerns about Greece's economic stability. The IMF's participation in the ESM program remained unresolved as of April 2017.

As part of Greece's August 2015 bailout agreement, the government converted the Ministry of Finance's Directorate-General for Public Revenue into a fully independent tax agency, effective January 2017, with a broad mandate to increase collection and develop further reforms to the tax code aimed at reducing evasion and increasing the coverage of the Greek tax regime. Greece's public finances continue to remain dependent on the support of the European Stability Mechanism.

Continued concern over economic and political stability within Greece has essentially frozen most new investment and caused some existing investors to scale down or withdraw entirely from the Greek market. The progress in the privatization of Hellinikon, and Greece's 14 regional airports, investment in the tourism sector, and the construction of the Trans Adriatic Pipeline (TAP) have been notable exceptions to this trend.

Additionally, in an effort to boost investment, Greek law 4146/2013 allows foreign nationals who buy property in Greece worth over €250,000 ($285,000) to obtain a five-year residence permit for themselves and their families. The "Golden Visa" program has been extended to buyers of Greek bonds with a value of at least €250,000. The permit can be extended for an additional five years and allows travel to other EU and Schengen countries without a visa.

Table 1

Measure	**Year**	**Index or Rank**	**Website Address**

TI Corruption Perceptions index	2016	69 of 176	Corruption Perception Index
World Bank's "Ease of Doing Business"	2017	61 of 190	"Ease of Doing Business"
Global Innovation Index	2016	40 of 128	Global Innovation Index
U.S. FDI in partner country ($M USD, stock positions)	2015	-608	U.S. FDI
World Bank GNI per capita (USD)	2015	20,320	GNI per Capita

Openness to and Restrictions upon Foreign Investment

Policies Towards Foreign Direct Investment

Greece continues to present a challenging climate for investment, both foreign and domestic. Although investor sentiment improved in 2014 as Greece carried out structural reforms required by the terms of its then-bailout program, public confidence collapsed in 2015. Despite the €86 billion bailout agreement signed in August 2015 between the Greek government and its international creditors, under the auspices of the ESM, economic uncertainty remains widespread due to the government's lack of progress in achieving its commitments.

Numerous additional structural reforms, undertaken as part of the country's 2015-2018 international bailout program, aim to welcome and facilitate foreign investment, and the government has publicly messaged its dedication to attracting foreign investment. The Trans Adriatic Pipeline (TAP) is one example of the government's commitment in this area. In November 2015, the Greek government and TAP investors agreed on measures to begin construction in 2016 for the pipeline, and construction is currently underway.

Nevertheless, many structural reforms have created greater challenges to investors and those businesses already established in Greece. For example, the country has undergone one of the most significant fiscal consolidations in modern history, with broad and deep cuts to public expenditures and significant increases in labor and social security tax rates, which have offset improved labor market competitiveness achieved through significant wage devaluation. Moreover, corruption and burdensome bureaucracy continue to create barriers to market entry for new firms, permitting incumbents to maintain oligopolies in different sectors, and creating scope for arbitrary decisions and rent-seeking by public servants.

Other Investment Policy Reviews

The government has not recently undergone an investment policy review by the Organization for Economic Cooperation and Development (OECD), the World Trade Organization (WTO), or United Nations Committee on Trade and Development (UNCTAD), or cooperated with any other international institution to produce a public report on the general investment climate. However, in March 2016, the OECD published an economic survey describing the state of the economy and addressing foreign direct investment concerns. The government has sought the OECD's counsel and technical assistance to carry out targeted reforms from the recommendations and to develop additional reforms in line with the government's emphasis on the social welfare state.

Information on the economic survey of Greece (2016) can be found on OECD website.

Business Facilitation

The country has investment promotion agencies to facilitate foreign investments. "Enterprise Greece" is the official agency of the Greek state, under the supervision of the Ministry of Economy, Development, and Tourism, charged with promoting investment in Greece, exports from Greece, and with making Greece more attractive as an international business partner. Enterprise Greece provides the full spectrum of services related to international business relationships and domestic business development for the international market. The General Secretariat for Strategic and Private Investments streamlines the licensing procedure for strategic investments, aiming to make the process easier, smoother, and more attractive to investors.

Greece's online business registration process is relatively clear, and although foreign companies can use it, the registration steps are currently available only in Greek. In general, a company must register with the business chamber, tax registry, social security, and local municipality. Business creation without a notary can be done for specific cases (small/personal businesses, etc.). For the establishment of larger companies, a notary is mandatory. The business registration entity GEMI (General Commercial Register) has the basic responsibility for digitizing and automating the registration and monitoring procedures of commercial enterprises. More information about GEMI can be found on the website.

Greece has adopted the following EU definition regarding micro, small and medium size enterprises:

- **Micro Enterprises**: Fewer than 10 employees and an annual turnover or balance sheet below €2 million.
- **Small Enterprises**: Fewer than 50 employees and an annual turnover or balance sheet below €10 million.
- **Medium-Sized Enterprises**: Fewer than 250 employees and annual turnover below €50 million or balance sheet below €43 million.

Outward Investment

The Greek government does not have any known outward investment incentive programs. Ongoing capital controls impose restrictions or additional procedures for any entity seeking to remove large sums of cash from Greek financial institutions.

Bilateral Investment Agreements

Greece and the United States share the 1954 Treaty of Friendship, Commerce, and Navigation, which provides certain investment protection, such as acquisition and protection of property and impairment of legally acquired rights or interests.

Greece has some 97 treaties in force that contain investment provisions, or are investment-related instruments. For a complete list, see the UNCTAD investment navigator.

Greece and the United States share a Treaty for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income. Greece reached an agreement in substance in November 2014 on the terms of an intergovernmental agreement with the United States to implement the Foreign Account Tax Compliance Act (FATCA), which was signed January 2017.

Legal Regime

Transparency of the Regulatory System

As an EU member, Greece is required to have transparent policies and laws for fostering competition. Foreign companies consider the complexity of government regulations and procedures and their inconsistent implementation to be a significant impediment to investing and operating in Greece. Occasionally, foreign companies report cases where there are multiple laws governing the same issue, resulting in confusion over which law is applicable. Under its bailout programs, the Greek government committed to widespread reforms to simplify the legal framework for investment, including eliminating bureaucratic obstacles, redundancies, and undue regulations. The fast track law, passed in December 2010, aimed to simplify the licensing and approval process for "strategic" investments, i.e. large scale investments that will have a significant impact on the national economy (see paragraph 1.3, Laws/Regulations of FDI). In 2013, Investment Law 4146/2013 was passed in Parliament to simplify the regulatory system and stimulate investment. This law provides additional incentives, beyond those in the fast track law, available to domestic and foreign investors, dependent on the sector and the location of the investment.

Greece's tax regime lacks stability, predictability, and transparency, presenting additional obstacles to investment. Foreign firms are not subject to outright discrimination in taxation, but numerous changes to tax laws and regulations since the beginning of the economic crisis have led to even greater unpredictability for many companies, both foreign and domestic. As part of Greece's August 2015 bailout agreement, the government converted the Ministry of Finance's Directorate-General for Public Revenue into a fully independent tax agency, effective January 2017, with a broad mandate to increase collection and develop further reforms to the tax code aimed at reducing evasion and increasing the coverage of the Greek tax regime.

Generally, foreign investment is not legally prohibited or otherwise restricted. Proposed laws and regulations are published in draft form for public comment before Parliament takes up consideration of the legislation. The International Financial Reporting Standards for listed companies were introduced in 2005, in accordance with EU directives. These accounting standards have improved the transparency and accountability of publicly traded companies.

International Regulatory Considerations

Trade policy falls within the competence and jurisdiction of the European Commission Directorate General for Trade and is generally not subject to regulation by member state national authorities. On November 5, 2012, China requested WTO consultations with the EU, Greece, and Italy regarding certain measures, including domestic content restrictions that affect the renewable energy generation sector, relating to feed-in tariff programs of EU member states, including but not limited to Italy and Greece.

Greece has been a World Trade Organization (WTO) member since 1995, and a member of the General Agreement on Tariffs and Trade (GATT) since 1950. Greece has not enacted measures that are inconsistent with WTO Trade-Related Investment Measures (TRIMs) requirements, and the Embassy is not aware of any measures alleged to violate Greece's TRIMs obligations. There are no performance requirements for establishing, maintaining, or expanding an investment. Performance requirements may come into play, however, when an investor wants to take advantage of certain investment incentives offered by the government.

Citizens of other EU member state countries may work freely in Greece. Citizens of non-EU countries may work in Greece after receiving residence and work permits. There are no discriminatory or preferential export/import policies affecting foreign investors, as EU regulations govern import and export policy, and increasingly, many other aspects of investment policy in Greece.

Legal System and Judicial Independence

Although Greece has an independent judiciary, the court system is an extremely time-consuming and unwieldy means for enforcing property and contractual rights. According to the "Enforcing Contracts Indicator" of the World Bank's 'Doing Business" index, Greece is the lowest-ranking EU member state (and fourth from the bottom among 190 countries) in terms of the speed of delivery of justice. It requires 1,580 days (more than four years) on average to resolve a dispute, compared to the European average of 486 days and the OECD average of 553 days.

The government has committed, as part of its three bailout packages, to reforms intended to expedite the processing of commercial cases through the court system. In July 2015, the government adopted a significant set of reforms to the code of civil procedure (law 4335/2015). These reforms aim to accelerate judicial proceedings in support of contract enforcement and investment climate stability, and entered into force in January 2016. Foreign companies report, however, that Greek courts do not consistently provide unbiased and effective recourse. Problems with judicial corruption still exist. Commercial and contractual laws generally accord with international norms.

Laws and Regulations on Foreign Direct Investment

Prior to January 2015, some progress had been made in adopting laws aimed at fostering growth, reducing bureaucratic hurdles, and attracting foreign investment. Towards this end, the previous government established in 2014 (via Law 4242) Enterprise Greece, merging the previous Invest in Greece investment promotion agency with the Hellenic Foreign Trade Board to create a primary point of contact for investors. The agency reports to the Ministry of Economy, acting as an information source for investors and as an interface with other agencies of the Greek government on behalf of investors.

Investments in Greece operate under two main laws: the new Investment Law (4399/2016) that addresses small-scale investments and Law 4146/2013 that addresses strategic investments. In particular;

- Law 4399/2016, entitled "Statutory framework to the establishment of Private Investments Aid Schemes for the regional and economic development of the country" was passed in June 2016. Its key objectives include the creation of new jobs, the increase of exports, the reindustrialization of the country, and the attraction of FDI. The law provides aids (as incentives) for companies that invest from €50,000 (Social Cooperative Companies) up to €500,000 (large sized companies) as well as tax breaks. The Greek government provides funds to cover part of the eligible expenses of the investment plan; the amount of the subsidy is determined based on the region and the business size. Qualified companies are exempt from paying income tax on their pre-tax profits for all their activities. There is a fixed corporate income tax rate and fast licensing procedures. Eligible economic activities are manufacturing, shipbuilding, transportation/ infrastructure, tourism, and energy.
- Law 4146/2013, entitled the "Creation of a Business-Friendly Environment for Strategic and Private Investments" is the other primary investment incentive law

currently in force. The law aims to modernize and improve the institutional framework for private investments, raise liquidity, accelerate investment procedures, and increase transparency. It seeks to provide an efficient institutional framework for all investors and speed the approval processes for pending and approved investment projects. The law created a general directorate for private investments within the Ministry of Economy (formerly the Ministry of Development) and reduced the value of investments needed to be considered strategic. The law also provides tax exemptions and incentives to investors and allows foreign nationals from non-EU countries who buy property in Greece worth over €250,000 ($285,000) to obtain five-year renewable residence permits for themselves and their families. The law further foresees the creation of a central licensing authority aimed at establishing a one-stop-shop service to accelerate implementation of major investments. More about this law can be found online on the Enterprise Greece website and in the report on investment law in Greece.

- Law 3908/2011 is gradually being phased out by law 4146 (above).
- Law 3919/2011 aims to liberalize more than 150 currently regulated or closed-shop professions. The implementation of this law continued in 2013 and 2014.
- Law 3982/2011 reduced the complexity of the licensing system for manufacturing activities and technical professions and also modernized certain qualification and certification requirements to lower barriers to entry.
- Law 4014/2011 simplified the environmental licensing process.
- Law 3894/2010 (also known as fast track) allows Enterprise Greece to expedite licensing procedures for qualifying investments in the following sectors: industry, energy, tourism, transportation, telecommunications, health services, waste management, or high-end technology/innovation. To qualify, investments must meet one of the following conditions:
    - exceed €100 million;
    - exceed €15 million in the industrial sector, operating in industrial zones;
    - exceed €40 million and concurrently create at least 120 new jobs; or
    - create 150 new jobs, regardless of the monetary value of the investment.

More about fast track licensing of strategic investments can be found online.

Other investment laws include:

- Law 3389/2005 introduced the use of public-private partnerships (PPP). This law aimed to facilitate PPPs in the service and construction sectors by creating a market-friendly regulatory environment.
- Law 3426/2005 completed Greece's harmonization with EU Directive 2003/54/EC and provided for the gradual deregulation of the electricity market. Law 3175/2003 harmonized Greek legislation with the requirements of EU Directive 2003/54/EC on common rules for the internal electricity market. Law 2773/99 initially opened up 34% of the Greek energy market, in compliance with EU Directive 96/92 concerning regulation of the internal electricity market.
- Law 3427/2005, which amended Law 89/67, provides special tax treatment for offshore operations of foreign companies established in Greece. Special tax treatment is offered only to operations in countries that comply with OECD internationally-agreed tax standards. The most up-to-date list of countries in compliance can be found on the OECD website.
- Law 2364/95 and supporting amendments governs investment in the natural gas market in Greece.
- Law 2289/95, which amended Law 468/76, allows private (both foreign and domestic) participation in oil exploration and development.
- Law 2246/94 and supporting amendments opened Greece's telecommunications market to foreign investment.
- Legislative Decree 2687 of 1953, in conjunction with Article 112 of the Constitution, gives approved foreign "productive investments" (primarily manufacturing and tourism enterprises) property rights, preferential tax treatment, and work permits for foreign managerial and technical staff. The Decree also provides a constitutional guarantee against unilateral changes in the terms of a foreign investor's agreement with the government, but the guarantee does not cover changes in the tax regime.

Competition and Anti-Trust Laws

Under Articles 101-109 of the Treaty on the Functioning of the EU, the European Commission (EC), together with member state national competition authorities, directly enforces EU competition rules. The EC Directorate-General for Competition carries out this mandate in member states, including Greece. Greece's competition policy authority rests with the Hellenic Competition Commission, in consultation with the Ministry of Economy. The Hellenic Competition Commission protects the proper functioning of the market and ensures the enforcement of the rules on competition. It acts as an independent authority and has administrative and financial autonomy.

Expropriation and Compensation

Private property may be expropriated for public purposes, but the law requires this be done in a nondiscriminatory manner and with prompt, adequate, and effective compensation. Due process and transparency are mandatory, and investors and lenders receive compensation in accordance with international norms. There have been no expropriation actions involving the real property of foreign investors in recent history, although legal proceedings over expropriation claims initiated, in one instance, over a decade ago, continue to work through the judicial system.

Dispute Settlement

ICSID Convention and New York Convention

Greece is a member of both the International Center for the Settlement of Investment Disputes (ICSID; Washington Convention) and the Recognition and Enforcement of Foreign Arbitral Awards (1958 New York convention).

Investor-State Dispute Settlement

Greece accepts binding international arbitration of investment disputes between foreign investors and the Greek government, and foreign firms generally have found satisfaction through arbitration. International arbitration and European Court of Justice Judgments supersede local court decisions.

The Embassy is aware of a few ongoing investment disputes dating from more than ten years ago. Greece accepts binding international arbitration of investment disputes between foreign investors and the Greek government, and foreign firms have found satisfaction through arbitration. International arbitration and European Court of Justice Judgments supersede local court decisions. The judicial system provides for civil court arbitration proceedings for investment and trade disputes. Although an investment agreement could be made subject to a foreign legal jurisdiction, this is not common, particularly if one of the contracting parties is the Greek government. Foreign court judgments are accepted and enforced, albeit extremely slowly, by the local courts.

In an effort to create a more investor-friendly environment, the government has established an Investor's Ombudsman service. The Ombudsman is authorized to mediate disputes that arise between investors and the government during a licensing procedure. The Ombudsman, housed within Enterprise Greece, can be employed by investors with projects exceeding €2 million in value. More info on the Ombudsman service can be found on Enterprise Greece website.

International Commercial Arbitration and Foreign Courts

As noted above, Greece's independent judiciary is both time-consuming and unwieldy as a means for enforcing property and contractual rights. The government has committed to implementing significant reforms to the judicial system, aimed at speeding up adjudications and improving dispute resolution for investors.

Industrial Policies

Investment Incentives

Investment incentives are available on an equal basis for both foreign and domestic investors in productive enterprises. The investment laws in Greece aim to increase liquidity, accelerate investment processes, and ensure transparency. They provide an efficient institutional framework for all investors and speed the approval process for pending investment projects. The basic investment incentives law 4146/2013, "Creation of a Development Friendly Environment for Strategic and Private Investments," aims to modernize and improve the institutional and legal framework to attract private investment. Separately, Law 3908/2011 (which replaced Law 3299/2004) provides incentives in the form of tax relief, cash grants, leasing subsidies, and soft loans on qualifying investments in all economic sectors with some exceptions.

In evaluating applications for tax and other financial incentives for investment, Greek authorities consider several criteria, including the viability of the planned investment; the expected impact on the economy and regional development (job creation, export orientation, local content use, energy conservation, environmental protection); the use of innovative technology; and the creditworthiness and capacity of the investor. Progress assessments are conducted on projects receiving incentives, and companies that fail to implement projects as planned may be forced to give up incentives initially granted to them. All information transmitted to the government for the approval process is to be treated confidentially by law.

Priority investment categories are:

- General Entrepreneurship
- Regional Cohesion
- Technological development
- Youth Entrepreneurship (18-40 years old)
- Large Investment Plans (above €50 million)
- Integrated, Multi-Annual Business Plans
- Partnership & Networking

The entire application and evaluation process shall not exceed six months (more information).

Research and Development

Offset agreements, co-production, and technology transfers are commonplace in Greece's procurement of defense items. Although the most recent Greek defense procurement law eliminated offset requirements, there are some remaining ongoing active offset contracts, as well as expired offset contracts with U.S. firms that are potentially subject to non-performance penalties. Defense procurements are still subject to economic development requirements, which are, in effect, similar to offsets. In 2014, the government committed to resolving offset contract disputes in a way that would satisfy both parties and avoid the imposition of penalties or fines. Significant progress was achieved in clearing up the backlog of unresolved offset contracts. However, since late 2014, some U.S. companies report they are again experiencing significant problems with the Greek government regarding the fulfillment of existing offset agreements as well as reopening agreements to extract additional concessions.

In general, U.S. and other foreign firms may participate in government-financed and/or subsidized research and development programs. Foreign investors do not face discriminatory or other formal inhibiting requirements. However, many potential and actual foreign investors assert the complexity of Greek regulations, the need to deal with many layers of bureaucracy, and the involvement of multiple government agencies all discourage investment.

Foreign Trade Zones/Free Ports/Trade Facilitation

Greece has three free-trade zones, located at the Piraeus, Thessaloniki, and Heraklion port areas. Greek and foreign-owned firms enjoy the same advantages in these zones. Goods of foreign origin may be brought into these zones without payment of customs duties or other taxes and may remain free of all duties and taxes if subsequently transshipped or re-exported. Similarly, documents pertaining to the receipt, storage, or transfer of goods within the zones are free from stamp taxes. Handling operations are carried out according to EU regulations 2504/1988 and 2562/1990. Transit goods may be held in the zones free of bond. These zones also may be used for repackaging, sorting, and re-labeling operations. Assembly and manufacture of goods are carried out on a small scale in the Thessaloniki Free Zone. Storage time is unlimited, as long as warehouse rents are paid every six months.

Performance and Data Localization Requirements

The Greek government does not follow a policy of forced localization, designed to require foreign investors to use domestic content in goods or technology, with the exception of economic development requirements in many defense contracts (see Research and Development above). Some foreign investors partner with local companies or hire local staff/experts, however, as a way to facilitate their entry into the market. The government is not taking any steps to force foreign investors to keep a specific amount of the data they collect and store within Greek national borders.

Protection of Property Rights

Real Property

Greek laws extend the protection of property rights to both foreign and Greek nationals, and the legal system protects and facilitates acquisition and disposition of all property rights.

Multiple layers of authority in Greece are involved in the issuance or approval of land use and zoning permits, creating disincentives to real property investment. Secured interests in property are movable and real, recognized and enforced. The concept of mortgage does exist in the market and can be recorded through the banks. The government is working to create a comprehensive land registry, which is expected to increase the transparency of real estate management. The second phase of the land registry project – registration of properties in major cities and urban areas – was slated for completion by the end of 2015. The third and last phase of the land registry – the registration of suburban, rural, and forest area properties – is scheduled to be completed by 2020. Greece ranks 141 out of 190 countries for Ease of Registering Property in the World Bank's 2017 Doing Business Index.

Foreign nationals can generally acquire real estate property in Greece, though they first need to be issued a tax authentication number. However, for sensitive border areas, the Greek government requires that foreign nationals first obtain a license (Law 3978/2011).

In an effort to boost investment, law 4146/2013 allows foreign nationals who buy property in Greece worth over €250,000 ($285,000) to obtain a five-year residence permit for themselves and their families. The "Golden Visa" program has been extended to buyers of Greek bonds with a value of at least €250,000. The permit can be extended for an additional five years and allows travel to other EU and Schengen countries without a visa.

Intellectual Property Rights

Greece is a member of the World Intellectual Property Organization (WIPO), the Paris Convention for the Protection of Industrial Property, the European Patent Convention, the Washington Patent Cooperation Treaty, and the Bern Copyright Convention. As an EU member, Greece has harmonized its IP legislation with EU rules and regulations. The WTO-TRIPS agreement was incorporated into Greek legislation on February 28, 1995 (Law 2290/1995). The Greek government also signed and ratified the WIPO internet treaties, and incorporated them into Greek legislation (Laws 3183 and 3184/2003) in 2003. Greece's legal framework for copyright protection is found in Law 2121 of 1993 on copyrights and Law 2328 of 1995 on the media.

Enforcement of patent rights is adequate in Greece. Patents are available for all areas of technology, and compulsory licensing is not used. The law protects patents and trade secrets for a period of 20 years. Violations of trade secrets and semiconductor chip layout design are not problems in Greece, though some companies have expressed concern about possible problems protecting test data for non-patented products.

Although patent rights are adequately enforced, overall enforcement of IPR laws is not rigorous, and rights holders continue to experience problems in Greece. Recently, the government improved IPR enforcement by establishing a department within the Ministry of Public Order and Citizen Protection (now part of the Ministry of Interior) for economic and cyber-crimes, including copyright infringement, and by preparing a code of conduct for internet service providers. However, the government has not fully addressed copyright piracy on the Internet or adequately addressed end-user software piracy, in either the public or private sectors. The audiovisual, music, and software industries bear the brunt of IPR violations in Greece. Unlicensed sharing of copyrighted software among multiple computers is the largest problem for the software industry, while unlicensed file sharing of music and movies on the Internet is rampant. The government's copyright agency introduced draft legislation to address copyright piracy on the Internet on December 23, 2015, but the law has not yet been passed by the Greek parliament.

A law enacted in June 2011 (Law 3982/2011), which provides police *ex officio* authority to confiscate and destroy counterfeit goods, has been effective in some areas, but much remains to be done. Due to continued budget cuts as a result of Greece's fiscal commitments and high turnover in the public administration following multiple elections, IPR enforcement efforts, including seizures of counterfeit goods, investigations, operational programs, and fines collections measurably slowed in 2015 and local industry representatives report that situation worsened in 2016. Data from the Customs Authority indicates a decrease in the number of illegal trade items seized in 2015, with only 149 seizures out of 6,375,826 items. It is not clear how many of these items have been subsequently destroyed, or if they remain in storage facilities.

According to Greece's Illegal Trade Coordination Center (SYKAP), established in 2013, Customs Services and other agencies recorded 13,630,611 products destroyed in 2014, 10,797,753 in 2013, and 2,052,483 in 2012. The government estimates that more than 60% of the seized goods are counterfeit products, while the rest concern non-brand products. A 2013 law to protect trademarks (Law 4155/2013) shifted the burden of the cost of storage and destruction of counterfeit goods to the rights holder and beneficiary. Companies have asked Greek authorities to require only storage of a sample of the seized goods in official government facilities to reduce the burden of having to pay for storage for long periods of time. This remains an issue of contention. According to the government, counterfeit products in Greece are mainly luxury handbags, wallets, footwear, clothing, accessories, watches, cigarettes, spirits, cell phone batteries and accessories, sunglasses, toys, and spare car parts.

Trademark violations, especially in the apparel and footwear sectors, are still widespread. Given these ongoing issues, Greece was placed back on the U.S. Special 301 Watch List in 2008, where it remains.

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles.

Resources for Rights Holders
Embassy Point of Contact:
U.S. Embassy Athens
Economic Section
91 Vas. Sophias Avenue, Athens, Greece 10160
Phone: +30-210-720-2490
Office.Athens@trade.gov

A list of local attorneys is available on the U.S. Embassy website in Greece.

American-Hellenic Chamber of Commerce
109-111 Messoghion Avenue, Politia Business Center
Athens, Greece 11526
Phone: +30-210-699-3559, Fax: +30-210-698-5686
Email: info@amcham.gr

Financial Sector

Following EU regulations, Greece is open to foreign portfolio investment. Law 3371/2005 sets an effective legal framework to encourage and facilitate portfolio investment. Law 3283/2004 incorporates the European Council's Directive 2001/107, setting the legal framework for the operation of mutual funds. Until June 2015, although liquidity in the markets was tight, sizeable positions could enter and exit.

With the imposition of capital controls on June 29, 2015, for a period of six months (July 2015 – December 2015) domestic investors could only acquire shares with the injection of "fresh money" and could not use existing funds. Short-selling of banking shares was not allowed. As a result, FTSE downgraded the Athens Stock Exchange from "advanced" to "advanced emerging markets"– in effect since March 2016.

The Bank of Greece complies with its IMF Article VIII obligations and does not generally impose restrictions on payments. Transfers for current international transactions are allowed, but are subject to specific conditions for approval. The lack of liquidity in the market and the challenging economic environment have made the allocation of credit very tight, yet credit is accessible to foreign investors on the local market, including a variety of credit instruments.

Money and Banking System

The implementation of a broad-based bank recapitalization program in 2012 and 2013, and a rapid consolidation of institutions in the sector, largely stabilized the banking sector by early 2014. However, following the election of the current government in January 2015, bank deposit flight accelerated. By June 2015, total deposits in the Greek banking system had fallen to €134 billion, down from €164 billion in October 2014. Uncertainty caused by the controversial negotiations with Greece's creditors led to the June 2015 imposition of capital controls and a complete closure of the banks for two weeks, which, though necessary to prevent the banking sector's collapse, weakened the banks' capital positions.

In November 2015, following an Asset Quality Review and Stress Test conducted by the ECB as a requirement of the new ESM agreement, a third recapitalization of Greece's four systemic banks (National Bank of Greece, Piraeus Bank, Alpha Bank, and Eurobank) took place. The recapitalization concluded by the end of November with the banks remaining in private hands, after raising €6.5 billion from foreign investors (mostly hedge funds).

The ratio of non-performing loans (NPLs) – loans that have not been serviced or paid on for more than 90 days – reached 32.7% in September 2016, almost unchanged since December 2015, while the ratio of non-performing exposures (NPE's) reached 45.2% in September 2016 (from 44.2% at the end of 2015). More broadly, NPE's climbed to €108.4 (+0.4% compared to the end of 2015) billion from a total balance of exposures valued at approximately €240.3 billion. Loans to households are €94.8 billion (46.2%); loans to corporations reached €145.5 billion (53.8%). It is estimated that about 20% of these NPE's are owned by so-called "strategic defaulters" – borrowers who refrain from paying their debts to lenders in order to take advantage of the laws enacted during the financial crisis to protect borrowers from foreclosure or creditors collection even though they are able to pay their obligations. Bad loans across the EU have reached €1.2 trillion, of which €108 billion derive from loans held by Greek banks.

Developing an effective NPL management strategy is among the most difficult components of the government's negotiations with its creditors. Under the terms of the ESM agreement, Greece must create an NPL market through which the loans could, over time, be sold or transferred for servicing purposes to foreign investors. However, implementation of this requirement has been halting at best, due in large part to onerous licensing requirements for participating servicing firms. The government seeks to exclude loans linked to mortgages for primary residencies and to prevent aggressive collection on business, as part of the NPL secondary market activity.

The potential sale and/or transfer of Greek NPLs has triggered investment interest by a large number of Greek and foreign companies and funds, signaling a viable market. To date, three companies have secured licenses to operate as a debt service provider; Sepal (an Alpha Bank-Aktua joint venture), FPS (a Eurobank subsidiary) and Pillarstone (a KKR subsidiary). At least ten more licensees are pending approval by the Bank of Greece as of April 2017.

Poor asset quality inhibits banks' ability to provide systemic financing. Deposits stood at €119.7 billion as of January 2017, down from €122.2 billion a year earlier. In the eight -year period since September 2009 (when deposits reached their highest level of €237 billion), overall deposits have shrunk by a total of €118 billion. The latest report from the Hellenic Bank Association listed the systemic banks assets for 2015 as: Piraeus Bank, €83.0 billion; National Bank of Greece, €77.1 billion; Alpha Bank, €64.9 billion; and Eurobank, €64.1 billion.

Few U.S. financial institutions have a presence in Greece. In September 2014, Alpha Bank acquired the retail operations of Citibank, including Diners Club. Bank of America serves only companies and some special classes of pensioners.

There are a limited number of cross-shareholding arrangements among Greek businesses. To date, the objective of such arrangements has not been to restrict foreign investment. The same applies to hostile takeovers, a practice which has been recently introduced in the Greek market. The government actively encourages foreign portfolio investment.

Greece has a reasonably efficient capital market that offers the private sector a wide variety of credit instruments. Credit is allocated on market terms prevailing in the Eurozone and credit is equally accessible by Greek and foreign investors. An independent regulatory body, the Hellenic Capital Market Commission, supervises brokerage firms, investment firms, mutual fund management companies, portfolio investment companies, real estate investment trusts, financial intermediation firms, clearing houses and their administrators (e.g. the Athens Stock Exchange), and investor indemnity and transaction security schemes (e.g. the Common Guarantee Fund and the Supplementary Fund), and also encourages and facilitates portfolio investments.

Owner-registered bonds and shares are traded on the Athens Stock Exchange (ASE), which has held developed country status since 2001, according to most western investment firms. It is mandatory in Greece for the shares of banking, insurance, and public utility companies to be registered. Greek corporations listed on the ASE that are also state contractors are required to have all their shares registered. In September 2015, during the annual country classification review, FTSE announced that the Greek exchange would be downgraded from "advanced" to "advanced emerging markets." The decision took effect as of March 2016. In June 2013, equity index provider MSCI downgraded Greece to advanced emerging-market status, a first in the index's history, citing the ASE's loss of 90% of its value since the start of the financial crisis in October 2007 and after Greece failed to meet criteria regarding securities borrowing and lending facilities, short selling, and transferability.

Foreign Exchange and Remittances

Foreign Exchange

Greece's foreign exchange market adheres to EU rules on the free movement of capital. Until June 2015, receipts from productive investments could be repatriated freely at market exchange rates, and there were no restrictions on, or difficulties with, converting, repatriating, or transferring funds associated with an investment. In late June 2015, the government declared a bank holiday, during which banks were closed for two weeks, and imposed capital controls. Capital controls placed a limit on weekly cash withdrawal amounts and restricted the transfer of capital abroad. Although the government continued to ease capital controls in 2016 and abolished all capital controls on stock transactions in December 2015, several restrictions still apply. A five-member "Banking Transaction Approval Committee" was established by the Ministry of Finance and is the competent authority to approve transactions abroad, in coordination with the Bank of Greece. Currently, the daily limit for commercial payments abroad stands at €250,000 (with some exceptions).

Remittance Policies
Remittance of investment returns is also subject to capital controls. Greece is a member of the Eurozone, which employs a freely floating exchange rate. The euro has experienced large fluctuations since the financial crisis. The euro was broadly stable against the dollar, ranging between $1.04 and $1.15, and is currently traded at $1.08.

The Financial Action Task Force (FATF), in its latest report on Greece (October 2011), recognized that the country had made significant progress in addressing the deficiencies identified in the 2007 Mutual Evaluation Report. All Core and all Key Recommendations are at a level essentially equivalent to compliant (C) or largely compliant (LC) under FATF definitions. In 2011, the FATF removed Greece from its regular follow-up process in recognition of this progress. The fourth round of mutual evaluation of Greece will take place in October 2018.

Sovereign Wealth Funds
There are no sovereign wealth funds in Greece. Public pension funds may invest up to 20% of their reserves in state or corporate bonds.

State Owned Enterprises
Greek state-owned enterprises (SOEs) are active in utilities, transportation, energy, media, health, and the defense industry. A private website maintains an online list of SOEs, though it is not affiliated with official governmental sources. The indicative list of SOEs includes 169 entities with at least thirteen 100% state-controlled entities. The uniform legal definition of an SOE is a company/organization that belongs to or is controlled and managed by the state. SOEs are supervised by the Finance Ministry's Special Secretariat for Public Enterprises and Organizations, established by Law 3429/2005. Private companies previously were not allowed to enter the market in sectors where the SOE functioned as a monopoly, for example, water, sewage, or urban transportation. However, several of these SOEs are intended to be privatized, a requirement of the country's bailout programs with the EC/ECB/IMF/ESM, intended to liberalize markets and raise revenues for the state.

Official government statements on privatization have led to considerable confusion among investors. Some senior officials have declared their opposition to previously approved privatization projects, while other officials have maintained the stance that the government remains committed to the sale of SOEs. The electricity market is partially deregulated, and complete deregulation for low voltage users is part of the bailout agreement. The EU continues to push for Greek deregulation of high and medium voltage end user tariffs.

In sectors already opened to private investment, such as the telecommunications market, private enterprises compete with public enterprises under the same nominal terms and conditions with respect to access to markets, credit, and other business operations, such as licenses and supplies. Some private sector competitors to SOEs report the government has provided preferential treatment to SOEs in obtaining licenses and leases. The government actively seeks to end many of these state monopolies and introduce private competition as part of its overall reform of the Greek economy. Greece – as a member of the EU – participates in the Government Procurement Agreement within the framework of the WTO. SOEs purchase goods and services from private sector and foreign firms through public tenders. SOEs are subject to budget constraints, with salary cuts imposed in the past few years on public sector jobs.

Privatization Program

The Hellenic Republic Asset Development Fund (HRADF, or TAIPED, as it is known in Greek), an independent non-governmental privatization fund, was established in 2011 under Greece's bailout program to manage the sale or concession of major government assets, to raise substantial state revenue, and to bring in new technology and expertise for the commercial development of these assets. These include listed and unlisted state-owned enterprises, infrastructure, and commercially valuable buildings and land. Foreign and domestic investor participation in the privatization program has generally not been subject to restrictions, although the economic environment during the crisis has challenged the domestic private sector's ability to raise funds to purchase firms slated for privatization.

Greece's left-wing government initially opposed nearly all privatizations, issuing a number of conflicting statements over its policy aims. Under pressure from its creditors and in need of funding, the government has revised its stance to support completed privatizations and those underway, while reserving the right to modify current project terms. The government has referred to requiring a stronger state stake, including potential controlling stakes, in future projects.

The August 2015 ESM bailout agreement requires Greece to consolidate the HRADF, the Hellenic Financial Stability Fund (HFSF), the Public Properties Company (ETAD) and a new entity that will manage other state-owned enterprises (SOEs) into a new "super fund" which would seek to greatly accelerate the pace and scope of privatizations. The new fund, officially named Hellenic Holdings and Properties Company SA (or HCAP), was formed by Law 4389/2016. The company's board of directors has been appointed since January 2017, but the transfer of the assets to the Fund was not been completed as of March 2017. A new entity, the 'Public Participations Corporation' (EDIS), has been created to manage SOEs and is currently being established.

Privatizations are subject to a public bidding process, which is straightforward, non-discriminatory, and transparent. Notable 2016 privatizations include Chinese SOE Cosco purchasing a 67% stake in the Piraeus Port Authority in August for €368.5 million, and the sale of 24% of the Independent Power Transmission Operator (ADMIE) to State Grid, another Chinese SOE. In January 2017, Greece conducted the sale of Trainose (Railway Company) to the Italian SOE Ferrovie dello Stato Italiane. International tenders have recently been launched for the privatization of the Thessaloniki Port Authority (bids are expected mid-April 2017), the Egnatia Highway, several regional marinas, and real estate properties in Greece and abroad, including a major tourist hotel complex, Astir Vouliagmeni, in Athens. Meanwhile, the privatization of the Greek national energy grid DESFA was canceled; a new tender is under consultation between Greece and its creditors.

Right to Private Ownership and Establishment

As a member of the EU and the European Monetary Union (the "Eurozone"), Greece is required to meet EU and Eurozone investment regulations. Although foreign and domestic private entities have the legal right to establish and own businesses, Greece places restrictions on foreign equity ownership higher than those imposed on average in the other OECD economies, as well as restrictions on foreign equity ownership in select utility sectors, such as the electricity industry, which continues to be only partially deregulated.

Despite the previous government's steps to liberalize the electricity industry further, including a breakup and privatization of the state-owned Public Power Corporation (PPC), the current government announced it would block the sale and retain PPC under state control. The future of PPC's privatization is a key element of the ongoing negotiations over the second review of Greece's current bailout program, with little progress having been made since 2015. As EU legislation mandates continued deregulation of the Greek electricity market, the Greek government's recent policy reversals may lead to EU challenges. The government has announced its interest in retaining a majority or controlling interest in other energy projects, and in other sectors of the economy it deems strategic. Restrictions exist on land purchases in border regions and on certain islands because of national security considerations. Foreign investors can buy or sell shares on the Athens Stock Exchange on the same basis as local investors.

Responsible Business Conduct

As a member of the Organization for Economic Cooperation and Development (OECD), Greece adheres to the OECD Guidelines for Multinational Enterprises. Greece also participates in the UN Working Group on Business and Human Rights. In 2014, the government drafted a National Action Plan for Corporate Social Responsibility, in accordance with the UN Guidance on Business and Human Rights. The main goal of the plan is to increase the number of companies that recognize and use the due diligence approach to responsible business conduct. Contact information for Greece's National Contact Point for the OECD Guidelines.

Awareness of corporate social responsibility (CSR), including environmental, social, and governance issues, has been growing over the last decade among both producers and consumers in Greece. Several enterprises, particularly large ones, in many fields of production and services, have accepted and now promote CSR principles. A number of non-profit business associations have emerged in the last few years (Hellenic Network for Corporate Social Responsibility, Global Sustain, etc.) to promote CSR values in the business world and society more broadly. These groups' members have incorporated programs that contribute to the sustainable economic development of the communities in which they operate; minimize the impacts of their activities on the environment and natural resources; create healthy and safe working conditions for their employees; provide equal opportunities for employment and professional development; and provide shareholders with satisfactory returns through responsible social and environmental management.

Corruption

Bribery is a criminal act in Greece; the law provides severe penalties for infractions, although the anti-corruption apparatus is widely viewed as "fragmented", including uneven implementation and haphazard enforcement of the law. Historically, the problem has been most acute in the area of government procurement, as political influence and other considerations are widely believed to play a significant role in the evaluation of bids. Corruption related to the health care system and political party funding are also areas of concern. NGOs and other observers have expressed concern over perceived high levels of official corruption. Permanent and ad hoc government entities charged with combating corruption are understaffed and underfinanced. Various polls have indicated that 95% of Greeks believe corruption is a widespread problem in the country, placing Greece well above the EU average of 76%. Three out of five Greeks polled said they believed corruption affected their everyday lives, compared to an EU average of only 26%.

The Ministry of Justice prosecutes cases of bribery and corruption. In cases where politicians are involved, the Greek parliament can conduct investigations and/or lift parliamentary immunity to allow a special court action to proceed against the politician. A December 2014 law prohibits high ranking officials from benefitting from more lenient sentences in cases involving official bribes, including the prime minister, ministers, alternate, and deputy ministers, parliament deputies, European Parliament deputies, general and special secretaries, regional governors and vice governors, and mayors and deputy mayors.

In 2015, the government passed Law 4320, which established a General Secretariat for Combatting Corruption under the authority of a new Minister of State. Under Article 12 of the Law, this entity drafted a national anti-corruption strategy, with an emphasis on coordination between anti-corruption bodies within various ministries and agencies, including the Economic Police, the Financial and Economic Crime Unit (SDOE), the Ministries' Internal Control Units, and the Health and Welfare Services Inspection Body. Based on Law 4320, two major anti-corruption bodies, the Inspectors-Controllers Body for Public Administration (SEEDD) and the Inspectors-Controllers Body for Public Works (SEDE), were moved under the jurisdiction of the General Secretariat for Combatting Corruption. A Minister of State for Combatting Corruption was appointed to the cabinet following the January 2015 elections and given oversight of government efforts to combat corruption and economic crimes. The minister drafted coordinated plans of action and monitored their implementation, and was given operational control of the Economic Crime division of the Hellenic Police, the SDOE, ministries' internal control units, and the Health and Welfare Services' inspection body.

However, following the September 2015 national elections, the cabinet post of Minister of State for Combatting Corruption was abolished, and those duties were assigned to a new alternate minister for combatting corruption in the Ministry of Justice, Transparency, and Human Rights.

Legislation passed on May 11, 2015 provides a wider range of disciplinary penalties against state employees accused of misconduct or breach of duty, while eliminating the immediate suspension of an accused employee prior to the completion of legal proceedings. If found guilty, offenders could be deprived of wages for up to 12 months and forced to relinquish their right to regain a senior post for a period of one to five years. Certain offenders could also be fined from €3,000 to €100,000. The law requires income and asset disclosure by appointed and elected officials, including nonpublic sector employees, such as journalists and heads of state-funded NGOs. Several different agencies are mandated to monitor and verify disclosures, including the General Inspectorate for Public Administration, the police internal affairs bureau, the Piraeus appeals prosecutor, and an independent permanent parliamentary committee. Declarations are made publicly available. The law provides for administrative and criminal sanctions for noncompliance. Penalties range from two to ten years' imprisonment and fines from €10,000 to €1 million.

In 2015, the government intensified efforts to combat tax evasion by increasing inspections and cross-checks among various authorities; however, the media have alleged instances of complicity by tax officials in tax evasion by individuals and businesses. Reports of official and police corruption continue as well. The police bureau of internal affairs has conducted investigations and taken numerous disciplinary measures, including dismissal and suspension, against officers involved in corruption. On January 18, 2015, the Ministry of Administrative Reform announced 133 state officials were dismissed during the last four months of 2014 on various criminal and administrative grounds, including solicitation of bribes, inaccurate statements of wealth acquisition, and other reasons.

Greece's European partners have raised objections to what they see as the re-emergence in 2016 of a political witch-hunt of Andreas Georgiou, the former head of statistics agency ELSTAT, who is widely credited with restoring independence and integrity to the country's statistics agency. Georgiou was recently charged by a Supreme Court prosecutor over unproven allegations of inflating Greece's deficit figures in 2009 in order to justify Greece's entry into the memorandum programs. These charges have drawn sharp condemnation from the European Commission and international media.

In an unexpected move in March 2017, Greece's head anticorruption prosecutor, Eleni Raikou tendered her resignation. Raikou, who was viewed as apolitical and independent with a verified track record of prosecuting government officials, including former Minister of Defense Akis Tsochatzopoulos and three members of his family, asserted she was being targeted due to her investigation of alleged extensive bribery of state officials by the pharmaceutical firm Novartis.

UN Anticorruption Convention, OECD Convention on Combatting Bribery
Greece is a signatory to the UN Anticorruption Convention, the OECD Convention on Combating Bribery of Foreign Government Officials, and all relevant EU-mandated anti-corruption agreements. As such, the Greek government is committed in principle to penalizing those who commit bribery in Greece or abroad. Greek accession to other relevant conventions or treaties:

- Council of Europe Civil Law Convention on Corruption
- Council of Europe Criminal Law Convention on Corruption
- United Nations Convention against Transnational Organized Crime

Resources to Report Corruption

Government Agency
Organization: The Inspectors-Controllers Body for Public Administration
Address: 60 Sygrou Avenue, 11742, Athens
Telephone number: +30-213-215-8800
Email address: seedd@seedd.gr

Watchdog Organization
Organization: Transparency International Greece
Address: 4 Thetidos Street, 115 28, Athens
Telephone number: +30-210-722-4940
Email address: tihellas@otenet.gr

Political and Security Environment

In 2016, and continuing into the first quarter of 2017, Greece experienced intermittent small-scale terrorist attacks such as targeted package bombs, improvised explosive devices, and unsophisticated incendiary devices (Molotov cocktails) from domestic anarchist groups aimed against the properties of political figures, party offices, privately-owned vehicles, ministries, police stations, businesses, and a foreign embassy. In March 2017, two package bombs sent from Greece reached the German Finance Ministry and IMF offices in Paris. Greek police subsequently identified eight suspicious packages at a mail sorting center in Athens destined for well-known European officials in various economic or financial fields and prominent figures at international economic organizations in various European countries. The terrorist group Conspiracy of Nuclei Fire claimed responsibility for the bomb sent to the German Finance Ministry, and although there has not been a claim of responsibility yet for any of the other packages, senior Hellenic Police officials suspect all of these packages are from the same source.

Greece has enhanced its anti-terrorism, counter-crime, and border control efforts over the last few years through new policies and cooperation through EU and bilateral agreements. Greece introduced policy changes regarding processing migrants entering and/or applying for asylum in Greece, particularly in response to EU border security concerns. Overall, bilateral counterterrorism cooperation with the Greek government remained strong. Support from the Greek security services with respect to the protection of American interests is excellent.

Trade unions and civil society groups frequently held strikes and demonstrations in 2016 and into the second quarter of 2017 to protest the Greek government's adoption of reforms and implementation of austerity measures required by the EU/ECB/IMF bailout packages. While most of these demonstrations and strikes were peaceful and small-scale, they often caused temporary disruption to essential services and traffic. Frequent anarchist and anti-authoritarian demonstrations continued in 2016 and the first quarter of 2017, as the government negotiated and implemented terms of a bailout for Greece. Anarchist groups are known in some cases to attach themselves to other demonstrations to create mayhem.

Starting in 2007, domestic terrorism re-emerged, dominated by four groups: Revolutionary Struggle (RS), Conspiracy of Fire Nuclei (CFN), Sect of Revolutionaries (SR), and The Popular Fighters Group (PFG). These groups typically have targeted security forces, government ministries, politicians, and Greek business. However, they have also launched attacks against U.S. and other Western businesses.

The RS, an anti-establishment radical leftist group, has claimed responsibility for a large number of attacks on police, banks, and other targets, including an RPG attack on the U.S. Embassy in January 2007 and the bombing of the Athens Stock Exchange in September 2009. In April 2014 RS claimed responsibility for a car bomb attack targeting the offices of the IMF and Greek Central Bank. Since 2013 five members of RS were convicted and sentenced to long-term imprisonment.

The PFG, also known as the Group of Popular Fighters (OLA), claimed responsibility for the November 2015 bomb attack at the offices of the Hellenic Federation of Enterprises, which caused extensive damage to the offices and surrounding buildings. It also claimed responsibility for the December 2014 attack on the Israeli embassy in Athens, which resulted in no injuries and minor damage to the building. The shells found at the scene matched those used in the attack on the German Ambassador's residence in Athens on December 30, 2013, for which PFG claimed responsibility in February 2014. PFG has also claimed responsibility for an indirect fire attack on a Mercedes-Benz building on January 12, 2014, and an attack in January 2013 against the headquarters of the then-governing New Democracy party in Athens.

Labor Policies and Practices

There is an adequate supply of skilled, semi-skilled, and unskilled labor in Greece, although some highly technical skills may be lacking. Illegal immigrants predominate in the unskilled labor sector in many urban areas, and in rural areas predominately in agriculture. Greece provides residency permits to migrants for a variety of reasons. In July 2015, Parliament adopted a new law regulating the status of non-EU foreign nationals recruited to work in the country as seasonal workers. The law also reduces the minimum consecutive residency period in the country required for undocumented migrants to be eligible to apply for a residency permit from ten to seven years, such applications being judged on the applicant's strong ties to the country. The same law outlines the requirements for setting work contracts, requires proof of adequate shelter for workers and imposes a €1,500 ($1,650) fine for employers found not to provide this, requires prepayment of at least one month's worth of social security for each employee, provides basic labor rights to each worker, and prohibits employers from recruiting workers if found to have previously recruited workers through fraudulent means. The law also stipulates that daily wages for non-EU foreign seasonal workers cannot be less than that of an unqualified worker. The law grants seasonal non-EU foreign workers the same rights as citizens with respect to minimum age of employment, labor conditions, the right to association, unionism, collective bargaining, education and vocational training, employment consultation services and the right to certain goods, services and benefits under conditions. The same law also provides that non-EU nationals who are victims of abusive conditions or labor accidents could be eligible to apply for a residency permit on humanitarian grounds. In April 2016, there were 557,476 holders of residence permits.

From June 6 through July 30 2016, the Greek asylum service, in cooperation with UNHCR and EASO, conducted a preregistration exercise throughout the mainland to address the overwhelming interest in and lack of physical access to the asylum process. The exercise focused on formal reception camps and other facilities hosting migrant and asylum seekers, but it was also available to those residing in informal sites and urban areas. The procedure was available only to foreign nationals arriving in the country through March 19, 2016. Preregistration documents, issued in the interim period before an applicant filed a formal asylum claim, granted beneficiaries the right to legal residence in the country for one year and access to free health care, but not permission to work. Work was permitted once an applicant started the formal asylum process with an initial interview and received updated documentation. According to asylum service and UNHCR data, 27,592 individuals preregistered as part of the exercise.

Greece has ratified International Labor Organization (ILO) Core Conventions. Specific legislation provides for the right of association and the rights to strike, organize, and bargain collectively. Greek labor laws set a minimum age (15) and wage for employment, determine acceptable work conditions and minimum occupational health and safety standards, define working hours, limit overtime, and apply certain rules for the dismissal of personnel. A May 2015 law amended the laws prohibiting strikes during national emergencies. The new law explicitly prohibits the issuance of civil mobilization orders as a means of countering strike actions before or after their proclamation.

The government sets restrictions on mass dismissals in private and public companies employing more than 20 workers. Dismissals exceeding in number the limits set by law require consultations through the Supreme Labor Council (with worker, employer, and government representatives participating), and government authorization. Based on a ministerial decision in February 2014, the competency for approving dismissals passed from the Minister of Labor to the Ministry's Secretary General.

Greek law provides for the right of workers to form and join independent unions, conduct their activities without interference, and strike. The establishment of trade unions in enterprises with fewer than 20 workers is prohibited. In July 2016, Parliament passed a law allowing armed forces personnel to form unions, while explicitly prohibiting strikes and work stoppages by those unions. Police also have the right to organize and demonstrate but not to strike. Greek law also generally protects the right to bargain collectively but restricts the right to bargain collectively on wages for persons under the age of 25. Antiunion discrimination is prohibited and workers fired for union activity are required to be reinstated. Company-level agreements take precedence over sectoral-level collective agreements in the private sector. Civil servants negotiate and conclude collective agreements with the government on all matters except salaries. Private companies have some freedom to negotiate in-house labor agreements with employees; legislation passed between 2010 and 2013 granted companies greater freedoms to suspend and dismiss employees. Implementation of legislation aimed at opening several "closed" professions – industries where regulation effectively creates quotas – including pharmacists, lawyers, notaries, and engineers --remains uneven.

The number of inspectors authorized to conduct labor inspections reportedly exceeds 1,000, including Labor Inspectorate personnel and staff of the Ministry of Labor, Social Security, and Social Solidarity, the Social Insurance Fund, and the Economic Crimes Division of the police. No data is available on the number of dedicated labor inspectors in the Labor Inspectorate. Trade unions and the media have alleged that, due to insufficient inspectorate staffing, enforcement of labor standards is inadequate in the shipping, tourism, and agricultural sectors. Enforcement is also lacking among small enterprises (employing ten or fewer persons). In March 2016, the Ministry of Labor, Social Security, and Social Solidarity reported that approximately 17 percent of inspected enterprises in the country through November 2015 were found employing unregistered workers.

OPIC and Other Investment Insurance Programs

Full Overseas Private Investment Corporation (OPIC) insurance coverage for U.S. investment in Greece is currently available only on an exceptional basis. OPIC and the Greek Export Credit Insurance Organization signed an agreement in April 1994 to exchange information relating to private investment, particularly in the Balkans. Other insurance programs offering coverage for investments in Greece include the German investment guarantee program HERMES, the French agency COFACE, the Swedish Export Credits Guarantee Board (EKN), the British Export Credits Guarantee Facility (ECGF), and the Austrian Kontrollbank (OKB). Greece became a member of the Multilateral Investment Guarantee Agency (MIGA) in 1989.

Foreign Direct Investment and Foreign Portfolio Investment Statistics

Table 2: Key Macroeconomic Data, U.S. FDI in Host Country/Economy

	Host Country Statistical source*		USG or international statistical source		USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
Economic Data	**Year**	**Amount**	**Year**	**Amount**	
Host Country Gross Domestic Product (GDP) ($M USD)	2016	$189.7	2015	$235.6	Gross Domestic Product
Foreign Direct Investment	**Host Country Statistical source***		**USG or international statistical source**		**USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other**
U.S. FDI in partner country ($M USD, stock positions)	2015	$3708	2015	-447$	BEA data
Host country's FDI in the United States ($M USD, stock positions)	2014	$15.4	N/A	N/A	BEA data
Total inbound stock of FDI as % host GDP	2014	N/A	2013	19%	Total Inbound Stock of FDI

Table 3: Sources and Destination of FDI

Direct Investment from/in Counterpart Economy Data

From Top Five Sources/To Top Five Destinations *(US Dollars, Millions)*

Inward Direct Investment			**Outward Direct Investment**		
Total Inward	22.533	100%	Total Outward	30.511	100%
Luxembourg	5.824	26%	Turkey	6.474	21%
Germany	5.553	25%	Cyprus	5.969	20%

Netherlands	5.421	24%	Romania	3.610	12%
France	1.834	8%	Netherlands	2.585	8%
United States	1.718	8%	United States	2.176	7%
"0" reflects amounts rounded to +/- USD 500,000.					

Table 4: Sources of Portfolio Investment

Portfolio Investment Assets								
Top Five Partners (Millions, US Dollars)								
Total			**Equity Securities**			**Total Debt Securities**		
All Countries	10,168,315	100%	All Countries	7,302,520	100%	All Countries	2,865,795	100%
United Kingdom	1,335,903	13%	United Kingdom	969,527	13%	Canada	438,128	15%
Cayman Islands	1,206,399	12%	Cayman Islands	908,431	12%	United Kingdom	366,376	13%
Canada	850,231	8%%	Japan	703,521	10%	Cayman Islands	297,968	10%
Japan	801,231	8%	Switzerland	427,047	6%	Australia	177,741	6%
France	496,606	5%	Ireland	426,273	6%	Netherlands	173,316	6%

Contact for More Information on the Investment Climate Statement

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Office.Athens@trade.gov

Trade & Project Financing

Methods of Payment

Banks represent the main source of financing in Greece. Time and sight deposits constitute the largest item on the liability side of Greek commercial bank balance sheets.

Before the 2009 Eurozone debt crisis, checks – especially post-dated - were used predominately for commercial transactions and large ticket item purchases and 30 to 90 days payments were common. Since the current debt/financial crisis began in 2009, more and more companies/suppliers (including foreign companies) have sought to avoid accepting post-dated checks. Additionally, banks do not easily issue checks to new customers and have implemented strict rules regarding check renewals of existing customers.

Credit card penetration is extensive for retail transactions, although not near U.S. levels. The credit card market increased by almost 20% annually from 2003-2008 and approached EU parity. However, due to the economic slowdown, both the numbers of credit cards and in the volume of transactions decreased annually from 2008-13 according to data from European Central Bank. However, the imposition of capital controls in June 2015 changed this practice significantly. The total number of active payment cards (both credit and debit cards) in the market in 2016 were 14.6 million, close to the 1.5 card/citizen European average. Of those, 81% are debit cards. Over the 2014 to 2016 period, transactions via POS terminals increased by 136%, while debit card use rose by 391%. According to banking data, the total turnover of payment cards in 2016 reached €17 billion (from €14 billion in 2015), while estimates for 2017 turnover are €22 billion. Household debt (mortgages and consumers loans) in Greece totaled €94.8 billion in June 2016 (compared to €97.1 billion at the end of 2014). However, almost 45% of those loans are non-performing.

The bond market in Greece is fully deregulated; however, it is still dominated by the issuance and trading of government bonds. Interest on corporate bonds is exempt from tax if earned by a non-resident.

The Athens Stock Exchange (ASE) has been widely used as a source of capital financing. Demand and volume have been decreasing on the ASE, however, and 2011 was the second worst year (after 2008) in the past 20 years of ASE's history, both because of continued decreases in share prices (due to the Greek sovereign debt crisis), and also due to a large shift in capital flows from developed to emerging stock markets. In 2012 the ASE index lost 1.8% of its value, declining at a considerably lower pace compared to steep losses of 51% in 2011 and 35.6% in 2010.

S&P Dow Jones reclassified Greece from a developed to an emerging market in September 2014, becoming the latest market index to make the change. The Russell index previously reclassified Greece as an emerging market as of July 2013, while the MSCI index made the change effective November 2013. The reclassifications triggered a transfer of holdings of

Greek equities from institutional investors in developed markets to those willing to invest in higher markets, and also drew several billion euros of new capital into the Greek market.
With the imposition of capital controls on June 29, 2015, for a period of six months (July 2015 – December 2015) domestic investors could only acquire shares with the injection of "fresh money" and could not use existing funds. Short-selling of banking shares was not allowed. As a result, FTSE downgraded the Athens Stock Exchange from "advanced" to "advanced emerging markets"– effective March 2016.

In May 2017, the general index stood at 792 points. Capitalization increased to €77.07 billion in May 2017 from €31.1 billion in February 2016 (+147%). Participation of foreign investors in the total market capitalization reached 61.1% in March 2017 compared to 61.8% the previous month.

The Greek banking system has been substantially liberated from political patronage prevalent in the past, and now extends credit based on international best practices and credit risk scoring models. A large and profitable firm can secure financing at rates lower than those offered to a self-employed professional because of the problems assessing an individual's creditworthiness. Most banks, as the financial crisis deepened, tightened their credit risk scoring rules, making credit more difficult and more expensive to access for households and companies. A credit bureau has been set up by the Federation of Greek Banks, but it is still of limited use (Greek personal data protection laws limit its scope). Matters are made worse by widespread tax evasion (estimated to be 20% or more of GDP), with some individuals hiding income from the tax authorities, which leads to higher interest rates for members of the general public when they attempt to secure a loan. The national tax authority has made significant improvements, however, in tax administration and enforcement over the past 18 months.

Banking Systems

As of April 2017, the Greek banking system consists of a central bank (Bank of Greece, which is a Eurosystem-member central bank) and another 39 credit institutions. Eighteen credit institutions are based in Greece (eight commercial banks, 9 local cooperative banks, and one Loan & Consignment Fund), and 17 are branches of commercial banks based in other EU member states. Another four are branches of banks based outside the EU, one of which is Bank of America. Greek-owned banks command the lion's share of the market with about 80% of total asset value. Foreign-owned banks hold 12%, and the remaining 8% is shared between specialized institutions and local cooperative banks. The top four banks control 90% of both the loan market and deposits. Greek banks suffered large losses in the March and December 2012 Greek debt restructuring operations (Private Sector Involvement – PSI), but have been recapitalized. Other notable developments in early 2013 include the acquisition of the Greek branches of three Cypriot banks (Bank of Cyprus, Cyprus Popular Bank and Hellenic Bank) by Piraeus Bank. Piraeus has also signed an agreement to acquire Portuguese-owned Millennium Bank and in 2012 acquired the healthy assets of the public Agricultural Bank of Greece. Alpha Bank acquired Emporiki Bank, Eurobank acquired Hellenic Postbank and Proton Bank and NBG acquired FBB and Probank.

Following the implementation of a broad-based recapitalization program in 2012 and 2013 and a rapid sectoral consolidation, the banking sector largely stabilized in 2014. However, the economic uncertainty associated with the new government's policies and the stalemate in negotiations with the country's official sector creditors has led to a substantial drop in deposits and to heightened demand for Emergency Liquidity Assistance from the European Central Bank, on which Greece's principal banks were heavily dependent as of May 2015. In November 2015, as part of initial implementation of the August 2015 ESM bailout agreement, Greece recapitalized its four major banks for a third time in five years. Large U.S. and foreign hedge funds participated in recapitalization of the principal Greek banks. The banking system remains unable to finance the national economy as over 40% of all bank-held loans are non-performing. Efforts to create an NPL market to service these loans – a requirement under the ESM agreement – have been halting. As a result, businesses of all sizes struggle to obtain bank loans to support their operations. Due to this constraint, international financial institutions, such as the European Bank for Reconstruction and Development, are now working to issue loans and bring additional liquidity to the Greek market. Deposits stood at €121.4 billion as of March l 2016, down slightly from €138.5 billion a year earlier. In the seven year period since December 2009 (when deposits picked at €237.5 billion), overall deposits have shrunk by a total of €116.1 billion. As of December 2015 the Banking Association listed the four systemic banks assets as: Piraeus €83 billion; National Bank €77.1 billion; Alpha Bank €64.9 billion; Eurobank €64.1 billion.

As of January 1, 2001, Greece entered the European Monetary Union (Eurosystem) and implemented its single currency monetary policy in Greece through the central bank, the Bank of Greece. The Eurosystem is comprised of the European Central Bank and the national central banks of European Union states that have adopted the euro. The Bank of Greece is also the depository for government accounts. The Bank of Greece acts as regulatory agent for the European Central Bank's Single Supervisory Mechanism (SSM), which entered into force November 1, 2014. The SSM and the Bank of Greece, together regulate and supervise the commercial banking industry in Greece, as well as Greek banks operating outside of Greece, and approves the establishment of foreign banks in the country.

Foreign Exchange Controls

Greece's foreign exchange market conforms to EU rules on the free movement of capital. Controls only existed to facilitate the enforcement of money laundering and terrorist financing laws. As of January 1, 2001, Greece became part of the Eurozone and all transactions have been conducted in Euros since March 1, 2002. Until June 2015, receipts from productive investments could be repatriated freely at market exchange rates and there were no restrictions on, or difficulties with, converting, repatriating, or transferring funds associated with an investment. In late June 2015, the government declared a bank holiday, during which banks were closed for two weeks, and imposed capital controls which remain in force as of May 2017 . Capital controls placed a limit on weekly cash withdrawal amounts and restricted the transfer of capital abroad. Although capital controls have been partially lifted since the August ESM 2015 agreement which calmed fear of a national bankruptcy and financial system collapse, several restrictions still apply. A five-member "Banking Transaction Approval Committee" was established by the Finance Ministry and is the competent authority to approve transactions abroad, in coordination with the Bank of Greece. Currently, the daily limit for commercial payments abroad stands at €250,000. Additionally, capital controls imposed on stock exchange transactions were lifted in December 2015.

US Banks & Local Correspondent Banks

Bank of America operates in Greece, providing services only to companies. In September 2014, Alpha Bank announced the completion of the acquisition of Citibank's retail operations including Citi's wealth management unit.

Project Financing

EU financial assistance programs provide a wide array of grants, loans, loan guarantees and co-financing for feasibility studies and projects in a number of key sectors (e.g., environmental, transportation, energy, telecommunications, tourism, public health). A number of centralized financing programs are also generating procurement and other opportunities directly with EU institutions.

The EU supports economic development projects within its member states, as well as EU-wide "economic integration" projects that cross both internal and external EU borders. In addition, the EU provides assistance to candidate and neighbor countries.

The EU provides project financing through grants from the EU budget and loans from the European Investment Bank. Grants from the EU Structural and Investment Funds program are distributed through the member states' national and regional authorities. Projects in non-EU countries are managed through the Directorate-Generals Enlargement, Development and Cooperation (EuropeAid), Humanitarian Aid and Civil Protection (ECHO).

Please consult the European Union Country Commercial Guide for detailed information.

Multilateral Development Banks:

U.S. Commercial Service Liaison Offices at the Multilateral Development Banks (World Bank)
The Commercial Service maintains Commercial Liaison Offices in each of the main Multilateral Development Banks, including the World Bank. These institutions lend billions of dollars in developing countries on projects aimed at accelerating economic growth and social development by reducing poverty and inequality, improving health and education, and advancing infrastructure development. The Commercial Liaison Offices help American businesses learn how to get involved in bank-funded projects, and advocate on behalf of American bidders. Learn more by contacting the Commercial Liaison Office to the World Bank.

Web Resources
Commercial Liaison Office to the World Bank

Financing Web Resources

Greece - Web Resources

Trade Finance Guide: A Quick Reference for U.S. Exporters, published by the International Trade Administration's Industry & Analysis team

EU websites:

EU regional policies, EU Structural and Cohesion Funds
EU Grants and Loans index
EuropeAid Co-operation Office
EU Tenders Database
European Investment Bank
EIB-financed projects

U.S. websites:

Market research section on the website of the U.S. Mission to the EU
Export-Import Bank of the United States
Country Limitation Schedule
OPIC
Trade and Development Agency
SBA's Office of International Trade

Business Travel

Business Customs

In Greece, business-related customs, etiquette and dress are similar to those in the United States and other Western European countries. A handshake is the customary business greeting for both men and women, and business cards are usually exchanged in the initial meeting. An exchange of gifts is not customary in Greece, unless you have already established a business relationship. During the Christmas and New Year's holidays, an exchange of greeting cards and/or gifts is common.

American business persons should note that personal contact is very important in Greece and a personal business presence in Greece is often essential. If one is doing business in rural areas or the islands, it is best to ask the advice of a business person familiar with the region.

Travel Advisory

Current travel advisory information is available on the Department of State's website.

Strikes and demonstrations are common throughout Greece. They are usually peaceful but can escalate quickly. U.S. travelers are cautioned to avoid these types of gatherings and to register with the U.S. Embassy before their arrival in Greece via their website.

Visa Requirements

For U.S. citizens, a visa is required for stays in Greece over 90 days or if you are traveling on an official or diplomatic passport. Passport must be valid for at least three months beyond your planned date of departure from the Schengen area.

U.S. Companies that require travel of foreign businesspersons to the United States should be advised that security evaluations are handled via an interagency process. Visa applicants should go to the following links.

- State Department Visa Website
- Consular Section – U.S. Embassy Athens, Greece

Currency

The unit of currency is the Euro (€). Banknotes come in € 5; € 10; € 20; € 50; € 100; € 200; and € 500. However, the Central European Bank announced the gradual removal from the market of the € 500 banknotes. The coins are in € 1 cent, € 2 cent, € 5 cent, € 10 cent, € 20 cent, € 50 cent, € 1, and € 2. The approximate exchange rate is USD $1.00 = Euro €0.90

Telecommunications/Electric

OTE is the primary service provider throughout Greece. Telecommunications to and from Athens are similar to those in any large U.S. city. Telephone calls to the U.S. may be charged to international telephone cards such as OTE's Tilekarta. The country code for Greece is 30. Public telephones use phone cards, which may be purchased at kiosks.

The cellular network throughout Greece is excellent. One needs a tri-band cell phone (GSM) to be able to make calls within Greece, from Greece to the United States and vice-versa. Many U.S. cell phones do not work in Greece, but GSM cell phones may be rented or purchased. There are three mobile operators - Cosmote, Vodafone, and WIND - that offer cellular services in Greece. In addition, facilities for video conferencing are available.

Internet use in Greece is steadily growing. In larger cities, high-speed Internet access is available and an increasing number of businesses have wireless Internet service. There are Internet Cafés in large cities, and several cafeterias offer wireless Internet service free of charge.

Business is not conducted over the Internet in Greece to the extent that it is conducted in other countries. Many SMEs do not have websites. Web-based publishing is in its infancy.

Transportation

Air: The Eleftherios Venizelos International Airport (AIA) is approximately 28 km outside of Athens and is modern and efficient. Over 75 airlines use AIA. Transportation to and from AIA is excellent. The airport is easily accessible by auto, taxi, and public transportation, (Metro and bus). Other ground transportation to AIA is available at major hotels. In regular traffic, it is about a 30-minute ride from AIA to central Athens by auto or taxi.
For more information, please refer to AIA website.

Auto: There are many car rental agencies at the airport and throughout Athens. Driving in Athens can be difficult due to crowded streets and traffic. Parking can also be difficult to find. Road accident death rates in Greece are among the highest in the EU.

Main streets and highways throughout Greece are paved, while secondary roads are generally not. Most roads are two-lane, except the Attiki Odos and parts of the Ethniki Odos, which have four lanes. The road network is good.

Taxis: Taxis are plentiful throughout Athens. Taxi drivers are required to use a meter and provide a printed receipt upon request.

Rail: The Hellenic Railway Organization (HRO) is reliable, but very slow compared to other forms of travel. For more information regarding passenger transportation services and for on-line booking please refer to TRAINOSE website and EUrail website.

Bus/Tram/Trolley: These are common and inexpensive means of transportation in larger cities in Greece. The network, especially in Athens, is extensive, a service is generally good. For more information please visit the website.

Athens Metro: The Athens Metro is a reliable, safe, and inexpensive transportation method to use within Athens or going to Athens Airport. For information of fares and time schedules, please refer to Stasy website. For maps, please refer to Stasy website.

Ferries: Ferries are the most common means of transportation to the islands. Fares vary, and one may take a fast or slow ferry.

Ships: The largest ports are Piraeus (adjacent to Athens), Thessaloniki, Patras, Chania, and Volos. Cargo services from the United States are provided by Zim Lines, Maersk Lines, MSC (Mediterranean Shipping Company), Hapag-Lloyd, and CMA CGM.

Language

Greek is the official language spoken. However, language is not a barrier to conducting business because a high percentage of Greek business people and government officials speak English.

Health

Medical facilities are adequate, and some, particularly the private clinics and hospitals in Athens and Thessaloniki, are quite good. Some private hospitals have affiliations with U.S. facilities, and generally their staff doctors have been trained in the United States or Europe.

Public medical clinics, especially on the islands, may lack resources. Care can be inadequate by U.S. standards, and often, little English is spoken. Many patients - Greeks and visitors alike - are transferred from the provinces and islands to Athens hospitals for more sophisticated care. Others may choose to transfer from a public to a private hospital within Athens or Thessaloniki. U.S. citizens choosing to do so would arrange for an ambulance belonging to the private hospital to transport them from the public hospital to the private one. The cost of the ambulance for this transfer, as well as all expenses in a private hospital, must be borne by the patient. Private hospitals will usually demand proof of adequate insurance or cash before admitting a patient.

Please ensure that you have an adequate supply of your prescription medications when travelling to Greece as you may not be able to find a local equivalent in the pharmacies

Local Time, Business Hours and Holidays

The time in Athens is two hours ahead of Greenwich Mean Time. Greece is a member of the EU and observes Daylight Savings Time. Greek business hours vary and the following listing is an approximation of business hours in major urban areas:

Private sector office hours are from 8:00 a.m. to 5:00 p.m. (with a one hour lunch).
Manufacturing establishments operate from 7:00 a.m. to 3:00 p.m., Monday through Friday. Banking hours are 8:00 a.m. to 2:30 p.m., Monday through Thursday, and 8:00 a.m. to 1:30 p.m. on Fridays. Several of the larger banks (mainly located at Syntagma Square), are open

on Saturday mornings. Government hours are from 7:30 a.m. to 4:00 p.m., Monday through Friday.

Nevertheless, many businesses, especially small and medium-sized stores, keep more traditional Greek office hours and are generally open from 8:00 a.m. to 2:30 p.m. or 9:00 a.m. to 3:30 p.m. from Monday through Saturday and again, from 5:30 p.m. to 9:00 p.m., Monday to Friday. Many shops and supermarkets keep late shopping hours on Tuesdays, Thursdays and Fridays from 5:30 p.m. – 9:00 p.m.

Holidays:

Greek holidays to take into account when planning a business itinerary:

2017

New Year's Day	January	1,	2017
Epiphany	January	6,	2017
Kathari Deftera	February	27,	2017
Independence Day	March	25,	2017
Good Friday	April	14,	2017
Holy Saturday	April	15,	2017
Easter Sunday	April	16,	2017
Easter Monday	April	17,	2017
May Day	May	1,	2017
*White Monday,	June	5,	2017
Assumption Day	August	15,	2017
OXI Day,	October	28,	2017
Christmas Eve	December	24,	2017 (half day holiday)
Christmas Day	December	25,	2017
Boxing Day	December	26,	2017
New Year's Eve	December	31,	2017 (half-day holiday)

* White Monday is not observed by all Greek businesses, but government offices, banks and some businesses will be closed.

2018

New Year's Day	January	1,	2018
Epiphany	January	6,	2018
Kathari Deftera	February	19,	2018
Independence Day	March	25,	2018
Good Friday	April	6,	2018
Holy Saturday	April	7,	2018
Easter Sunday	April	8,	2018
Easter Monday	April	9,	2018
May Day	May	1,	2018
*White Monday,	June	28,	2018
Assumption Day	August	15,	2018

OXI Day,	October	28,	2018
Christmas Eve	December	24,	2018 (half day holiday)
Christmas Day	December	25,	2018
Boxing Day	December	26,	2018
New Year's Eve	December	31,	2018 (half-day holiday)

* White Monday is not observed by all Greek businesses, but government offices, banks and some businesses will be closed.

The Greek business community traditionally observes a long, uninterrupted summer hiatus from mid-July through August. Gathering even basic business information and arranging appointments are difficult during this period. U.S. business visitors are advised to avoid Greece for business purposes during the summer, particularly during August.

Two other periods in which U.S. business visitors may have problems gathering basic business information or arranging appointments are the Christmas holidays from December 20 through January 6 and the Easter Holidays, starting with Holy Week and ending the week after Easter.

Temporary Entry of Materials or Personal Belongings

If you enter Greece by air and/or sea, items valued at euro €430 or less are duty-free. The monetary threshold for travelers of all other transport means has decreased to euro €300. The duty-free amount is reduced to euro €150 for travelers under 15 years of age, regardless of the mode of transportation they are using. The quantitative limits of tax-exempted tobacco products include as many as 200 cigarettes, or 100 cigarillos, or 50 cigars, or 250 grams of smoking tobacco, or a proportional combination of these different products. The quantitative limits of tax-exempted alcoholic beverages include four liters of wine, 16 liters of beer, one liter of an alcoholic beverage exceeding 22 percent vol. (i.e., whisky, vodka, etc.), or two liters of an alcoholic beverage not exceeding 22 percent vol. (i.e., sparkling wines, liqueur wines, aperitifs, etc). Medications for the personal needs of the traveler are also tax-exempt. One each of the following articles may also be brought in duty-free for the traveler's personal use, provided that the articles are re-exported upon departure: still and movie cameras, with suitable film; binoculars; portable radios; record players; typewriters; CD players; and, computer lap tops.

Travelers must obtain special permission from Greek police authorities before bringing firearms and ammunition into the country. Also travelers are prohibited from bringing flower bulbs, plants, and fresh fruit into Greece. Foreigners residing permanently in Greece may import used personal effects duty-free.

Foreign currency in any amount may be imported into Greece freely. However, in accordance to 1889/2005 (L 309/9/25.11.2005) any person entering or leaving the EU and carrying cash of a value equal to or greater than Euro 10,000€ must state this sum to the competent authorities of the Member States. So, travelers carrying bank notes or personal checks / travelers' checks exceeding the equivalent of euro €10,000 must make a declaration upon entry at the Greek customs office. You may find more information on European Commission website. Though the export of foreign exchange was liberalized in May 1994, Greek and foreign travelers must declare any amount exceeding the equivalent of euro €2,000 upon departure.

You may find additional information in English on ICiS website and in the FAQ section.

However, the above may change, as on December 2016, the EU Commission in an effort to fight against money laundering and the financing of terrorism, proposed extending already existing controls on amounts of cash entering or leaving the Union. Specifically, the measures will extend cash controls to unaccompanied cash such as cash sent in postal parcels or freight consignments and to precious commodities such as gold, which serve as 'quasi-cash' and are used to circumvent the obligation to declare. The proposed changes will improve the exchange of information between competent authorities at national level and between Member States and allow them to act on amounts lower than the declaration threshold, provided that there are indications of criminal activity.

Travel Related Web Resources

Athens International Airport
Transport for Athens
Urban Rail Transport
Athens Metro & Tram maps
EU Rail
Train OSE
Customs Tax Relief and Facilities
Greek Customs office
European Commission Taxations and Customs Union