

## Embassy of India, Athens

### REPORTING PROFORMA FOR COMMERCIAL WING

(Data source: Hellenic Statistical Authority)

#### MONTHLY REPORT – August 2022

#### **A. Trade in goods**

##### a) Total trade in goods during

	<b>Export</b> (In million Euro)	<b>Import</b> (In million Euro)	<b>Status</b> (P) Provisional/(F) Final
Country's trade with India (January-June 2022)	122.5	578.3	P
Country's total global trade (January-June 2022)	26,017.5	43,610.7	P

*Preliminary data. Source: Hellenic Statistical Authority (ELSTAT). Data processed by Export Research Centre (KEEM)*

##### b) Preferential trade in goods

S. No	Preferential/Free Trade Agreement with India	Preferential Imports from India (US\$ million)	Preferential Imports from World (US\$ million)
-	<p>Negotiations for a comprehensive Free Trade Agreement (FTA) between the EU and India were launched in 2007 and suspended in 2013. After the India-EU Summit on 8 May 2021, negotiations have resumed. Greece has expressed happiness and support for this.</p> <p>In June 2022 the EU-India negotiations were formally relaunched on a balanced, ambitious, comprehensive and mutually beneficial free trade agreement. In parallel to these negotiations, both sides are also working on a EU-India investment protection agreement and on an agreement on geographical indications.</p> <p><a href="https://ec.europa.eu/trade/policy/countries-and-regions/countries/india">https://ec.europa.eu/trade/policy/countries-and-regions/countries/india</a></p>	n.a.	n.a.

c) Top ten items of import from India

S. No	HS Code	Description	Jan-June 2022 (In Euro)	Share in total import from India
1	760110	Aluminium, not alloyed	247,555,210	42.81%
2	030743	Molluscs, whether in shell or not, live, fresh, chilled, frozen, dried, salted or in brine; smoked molluscs, whether in shell or not, whether or not cooked before or during the smoking process; flours, meals and pellets of molluscs, fit for human consumption: -Frozen	23,686,731	4.09%
3	850421	Electrical transformers, static converters (for example, rectifiers) and inductors -Having a power handling capacity not exceeding 650 kVA	13,987,638	2,42%
4	030617	Other shrimps and prawns	11,864,426	2,05%
5	293499	Nucleic acids and their salts, whether or not chemically defined; other heterocyclic compounds: -Other	11,749,553	2,03%
6	721070	Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, clad, plated or coated: - Painted, varnished or coated with plastics	11,121,105	1.92%
7	760120	Aluminium alloys	10,484,708	1.81%
8	293590	Sulphonamides -Other	7,986,510	1.38%
9	481920	Folding cartons, boxes and cases, of non-corrugated paper or paperboard	7,372,474	1.27%
10	690721	Ceramic flags and paving, hearth or wall tiles; ceramic mosaic cubes and the like, whether or not on a backing; finishing ceramics -Of a water absorption coefficient by weight not exceeding 0,5 %	7,160,073	1.24%

Preliminary data. Source: Hellenic Statistical Authority (ELSTAT).

d) Top 10 items of export to India

S. No	HS Code	Description	Jan-June 2022 (In Euro)	Share in total export to India
1	271019	<b>Petroleum oils and oils obtained from bituminous minerals, other than crude;</b> preparations not elsewhere specified or included, containing by weight 70 % or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations; waste oils -Other	45,729,911	37,32%
2	760200	<b>Aluminium waste and scrap</b>	8,855,522	7,23%
3	740400	<b>Copper waste and scrap</b>	8,506,231	6,94%
4	520100	<b>Cotton, not carded or combed</b>	7,281,774	5.94%
5	470730	<b>Paper or paperboard made mainly of mechanical pulp</b> (for example, newspapers, journals and similar printed matter)	6,005,188	4.90%
6	760711	<b>Aluminium foil</b> (whether or not printed or backed with paper, paperboard, plastics or similar backing materials) of a thickness (excluding any backing) not exceeding 0,2 mm -Rolled but not further worked	5,259,973	4,29%
7	300490	<b>Medicaments</b> (excluding goods of heading 3002, 3005 or 3006) consisting of mixed or unmixed products for therapeutic or prophylactic uses, put up in measured doses (including those in the form of transdermal administration systems) or in forms or packings for retail sale: -Other	4,032,003	3.29%
8	720421	<b>Ferrous waste and scrap;</b> remelting scrap ingots of iron or steel -Of stainless steel	3,957,231	3.23%
9	470710	<b>Unbleached kraft paper or paperboard or corrugated paper or paperboard</b>	3,119,026	2,54%
10	320890	<b>Paints and varnishes</b> (including enamels and lacquers) based on synthetic polymers or chemically modified natural polymers, dispersed or dissolved in a non-aqueous medium; solutions as defined in note 4 to this chapter: -Other	2,966,686	2.42%

Preliminary data. Source: Hellenic Statistical Authority (ELSTAT).

## **B. QUALITATIVE**

### **1. Market Access Alerts:**

#### **a. Alerts on customs tariff changes- during the month of August 2022:**

S. No	Notification no. and date	HS Code	Description	Original customs tariff	Present customs tariff	Effective from	Remarks if any
-	<p>Greece is part of the European Union (EU) and commercial policy is regulated by the European Commission. EU trade system, exporting and importing are covered by EC Regulations: <a href="https://ec.europa.eu/taxation_customs/business_en">https://ec.europa.eu/taxation_customs/business_en</a></p> <p>As of 1 July 2022, the following tariff changes have come into force in the European Union:</p> <p><u>Tariff reductions</u> Duty rates established in the Common Customs Tariff to be applicable to certain products have been reduced until 31 December, according to Regulation (EU) 2021/1832. Among the products covered by this reduction are video-reproducing apparatus, digital video recorders and parts of electronic assemblies.</p> <p><u>Duty suspensions and tariff quotas</u> Tariff quotas and</p>	Through Trade Helpdesk at <a href="https://trade.ec.europa.eu/tradehelp/">https://trade.ec.europa.eu/tradehelp/</a> by filling-in the HS Code and the countries (Export from: India, to: Greece), details of tariffs are available.	-	-	-	-	-

suspensions applicable in the second semester of 2022 are regulated in Regulation (EU) 2022/972 and Regulation (EU) 2022/1008, respectively. The products listed in both regulations can be imported into the European Union duty free or at a reduced duty rate.						
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b. Alerts on non-tariff measures (SPS/TBT/import and export procedures/restrictions/prohibitions, licensing/ STEs etc.)- during the month of August 2022

S. No	Notification no./date	Measure/ HS Codes	Effective from/ Remarks if any
-	Greece is part of the European Union (EU) and commercial policy is regulated by the European Commission. EU trade system, exporting and importing are covered by EC Regulations: <a href="https://ec.europa.eu/taxation_customs/business_en">https://ec.europa.eu/taxation_customs/business_en</a>	-	-

c. Alerts on standards, technical regulations and conformity assessment procedures- during the month of August 2022:

Sr. No	Notification no./date	Standard/ technical regulation/ conformity assessment procedure	HS Codes	Effective from	Remarks if any
-	-	-	-	-	-

d. Alerts on trade defence measures taken by respective country: (Safeguards including special safeguard, anti-dumping, CVD or anti-subsidy)- during the month of August 2022

Sr. No	Notification no., date or other references	Type (initiation, final, prov., sunset, consultations, new shipper review)	Details of products/sectors affected (including HS codes)	Effective from	Remarks if any
-	-	-	-	-	-

e. Alert on services, regulatory regime, qualification requirement, licensing procedures, visa regime, barriers etc.- during the month of August 2022

Sr. No	Notification no., and date or other references	Service sectors affected	Modes	Effective from	Remarks if any
-	-	-	-	-	-

## 2. Feedback

- a. Feedback from major Indian industries/other commercial concerns and Indian trade visitors to Greece- during the month of August 2022

Sr. No	Name of business house	Activity sector	Trade barrier issues if any (incl. HS codes)	General Feedback (Max. 200 words)
-	-	-	-	-

- b. Feedback on major trade activities including logistic events (trade fairs/BSM including Indian participation)- during the month of August 2022

Sr. No	Activity (trade fair, BSM etc.)	Date and venue	Number of participants from India	Name(s) of large/key participants from India	Feedback received (Max. 200 words)	Source of funding (MAI, TA/TC)
-	-	-	-	-	-	-

- c. Feedback from local commercial visitors to trade fairs in India, including under BSM; number of Business Visas issued, during the month of August 2022

Sr. No	Activity (trade fair)	Date and venue	Number of participants from the relevant country	List of large/key participants from the relevant country	Number of Business Visas issued	Feedback received (Max. 200 words)
-	-	-	-	-	2	-

## 3. Trade and Investment:

- a. Significant trends in trade and investment

Sr. No	Category	Details of significant trends (Max. 200 words)	Analysis (Max. 200 words)
1.	Trade in Goods	The total value of <b>Greek imports</b> in the 6-month period January-June 2022 amounted to Euro 43,610.7 million (47,467.1 million dollars), increased in Euros by 51.1% in comparison to imports of Euro 28,864.6 million (34,662.1 million dollars) in January-June 2021. The total value of <b>Greek exports</b> in the 6-month period January-June 2022 amounted to Euro 26,017.5 million (28,434.6 million dollars), increased in Euros by 39.8% in comparison to exports of Euro 18,614.7 million (22,492.4	The <b>deficit of the trade balance</b> , in the 6-month period January-June 2022 amounted to 17,593.2 million Euro (19,032.5 million dollars) in comparison with 10,249.9 million Euro (12,169.7 million dollars) in January- June 2021, recording an increase, in Euros, of <b>71.6%</b> . Surplus in services trade covers up some portion of the deficit.

		million dollars) in January-June 2021. (Source: Hellenic Statistical Authority)	
2.	Trade in Services	-	-
3.	Investment	<p><u>Greek FDI in Jan-June 2022</u> The total value of Greek FDI (Foreign Direct Investments) in the 6-month period January-June 2022 amounted to Euro 4,335.3 million increased in Euros by 60.5% in comparison to FDI of Euro 2.701.3 million in January-June 2021</p> <p><u>Offshore Wind</u> Parliament has approved Greece's new law on the development of offshore wind energy. The government is now expected to proceed to the demarcation of suitable offshore sites and with the goal of installing at least 2 GW of offshore wind capacity by 2030.</p> <p>(Source: Enterprise Greece )</p> <p><u>Three binding offers for the acquisition of a majority stake of 67% in the share capital of the Igoumenitsa Port Authority S.A.</u> HRADF, a member company of the GROWTHFUND –The National Fund of Greece, received on Friday, August 5, 2022, three (3) binding offers for the acquisition of a majority stake of 67% of the company "Igoumenitsa Port Authority S.A.". Binding offers were submitted by the following investment schemes (in alphabetical order):</p> <ol style="list-style-type: none"> <li>1. ATTICA HOLDINGS S.A. &amp; AKTOR CONCESSIONS S.A.</li> <li>2. GRIMALDI EUROMED CONSORTIUM S.p.A. -MINOAN LINES S.A. &amp; INVESTMENT CONSTRUCTION COMMERCIAL AND INDUSTRIAL S.A.</li> <li>3. THESSALONIKI PORT AUTHORITY S.A.</li> </ol> <p>The assessment of the offers in accordance with the terms specified in the Request for Proposals will commence immediately. The financial offers of investors who meet the terms of the tender will</p>	-

		be unsealed at a subsequent meeting of the Board of Directors of the Fund. The Igoumenitsa Port Authority S.A. has the right of the exclusive use and operation of the land, buildings and facilities of the land zone of the port of Igoumenitsa, the Sagiada fishing shelter, the Plataria fishing shelter and the yacht shelter in Sivota. (Press Release_HRADF)	
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b. Opportunities for investments/assets on offer/major company disinvestment:

Sr. No	Sector Name (List attached)	Particulars of the asset/company	Contact details
-	Nil for August 2022	-	-

c. Information on tender Notices for projects and procurements of interest to Indian projects exporters/suppliers (USD15 million & above)

Sr. No	Tender/procurement notice No and Date	Sector	Value of tender/procurement

d. Trade Queries for Imports/Exports attended by the Mission

S. No	Enquiry Originator	Product	Nature: Import/Export	Action Taken
1	M/s BHIKSHU MARKETING, Surat, Gujarat	Herbal Mahendi powder	Export	Replied (Lists of importers sent)
2	M/s Universal Dehydration, Bhavnagar, Gujarat	Dehydrated onion flakes/onion powder and dehydrated garlic flakes/garlic powder	Export	Replied (Lists of importers sent)
3	M/s RAW FLINTS PVT. LTD., Rajkot, Gujarat	Wheeler auto parts	Export	Replied (Lists of importers sent)
4	M/s Om BIOCIENCES Ahmedabad, Gujarat	Detergent enzyme, color needle and polymer	Export	Replied (Lists of importers sent)
5	M/s Bexon Exim Pvt. Ltd., Ahmedabad, Gujarat	Brown paper bags	Export	Replied (Lists of importers sent)
6	M/s Elite Exim, Rohtak, Haryana	Shawls and stoles	Export	Replied (Lists of importers sent)
7	M/s ADIRAJ OVERSEAS, Surat, Gujarat	Various herbs and herbal products	Export	Replied (Lists of importers sent)



8	M/s Truly India Tours & Travels, Gurgaon, Haryana,	Enquiry regarding Greek tour operators.	Information	Replied (List of tour operators sent)
9	M/s Sparkle Eco Innovations Pvt Ltd., Surat, Gujarat	Sanitary pads.	Export	Replied (Lists of importers sent)
10	M/s Dhanraj Exports, Thane, Maharashtra	Rice	Export	Replied (Lists of importers sent)
11	M/s SHIPAWAY OVERSEAS, Nagpur, Maharashtra	Various products (sugarcane/areca leaf tableware, spices, snacks, etc.).	Export	Replied (Lists of importers sent)
12	M/s Mawra Exim, Savarkundla, Gujarat	Polypropylene ropes	Export	Replied (Lists of importers sent)
13	M/s Mrkbox corp., Kolhapur, Maharashtra	Garment products for men/women and leather belts.	Export	Replied (Lists of importers sent)
14	M/s Greenica Dreams, New Delhi	Eco friendly pencils and stationery products	Export	Replied (Lists of importers sent)

**4. Important India related statements of commercial significance by political leaders, think tanks, chambers, associations etc./ Significant stories/features on India related trade, investment, services and logistic sector, published in foreign journals/ dailies etc (Max 500 words)**

“ New complex crisis thanks to FED?”

Article of Mr. Fanis Matsopoulos, Advisor of Athens Chamber of Commerce and Industry, published in DEAL NEWS on 05/08/2022

In his article Mr. Matsopoulos is describing how the double digit leap of inflation in the US, the EU and many other countries has led the central banks to drastically change their monetary policy and proceed to increases of the interest rates. According to Mr. Matsopoulos, the situation today has changed since FED has driven a series of currencies to all-time lows, laying the foundations for a new financial crisis similar to the one of 1997 in S.E. Asia with many special features. Then he makes an allusion to countries like Pakistan, Sri Lanka and India as examples for better understanding the current situation. In case of India, Mr. Matsopoulos considers the country as Asia's potential major economic player, with many analysts predicting that in the coming decade it will be stronger than China. Its foreign exchange reserves number at \$580 billion—about twenty times more than those in 1997— a fact which provides India with the flexibility to stabilize the region's smaller economies until the global economy returns to normal.

“OECD guide for the shielding of SME's from the new challenges”

Article of Ms. Efi Triiris, journalist, published in NAFTEMPORIKI on 11/08/2022

According to Ms. Triiris the Organisation for Economic Co-operation and Development (OECD) recognizing the importance of SMEs (Small-Medium Enterprises) to economic growth, job creation, local and regional development, sustainability and social cohesion, proposes a series of guidelines - recommendations in the form of a "toolbox". OECD's proposals are taking into account the rapidly changing environment and make provision -among others- for Strengthening the access of SMEs and entrepreneurs to resources. Nowadays consumer brand companies and smaller merchants chose to bypass traditional retail stores and platforms and target directly the consumers, a trend intensified by Shopify, the innovative Canadian company.

A major experiment is currently underway in 100 cities in India to provide state-backed digital infrastructure for retail sales backed by Indian state. The Open Network for Digital Commerce (ONDC) aims to create a collective network for e-commerce rather than a closed private platform, enabling millions of small merchants to connect with suppliers, customers and distributors. If the experiment,

which aims to attract 30 million sellers and 300 million buyers to ONDC's network by the end of 2024, succeeds, the dogma of the next era of retail will be localization, a trend that emphasizes the local society.

"India's answer to China's ambitious Silk Road. With hubs in India, Israel, the Emirates and a gateway in Piraeus, India competes with China's Silk Road"

Article published in Kathimerini-Greek edition on 21/08/2022

The article is describing the importance of the new trade corridor (with ports, maritime transport, road and rail links) which will henceforth connect Asia with Europe, the Arabian Sea and the Eastern Mediterranean, with India, the United Arab Emirates and Israel as main connecting hubs. The new trade corridor will enable goods arriving from the Emirates on India's west coast to be transported by rail on the line that passes through Saudi Arabia and Jordan and ends up to the port of Haifa on Israel's Mediterranean coast. And from there the sea route comes after that connects Haifa with the European mainland to the port of Piraeus or to major ports in Italy, from Taranto to Trieste. By transporting the products through Greece, the new trade corridor will reach Europe's largest markets and processing centers, transporting Indian products from Mumbai to the port of Piraeus in 10 days. The most recent progress in the development of the new corridor was the take-over of Haifa Port in Israel on July 14, by a consortium led by the Indian companies Adani Ports and Special Economic Zone.

The new corridor is clearly a response to China's equally ambitious project that has been underway for about eight years now: the new Silk Road, as this network of ports built by Chinese companies, is called, which extends from the Southeast Asia to the west.

Further, reference is made to the fact that during the 75 years that have passed since the end of colonialism, India has developed into a dynamically developing economy and all indications show that it has developed the momentum to leave China behind at some point in the next few years.

"Diametrically Opposite Lives" for China – India

Article published in TA NEA- local newspaper on 23/08/2022, by Arvind Subramanian and Josh Felman

The 2008 global financial crisis, the COVID-19 pandemic, and Russia's invasion of Ukraine have dimmed China's economic prospects while brightening India's. Global crises have proven to be particularly detrimental for China because they arouse on top of a continuous loss of competitiveness as the migration of labor forces from the farms to factories has begun to reach its limits, causing increase in wages. Moreover, the crises themselves had an asymmetric impact. After 2008, the trade of goods has stopped growing as a percentage of global GDP, while the trade of services kept ramping up. This has severely affected China because it is a manufacturing power, while India is a competitive trader of services.

The long-term consequences of the shocks could be very serious for China. To begin with, the country has reached a turning point in its development with a change in the economic model. In addition, Ukraine's invasion by Russia has led to a broader geopolitical rearrangement which occurs at the top of a long-standing rivalry of superpowers between the US and China. The booming in real estate and construction that fueled economy's rapid expansion for decades has come to an end, resulting in many leading real estate companies to come closer to bankruptcy. Demographic trends are much more adverse than the country's official population statistics show.

This will lead China to be more dependent on exports, just at the time when the global demand is falling. Consequently, the Chinese development model may be facing even more serious problems than many believe. The three shocks to globalization have reduced opportunities for China while expanded them for India. Of course, China can overcome its challenges, just as India can take the initiative. But in any case success will require a re-evaluation of the current domestic policies and governance.

**5. Details of trade research, information dissemination activity of the commercial wing (during the month of August 2022)**

Sr No	Nature of activity (trade research, information dissemination, seminars etc.) (Max 200 words)	Details of Seminar/conference (date/venue, no of participants) or research (Max 200 words)	Details of trade research (title of the report, executive summary, date of publication) (Max 200 words)
1	OTM Mumbai 2022, endorsed by the Ministry of Tourism, Gol.  BLTM Delhi 2022  <u>Information was disseminated among Chambers of Commerce and Industry in Greece and other important commercial organizations.</u>	13, 14, 15 September 2022  10, 11 September 2022	-

**6. Details of activities conducted out of Trade promotion budget (up to August 2022):**

BE, RE for 2022-2023	Amount utilised in Rs	Details of Activity (Max 200 words)
Rs. 3.5 Lakh	Nil	

**7. Action taken on the previous JWGs, Joint Commissions, Sub Commissions etc. (issues that Mission had to follow up with host government):**

S. No.	Details of JWG/JEC	Action point (Max. 200 words)	Action taken (Max 200 words)
1	8 <sup>th</sup> JEC held in Athens, on 15 April 2022 in Athens	The 8th Session of India - Greece Joint Economic Committee (JEC) took place in Athens on 15 April 2022. The JEC was set up in 1983 and meets alternatively in Delhi and Athens. The 7th session of the JEC was held in Delhi in November 2016. Hon'ble Minister of State for Commerce and Industry, H.E. Mrs. Anupriya Patel, co-chaired the 8th session of India-Greece JEC with Deputy Minister for Foreign Affairs of the Hellenic Republic, H.E. Mr. Konstantinos	At the conclusion of the meeting a Protocol was signed by both the Ministers with the aim to strengthen and further develop the economic and trade relations to the mutual benefit of both the countries. Simultaneously, a Memorandum of Understanding (MoU) on Enhancing Bilateral Investment Relations between Invest India, National Investment Promotion and Facilitation Agency of India and Enterprise Greece was also exchanged by both the Ministers. Hon'ble MoS (C&I) also met with the Greek Minister for Rural Development and Food, H.E. Mr. Georgios

		Fragkogiannis. Discussions on a wide-range of issues in the economic, commercial and related areas such as agriculture, research & innovation, tourism, air services, maritime affairs, investment, energy, education, health & pharmaceuticals, etc. were held.	Georgantas, and the Greek Deputy Minister for Research and Technology, H.E. Dr. Christos Dimas on 14 April, 2022 for further collaboration and strengthen relations between two countries.
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**8. Complaints from foreign buyer/supplier on quality and trade dispute (during August 2022):**

Name & address of foreign buyer/supplier	Name & address of Indian exporter/importer	Brief description of complaint	The authority to whom the matter was referred and the date on which the matter was referred	Any outcome
Nil				

**9. Complaints of Indian exporter/importer (during August 2022):**

Name & address of Indian exporter/importer	Name & address of foreign buyer/supplier	Brief description of complaint	The authority to whom the matter was referred and the date on which the matter was referred	Any outcome
Nil				

**10. Any other issue of importance (Max. 500 words)**

<p>✓ EU projects' viability in doubt</p> <p>The energy supply crisis and rising inflation are endangering the prospects of projects partly financed through the European Union's Recovery and Resilience Facility, a report by Bank of America warns. The absorption of available EU funds has always had a checkered history. The existing macroeconomic conditions add to the burden: the energy crisis, constant inflationary pressures, Russia's invasion of Ukraine all contribute to an expected economic slowdown in the second half of 2022 and likely beyond. The infrastructure works and investments funded by the RRF</p>
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were planned when prices and supply bottlenecks were very different, BoA notes. The rise in the cost of public works and the supply delays could derail the implementation of the investments. The BoA report focuses on transport and construction, set to receive 18% and 8% of the RRF funds, respectively. Higher costs could well threaten these projects.

Many sectors expecting growth through the funded projects are highly exposed to energy sector developments. Rationing of natural gas next winter, now a very real possibility, is the major threat for the eurozone's prospects and also for the RRF targets. Some of the sectors given priority in the national plans are especially dependent on energy and thus on supply disruptions. This could make absorption of EU funds problematic.

BoA also notes that current economic circumstances make it very difficult to attract private funds.

The member-states' recovery plans differ significantly on the importance of direct state financing or capital transfers. Germany, Greece and Spain, for example, place greater emphasis on the state's facilitating and supporting private investment than on state capital expenditure. While private sector participation could whet the appetite for more private investment through loans on favorable terms, for example, the danger of less-than-robust demand is significant. A recent European Central Bank survey about loans related to capital expenditure found that demand was especially anemic in the latest quarter. This, in turn, could hurt RRF fund absorption.

*(Source: Local "eKathimerini" /English edition)*

✓ Foreign interest in Greek hotel debt sale

Foreign investors, such as Bain Capital and the US-based Apollo fund, have shown significant interest in a portfolio of defaulted loans by Greek hotels that debt collector Intrum is selling.

The portfolio is valued at 290 million euros, which, at this point represents 75 hotels in default of their loan repayments, although that number may be reduced slightly by the time of the sale. Market experts estimate that the portfolio will be sold at 20-30% of its nominal value.

Some of the biggest debtors are 5-star hotels on Crete, the island of Kos and in the northeastern port of Alexandroupoli, as well as 4-star hotels on the Halkidiki peninsula and the island of Skiathos. Some other defaulting businesses, including a 5-star hotel in the city of Volos and a 4-star hotel in Hania, Crete, will have to liquidate their assets. About half of the 75 hotels are located on the Dodecanese and Cyclades islands, Crete and Corfu.

Their total capacity is over 4,000 rooms.

*(Source: Local "eKathimerini" /English edition)*

✓ Greece vulnerable to stagflation

Greece may not be at risk of persistent inflation, at least not to the extent that other EU countries face, but is more vulnerable to the risk of stagflation – inflation combined with low growth – and this could affect its credit, rating agency Moody's says.

Moody's believes stagflation, a phenomenon widely seen in the 1970s and early 80s, is the most likely scenario for EU countries, with Greece and Romania having the least flexibility to deal with such a possibility. Moody's notes the Russian invasion of Ukraine has undermined both demand and supply and has boosted inflation to levels unseen in most European countries since the mid-80s, although Greece suffered from double-digit inflation until 1995.

In June 2022, EU inflation was at an annual level of 9.6%, its highest level since 1983; more than half of the 27 members, Greece among them, have double-digit inflation. Global supply problems have slightly receded, but businesses continue to report great scarcity in equipment and raw materials. Although not Moody's baseline scenario, a halt of Russian gas supplies would likely intensify these pressures, weaken economic activity and increase the risk of stagflation.

Southern EU countries appear more vulnerable to persistent inflation. As Moody's notes, "the countries combining the highest likelihood to see transitory price increases become permanent and the lowest policy capabilities are Malta, Cyprus, Portugal, Slovenia and Croatia." But, it adds, "while Greece and Romania appear to be least exposed to a scenario of engrained inflation, their policy capabilities to combat a stagflationary cycle are among the weakest in the EU."

Things are not rosy for bigger countries, either, Moody's says: "Although Italy, France and Spain are less vulnerable to inflation taking hold, already high debt levels, elevated floating-rate exposure and sizable principal and interest payments over the next 12 months heighten risks."

Moody's assesses the various countries' ability to fight against persistent stagflation on the basis of a number of factors, including cost of debt servicing, which is among Greece's weakest points.  
(Source: Local "eKathimerini" /English edition)

✓ New floating LNG storage unit to be ready by end-August

The new floating storage unit (FSU) at the liquefied natural gas (LNG) terminal in Revithoussa, an islet west of Athens, will be operational by the end of August, Environment and Energy Minister Kostas Skrekas said on 03/08/2022. The new unit will almost double the facility's storage capacity. "The new tank is ready to receive the first shipments of liquefied natural gas by the end of August. This will make it possible to ensure our country's supply of natural gas, a large percentage of which is used for electricity generation, and thus to shield our country in the coming days," Skrekas said during a visit to the terminal. "From the very beginning, the Greek government has taken the necessary actions to shield our country in the unfavorable scenario of a cut in natural gas next winter," he added. The Revithoussa LNG storage facility is part of a national plan to ensure Greece's energy supplies in case of a decision to ban Russian gas imports.  
(Source: Local "eKathimerini" /English edition)

✓ Greece says tourism rebound will help ease cost of energy crisis

Greece is having a better-than-expected summer tourism season and this year's revenues will help alleviate the impact of soaring energy prices on society, government spokesman Giannis Oikonomou said on 04/08/2022.

Tourism accounts for a fifth of the Greek economy and one in five jobs. Government and industry officials had forecast this year's revenues from the vital sector could reach 80% to 90% of the record-high level seen in 2019. Some officials are now hopeful this year could beat that record.

"As we go through the first days of August, we can see that tourism traffic in our country is registering a strong momentum, with tourism flows exceeding even the most optimistic initial forecasts," Oikonomou told a regular briefing. "Tourism revenues are enabling the state to further support society, which is being battered by crises in energy and elsewhere, and to give us valuable reserves ahead of the coming winter," he said.

Foreign arrivals at the country's airports reached 3,481,000 in June, up 193% from 1,190,000 arrivals in June of last year, and around the same level as in June 2019, Oikonomou said.

He said over 1 million visitors were expected this week in Athens, which has a population of about 4 million.

Greece, one of the most popular summer destinations in Europe, drew a record 32 million visitors in 2019, bringing in about 18 billion euros in revenues. It suffered its worst year on record in 2020, when the COVID pandemic brought global travel to a standstill, but the sector has been recovering since. Greece, like many European Union countries, is facing a sharp rise in power bills driven by sky-rocketing natural gas prices, as the war in Ukraine and European sanctions on Russia heighten concerns over the security of gas supplies.

The government has spent about 7 billion euros on power subsidies and other measures since September to help households, businesses and farmers pay their electricity and gas bills.

(Source: Reuters)

✓ Foodstuffs drive OECD inflation leap

Prices of foodstuffs in the 38 member-states of the Organization for Economic Cooperation and Development grew in June at their fastest pace since July 1975, the OECD announced on 03/08/2022. Overall inflation was at an annual pace of 10.3%, up from 9.7% in May, while the foods sub-index rose 13.3%, up from 12.7% in May. But it was far outpaced by energy prices, which rose 40.7% in June, up from 35.4% in May. Excluding these two sub-indices, overall inflation was 6.7%, up from 6.4% in May. Among the OECD members, inflation was highest in Turkey (78.6%) and lowest in Japan (2.4%).

(Source: Local "eKathimerini" /English edition)

✓ Development Min. cooperates with chambers for "Smart Manufacturing"

An operational agreement for the implementation of the "Smart Manufacturing" Action, within the framework of the National Recovery and Resilience Plan, was signed on 04/08/2022 by the Minister of Development and Investments, Mr. Adonis Georgiadis, the Secretary General of Industry, Ms. Themis Eftychidou, and the President of the Economic Chamber of Greece, Mr. Konstantinos Kollias and the president of the Technical Chamber of Greece, Mr. Giorgos Stasinou.

The Smart Manufacturing action provides funding of 73 million euros to very small, small and medium-sized enterprises in the manufacturing and industrial sectors in general with the aim of investing in new technologies for their digital transformation and their adaptation to the requirements of the 4th Industrial Revolution (Industry 4.0).

In particular, the financing concerns investment projects based on three (3) pillars:

1. Artificial intelligence and big data analysis
2. Smart manufacturing technologies, and
3. Robotics and automation

The total budget of 73 million euros is distributed by 70% to very small and small businesses and by 30% to medium ones, and investment projects with a budget of 250 thousand to 6 million euros are financed.

The invitation and the Action guide will be published in the coming days.

(Source: Local "Oikonomikos Tahydromos" Business Site)

✓ Greek inflation rate slowed to 11.6% in July

Greek inflation rate slowed to 11.6% in July from 12.1% in June and after an 1.4% reading in July 2021, Hellenic Statistical Authority said on Monday 08/08/2022. More specifically, the statistics service said that significant price increases continued in natural gas (178.9%), heating oil (65.1%), electricity (55.8%), fuel-lubricants (33%), solid fuel (9%) and in the so-called "housewife's basket": oil/fat (27.3%), bread/cereals (16.7%), meat (16.7%), dairy/egg (16.4%), vegetables (13.4%), coffee-cocoa-tea (11.4%), other food (9.3%), sugar-chocolate-sweet-ice cream (5%), fish (3.6%), mineral water-beverage (3.5%) and alcohol (3.3%).

Price increases were also recorded in air travel (62.3%), taxi (32.9%), sea travel (25.4%), hotels (20%), used cars (15.9%), new cars (12.4%), cinemas-theater (13.9%), holiday package (11.4%), furniture (7.2%), car parts (5.3%), home equipment (5.3%), restaurants (4.6%), medical products (3.7%), clothing-footwear (3.4%), education (1.4%), house rent (0.9%) and textiles (0.1%).

The 11.6% increase in the annual consumer price index in July, reflecting index increases in food/beverage (13%), alcohol/tobacco (1.5%), clothing-footwear (3.4%), housing (30.9%), durable goods (8.2%), health (0.7%), transport (20.6%), entertainment (2.0%), education (0.9%), hospitality (6.4%) and other goods and services (2.5%). Only the telecommunications group recorded a decline (-2.1%).

Greece's harmonized inflation rate rose 11.3% in July from 11.6% in June. On a monthly basis, the harmonized inflation rate fell 1.6% in July from June 2022.

(Source: AMNA)

✓ Easing installation of fiber-optic connections

A joint decision by the ministries of Digital Governance and Environment and Energy will make it easier to approve installation of fiber-optic cables across the country.

The government wants to accelerate the number of fiber-optic connections, so that connections over 100 Mbps (megabits per second) and even in the gigabits become more common. The joint ministerial decision lays down the conditions that will make building the fiber-optic network infrastructure a low environmental impact activity. Newer projects will lay the foundations for future fiber-optic connections in a whole area and works will no longer be piecemeal, requiring repeated tearing up of streets. The ministries want also to make sure that these projects are coordinated with local authorities' and public utilities' projects. Applications for fiber-optic infrastructure projects will be able to be submitted online. Unsurprisingly, it is telecoms companies that are investing most heavily in fiber-optic connectivity.

OTE plans to invest €3 billion by 2027, aiming for 3 million fiber-optic connections to households and

businesses by then. Nova-Wind will invest over €1.3 billion to develop fiber-optic and 5G networks, while Vodafone will invest €600 million by 2024 to connect 800,000 households and businesses.  
(Source: Local "eKathimerini" /English edition)

- ✓ European Commission: Enhanced surveillance of Greece will not be prolonged past August 20

The European Commission will not prolong the enhanced surveillance of Greece once it expires on 20 August, it said on 10/08/2022.

In a statement, the Commission said that "following exchanges with the Greek authorities, including at the Eurogroup meeting of June 16, the Commission acknowledges that Greece has delivered on the bulk of the policy commitments made to the Eurogroup upon its exit from the economic adjustment programme in June 2018, and that it has achieved effective reform implementation, even under the challenging circumstances created by the Covid-19 pandemic and, more recently, by Russia's military aggression against Ukraine."

It also noted that because of Greece's efforts, "the resilience of the Greek economy has substantially improved and the risks of spill-over effects on the Euro area economy have diminished significantly. Hence, maintaining Greece under enhanced surveillance is no longer justified."

The European Commission added that the monitoring of the country's economic, fiscal and financial situation will continue in the context of the post-programme surveillance (PPS) and the European Semester. The monitoring of the outstanding reform commitments will be undertaken in the context of the first PPS report to be issued in November 2022, which could serve as a basis for a Eurogroup decision on the final tranche of debt relief measures agreed in June 2018.

Major reforms and investments are also foreseen in the Greek recovery and resilience plan. The Commission welcomes Greece's achievements and its commitment to keep on carrying out reforms beyond the end of enhanced surveillance. Executive Vice-President for an Economy that Works for People, Valdis Dombrovskis, and Commissioner for the Economy, Paolo Gentiloni, have already informed the Greek authorities, and their letter to Greek Finance Minister Christos Staikouras as well as his response have been published online.

(Source: AMNA)

- ✓ Shipping fleet in need of new vessels

Greek passenger shipping companies will need to spend €2.5-€3 billion to renew their aging fleet, a sector report by XRTC Business Consultants says. With this sum, the firms could replace all their ships over 25 years old. The recent acquisition by Attica Group subsidiary Hellenic Seaways of three 150-passenger catamarans to replace its Soviet-made Flying Dolphins was the first significant investment in new vessels in nearly 10 years. Such a dearth of investment had not occurred for decades, XRTC notes, adding that some companies have invested significant sums to install exhaust gas cleaning systems, also known as scrubbers, to remove harmful components, such as sulfur oxides. The report also mentions that the Shipping Chamber is seeking about €4.5 billion in EU funds to help finance environmentally friendly investments.

(Source: Local "eKathimerini" /English edition)

- ✓ Plan to split Hellenic Aerospace

The plan to separate the Hellenic Aerospace Industry (EAB) into two parts and to privatize the manufacturing arm with the addition of a strategic partner (Lockheed Martin) is expected to be completed and delivered to the appropriate authorities at the beginning of September. The aim is to turn the company into a hub for manufacturing and repair work involving aircraft such as C-130 military transport planes, F-16 fighter jets and other systems not limited to the Hellenic Air Force fleet but more broadly. It could, in short, turn EAB into a hub for a major regional market.

(Source: Local "eKathimerini" /English edition)

- ✓ Industry's big gas problem

Large, high energy-consuming factories that run on natural gas are making contingency plans to avoid shutting down production altogether if Russia cuts off natural gas supplies to the rest of



Europe. Even as most are hoping that a total cutoff does not happen, most are not waiting passively for that moment. They are stocking up on diesel and liquid gas where feasible, seeking contracts to buy liquefied natural gas (LNG) so they can swap it for natural gas with the Public Gas Corporation (DEPA), and acquiring or building the needed infrastructure for the above – these are things many industries are urgently doing. Those with storage tanks are filling or have already filled them with the alternative fuels.

Cement factories, which mostly use electricity, are in a better position, and a number of of them can also use petroleum coke or pellet fuels made of biomass and are considering their use, if needed. It is harder for companies that use natural fuel as a raw material, and not just for energy. These are mainly fertilizer producers that use natural gas to produce nitrogen fertilizer; to them, natural gas represents 80% of production costs. The logistics of alternative fuel sources are not simple; for example, those industries that intend to purchase LNG to swap it for natural gas may find that there are not enough storage facilities for the product.

Bringing industrial production to a halt would be a nightmare scenario, since it would mean a serious drop in the country's GDP. But the 100% substitution of natural gas in such a short timescale is not a viable option for many. Passing on the extra cost to clients is also limited, since higher prices will inevitably hurt demand.

The food industry is bracing for one of its most challenging winters, with the prospect of energy shortages. For many that produce perishable products, such as fresh milk, the idea of even short energy blackouts is an existential threat.

Large companies in the dairy sector, such as Delta, keep a dual system, with oil tanks always full in case the natural gas supply is disrupted. Other companies, such as chicken farms and deli producers, are now looking for fuel alternatives, including biomass.

*(Source: Local "eKathimerini" /English edition)*

- ✓ Greek startups attracted 1 bln dollars in investments in 2021, minister says

The Greek startup ecosystem managed to attract 1 billion dollars in capital investments in 2021, Deputy Development & Investment Minister Yiannis Tsakiris said on 18/08/2022.

In a post on social media and responding to media reports, Tsakiris said that "Greek startups stand out for their high innovation and human potential levels."

Specifically, he said that the European startup ecosystem proved to be very resilient despite the Ukraine war, creating 21 new "unicorn" companies (i.e. with an assessed value of over 1 billion dollars) in the second quarter of 2022 alone. The year's total was 187 new companies, which managed to maintain quarterly growth rates, he revealed, nothing that in Greece the startup ecosystem is continuing to attract investors and to show signs of maturing.

The minister added that the Greek startups have discovered additional funding through the Hellenic Development Bank of Investments (EATE) and the Q-Equity program, which allocates nearly 400 million euros through the Recovery Fund to new funds in private equity/venture capital companies that will invest in Greek innovative enterprises.

*(Source: AMNA)*

- ✓ Bill on business parks posted online for public consultation

A draft law aiming at boosting entrepreneurship and job opportunities, improving infrastructure and the quality of life of nearby residents, and helping industries and businesses go green and digital was released for online public consultation on 19/08/2022.

Development & Investments Minister Adonis Georgiadis invited social partners and any interested party in proposing improvements to the draft law, titled "Business Parks", which will be available online until 6:00 pm on September 2. The ministry said that the bill's purpose is to establish a regulatory framework for business parks that would attract investments, boost regional development, and improve industrial production and green entrepreneurship.

*(Source: AMNA)*

- ✓ Greece's strategic gas reserves to be held in FSU off island

Greece's strategic reserves of natural gas will be located in the new floating storage unit (FSU) on

the island of Revithoussa, off the coast of Attica, and not in Italy. The presence of the FSU will allow Greece to avoid the high cost of storage in Italy.

The European Union has said that member-states without underground storage facilities are obligated to hold natural gas reserves equal to 15% of their total consumption in other member-states.

(Source: Local "eKathimerini" /English edition)

✓ Small shippers play their part

Besides the well-known passenger shippers who dominate the biggest commercial sea routes, there are many smaller firms that ply little-used connections between islands or between islands and the Greek mainland.

There are 25 companies with a combined fleet of 57 small ferries, much smaller than the large vessels on the main routes. They connect destinations such as the Lesser Cyclades, or Crete with its surrounding islands or out-of-the-way mainland destinations with equally remote islands.

Three of the 25 companies are considered medium-sized, and have a combined fleet of 20. But the other 22, which own a total of 37 ships between them, are really small, even intimate operations. And the latter, especially, while serving the occasional adventurous tourist looking for a destination off the beaten path, cater mostly to the needs of the locals, thus performing an essential service. Those small owners know the locals intimately; indeed, most of them are locals as well, giving a different meaning to the word "personal service."

If we add the 43 ships of the large passenger shippers, such as Attica Enterprises, Minoan Lines and ANEK, there are 100 ships serving 115 islands and connecting them either with each other or the mainland on regular schedules this summer. Despite their small size – they own from one to three vessels – the 22 smaller firms are not, for the most part, quaint mom-and-pop operations.

"Despite the fact that they are strictly local, many of the small firms are innovative operators," says a report by Piraeus-based XRTC Business Consultants. "They adopt card-based bonus programs, have online reservations, web checking and e-tickets, just like the larger [shipping] companies, and evolve the product they offer," says the report. XRTC also notes that most of these companies' ships are built and repaired locally. "But [the firms] must also adopt a corporate profile in order to be able to draw capital from banks," it says.

The largest of the medium-sized firms, Seajets, only operates at peak season, serving 33 Cyclades islands and also connecting many with four mainland destinations and a port on the island of Crete.

(Source: Local "eKathimerini" /English edition)

✓ PM Mitsotakis meets Emir of Qatar, discusses cooperation in energy

Energy issues dominated talks during Prime Minister Kyriakos Mitsotakis' first official visit to Qatar on 22/08/2022. According to government sources, the visit is indicative of the strong interest of both sides in further enhancing bilateral relations, especially during the current time of regional instability and energy crisis. During Mitsotakis' meeting with the Emir of Qatar, Sheikh Tamim bin Hamad Al-Thani, they ascertained a common intent to deepen cooperation in the energy sector, as well as in tourism, infrastructure, agriculture, culture, sports and science.

The two leaders also discussed current regional developments, with the Greek prime minister stressing that a climate of stability must prevail in the wider region, with the avoidance of actions that undermined peace during the upheaval caused by the war in Ukraine. He also noted Qatar's role in the Gulf region, which is crucial for Greek interests, following the adoption of the Al-Ula Declaration and Doha's important role in managing crises, such as those in Chad, Palestine and Afghanistan.

The meeting focused particularly on energy and the potential for deeper and more systematic cooperation in the energy sector, given Qatar's leading role in the production of natural gas and the government's strategy for the diversification of energy sources and ensuring energy security.

Mitsotakis noted that Greece, given its strategic position in the region and its infrastructure, could serve as a bridge between Qatar and Europe, as an entry point for energy to the European market, both via the Revythoussa station and via Alexandroupolis. He pointed out that Greece was a reliable partner and a pillar of stability in the region, while informing the Emir that Greece had officially graduated from the enhanced surveillance regime on August 20, as well as pointing to the many investment opportunities in the country.

The Greek premier also congratulated the Emir on hosting the 2022 FIFA World Championship in Qatar in November, wishing him every success, and accepted an invitation to visit Qatar again during the championship competition.

(Source: AMNA)

✓ Aegean, Emirates airlines to collaborate on domestic, international flights

Aegean Airlines and Emirates announced a collaboration on 24/08/2022 that will allow their passengers to fly to eight destinations in Greece on a single ticket.

Emirates will connect its passengers with Alexandroupoli, Corfu, Iraklio, Mykonos, Santorini, and Thessaloniki, while Aegean will expand its network to international destinations through Dubai and Athens, including New York and Newark airports in the United States. Passengers will be able to book flights through either airline (at emirates.com and aegeanair.com), or through travel agents.

The two airlines said that as of October 2022 they will expand their joint network, adding eight more European destinations on flights from Athens - including Belgrade, Bucharest, and Napoli - as well as adding to Emirates' Athens-Newark and Milan-New York/JFK.

Currently, Emirates has 12 weekly flights to and from Athens on a Boeing 777. Aegean has a network of 138 destinations (29 domestic and 109 abroad) in 44 countries, as well as a fleet of 64 planes, including the Airbus A320 and A321 neo.

The agreement for a joint flight code are subject to approval by the relevant regulatory authorities.

(Source: AMNA)

✓ PM Mitsotakis, UAE leader Sheikh Mohamed bin Zayed Al Nahyan focus on RES, investments

The energy sector, particularly renewable energy resources, and the prospects of expanding investment relations were the focus of a meeting between Greek Prime Minister Kyriakos Mitsotakis and visiting United Arab Emirates President, Sheikh Mohamed bin Zayed Al Nahyan on 25/08/2022.

During the meeting at Maximos Mansion government headquarters, Mitsotakis briefed the UAE president on infrastructure being built in Greece in importing, storing, and regasifying Liquefied Natural Gas (LNG), which will turn the country into a major hub of energy entry point and a link between the Middle East and Europe. The PM also congratulated the sheikh on assuming his duties as UAE president.

"You know how highly we value our bilateral relations," Mitsotakis said. "We have already accomplished a lot and will do even more at the level of our collaboration," he added at the start of the meeting. In addition, he noted that the United Arab Emirates will be the honored country at the annual Thessaloniki International Fair to be held in a few weeks, and expressed the hope the UAE would be able to head his country's delegation himself. The UAE are a consistent strategic partner of Greece, with a leading role in the Gulf region and globally, he underlined.

Sheikh Mohamed bin Zayed Al Nahyan apologized for delaying his visit but added that UAE-Greece relations are very important and his commitment is to seeing them bearing fruit. The sheikh acknowledged progress in bilateral relations during the last two years, and said the relations could be upgraded further, since the foundation already built was very strong.

The two leaders had met most recently when the Greek PM paid an official visit to Abu Dhabi in May to discuss investment relations and their expansion. Earlier, in November 2021, the two countries had signed a joint agreement to establish a strategic partnership, and another on collaboration in foreign policy and defense. Mitsotakis had also visited Abu Dhabi at the time.

A meeting was also held at an expanded meeting, where the two leaders were joined by the respective delegations for talks.

(Source: AMNA)

✓ UAE funds looking to invest in Greece

Greece and the United Arab Emirates are considering dozens of investment projects. The relationship has gone a long way since they signed, less than a year ago, a declaration on a joint partnership and a cooperation agreement on foreign policy and defense issues.

The Greek side gives priority to energy – including renewables – tourism, hi-tech, infrastructure, real estate and deals with small and medium-sized enterprises. Greek diplomats say that the Abu Dhabi

Developmental Holding Company (ADQ) is assessing investments in Greek pharmaceuticals, ports – notably the port of Iraklio, on the island of Crete – logistics, airports and highways. ADQ is also in direct contact with the Environment and Energy Ministry on investments in the energy sector.

In May 2022, ADQ signed a strategic investment cooperation agreement with the Hellenic Development Bank and the Hellenic Development Bank of Investments to spend €4 billion on investment projects in Greece. A master investment initiative framework that will create a joint venture fund is under preparation.

ADNOC, Abu Dhabi's state petroleum company, has signed a deal with refiner Motor Oil on supplying liquefied natural gas to Greece, including the planned floating storage and regasification unit off Motor Oil's installations.

Another important investment fund, Masdar, is considering renewables, including wind parks, on Greek islands. It is also interested, reportedly, in the production of 'green' hydrogen, desalination units powered from renewables, as well as energy storage projects.

The Mubadala fund, known from its earlier investment in fisheries, recently announced a partnership with the Costamare group on building a hotel, a golf course and housing in southwestern Greece. It is also considering investments in shipping, marinas and several clinics.

*(Source: Local "eKathimerini" /English edition)*

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(S. Rajendran)  
Second Secretary (HOC)