



**EMBASSY OF INDIA
ATHENS**

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Economic and Commercial Report for May 2013

Executive Summary

- According to quarterly non-seasonally-adjusted data by the Hellenic Statistical Authority (ELSTAT), in the **1st quarter of 2013** in comparison to the 1st quarter of 2012, **Gross Domestic Product- GDP decreased by 5.6%**.
- According to the same provisional quarterly data by ELSTAT, in the **1st quarter of 2013** the **external trade deficit decreased by 22.9%**. Exports decreased by **2.6%** in comparison to the 1st quarter of 2012. Exports of goods increased by **4.9%** while exports of services decreased by **12.4%**. Imports decreased by **7.8%** in comparison with the 1st quarter of 2012. Imports of goods decreased by **5.3%** and imports of services decreased by **17.8%**. It should be noted that the current quarterly time series would be revised as a result of the respective annual national accounts revision, scheduled for September 2013.
- The **Consumer Price Index (CPI) decreased by 0.4%** in **May 2013**, as compared to May 2012. The CPI in May 2013 as compared to April 2013 increased by 0.2%. In the twelve-month period from June 2012 to May 2013 compared with the period from June 2011 to May 2012 the annual average rate of change of the CPI was 0.6%.
- Greek **unemployment rate** in **March 2013** was **26.8%** (1,309,071 unemployed persons) compared to 22.2% in March 2012, and 26.7% in February 2013. The highest unemployment rate was recorded among young people in the **age of 15-24 years (58.3%)**. The highest unemployment rates by region were recorded at Epirus-West Macedonia with **29.9%**, Macedonia-Thrace with 28.0% and Attica with **27.9%**. Also, unemployment amongst women reached **30.4%** in March 2013 while for men unemployment rate was **24.1%**. In the **1st quarter of 2013** the number of unemployed amounted to 1,355,237. The **unemployment rate was 27.4%** as compared with 26.0% in the previous quarter, and 22.6% in the corresponding quarter of 2012.
- According to provisional data announced by ELSTAT, the total value of **Greek imports** in **March 2013** was **€3,654.6 million** against €5,188.7 million in March 2012, recording a **decrease of 29.6%**. The total value of **Greek exports** in March 2013 was **€2,074.8 million** against €2,250.8 million in March 2012 recording a **drop of 7.8%**.
- According to data announced by ELSTAT and processed by Export Research Centre (KEEM), **Greek imports from India** in **January-February 2013** were **increased by 191.0%** amounting to **€96.2 million**, compared to €33.1 million for the corresponding two-months period of 2012, while **Greek exports to India** in the same month were



decreased by **22.4%** amounting to **€7.4 million** compared to €9.5 million for the corresponding two-months period of 2012.

- Greek Prime Minister Antonis Samaras paid an official visit to China from May 15-19 with a delegation of businesspeople. Speaking at the Academy of Social Sciences of China on May 16, **Greek Prime Minister said that "Greece is building a success story, and it wants China to be part of that story"**. He said that *"Greece is changing. I want to thank you because China is standing by us and supported our stay in the European Union. The Greek 'comeback' is already visible. I would not have been here if our course had not changed and we had not guaranteed our 'comeback'."* Speaking on the role China can play in bilateral relations, he said, *"We want to work with Chinese enterprises. Chinese businesses can invest in **logistics** to bring Europe closer to China."* The four sectors he highlighted include **tourism, Greek agricultural products, coastal land development, and tourism/culture**. Mr. Samaras referred to the **investment by China-based shipping company Cosco**, which manages the container section of the port of Piraeus, saying that *"Cosco made an important investment in the **port of Piraeus** during [economically] difficult times; now it can take advantage of Greece's location and invest in the ports of the island of Crete and the Athens airport."* Speaking on the relationship between Greece and China, he said *"ten years have passed since the first strategic agreement between the EU and China, and this [collaboration] can extend much further."*
- The **Greek Alternate Minister of Finance Mr. Christos Staikouras** had a **meeting** on 14 May with the **Vice President for the Europe and Central Asia region of the World Bank Mr. Philippe Le Houerou**. During the meeting the discussion was focused on the public finances, the implementation of structural reforms and the broader situation of the Greek economy. Furthermore, both parties exchanged views in the framework of the current institutional cooperation.

**I) GDP and its growth during the most recent quarter and previous years****Gross Domestic Product**
(Non-seasonally adjusted figures*)
In million €

	<i>At constant price 2005</i>	<i>% change against same quarter of the previous year</i>	<i>At current prices</i>	<i>% change against same quarter of the previous year</i>
2007				
I	49463	6.2	51435	7.8
II	53107	3.8	55866	7.3
III	55318	4.2	58708	7.7
IV	53007	0.3	57151	5.2
2008				
I	49525	0.1	54322	5.6
II	53148	0.1	58806	5.3
III	55247	-0.1	61601	4.9
IV	52522	-0.9	58469	2.3
2009				
I	47439	-4.2	51547	-5.1
II	51254	-3.6	58911	0.2
III	53607	-3.0	60584	-1.7
IV	51543	-1.9	60038	2.7
2010				
I	46972	-1.0	52767	2.4
II	49816	-2.8	56699	-3.8
III	50064	-6.6	57976	-4.3
IV	46916	-9.0	54710	-8.9
2011				
I	42840	-8.8	48536	-8.0
II	45889	-7.9	53146	-6.3
III	48072	-4.0	55710	-3.9
IV	43201	-7.9	51139	-6.5
2012				
I	39954	-6.7	45456	-6.3
II	42951	-6.4	49270	-7.3
III	44873	-6.7	51756	-7.1
IV	40737	-5.7	47267	-7.6
2013				
I	37701	-5.6	41888	-7.8

Source: Hellenic Statistical Authority (EL.STAT.)

* Note (by the Hellenic Statistical Authority): Due to the brake in the time series of quarterly General Government data, and the resulting availability of data for only a very short period (2009Q1-2012Q2) on which to apply the seasonal adjustment calculation, combined with major changes reflected in the economic indicators used in the estimations of quarterly GDP, the implementation of seasonal adjustment does not provide satisfactory results. For this reason, the figures published are solely the non-seasonally-adjustable ones.

**II) Total trade in Euros and its growth during the most recent quarter and the previous years (overall)**At constant prices 2005
In million €

Goods and Services					
Exports			Imports		
<i>Quarterly Exports</i>		<i>% change against same quarter of the previous year</i>	<i>Quarterly Imports</i>		<i>% change against same quarter of the previous year</i>
2011			2011		
I	8282	-0.3	I	14274	-9.1
II	10922	0.9	II	14051	-5.2
III	14278	4.4	III	14406	-2.9
IV	9801	-5.1	IV	13141	-12.0
2012			2012		
I	8626	4.2	I	12152	-14.9
II	10594	-3.0	II	12234	-12.9
III	13674	-4.2	III	11719	-18.7
IV	9334	-4.8	IV	12074	-8.1
2013			2013		
I	8402	-2.6	I	11204	-7.8

Source: Hellenic Statistical Authority (EL.STAT.)

**III) Trade balance in Euros & US\$****January-February 2013 (In million €)**

	Merchandise Trade Balance (preliminary data)		
	2012	2013	% change 2013/2012
A. Imports			
I. Ship imports included	7,536.2	8,083.0	7.3%
II. Ship imports excluded	7,320.2	7,995.4	9.2%
III. Petroleum products excluded and ship imports included	4,835.7	4,764.0	-1.5%
B. Exports			
I. Ship imports included	3,925.5	4,386.0	11.7%
II. Ship imports excluded	3,919.5	4,374.9	11.6%
III. Petroleum products excluded and ship imports included	2,585.1	2,626.5	1.6%
C. Trade Balance Ship imports included (=B.I-A.I)	-3,610.7	-3,697.0	2.4%
D. Trade Balance Ship imports excluded (=B.II-A.II)	-3,400.7	-3,620.5	6.5%
E. Trade Balance Petroleum products excluded and ship imports included (=B.III-A.III)	-2,250.6	-2,137.5	-5.0%

January-February 2013 (In million \$)

	Merchandise Trade Balance (preliminary data)		
	2012	2013	2013/2012
A. Imports			
I. Ship imports included	9,844.2	10,769.3	9.4%
II. Ship imports excluded	9,562.0	10,652.6	11.4%
III. Petroleum products excluded and ship imports included	6,316.6	6,347.3	0.5%
B. Exports			
I. Ship imports included	5,127.7	5,843.7	14.0%
II. Ship imports excluded	5,119.9	5,828.9	13.8%
III. Petroleum products excluded and ship imports included	3,376.8	3,499.4	3.6%
C. Trade Balance Ship imports included (=B.I-A.I)	-4,716.5	-4,925.7	4.4%
D. Trade Balance Ship imports excluded (=B.II-A.II)	-4,442.2	-4,823.8	8.6%
E. Trade Balance Petroleum products excluded and ship imports included (=B.III-A.III)	-2,239.9	-2,847.9	-3.1%

Source: Hellenic Statistical Authority (EL.STAT.)
Data processed by Export Research Centre (KEEM)



IV. Total trade in Euros by regions, 10 major countries (in descending order) and India

January-February 2013 (In million €)*

Regions	2013			2012			2013/2012	
	Exports	Imports	Total	Exports	Imports	Total	Exports % Change	Imports % Change
TOTAL	4,321.9	7,942.2	12,264.1	3,897.9	7,458.1	11,356.0	10.9%	6.5%
OECD (29)	2,025.1	3,407.1	5,432.2	1,775.2	3,773.9	5,549.1	14.1%	-9.7%
E. U. (25)	1,813.6	3,286.5	5,100.1	1,713.8	3,518.5	5,232.3	5.8%	-6.6%
E. U. (15)	1,245.1	2,758.0	4,003.1	1,063.2	2,981.5	4,044.7	17.1%	-7.5%
NORTH AMERICA	215.1	124.2	339.3	223.9	99.5	323.4	-3.9%	24.8%
OTHER DEVELOPED COUNTRIES	31.1	17.5	48.6	25.9	23.9	49.8	20.1%	-26.8%
OTHER OECD (exc. S. Korea)	442.8	262.9	705.7	366.4	302.0	668.4	20.9%	-12.9%
BALKAN COUNTRIES	459.1	382.7	841.8	554.0	336.5	890.5	-17.1%	13.7%
COMMON. OF IND. STATES (CIS)	103.0	1,790.7	1,893.7	66.5	887.7	954.2	54.9%	101.7%
N. AFRICA & MIDDLE EAST	648.3	1,494.7	2,143.0	542.3	1,613.2	2,155.5	19.5%	-7.3%
AFRICAN COUNTRIES(exc. S.Africa)	14.3	15.6	29.9	23.7	37.0	60.7	-39.7%	-57.8%
SOUTH EAST ASIA	192.9	151.8	344.7	216.2	290.1	506.3	-10.8%	-47.7%
LATIN AMERICA	43.1	75.0	118.1	6.8	62.6	69.4	533.8%	19.8%
OTHER COUNTRIES	619.6	625.5	1,245.1	462.4	527.0	989.4	34.0%	18.7%
GREEK EXPORTS								
<i>(Major Import Countries)</i>								
1. Turkey	423.9			340.1			24.6%	
2. Italy	415.8			304.9			36.4%	
3. Germany	269.8			256.4			5.2%	
4. U.S.A.	185.9			198.6			-6.4%	
5. Bulgaria	183.9			227.2			-19.0%	
6. Cyprus	164.0			206.4			-20.6%	
7. Egypt	124.6			36.9			237.9%	
8. United Kingdom	116.7			115.5			1.1%	
9. Spain	114.8			61.0			88.1%	
10. France	102.6			86.9			18.1%	
GREEK IMPORTS								
<i>(Major Export Countries)</i>								
1. Russian Federation		1,242.2			732.6			71.7%
2. Germany		711.4			729.7			-2.5%
3. Iraq		596.0			82.0			627.0%
4. Italy		532.9			534.7			-0.3%
5. China		412.8			338.1			22.1%
6. Kazakhstan		384.6			135.1			184.8%
7. Libya		374.7			279.7			34.0%
8. Netherlands		353.2			366.1			-3.5%
9. France		334.2			350.7			-4.7%
10. S. Arabia		261.7			206.7			26.6%
INDIA	7.4	96.2	103.6	9.5	33.1	42.6	-22.4%	191.0%



January-February 2013* (In million €)

<i>Regions</i>	<i>% Structure</i>	<i>% Structure</i>	<i>% Structure</i>	<i>% Structure</i>
	<i>Exports 2013</i>	<i>Exports 2012</i>	<i>Imports 2013</i>	<i>Imports 2012</i>
OECD (29)	46.9%	45.5%	42.9%	50.6%
E. U. (25)	42.0%	44.0%	41.4%	47.2%
E. U. (15)	28.8%	27.3%	34.7%	40.0%
NORTH AMERICA	5.0%	5.7%	1.6%	1.3%
OTHER DEVELOPED COUNTRIES	0.7%	0.7%	0.2%	0.3%
OTHER OECD (exc. S. Korea)	10.2%	9.4%	3.3%	4.0%
BALKAN COUNTRIES	10.6%	14.2%	4.8%	4.5%
COMMON. OF IND. STATES (CIS)	2.4%	1.7%	22.5%	11.9%
N. AFRICA & MIDDLE EAST	15.0%	13.9%	18.8%	21.6%
AFRICAN COUNTRIES (exc. S. Africa)	0.3%	0.6%	0.2%	0.5%
SOUTH EAST ASIA	4.5%	5.5%	1.9%	3.9%
LATIN AMERICA	1.0%	0.2%	0.9%	0.8%
OTHER COUNTRIES	14.3%	11.9%	7.9%	7.1%
<i>Greek Exports (Major Import Countries)</i>				
1. Turkey	9.8%		8.7%	
2. Italy	9.6%		7.8%	
3. Germany	6.2%		6.6%	
4. U.S.A.	4.3%		5.1%	
5. Bulgaria	4.3%		5.8%	
6. Cyprus	3.8%		5.3%	
7. Egypt	2.9%		0.9%	
8. United Kingdom	2.7%		3.0%	
9. Spain	2.7%		1.6%	
10. France	2.4%		2.2%	
<i>Greek Imports (Major Export Countries)</i>				
1. Russian Federation		15.6%		9.7%
2. Germany		9.0%		9.8%
3. Iraq		7.5%		1.1%
4. Italy		6.7%		7.2%
5. China		5.2%		4.5%
6. Kazakhstan		4.8%		1.8%
7. Libya		4.7%		3.8%
8. Netherlands		4.4%		4.9%
9. France		4.2%		4.7%
10. S. Arabia		3.3%		2.8%
INDIA	0.2%	1.2%	0.2%	0.4%

Source: Export Research Centre (KEEM)

*Data for both years are preliminary



V i) Total trade in Euros and its configuration by product- MAIN SITC DIVISION (1-digit level)
EXPORTS

January-February 2013 (In million €)

SITC CODE	Product Categories	Value		% Change	% Structure	
		2013	2012	2013/2012	2013	2012
0+1+4	AGRICULTURAL PRODUCTS	782.4	626.5	24.9%	18.1%	16.1%
2	RAW MATERIALS	165.1	234.4	-29.6%	3.8%	6.0%
3	FUELS	1,791.8	1,383.6	29.5%	41.5%	35.5%
5-8	INDUSTRIAL PRODUCTS	1,491.9	1,534.2	-2.8%	34.5%	39.4%
9	OTHER	90.8	119.3	-23.9%	2.1%	3.1%
	<i>Products</i>					
0	Food and live animals	537.3	478.1	12.4%	12.4%	12.3%
1	Beverages and tobacco	65.5	77.9	-16.0%	1.5%	2.0%
4	Animal and vegetable oils and fats	179.6	70.4	155.0%	4.2%	1.8%
2	Crude materials inedible, except fuels	165.1	234.4	-29.6%	3.8%	6.0%
3	Mineral fuels, lubricants, etc.	1,791.8	1,383.6	29.5%	41.5%	35.5%
5	Chemicals and related products	375.5	354.5	5.9%	8.7%	9.1%
6	Manufactured goods classified chiefly by raw material	561.6	627.1	-10.4%	13.0%	16.1%
7	Machinery and transport equipment	309.1	323.1	-4.3%	7.2%	8.3%
8	Miscellaneous manufactured articles	245.7	229.6	7.0%	5.7%	5.9%
9	Commodities and transactions not classified by category	90.8	119.3	-23.9%	2.1%	3.1%
0-9	TOTAL EXPORTS	4,321.9	3,897.9	10.9%	100.0%	100.0%

IMPORTS (ship imports included)

January-February 2013 (In million €)

SITC CODE	Product Categories	Value		% Change	% Structure	
		2013	2012	2013/2012	2013	2012
0+1+4	AGRICULTURAL PRODUCTS	882.1	882.6	-0.1%	11.1%	11.8%
2	RAW MATERIALS	219.9	184.5	19.2%	2.8%	2.5%
3	FUELS	3,367.4	2,762.0	21.9%	42.4%	37.0%
5-8	INDUSTRIAL PRODUCTS	3,471.7	3,625.8	-4.3%	43.7%	48.6%
9	OTHER	1.1	3.2	-64.8%	0.0%	0.0%
	<i>Products</i>					
0	Food and live animals	772.2	778.9	-0.9%	9.7%	10.4%
1	Beverages and tobacco	65.8	67.7	-2.9%	0.8%	0.9%
4	Animal and vegetable oils and fats	44.1	36.0	22.7%	0.6%	0.5%
2	Crude materials inedible, except fuels	219.9	184.5	19.2%	2.8%	2.5%
3	Mineral fuels, lubricants, etc.	3,367.4	2,762.0	21.9%	42.4%	37.0%
5	Chemicals and related products	1,050.2	1,143.0	-8.1%	13.2%	15.3%
6	Manufactured goods classified chiefly by raw material	712.6	672.3	6.0%	9.0%	9.0%
7	Machinery and transport equipment	1,083.4	1,127.3	-3.9%	13.6%	15.1%
8	Miscellaneous manufactured articles	625.4	683.1	-8.4%	7.9%	9.2%
9	Commodities and transactions not classified by category	1.1	3.2	-64.8%	0.0%	0.0%
0-9	TOTAL IMPORTS	7,942.2	7,458.1	6.5%	100.0%	100.0%

Source: KEEM calculations based on original EL.STAT. Preliminary data

**V ii) Total trade in Euros and its growth in services (Three main categories)**

January-February 2013 (In million €)

	Commercial Services' Balance (preliminary data)		
	2011	2012	2013
Commercial Services' Balance (I-II)	663.4	1,114.5	1,079.8
I. Exports	3,028.3	3,103.9	2,808.3
Transportation Services	287.2	248.5	255.7
Travel Services	2,201.1	2,209.4	1,946.5
Other Commercial Services	539.9	645.9	606.1
II. Imports	2,364.9	1,989.4	1,728.6
Transportation Services	377.4	271.7	203.7
Travel Services	1,238.4	1,067.8	915.6
Other Commercial Services	749.0	649.9	609.3

Source: Bank of Greece

January-February 2013 (In million €)

	Merchandise Trade Balance (preliminary data)				
	2011	2012	% change 2012/2011	2013	% change 2013/2012
I. Exports of goods	2,624.6	3,208.4	22.2%	3,745.1	16.7%
II. Imports of goods	8,220.3	7,329.7	-10.8%	6,881.8	-6.1%
Trade Balance (I-II)	-5,595.7	-4,121.3		-3,136.7	

Source: Bank of Greece



VI (i) Top ten export items from Greece to India (product, 8-digit level)

January-December 2012

VI (i)	CN Code	Top 10 export items from Greece to India	VALUE (EURO €)
1	76.02.00.90	Aluminium waste and scrap : – Scrap	9,765,576
2	72.04.30.00	Ferrous waste and scrap; remelting scrap ingots of iron or steel : – Waste and scrap of tinned iron or steel	4,632,513
3	40.10.11.00	Conveyor or transmission belts or belting, of vulcanised rubber : – Conveyor belts or belting : – – Reinforced only with metal	3,394,790
4	74.04.00.91	Copper waste and scrap : – Of copper alloys : – – Of copper–zinc base alloys (brass)	2,506,361
5	84.18.10.80	Refrigerators, freezers and other refrigerating or freezing equipment, electric or other; heat pumps other than air–conditioning machines of heading 8415 : – Combined refrigerator–freezers, fitted with separate external doors : – – Other	3,384,961
6	78.02.00.00	Lead waste and scrap	1,817,500
7	84.19.31.00	Machinery, plant or laboratory equipment, whether or not electrically heated (excluding furnaces, ovens and other equipment of heading 8514), for the treatment of materials by a process involving a change of temperature such as heating, cooking, roasting, distilling, rectifying, sterilising, pasteurising, steaming, drying, evaporating, vaporising, condensing or cooling, other than machinery or plant of a kind used for domestic purposes; instantaneous or storage water heaters, non–electric : – Dryers : – – For agricultural products	1,814,350
8	38.16.00.00	Refractory cements, mortars, concretes and similar compositions, other than products of heading 3801	1,712,284
9	24.01.10.60	Unmanufactured tobacco; tobacco refuse : – Tobacco, not stemmed/stripped : – – Sun–cured Oriental type tobacco	1,609,147
10	68.02.21.00	Worked monumental or building stone (except slate) and articles thereof, other than goods of heading 6801; mosaic cubes and the like, of natural stone (including slate), whether or not on a backing; artificially coloured granules, chippings and powder, of natural stone (including slate) : – Other monumental or building stone and articles thereof, simply cut or sawn, with a flat or even surface : – – Marble, travertine and alabaster	1,533,997
TOTAL EXPORTS TO INDIA			59,021,433

Source: Hellenic Statistical Authority (EL.STAT.) / Provisional data



VI (ii) Top ten import items of Greece from India (product 8-digit level)

January-December 2012

VI (ii)	CN Code	Top 10 import items of Greece from India	VALUE (EURO €)
1	12.07.40.90	Other oil seeds and oleaginous fruits, whether or not broken : – Sesamum seeds : – – Other	13,794,091
2	87.03.22.10	Motor cars and other motor vehicles principally designed for the transport of persons (other than those of heading 8702), including station wagons and racing cars : – – Of a cylinder capacity exceeding 1000 cm ³ but not exceeding 1500 cm ³ : – – – New	9,690,229
3	08.01.32.00	Coconuts, Brazil nuts and cashew nuts, fresh or dried, whether or not shelled or peeled : – Cashew nuts : – – Shelled	8,077,397
4	29.33.99.80	Heterocyclic compounds with nitrogen hetero-atom(s) only : – Other : – – Other : – – – Other	8,075,501
5	23.04.00.00	Oilcake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of soya-bean oil	7,521,716
6	03.07.49.38	Molluscs, whether in shell or not, live, fresh, chilled, frozen, dried, salted or in brine; aquatic invertebrates other than crustaceans and molluscs, live, fresh, chilled, frozen, dried, salted or in brine; flours, meals and pellets of aquatic invertebrates other than crustaceans, fit for human consumption : – Cuttle fish (<i>Sepia officinalis</i> , <i>Rossia macrosoma</i> , <i>Sepioloa</i> spp.) and squid (<i>Ommastrephes</i> spp., <i>Loligo</i> spp., <i>Nototodarus</i> spp., <i>Sepioteuthis</i> spp.) : – – Other : – – – Frozen : – – – – Squid (<i>Ommastrephes</i> spp., <i>Loligo</i> spp., <i>Nototodarus</i> spp., <i>Sepioteuthis</i> spp.) : – – – – – <i>Loligo</i> spp. : – – – – – Other	7,514,815
7	72.02.30.00	Ferro-alloys : Ferro-silico-manganese	7,434,310
8	85.04.21.00	Electrical transformers, static converters (for example, rectifiers) and inductors : – Liquid dielectric transformers : – – Having a power handling capacity not exceeding 650 kVA	7,231,452
9	09.01.11.00	Coffee, whether or not roasted or decaffeinated; coffee husks and skins; coffee substitutes containing coffee in any proportion : – Coffee, not roasted : – – Not decaffeinated	6,858,976
10	29.33.39.99	Heterocyclic compounds with nitrogen hetero-atom(s) only : – Compounds containing an unfused pyridine ring (whether or not hydrogenated) in the structure : – – Other : – – – Other	4,521,591
TOTAL IMPORTS FROM INDIA			217,579,662

Source: Hellenic Statistical Authority (EL.STAT.) / Provisional data



VII. Major investments within and outside the country

- **Hellenic Republic Asset Development Fund (TAIPED, www.hradf.com)** on May 1st accepted a new improved **offer by Emma Delta Ltd to buy a 33% equity stake in OPAP**, state-owned gaming giant. Greek Finance Minister, Mr. Gannis Stournaras, in a statement welcomed the deal, saying “the first large privatisation was successfully completed today, with multiple benefits for the Greek state.” The Greek Finance Minister said the deal “offered evidence of investment capital’s confidence in the Greek economy while at the same time safeguarded for the first time that beyond the selling price the state will also receive proceeds from a 30% tax on gross earnings annually.” Minister Stournaras said that the government’s privatisation programme will move forward with determination to accelerate the country’s exit from the crisis at the fastest possible time and with the most beneficial terms for the national economy. The Hellenic Republic Asset Development Fund in an announcement said that Emma Delta has raised its initial offer of 622 million euro to 652 million euro. (Source: *Invest in Greece Agency*)

- The **European Investment Bank (EIB) approved two loans worth 215 million euro** to finance projects in electricity energy and natural gas in Greece. EIB, in a statement issued May 17, said that a **loan of 190 million euro** will be offered to **Public Power Corporation (PPC, www.dei.gr)** to fund projects of energy security and efficiency. It has approved a loan facility worth 950 million euro in 2009 for energy projects in Greece; the latest loan is the last tranche. The Bank is also offering a **25-million-euro loan to Hellenic Gas Transmission System Operator S.A. (DESFA, www.desfa.gr)** to expand its natural gas transportation system to the Peloponnese through a high-pressure pipeline. This pipeline will be used for the operation of a combined cycle electricity production power station in Megalopoli which is also funded by the European Investment Bank (280 million euro in the 2011-2012 periods). (Source: *Invest in Greece Agency*)

VIII. India’s investment interests

- On May 15 the Greek government presented a plan for the restructuring and privatisation of the Public Power Corporation (PPC, www.dei.gr) which envisages the creation of a “small PPC” with representative electricity production units to be sold to private investors, in its search for a strategic investor for PPC and the selloff of 40% of the electricity grid networks. The plan, presented by the Hellenic Ministry of Environment, Energy and Climate Change, has a timetable of completion by 2015 and is included in a memorandum of economic policy agreed with the EU-ECB-IMF. The plan envisages:
 1. The separation and privatisation of the System Administrator, paving the way for PPC’s exit from energy grid networks. In the first phase, to be completed this year, the plan envisages the entry of an investor through a share capital increase scheme offering up to 49% of the equity capital and the management. In the second phase, to be completed in the 2nd quarter of 2014, the investor will be able to acquire at least 51% of the equity capital, with the state holding a statutory minority stake.
 2. Creating a new vertical electricity company, which will own around 30% of PPC’s existing production capacity and new units, along with a relative percentage of PPC’s



commercial activities. It will include lignite, hydro-electric and natural gas units. This project will be agreed on in consultation with the European Commission by the end of 2013, although early estimates are for 1,400 MW of lignite units, 500 MW of hydro-electric and 500 MW of natural gas units. The tender to sell the so-called "small PPC" will be made with the Hellenic Republic Asset Development Fund. These procedures are expected to be completed in the 1st quarter of 2015.

3. Privatisation of PPC. Under the plan, the state will offer 17% of the company's equity capital to a strategic investor- from 51% currently owned by the state. This process is expected to be completed by the end of 2015 or early 2016. (Source: Invest in Greece Agency)

IX. Other news items of interest (Any other factor impacting on trade and economic relations)

- Chinese companies desire involvement in Greece's infrastructure sector, Chinese Premier Li Keqiang said on May 16, after talks with visiting Greek Prime Minister Antonis Samaras. The two premiers discussed all aspects of Greek-Chinese relations during their meeting, especially economic cooperation and long-range strategic plans. Following their talks, a number of agreements and protocols were signed by the Greek side and the Chinese government. Mr. Samaras was on an **official visit to China** from May 15-19, **accompanied by a delegation of 87 Greek business leaders**, after which he flew to Azerbaijan for a one-day visit. During a dinner for the Greek mission, Chinese premier said "We are global shipping powers and we can cooperate in many areas. Since 2010 there has been heightened cooperation, while Chinese companies desire to become active in the infrastructure sectors. We will take action to boost commercial transactions, with the **target of increasing the volume of transactions to eight billion euro in 2015.**" Responding, Mr. Samaras noted that the new investment law made provision for fast-track procedures that will make Chinese investment easier, adding that the Greek government "is here to look at everything, step by step, and facilitate our cooperation." Specifically, they discussed expanding the activity of the Chinese container company Cosco at the main port of Greece, Piraeus, and the **possibility of Chinese investment in Greek railroads and regional airports and ports**. The agreements signed by the two sides include:
 - **Cooperation Protocol** with China Development Bank, signed by Hellenic Republic Asset Development Fund (TAIPED) President, Mr. Stelios Stavridis, aiming to promote the Greek Privatisation Programme and the active participation of Chinese companies. Government officials hailed the interest expressed by the leading financial organisation as a sign that the Chinese have confidence in Greece's prospects for economic growth.
 - **Cooperation Agreement** between China Development Bank and Invest in Greece Agency, signed by Invest in Greece Agency CEO, Mr. Stephanos Issaias, to promote economic cooperation in priority sectors, such as tourism, real estate, telecommunications, transport, energy and investment financing. Based on this, China Development Bank will promote Invest in Greece's plans for investments involving Chinese companies and finance their implementation after an assessment. The Greek government's intention to establish an Institute for Growth aimed at boosting the Greek economy was warmly welcomed by the China Development Bank, which will consider participating in the international cooperation.



- **Cooperation Memorandum** with the Chinese company Huawei, signed by Greek Development, Competitiveness, Infrastructure, Transport and Networks Minister, Mr. Kostis Hatzidakis. In the next three years, the company was to create a logistics hub in Greece and a center for research and innovation, in cooperation with leading Greek research centers and Greek technological companies. Also, Huawei is willing to cooperate with Greek universities and Research Centers and offer training to students and young graduates.

- **Cooperation Memorandum** with the Chinese company ZTE- again signed by Mr. Hatzidakis- which will undertake to turn the port of Piraeus into a transit and logistics hub for ZTE products in Europe and the greater Mediterranean region.

(Source: Invest in Greece Agency)

- Speaking in a press conference in the context of the **1st ERMIS Greek Russian Business Forum** hosted in Thessaloniki on May 16, St Petersburg Union of Industrialists and Entrepreneurs President Sergey Vladimirovich said that, hundreds of **Russian entrepreneurs “want to put their money in Greece”** but are forced to put their plans on hold because they lack information on the Greek market. To cover the gap, he suggested the establishment of an investment information office for Greece in the Russian city. He pointed out that Russian investors are mostly interested in the sectors of **tourism, infrastructure, construction and energy**. Mr. Vladimirovich, who owns real estate in the Halkidiki peninsula, northern Greece, noted that in Greece he “feels at home, and the more businessmen come to Greece feeling at home, the stronger the economy will become.” He added that he and his family feel as safe and comfortable in Halkidiki as they feel in St Petersburg. Addressing the forum earlier, he expressed satisfaction about the improvements made in visa issuance for Russian citizens wishing to visit Greece, noting that the people of St Petersburg, a city with a population of over 5 million, “can become very good customers for any Greek product.” Greeting the forum participants, Macedonia-Thrace Minister, Mr. Theodoros Karaoglou, referred to the good bilateral economic relations between the two countries, noting that Greek exports to Russia increased 22% in 2012, and added that **Greece expects roughly one million Russian tourists this year**. Business meetings between **representatives of 48 Russian companies** and hundreds of Greek companies were scheduled during the two-day forum, hosted by Greek Russian Center ERMIS, a non-profit organisation founded by the Chambers of Serres, Halkidiki and Kavala. (Source: Invest in Greece Agency)
- **AGET Heracles** cement company- a subsidiary of Lafarge Group (<http://www.lafarge.gr/wps/portal/gr/Homepage>)- made a request to the Greek authorities to lay off its 229 workers in its plant in Halkida, in western Evoia, essentially shutting down the unit. The Labor Ministry’s Supreme Labor Council turned down the company’s request. The cement business said that the shutting down of its plant in Halkida was necessitated by financial reasons due to slump in domestic construction activity and the group’s inability to sell its surplus production to the international markets due to low demand. AGET Heracles has three cement plants in Greece- in Volos (mainland Greece) and in Halkida and Milaki (both in Evoia). It has quarries in these areas and on Milos Island. (Source: Athens-Macedonian News Agency)
- The **Hellenic Chinese Chamber** in collaboration with the **Region of Crete**, and the collaboration of the **Chinese Embassy in Athens** and Greek ministries, organised a



conference held in Athens the week of May 27, 2013. The theme of the event was “**Crete meets China**” and was concluded with a **four-day exhibition** of traditional Cretan products. The aim of the event was to promote the characteristics of Crete Island, its civilization, tourism destinations, gastronomical interests and **investment opportunities** to potential Chinese entrepreneurs and visitors. (Source: *Invest in Greece Agency*)

- On May 30, the **International Institute for Management Development (IMD)** announced the findings of its annual **World Competitiveness Yearbook (WCY)**. The WCY rankings measure how well countries manage their economic and human resources to increase their prosperity. **Greece** is in **54th place** among 60 countries, compared to 58th a year ago. According to the IMD, the implementation of **harsh austerity measures is the reason for slow recovery of competitiveness**. The strengths of the Greek economy, according to the analysis of Greek International Business Association (SEVE) which is the IMD’s partner in Greece to study competitiveness, is the skilled and experienced workforce (Greece ranks in 6th place under this criterion), tourism (in 10th place), exports (19th place) and the existence of very well trained and efficient engineers (5th place). (Source: *Greek Press*)

Somnath Halder
First Secretary (HOC)

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