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Lateral Thinking

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EUROFIN GROUP

This Newsletter is the official newsletter published by Eurofin Group bi-monthly, covering the market for the last 2 months. The purpose of the Newsletter is to provide an up-to-date summary and insight on current developments in both the private and public sectors in Greece and to highlight potential opportunities. The intended audience of the Newsletter is our clients, prospective investors and market participants all over the world.

The Eurofin Group is an investment banking boutique founded in 1984. With offices established in London, Athens and Singapore, Eurofin offers financial advisory services and assistance to corporates and individuals conducting business or considering investments in a number of different industries and countries.

Although the main focus of the Group has been the shipping industry, over the years, Eurofin has also been active in other sectors such as Real Estate, Energy, Telecoms and Tourism among others.

Having established and operated our Athens office for over 25 years, we have been witnessing, monitoring and analysing the developments in Greece. During the recent years nonetheless, where the country has been in the forefront of global news for all the wrong reasons, we have kept a close watch on these developments, in an effort to share our observations with our audience.

NATIONAL ECONOMY NEWS AND TRENDS

- **Greece's economy** has grown for a fifth consecutive quarter, keeping the country's recovery on target as eight years of international bailout programs are due to end in August. The Greek Statistical Authority (ELSAT) said that the economy has grown by 2.3% in the January-March period compared with a year earlier, and 0.8% percent compared with the previous quarter.
- **Budget data** for the January-May period showed a primary surplus of €1.54 billion, almost €800 million less than the figure reached in the first four months of the year (€2.33 billion). The shrinking of the primary surplus is mainly due to the €300 million drop in revenues in May, and to the fact that the state has started paying the various public sector entities, as per budget provisions.
- The **Greek government debt** posted a noteworthy increase in the first three months of 2018, with the Finance Ministry's quarterly report listing the figure at €343.74 billion, up from €328.7 billion at the end of 2017 - an increase of €15.037 billion.
- The **Greek State arrears** to the private sector increased for a second straight month in March 2018, according to the General Accounting Office. The figure stood at €2.461 billion in January 2018, rising to €2.62 billion in February 2018 and €2.734 billion in March 2018.
- The European Commission has revised, downwards, its forecasts for **growth in Greece**, both for 2018 and in 2019. According to the Commission, Greek GDP will rise by 1.9% in 2018, compared to 2017; and by 2.3% in 2019. The previous forecasts for the ongoing year, in November 2017 and February 2018, placed GDP growth at around 2.5%.
- The EBRD maintains its forecast for **Greek GDP growth** in 2018, saying the country's economy will grow by 2.2%, increasing slightly in 2019 by 2.3%. The EBRD's forecasts are more optimistic than the OECD and the IMF.
- The **Greek economy's competitiveness** remains weak, illustrating that the mix of reforms and fiscal policy has not produced the anticipated results. The 2018 IMD World Competitiveness Ranking, drawn up by the Swiss-based International Institute for Management Development, showed Greece languishing in 57th position among 63 countries monitored – the same as last year.
- **Greece's annual EU-harmonised inflation rate** accelerated in April, according to ELSTAT data. The reading in April was 0.5% from 0.2% in March. The data showed the headline consumer price index flat at 0% year-on-year from -0.2% in the previous month.
- **Inflation rate in Greece** remained unchanged in April 2018, compared to the same month in 2017, but was increased by 0.9% compared to the preceding month, March 2018, according to data released by ELSTAT.
- The **current account deficit** widened in April compared to the same month a year earlier on the back of a larger trade gap and a smaller services balance surplus. Central bank data showed the deficit at €1.344 billion. Tourism revenues edged higher to €490 million from €485 million in the same month a year earlier.
- A **debt relief package** offered to Greece by its creditors is credit positive for the overborrowed country, according to rating agency Moody's. Greece was offered a 10-year deferral and maturity extension on a large chunk of past loans as well as €15 billion in new credit. Moody's, which rates Greece at B3 positive, said the debt relief ensured the government would be facing "very moderate" refinancing needs for the next 10 years.
- Standard and Poor's ratings agency has upgraded **Greece's' credit rating** by one notch, from 'B' to 'B+', citing reduced debt servicing risks following a deal with the country's international creditors. The ratings agency also said that Greece's outlook is stable.
- **Greece's jobless rate** stayed unchanged at 21.2% in January-to-March from the fourth quarter of 2017, according to data from ELSTAT. About 68.4% of Greece's 1.001 million jobless are long-term unemployed, meaning they have been out of work for at least 12 months, the figures showed.
- Official figures already highlight the shrinking of the so-called **middle class**: From the 8.8 million individual taxpayers who submitted a tax declaration last year, no more than 450,000 showed a net annual income of €18,000 or more, down from 840,000 in 2010.
- **Taxpayers' arrears to the Greek state** - mostly income and corporate taxes climbed by €4.15 billion after the first four months of the year, meaning that by the end of the year new debts to the State will likely exceed €12 billion.
- The first batch of data concerning **Greek taxpayers with deposits and financial assets abroad** is in the hands of the Independent Authority for Public Revenue. The details were sent by fellow European Union states in the context of an automatic exchange of information.

FINANCIAL MARKETS NEWS

- **Alpha Bank** turned profitable in January-to-March as strong trading gains offset higher provisions for loan impairments and weaker net interest income. Alpha, 11% owned by the country's bank rescue fund HFSF, reported net earnings from continuing operations of €65.2 million after a net loss of €64 million in the fourth quarter of 2017.
- **Eurobank** reported lower net profit in January-to-March compared to the previous quarter as a decline in interest income and commission fees offset reduced provisions for impaired loans. Eurobank, which is 2.4% owned by the country's HFSF, reported net earnings of €35 million from continued operations after profit of €43 million in the fourth quarter.
- **National Bank (NBG)** turned profitable in January-to-March helped by lower provisions for bad loans. NBG, 40% owned by HFSF, reported a net profit from continued operations of €20 million versus a net loss of €60 million in the fourth quarter.
- **Piraeus Bank** was profitable in January-to-March after booking lower loan-loss provisions. Piraeus Bank, which is 26.2% owned by HFSF, reported a net profit from continued operations of €18 million, excluding one-off items.
- Five suitors have tabled bids for the acquisition of **Piraeus Bank Bulgaria**, the relatively small subsidiary of the Greek lender in the neighboring country. There are four Bulgarian bidders, along with Greece's Eurobank.
- Non-systemic **Attica Bank** raised €90 million through a share capital increase, with no less than €70 million coming from the unified social insurances fund - a prospect that generated criticism. The bank's target, nevertheless, was €197.97 million, which means that it must raise more capital - efforts to attract capital from the markets will continue in Greece and abroad, with Rothschild acting as the adviser.
- **Greek bank deposits** rose in April for a third month in a row, according to central bank data. Businesses and household deposits rose to €126.98 billion from €126.02 billion in March.
- The BoG announced the **successful completion of the European Central Bank's exercise for domestic banks** simulating an adverse economic scenario. The results of the stress tests showed that in the event of negative developments in the Greek economy over the next three years – the 'adverse scenario' – the impact on the capital base of Alpha, National, Eurobank and Piraeus would amount to some 9%, which corresponds to €15.5 billion in total. Those hypothetical losses would be easily covered by the systemic lenders' capital base, which means there is no need for a capital increase – hence the successful completion of the test.
- Following the successful completion of the stress tests, banks are preparing to issue **subordinated bonds**, which until now had been effectively impossible. The Tier 2 subordinated bonds count toward the capital adequacy index and such issues constitute a strong indication of investors' and markets' growing confidence.
- The **funding deficit** is growing in the Greek economy, as there was a sharper credit contraction in April, according to BoG data. The pace of financing Greek households and enterprises stood at -1.9% last month, from -1% in March and -0.9% in February.
- The ECB lowered in June the ceiling on **emergency liquidity assistance** (ELA) Greek banks draw from the domestic central bank by €1.3 billion to €10.9 billion and in May by €2.5 billion to €12.2 billion, according to the BoG.
- Greek banks are stepping up efforts to rid themselves of **nonperforming loans**, planning to put portfolios with a total face value of €13.5 billion up for sale within 2018. The bulk of that amount, or €9.7 billion, is expected to have been transferred by the end of the year's first half, while another €3.8 billion is set to be offered in the second half.
- Greek banks are preparing to reduce their **nonperforming loans** at a more aggressive rate. Sources say that the revised plans the lenders will submit this fall will contain targets above the 10-15% reduction – or some €10
- In the January-March period **nonperforming exposures** declined by €2 billion, but regarding NPLs, the banks have lost the cushion of €900 million above the target that they had created last year.
- **NBG** said it had agreed to sell €2 billion of unsecured non-performing loans to CarVal Investors and Intrum. The price of the transaction was 6% of the principal, the bank said in a statement.
- **Piraeus Bank** said it had agreed to sell a €1.45 billion portfolio of secured, non-performing business loans to Bain Capital Credit as part of moves to reduce its bad debts.
- The **EIB** announced new support to expand leasing finance for equipment and real estate by €400 million, to be provided by the leasing subsidiaries of the four leading banks in the country.

BUSINESS NEWS

- **Athens International Airport** (AIA) has been ranked the world's second best airport in 2018 by AirHelp, a company that helps passengers with compensation claims for delayed, cancelled or overbooked flights.
- Greece's largest carrier Aegean Airlines signed a $5 billion deal with Airbus for up to 42 aircraft to renew its fleet of single-aisle planes, stay competitive and add capacity for future expansion.
- **Aegean Airlines'** turnover grew by 9% year-on-year in the January-March period to reach €165.4 million, while passenger traffic climbed by 12% to 2.4 million. Net losses fell to €30.8 million from €35.8 million a year earlier.
- **Greek industrial output** increased by 1.1% in March compared to the same month last year, after an upwardly revised 1.9% decline in February, according to statistics service ELSTAT. Looking at index components, manufacturing production fell by 1.1% from the same month last year, while mining output dropped by 10.2%.
- **Loutraki Casino**, in the seaside resort west of Athens, is under threat of closure, as the company's failure to pay its employees their salaries has put its continued operation in doubt. New laws voted in earlier this year to govern how casinos operate in Greece stipulate that in the case that employee salaries are not paid within 30 days, the casino will have its operating license suspended for a couple of months.
- The **ANEK lines** ferry boat "Eleftherios Venizelos" is the first coastal shipping vessel that inaugurated the Piraeus Port Authority's new floating dock, the "Piraeus III". The massive structure has been operational since last April.
- Before China's COSCO Shipping arrived in **Piraeus**, the port was listed 93rd in the world's busiest seaports by cargo tonnage, while it has since climbed to 36th place among the world's top 100 container ports. Cargoes loaded and unloaded at the port of Piraeus totalled 3.74 million 20-foot equivalent units (TEUs) in 2016, up from 880,000 TEUs in 2010, when COSCO's subsidiary Piraeus Container Terminal took over the management of piers II and III. In addition, the port directly created 1,650 job opportunities, a figure that doubles when indirect jobs are included, according to IOBE, an independent Greek research institute.
- **Greek retail sales** by volume rose by 1.5% in March compared to the same month a year ago after a downwardly revised 0.4% decline in February, according to statistics service ELSTAT. Retail sales were led higher by supermarkets, stationary and books, the data showed.
- **Greek exports** enjoyed double-digit annual growth in the first four months of the year, while the trade deficit posted a decline. The Panhellenic Exporters Association is expressing optimism that the rising trend will continue for the export sector in the coming months despite the adversities from the trade conflict and US tariffs on steel and aluminium imports.
- **Tripsta** SA, the parent company of travel sites Airtickets.gr and Travelplanet24, announced the suspension of all new ticket sales as part of a radical restructuring of the Greek-owned firm, which has also resulted in the sacking of 180 employees from Athens headquarters. According to reports, Tripsta apparently owes IATA €75 million, with market analysts pointing to 80% to 85% of the sales coming FROM overseas.
- Cosmetics Company **Apivita** is the first Greek firm to receive the B Corporation certification, becoming a member of an international network of companies and organizations that aspire to combine entrepreneurship with social welfare and use the power of markets to solve social and environmental problems.
- Luxury jewellery maker **Folli Follie**, whose finances are being investigated by Greek authorities while its shares have been suspended from trading, said that a financial audit would be concluded in August. Folli Follie, which has hired Ernst & Young to audit specific items of its 2017 financial statements, said that Alvarez & Marsal would also conduct a forensic evaluation of the most recent financial statements of its Asian subsidiaries.
- Chinese group Fosun has taken itself out of the running for a majority stake in **Ethniki Insurance**. The sole bid submitted to owner National Bank of Greece came from another Chinese group, Gongbao, which offered more than €650 million for the 75% stake in Greece's biggest insurer, according to unconfirmed information.
- **Fraport Greece**, a Fraport-led consortium, will slash airport fees by 50% during this year's low season to attract new international flights to 14 Greek airports.
- Greece ranks low in terms of **innovation** among its European Union peers, only managing 22nd place out of the 28 member-states in the 2018 innovation chart published by the European Commission. This record places the country among the EU's "moderate innovators," but according to the chart Greece is below the EU average level for innovation and is quite some way behind the countries at the top of the list.
- **Markit's Purchasing Managers' Index** for manufacturing, which accounts for about 10% of the Greek economy, rose to 54.2 from 52.9 in April. Readings above 50 denote expansions in activity; below 50, a

contraction.

- **Greek retail sales** by volume rose by 1.3% in April compared to the same month last year after a 1.5% increase in March, according to statistics service ELSTAT. Retail sales were led higher by supermarkets and pharmaceuticals, the data showed.
- Multinational group **Unilever** expects to have the first liquid detergents produced at its plant in Piraeus to cover local demand currently served by imports from Italy by the end of the first quarter of 2019. The creation of the new production line will require an investment of €5 million for the production of some 10,000 tons per annum.
- **Vivartia**, Greece's biggest food group, has come to a definitive agreement with the country's four systemic banks on the restructuring of its debts, which amount to €373 million. The agreement provides for the extension of the loans' maturity to 2024, as well as lower interest rates and the adherence to specific financial milestones, so that the group can return to a growth course.

Real Estate

- **Lamda Development** is considering the creation of a major complex with a multitude of uses to complement the existing Golden Hall shopping centre in Maroussi, northern Athens. According to the investment plan published in the Government Gazette, the project also provides for the creation of 5,264 square meters in office space, effectively replacing the Kronos Business Centre sold earlier this year to Trastor.
- **Rental rates for modern office spaces in Athens** remain exceptionally attractive, as, according to data collected by various surveys, they remain 33% to 42% below their peak a decade ago. Combined with the improvement in business sentiment, this explains the increase in demand over the course of 2017. Analysts at property service company Savills note that rental rates for modern offices posted an increase of 4.3% in Athens compared with the previous year, as a result of the high demand and the supply shortage.
- The **tender for the casino permit at Elliniko** – Attica's biggest development project – will have to be announced by August 31. Only that way can the preferred bidder be declared in time for the closure of this privatization by the end of the year, according to the list of governmental pending actions (GPAs) in the area of privatizations.
- The European Commission's compliance report on Greece provides for the adjustment of **property prices used for tax purposes** – known as "objective values" – by 2020, effectively disregarding the new rates issued recently.
- The international jet set is expected to take a particular interest in the **Greek luxury holiday home market** this summer. Sale prices may have dropped in this category but at a lower rate than in the rest of the real estate market. While luxury holiday home prices sustained a 15-20% decline since 2008, the average rate of the overall market stood at 45 to 60%. The market of Myconos, in particular, saw no drop at all, being a genuinely international market.
- A protracted downturn in Greece's **residential property market** slowed sharply in the first quarter of 2018, according to central bank data, raising hopes that prices were starting to respond to a recovering economy. Apartment prices fell by 0.2% in the first three months of 2018 from a year earlier, decelerating from a 1.9% decline in last year's first quarter.

Tourism

- Hyatt Hotels Corporation has announced that a Hyatt affiliate has entered into a franchise agreement with both Henderson Park and Hines for **the first Grand Hyatt hotel in Greece**, Grand Hyatt Athens. The opening is expected in the third quarter of 2018, while the hotel will be managed by Kokari Limited and it promises to deliver bold and vibrant luxury for guests in the Greek capital (the 310-room 5-star luxury hotel will open in the premises of the former Ledra Marriott Hotel).
- **Tourism** certainly appears likely to hit some new all-time highs this year, following a record-breaking 2017, as in the first quarter of 2018 arrivals posted a 13.8% y-o-y increase and takings grew 14%, according to Bank of Greece figures. The ratio between the arrivals growth rate and that of revenues points to a small rise in per capita expenditure.
- **Tourism** constitutes the antidote to recession and unemployment, according to a study by the Institute of the Greek Tourism Confederation (InSETE), as the sector's overall contribution to the country's gross domestic product has recently ranged between 22.6% and 37.3%, or €40.3-48.5 billion, while in the July-

September period of last year tourism accounted for more than one in every six jobs (16.9%).

- June is ending with a 100% occupancy rate for **major hotel units in Greece**, with the island of Crete topping the chart of popular European destinations drafted by TUI Group, one of the biggest tour operators in Europe, based on bookings.
- **Russian arrivals in Greece** have decreased by a total of 55% over the last five years, falling from 1,352,000 in 2013 to 588,000 last year, while travel receipts from Russia declined from €1.3 billion in 2013 to €418 million in 2017, down almost 70%.

Energy

- In what is viewed as another significant step toward the strengthening of the geostrategic partnership between their countries, the leaders of Greece, Cyprus and Israel agreed in Nicosia to sign a deal within 2018 for the construction of the **EastMed pipeline** that will supply Europe with gas from the Eastern Mediterranean. The project is expected to render the three countries an important link in Europe's energy supply chain and, by extension, turn the Eastern Mediterranean into an axis of stability.
- Greece's biggest gas company **DEPA** said it had agreed to sell its holding in a local gas supplier to Italy's Eni for €57 million. Under the agreement, state-controlled DEPA will sell its 51% stake in Thessaloniki-Thessaly Gas, while Eni already holds a 49% stake in that company.
- Energy Minister Giorgos Stathakis announced the start of the privatization process for **Public Gas Corporation** (DEPA), aiming for its completion in the first quarter of 2019. The company will first be split into two parts, commercial and infrastructure. DEPA Infrastructure will have all of the country's networks and international projects and will remain under State control (65% stake), while the State will only retain a 15% stake of the commercial part.
- Greece's **Public Power Corporation** (PPC) is not viable and will need to take specific steps to restore its position, the McKinsey consulting group warned in a report to the company detailing the state of the company's finances. McKinsey's five-year plan, revealed by Kathimerini newspaper, proposes that PPC improves its operational profits by €500 million over the five-year period, for which it will have to adopt a voluntary retirement plan for 2,000 employees and an increase in pricing, starting with the gradual reduction of PPC's current discounts and the imposition of increases for specific customer categories.
- **Public Power Corporation** agreed with Greek banks to refinance an outstanding syndicated bond of €1.2 billion with a new five-year credit facility.
- Surprise entries by two Czech companies and four Greek enterprises – one of them in cooperation with a Chinese group – make up the list of candidate buyers who have expressed a non-binding interest in the **lignite-powered units of Public Power Corporation in Florina and Megalopoli**. The list includes bids from the consortium of Beijing Guohua Power Company Ltd with Damco Energy; from GEK Terna; from ElvalHalco; from Energeticky, a Prumyslovy Holding (EPH); from Indoverse (Czech) Coal Investments Ltd; and from the Mytilineos group.
- Motor Oil subsidiary **Coral** will be involved in the natural gas retail market as of September, according to its general manager Giorgos Hatzopoulos. He added that the former Shell Hellas, which changed its name to Coral when it was bought out by Motor Oil, already has a list of 100 clients and from this fall will start a campaign to attract domestic customers and small and medium-sized enterprises, making the most of the full liberalization of the market since January 2018.
- Listed fuel industry **Motor Oil** has secured an entry into the electricity market via the acquisition of a 90% stake in NRG. The move signals the beginning of a consolidation process in the local power retail market, similar to the one experienced by the telecommunications market in the first few years after its opening.
- The EBRD announced the signing of agreements to obtain a 20% stake in the **Hellenic Energy Exchange**. The bank is investing €1 million that will be used to finance the establishment of the first energy exchange in the country, whose objective is to organize and operate Greece's recently liberalized electricity, natural gas and environmental markets by providing access to new energy markets and introducing new products to the domestic market.
- Greece aspires to become a **regional marine bunkering and distribution hub for liquefied natural gas** (LNG) in the Eastern Mediterranean through the European Union co-funded "Poseidon Med II" project, according to local officials.

Investments

- Greece is in urgent need of **new investment in the office property market**, as the shortage of quality modern buildings becomes increasingly evident, sector professionals told the 13th RED Business Forum in Athens. The shortage is due to the lack of any fresh investment in recent years, as well as to the trend toward changing the use of existing office buildings, particularly in the centre of Athens, and transforming them into modern furnished apartments to be leased on online platforms such as Airbnb.
- **Real estate investment companies** (REICs) have invested €19 million in acquiring retail spaces in the first quarter of the year. This accounts for about 30% of their total investment of €54.3 million in the same period. In the fourth quarter of last year, the sector's companies parted with €38 million for the purchase of retail spaces, which amounted to 35% of their spending in that period. Consequently, in the six months from October to end-March, they invested a sum of €57 million.
- **Athens is evolving into an international destination for small and medium-sized property investors**, focusing mainly on homes, thanks to low sale prices and the prospect of immediate returns through short-term leasing on Internet platforms. In the first five months of the year the number of contracts submitted to the Athens Land Register – which concerns the area of the City of Athens – showed a rise of 49.2% from the same period last year.
- Local real estate investment companies and private investment funds spent €144 million on the **acquisition of office spaces, stores and hotels in Greece** in the first five months of the year. According to data that the Trastor real estate investment company presented to institutional investors, apart from the acquisition of Lakitira Hotels on the island of Kos by Atlantica Hotels & Resorts, the bulk of the funds invested went to the office sector. In this category, a total of eight transactions took place in January-May 2018 that added up to
- **Dromeus Capital**, an emerging markets hedge fund firm, plans to invest €200 million in Greek commercial real estate through the launch of a new fund, taking advantage of undervalued properties.
- The inflow of **foreign direct investment** (FDI) last year reached its highest since 2008, amounting to $4.046 billion and recording a year-on-year rise of 31% on 2016's $3.069 billion, according to a report by the United Nations Conference on Trade and Development (UNCTAD). This figure came about thanks to Fraport Greece's investment in the utilization of 14 regional airports, a process completed in April 2017.
- Mubadala Investment Company and Amerra Capital Management LLC will acquire majority stakes in two Greek fish farming companies, namely **Nireus SA** and **Selonda SA**. The acquisition is subject to merger control approvals and other conditions, the statement said, without disclosing the stake sizes or values.

Technology - Communications

- Greece is second to last among the European Union's 28 members in terms of **progress toward a digital economy and society**, slipping another place this year according to the European Commission's Digital Economy & Society Index (DESI). The country has dropped to 27th place, as it is now behind Bulgaria, too, and only ahead of Romania, while a review of the 2017 data led to Greece being relegated to 27th last year as well.
- **Fraport Greece** announced it has upgraded the 14 regional airports it manages with services provided by leading telecommunications company Cosmote, which it claims substantially contribute to the uninterrupted and secure communications of the airports, the efficiency of the group's operations and optimal service for passengers.
- **Sales of electrical and electronic appliances** posted a considerable increase of 7.3% year-on-year in the first quarter of 2018, according to data from the GfK TEMAX survey on the Greek market. Recorded turnover amounted to €497 million, against €480 million in the same period last year, with the rise attributed to the impressive performance of mobile phone sales, the sector's biggest category.
- Greece concluded the sale of a 5% stake in its biggest telecoms operator **OTE** to Germany's Deutsche Telekom for €284 million ($329.50 million), the privatizations agency TAIPED said. The sale was agreed under Greece's third international bailout.
- The **National Commission for Telecommunications and** Post (EETT), according to sources, has decided to issue its approval for the acquisition of Cyta telecom's Greek subsidiary by Vodafone. This decision paves the way for the merger of the two Greek companies, thereby reducing the number of local market players from five to four.

TENDERS - PROCUREMENTS

- State sell-off fund TAIPED has proceeded to the second stage of the tender for the concession of the **Chios marina**, the second such tender after that for Alimos marina. Three bidders have been short-listed, obtaining access to legal, technical and financial data. They are Pan Brothers Associates, Kasos Ktimatiki, and the consortium of Avlum Enterprises, Tefas, Cleopatra Marina and Preveza Tourism Port.
- Seven bidders have been short-listed for **Alimos**, while the privatizations fund is promoting the concession of five other marinas around the country within this year – they are at Zakynthos, Argostoli, Itea, Rhodes and Thessaloniki.
- State sell-off fund TAIPED is preparing to announce a tender in the next few months for the utilization of the property of the former **US military base near Iraklio on Crete**. The asset to be conceded – with the option to open a casino too – covers 350,000 square meters, is located by the sea and is considered ideal for the development of a tourism accommodation complex.
- Greece prequalified seven investment groups to take part in the second phase of a tender for the **administration of the Egnatia Odos highway**, privatization agency TAIPED said. It listed them as: Anas International Enterprise, Diolkos, GEK Terna with Egis Projects, Freyja Holdings, Roadis Transportation Holding with Aktor Concessions, Sichuan Communications Investment Group with Damco Energy, and Vinci Highways-Vinci Concessions with Mytilineos Holdings.
- Greece received five expressions of interest for a **majority stake in its biggest oil refiner Hellenic Petroleum**, according to the country's privatizations agency TAIPED. Initial interest was submitted by: Alrai Group Holdings Limited, a consortium comprising Carbon Asset Management DWC-LLC and Alshaheen Group, Gupta Family Group Alliance, Glencore Energy UK and Vitol Holding B.V.

GREEK CONTROLLED SHIPPING MARKET DEVELOPMENTS

- The **value of the Greek-controlled fleet** hovered at the $100 billion mark at the beginning of March 2018, again holding first place globally in terms of value, according to a list released in May by Vesselsvalue.com. Tankers in the Greek-controlled fleet were valued at $36 billion; bulkers at $35.75 billion and the expensive LNG carriers at $13.5 billion.
- **Greek shipping** remains a global leader in 2018, controlling 20% of the global fleet in deadweight tons (dwt), according to the Union of Greek Shipowners' annual report for 2017-18. The age profile of the Greek-flagged fleet in 2017 was 13.7 years and that of the Greek owned fleet 11.5 years, while the average age of the world fleet was 14.6 years, according to the report.
- **Foreign currency inflows from shipping** showed a 17% annual increase last year, a trend that is set to continue into 2018 given the improvement in the chartering market, according to the annual report of the Union of Greek Shipowners (UGS).
- **Star Bulk Carriers** has proceeded with another major acquisition over the recent period, with the NYSE-listed but Athens-based shipping company announcing the addition of another 15 bulkers belonging to Songa Bulk ASA. The development comes after the company absorbed 16 vessels controlled by Augustea Atlantica SpA.
- Former senior Goldman Sachs and HSBC banker Matthew Westerman is launching a private investment firm - partnering with his former Goldman Sachs colleague Julian Metherell and Peter Livanos, who owns Greek shipping company Ceres Hellenic, in a new firm called **MW&L Capital Partners**. The trio will invest in small to medium-sized targets based on knowledge built up in their respective careers covering financial services, oil and gas, and shipping.
- BW LPG is reportedly undeterred in its merger offer for **Dorian LPG**, a prospect that would create a massive new shipping company in a deal valued at more than $1.1 billion.
- Greece-based **Navios Maritime Containers** is reportedly "setting sail" for a listing on the Nasdaq stock exchange, while at the same time eyeing the purchase of another nine containerships - an outlay valued at $380 million.
- **Bank lending towards the Greek shipping sector** shrank by 5.6% in 2017, after an 8.77% drop in 2016 compared to 2015, according to annual report by Petrofin Research. The drop in lending towards Greek-controlled shipping, however, comes as the Greek commercial fleet increased by 7% (year-on-year) in 2017, or 25.276 million dwt, from 361.934 million dwt to 387.210 dwt

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