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Lateral Thinking

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IN THIS ISSUE

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 State budget achieved a **primary budget surplus** of €2.08 billion in the first seven months of the year, more than double the planned €929 million, but investments and tax refunds were well below target, according to the Finance Ministry's preliminary budget execution bulletin.
- European Commission officials said that Greece will still be subject to **quarterly inspections** from creditors after the bailout program ended in late August. Greece has already committed to two more years of budget austerity policies after its third consecutive international rescue program was concluded. But creditors said Greece will remain under an "enhanced surveillance framework" to ensure that it meets ambitious budget targets through to 2022.
- The German government has calculated the **cost of the measures easing Greece's debt** over the next 10 years at €34 billion, though that depends on the course of interest rates, the Frankfurter Allgemeine Zeitung daily reported citing a German Finance Ministry document.
- It has only taken six years, from 2010 to 2016 inclusive, for Greek households to lose more than what they had gained in the entire decade before. Eurostat data showed that Greek **households' disposable income** fell by 9% from 2000 to 2016, while in the European Union it climbed by 17.1%, despite the financial crisis halfway through that period. The picture becomes more revealing when one observes that real disposable income in Greece rose by 29.3% from 2000 to 2009, against an average increase of 15% in the EU.
- According to Hellenic Federation of Enterprises' (SEV) bulletin, not only have **Greek households** (including free-lance professionals) been unable to make any new savings in 2017, but they drew down €13.7 billion of their previous savings or from borrowing to invest €5.4 billion in investments (in properties etc) and pour the other €8.3 billion into consumption, thereby spending far more than what their disposable income allowed for.
- Greece's **annual EU-harmonized inflation** rate slowed in July, according to statistics service ELSTAT data. The reading was 0.8% from 1.0% in June. The data showed that the headline consumer price index rose to 0.9% year-on-year, also decelerating from 1.0% in the previous month.
- **Greece's economy** will expand by about 2% this year, the country's most influential think tank, the Foundation of Economic and Industrial Research (IOBE) said in its recent quarterly review, largely sticking to its previous forecast in April when it estimated that Greek GDP would grow at an annual 2.1% pace from 1.4%.
- Moody's Investors Service said in an annual report that **Greece's credit profile** (B3 positive) is supported by the substantial debt relief granted by the country's euro-area creditors in June, while the enhanced surveillance of the country is a credit positive development for the international ratings agency.
- S&P Global Ratings said it raised its **outlook on Greece** to positive from stable while affirming its B-plus/B ratings. The outlook reflects a potential upgrade if Greek authorities were to boost competition in product markets, strengthen property rights, ease bankruptcy procedures and improve the enforcement of contracts, S&P said.
- Global rating agency Fitch Ratings upgraded the long-term foreign currency issuer **default rating on Greece** to 'BB-' from 'B'. The outlook on Greece is stable.
- **State debts** to suppliers and taxpayers fell to €2.722 billion at the end of June as arrears of €372 million were paid off in June. State entities owe their suppliers a total of €2.016 billion, against €2.388 billion a month earlier, while outstanding tax rebates rose to €706 million from €589 million at end-May.
- Greece's position in **International Transparency's** "Corruption Perceptions Index 2017" improved by 10 positions, compared to the 2016 listing, landing in 59th place, behind Saudi Arabia but ahead of Jordan.
- Though Greece slipped to 24th place on the list of the **wealthiest countries in the European Union** in 2017 from 14th a decade ago, it remains the 19th dearest state in the bloc, data from a Eurostat report on prices for consumer goods and services showed recently.
- The €500 million drop in the **income tax** demanded from taxpayers after this year's processing of declarations compared to last year's is the outcome of the decline in incomes declared by professionals – following a tough 2017 when they were forced to pay huge social security contributions and taxes.

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FINANCIAL MARKETS NEWS

- A Pimco-led consortium's recent acquisition of securitized nonperforming exposures worth €700.5 million managed by Qualco, will be added through Pimco's participation in **Attica Bank**'s share capital.
- **Greek bank deposits** rose in June for a fifth consecutive month, increasing by €1.3 billion, according to central bank data. Businesses and household deposits rose to €129.43 billion from €128.06 billion in May, the BoG said.
- Following ECB President Mario Draghi's formal statement that put an irrevocable end to any hopes of Greece's inclusion in the **ECB's quantitative easing** program and the extension of the waiver that allows Greek debt to be accepted as collateral for regular auctions of ECB cash despite Greek bonds' junk rating, the country's banks are already gearing up for the new environment. In this context they are weighing their options, which include obtaining cash from the interbank market, from secondary bond trading and through the securitization of bad loans.
- The European Investment Bank and National Bank of Greece (NBG) have signed a **funding agreement** up to €200 million aimed at financing small and medium-sized enterprises, forming part of the so-called Juncker funding package. The funding is supplied through the private placement of covered NBG bonds.
- The ECB lowered in July the ceiling on **emergency liquidity assistance** (ELA) Greek banks draw from the domestic central bank by €1.9 billion to €8.4 billion, according to the Bank of Greece.
- **Moody's Investors Service** said it has shifted its outlook on the Greek banking system from stable to positive on expectations of an improvement in the banks' funding and asset risk over next 12 to 18 months.
- For the first time after the outbreak of the financial crisis, S&P raised a **Greek bond** to investment grade. This is the three-year, €750 million covered bond that NBG issued last October, designed by the bank in such a way that it would become eligible for the ECB bond-buying program in the context of the extension of its quantitative easing (QE) policy. The latter will now last till the end of 2018, although Greece has not yet been included in it, contrary to government estimates of about a year ago.
- **S&P** also upgraded Piraeus Bank's Estia I debt portfolio. Both NBG's and Piraeus's securities now have a rating of BBB-, four notches above the B+ rating Greece was recently upgraded to.
- Greece's four systemic banks intend to downwardly revise their **nonperforming exposure** (NPE) targets for 2019 and the years to follow, heeding the call by the BoG for increasing their efforts to clear out their bad-loan stock. In its report on monetary policy, the Greek central bank noted that Alpha, Eurobank, National and Piraeus are on course to meet the target for cutting their NPEs to 43% of all loans by the end of this year and down to 35.2% by end-2019.
- **Piraeus Bank** has completed the sale of its Romanian subsidiary to private equity firm J.C. Flowers & Co and the European Bank for Reconstruction and Development. The EBRD is purchasing a 19% stake in the lender, while J.C. Flowers & Co is acquiring 76.1% of shares in the company's first investment in Romania. The remaining 4.9% of shares will be acquired by Piraeus Bank's management.
- Fourth-largest bank **Alpha**, 11% owned by the country's bank rescue fund HFSF, reported a net loss from continuing operations of €52.9 million in Q2 due to weaker trading income, after a net profit of €65.2 million in the first quarter. Alpha Bank's non-performing loans ratio edged higher to 35.6% of its book in Q2 from 35.2% at the end of March.
- Third-largest lender **Eurobank**, 2.4% owned by the HFSF fund, reported net earnings of just €1.0 million in Q2 from continued operations after a profit of €35 million in the first quarter. Eurobank's NPEs dropped to 40.7% of its book in Q2 from 41.8% at the end of March. NPEs include NPLs – credit past due for more than 90 days – plus restructured loans likely to turn non-performing again.
- **Piraeus Bank** said it had agreed to sell its unit in Albania to Balfin Group and Komercijalna Banka. The divestment is part of Piraeus Bank's EU-approved restructuring plan to boost its core capital and reduce its foreign exposure. "Total consideration amounts to €57.3 million for the 98.8% stake Piraeus Bank holds in Tirana Bank," Piraeus said in a statement.
- Piraeus Bank announced that it received an unspecified but "satisfactory" number of nonbinding bids for the sale of the **Henry Dunant Hospital** in Athens on August 3.
- The top four Greek banks agreed to have **Italy's doBank** manage a combined €1.8 billion worth of their non-performing credit. doBank will manage the non-performing debt held by Piraeus, National, Eurobank and Alpha of more than 300 Greek small and mid-sized businesses, facilitating restructuring when it's feasible, the banks said.
- Fourteen companies are now licensed by the BoG to operate in the **domestic debt management** sector. The intense interest seen over the past two years stems from the acceleration of sales to specialized

companies of large portfolios of bad loans.

- Alpha Bank and Eurobank are set to complete the **sales of three portfolios of nonperforming loans** valued at €4.7 billion by end-2018, bringing the total face value of loans unloaded by the country's four systemic banks to above €20 billion (including interest). The portfolios are Eurobank's Zenith, valued at €2 billion, and Alpha Bank's Mercury and Jupiter, worth €1.9 billion and €800 million respectively.
- Greek banks are under **ECB Single Supervisory Mechanism's** strong pressure to reduce their nonperforming loans to below 10% of total loans, from the very high current level of 45%, by far the worst rate among Eurozone banks.

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BUSINESS NEWS

- **Athens International Airport** experienced a 11.3% increase in passenger traffic in July compared to the same month last year. A total of 2.85 million people passed through the airport last month. The number of Greeks rose by 9.1%, while foreign travellers were up by 12.3%.
- **Passenger arrivals** at the 14 regional airports operated by Fraport recorded a 13.7% increase compared with the same January-July period in 2017, totalling 12.1 million passengers, from 10.6 million last year.
- **Greece's jobless rate** rose marginally to 20.2% in April from 20.1% the previous month, according to data from the country's statistics service ELSTAT. However, jobless rate dipped marginally to 19.5% in May, according to the statistics service data.
- June witnessed a slight decline in the **Purchasing Managers Index** compiled by IHS Markit. Its reading was 53.5 points, against 54.2 points in May, but at least domestic and foreign orders have increased.
- **Greek exports** enjoyed double-digit growth in June and also in the first six months of the year, data from the Hellenic Statistical Authority (ELSTAT) data has shown. ELSTAT data released showed that exports amounted to around €3 billion (including fuel products) in June, recording annual growth of 24.8%. Excluding fuel, they reached €1.99 billion against €1.78 billion in June 2017, an 11.8% percent increase.
- **Fraport Greece** posted total revenues of €233.3 million last year from the 14 regional airports it manages. Fraport's consortium with the Copelouzos group saw takings of €187.8 million from airport services and €45.5 million from other activities (duty-free stores etc) in its first year of operation. Fraport Greece's EBITDA came to €117.3 million in 2017; its pre-tax earnings amounted to €20.4 million and after-tax profits reached €14.4 million.
- The **Greek casino market** suffered a decline in the first half of the year, as both visits by punters and the money being played saw a reduction for one more year, in line with the trend recorded in the last decade. Sources tell that the country's nine casinos received 1,333,500 visitors in January-June 2018, which was down by 2.3% from the same period in 2017. The first half of the year only saw an increase in visitor numbers at the casinos of Thessaloniki, Parnitha in Athens and Corfu.
- **Greek industrial output** rose by 1% in May compared to the same month last year, after an upwardly revised 2% recorded in April, according to statistics service ELSTAT. In a breakdown of index components, manufacturing production rose by 0.3%t from the same month last year, while mining output rose by 6.8%. Electricity production rose by 2.7%.
- Brussels, Athens and Piraeus are among the cities **London insurance brokers** could consider for EU subsidiaries, with time running out to plan for a hard Brexit, according to a trade body.
- Department store operator **Notos Com Holdings** is coming under the ownership of creditor banks and Pillarstone in the company's first such investment in Greece. The rescue plan for Notos Com provides for the participation of its main shareholder, Michalis Papaellinas, who will invest in the new structure and contribute toward the drafting of a long-term business plan for the troubled company.
- Container handling by Cosco's subsidiary at the **port of Piraeus** recorded a new historic high in June. Parent company Cosco Shipping Ports stated that Piraeus Port Authority (OLP) registered the highest performance among Cosco-managed overseas ports, with 374,300 containers handled last month. This constitutes a rise of 18.9% from the same month last year.
- **Greek retail sales** by volume rose by 1.8% in June compared to the same month last year after a downwardly revised 4.2% increase in May, according to statistics service ELSTAT data. Retail sales were led higher by house apparel and electrical equipment, the data showed.
- A new **electronic one-stop shop** that allows companies to set up in Greece has already approved

applications from 65 businesses, according to state news agency AMNA. The companies that have registered using the One-Stop Shop (e-YMS), which was launched on 22nd July, come from across the business spectrum, including the construction, real estate management, travel, and hospitality sectors.

- **FAGE International**, one of Greece's leading dairy producers, recorded a slump in worldwide sales in the first half of 2018, but an increase in Greece, the first rise in the Greek market since the company moved its headquarters to Luxembourg in 2013, according to company results. Sales rose by 3% in Greece, 1.5% in the United Kingdom and 6.7% in Italy, but declined by 14.6% in the US, where the group operates a production unit.
- Greek retailer **Fourlis Group** sought to reassure investors over its operations in Turkey, following the recent devaluation of the Turkish lira, saying the problems in the country's economy "do not have any material impact on the consolidated financial statements" of the company. Fourlis Group operates in the Turkish market through its subsidiary Intersport Atletik, with 24 Intersport stores and two "The Athlete's Foot" stores.
- The operation of Greek tobacco company SEKAP will continue following the definitive agreement for the acquisition of parent company Donskoy Tabak by Japan Tobacco International (JTI).
- **Car registrations** increased by 17.9% in July, with 17,685 plates issued to new or second-hand imported cars, compared to 14,998 in the same month last year. The increase was four times greater for second-hand imported vehicles, with 34.7% of all new registrations in the first seven months of the year being issued for used cars from abroad.
- **Piraeus Port Authority** (OLP) recorded a 21% increase in its shipbuilding and repairs activity in the first half of the year, with 207 ships serviced in that period, compared with 171 vessels in the same period of 2017. The growth was achieved despite the fact that the new floating dock, Piraeus III, was not fully operational in the first few months of 2018. The port's second floating dock, Piraeus II, was transported to the east pier of the shipbuilding repair area in the first half of the year.
- **Supermarket turnover** will remain stagnant in the second half of this year due to social, economic and political uncertainty, a poll of senior corporate officials has found. In its latest fast-moving consumer goods (FMCG) trend survey, the Research Institute of Retail Consumer Goods (IELKA) established that executives' forecasts for July to December are slightly worse than their predictions for the first six months of the year.

Real Estate

- Thousands of **properties are coming into the State's possession** not because they're bogged down in debt, but simply because the people who inherit them are opting to give up the titles. According to real estate experts, more than 135,000 inheritances were disclaimed in 2017, because the beneficiaries were unable to pay the inheritance tax or they found the future financial demands of the property unbearable.
- Foreign buyers of property in Athens who are interested in advertising houses and apartments for short stays via online platforms such as Airbnb and HomeAway are now targeting alternative neighbourhoods near the city centre.
- Relatively small retail spaces in the **centre of Athens** have enjoyed increased demand in the last 12 months as the rise in tourist arrivals and the ever-growing appeal of online commerce have changed the operational mode of local enterprises considerably, according to a survey by the Arbitrage Real Estate consultancy firm.
- **Shopping malls** retain the title of the most resilient commercial property category due to high demand and their impressive performance, a trend that continued last year as well as in the first months of 2018, according to a report by Arbitrage Real Estate. Arbitrage says the constant need for improved operating costs is expected to fuel demand for commercial premises of contemporary standards and specifications.
- A €420 million **development project** in the northern Peloponnese's Argolida region is expected to get under way next year after the ministerial decision approving the planning and environment impact studies was published in the Government Gazette. Kilada Hills, a 210-hectare plot near Porto Heli, is being developed by Dolphin Capital.
- The **short-term rental market** is booming in Greece, with an estimated 12,000 properties in the capital available to visitors via Airbnb. Nationwide, more than 50,000 rentals are hosted on the platform, 14,650 of which are on Crete alone.
- Greece is the sixth most popular destination in the world for **Chinese real estate investors**, according to data from Chinese online news agency Sina Weibo. Greece is only behind the Unites States, the United Kingdom, Ireland, Canada and Australia, thanks to its Golden Visa program which offers a five-year residence permit to non-European Union citizens (and their family members) buying property in Greece worth at least €250,000.

- **Piraeus Port Authority** (OLP) is in the process of reaching out to Greek and foreign hotel groups for the development of four hotel units that form part of parent company Cosco's investment plans in Piraeus.
- **Real estate investment companies** (REICs) are increasing their share of hotels in their property portfolios, with investments reaching €50 million so far in 2018. This figure does not take into account the debts and loans of those hotel businesses. The trend of investing in hotels serves multiple purposes for REICs as they are expanding their activities into a promising industry with potentially higher returns than conventional property categories such as retail spaces and office buildings.

Tourism

- Rising **tourism arrivals**, and an uptick in tourism revenues, on an annual basis, have significantly affected demand for high-end properties, with lease prices continually rising, according to the annual report by Algean Property.
- According to CLIA, the direct expenditure that **cruise passengers** made in Greece last year was estimated at just €546 million, while Italy and Spain collected €5.4 billion and €1.4 billion, respectively. In 2017 Greece only managed to absorb 0.6% of the global direct revenues from cruise tourism, although its international market share is far greater both in terms of ships visiting and passengers arriving.
- Bookings for Greece by the biggest **German tour operators** for July and August may have recorded an annual growth of 7% to 9%, but Turkey has posted a 100% y-o-y increase, according to senior officials in the German tourism industry. Turkey has doubled the number of its German visitors this summer compared to last year thanks to the 20% devaluation of the Turkish lira and the recovery of tourism in the neighbouring country from the lows seen after the 2016 coup attempt and a number of terrorist attacks in recent years.
- One out of every four Euros that foreign tourists spend in Greece is spent on the islands of the Cyclades and the Dodecanese in the Southern Aegean. If one adds Crete, then almost 50% of annual expenditure by visitors to Greece is spent on just a couple of islands.
- **Travel receipts** amounted to €554 million in the first quarter of the year, up by 13.2% from the same period in 2017, according to Bank of Greece figures. Although this is traditionally a quiet period, it does suggest that tourism revenues will increase by more than 10% for the year as a whole.
- A strong increase in **demand for hotel rooms in the greater Athens area** has led to several new units opening, as well as new projects coming on line in the future, whereas many low-end properties have closed, according to a recent report by GBR Consulting on the Athens hospitality sector. According to the firm, over the past two and a half years about 1,000 new hotel rooms have been added in central Athens.
- Visits and spending by Russian **tourists in Greece** were down in the first half of this year, while those of US citizens increased significantly, preliminary data from the BoG has shown. At the same time, Germans now occupy top place for tourism visits and spending in Greece, having surpassed Britons.
- In the first half of the year, **tourist arrivals and revenues** rose 19.1% and 18.9% respectively, against the first six months of 2017.

Energy

- Greece's Energy Ministry announced it had selected a consortium made up of Hellenic Petroleum (HELPE), Total and Exxon Mobil to conduct **hydrocarbon research off western and north-western Crete**. The blocks granted for oil and gas exploration cover 19,868 sq. km and 20,058 sq. km, respectively.
- In the case of the Turkish company Botas, **DEPA** has decided not to renew the agreement after 2021, as the Trans-Adriatic Pipeline (TAP) will be operating from 2020 and the Greek utility will procure gas directly from Azerbaijan. DEPA has signed a deal with the Azeris for the supply of 1 billion cubic meters of natural gas per year as soon as TAP starts operating and sources say that DEPA will seek the termination of the contract with Botas by common consent before 2021, once TAP starts operating.
- Greek oil and gas company **Energean** is ready to buy and operate a 45% stake in the offshore gas field Gaza Marine as soon as both the Israeli and Palestinian authorities give their green light, its chief executive said. The field has long been seen as an opportunity for the cash-strapped Palestinian Authority to join the Eastern Mediterranean gas bonanza, providing a major source of income to reduce its reliance on foreign aid and Israeli energy.
- **Public Power Corporation** (PPC), Greece's main electricity supplier, is set to encounter strong opposition over its plan to slash jobs and raise electricity prices, industry insiders have said. The PPC governing board has approved a business plan for the 2018-2022 period which will cut jobs by about a third and hike

electricity rates, to the dismay not only of its Union, but also of market experts.

- The results of the first tenders by the Regulatory Authority for Energy (RAE) for new **renewable energy source projects** – based on the offer of more competitive prices – have come as a shock to the local market. The domestic players appear unprepared for the entry of foreign investors who offer considerably lower and clearly more competitive rates. In wind power projects the bids made in the context of the tenders were 22.7% below the starting price, while in photovoltaics the prices were 20.2% lower.
- The deal for the **transfer of a 49% stake in Attica Gas Corporation** from Shell to Public Gas Corporation (DEPA) was finally signed. The price that will be paid is €150 million.
- The management of **DEPA** will enlist foreign consultants to help implement its plans to split the company into two, as part of the process of its privatization. According to the deal with Greece's creditors for DEPA's sell-off, the company will be split into two – DEPA Infrastructure, which will have all of the country's networks and international projects, and a commercial part.
- Gastrade expects to conduct its first market test to sell-off capacity at its **planned floating FSRU station**, off the northeast Greek port city of Alexandroupolis, in the first half of September 2018.

Investments

- The board of **EBRD** has approved a loan of up to €500 million for the construction of the Trans Adriatic Pipeline (TAP). The 878-kilometer pipeline, which the EBRD described as a "priority project of the European Union," will start at the Greek-Turkish border, cross Albania and pass under the Adriatic Sea to end in southern Italy, making "a significant contribution to the diversification of Europe's energy supply."
- The European Investment Bank announced the signing of a €24 million financing agreement with Greece's **Terna Energy Group** to help fund the development, construction and operation of two wind farms on Mount Vermio in northern Greece. Alpha Bank acted as co-lender, providing an equivalent amount of long-term debt next to a medium-term VAT facility.
- G. Apostolopoulos Holdings, owner of listed Athens Medical Group, announced it has submitted a takeover bid for the entire share capital of rival **Hygeia Group**. The offer, in cooperation with US fund HIG Capital International, amounts to €0.95 per share, bettering the €0.92 per-share bid tabled by CVC. The initial response from Hygeia Group owner Marfin Investment Group was that it will examine the new offer.
- Four years into the seven-year program, only a quarter of the available funds from the EU's **investment subsidies** under the National Strategic Reference Framework (NSRF) program have been absorbed by Greece, a study by the country's central bank has shown. The Bank of Greece found that projects approved for co-financing by Brussels under the NSRF (which runs from 2014 to 2020) up to March 2018 had a total budget of €11 billion, or 56.7% percent of the total €19.4 billion foreseen by the program.
- The Economy and Development Ministry approved the investment plans of 1,170 new businesses out of 5,626 that had applied to be included in the **"New Entrepreneurship" program** funded by the National Strategic Reference Framework 2014-2020. The program aims to support the creation of small and very small businesses by unemployed people or independent professionals. The budget approved for the business plans is around €66.6 million, with each enterprise receiving €15,000 to €60,000.

Technology - Communications

- The **OTE Group** of companies and UniSystems, a member of the Quest Group, have been awarded two information technology contracts by the European Union's Agency for the Cooperation of Energy Regulators (ACER). The total budget of the framework contracts is €25 million with a maximum duration of eight years.
- The **average per capita spending for online shopping** by Greeks will grow by €60.5 or 3.44% this year, according to an annual report on online commerce in Europe. The joint study by Ecommerce Europe, which represents online retailers, and EuroCommerce, the European confederation of commerce, showed that the average Greek will spend €1,818 online this year, up from the previous record of €1,758.3, in 2017.
- While **broadband access in Greece** is increasing, the country still lags in the critical sectors of mobile and fibre-optic broadband. As far as the former is concerned, the country ranks 35th among the 37 OECD member countries, while in terms of the latter, it remains stable, coming last in 37th place.
- Greek lottery systems provider **Intralot** announced the signing of a new contract between Turkish State lottery firm SportToto and Inteltek, Intralot's subsidiary in Turkey in cooperation with Turkcell. The agreement envisages the continuation operation and technical support for the very successful sports betting game Iddaa for another year after the expiry of an earlier 10-year contract on August 28.

- **Online gambling and betting** in Greece generated nearly €5.3 billion in revenues in 2017, according to figures from the country's gaming commission (EEEP). According to the data, gross gaming revenue stood at €280.6 million.
- **Sales of technology products** in the Greek market jumped by 6.2% to €967 million in the first half of 2018, compared with the same period last year, according to data from market research institute GfK TEMAX and the Association of Technology & Communication Companies of Greece (SEPE). The category of electronic consumer goods posted the biggest increase with 14.9%.

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TENDERS - PROCUREMENTS

- Greece has shortlisted Anglo-Swiss Glencore and Swiss Vitol to submit a binding bid for a majority stake in the country's biggest oil refiner **Hellenic Petroleum**, according to privatization agency TAIPED. Athens received five expressions of interest for a 50.1% stake that Greece and Paneuropean Oil and Industrial Holdings jointly hold in Hellenic Petroleum in one of the biggest asset sales under the country's three international bailouts since 2010.
- State sell-off fund TAIPED and Athens International Airport are in a race against time to seal the new deal regarding the 20-year **extension of the airport concession contract**, each for its own reasons.
- The consortium of European firms Snam, Enagas and Fluxys, named Senfluga Energy Infrastructure Holdings SA, is the new owner of the controlling stake in natural gas grid operator **DESFA**, almost six years after the first attempt to privatize the company. The three firms, which are also shareholders in the Trans-Adriatic Pipeline (TAP), signed the contract for the €535 million acquisition of 66% of DESFA (31% from the state and 35% from Hellenic Petroleum) at the offices of state privatization fund TAIPED, in the presence of the ambassadors of Italy, Spain and Belgium.
- Greece's privatization agency, TAIPED, is reportedly ready to commence the third phase of a process to, at least, partially privatize 10 **regional port authorities around Greece**, four of which are in the country's north; three in the greater Athens area, two elsewhere on the mainland and the last one on Crete.

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GREEK CONTROLLED SHIPPING MARKET DEVELOPMENTS

- Energy trader Mercuria Group has agreed to provide a $1 billion trade finance facility to Greece's **Aegean Marine Petroleum Network,** according to the marine fuel logistics and supplies company, sending Aegean's stock up more than 150%.
- The **Capital Shipping group** is reportedly ready to enter the LNG sector, with the former reportedly having conveyed the group's intentions to the world's biggest shipyard, Hyundai Heavy Industries. According to reports, Capital is interested in building up to 10 new LNG carriers, an outlay nearing $2 billion.
- A Greek team has launched an innovative online platform to facilitate the time-consuming and often chaotic process of chartering merchant ships. **VesselBot** is a digital chartering marketplace that covers each stage of the process: vessel and cargo registration, matching, negotiations and the final charter.
- **Gaslog** has announced a contract to build another two LNG carriers, with a capacity of 174,000 cubic meters each, at Korea's Samsung Heavy Industries shipyard. The shipping company, controlled by Peter Livanos, is expected to receive the vessels at the end of 2020, while they will be operated by a Cheniere Energy subsidiary for seven years.
- **Dynagas LNG Partners LP** has announced the agreement made with Yamal Trade Pte. Ltd. in which the ice class LNG carrier Yenisei River will start earlier its long-term charter employment in relation to the Yamal LNG Project. The charter contract will start 6 months earlier and therefore the fixed period has been extended to 15.5 years since Yenisei River was delivered earlier than expected to Yamal LNG.

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London
Eurofin International Ltd
Suite 217 Harbour Yard
Chelsea Harbour
London SW10 OXD
United Kingdom

Tel.: +44 207 751 5515
Fax.: +44 207 751 5516
eurofin@eurofingroup.com

Athens
Eurofin SA
11 Neofytou Douka
GR-106 74 Athens
Greece

Tel.: +30 210 36 23 334
Fax.: +30 210 36 40373
eurofin@eurofingroup.com

Singapore
Seafin PTE Ltd
10 Anson Road, #32-15,
International Plaza,
Singapore 079903

Tel: +65 6329 2758
Fax: +65 6221 9265
seafin@seafin.com.sg

Eurofin

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