

# Executive Summary

This year's, fourth edition of EY's Attractiveness Survey Greece confirms that, in an environment of increased uncertainty, our country succeeded in further improving its attractiveness.

Three trends are shaping business investment decisions in Europe today: the shift towards sustainable development, the ever-increasing emphasis on technology, and the search for talent with the right skills. European countries' performance

in these critical areas will largely determine their success in attracting foreign investment in the coming decades. In recent years, Greece has prioritized these issues, and it is imperative that it continues to do so in the future.



**Panos Papazoglou**  
Country Managing Partner  
EY in Greece



Four powerful trends have influenced investment decisions in Europe in 2021: the advance of digital technology, the shift towards sustainable development, the availability of a skilled workforce and the ongoing disruptions in global supply chains. Investment in Europe registered a modest recovery after the strong decline of 2020, with significant variations between different countries and sectors of the economy. However, the war in Ukraine and economic sanctions against Russia appear to be negatively affecting Europe's short-term attractiveness as an investment destination, and putting several investment projects on hold.

**5%** annual increase in FDI projects in Europe

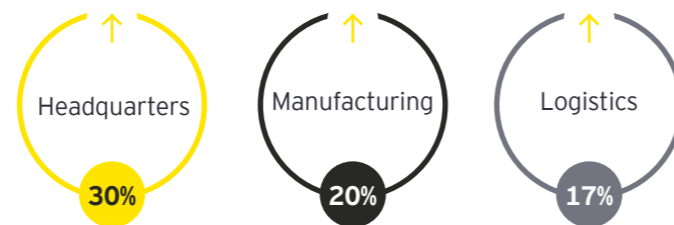
**In a challenging environment, Greece records the second highest number of FDI projects since 2000**

In this environment, according to data from the European Investment Monitor, the number of FDI projects in Greece in 2021, declined slightly, compared to 2020, but was the second highest since 2000, ranking the country in 26<sup>th</sup> place among the 51 countries monitored. Cumulatively, the investment projects of the last two years represent 24% of total foreign direct investments since 2000.

**2<sup>nd</sup>** highest performance in FDI projects in 2021, since 2000

## Mix of investment projects shows further qualitative improvement

In 2021, there was a further shift towards investments with a higher added value. Based on the type of activity, 30% of FDI projects in 2021 concerned the establishment of headquarters, compared to a mere 4% between 2000 and 2020, and 7% for the whole of Europe in 2021. Manufacturing (20%) and logistics activities (17%) were in second and third place respectively. With regard to sectors, agri-food (20%), transport and logistics (20%) and software and IT services (17%), topped the list. All three are linked to significant comparative advantages of the Greek economy: the quality of its agricultural products, its geographical position and the level of skills of its human resources.



Cumulatively, the investment projects of the last two years represent **24%** of total foreign direct investments over the last **22** years

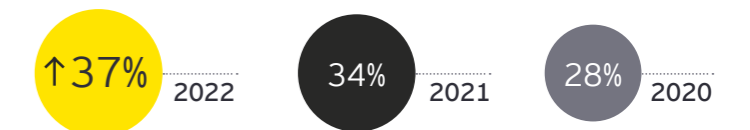
## Increased willingness to invest in Greece and optimism for the future

EY's Attractiveness Survey Greece, based on a sample of 250 foreign business executives, was conducted between March 15 and April 15, at a time when concerns about the consequences of the war in Ukraine had intensified. According to the survey, the percentage of companies that plan to invest, or expand their activities in Greece, during the next year, despite the difficult geopolitical conditions, increased for the second year in a row, reaching 37%, from 34% last year and 28% in 2020. However, the effects of the war on investor psychology are evident, as one in three businesses (32%) said they have delayed their immediate investment plans until 2023 or later.

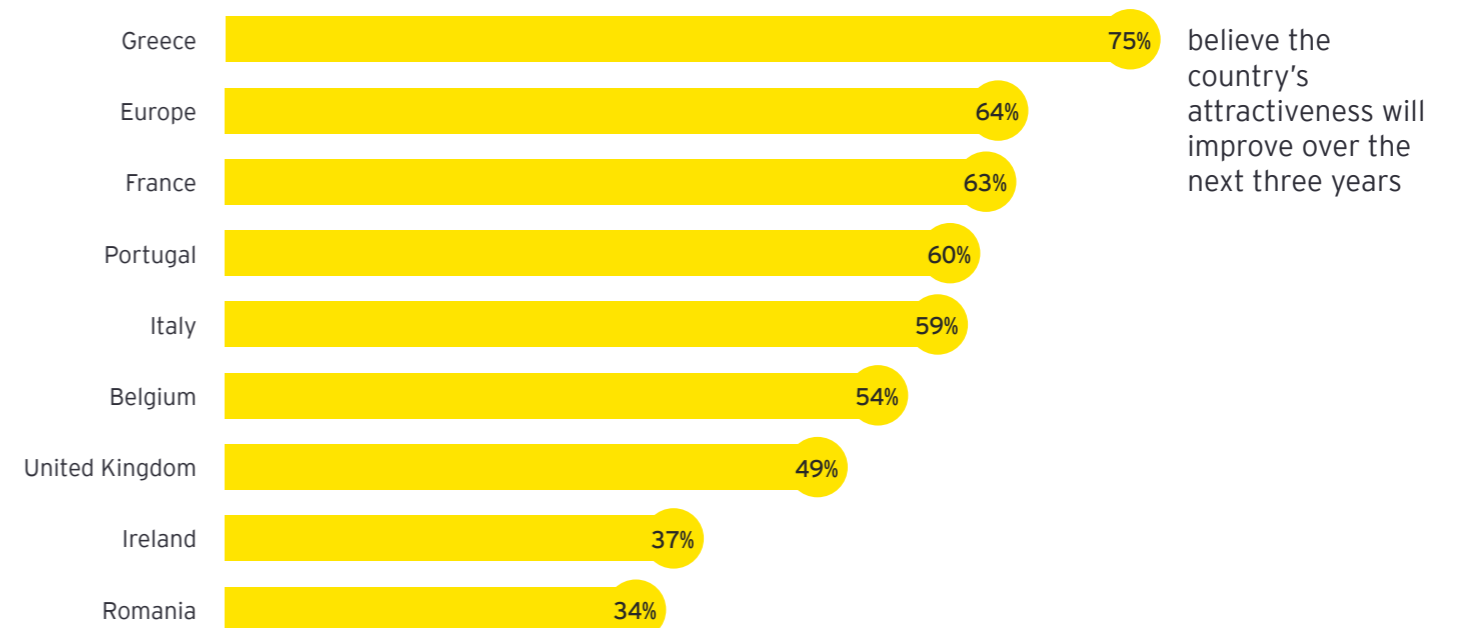
Meanwhile, 58% of participants report that their view of Greece as a place where their company could establish or

expand its activities has improved over the last year, marking a slight decline compared to a year ago (62%), while three out of four investors (75%) say that the attractiveness of Greece will improve in the next three years, a figure that ranks Greece in first place among the countries under comparison, and well above Europe as a whole (64%).

## Companies that have plans to establish or expand operations in Greece over the next year



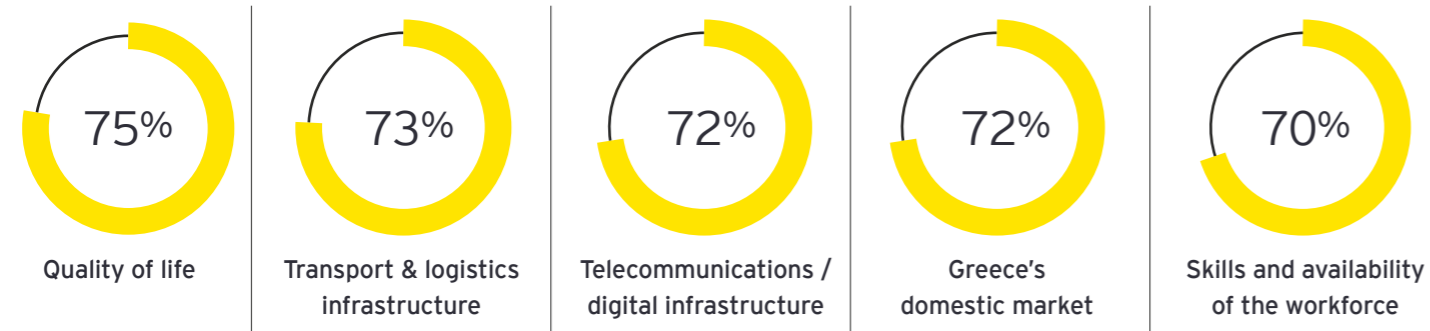
## Investors' perceptions on the attractiveness of European countries



### Comparative advantages and weak points of the country

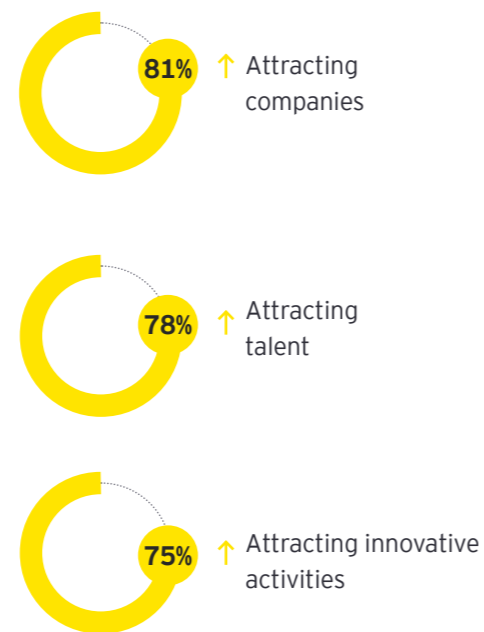
Quality of life (75%), the transport & logistics infrastructure (73%), the telecommunications / digital infrastructure (72%), Greece's domestic market (72%), as well as skills and availability of the workforce (70%), emerge as the country's most attractive elements for foreign investors. In contrast,

the level of adoption of technology by consumers, citizens and administrations, the education system, the tax environment and the flexibility of labor legislation are perceived as inhibiting factors.



### Improvement on all aspects of Greece's performance as an investment destination

The investment community's perceptions with regard to different aspects of Greece's performance in attracting investment have significantly improved over the last two years. This finding seems to confirm that investors attribute the improvement of the country's image, not just to the end of the period of uncertainty caused by the financial crisis, but to the implementation of specific policies. In particular, positive views of the country's policies for attracting companies have reached 81%, for attracting talent 78%, for innovative activities 75%, for attracting capital 65%, for attracting decision centers / headquarters 58%, and for establishing global centers for competitiveness / world-class clusters 55%.

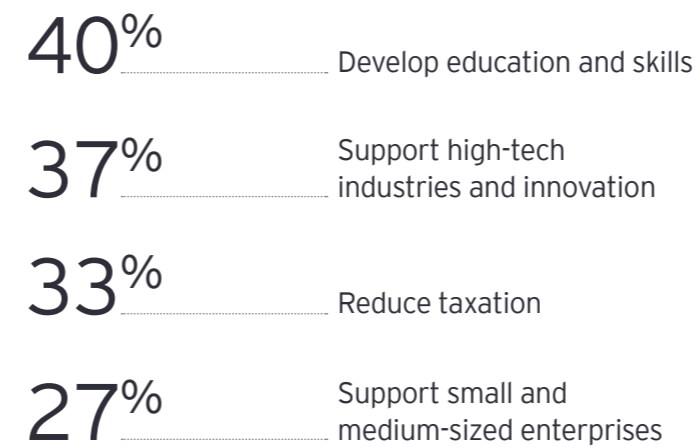


### Sustainability, technology and talent

The survey participants also evaluated Greece based on a series of criteria related to sustainability, technology and talent, three of the most important factors influencing investment decisions today. For each of these individual criteria, the majority of respondents consider that Greece is performing better or as well as the European average. However, in several areas, there are also significant minorities of respondents who consider the country to be lagging behind its European counterparts, highlighting the fierce competition and efforts made by all European countries to attract investment.

#### Areas of focus

Investors believe that, in order to maintain its competitive position, Greece needs to focus on developing education & skills (40%), supporting high-tech industries and innovation (37%), reducing taxation (33%) and supporting small and medium-sized enterprises (27%).



Finally, 90% of businesses, compared to 86% last year and 67% two years ago, as well as 83% of businesses not established in Greece, state that they would be more willing to invest or proceed to further investments in the country, if Greece addresses these issues.

