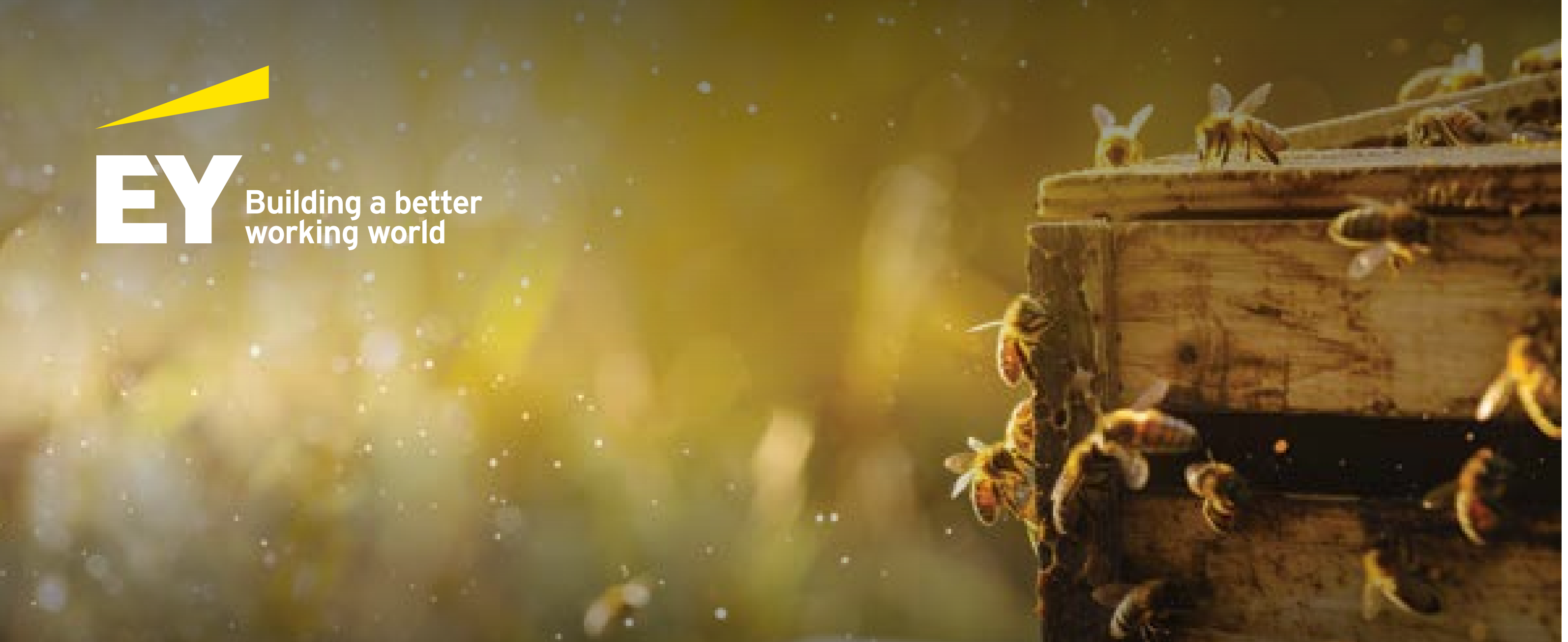


EY Attractiveness Survey Greece 2024

After two years of growth, the post-pandemic recovery of foreign direct investment (FDI) in Europe has stalled. The number of announced projects in 2023 has decreased by 4% from 2022, and it stands 14% below the record high set in 2017.

Greece's strongest performance in FDI, for two years in a row

Amid this challenging environment, Greece managed to attract a higher number of investments for yet another year, with the EY European Investment Monitor recording 50 FDI projects for 2023. This represents the strongest performance for Greece since 2000, the year the program was first launched, placing the country in the 19th place among the 45 countries that were part of the EIM.

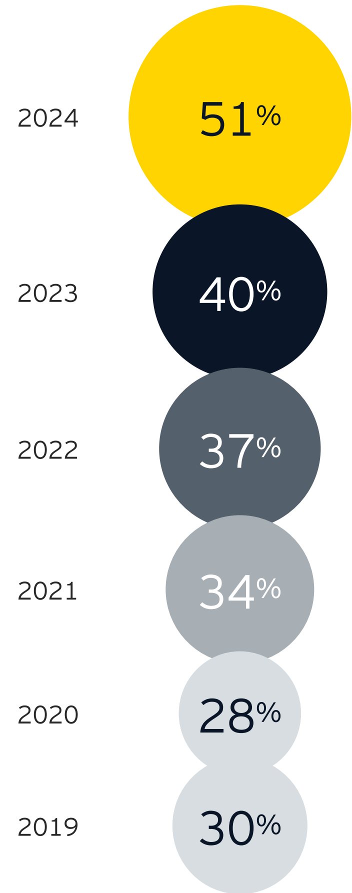
Cumulatively, the FDI projects over the past two and three years represent 25% and 33%, respectively, of the total investment recorded by the study since 2000. Investments made since 2019, the first year after Greece's exit from the bailout program, account for 49% out of the total.

> Cumulatively, the FDI projects over the past two and three years represent **25%** and **33%**, respectively, of the total investment recorded by the study since 2000.

Additionally, there is ongoing improvement in the qualitative composition of investments. A significant portion is directed toward knowledge-intensive and high value-added activities, which are crucial for the transformation of Greece's economic production model. Key sectors include software and IT services (ranked first, though with a reduced share of 24% from 40% last year), professional and business services (16%), and transportation and logistics (16%).

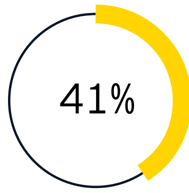
Investment plans at an all-time high

One out of two respondents (51%) stated that their companies plan to establish or expand operations in Greece over the next year. This represents the highest level Greece has achieved in this critical indicator, which was at 30% during the first year the survey was conducted in Greece, in 2019. Among very large companies (turnover > €1.5 billion), the percentage is even higher (65%) while, among companies already established in Greece, it reaches 70%.



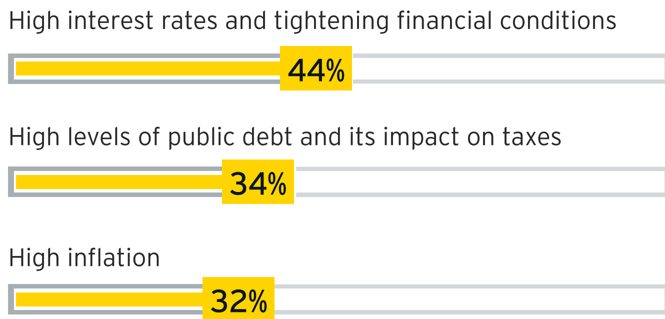
The investment plans of these companies primarily cover business support services (66%), sales and marketing offices (55%), and research and development (51%). Access to skills (41%) is identified as the main reason for establishing new or expanding existing operations.

Main reasons for establishing new or expanding operations



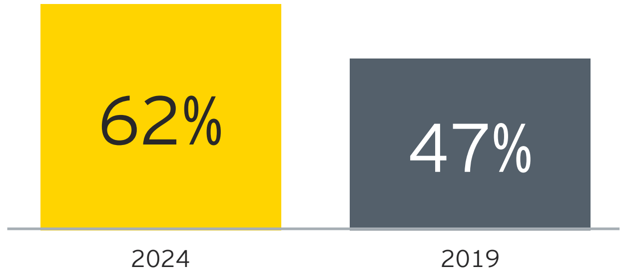
access skills

Key risks affecting Greece's attractiveness over the next three years, according to the investors surveyed, include high interest rates and tightening financial conditions (44%), the high levels of public debt and its impact on taxes (34%), and high inflation (32%).

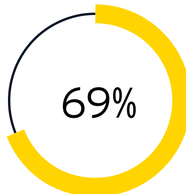


Investors' perceptions of Greece continue to improve, with growing optimism for the next three years

Sixty-two percent (62%) of respondents, up from 60% last year and 47% in 2019, reported that their view of Greece as a potential location for business expansion has improved over the past year.



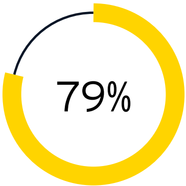
An even higher percentage (69%, up from 67% last year) believes that the country's attractiveness will further increase over the next three years. This optimism is largely attributed to the quality of infrastructure (42%), the country's strategic geographical location (35%), and a strong sustainability agenda (34%).



expect that Greece's attractiveness will further increase over the next three years (67% in 2023)

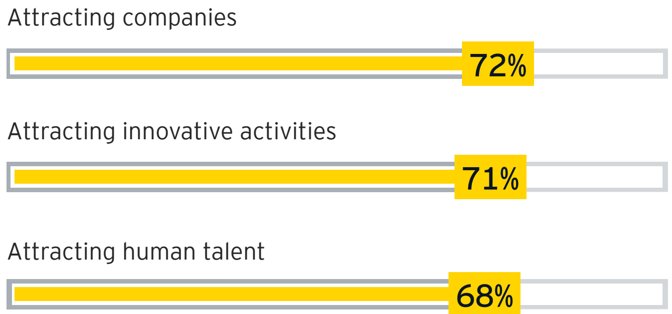
Effective attractiveness policies with ongoing improvements in key areas

The enhancement of Greece's image as a potential investment destination is linked to effective policies aimed at attracting international investors. Overall, 79% of participants rated the country's attractiveness policy as effective, up from 76% in 2023.



believe that Greece's attractiveness policy at attracting international investors is effective

Regarding specific aspects of the country's policy to boost its attractiveness, the strongest performance is seen in attracting companies (72%), attracting innovative activities (71%), and attracting human talent (68%). Lower ratings are given to attracting capital (63%), attracting business headquarters (58%), and establishing global centers for competitiveness and world-class clusters (52%). Notably, three of these indicators have slightly declined compared to last year, but all have significantly improved compared to the first year of the survey in 2019, when none exceeded 50%.



Strong performance in key individual factors, except for taxation

Participants also evaluated Greece based on a range of criteria related to the most critical factors influencing investment decisions: sustainability, electricity, technology, talent, and taxation.

For four out of these five areas, Greece's overall performance is deemed satisfactory, with more than half of respondents rating the country's performance in each aspect as "good" or "very good". Average percentages of positive responses range from 61% to 63%. However, taxation is an exception, with the average positive response rate at 53%.

Need for a faster pace

In an adverse environment for Europe, Greece managed to improve its performance, both in terms of the number of attracted FDI, as well as in terms of the investors' perception of its attractiveness. However, to address the investment gap of previous decades and secure a fair share of global investments in an even more competitive landscape, Greece needs to further accelerate its pace and take even more decisive steps in critical areas that significantly impact investment decisions.

For the fourth year, education and skills, taxation, and high-tech industries and innovation seen as key priorities for Greece

Respondents highlight three key priorities for Greece, in order to maintain its competitive position in the global economy: develop education and skills and facilitate access to talent (28%), reduce taxation (27%), and support high-tech industries and innovation, such as Cleantech (24%). These three factors have consistently been at the top of the priority list for the past four years.

28%	Develop education and skills and facilitate access to talent
27%	Reduce taxation
24%	Support high-tech industries and innovation