

Market Report

Country: Greece

January 2020



Country Profile

Latest Economic data 2018-worldbank.org

Population: 10,730,000

GDP/Growth: 218 Bn USD/1.9%

GDP per Capita: 20,324USD

Trade in Goods 2018- stat.wto.org

Import Market

- Import Trade Volume: 65.09 Bn USD
- Top Commodities: Minerals, mechanical and electrical products, chemicals, base metals and products
- Top Origin Countries: Germany, Iraq, Italy, Russia

Export Market

- Export Trade Volume: 39.44 Bn USD
- Top Commodities: Minerals, base metals and products, chemicals and mechanical and electrical products
- Top Destination Countries: Italy, Germany, Turkey, Cyprus

Foreign Direct Investment

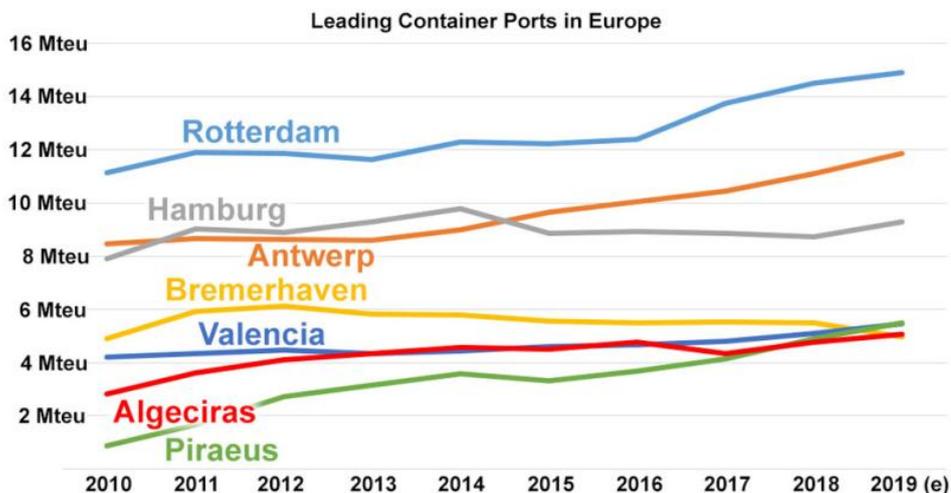
- Main Origin: Cyprus, Germany, Switzerland, Italy, Hongkong
- Tendency.Down/Up/Neutral: 

Local Members

- Cosmos Ocean Hellas Ltd, www.cosmosocean.gr

Market Size in TEU 2018

- Key port: PIRAEUS, THESSALONIKI, ATHENS, MITYLENE, NAUPLIA
- Piräus has passed the 5 Mio TEU mark in 2019



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Market environment

Over the past 3 years of visits to Greece, the country has continued to improve and recover from its post financial crisis lows, not only in terms of people's morale but also in terms of economic fundamentals.

The economy is expected to grow by 2.8% this year, driven by higher investments, improving domestic demand and tax cuts as the country continues to recover from a decade-long der crisis. Data from the 2020 budget, as provided by the newly elected government last year, forecast a primary surplus of 3.56% of GDP and sees debt falling 167% of GDP from 173.3% the year before.

Greece emerged from international bailouts supervised by its lenders in August 2018. But it still needs to meet fiscal targets, including a primary budget surplus - which excludes interest payments on its debt - of 3.5% of GDP up to 2022, which many consider unrealistic.

However tax cuts already implemented last year, will reduce corporate tax to 24% on 2019 profit from 28% currently and taxation on dividends will be halved to 5%. Certainly encouraging businesses.

The International Monetary Fund (IMF) noted end of last year that „growth has returned to Greece but so far has fallen below expectations“. The IMF board „recognized the progress that the authorities had made in implementing reforms during the program period, as well as the Greek economy's continued recovery, but noted that important challenges remain.“ The GDP projections by the IMF foresee a 2.3% and 2.0% growth in GDP for 2020 and 2021 respectively and while they see unemployment continuing to decline, it still stands at 17.5% by end of 2019.

From a shipping perspective, Greece has moved closer to its potential, becoming the largest mediterranean port by container throughput in 2019, reaching 5 million TEU and bypassing Valencia. The investment of Cosco in the port, driven the Chinese government, has made Greece a cornerstone for their Belt and Road initiatives and a gateway into Central Eastern Europe.

With the Greek Committee of Planning and Development of Ports (ESAL) approving further investments amounting to €611.8 million, the further ascent of the Greek gateway, Piraeus can be expected.

In result a large share of the cargo growth in Piraeus port, is based on transit cargo, driven by Cosco's investment in the gateway. The local forwarding and logistics industry however, benefits little from the gateway function, as Cosco operates and

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markets the services to central eastern Europe directly and often at rates well below cost. Areas, like the Balkans, are served at same rates as Piraeus port.

The share of transit cargo through Piraeus, is definitely increasing and the growth driver, depending on who is asked now constituting 50-80% of port volumes, however detail figures are not published by Cosco.

Thus while things are promising also for the logistics and forwarding community, compared to back in the days of the crisis, many see 2019 as a year of stagnation, making efficiency and cost focus essential for returns, competitiveness and survival.

The political situation is mostly commended. The resolution of the Macedonia issue by the last government, recognized as its main achievement, in particular for those involved in international business, while the new government and fiscal measures shine hope on what is to come. The ruins of the old airport are still rotting in peace and an again expected change with a new project for the property (Casino), will show in the coming years, if things will really start moving.

A very strange fact in the Greek market, for the external observer remains the fact, that actually only few families and individuals are in essence controlling the logistics market in Greece for the most significant part, however despite many having joint origins, reciprocal respect and sometimes even admiration for each other, they do rarely cooperate and are in several fields competing with no platform for dialogue existing. One wonders, what would be possible, if the industry would find a way to collaborate, maybe something the next generation of leaders will be able to accomplish.

Cosmos Ocean – OceanX Member

Our member Cosmos Ocean certainly remains one of the most innovative players in the Greek market. Trying to simplify the business, in particular on the consolidation side, with easier pricing structures and smoother processes. Through its warehousing and local transportation entity Logika, it invests constantly and develops new solutions for eCommerce distribution in the Greek market, a segment that continues to expand. Further they are active in tank logistics

Latest presentation video from Logika: <https://youtu.be/kEPcutW0Hc0>

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