

SPECIAL ADVERTISING SECTION

Greece

Blue Skies on Greek Horizons



INNOVATION AND R&D INVESTMENTS DRIVE COMPETITIVENESS

Nowadays, competitiveness lies at the heart of all circles of debate in Europe, Greece being no exception. The enhanced promotion of Greece as an investment destination for the past five years is already yielding positive results. In its recent publication Doing Business 2009 Report, the World Bank indi-



ELEFTHERIOS STAVROPOULOS,
SPECIAL SECRETARY FOR COMPETITIVENESS

cates a significant improvement in the overall international ranking among 181 surveyed economies, in which Greece ranks 96th (from 106th in 2008). The emphasis on applied science and engineering in higher education have built up an important base of R&D, upon which Greece is set to transform its economic model from one

based on low-cost labor into another propelled by high value-added services.

With the support of EU funding, Greece has championed innovation and regional economic development through a process known as "industry clustering," a program designed by the Ministry of Development to attract companies towards Greek regions with substantial industry potential in knowledge-intensive and export-oriented segments. The first cluster, Corallia, was a showcase of success, "increasing the number of international patents by 137%, exports by 110%, and employment by 92%," explains Eleftherios Stavropoulos, Special Secretary for Competitiveness at the Ministry of Development.

The rewarding results of Corallia have encouraged the Ministry of Development to launch the new EPAN II Programme, called upon to function as a catalyst for crucial challenges, as well as to address areas such as biotechnology, agrotechnology, and renewable energy, in which Greece has a potential competitive advantage.

The program, which is part of the EU's 4th Community Support Framework for 2007-13, matches national and European budgets worth EUR 3.2 billion. Mr. Stavropoulos estimates that EPAN II will be the vehicle to mobilize additional funding of 3.1 billion euros from the private sector, which means that EUR 6.3 billion will be invested in promoting innovation in Greece for the period 2007-13.

"Greece's human capital has formidable potential. We want to make a tangible shift by giving incentives to companies that want to modernize through innovation and strive to

create a knowledge-based economy in Greece. In my opinion, this is the only way to succeed in the international arena," concludes Mr. Stavropoulos.

Bytemobile Success Story

It is one of Greece's recent success stories in high profile FDI. BYTEMOBILE, a U.S. mobile Internet company and global market leader, settled in the technological park of Patras in 2006.

Chris Koopman, BYTEMOBILE's vice president of product development, says, "The company took a strategic decision to build a breakthrough mobile internet product — the Web Fidelity[®] Suite of content adaptation software — in Patras". The innovation and dedication of the Greek engineering team was a key factor in BYTEMOBILE's growth.

Mr. Koopman believes that investing in Greece and particularly in Patras, has proven so far to be "not simply a sound business decision but a strategic one." Today, BYTEMOBILE serves 107 customers in 54 countries. ●

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LESSONS IN INVESTMENT STIMULATION

Public Private Partnerships (PPPs) are playing an increasingly important role in the Greek government's strategy to improve the country's economic and social infrastructure. Against a backdrop of turmoil in the global financial markets and the associated economic downturn that has spread across the world, PPPs are seen as an important tool to achieve higher growth and to boost efficiency in public sector projects, as well as attracting foreign direct investment (FDI).

Supervised by the Ministry of Economy and Finance, the Hellenic Public Real Estate Corp. (known in Greece as KED) is the strategic organization responsible for managing the state's real estate portfolio, which includes office buildings, housing, rural land, and coastal locations.

With more than 70,000 properties, Hellenic Public Real Estate Corp. has the largest real estate portfolio in the country, and is currently overseeing a 1.5 billion PPP program of 19 projects in the health, education, justice, emergency services, government, and transport sectors.

"Hellenic Public Real Estate Corp. works closely with other government agencies," says its CEO Konstantinos Fotopoulos, "among them an Inter-ministerial Public Private Partnership Committee (IPPPC) and a specially created Secretariat for Public and Private Partnerships."



KONSTANTINOS FOTOPOULOS,
HELLENIC PUBLIC REAL ESTATE
CORPORATION CEO AND CHAIRMAN

"The basis for the success of PPPs is proper preparation. We work with other agencies to provide in-depth legal and technical assistance," he says. At a time when the construction sector has been hard hit by the global downturn, PPPs are able to mobilize private funds during a very difficult period. "I don't think we would have seven fire stations, 13 police stations, and schools being built during this period without PPPs. It is very difficult, almost impossible, in the situation to build those only with public finances," he says.

Greece's first PPP projects, many of which were set up ahead of the 2004 Olympics—such as the RioAntirio bridge across the Gulf of Corinth, the Attiki Odos motorway, and Athens' Eleftherios Venizelos Airport—required parliamentary approval. New legislation since then has created a more efficient, transparent framework for ratifying infrastructure projects.



"The next step is to utilize the experience and knowhow that has been acquired, with the overriding objective of accelerating the rate of implementation of PPP projects that have been approved by the (IPPPC)," says Fotopoulos, adding: "Under the present difficult financial circumstances Hellenic Public Real Estate Corp. is contributing to an increase in private investment,

"The basis for the success of PPPs is proper preparation. We work with other agencies to provide in-depth legal and technical assistance." —Konstantinos Fotopoulos




the country's development, and to improving public finances to achieve the optimum value-for-money ratio for accommodation services for the entire lifecycle of building infrastructure, while also avoiding any further increase in public debt."

Furthermore, PPP projects, if properly designed and planned for, avoid financing difficulties, says Fotopoulos: "They are, by their nature, safe projects, with limited risks in terms of debt servicing, given that the fees of the contractors are guaranteed by the Greek state. They are projects where the financier's risk is reduced compared to other investments, with the risks being primarily associated with the build phase of the project only. It is for that reason that despite current problems, interest in these tender procedures remains intense both among investors and the banks financing these projects." ●


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FOLLOWING A **GREENER** PATH

Sustainable development is now a central pillar of Greece's infrastructure policy, and environmentally friendly practices are now being implemented in key sectors such as energy, tourism, transport, and agriculture.

The environment is a priority "in action, and not just words," says Honorable Minister George Souflias.

The ministry, as the main body for handling environmental policy, has launched a broad-ranged series of projects addressing the day-to-day problems that concern quality of life. The result is that aside from dealing with questions such as air and water pollution, or noise and waste disposal management, issues such as urban planning and land value are also being addressed by implementing the necessary measures for an overarching approach to sustainable development.

Under Souflias' ministry, Greece has made major progress in tackling environmental problems dating back several decades. Discussing his ministry's approach to dealing with them, Mr. Souflias says: "The environmental problems of Greece are concrete, calculable, and controllable."

The ministry's coordinated actions means that Greece is still one of only four EU member states that are already meeting the Kyoto Protocol targets.

As part of this approach, the Ministry for the Environment, Physical Planning and Public Works is in the midst of the most important project ever undertaken in Greece for the protection of the environment.

In November 2007, the European Commission approved the "Environment and Sustainable Development" Operational Program in Greece for the period 2007-2013. This ambitious plan involves EU support for eight Greek regions, and is having a positive impact on everyday life.

Among the main priorities of the EU Operational Program are reform and codification of urban planning legislation, along with the setting up of a new system for issuing building licenses. At the same time, some 1.5 billion euros have been allocated to confront one of Greece's biggest environmental problems: the treatment of waste in the country's main cities.

There has been an emphasis on green transport works, such as the expansion of the Athens and Thessaloniki metro systems, and similarly sustainable schemes in addressing energy issues.



GIORGIOS SOUFLIAS,
MINISTER FOR ENVIRONMENT, PHYSICAL
PLANNING AND PUBLIC WORKS

Greece's success in tackling long-standing environmental issues while laying the foundations for a coordinated approach to sustainable development has been recognized within the EU as a model for other countries to follow.

Last year, an environmental index by Yale and Columbia universities ranked Greece with a grade of 80.2 on a scale of 1-100, above Germany, the United States, Italy, Spain, and other countries, and almost at the same level as France and Japan.

Souflias says that the combination of environmental protection and balanced development is the fundamental priority of his ministry. "Environment and development are interconnected. There is no meaning to development if it is at the expense of the natural environment," he explains.

"We aim for sustainable development, and this means that our work aims to serve three fundamental purposes: improvement of the quality of life of the citizens, protection of the environment, and the creation of the infrastructures that the country needs," says Souflias, adding that the ministry's current program of projects serves precisely those goals. ●



ATHENS METRO SYSTEM: AN EXAMPLE OF THE GREEK GOVERNMENT'S PROACTIVE INVOLVEMENT IN GREEN TRANSPORT PUBLIC WORKS

"The environmental problems of Greece are concrete, calculable, and controllable." —Giorgios Souflias

WORKING TOWARDS A BETTER ENVIRONMENT AND QUALITY OF LIFE

The combination of environmental protection and the balanced development of our country constitute our basic priority. We protect the biodiversity of our country and its land, air, and water. Our individual and our collective efforts are necessary in order to achieve a better quality of life. So far we have achieved the following:

- * **We are applying an integrated National Programme for Environmental Change.** According to the European Environmental Organisation, Greece is one of the four countries that is on track with the Kyoto Protocol targets and has been completely consistent with its obligations.
- * **We drafted the National Land Development Plan, which Greece never had before.** We set up the National Land Development Plan in combination with the National Land Development Plans for Renewable Energy Sources, Tourism, Industry, Coastal, Island, and Mountain regions. This way, everyone will know what they are able to do and where they can do it.
- * **We quadrupled recycling in Greece.** The recycling rates went from 4% to currently surpassing 26%.
- * **We significantly reinforced the protected areas and added 18 new ones.** We reinforced the management bodies and developed special environmental studies for the establishment of 59 new protected areas.
- * **We conducted strict environmental inspections with the efficient operation of the Environmental Inspectors.** We conducted over 900 inspections at companies and imposed approximately 19 million euros in fines.
- * **We developed the National Response Plan for Air Pollution.** We are applying bold measures in order to have a better environment throughout Greece.
- * **We responded to the enormous environmental problem at Psitalia,** and we built the largest drying plant in Europe.
- * **We applied an integrated policy for waste and we developed a National Plan for hazardous waste** with the establishment of new reformed legislative framework.
- * **We completed the drafting of the National Policy** for the Management and Protection of Water Resources for the coordinated, viable, and integrated water management in Greece. We monitor the water quality in rivers, lakes, and seas.
- * **We proceeded with significant area renovations at small and large cities.** In Athens, we are preparing the creation of the largest metropolitan park in Europe, located at Elliniko.
- * **In regard to the major issue of the Land Register,** we are rapidly and systematically proceeding. In two years, two-thirds of the nation's population will be in compliance with the Land Register.
- * **We have planned projects for the Environment with a budget of 4.3 billion euros for the fourth Programming Period 2007-2013.** Projects regarding water, flood control, energy saving, "green transportation"—extension and construction of metro lines in Athens and Thessaloniki—renewable energy sources, the protection and restoration of natural environment and biodiversity, sewage and waste treatment, reinforcement of civil protection bodies, and more.
- * **We developed the National Strategy on Biodiversity** and we established measures for preserving natural ecosystems in Greece.
- * **We are constructing biological treatment and sewage networks** in all of the nation's areas with peak populations of over 2000 residents by 2013, with a budget of 1.5 billion euros.
- * **We are incorporating all of the EU directives** into the Greek legislation and closing all existing outstanding issues.
- * **We broke the record on absorbing funds.** The absorption rate of the Environmental Operational Programme to date has gone from 14% to 93%.

For us, the environment constitutes a priority in action and not only in words. We proceed with actions. We also believe that the citizens' awareness, which is necessary, is being achieved with the proper information.

Therefore, let us all work together for a better environment.

Q & A

A **WORLD-CLASS** TRAVEL DESTINATION

Since it was discovered by the international jet set in the 1950s, Greece has evolved into a European magnet for a wide range of visitors, attracting as many as 15 million each year. Greece's tourism sector has responded rapidly to the global financial crisis, and its tourism ministry has worked hard to retain its position among the world's favorite destinations. Tourism Minister Konstantinos Markopoulos, who took over in January 2008, explains some of the strategies to expand the country's visitor market, and at the same time highlights some of the new appeals to this eternally appealing holiday destination.



KONSTANTINOS MARKOPOULOS,
MINISTER OF TOURISM

Question. In previous promotional campaigns you have focused on the Greek experience. As Greece's Minister of Tourism, how would you define a truly Greek experience?

Answer. A truly Greek experience is just the right combination of culture, relaxation, gastronomic delights, warm hospitality, entertainment options, and marvelous contradictions. Greece never ceases to excite the senses. Its landscape, its history, and its mythical essence ensures the visitor an amazing and colorful trip that transcends centuries, cultures, and civilizations. The experience itself often exceeds visitors' expectations.

Q. What makes this year's advertising campaign so unique?

A. This year's advertising campaign, "Greece 5,000 years old, a masterpiece you can afford," strives to project an image of priceless affordability. Greece itself should be seen as a work of art that all visitors can enjoy, regardless of their economic status.

Q. Tourists are looking for a holiday that appeals to their senses. Share with us what variety of experiences Greece can offer as a tourist destination.

A. Our landscape has given the world endless postcard images, which remain incredibly vibrant; yet Greece is not only sun, sand, and sea, although it remains a classic for many when it comes to holiday planning. For the past decade, a wide variety of specialized forms of tourism have sprung across the country. Today we are one of the leaders in Europe for wellness, spa, and relaxation options. Culture continues to attract global visitors who not only want to see the Acropolis and its new museum but also to visit the countless archaeological sites and ruins scattered throughout Greece. Likewise, medical and religious tourism are on the rise. As far as nature lovers are concerned, our nation is a blessing and the offer of new agro and eco-tourism destinations keeps growing on a sustained basis.

Q. City breaks are increasingly becoming a preferred option for visitors, both domestic and foreign. In this regard, how is the Ministry of Tourism differentiating Athens from other European capitals?

A. Athens is redolent with history and mythology. It is a friendly

city swathed in culture. It is full of unique archaeological sites, monuments, and now home to the new Acropolis museum, which offers visitors a true journey through ancient history. It is also a place with its own unique schedule, a city that never sleeps. The visitor will always find a spot open whether it is for food or entertainment. Its famous pedestrian areas, such as historical Plaka full of cafes and night clubs, is a showcase of how lively a city Athens can be. Likewise, Athens enjoys a superb connection to most European capitals, which makes it a perfect destination for a city break.

Q. What makes the Greek islands so appealing?

A. Greece has more than 3,000 islands and islets scattered across the Aegean and Ionian seas, a truly unique phenomenon in the European continent. The diversity from one to another is endless, which gives all foreign and Greek visitors the opportunity to discover and explore many different places according to their interests. Many of these islands were once home to some of the most ancient and prosperous civilizations on earth. The ancient Cycladic and Minoan ruins are a major attraction for visitors. Rhodes, with its living medieval castles is an important destination for visitors, and of course the more well-known islands such as Mykonos and Santorini continue to surprise guests. The endless nature on the less popular islands is astounding, not to mention our beaches, which are among the cleanest in the European Union. In the end, diversity means there is something for everyone according to their interests, taste, and budget.

Q. Which new markets are you looking to reach out to in 2009?

A. First of all, we have been working hard to encourage the domestic market to explore the variety of its own country. Our national campaign is designed to show that there is much to discover within our own territory. Secondly, we are focusing on newer targets such as Russia, China, the Middle East, and Poland. Yet, we are careful to keep Greece on the minds of our traditional markets such as Great Britain, France, Germany, Italy, the United States, and Scandinavia, which have always been important for our tourism.

Q. How important is tourism to Greece's Blue Skies?

A. *Tourism is our national industry. It is the largest economic contributor to our economy. This year, because of the impact of the global financial crisis, we have worked harder than ever to encourage visitors to come and to see that Greece is an affordable country with high standards. Our belief is that this year Greece will be one of the world's most popular tourism destinations, which encourages us to see a bright future.* ●



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MINISTRY OF TOURISM - GREEK NATIONAL TOURISM ORGANISATION



EXPERIENCE THE SPA HEALING



Endowed with a wealth of thermal and mineral springs scattered over 850 different locations, Greece's therapeutic capabilities have been known to the world since the ancient times of Hippocrates, the father of medicine. Today, health spas and wellness resorts represent a fast growing trend in global tourism. Having recognized its spectacular upsurge, both private and public sectors in Greece have shown a lively interest in this profitable sector that receives more than 100,000 visitors every year.

With visitors' increasing attraction for other forms of tourism in a country rich in biodiversity, spa tourism represents a logical step

for Greece's efforts to diversify its product and normalize the tourist season to a 365-day cycle. Recent legislation addressing the modernization of the institutional framework for developing therapeutic natural resorts in the country shows the government's determination to promote investment in this dynamic sector. Likewise, the investor may always take a break and revitalize both spirit and mind by experiencing the rich variety of treatments such as hydrotherapy, mud therapy, or thalassotherapy available in the increasingly differentiated offer of spas, health, and wellness resorts across the country.



EXPERIENCE NATURE

Greece offers visitors an exceptional natural environment as a result of a rare geomorphology that produces striking natural contrasts and areas of great ecological value. The country's abundant natural gifts—thousands of indented coasts, imposing rocky massifs, caves, gorges, lakes, rivers, biotopes of spectacular beauty, and unique natural habitats—coupled with the mild climate, place it among the ideal destinations for every enthusiast of eco-tourism. With abundant virgin forests and vast mountainous regions rich in both flora and fauna, Greece hosts more over 400 bird species, 116 different species of mammals, 58 reptile species, and more than 6,000 different plant species.

Touring in Greece is a unique journey full of adventures and knowledge.



Nature lovers will find a wide array of alternatives to explore that range from engaging in extreme sports (canoe-kayak, rafting, monoraft, hydrospeed, canyoning, mountain biking, etc.), activities, which have seen a spectacular rise in popularity in recent years, to staying in agro-tourist units that offer visitors the opportunity to become familiar with vernacular architecture, cultural and gastronomic tradition, local products, farming activities, and the daily life of local inhabitants.



EXPERIENCE THE GREEK CUISINE

Touch, smell, listen, observe...taste. Greek cuisine stimulates all five senses and satisfies the most demanding palates with the richness of its ingredients and the creativity of its tasty combinations.

Come and experience 4,000 years of culinary tradition in the country that gave birth to the first cookbook in history, written by Archestratos in 330 B.C. who taught us that cuisine is a sign of civilization. Discover Greece's unique interpretation of distinct recipes embraced from its eastern and western neighbors. Enjoy the sacred ritual behind wine making or the unique aroma of tsipouro, ouzo, and masticha. ●

CASINO RODOS UNVEILS PRIVATE JET SERVICE

Another gem in Greece's tourism crown is Rhodes, whose business visionaries are famous for their innovative ideas that keep visitors coming and coming back. Case in point is Mr. Enrico N. B. Aidan, CEO of Casino Rodos and Grande Albergo delle Rose Boutique Hotel, as much a trademark for Rhodes today as when it opened in 1927.

For Mr. Aidan, the trademark's secret "was, is, and will always be the ability to redefine luxury during any era through new services and innovative ideas."

Last November, the company went forward with its purchase of an Avro jet, which it converted into a 34-seat private aircraft with all the amenities.

"After years of dealing with inconvenient time tables and flights deemed unsuitable for most VIPs, we saw no other alternative than to buy our own jet," he says.

A premier alternative for European, Middle Eastern, and domestic clients, the new service is complimentary for VIPs yet can be booked hourly.

"This venture is expected to boost revenues by 10%, yet,



ENRICO N. B. AIDAN, CEO OF CASINO RODOS AND GRANDE ALBERGO DELLE ROSE BOUTIQUE HOTEL

more important is what the jet means to our living legacy," comments Mr. Aidan.

Since its inauguration 80 years ago, the property has hosted royalty, political personalities like Winston Churchill, Konstantinos Karamanlis, Eleftherios Venizelos and jetsetters such as Aristotle Onassis.

Managed by Queenco Leisure International Ltd. since 1999, the casino conserves its noble feel by offering public and private gaming options. The hotel's 33 lavish suites boast unparalleled amenities and private butler service.

"The monumental past of this historic building inspires us to offer the best of the present with the chance to relive the glamour and luxuries of past eras. This is our main challenge today. That, and our menus which we change every six months," Mr. Aidan adds with a smile.

Queenco Leisure International Ltd. holds business interests inside Greece and is expanding operations in Romania, Bulgaria, the Czech Republic, and Cambodia. ●

SANTIKOS HOTELS AND RESORTS: APPEALING TO THE BOBOS



VICKY SANTIKOS, VICE PRESIDENT OF SANTIKOS HOTELS AND RESORTS

Run by seasoned hoteliers the Santikos family, the Santikos group of hotels and resorts have found a loyal clientele that Vicki Santikos describes as "Bobos": bohemian bourgeois.


"Bobos combine the hippy values of the 70s with this century's lifestyles," she says. "The values are the environment and traditional cultures, with the need for a little luxury now and then."

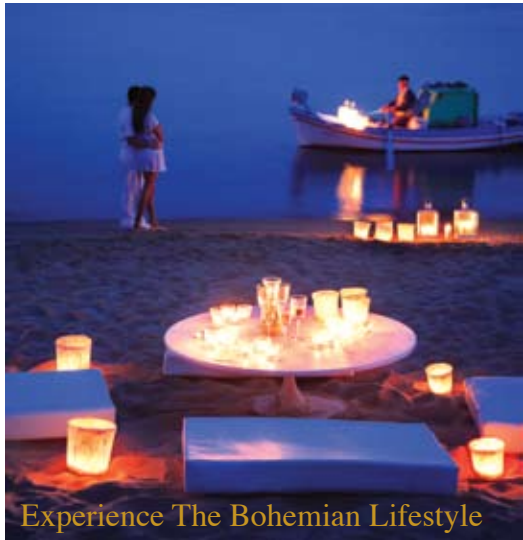
A better fusion of these two approaches to life would be hard to find than in Santikos' four hotels.

The 131-room Skiathos Island Princess Hotel and the Aegean Suites Hotel on Skiathos both belong to the Small Luxury Hotels of the World. They possess style, gourmet delights, and casual sophistication appealing to a niche market of global elite travelers.


The Santikos group also runs the eight-room, historic Santikos Mansion on Pelion.

The group's fourth property is the Marpunta Village in the island of Alonissos, a traditional Greek-style village hotel noted for its authentic architecture. ●





Experience The Bohemian Lifestyle

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