

# ENTERPRISE GREECE

## INVEST & TRADE

### Region of Ionian Islands - Investment Profile



*March 2017*

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# The Region of Ionian Islands : Quick facts (I)

Ionian islands are traditionally called the **Heptanese**, "the **Seven** Islands" but the group includes many smaller islands apart from the seven principal ones: **Corfu, Paxoi, Lefkada Ithaca, Kefalonia, Zakynthos, Kythira**.

The **six** northern islands are off the **west coast** of Greece, in the Ionian Sea. The **seventh** island, **Kythira**, is off the **southern** tip of the Peloponnese and is not part of the **administrative Region of Ionian Islands**, as it is included in the region of **Attica**.

The Ionian Islands Region is one of the **thirteen** administrative Regions of Greece. Along with West Greece and Peloponnese regions, it is supervised by the Decentralized Administration of Peloponnese, West Greece and Ionian Islands based at Patras. The Region of Ionian Islands is based at **Corfu** and it supervises 4 **regional units**:

- Corfu
- Kefalonia & Ithaca
- Lefkada
- Zakynthos



# The Region of Ionian islands : Quick facts (II)

- The Region is a **popular tourist** destination
- The Ionian Islands produce **olive oil, wine, citrus fruit, honey, various dairy and cheese products**
- **Strategic maritime** location between the **Greek and Italian mainlands**, intervention from outside has affected the islands and their people since classical times

## Demographics and Workforce quick facts

Population: 207,855 (2011)

1.92% of the total Greek population

## Main macroeconomic data of the Region of Ionian Islands

	2011	2012	2013	2014	2015
GDP*	3,479	3,260	3,066	3,074	n.a.
GDP per capita**	16,633	15,621	14,746	14,826	n.a.
Gross fixed capital formation*	596	469	299	312	n.a.
Unemployment Rate (%)	14.1	14.7	18.1	21.4	19.3

\*In million euro

\*\*In euro

# Significant performance indicators

## Gross Value Added by Industry 2014 (Region of Ionian Islands)

Industry/ Sector	Gross Value Added (amount in million euro)	% in total GVA of the Region
Agriculture, Forestry and Fishing	95	3.5
Mining, energy, water supply and waste management	57	2.1
Manufacturing	67	2.5
Construction	80	2.9
Trade, transportation and storage, accommodation and food service activities	1,241	45.7
Information and Communication	30	1.1
Financial and Insurance activities	72	2.6
Real Estate activities	463	17.0
Scientific, administrative and support service activities	86	3.2
Public administration, education, health and social work activities	402	14.8
Arts, recreation and other service activities	124	4.6
<b>Total</b>	<b>2,717</b>	<b>100</b>

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# Natural Treasures

The Region of Ionian Islands is known for its **great variety of landscape**, in which a dominant role played by the lush **vegetation** and the **geomorphology** of the coastline the length of which represents roughly **8%** of the entire country's coastline.

Verdant **coves**, natural **ports**, and wide **sandy beaches** compose the coastal zone of each island, forming human scale landscapes which in conjunction with the **mild climate** lend themselves to **marine tourism**.

The natural environment is known for its **rich fauna and flora** and also for the **good condition of its habitats and ecosystems**. In Zakynthos there is a marine park, the habitat of the world-renowned turtle **caretta-caretta**, in Kefalonia the **national park of Aenos**, with a particular species of fir-tree (abies cephalonica). **Lagoons** in Corfu and Lefkada are of interest to environmentalists. Kefalonia, Ithaca and Paxoi boast remarkable **caves**, still largely unexplored.



# Transport Infrastructure

The Region is served by **three** international airports, **four** Heliports, **eighty-nine** ports, **two** Water-Airports and a **satisfactory** public road network.

## Airports

1. Corfu International Airport "Kapodistrias"
  2. Kefalonia International Airport
  3. Zakynthos International Airport "Dionysios Solomos"
- \* Lefkada is also served by Aktion Airport

## Heliports

1. Ithaca
2. Paxoi
3. Othoni
4. Ereikoussa

## Ports

In the Region of Ionian Islands there are **89** ports, variety of uses (Passenger, yacht shelters, fishing shelters, ports yachts etc.)

## Water-Airports

Operating licenses for the water airports on Corfu and Paxoi.



# Education and research

## IONIAN UNIVERSITY

The Ionian University was founded in 1984 and is located in Corfu.

The University consists of the following **six** Departments:

- Department of History (1985)
- Department of Foreign Languages, Translation & Interpreting (1986)
- Department of Music Studies (1992)
- Department of Archives, Library Science and Museum Studies (1993)
- Department of Informatics (2004)
- Department of Audio and Visual Arts (2004)



# Education and research

## TECHNOLOGICAL EDUCATIONAL INSTITUTE OF IONIAN ISLANDS

### Zakynthos

School of Technological Applications

- Department of Environmental Technologists (A.T.)
- Specialization in Natural Environment Technologies
- Specialization in Conservation of Cultural Heritage

### Kefalonia

School of Technological Applications

- Department of Digital Media & Communication
- School of Music Technology
- Department of Sound and Musical Instruments Technology
- School of Agriculture Technology and Food and Nutrition Technology
- Department of Food Technology

### Lefkada

School of Management and Economics

- Department of Business Administration
- Specialization in Business Administration
- Specialization in Tourism and Hospitality Management



# Ionian Islands offer an interesting environment for investment...

## Ionian Islands advantages

Ionian Islands boast a number of attractive features such as:

1. **Location.** The Region stretches along the western coast of the central part of the Greek mainland and further to the south along the western coast of the Peloponnese
2. **Developed transport infrastructure** (Airports, heliports, ports and satisfactory public road network)
3. Operation of **Ionian University** and **Technological Educational Institute**
4. **Tourism and Cultural sites** (12th-century fort Agia Mavra, the Charamogleious Eidiki Lefkadiaki Library, the 15th-century Old Fortress and Spianada, the Saint Michael and George Palace in Corfu etc.)
5. **Natural resources** marine park, the habitat of the world-renowned turtle caretta-caretta, the national park of Aenos, with a particular species of fir-tree (abies cephalonica).
6. Opportunity for development of **Solar & Wind**

## ..are enhanced by investment incentives

- Under the new Investment Incentives **Law L.4399/2016**, Western Greece enjoys attractive investment incentives varying from **25% to 45%** of the total investment cost, according to the size of the company and the region of the country in which the project will be implemented.
- The aid schemes of the Law include:
  - 1) Tax exemptions
  - 2) Cash grants
  - 3) Leasing subsidies
  - 4) Wage costs subsidy
  - 5) Stable corporate tax rate for 12 years
  - 6) Financing of business risk through loans or equity
  - 7) Fast track licensing

**All aid schemes are provided individually or in combination and they are calculated cumulatively for the determination of the total aid**

# Large Infrastructure Projects - HRADF

**Hellenic Republic Assets Development Fund - HRADF** concluded successfully an international tender process that resulted in the granting of the right of concession for the development and operation of 14 regional airports in Greece. In particular, **40-year** concessions to upgrade, maintain, manage and operate regional airports have been conferred to a consortium of companies consisting of **Fraport AG Frankfurt Airport Services Worldwide and Slentel Limited of Copelouzos Group**. In cluster A included the airports of **Corfu, Kefalonia, and Zakynthos**.

The portfolio of the Hellenic Republic includes **the port of Corfu**. Particularly, **HRADF** holds **100%** of the shares in the port and has the right to operate it until **2042**. The Hellenic Republic is in the process of **evaluating the most appropriate approach for the development** of the port of Corfu.



Source:<http://www.hradf.com>

# Operational Program Ionian Islands 2014-2020

## Expected impacts

- Support of more than 100 SMEs and cooperation of more than 10 enterprises with research institutions
- Creation of 72.5 full time equivalent jobs
- Improved water supply to additional 65,000 persons and solid waste treatment to additional 3,341 persons
- Year reduction in CO<sup>2</sup> 234 tonnes equivalent
- Support of 30 social enterprises while 350 unemployed should benefit from the program
- Expected total length of upgraded roads to reach 13km by 2023
- The inhabitants covered by improved health services is expected to reach more than 35,000 people



## Investment incentives quick facts

**New Investment law L.4399/2016:** Subsidies of up to **45%** for business plans.

Operational Program "Ionian Islands 2014-2020 »': **226,924,700 €**

Total EU contribution: 181,539,758 €

## Funding Priorities

- "Reinforcement of regional competitiveness, with development of entrepreneurship, innovation and ICT"
- "Environmental protection and sustainable development"
- "Enhancement of transport infrastructures"
- "Enhancement of educational, health and social infrastructures"
- "Social integration, development of human resources and fight against exclusion and combating poverty and discrimination"
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# Reasons to Invest in Ionian islands

- **Important location:** The Ionian Islands stretch along the western coast of the central part of the Greek mainland and further to the south along the western coast of the Peloponnese. Also part of the developing area of Adriatic which connects Italy with Greece
- **Natural and cultural treasures:** Their unique natural beauty combined with their long history and a blend of various cultures and influences that have left their stamp on the islands
- **An international transportation hub:** Ionian Islands can easily be accessed through numerous charter flights from various European cities throughout the summer months or by regular ferryboat connections from the Italian ports of Brindisi, Bari, Ancona and Venice
- **Great tourism infrastructure:** One of the most popular destinations offering an upgraded and diversified tourist product that includes excellent hotel accommodations, restaurants, diving centres, sea sports etc
- **International interest in the energy sector:** It is a center of international interest in the energy sector, given its strategic location, the huge wind and solar resources, as well as possession of local experience and expertise. This interest is expected to grow and expand in the coming years
- **Support of the local Authorities:** The consistent and unwavering support of the local Authorities of the Region, as well as the hospitable and business - friendly people of the islands

Tourism

Renewable Energy Sources

Food & Beverage

# Tourism

An aerial photograph of a coastal landscape. In the foreground, a large, light-colored rock formation with a natural archway dominates the scene. The rock is covered in sparse green vegetation. Below the arch, a small, crescent-shaped sandy beach is visible. The water in the bay is a vibrant, clear blue, while the water further out is a deeper, darker blue. Several small boats are scattered in the bay, and a larger boat is visible in the distance. The sky is a pale, clear blue.

**One of the most popular destinations in the world is undergoing a regeneration, offering an upgraded and diversified tourist product**

# Tourism - Introduction

## Tourism infrastructure

- In the last **three** years the port of Corfu handles (apart cruise ships) an average of **1.300.000** passengers and **536.000 vehicles** , as well as **485 cruise ships with 640.000 passengers** .The average turnover for the same period is **2.900.000 €**
- Greece holds in **2016** the **3<sup>rd</sup> place** among **50 countries worldwide** in the European **Blue Flag Program**, with **430 beaches and 9 marinas**
  - The Ionian islands, particularly **Kefalonia** and **Lefkada**, also distinguish for their clean and organized beaches, proving that the Greek coasts have nothing to jealous out of the other famous beach resorts of the world.
- Many of **diving centers** in the region, offering a great opportunity to discover interesting sites (Temple Cave in Fiscardo, the Catacombs , the Blue Canyon in Lassi, the shipwreck of the Italian WWII ship, the marine park etc)

## Unique competitive advantages

- Long unexploited pristine **beaches**
- A Region of **unspoilt natural beauty**: marine park, the habitat of the world-renowned turtle caretta-caretta, in Kefalonia the national park of Aenos, lagoons in Corfu and Lefkada , remarkable caves in Kefalonia, Ithaca and Paxoi
- **Existing infrastructure** and **undergoing projects** will improve accessibility: Fraport will be responsible for maintaining, operating, managing, upgrading and developing regional airports of Corfu, Kefalonia and Zakynthos over a period of 40 years
- **Unique archaeological sites** and **historic places of great importance**: Ancient City of Nirikos Corfu Archaeological Museum Roman Grave Complex, Roman Grave Complex, Castle of St. Maura, Lefkada Archaeological Museum
- **Pubic and private Investments** implemented and in the pipeline highly upgrade the mix of the tourism product in the region

# Tourism in Western Greece: Facts and figures (I)

- The Ionian Islands ranked **first among popular Greek tourist destinations in 2016**. More specifically, the Ionian Islands recorded a **13.2 %** increase year-on-year in the number of arrivals in January-October 2016.
- **Corfu** increased arrivals by **31.8 %**, **Kefalonia** by **37.7 %**, and **Zakynthos** by **51 %**.  
The increase of tourists on the islands have led to the **extension** of the tourist season and therefore many great tourist facilities stay open till the end of October
- **Corfu airport** came second at **2.8 million passengers**
- According to Hellenic Ports Association, Corfu became the **third most important port** in the country, based on visitor arrivals, reaching the **748.916** from **647.347 in 2016**
- **Kefalonia and Ithaca port** received **77** cruise boats in **2016** and **85.463** passengers.



# Tourism in Western Greece: Facts and figures (II)

## Tourism data for the Region of Ionian Islands (2015)

Region and Prefecture	5*****			4****			TOTAL		
	Hotels	Rooms	Beds	Hotels	Rooms	Beds	Hotels	Rooms	Beds
<b>Total Greece</b>	<b>419</b>	<b>63,297</b>	<b>128,672</b>	<b>1,340</b>	<b>102,690</b>	<b>199,088</b>	<b>9,757</b>	<b>406,200</b>	<b>784,315</b>
<b>Ionian Islands Region</b>	<b>26</b>	<b>4,063</b>	<b>8,017</b>	<b>106</b>	<b>10,556</b>	<b>20,202</b>	<b>931</b>	<b>47,631</b>	<b>91,555</b>
Corfu	14	2,905	5,587	53	6,543	12,235	<b>406</b>	<b>23,731</b>	<b>45,023</b>
Zakynthos	7	685	1,401	26	2,348	4,613	<b>278</b>	<b>15,728</b>	<b>30,460</b>
Ithaca	0	0	0	2	27	61	<b>8</b>	<b>137</b>	<b>265</b>
Kefallinia	4	371	825	16	1,259	2,509	<b>141</b>	<b>5,203</b>	<b>10,282</b>
Lefkada	1	102	204	9	379	784	<b>98</b>	<b>2,832</b>	<b>5,525</b>

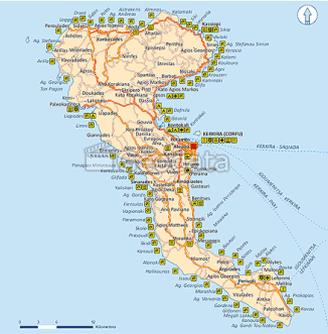
# Tourism in Western Greece: Facts and figures (III)

## Tourism data for the Region of Ionian Islands (2015)

REGION AND PREFECTUR E	HOTELS EXCEPT CAMPINGS							
	2014				2015			
	TOURIST ARRIVALS			BEDS	TOURIST ARRIVALS			BEDS
GREEK	FOREIGN	TOTAL	GREEK		FOREIGN	TOTAL		
<b>TOTAL GREECE</b>	<b>5,536,719</b>	<b>11,882,134</b>	<b>17,418,853</b>	<b>802,883</b>	<b>5,744,134</b>	<b>12,734,567</b>	<b>18,478,701</b>	<b>737,326</b>
<b>IONIAN ISLANDS REGION</b>	<b>182,737</b>	<b>1,061,815</b>	<b>1,244,552</b>	<b>96,147</b>	<b>184,550</b>	<b>1,190,929</b>	<b>1,375,479</b>	<b>83,102</b>
Corfu	78,512	572,118	650,630	55,270	75,868	695,294	771,162	41,425
Zakynthos	39,694	378,269	417,963	25,317	42,750	373,602	416,352	27,883
Ithaca	2,478	1,696	4,174	241	2,928	2,193	5,121	228
Kefallinia	22,877	86,108	108,985	11,214	25,698	91,158	116,856	9,203
Lefkada	39,176	23,624	62,800	4,105	37,306	28,682	65,988	4,363

Source: Hellenic Statistical Authority

# Major tourism attractions



## Corfu

- Achillion Palace
- Old Fortress
- New Fortress
- Museum of Asian Art
- Archaeological Museum
- Kanoni and Pontikonisi Island
- Saint Spyridon Monastery
- Splanada Square and Liston

## Kefalonia

- Melissa Cave
- Drogarati Cave
- De Bosset Bridge
- Lighthouse of Saint Theodoroi
- Monastery of Kipoureon
- Castle of Saint George

## Zakynthos

- Blue Caves
- Marathonisi Islet
- Navagio or Shipwreck
- Spanzia
- Porto Zoro

## Lefkada

- Castle of Agia Mavra
- Monastery of Faneromeni
- Waterfalls of Nydri
- Agios Ioannis Antzoussis
- Santa Mavra

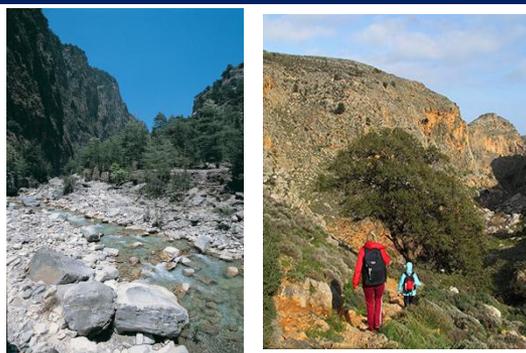
*Plethora of beaches boasting crystal clear waters in both sandy and pebbly shores in all areas.*

# Investment opportunities in various tourism segments

## Cruises and Sea tourism



## Eco Tourism



## Cultural and religious tourism



## Integrated Resorts



## Development of existing state & private assets







# Renewable Energy Sources

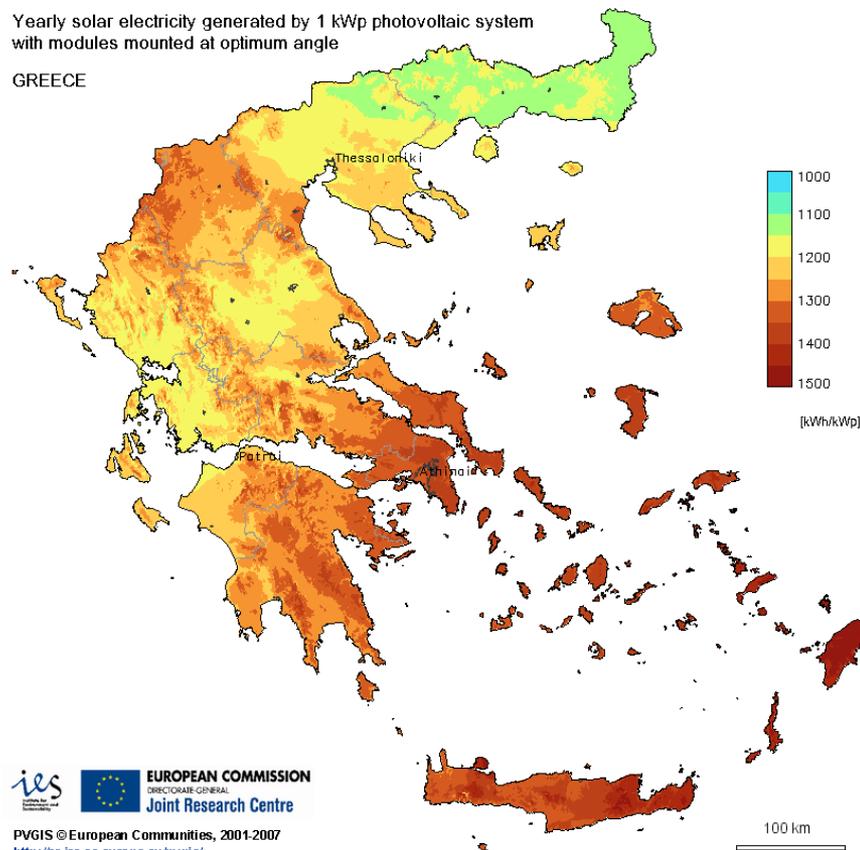
# Renewable Energy Sources – Unexploited Capacity

Region of Ionian Islands has unexploited capacity in Solar and Wind energy production.  
As shown in the attached Maps the potential is tremendous.

## Solar energy capacity

Yearly solar electricity generated by 1 kWp photovoltaic system with modules mounted at optimum angle

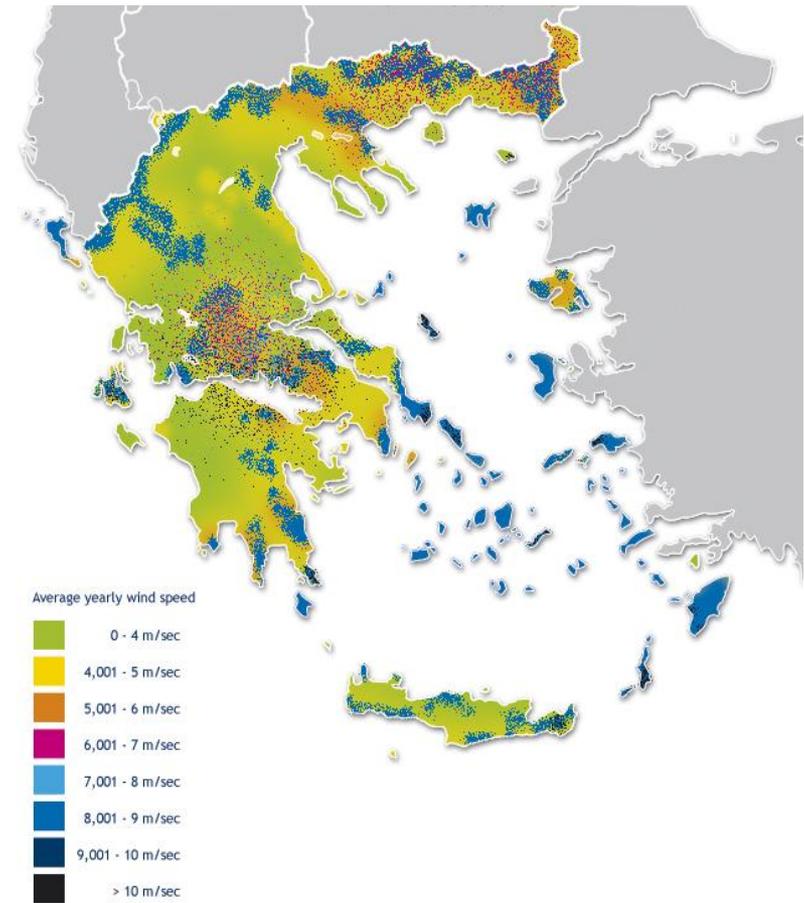
GREECE



ies  
EUROPEAN COMMISSION  
DIRECTORATE-GENERAL  
Joint Research Centre

PVGIS © European Communities, 2001-2007  
<http://re.jrc.ec.europa.eu/pvgis/>

## Wind energy capacity



# Investment opportunities: RES National Targets and Performance



*The Greek RES market has grown with a very strong pace. Total installed capacity stood **at 1,06 GW in 2008 and 4,6 GW in 2015, 334% increase** within the last 7 years!*

*Even during the economic crisis in Greece, the RES sector was one of the growing economic sectors where investments were made and employment was created*

RES technology	Target 2020	Capacity 2016
Wind	7500	<b>2047,17</b>
Solar (PV's)	4200	<b>2093,52</b>
Small Hydro	350	<b>223,18</b>
Biomass	350	<b>57,68</b>
Geothermal	120	<b>0</b>

## **Highly exploited area with growing capacity**

13 Wind Parks with Production licenses of **190,8 MW capacity**

**83,70 MW installed capacity** generated from Wind Parks

**Investment Opportunity in Wind Parks: 107,1 MW**



# Investment Opportunities: Oil and Gas drilling in Ionian Islands



➤ The Ministry tendered in 2015 rights to exploration on **20 offshore blocks** in the **Ionian Sea** and south of the island of Crete for deep sea oil and gas drilling.





# Food & Agriculture

The home of the Mediterranean diet is becoming a favourite with foodies from around the world, who enjoy the highest quality ingredients on offer

# Food & Beverage: An overview

## Key Area Products

- **Olive Oil:** Production of excellent quality olive oil
- **Citrus Fruits:** Production of oranges . Additionally, the golden orange or 'kam kwat' in Chinese is extensively cultivated in Corfu from 1924 .
- **Honey:** Apiculture is also included among the inhabitants' activities. The region's flora gives the raw material for the production of a very particular honey.
- **Livestock:** Production of various dairy and cheese products.
- **Vineyards:** Wine production is very important in the region. Vineyards can be found on almost all Ionian Islands, because their mild climate, with abundant rainfalls -more than the rest of Greece- favors their development.



## ...and some unique characteristics

- **Wine Industry:** Ionian Islands have a long tradition of wine production. The wines produced are V.Q.P.R.D.: Robola of Cephalonia, Mavrodaphne of Cephalonia and white Muscat of Cephalonia. Also the Regional Wines of: Slopes of Mt Enos, Metaxata, Mantzavinata, Lefkada, Corfu, Halikouna and Verdea, a Traditional Appellation wine.
- **Cheese Industry:** The Kefalonian cheese-makers are renowned all over Greece and abroad. Based on traditional techniques they produce high quality feta cheese as well as hard cheese and skim-milk cheese.



# Investment opportunities: Food & Beverage

## Recent Developments/New Opportunities

- Rural Development Programme (RDP) 2014-2020 focuses mainly on strengthening farm viability and competitiveness, preserving and enhancing ecosystems and fostering the local development in rural areas.
- Investments in unique products such as the local production of globally famous wines (the wines produced are V.Q.P.R.D.: Robola of Kefalonia, Mavrodaphne of Kefalonia and white Muscat of Kefalonia. Also the Regional Wines of: Slopes of Mt Enos, Metaxata, Mantzavinata, Lefkada, Corfu, Halikouna and Verdea, a Traditional Appellation wine. Mavrodafni etc).
- Investments in the dairy industry (the famous Kefalonian cheese)
- Further Investments in the organic/bio livestock industry.



# Leading Companies in Ionian Islands



Μελισσοκομικός Συνεταιρισμός  
Κεφαλονιάς και Ιθάκης



# Enterprise Greece

Enterprise Greece is the new, **official agency of the Greek State**, under the supervision of the Ministry for **Economy and Development**. Its mandate is to showcase Greece as an outstanding destination for **investment** and to promote the highly competitive products and services produced in Greece for **export**.

## Investment

- Attracts, welcomes, promotes, supports and retains investment in Greece
- Promotes Greece internationally as an attractive investment destination
- Accepts applications, evaluates and supports Greece's Strategic Investment (Fast Track) projects
- Provides investors with the Investor Ombudsman service
- Informs investors of Greece's institutional, tax, legal, and financial framework
- Supports investors in accessing finance
- Partners with related organisations, domestic and international, to promote Greece as an investment destination

## Trade

- Promotes the export of Greek products and services internationally through marketing, events, and trade centres
- Supports Greek producers and service providers with guidance, assistance, information and resources to better reach international markets
- Connects Greek exporters and entrepreneurs with potential partners around the world
- Organizes the presence of Greek companies at conferences, fora, exhibitions and trade shows in global markets
- Hosts foreign delegations and visitors to Greece
- Partners with related organisations, domestic and international, to promote Greece's export market



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