

Foreign Direct Investment – in and out of Greece



Michael Tsibris is the managing partner at Souriadakis Tsibris

Souriadakis Tsibris is an Athens based law firm, active in the area of corporate and business law and litigation, including M&As, banking, insurance and investment regulation, intellectual property, labour law and tax. The firm represents numerous foreign clients, both on an ad-hoc advice basis and also continuously supporting the Greek ventures or affairs of major multinationals in diverse business sectors, such as insurance and investment, pharmaceuticals and cosmetics, food and beverages and leisure and others.

Mr Tsibris acknowledged that it is no secret that for many years following the boom of the 1960s and early 1970s Greece was not a success story as far as foreign investment was concerned. In fact it regularly appeared in the bottom places in relevant rankings, including World Bank and other similar ones. He stated that this obviously had much to do with the developments of the last years that came to be known as 'the Greek crisis'. He mainly attributes the

situation to an unfriendly business climate, arcane tax rules and an imposing bureaucracy, and noted that a trend of de-investment from the country ensued.

"However, with the modernisation and recovery program that is under way during the last two years, which addresses not only public finances, but also all structural problems of the economy, things have started to change," he continued. "Greece is once again on the radar screen of international investors and the flow of capital has slowly started again."

"Rules liberalising the operation of business and the status of new investment are continuously implemented. A particularly optimistic privatisation program is also under way providing significant opportunities. Taking into account the improvements in budget conditions and overall public debt dynamics, it can be said that investment conditions are improving and Greece is now a significantly more friendly investment destination, thus improving its relative position in the global arena."

There have been various recent initiatives in Greece to facilitate investment at all levels. According to Mr Tsibris, the more important are:

- Law 3894/2010 on Strategic Investments, which created a 'fast track' procedure for investment of a significant size, deemed important for the overall economy;
- Law 3908/2011, which details the procedure for granting tax and other incentives for new investments, organised also based on regional criteria;
- Law 4146/2013 on creating a friendly environment for the development of strategic and other private investment, which increased the scope of the fast track procedure.

He noted that there are many other rules of a sectoral nature, providing various incentives and otherwise facilitating investment in tourism, transport, agriculture and other areas.

"Also, a special unit has been created, "Invest in Greece SA", whose purpose is to provide all necessary support to new investment ventures," he explained. "Above all, Greece is a free economy with a freely convertible currency and benefiting from the legal framework of the European Union, as well as numerous bilateral investment treaties."

In conclusion, Mr Tsibris stated that there should be a significant increase from previous low levels of FDI into Greece in the next 12 months, particularly taking into account the privatisation program under way.

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