

Greece. Business naturally.

## A Framework for Investment

The framework for investment support in Greece revolves around three institutional pillars: the Investment Incentives Law, the National Strategic Reference Framework 2007-'13, and Public Private Partnerships (PPP).

### Investment Incentives Law

Greece's investment incentives law governs the terms and conditions of direct investment in Greece and provides for the incentives available to domestic and foreign investors. The incentives on offer are among the most competitive in the European Union.

Investment incentives are applicable to primary, secondary, and tertiary sectors and cover a wide variety of business activities. For the purpose of promoting investment in outlying and less developed regions of Greece, the country is divided into three zones, A, B, and C, with A being the most industrialised areas of Greece, including the prefectures of Attica and Thessaloniki, and zone C being the most remote and less developed.

Investors may take advantage of: cash grants or leasing subsidies, wage subsidies for employment created by the investment, or tax benefit of up to 60 percent of the overall investment cost.

### Investment Incentives

For investment projects that fall under the provisions of the law, the following incentives are available:

**Cash Grant**, that covers part of the expenses for the investment project by the State, and /or

**Leasing Subsidy**, that covers part of the payable installments by the State relating to a lease that has been entered into for the use of new mechanical or other equipment; or

**Wage Subsidy**, provided for employment created by the investment; or

**Tax Allowance**, that allows income tax exemption on non-distributed gains. The allowance is effective upon completion of the investment for the first ten years of operation and is created through a tax-exempt reserve.

### Investment projects are divided into two categories and may include:

Energy

Renewables, biofuels, cogeneration

Environmental Protection

Water recycling, desalination, energy reduction

Primary Sector

Agriculture, mining

Manufacturing

Tourism

Hotels, conference centres, golf courses, ski resorts, spas, marinas, health tourism units, sports tourism

Logistics Centres

Technology and Innovation

Software development, broadband expansion, microelectronics

Research Laboratories

Industrial applications, energy, minerals, agriculture

Other specific projects



## National Strategic Reference Framework (NSRF) 2007-2013

### A Promising Era

The National Strategic Reference Framework 2007-'13 follows the successful completion of the 3<sup>rd</sup> Community Support Framework and provides for €31.9 bn. for public projects in Greece. Private participation is estimated at €7.5 bn., for a total budget of €39.4 bn.

### NSRF Focus

Environment & Sustainable

Development ..... €2.8 bn.

Infrastructure Improvements ..... €7.5 bn.

Competitiveness & Entrepreneurship.... €1.7 bn.

Digital Convergence ..... €1.2 bn.

Education & HR ..... €5.2 bn.

Public Administration..... €0.7 bn.

Additional Regional Funding ..... €12 bn.

### Public Private Partnerships (PPP)

The framework for Public Private Partnerships provides for collaboration between public and private sector organisations for the financing, construction, maintenance, operation/exploitation of infrastructure projects or for the provision of services.

PPP projects no longer need to be ratified in parliament. All PPP projects are approved, monitored, and coordinated by a special interministerial PPP Committee, and supported by a PPP Secretariat within the Ministry of National Economy.

### PPP projects fall into one of two categories:

Projects directly reimbursed by the State.

Projects reimbursed by end users

(for example through tolls).

As of September 2008, 52 projects with a value of €5.7 bn. have been approved and more than 100 Greek and foreign companies have participated in PPP tenders.

### PPP projects focus on specific areas and sectors that include:

Infrastructure (motorways, parking)

Education (schools, universities)

Environment (waste management, wastewater treatment, desalination)

Health (hospitals)

Ports (infrastructure)

Public sector buildings (courthouses, prisons, municipal and regional buildings)

Projects repaid by end users

Public sector real estate development

For more information please visit

[www.ppp.mnec.gr/en](http://www.ppp.mnec.gr/en)

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