



HELLENIC REPUBLIC  
Government

# “Restart of the Greek Economy”

20 May 2020



# Our plan's philosophy

Health



Stability



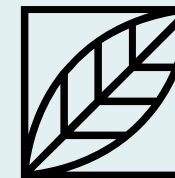
Trust



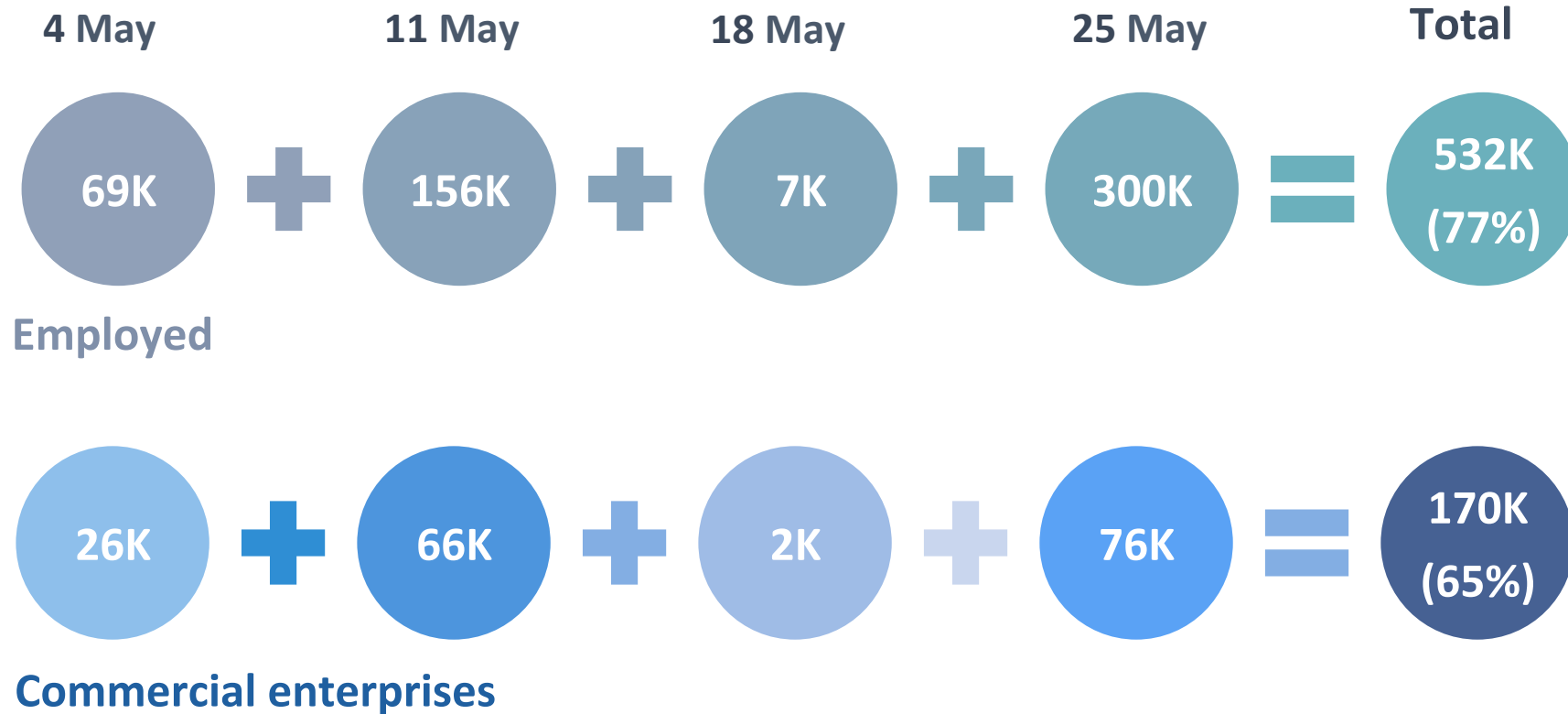
Solidarity



Sustainable development



# The opening of businesses in numbers



# Our plan to support the economy

Christos Staikouras



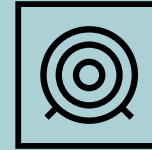
# Plan to support the economy

## We are developing a plan:



- Consistent
- Complete
- Dynamic

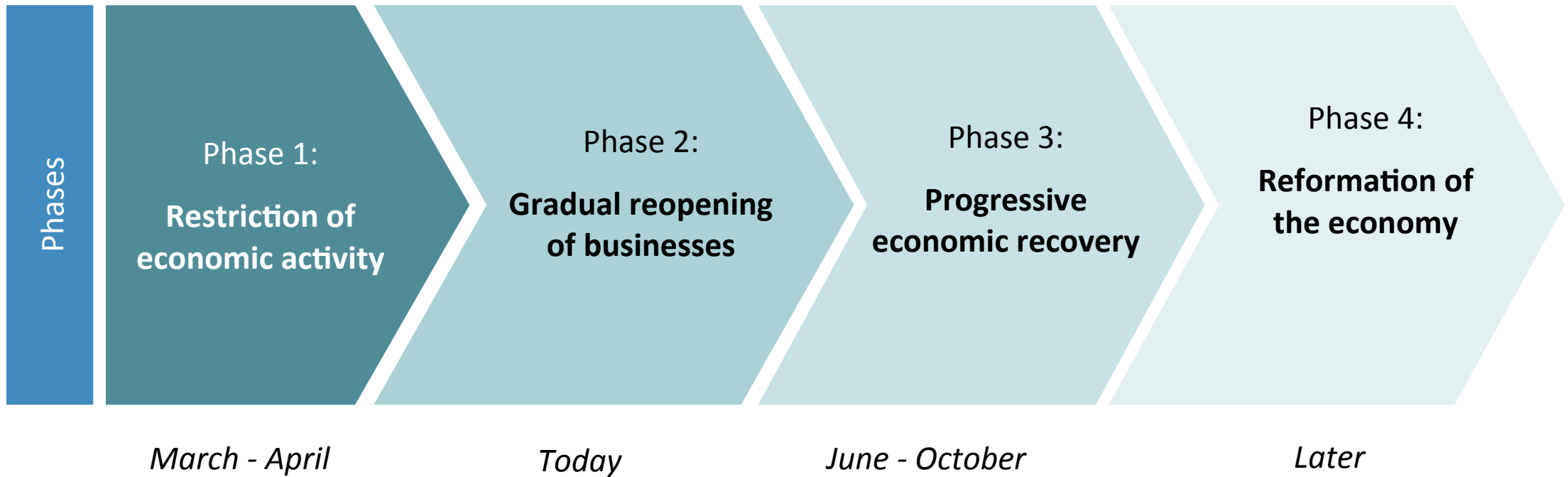
## We aim to:



- Protect public health
- Support employment
- Boost business liquidity
- Instigate social cohesion



# The plan's phases

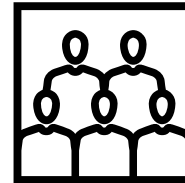


# Phase 1

## March - April

- Strengthening the budget of the Ministry of Health
- Suspension of payment of tax and insurance obligations
- Reduction of rents for businesses, employees and students
- Special purpose compensation to employees, professionals and entrepreneurs
- Unemployment benefit and support for the long-term unemployed

**The support measures of the first phase helped**



**2 million  
citizens**

## Phase 2

### Today

- ✓ **Extension of payment suspension** of tax and insurance contributions
- ✓ **Extension of special purpose compensation** and social insurance contribution coverage
- ✓ **Rent reduction** for businesses
- ✓ **Liquidity enhancement** through
  - Repayable advance
  - Interest rate subsidy
  - TEPIH II business financing
  - Loans **guaranteed** by the Development Bank
  - Providing **microcredit** to small businesses





## Phase 3

### June – October

- Continuation and expansion of **employment** support measures
- Further strengthening of corporate **liquidity**
- Taking targeted **tax measures**
- Addressing **private debt**



# Phase 4

## Presentation of the Strategic Plan for Economic Development in September 2020

1

### Innovation - Technology



Promoting research and innovation in products and services

2

### Green economy



Direction towards net-zero carbon and circular economy

3

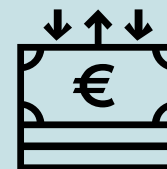
### Extroversion



Achieving surplus external balance

4

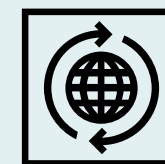
### New sectors



Investments in areas with increased added value

5

### Ecosystems



Creating business combinations that can compete abroad

# New measures



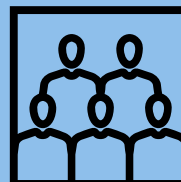
## New measures (1/5)

1



**Suspension of  
employment contract  
and special purpose  
compensation**

2



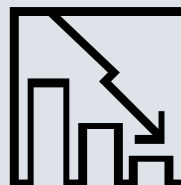
**New employment support  
mechanism**

3



**Unemployment benefit for  
seasonal employees**

4



**Suspension of tax debt  
payments**

## New measures (2/5)

5



**Rent reduction**  
(special provision for  
tourism, transport, culture  
and sports)

6



**Real estate owners' tax  
offsetting with tax liabilities  
as of July**

7



**Second Phase of repayable  
advance**  
(Total € 2 billion)

8



**Reduction of income tax  
advance**

## New measures (3/5)

### VAT Reduction (June 1<sup>st</sup> – October 31<sup>st</sup>)

9

Transport of persons



From 24% to 13%

10

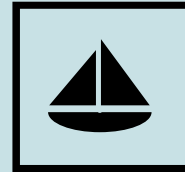
Coffee and non-alcoholic beverages



From 24% to 13%

11

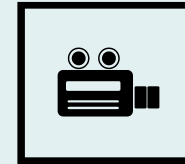
Tourist package



From 80/20 to 90/10

12

Cinema tickets



From 24% to 13%

## New measures (4/5)

13



**Research and development costs**

14



**National Register of New Businesses and tax reductions for capital inflows**

## New measures (5/5)

15

### Main residence loan installment subsidy program

- ✓ For the first time, reliable borrowers affected by the pandemic are being **supported**
- ✓ All of the borrowers “in the red” affected by the pandemic are **supported**
- ✓ **Cultivation** of a payment culture
- ✓
- ✓ The risk of creating a new generation of “red” loans is **limited**
- ✓ Social cohesion is **strengthened**
- ✓ Multiple borrowers are **covered**



# We have taken front-loaded measures and we continue...

Cost

**14,5**

Billion euros

Added value

**20**

Billion euros

Overall measures

**24**

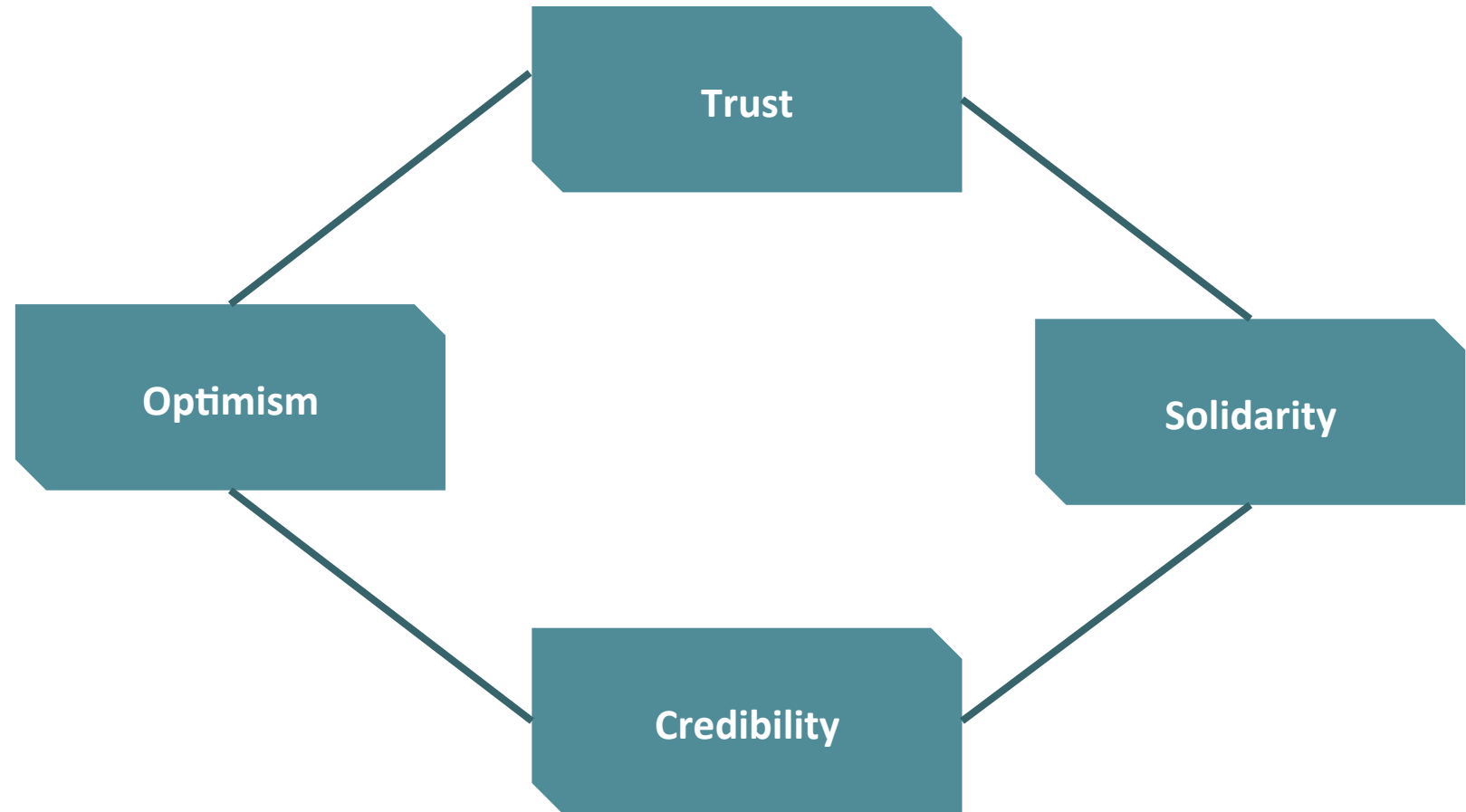
Billion euros

With additional resources and expenditure from European funds (SURE, EIB, Recovery Fund, etc.)



And this is how we have to continue, by building on the positives!

- Reinforced Health system
- Front-loaded Economic measures
- Effective state mechanism
- Digital state



# Labor

Giannis Vrotsis



# New employment cooperation mechanism “Cooperation” (June - September)

## Beneficiaries



All companies regardless of Activity Code Numbers, which show a drop in turnover of more than 20%

All existing full-time employees and seasonal full-time employees

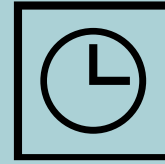
## Employer participation



Right to limit the working time of a full-time employee up to 50%

Full coverage of the employee's social insurance rights on their initial nominal salary

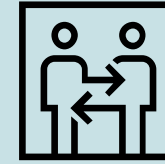
## State participation



Replacement by 60% of the employee's salary

Net earnings are not reduced below the minimum wage limit

## Clauses to maintain jobs



It is not permitted to terminate the employment contract of the employee who is subsidized nor to change the terms of the employment contract

Intensive inspections by the Association of IT Companies & Communications of Greece in the Labor market

# Reinforcement of seasonally employed and unemployed

## Seasonal unemployment benefit



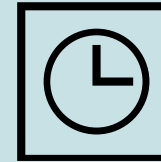
**Granting** of seasonal unemployment benefits to the approximately 120,000 seasonally unemployed until September

## Insurance subsidy



Employer's insurance contribution **subsidy** for seasonal part-time employees, as an incentive for re-employment

## Unemployment benefits



**Extension** of unemployment benefits ending in May by two months

# Targeted policies

## F&B Industry

- Labor suspension and special compensation remain in force until **June 2020**
- At the same time, the “Co-Operation” mechanism for strengthening employment functions
- 40% rent discount until **June 2020**

## Tourism – Transport – Culture – Sports

- Labor suspension and special compensation remain in force until **July 2020**
- At the same time, the “Co-Operation” mechanism for strengthening the employment functions
- 40% rent discount until **August 2020**



# Support for businesses and large investments

Adonis Georgiadis



## Supporting business liquidity



Provision of a  
guarantee from the  
Development Bank

- Guarantee fund of 2 billion with a total **liquidity leverage of 7 billion.**
- **80% guarantee** of the media and large businesses loan portfolio



New liquidity actions that  
mobilize a total of € 5  
billion.

### TEPIH II

- It secures working capital with **100% interest-free financing** for the first 2 years
- **Zero interest rate at 40%** of the share capital of TEPIX II for the remaining term



## Supporting business liquidity

ACTION	AMOUNT
Increase of TEPIH by € 300 million, which means new loans of € 750 million with leverage	300,000,000
Entrepreneurship capital for projects in energy, circular economy and critical infrastructure with € 3 billion expected leverage	400,000,000
Creation of a pilot program for co-investments of Business Angels in cooperation with the European Investment Fund, amounting to € 30 million	30,000,000
Creating project preparation facility for coordination and financing of maturation of large and strategic infrastructure projects	500,000,000
Soft financing program for start-ups	100,000,000
Public participation in Equifund increase	50,000,000
Co-financing (loans) with credit institutions in strategic sectors of the Greek economy	400,000,000
Investment capital (co-investment facility) for equity for hiring foreign institutional investors to finance fast-growing Greek companies	100,000,000
<b>SUM</b>	<b>1,880,000,000</b>

**Mobilization of  
over 5 billion in the  
real economy**



# Strategies and big investments

## Development Law



- ❑ EU approval of **additional support** investment projects amounting to **€ 2,7 billion**
- ❑ 2 new programs in May
  - “General Entrepreneurship”
  - “Entrepreneurship of Very Small and Small Businesses”

## Public-Private Partnership projects



- ❑ **Approval of new projects** (4 projects amounting to € 365 million)
- ❑ **Project auctions** within June (8 projects amounting to € 1.5 billion)
- ❑ **Partnerships activation** (eg with EIB and EBRD) to finance and support PPP projects

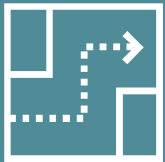
## Approvals for new Strategic Investments



- ❑ Approvals for new Strategic Investments amounting to € 700 million.
- ❑ Strategic RES Investment Licensing amounting to € 80 million.

# Creating a mechanism for accelerating large projects

## Strategic project planning



- ❑ Design and coordination of future strategic investments
- ❑ Maximization of complementarity between private, public projects and NSRF projects

## Creation of a project maturation mechanism



- ❑ Improved mechanisms for maturing and monitoring strategic projects
- ❑ Ensuring valid preparation and facilitation of private funding

**40 large projects  
with a total  
budget of € 6  
billion**



## New NSRF

- **New NSRF (2021-2027) with front-loaded funding by the beginning of the year**
- **Additional resources from the European Recovery Fund**
- **They will finance the country's economic recovery in the medium term**



# Tourism

Harry Theocharis



# The importance of tourism for the country



Proceeds of  
**€ 19 billion** in 2019

(BoG: Travel balance of payments)



**33 billion**  
visitors in 2019

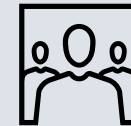
(BoG: Travel balance of payments)



First two months of 2020

**+23 %**

(BoG: Travel balance of payments)



Contribution to  
employment

**360,000 employees**

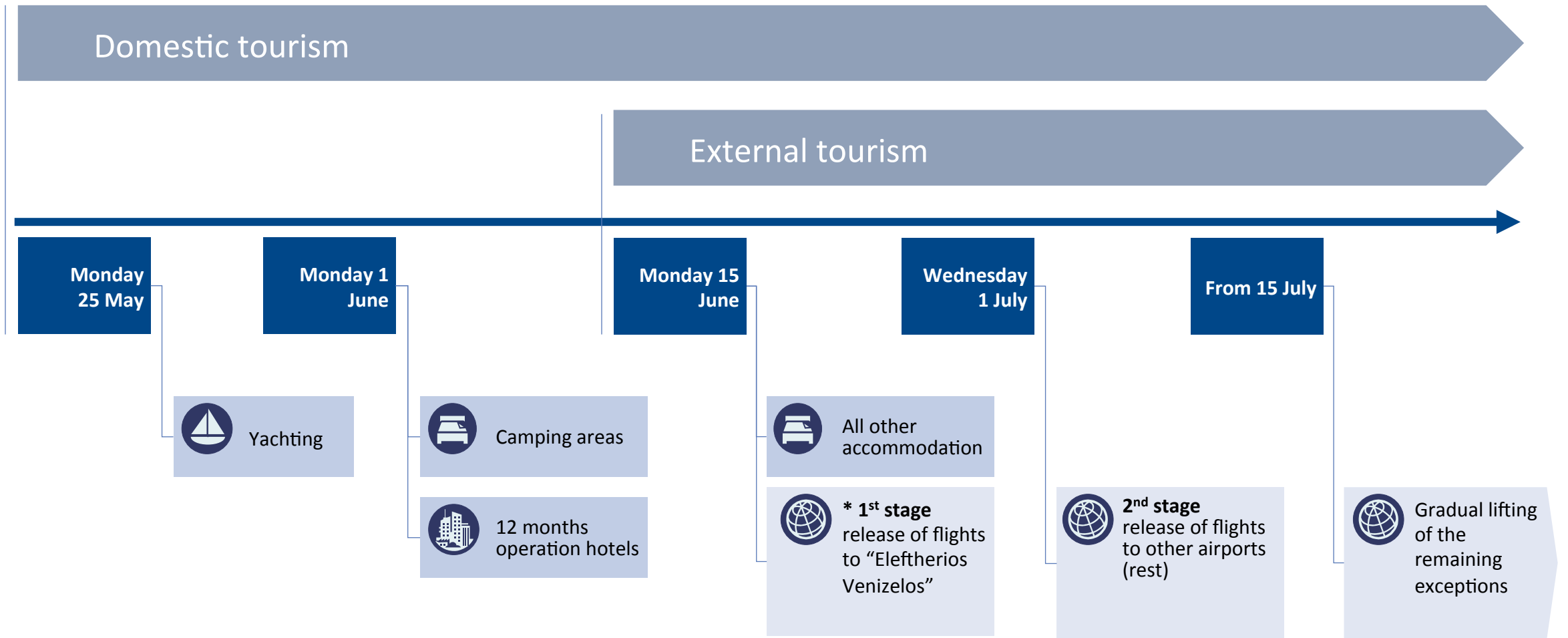
(ERGANI: employed in accommodation and  
F&B Industry)

## “Restart Tourism” – Our basic priorities

### Restarting tourism:

- With safety for employees
- With respect to visitors
- By strengthening healthcare structures in tourist destinations
- With support for business
- In consultation and cooperation with society, institutions and the global community

# Market opening schedule



(\*) List of countries will be determined based on their epidemiological profile by 1 June. Visitors will be subject to sampling without mandatory testing.



# Case Management Ability



## Strengthening healthcare capacity of destinations

- **Ensuring examining realization**
- Appointment of a **collaborating physician** as the first point of assessment of the case within each accommodation
- **Appointment of a** coordinator from the accommodation for the management of cases



## Case operational management

- **Accommodation doctor** who assumes duties at first instance
- **Special “quarantine areas”** per region/ island
- **Transfer to a health structure** (if deemed necessary)





### Development of operational plans for small island destinations

Strengthening the capacity of healthcare infrastructure:

- ✓ We are putting in place a total of **20 new analysts** for tests on the islands
- ✓ We are providing/ securing **600 COVID beds** on the islands

Coverage by nearby destinations:

- ✓ Ensuring **transport time <2 hours**
- ✓ Utilization of the **infrastructure of mainland Greece**

## 1<sup>st</sup> stage of release - 15 June

- Release of flights from abroad to “Eleftherios Venizelos”
- Free entry of visitors from countries with **good epidemiological characteristics**
- Additional criteria evaluated such as:
  - ✓ Road access
  - ✓ Medium distance by air
  - ✓ Diaspora communities

The release is expected to put positive pressure for a similar release of restrictions in the country of origin.








## 2<sup>nd</sup> stage of release - 1 July

- Release of flights from abroad to all airports
- Free entry of visitors **from all countries**
- Countries with negative epidemiological characteristics **will be excluded**
- The countries that will be excluded **will be announced in good time**
- Countries excluded from the 2<sup>nd</sup> stage of release will be monitored with regards to their epidemiological characteristics



# Health Protocols for the operation of businesses and the transport of tourists

## Health Protocols

-  Operation of tourist accommodation structures
-  Operation of tourist buses
-  Operation of car rental companies
-  Sea Transport: Passenger - ferry boats
-  Air Transport: Inside the plane
-  Air Transport: Airport Operation (terminal)
-  Check in the Entrance Gates (eg questionnaire, test samples)

## Measures for the financial support of tourism businesses

- ✓ Extension **of the right to suspend a labor contract** until July
- ✓ **40% business rental reduction** until August
- ✓ New **“SURE”** employment support mechanism until September
- ✓ Support of **seasonal employees**
- ✓ **Refundable deposit**
- ✓ **Tax advance reduction**
- ✓ **VAT Reduction** in transport, coffee, non-alcoholic beverages and the tourist package
- ✓ **TEPIH II Business Financing/ Development Bank Guarantee Fund**



# Reinforcement of domestic tourism



## Domestic tourism

- Advertising campaign
- “Tourism for All” Program
- Social Tourism Program (Hellenic Manpower Employment Organization)
- Corporate Holiday Vouchers for Private Sector Employees

## “Tourism for All” Program

### Goals

- Reinforcing industry liquidity
- Strengthening employment
- Stimulating demand

### Framework

- € 30 million
- A minimum of 4 night stay
- Concerns hotels and travel agencies
- 250,000 beneficiaries
- A minimum of 1 million night stays

# Strengthening the sense of security of tourists (Greeks & foreigners)



## Update on health protocols

- Use of **Visit Greece app**
- Posting of relevant material on the sites of tourism providers & tourism agencies
- **Informative material** in the area (posters, banner, etc.)
- **Publicity campaign** in the local and international media



## Generating a sense of security

- Intensive monitoring of **healthcare conformity** by the Ministry of Tourism
- Special **“Health First”** Signal to all tourist providers
- **Possibility of certification** by third parties - private body



## Destination promotion

- **Increasing funds for advertising** (€ 23 million Greek National Tourism Organization)
- **Targeted advertising** in the markets we open
- **Brand campaign** and reservation campaign
- **Co-advertising**
- Agreements with **Tour Operators**



# “Restart Tourism”

Preconditions

1

**Realistic timeline**

2

**Case management capability in destinations**

3

**Ensuring tourist flows from abroad**

Operating Rules

4

**Operating protocols of tourism companies**

5

**Protocols of travel and transport of visitors**

Market Activation

6

**Business support and strengthening domestic tourism**

7

**Communication and reinforcing tourists' sense of security**



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