Economic Relations Between Greece, the Middle East and North Africa (MENA)

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The Middle East Research Project

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Summary

The countries of the Middle East and North Africa are a vital zone for Greek trade and entrepreneurship. At a time of deep economic recession and highlighting the data of the ongoing economic activity, it is suggested that Greek economic activity in MENA countries can be further boosted.

**Keywords:**

*Economy, trade, investments, Greece, Middle East, North Africa, MENA*
1. INTRODUCTION

A few years ago, when Greece entered the debt crisis tunnel, the need for economic extroversion of Greek companies was particularly highlighted. At the time few people hoped that Greek productivity which had hit low record levels could improve rapidly and alter its orientation to seek clients abroad. Pessimism at the time was justified by the bleak image of the Greek economy and mainly the mentality of the majority of Greek businessmen who, until then, had been used to look inwards, in the Greek market, and to neglect exports.

Yet the optimism of those who supported vividly the idea of extroversion seems to have bore fruits. Nowadays more and more Greek companies become active in promoting their image abroad, boosting their production and export activity in Asian and North African markets, Latin America, the Caucasus and Central Asia, South Asia and China. In this analysis there is an attempt to highlight the bulk of trade and investment activity between Greece and MENA countries.

The economic crisis is an issue for concern but also a cause for boosting production and exports. Prior to the crisis Greek production was not so competitive and this is obvious in the volume of exports both to major countries-clients and areas of previously lesser activity for Greek products. In the last three years there has been a booming exporting activity of unprecedented scale by Greek standards.

The continuous export increase in the last three years under difficult circumstances for the Greek economy and products reveals, contrary to the recent and rather inaccurate European media stereotypes, the competitive nature of Greek productivity, highlighting also the way out of the current crisis.

In 2012 the exports growth rate at the levels of 6.8%, much higher than initially expected, gives a hint of Greece’s economic extroversion, the turnover was around 24 billion and more than 11% of the GDP. Being a groundbreaking development for the debt-torn Greece, as it now exports more products than it imports and the vigorous exports activity of Greek businessmen has prevented a further deterioration of the Greek economy.

2. Greek Exports

2.1. The Markets

As a result of the geopolitical orientation of modern Greece to the West, especially after 1922, Europe has been the main market for Greek products. The post-war strategic axiom that “Greece belongs to the West” reflects the geo-economic concept of Greece-based businessmen. Expectedly enough in the recent past close political and economic relations between Greece and countries such as Germany, France and the United Kingdom have created a strong commercial bond and have attracted Greek companies to these

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2 Greek Foreign Ministry, Brief Note on Bilateral Commercial and Economic Relations between Greece and Arab countries, May 2010.
Working Paper 36/2013

markets.

External Commerce of Greece - 1st Half 2012
(Petroleum products excluded) 3
Europe

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<td>243.739.199</td>
<td>312.432.106</td>
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<td>2.372.933</td>
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<td>12.875.941</td>
<td>6.822.423</td>
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<td>Total</td>
<td>6.495.485.359</td>
<td>6.431.478.100</td>
<td>1,00%</td>
<td>11.187.190.555</td>
<td>12.887.368.597</td>
<td>-13,19%</td>
</tr>
</tbody>
</table>

2.1.1. 2.1.a. The Balkans

After the breakup of the Soviet Union the EU economic expansion eastwards, a new market opened in the doorstep of Greece; in the last two decades the Balkans have been the Eldorado of Greek businessmen. Moreover the Balkan Peninsula is culturally and economically a familiar region for Greek entrepreneurs who had successfully operated for centuries in the region in ancient times, Byzantium and the Ottoman period. Greek flourishing enterprise in the Balkans did last for more than two decades but it has been heavily affected by the Eurozone crisis. 4

Greek investments of almost €15 billion in the Balkan markets resulted in a turnover of 80%. Today their value is estimated to be less than half. In particular Greek investments in the region have dramatically decreased in the last four years: in 2009 there were invested more than €143 million, in 2010 €90 million, in 2011 €46 million and in 2012 the volume fell to €20 million.

Today Greek businessmen view the Balkans in a twofold way: first, not as a chance to expand their business but as a refuge to protect them from bankruptcy in Greece. It is estimated that 2000 companies of mid and small size have moved to the Balkans because of the favorable tax policy and the low operating costs. Second, some Greek companies, especially banks, have liquefied some of their assets in the Balkans in order to sustain their operation in Greece per se.

As already mentioned, the financial situation in the Balkan economies has been affected by their exposure to the Greek economy and the consequences of the Eurozone crisis as a whole.

For now Balkan economies, except Serbia, display a high degree of resilience to the Eurozone crisis by achieving positive growth, albeit this growth has been curbed compared to previous years. For instance, Bulgaria, Serbia, FYROM and Albania keep having positive growth with Turkey and Romania being on the lead of this process. Yet growth in the Balkans coexists with the first signs of recession. For instance, last year Turkey had its exports rate increased but its investments have decreased.

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4 “Το Ελντοράντο του ’90 καταφύγιο για την οικονομική κρίση του σήμερα,” Καθημερινή, 6/1/2013.
Greek businessmen are active in the Balkans and in particular in the neighboring countries: Bulgaria, FYROM and Albania. In SE Europe there are 5,000 Greek companies of which there are 2500 in Bulgaria. The fields of investment are banking, telecommunications, computing science, lottery, foods, drinks, retail trade, metals, building materials, construction, energy (electricity and petroleum), textile industry, tobacco industry and so on.

Bulgaria is an attractive market because of its low tax rate (10%), low labor cost (monthly salary of €300) and operating expenses (commercial property renting wages between €200 and 400). In FYROM there are more than 200 Greek companies of which 30 have invested more than €800 million with 20,000 employees. In Albania there are 400 Greek companies but more than 1000 companies in the country are associated with Greek funds. Greek investments in Albania mount to €500 million, i.e. more than a third of foreign investments in the country.

2.2. Changing course

The declining economic situation in Europe and the Balkans and the shift of production and economic vigorousness to Asia, and partially to Latin America, seems to have had a major impact in the worldview of Greek entrepreneurs. The latter have been alarmed by the dramatic change of the economic landscape and are in the process of finding other fields and regions of entrepreneurship both near and far from Greece. As a result, the ongoing improvement of Greek exports seems to result from the orientation of Greeks to the so-called “East,” i.e. to the markets of Asia and North Africa (31.8%), the Caucasus and Central Asia (34.3%), South Asia (30.3%) and China (49%). There has been also an increase to exports to North America by 38.9%.

2.2.1. The Middle East

Nowadays culturally and economically the region of the Middle East is terra incognita to Greek businessmen. This was not the case in the recent past. Actually the cultural and economic significance of the Middle East has always been quite high in the long history of Greeks. It was in 1922, less than a century ago that Greeks were alienated from there ancestral roots in Asia Minor, in modern Turkey, and a few decades later the Greek populations in Turkey, Egypt, Georgia and elsewhere were forced to abandon their historical cradle around the Mediterranean and the Black Sea. The economic withdrawal, and almost alienation, of Greeks from the Middle East continued after Greece entered the European Union. It was the EU abundant money inflow to Greece that discouraged Greek entrepreneurship and extroversion in the Middle East.

In spite of the absence of Greeks in the post-war Middle East, culture and politics have preserved Greece’s high profile in the region. Historically the past success of Greek entrepreneurship in the Middle East is connected with the traditionally high cultural and economic profile of Greeks in the Middle East. Today due to their long cultural relations with the peoples of the Middle East, Greek culture is popular in the region. The long economic and cultural interaction between Greeks and the peoples of the Middle East has left an impact in the public mind and collective consciousness of the peoples in the region.

In the 1980s the positive image of Greece, mostly in the Arab and Islamic world, was strengthened by Andreas Papandreou’s pro-Palestine policy. The political support that Papandreou offered to Yasser Arafat resulted in boosting political, economic and cultural ties between Greeks, Palestinians and the Arab world in general. Palestinian businessmen,
professionals and students took refuge in Greece at times of hardship for them. Thousand of scholarships were awarded to Palestinian and other Arab students at graduate and postgraduate levels enabling them to study and be qualified in their field. Some of them remained in Greece while some other returned to their motherland to carry the message of intercultural friendship and interaction.

2.2.2. **Heading to the Middle East**

Today with the current economic crisis looming over Greek economy, the Middle East looks quite appealing to Greek entrepreneurs. Thus it is not surprising that contacts between Greek and MENA companies have multiplied since 2009 and there seems to be more opportunities for further collaboration.

The aforementioned improvement rate for Greek products by 31.8% is good but not enough. It is the worst performance in comparison to other regions and countries. Taking into account that this region is the nearest to Greece after the Balkans and Europe, with some countries sharing maritime borders with Greece (Egypt, Libya), it is plausible to think that much more needs to be done in order to increase exports further.

In this context neighboring Cyprus and Turkey play a major role in Greek efforts to expand economic collaboration with the Middle East, for they have a strategic role as economic hubs, posing an interesting bridge between Greece and the Middle East.

In the last two years more than 1000 companies have moved from Greece to Cyprus. However due to the huge impact of the Eurozone crisis, Cyprus has suffered a major recession and the future for Greek companies there is bleak. Nicosia seeks €17 billion to support its budget and banking sector. The austerity measures which accompany the Memorandum are expected to lead to a recession of 2.4%, public expenditure will decrease by 2.9% and private spending by 4.1%. According to Alpha Bank estimates, investments will decrease by 21%. Exports will remain unchanged but imports will decrease by 9%. The aim of the austerity measures is to restrict this year the deficit to 5% (6.3% in 2012).

In neighboring Turkey taxation is 2% of the profits for the first eight years. As a result many Greek companies have decided to move their base to Turkey whilst some others are in the process of doing so. Greek investments (more than 2.000 Greek companies) in Turkey are $6 billion and Greece is amongst the top five foreign investors in Turkey in the last five years. Turkey absorbs more than 4% of total Greek exports.

The case of Turkey as a Muslim country-destination for investment and collaboration is a relatively good example for Greek businessmen in order to get experience regarding the modus operandi with other Muslim countries. In Muslim countries a future foreign investor needs to be familiar with their cultural landscape and mentality. Almost all countries in the Middle East are Muslim, and Islam forms the backbone of the mentality, hence the economic worldview, of their businessmen and economic elites. However, localism is an important factor for every country, because local traditions and cultures play a major role, differentiating the form of Islam and culture in every country. This variation includes also business and behavior in economic dealings. This variation makes information and knowledge the most important factor and a prerequisite for every Greek company planning to be active in the Middle East. In this process the role of information sources, i.e. Greek diplomatic missions and research centers, becomes paramount.
3. Inherent aspects

3.1. The role of information

3.1.1. Greek diplomatic missions and research centers

The cultural and economic familiarization of Greek businessmen with the Middle East and the Islamic world is a top priority and relies on correct and quick information. In the process of expanding activities in the Middle East the Greek state and companies need to have essential information about the economic developments and cultural context of every country. Undoubtedly the information coming from the Greek diplomatic missions is very useful. The official statistics on the volume of bilateral trade and economic activity as well as the economic situation of every country are the surface of every economy. But in order to have effective results diplomatic missions need to combine information with more active promotion of Greek products. It is noteworthy that after the emergence of the economic crisis diplomatic missions have been more active in promoting Greek economic interests. This activity needs to be intensified by Greek missions.

Moreover the economic information coming from Greek diplomatic missions must be combined with more information on ongoing economic developments going beyond the official data. There must be assessments of current and future economic events by specialists in various scientific fields related to MENA. And here lies the significance of research centers.

Greek research centers need to develop and boost the field of MENA Economics in order to produce tangible research results which will be distributed in the form of specialized analyses, reports and conferences. The funds for running such an initiative can realistically come only from the private sector. I.e. the companies themselves. In order to achieve solid results, Greek businessmen need to be economically and culturally familiarized with the Middle East and the Islamic world. At least this is what businessmen from other non-MENA countries have been doing in a professional way for decades.

3.1.2. The role of Chambers of Commerce

Establishing new commercial and business chambers on a bilateral basis and expanding the already existing ones is of fundamental significance for systematically promoting bilateral economic relations with MENA countries and adjacent regions. This development which has delayed so far seems to be implemented actively in recent months in various cases, such as the Chambers of Commerce of Greece with Qatar, Egypt and Azerbaijan in Caucasus.

On the occasion of the official visit of Prime Minister A. Samaras in Qatar in January 2013, the Enterprise Council of International Activities of the Hellenic Federation of Enterprises took the initiative to establish the Enterprise Chamber of Greece and Qatar in cooperation with the Commercial and Industrial Chamber of Qatar. The aim of this initiative is to become a bridge, bolstering bilateral economic ties. The agreement was signed in Doha on 30.1.2013 by the heads of the organizations of the two countries at the
presence of the Greek Prime Minister and the ministers accompanying him.\(^5\)

In early 2013 businessmen from Greece and Azerbaijan, acknowledging the dynamics of bilateral economic relations, embarked on the project of establishing a joint economic and commercial chamber, aiming to contribute to developing commercial interstate transactions between companies and advising Greek companies wishing to engage economically in Azerbaijan.\(^6\)

The aforementioned cases are of particular interest, highlighting the changing of course of Greek businessmen and their vivid interest in MENA and adjacent regions. The next step is to have similar chambers established in other MENA countries. What is significant in this case is that this effort must be supported politically and actively by the Greek government in a systematic fashion.

### 3.2. Technical Obstacles

#### 3.2.1. Liquidity issues

Almost 40% of the Greek exporting companies face liquidity issues because of the Greek state’s inability and inefficiency to return the VAT (Value Added Tax) to these companies. This situation is serious for the ability of these companies to continue exporting and boosting Greek economy.

The Greek government needs to address this issue immediately and prioritize the return of Value Added Tax to the booming Greek exporting companies in order to secure their viability and boosting of Greek enterprise abroad. The Greek state must help Greek businessmen to overcome the bleak economic present of the country and not to prevent them from implementing.\(^7\)

#### 3.2.2. Reliability and Timing

Once the Greek businessmen were convinced that the only way out of the crisis is extroversion, Greek exports kept rising with some brief interludes. These are identified in terms of time with the issue of the international political reliability that Greece seems to suffer from in certain periods associated with the decision making process by Eurozone and Greece’s lenders. Thus the case of timing regarding the image of the country abroad influences negatively Greek export but only temporarily. These interludes last a month or two and then there is a re-increase of Greek exports.

This factor is an issue that the Greek state and businessmen can hardly overcome since timing is important to the international interest for economic developments in Greece. Greek businessmen have been used to this reality and they seem to have adjusted to the ups and downs of their exporting activity. It is important that the Greek state must raise this issue in the decision making process in Europe and beyond in order to prevent a frequent repetition of doubtful stereotypes regarding Greek reliability about products quality and transaction efficiency.

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\(^{6}\) www.greekazerchamber.eu

\(^{7}\) G. Manettas, “To a new exports record in 2012,” Imerisia, 15-16/12/2012.
4. The sectors of the economy

Greek entrepreneurship in MENA is active in the three main sectors of economy but it is actually the primary (retrieval and production of raw materials, such as coal, wood and iron) and secondary (transformation of raw or intermediate materials into goods, for instance manufacturing textiles into clothing) sectors in which Greeks are more active. By contrast Greek economic activity in the Tertiary Sector is extremely weak and involves mainly banking in Turkey and Egypt. In the current analysis emphasis is given to trade covering the primary and secondary sectors both in terms of products and companies.

4.1. Trade

In the last four years the trade volume between Greece and MENA has risen sharply, following the same tendency in the overall trade activity of Greece worldwide. In this process the trade balance is generally negative for Greece. Nevertheless the most important priority for Athens is to keep increasing its trade volume by boosting exports as much as possible. Once this aim and a minimum increase have been achieved, the next step is to balance the volumes of imports and exports.

Generally the Middle East and the North African regions (MENA) is usually the fourth most important trade region for Greece, based on the trade volume of the past years. While MENA usually lagging behind Europe (EE and the Balkans) and North America, in the last couple of years there has been impressive progress in boosting the trade volume between Greece and MENA.

In the first half of 2012 Greek exports in the Middle East (€333.273.428) increased by 37.86% compared with the first half of 2011 (€241.740.921). In North Africa Greek exports increased by 28.41% (371.273.547) compared with the first half of 2011 (€289.131.724). Interestingly Greek imports from the Middle East in the first half of 2012 decreased by 25.55% (€212.950.875 in 2012 and €286.041.831 in 2011). The decrease of Greek imports was bigger in North Africa by 36.66% (€95.955.250 in 2012 and €151.493.013 in 2011).

In Table 1 the details of the changing components of the trade volume between Greece and MENA are shown.

### External Commerce of Greece - 1st Half 2012
(Petroleum products excluded)

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<tbody>
<tr>
<td>Middle East</td>
<td>333.273.428</td>
<td>241.740.921</td>
<td>37.86%</td>
<td>212.950.875</td>
<td>286.041.831</td>
<td>-25.55%</td>
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<tr>
<td>S. E. Asia</td>
<td>105.746.954</td>
<td>42.050.430</td>
<td>151.48%</td>
<td>247.897.498</td>
<td>230.677.598</td>
<td>7.46%</td>
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<tr>
<td>S. Asia</td>
<td>50.042.966</td>
<td>36.574.726</td>
<td>36.82%</td>
<td>155.207.391</td>
<td>188.008.614</td>
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<tr>
<td>CIS</td>
<td>5.142.900</td>
<td>9.022.216</td>
<td>-43.00%</td>
<td>39.825.900</td>
<td>44.546.088</td>
<td>-10.60%</td>
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<td>Total</td>
<td>733.292.303</td>
<td>528.637.480</td>
<td>38.71%</td>
<td>3.079.775.318</td>
<td>2.955.283.288</td>
<td>4.21%</td>
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Indicative of the significance of MENA for Greek trade activity in Asia and Africa is the

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fact that MENA leads by far the trade volume in both continents. In exports, while the total of Greek trade volume in Africa was in the first half of 2012 €473,372,400 and was increased by 28.82% compared with the output of 2011, the volume of Greek trade with North Africa exceeded €371,273,547, i.e. more than 70%. Similarly in the case of Asia the MENA output covers 40% of the total continental volume exceeding the output of South East Asia and East Asia. In terms of imports the MENA role is similar, albeit Greece has managed to decrease its dependence on MENA imports by more than 30%.

As a whole, MENA is a major region for Greek trade activity although its output cannot be compared with that of Europe. In 2012 Greek exports volume with Europe, including the EU and the Balkans, reached €6,495,485,395 whilst Asia and Africa’s share in Greek exports was less than a billion. In particular the major role of the EU is more than obvious: the EU’s share in Greek exports was more than €5 billion whilst MENA together covered only a 10% of Greek exports to the EU. Similarly Greece’s dependence on EU imports in 2012 (almost €10 billion) was incomparable to the MENA exports to Greece which were almost 5% of the EU volume and 50% of the Balkan volume.

**External Commerce of Greece - 1st Half 2012**
(Petroleum products excluded)\(^9\)

**Africa**

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<tbody>
<tr>
<td>N. Africa</td>
<td>371,273,547</td>
<td>289,131,724</td>
<td>28.41%</td>
<td>95,955,250</td>
<td>151,491,013</td>
<td>-36.66%</td>
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<td>W. Africa</td>
<td>70,818,215</td>
<td>53,719,295</td>
<td>31.83%</td>
<td>26,666,851</td>
<td>42,757,992</td>
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<tr>
<td>S. Africa</td>
<td>16,666,781</td>
<td>8,336,157</td>
<td>99.93%</td>
<td>24,068,362</td>
<td>30,510,531</td>
<td>-21.11%</td>
</tr>
<tr>
<td>C. Africa</td>
<td>8,691,441</td>
<td>5,292,782</td>
<td>64.21%</td>
<td>11,545,254</td>
<td>19,586,812</td>
<td>-41.06%</td>
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<tr>
<td>E. Africa</td>
<td>5,922,416</td>
<td>10,992,967</td>
<td>-46.13%</td>
<td>40,337,965</td>
<td>31,777,333</td>
<td>26.94%</td>
</tr>
<tr>
<td>Total</td>
<td>473,372,400</td>
<td>367,472,925</td>
<td>28.82%</td>
<td>198,573,682</td>
<td>276,123,681</td>
<td>-28.09%</td>
</tr>
</tbody>
</table>

From the above comparisons, it is evident that MENA is important for Greek trade but it has not been explored adequately by Greek businessmen. Although the MENA trade volume has been decreasing for Greece, it has fallen far behind than those of the European continent. Admittedly, Europe in terms of geography and culture as well as politics is a more attractive field for economic activity for Greek businessmen than that of MENA. Yet MENA, although “exotic” and unknown to most Greeks, is a market with more opportunities for Greek businessmen than that of Europe. Their main advantage is not only due to the fact that the revenues of most of the countries are guaranteed by their energy production but also by the fact that they are booming economies situated between East and West and having prospects to develop more. The improved rates of Greek economic performance in MENA suggest that Greeks have started acknowledging this reality.

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4.2. **Trade volume**

### 4.2.1. North Africa

The trade balance between Greece and Algeria is of interest since for three years, 2006, 2009 and 2010, there was a surplus for Greece. In 2011 the overall balance is negative for Greece by 63.25%, albeit it becomes progressively positive.

As for Egypt, in 2011, the volume of bilateral trade has almost doubled (99.86%) in value to around €1 billion, thus putting Egypt among the three most important trade partners of Greece on 18 Arab countries and Israel. Greek exports to Egypt in 2011 totaled €346,788 million, an increase of 66.20%. Similarly, Greek imports from Egypt in 2011 totaled €652,246 million, an increase of 124%.

With regard to Libya, the volume of trade between the two countries in 2011 showed significant decrease compared with the previous year (-69.5%) and fell to €475,63 million, mainly due to the significant reduction that imports from Libya suffered (-77.35%), reaching € 316,513 million. A small reduction was experienced in Greek exports (-1.41%), reaching €159,18 million.

Concerning Morocco, there has been a decrease in Greek exports (-14.52%) and a slighter decrease in imports from Rabat (-3.29). The overall volume has declined.

As for Tunisia, the trade volume increased considerably in 2011 and was positive for Greece (11.41%). Greek imports increased by 23.86% and exports were boosted by 75.51%.

### 4.2.2. Arabian Peninsula and Persian Gulf

Regarding Bahrain, Greek exports to Bahrain in 2011 amounted to € 5,340,710 for 2010 amounted to € 10,070,663 decrease of 46.97% compared to 2010. The Greek imports for 2011 amounted to € 2,683,050 for 2010 totaled $ 7,256,173, a decrease 63.02% compared to 2010.

Iran is an important trade partner of Greece in the area of the Middle East. The main feature of bilateral relations is a large trade deficit for Greece because of the hitherto major crude oil imports. Specifically, in 2011, an increase of Greek exports by 15% and significantly increase Greek imports by 52%.

The trade volume between Greece and Iraq is positive for Baghdad by far with Greek exports reaching € 20,1 million and imports € 578,5 million.

In the case of Kuwait the volume of bilateral trade remains low, although in 2011 made notable increase of 22.6%. The Greek exports amounted to € 10,94 million and the Kuwaiti exports to € 10,32 million.

Greece-UAE trade volume witnessed a rise by 60% of total Greek exports to the UAE during this period, 398 million dirhams (85 million euro) growth of 61.4% from the previous year and imported from United Arab Emirates worth of 93 million dirhams (€20 million) growth of 18.3% compared with the same period last year.

As for Oman, the trade volume is positive for Greece with Greek exports (€5,426,079) surpassing imports (€ 4,624,670).

In the case of Saudi Arabia the overall trade volume was increased in 2011 by 14,52%. Greek exports increased by 169% and imports by 27,4%. The trade volume balance is negative for Greece (-1.149,28).

As for Yemen, Greek exports increased slightly in 2011 by 0,39% whilst imports were reduced drastically by 49,34% in the first quarter of 2012.
4.2.3. Eastern Mediterranean and Mesopotamia

Israel is the fourth most important customer for Greek exports and the sixth most important in Greece's supplier in MENA. The volume of bilateral trade historically is around 280-300 million €, with a significant trade deficit at the expense of Greece. In 2011, however, saw a significant rise in exports and the volume of bilateral trade (410 million €), while bilateral trade surplus was for Greece. (Trade surplus of € 31.7 million compared with a deficit of € 42.8 million in 2010).

With regard to Jordan, trade volume is declining and is negative for Greece by 30.30%. Regarding Lebanon in 2011 and 2010, Greek exports to Lebanon amounted to € 156.678.756 and € 30.307.541 respectively, showing a significant increase 416.96% compared to 2010. As for Greek imports from Lebanon, they amounted to € 22.248.618 € 23.601.986 and respectively, a decrease of 5.73% compared to 2010.

Concerning Syria, prior to the civil war, the trade volume with Greece was booming in 2011 (67,02%) with Greek imports and exports being balanced and positive for Greece.

4.3. Products

The trade volume of Greece with MENA involves imports and exports of a wide variety of products, dealing almost with every aspects of economic activity. The majority of importing products to Greece is mostly related to energy whilst Greek consists mostly of industrial products related to construction, medicine, food and chemical products. In the following lines there is a description of the trading products between Greece and the MENA countries divided in three major regions: north Africa, Eastern Mediterranean-Mesopotamia, and the Arabian Peninsula-Persian Gulf.

4.4. Products - Imports

4.4.1. North Africa

Athens imports natural gas from Algeria, covering more than 20% of its domestic energy needs. From Egypt Greece imports crude oil and treated petroleum oils, iron products, mineral chemical, nitrogenous fertilizers and raw potatoes. Actually natural gas forms the backbone of Algeria's exports to Greece by 96.5%. Libya exports mainly, more than 90%, crude oil and process petroleum oils. Greece's imports from Morocco consist of air vehicles (21%), shells (19%), processed petroleum oils and bituminous minerals (14%), fresh fish (12%) marbles and other stones (10%). As far as Tunisia is concerned, Greece usually imports mineral fertilizers (29%), shellfish alive or preserved (13%), fresh fish (11%), floor wooden leaves (11%) as well as iron and iron steel products (8%).

4.4.2. Arabian Peninsula and Persian Gulf

From the United Arab Emirates Greece imports unwrought aluminum (15%), worked petroleum oils and bituminous minerals (15%) raw petroleum oils and bituminous minerals (11%), ceramic tiles, floor coating tiles (10%) and raw fur (8%). From Qatar Greece imports polymer products such as polymeric ethylene in its initial forms (57%), parts and devices for air vehicles (35%), turbines (6%) as well as sacks and bags (2%). In regard to Kuwait, Athens imports polymeric ethylene in its initial forms (50%), furniture (28%), polypsasts, winches
and crickets (11%), vegetables and fruits preserved in acetic acid (4%), aluminum constructions (3%). In the case of Saudi Arabia the main imported goods are crude oils from petroleum or bituminous minerals (92%), ethers and their products (3%), refined oils from petroleum or bituminous minerals (2%), acyclic alcohols and their products (1,5%) and polymer propylene in its initial forms (less than 1%). Regarding Bahrain, Greece imports refined petroleum oils or bituminous minerals (83%), raw aluminum (8%), jewelry (7%), parts of vehicles (1%) and aluminum wires (1%). As far as Oman is concerned, Greece imports fresh (94%) and frozen fish (2%), marbles (2%), plates, sheets and films (1%), as well as sauces, flavoring and spices (0,3%). In regard to Yemen, Greece imports copper waste and scrap (80%), fresh fish (12%) and frozen fish (9%).

4.4.3. Eastern Mediterranean and Mesopotamia

As far as Iran is concerned, Iranian exports to Greece have been diminished, especially with regard to Iranian oil and its products. A few quantities, not more than 1,5%, of copper alloy as well as metal and steel products are imported from Iran to Greece.

From Iraq Athens imports petroleum oils (96%) and liquid pumps (3%). Jordan’s main exports to Greece are nitrite nitrates (32%), turbines (21%), aluminum waste and scrap (12%), copper waste and scrap (9%) and rubber and plastic materials processing devices (5%).

Due to the improvement of Greek-Israeli political ties, economic relations are on the rise and in terms of trade. Israel’s exports to Greece involve processed petroleum oils (20%), books and printing material (6%), nitrates (4%), mineral fertilizers and chemical potassium (4%), aluminum waste and scrap (3,5%), parts for Boilers (5.6%), Construction & parts (3.6%) and herbicides (2.1%).

Lebanon’s exports to Greece involve cast iron, steel and iron waste and scrap (54%), mineral fertilizers and chemical phosphates (12%), polymeric ethylene in its initial forms (9%), copper waste and scrap (8%) as well as sacks, boxes and packages species (3%).

From the occupied lands of Palestine there were zero imports.

Prior to the Syrian Civil War, Greece enjoyed vivid trade ties with Damascus. Imports from Syria involved processed petroleum oils (53%), natural phosphoric calcium, natural aluminum calcium, and phosphoric chalk (27%), marbles (3%) as well as various types of socks (2%).

Greek imports from Turkey, which in 2012 reached €1,02 billion mainly in metals, auto parts, clothing and catch.

4.5. Products - Exports

Greece has a developed model for exports. Industrial products form the core of Greek production. Also products of the primary sector have their own major share in the same process. The most popular Greek products are medicine, aluminum, fish, fruits, vegetables, dairy products, olive-oil, cotton, energy and building materials.

4.5.1. North Africa

Greek exports to Algeria include mainly iron, steel and copper rods and wires (68%) and raw tobacco as well as tobacco wastes (6%). Regarding Egypt, Greece exports cotton (47%), cigarettes (12%), iron and steel rods (4%), caps from various metals (3,5%) and raw tobacco and tobacco wastes (3%). From Greece Libya imports hydraulic cement (20%), iron
and steel pipes (10%), iron and steel constructions (9%), pharmaceutical products (6%) and fruits (6%). As for Morocco Greek exports involve mainly refrigerators (24%), cotton textiles (19%), hydraulic cement (6%) and unfinished iron and steel products (4%). Regarding Tunisia, Greece exports wheat (48%), cotton textiles (9%), raw tobacco and tobacco wastes (5%), and cotton (4%).

4.5.2. Arabian Peninsula and Persian Gulf

Greek exports to the United Arab Emirates include clothes and furs (32%), wires and cables with electrical insulation (13%), line telephone devices (12%), steel and iron pipes of every kind (8%), and processed petroleum oils or bituminous minerals (3%). As for Qatar, Greek exports involve processed petroleum oils or bituminous minerals (23%), iron, steel and cast iron constructions (12.5%), aluminum constructions (7%), parts of air devices (4.5%), and plastic pipes and parts (4%). In regard to Kuwait, Athens exports processed petroleum oils or bituminous minerals (10%), iron constructions (9%), aluminum constructions (7.5%), metal caps (5%) and vegetables (5%). In the case of Saudi Arabia the main exported Greek goods are seeds and oil fruits (30%), fruits, electricity, gas and liquid meters (7%), marbles (6%), fresh and preserved vegetables (5%), traditional syrup sweets, marmalade and jellies (4.5%). Regarding Bahrain, Greece exports processed petroleum oils or bituminous minerals (31%), jewelry (18%), iron flat rolled products (8%) electric devices for line telephone functions (6%) and electricity, gas and liquid meters (3%). As for Oman, Greece exports pipes of every diameter, iron and cast iron (67%), other products of iron and cast iron (5%), processed petroleum oils or bituminous minerals (3.5%), soil, stone and mineral machines (3.5%) and aluminum constructions (3.5%). In regard to Yemen, Greece exports pipes of every diameter, iron and cast iron (31%), other products of iron and cast iron (5%), processed petroleum oils or bituminous minerals (3.5%), and pharmaceutical products (10%).

4.5.3. Eastern Mediterranean and Mesopotamia

Concerning Iraq Athens exports pharmaceutical products (74%), heating and sterilization devices (12%), alcohol drinks (10%), food concoctions (4%) and vehicles spare parts (2%). Jordan’s main imports from Greece are other air vehicles (40%), pharmaceutical products (7%), processed petroleum oils (3%), soybean oil and its fractions (3%) and plastic species of transfer and package (3%).

As far as Iran is concerned, Greek scraggly exports involved mainly preserved vegetables (10%), traditional syrup sweets, marmalade and jellies (10%), plastic species of transfer and package (7%), pharmaceutical products (7%), and food concoctions (7%).

Greece’s increasing exports to Israel copper pipes (13%), paints and varnishes based on synthetic polymers (10%), copper tubes (5%), aluminum and alloys (2.5%), cleaning products (2, 3%), prepared and preserved Vegetables (1.7%).

Lebanon’s imports from Greece consist of copper rods (17%), cigarettes (9%), raw aluminum (5%), iron and cast iron rods (4%), and resins (3.5%).

With regard to the occupied lands of Palestine, Greek exports involve charcoal and natural mineral activated (32%), paints and varnishes based on synthetic polymers (27%), pumps and liquid elevators (12%), refrigerators, freezers, plastic dishes (8%), pharmaceutical products (8%).
As for Syria, before the eruption of the Civil War, Greek exports included mainly iron steel tubes (25%), aluminum casks, drums, cans, boxes and similar containers (12%), electrical apparatus for line telephony and line telegraphy (10%), machine parts and devices (8%), soybean oil and fractions (5%).

Regarding Turkey, the amount of the value of Greek investments in Turkey amounts to $6.6 billion; most notables examples of Greek investors are the National Bank, Intralot, Eurodrip, Kleemann Hellas, Alumil, Nereus, Sarantis, and S & B Materials.

In 2012 a significant increase was observed in Greek exports to Turkey, which, based on the data of Turkish Statistical Office was 50% compared with the previous year (€2.74 billion in 2012 versus 1.88 billion in 2011. The majority of exports, however, cover oils (mineral fuels, mineral oils and products of their distillation).

As a whole the above economic figures suggest that the trade volume between Greece and MENA countries is multidimensional covering various sectors. Greece’s imports from MENA mainly involve natural gas, petroleum and petrochemical products. For Greece it remains a desideratum regarding MENA imports to balance the volume of imports which by far has exceeded that of exports. Additionally it is evident that the trade volume has the potential of increasing in the future, enjoying a broad horizon both in terms of products and sectors.

5. Bilateral economic institutional framework

Greece’s performance in various aspects of economic cooperation, such as protecting investments policy, double taxation, customs, Scientific-Technological-Technical and Economic Collaboration, Transports and tourism could be characterized as fairly good with many prospects for further improvement. As far as the protection of investments is concerned what has been achieved in MENA, Iran, Iraq, Israel, Jordan, Lebanon and Syria must be expanded to the rest of the region. It is important that negotiations are undergoing with almost every Arab state of the Persian Gulf in this regard.10

5.1. Double Taxation and Customs

Much time has been wasted regarding the double taxation abolishment. Greece has signed agreements only with Egypt, Morocco, Tunisia, Israel, Kuwait, Qatar and S. Arabia. Promising enough is the fact that agreements are negotiated with Algeria, Libya, Iraq, Jordan, Lebanon, UAE, Bahrain and Oman.

In regard to customs no agreement has been signed so far with any country except Egypt and Iran. The lack of agreements in this sensitive aspect for trade is an indication of Athens’s lack of resolve for promoting its trade profile in the Middle East.

5.2. Scientific-Technological-Technical and Economic Collaboration

In terms of agreements in the field of scientific and technological cooperation the prospects are not promising, because, although countries, such as Egypt, Morocco, Tunisia, Israel, Iran, Jordan, Lebanon, Kuwait have signed agreements with Athens, other key

countries (Algeria, Libya, Iraq, UAE, Qatar, Oman, S. Arabia) have not.

With regard to the case of the economic and technical collaboration things are promising due to the progress which has been made in recent years and has resulted in agreements with every country in the region, except Yemen.

5.3. Transports

In the field of transports the situation is promising but still much must be done. As far as aviation is concerned, agreements with MENA counterparts Greece have been doing fairly well, collaborating with many countries. Yet much need to be done in order to have the Athens Airport linked to the Middle East. Greece does not have any agreements with Kuwait, Oman, Yemen and Algeria. Even worse agreements with major countries such Qatar, UAE, Egypt, Israel, Iraq, Iraq, and Libya are under negotiation.

In the important sector of navigation, the situation is not positive, because Athens has not signed yet agreements with Iraq and Iraq and most notably its agreements with Algeria, Libya, Morocco, UAE, Kuwait, Oman, Qatar and S. Arabia.

Regarding road transport, the situation is worse since there are agreements with Iraq, sanctioned Iran, Jordan, Lebanon and civil war-torn Syria but there is no agreement with the rest of the region.

Concerning tourism there are agreements with MENA, Israel, Iran, Iraq, Jordan, Lebanon and Syria, but more progress need to be made both in boosting the already signed agreements and in carrying out effective the ongoing negotiations with other key countries.

Apparently the sector of transport collaboration with the Middle East has been recently under development by Greece. Athens needs to boost its efforts further and immediately in order to improve its trading status with the region. Given the high significance of tourism for Greece, action cannot wait.

5.4. Economic and Technical Cooperation

In this type of cooperation Greece has managed to promote bilateral relations with every country in the Middle East except Yemen. This is a significant accomplishment which paves the way for the further improvement of Greece’s economic profile in the region. Such a development means that Greek companies in this sector have the legal framework to move comfortably in the region, especially both with booming and less developed but emerging economies. Yet Greek authorities in cooperation with other regional countries must facilitate actual collaboration by putting legal agreements in practice.

5.5. Investments Protection

Protecting investments is a demanding field of economic cooperation because it presupposes a high level of organization and management from both sides. In the case of Greece and the Middle East, Athens has fallen behind regarding the agreements with most of the regional countries. It needs to arrange the signing of agreements with most booming economies of the Middle East, such as Iraq, Libya, and the Arab States of the Persian Gulf.

5.6. Customs agreement

Of fundamental significance for commerce and trade are the customs agreements.
Greece has signed custom agreements only with Egypt and Iran. Although there are pending cases with Morocco, Israel, Jordan and Qatar, much needs to be done in order to facilitate trade and commercial activity in a great spectrum of regional countries.

5.7. Tourism

Although Greece is a major touristic destination globally, there have been no active and in depth touristic relations between Athens and the states of the Middle East. There are agreements with Egypt, Libya, Morocco, Tunisia, Israel Iran, Iraq, Jordan Lebanon and Syria but there have been no agreements with almost any country of the Arabian Peninsula, albeit some of them are under negotiation.\textsuperscript{11} There are various reasons for having Greece falling behind in this sector, such as lack of adequate knowledge for the tourism sector in these countries, the illegal migration from Muslim countries to Europe and the different mentality and lifestyle of Muslim vis-à-vis Western tourists.

The main reason for this underdevelopment is illegal migration from Muslim countries to Greece and the rest of Europe. Although there have been efforts by Greek and Middle East touristic bureaus to found, boost and expand touristic relations, in most cases various tourism companies in the Middle East have attempted to use tourism as a cover for establishing illegal migration cells. This poses, indeed, a serious obstacle in the efforts of Athens to become a touristic hub for visitors from the Middle East.

Also different lifestyle of Muslim tourists is a major parameter that needs to be taken into consideration by Athens if Greece aims to boost its tourism sector with MENA partners. Apparently Athens must target Muslim customers with western lifestyle in their countries, i.e. coming from the upper strata of their society. Identifying and cross-checking the social and economic background of a perspective tourist from the Middle East can be a tricky issue, but there are always safe nets through which Athens can secure the best of results in this process. Also Athens must develop a special field in the touristic sector that could adjust its services to the needs of visitors from the Middle East. This aspect is also associated with the factor of knowledge about Islam and culture in the Middle East.

Regardless of the various parameters in the sector of tourism, Greece must develop its diplomatic and economic relations with the countries of Arabian Peninsula, in particular the Arab states of the Persian Gulf. For instance, it is inconceivable for a country like Greece to have the Emir of Qatar buying Greek islands without a Tourism agreement between Doha and Athens. The main merit behind the argument to have tourism agreements with the aforementioned states lies in the fact that, due to the high GDP of these states, their visitors could form the nucleus of a high-elite tourists visiting Greece regularly.

6. Investments in Greece and MENA

6.1. Greek companies in MENA

Greek business in MENA is based on providing expertise in areas where advantages: cultivating, processing, preservation, standardization food-intensive modern farming, aquaculture, fisheries catch-packaging, alternative energy (solar), tackling drought, water

\textsuperscript{11}Ibid.
management resources-groundwater supply modern agricultural equipment, supply of specialized equipment for processing feed supply organic fertilizers and pesticides, transporting natural gas (LNG) from Greek ships and long-term charters Greek supertanker, cooperation in media, new or repair old ships Greek shipyards postal services.

Emphasis is given to bilateral cooperation in trade and investment in areas such as telecommunications, transport, maritime services, power and renewable energy, public works and construction, tourism, health and education. The current institutional framework between Greece and most of the MENA countries covers a wide spectrum of issues and a firm basis for the further strengthening of external trade relations.

The level of cooperation between Greece and the MENA countries is quite well developed, but there are significant prospects for further assistance. Lately there have been particular efforts by most of the MENA countries to lift existing restrictions and barriers to trade in goods, services and procedures for admission and establishment of foreign enterprises. It is noteworthy that during the first Arab Economic Summit on Bilateral Trade with Foreign Countries (January 2009, Kuwait) it was agreed to create a customs union of the Arab states in 2010. The Pan-Arab energy and rail network announced the establishment of the Arab Development Fund with a capital of $2 billion, aiming to provide loans and assistance in joint Arab projects.

Egypt is one of the most important Arab countries for Greek business interests, enjoying a Greek investment value of 700 million $ U.S. Greek investments lie in the areas of paper industries, cement, petroleum, construction, food, paints and building materials, irrigation systems and aluminum, banking, property, marine and aviation training services and gaming.

The major Greek investments in Egypt are represented by the following companies: Titan (cements), Thrace Paper (paper) Vardinoyannis Group (oil and maritime transport), Alumil (aluminum), Kothali (building materials), Greek Petroleum (oil, gas), Intracat (construction), Latsis Group and Archirodon (structures), Engineering (construction), Edita / Chipita (food), Eurodrip (waterworks and irrigation), Er-Lac (colors), Piraeus Bank Group (bank and real estate), National Bank, Informer (Computers), Mellon Technologies (Computers), Intralot-Intracom (gambling), ANEK and Eugenides Group (sea transportation), Olympic Airlines and Aegean Airlines (aviation), AXON (education) and cooperation of Chandris Lines and Pyramids Shipping with EGAS. In the gas sector, the Copelouzos Group collaborates with the Egyptian government EGAS for the supply of gas to Crete, to be used by the Greek National Electricity Organization (DEI) to produce electricity.

In Libya today the following officially registered engineering companies operate: J & P, Step, Sikelis, Archirodon (expansion and modernization of the port of Tripoli) and Maritech (work placement of fiber optic cables to the Libyan coast). In the field of hydrocarbons there was the “Greek Petroleum” (until September 2008) and “ASPROFOS SA;” also there is the telecommunications company Intracom; and in the aluminum sector the Etem of Viohalco.

In Algeria there are not many Greek companies. A reason for the reduced Greek economic interest in Algeria is the negative experience of many Greek construction companies in this market twenty-five years ago. The establishment, in 1995, of the joint enterprise between tobacco cultivation of Tobacco A. Michaelidis SA and the Algerian State Company for Tobacco and Matches and the Algerian-European financial corporation Finalep is the most significant business of Greece. Worth noting is the cooperation between Corinth Pipeworks and the Algerian hydrocarbons company Sonatrach. The actual pipe exports in
2006 amounted to €100 million.

More than 40 Greek interest companies operate in the UAE, without considering the very small companies like fur shops etc. Their activities involve technical construction, trade, shipping, production, computer programs, etc. Mainly three construction Greek companies (Actor, Athena Archirodon) have contracts to build roads, hospitals, bridges, wastewater treatment; there is also a strong presence of Greek shipping companies in the Emirate of Fujairah. Also, there is Intracom (import and distribution of telecommunications equipment in the UAE and the wider region), Infocad Solutions (development and marketing programs and / or computers for industrial use), and Corinth Pipeworks operating in the UAE. In 2009 a Memorandum of Cooperation was signed between Restis Group and the investment company International Petroleum Investment Company (owned by the government of Abu Dhabi Emirate and the investment portfolio of EUR 14 billion. DOL) for joint investment and exclusive cooperation in shipping, energy, transport, storage, shipping, port facilities and pipelines. The two companies established a joint venture with an initial capital of $1.5 billion for mining activity and oil transportation (via tanker fleet).

Iran has been carried out following Greek investment: Corinth Pipeworks founded with Iranian trading company Narfoam Kar Co., mixed enterprise engaged in the heavy industrial equipment. The company Petzetakis SA holds a 25% stake in two Iranian companies which manufacture PVC pipes with expertise and production license from the above company. The company Fairdeal Group of Companies (Marine environment protection and safety), active in the wider Middle East and has invested in storage facilities in the Iranian port of Bandar Abbas. The Greek Petroleum SA company has a long-term cooperation with Iran in the field of crude oil. The Spyrou Company is a key interlocutor of the Iranian Ministry of Agriculture, responsible for the seed supply from Greece and transfer of knowledge regarding the cultivation of grain (mainly wheat, cotton and maize).

In Saudi Arabia the number of Greeks who live and work has declined significantly in recent years, estimated at about 500-600 people. Regarding the ongoing technical projects in Saudi Arabia there are Greek companies such as Archidoron Construction Overseas Co. and SETE Technical Services of the Latsis Group. There is also the Greek Cypriot company Ioannou & Paraskevaidis based in Riyadh. These three companies have long presence in Saudi Arabia and throughout the Persian Gulf region. As for the National Bunkering Co. Ltd of the Vardinoyannis Group, it deals with supplies (fuel) and supply ships. The Greek Cypriot company Al Quraishi Marketing & Development Co. is employed in the field of market research. In the commercial sector Alpha Trading & Shipping Agencies Ltd and Tarek Trading Est is successfully active.

In the war-torn Syria, Greek economy activity has been to a halt. Intracom has signed a contract with the Syrian Telecommunications Establishment (STE - Syrian Telecommunications Agency) concerning the supply of wireless digital networks. In early 2007, under the new investment law, the first Greek productive investment in Syria was carried out by the Palaplast Co. species irrigation, in cooperation with the Syrian group Yacoub Co. In early September 2008, the Greek company Metka metal structures (Mytilineos Group), in a joint venture with Italian Ansaldo, was assigned by the Syrian Ministry of Power a project to build a power plant (capacity 700 MW) of natural gas in Deir Ali, worth €650 million. Also the Atermon engineering company operated to build power plants along with SIEMENS company). The Spiros Spirou farm equipment and seed company upon selection by the Syrian Ministry of Agriculture undertook the task of jointly implementing a program of large-scale maize production. Finally, it is worth mentioning the important presence of many Greek companies mainly in the fields of building materials,
irrigation-farm equipment, plastics, chemicals, etc., through local dealers.

In the case of Tunisia Greek direct investment is entirely absent due to bureaucratic, administrative, customs and tariff restrictions, insufficient information on the Tunisian market in Greece as well as the dominance in Tunisia of strong competitors (France, Italy, Belgium) for products which Greece produces traditionally (cotton, building materials, fertilizers, textiles, agricultural machinery). The Greek business presence in Tunisia is active through the operation of a small number of firms (five to six), especially in the craft sector (clothing, treatment fur, skin, etc.), food (cheese) and imports of minerals (pumice, perlite).

In Turkey there are 500 Greek companies operating interests in various sectors such as banking, food, energy, etc. Approximately 250 companies based in the outskirts of Istanbul. Many of these are inactive and are only recorded in the registers of the Chambers; about 60 are considered the most important.

In Jordan several Greek companies are active, especially design and construction firms, which participate in technical infrastructure projects under the public works of the country. Specifically, the Exarchos-Nikolopoulos (design and supervision of projects in the water and drinking water treatment plant), OTE and its subsidiary Tellascom [holds 50% of the Jordanian company payphone TransJordan Corporation (agreement with Intracom to supply payphone)], the Intracom Jordan [IT specializing in software solutions and Oracle] in March 2008 signed the contract with the Jordanian government for the project computerization of the state budget), Aegek (construction of two dams that have been launched in April 2004), the LDK-Consultants Engineers and Planners (consulting firm), the Eurodrip (a plant), the J & P (participating in a consortium for the expansion and modernization of the international airport of Amman), the consortium Terna-Enara-Vector (participating in an international competition to build the first wind farm in Jordan).

Greek investments in Kuwait are restricted. In the technical-construction sector there are notable Greek construction companies such as Aktor which signed the 2005 contract with the Ministry of Public Works of the emirate to carry out a major project redevelopment area in the central region First Ring Road Kuwait city. Also Sigalas S.A. engaged in residential construction. Olympic Airways has a local office in Kuwait City and conducts four regular weekly flights on the Athens-Kuwait-Athens in cooperation with Kuwait Airways.

With regard to Qatar notable Greek companies such as technical Aktor, Archirodon and the Siemens Hellas operate in various construction projects plants-extension roads and electrification (Aktor, Archirodon, Tepna, J-P Awacs, DS Steel).

Greek investments in Lebanon are limited, not exceeding 4.5 million due to liquidity policy and economic hardship prevailing in the region. In the last years certain trends of disinvestment in the form of transfer of shares in Lebanese partners have been observed. Despite the difficulty of undertaking projects, various Greek construction companies or construction materials companies keep operating in the country, particularly through partnerships with Lebanese and foreign companies, taking on small engineering projects and subcontracting: the Edrafor SA, i.e. a mixed company acted-scissors and Lebanese FOREX, in the field of special geotechnical works; the Exarchos-Nikolopoulos, studying and supervising projects in the water and drinking water treatment plant; the Knauf-Hellas, being active in the field of building materials and precast; Papetfymiopouloi Bros, processing of marble, created the marble processing unit, but now it has been limited to marketing. In the services sector there are Intralot (named Lebanon Games SA), Toi & Moi and No Name (franchising chains homonyms Greek Clothing). In the energy sector, there is
the Motor Oil Group, which in collaboration with Lebanese oil companies has been developing for several years a remarkable activity in the Lebanese market. Relatively recently, the Hellenic Petroleum expressed its interest in expanding its activities in the Middle East region through Lebanon.

In Iraq various Greek companies operate; commercial (Mathios Refractories, Sunlight, KRI KRI S.A., Pharmall EEE, Glentos), navigational (Altomare, Ronda Ship Management), subsidiaries of foreign firms (Champion Hellas, KBI Greece, Siemens Hellas), Commersa business consultants in Erbil. On December 23, 2011 Metka of the Mytilineos Group has undertaken the Shat al-Basra Power Project, i.e. the design, procurement, construction and commissioning of the power plant Shat Al-Basra (Basra, South Iraq), providing 1.250 MW and an estimated value of $ 350 million contract.12 The cost of the project is expected to reach $348.870 million.

As far as attracting Greek investments in Israel, despite ongoing efforts, so far the response has been lacking because of high labor costs and the overall political situation in the country. The expatriate entrepreneurs who have been there commercial activities are usually (with some exceptions such as Alalouf Shipping) small firms whose main preoccupation is trading food and drinks, as well as small companies in the technical sector (Sol Energy Mediterranean, Ecoweek).

The only recorded Greek investment presence in Morocco is limited to company S & B Industrial Minerals SA.

In Bahrain, Oman, Yemen and Palestine Greek investments are absent because of bureaucratic, administrative, customs and tariff restrictions, liquidity policy and the consequent political risk and poor security.

6.2. MENA investments and companies in Greece

Drawing MENA investments in Greece have always been a desideratum for Athens. Yet such a prospect has never been seriously and systematically pursued by Greek governments, in spite of the presence and operation of major Arab investment groups and companies such as the Olayan and the Consolidated Contractors Company (CCC). Regardless of the various up and downs in the Arab investing activity in Greece, Arab investments in Greece follow the general declining pace of foreign investments in the country as whole. And this is due to major inherent weaknesses related to the Greek economic system. 13

It is well-accepted that Greece needs a reform in its tax system and policy in order to create a safer environment for prospective investors. The problem in the current tax regime is that the Greek political system has not yet adopted a permanent, systematic and attractive tax-paying system. As a result every year, or even within the year, there are various changes which do not inspire trust amongst Greek tax payers, let alone the foreign ones. The need for reform has been highlighted repeatedly by leading Greek economists and policy makers, such as Stelios Rapanos.14

Another obstacle in bringing foreign and non EU investors to Greece is EU regulations. According to these regulations, bilateral agreements are not valid in the case of investment projects because only international competitions are approved. This deters various countries, such as Qatar which withdrew its interest about the Hellenikon Airport, from

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13 Greek Foreign Ministry, Brief Note on Bilateral Commercial and Economic Relations between Greece and Arab countries, May 2010.
14 In a lecture at the Hellenic-American Union, Athens, 16-4-2013.
participating in these international competitions.

In spite of the aforementioned obstacles, there are ongoing efforts on behalf of the Greek government and businessmen to alter the situation and draw the attention of MENA funds in Greece in joint ventures. Greece has been quite active in regard to collaboration with the Arab states of the Persian Gulf.

Investment relations between Greece and Israel are limited as there are no Greek investments in Israel, and vice versa, there are few Israeli Investments in Greece (€ 25 million at the end of 2010, according to Bank of Greece), mainly in entertainment (casino, hotels), insurance services and renewable energy. However there is a bilateral aim and agreement to attract investment in green development, tourism, privatization, agriculture, Research and Technology.

In May 2012 Dubai announced the launch of the Arab-Greek Maritime Forum, which held its first session in September 27 in Greece with the active participation of UAE companies to explore investment opportunities and strategic partnerships. According to Dr. Iltimad, President of the Forum Organizing Committee, the event is a great opportunity to build and strengthen commercial and navy ties between the Arab and Greek side, which revived the hopes of the market by creating a balanced trade to ensure investment opportunities and effective development.¹⁵

During Antonis Samaras’s official visit to Qatar in January 2013 an agreement was signed between the two countries for establishing a joint Greek-Qatari Investment Fund. According to this agreement each country will offer €1 billion, overall €2 billion which will become the basis on which the development of average Greek companies will take place. The Prime Minister of Qatar Sheikh Hamid b. Jassim al-Thani confirmed the readiness of his government to proceed with this initiative.¹⁶

In October 2011 Doha announced an investment of € 1,2 billion to Qatar Holdings in the Cassandra Mines. Specifically, the sovereign wealth fund of Qatar would acquire a 10% share of the Canadian European Holdings, which controls 95% of the company Hellenic Gold (it operates since 2003 the Cassandra Mines), while the remaining 5% is controlled by Postbank. The investment is expected to generate 1,500 new jobs.¹⁷ However, later on, Doha withdrew its interest from the Cassandra investment as it did on other occasions, including the case of Astakos.¹⁸

Turkish investments in Greece are limited to about eight companies in the areas of banking, furniture, marinas, clothing and paper industry with a total capital invested approximately €70 million. The biggest Turkish investment concerns the Ziraat Bank (about €17 million) with branches in Athens, Komotini, Xanthi and Rhodes.

¹⁵ “'Greek-Arab Maritime forum’ to attract investors to Greece,” Al-Yunaniya, May, 26, 2012.
¹⁶ “Qatar agrees to invest in Greek businesses,” Kathimerini, 29/1/2013 http://www.ekathimerini.com/4dcgi/w_articles_wsite1_1_29/01/2013_481126
¹⁸ “Ο εμίρης του Κατάρ που συνηθίζει να στρίβει ’δια του αρραβώνος’,” Κυριακάτικη Δημοκρατία, 7 Απριλίου, 2013.
7. Concluding remarks

In short, the above data and analysis manifest the growing economic ties between Greece and MENA countries. Greek business extroversion in the Middle East is based on providing expertise in key economic areas in every sector of the economy. What is lacking more is further information on each market, a long-term Greek domestic economic policy for foreign investors, especially in regard to the tax system, and further elaboration on important issues, including double taxation and customs, scientific, technological, technical and economic collaboration, transports, investments protection, customs agreement and the like.

Without overseeing the negative repercussions of the economic crisis for the Greek economy, it has forced Greek entrepreneurs to look for alternative markets to sell their goods. Thus the crisis has boosted Greek interest in MENA and vice versa. Apparently there are more things to be done in the foreseeable future. Thus it could be suggested that the crisis may be the unpredictable factor which has altered the worldview of Greek businessmen regarding MENA markets.

If the crisis has been a challenge for change, it does not mean that it will continue boosting Greek interest for MENA markets. What is needed by Greek entrepreneurs and the Greek state now is a commitment to systematize their knowledge and experience in the MENA markets in order to become more competitive and improve the results of their efforts. Without this commitment any economic involvement in the MENA markets will be opportunistic and temporary.
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