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Outward FDI from Greece and its policy context

by
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With the fall of centrally planned economies in the Balkans, their liberalization and the opening of their borders to free trade and capital movements, Greece became more active in the generation of outward foreign direct investment (OFDI). Greece's OFDI stock increased from US$ 3 billion in 1990 to US$ 6 billion in 2000 and to US$ 38 billion in 2010. The Europeanization process of Turkey and the transition of the economies in the Balkans was accompanied by a gradual rise of FDI from Greece into those economies. More than half of Greece's OFDI stock – over US$ 20 billion in 2009 (67% of total) – is located in South-East Europe: in the Balkans, Cyprus and Turkey. While Greece's early OFDI flows were directed to the secondary sector to reduce costs, the bulk of later flows was directed to the services sector, as new markets were opened. This shift signifies the rise of major corporate players. The Greek Balkan policy, which commenced through the European Union, and the upgrading of the Athens Stock Exchange have positively affected Greece's position as a key regional investor. The expectations for sustaining this leading role, however, have been weakened recently since, due to the Greek sovereign debt crisis, Greek multinational enterprises (MNEs) disinvested US$ 1.6 billion from their FDI abroad in 2010.

Trends and developments

Greece has been a member of the European Union (EU) since 1981 and of the Economic and Monetary Union (EMU) of the EU since June 2000. The Greek economy expanded at an average annual rate of almost 4% during 2004-2007 (one of the highest annual growth rates in the euro area). However, due to the effects of the recent global economic and financial crises

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and the country's sovereign debt crisis, Greece's GDP decreased in 2009 by 3.8% and in 2010, by 0.9%; the decrease for 2011 is 6%.[1]

The Greek economy suffers from high levels of corruption and bureaucracy, indicating a weak business environment and low global competitiveness level compared with other EU, and especially, EMU-members. By the end of 2009 and especially at the beginning of 2010, as a result of the global crisis and uncontrolled government spending, economic scandals, huge black economy rates, high corruption, and bureaucratic procedures, the Greek economy faced its most severe crisis since 1974 as the Greek Government revised its deficit from an estimated 6% to 15.4% of GDP (2009).[2] The country's debt-to-GDP ratio had risen to 154.3% by the end of the second quarter of 2011 – from 144.9% in 2010 – and is expected to grow further.[3]

In May 2010, the EU and the International Monetary Fund (IMF) developed a rescue package for Greece totalling €110 billion. In March 2011, an agreement was reached for this package to be repaid over an extended time period of 7.5 years and with a lower interest rate of about 4.2%. In July 2011, another rescue package for Greece was put forward (totalling €110 billion), with a voluntary participation ("haircut") of individual investors and private banking institutions. On 26 October 2011, this new rescue package was revised, and both the sum of financial assistance (an extra €130 billion) and the voluntary haircut increased (from 21% to 50%). This second rescue package is expected to provide the necessary timeframe required by Greece to restructure its economy, adopt shock therapy measures, reduce government spending, increase revenues, decrease the shadow economy, and increase competitiveness.

The developments outlined above have implications for outward FDI from Greece, which has grown since 1990 and particularly after 2000. The probable impact of the Greek crisis on the country's OFDI is seen in the sale of foreign affiliates by Greek MNEs to shore up parent enterprises. At the global level, the effect of the current crisis on the performance of MNEs from Greece is minimized due to resilience of the services sector, as this sector accounts for a major part of Greece's OFDI and the diversification into several emerging host economies. The contraction in demand, however, both domestically and globally, jeopardizes the future of Greek MNEs as leading players in South-East European neighbors (economies in the Balkans, Cyprus and Turkey).[4]

Country-level developments

Since the beginning of the 1990s, Greek enterprises have expanded dynamically abroad, fuelled in large part by opportunities for investment in neighboring economies that had begun the transition from centrally-planned to market-oriented economic systems. The early motives of cost reduction in response to competitive pressures were soon replaced by the potential of new markets in geographic proximity. The proximity with countries in South-East Europe

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[1] Authors' calculations from provisional and forecasted values of GDP at market prices (millions of PPS). Data available by Eurostat at http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/search_database.

[2] For an early pre-crisis discussion of the need for sustained fiscal consolidation and the issues of productivity and competitiveness in Greece, see OECD, *OECD Economic Surveys: Greece 2005* (Paris: Organisation for Economic Co-operation and Development, 2005).

[3] Provisional and forecasted values general of government's consolidated gross debt to GDP at market prices. Data available at: Eurostat, *op cit*.

[4] The term "Balkans" is used in this *Profile* to include Albania, Bosnia and Herzegovina, Bulgaria, Croatia, the FYR of Macedonia, Moldova, Montenegro, Romania, Serbia, and Slovenia; the term "South-East Europe" (SEE) denotes Cyprus, Turkey and the Balkans.

(SEE) provides MNEs from Greece with a competitive advantage in those countries over rival MNEs from other developed countries.

Annex table 1 suggests that, despite the considerable growth of its OFDI stock since 1990 and particularly during the past decade,[5] Greece is still underachieving in comparison with most of the comparator countries, which are also EU/EMU members. Greece's OFDI stock in 2010 was higher than that of only two of the comparator countries – the neighboring EU countries Bulgaria and Cyprus, which had nominal GDPs that were approximately 16% and 8%, respectively, of the size of Greek nominal GDP.[6] Austria with a nominal GDP in 2010 that was approximately 124%, and Ireland with about 67% of that of Greece, have more than four and nine times higher OFDI than Greece. Portugal and Spain also had larger OFDI stocks in 2010 than Greece: 1.7 times in the case of Portugal (with a GDP about three-quarters the size of Greek GDP) and 17 times higher in the case of Spain (with a GDP about four and a half times the size of Greece's GDP). In terms of OFDI performance over time, during 1990-2010, Greece's OFDI stock grew to 13 times its size in 1990 – during 1990-2010, a growth rate higher than that of Bulgaria, but lower than that of the rest of the comparators.

Annex table 2 indicates Greece's OFDI performance in terms of annual OFDI flows during 2000-2010. After a steady growth until 2007, flows have decreased from 2008 onwards due to the global economic and financial crises and Greece's own sovereign debt crisis. In contrast, Cyprus, a country of the Mediterranean basin with great cultural proximity to Greece and a much lower OFDI stock (and GDP), exhibits from 2008 onwards a higher rate of growth of OFDI flows than Greece. Greece's OFDI flows in 2010 are lower than those of all the comparator countries considered, except for Bulgaria and Portugal.

The size of Greece's OFDI relative to its inward FDI (IFDI) characterizes the country as one that is more a host than a home to FDI, with IFDI exceeding OFDI in terms of stock as well as recent flows (annex table 2a). This situation is not likely to change, at least in the short-term, due to mass privatization deals expected to take place in 2012-2015. However, the decline of IFDI stock in 2010[7] – mainly due to the Greek sovereign debt crisis and the contraction in domestic demand – has generated a positive net OFDI position (outflows exceeding inflows) that also continues in 2011.[8]

Greece's net FDI position[9] places the country at the third stage of the investment development path (IDP), where the ownership advantages of domestic firms allow them not only to compete locally with foreign firms but also to expand their activity abroad. The notion of the IDP clarifies further Greece's OFDI underachievement in relation to most of the comparator countries of annex tables 1 and 2. Austria, Ireland and Spain are in the fourth stage of the IDP,

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[5] Data from Eurostat indicate that Greece's OFDI stock grew steadily until 2009, before declining in 2010 (latest data available); annex table 1.

[6] Data on nominal GDPs available by UNCTAD at http://unctadstat.unctad.org.

[7] In 2010, Greece's OFDI stock decreased by 4%, while IFDI stock declined by 20% (see annex tables 1 and 2). According to the Bank of Greece, however, the OFDI stock increased by 17% in 2010, while the IFDI stock decreased by 10% (Bank of Greece, International investment position data, available at: http://www.bankofgreece.gr/BogDocumentEn/International_Investment_Position-Data.xls.

[8] A negative net OFDI position will ultimately occur and persist at least until the end of the 2010-2020 decade. When the size of privatizations plan (approximately US$ 70 billion) – that will eventually be concluded by 2015-2020 – is compared to the size of Greece's OFDI (which peaked at approximately US$ 40 billion), the expectations for Greece to be characterized as a net outward investor are not realistic, at least in the medium-term.

[9] As already stated, the positive net FDI position from 2010 onwards (annex table 3) is circumstantial due to disinvestments influenced by the escalating sovereign debt crisis.

indicating a superiority of OFDI over IFDI. Bulgaria is in the second stage of the IDP, signaling an increasingly negative net FDI position due to small amounts of OFDI. Portugal and Cyprus, which are in the third stage of the IDP – like Greece – generate much greater amounts of OFDI stock per capita than Greece.[10]

Annex table 3 indicates the sectoral distribution of OFDI flows from Greece. There has been a shift in the composition of Greek OFDI flows from manufacturing to services in the 2000s. In 2000, OFDI was mainly directed to the secondary sector for cost reduction, e.g. to food products. In 2009, however, OFDI flows were directed primarily to the services sector (as new markets developed) and mainly to financial intermediation[11] and post and telecommunications.[12]

Annex table 4 portrays the geographical distribution of Greek OFDI flows. Between 2000 and 2009, there has been a considerable decrease of OFDI flows from Greece to the United States and an increase of OFDI flows to the euro area.[13] Investments made in the euro area flow mainly to Cyprus, Malta and the Netherlands. Other important EU investment destinations include the United Kingdom, Bulgaria and Romania. Albania, Serbia and the Former Yugoslav Republic (FYR) of Macedonia also play an important role as hosts to FDI from Greece. Most recently, there has been a significant increase of OFDI flows to Asia.[14]

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[10] For the placement of Greece and comparator countries in the IDP – except for Bulgaria and Cyprus – see J. Duran and F. Ubeda, “The investment development path: A new empirical approach and some theoretical issues,” *Transnational Corporations*, vol. 10 (2001), pp. 1-34. For Cyprus' placement on the IDP, see M. Fonseca, A. Mendonca and J. Passos, “The investment development path hypothesis: A panel data approach for Portugal and the cohesion countries, 1990-2007,” *The Business Review, Cambridge*, vol. 12 (2009). For Bulgaria’s placement in the IDP, see B. Boudier-Bensebaa, “FDI-assisted development in the light of the investment development path paradigm: Evidence from Central and Eastern European countries,” *Transnational Corporations*, vol. 17 (2008), pp. 37-67.

[11] Greece’s commercial banks, faced with a relatively small and increasingly saturated domestic market, have been expanding rapidly in the Balkans for the past decade, acquiring existing firms or establishing new branches. They have faced stiff competition from much larger European banks, but still managed to enjoy market shares in the Balkans that range in total between 16% and 28%. For example, the “big four” (National Bank of Greece – NBG – Alpha Bank, Eurobank EFG and Piraeus Bank) have an estimated market share of 28% in FYR of Macedonia, 25% in Albania and 16% in Serbia. See UNCTAD, *World Investment Report 2010: Investing in a Low-Carbon Economy* (New York: United Nations, 2010), p. 54.

[12] The interest of Greek enterprises in OFDI in the post and telecommunications industry dates to before 2000. For example, in 1996-2000, Greece was among the most important home countries for FDI inflows in Yugoslavia, and the Hellenic Telecommunications Organization was one of the top two investors. See UNCTAD, *World Investment Report 2001: Promoting Linkages* (New York: United Nations, 2001), p. 32.

[13] A rising trend of FDI flows from Greece should be expected within the euro area during the pre-crisis era, since it has been indicated that the euro has generally favored intra-euro area trade and FDI. See R. Baldwin et al., “Study on the impact of the Euro on trade and foreign direct investment,” *European Economy Economic Papers no. 321* (Brussels: European Commission, Directorate-General for Economic and Financial Affairs, 2008).

[14] This increase occurred gradually. For example, the value of cross-border M&As in West Asia in 2006 rose by 26% over that in the previous year. M&As by MNEs from developed countries jumped considerably, from US$ 3 billion to US$ 15 billion: Greece, the United Kingdom and Belgium, followed by the United States, were the main home countries of those MNEs (in that order), accounting for over 75% of total M&As. See UNCTAD, *World Investment Report 2007: Transnational Corporations, Extractive Industries and Development* (New York: United Nations 2007), p. 49. The increase of Greek OFDI flows to East Asia is mainly due to an increase in flows to Hong Kong (China) and related primarily to serving the domestic market of the host country. Annex table 4a indicates a continuous rise of Greece's OFDI to Hong Kong (China).

The basic motives for the expansion of MNEs from Greece[15] are the search for new markets, the acquisition of strategic resources, low labor cost, geographical proximity, and the absence of decisive western investment interest in some locations.[16] MNEs from Greece offer mature products/services ready for consumption, adjusted to the needs of the host market, and their host-country activities are generally at the final stage of the production chain. Other factors such as market size, openness, capital productivity, and labor costs on the sectoral level also influence the decision of Greek firms to invest abroad.[17]

The majority of Greece's OFDI is directed to small open economies. MNEs from Greece are among the major foreign direct investors in countries of SEE.[18] Annex table 4a indicates that fourteen host economies/areas accounted, in 2010, for over 95% of Greece's OFDI stock;[19] the primary host being Cyprus that also acts as a channel for transhipped FDI. The motives behind the expansion of Greek MNEs mentioned earlier characterize the attractiveness of the key hosts, except for the case of offshore financial centers (e.g., Cayman Islands, Bouvet Island), where the motives to invest are tax-related.[20]

Annex table 4a also indicates that Luxembourg – where enormous disinvestments took place during 2008-2009 – used to be a key host before 2009.[21] Spain and the United Kingdom were also key hosts; the former for the period 2002-2005 and the latter for the period 1999-2004.[22] Finally, the share of Greece's OFDI to the euro area dropped in 2010 by 10%, mainly due to disinvestments in Netherlands' financial sector.[23]

Annex table 4a indicates, moreover, that, in 2010, 28% of Greece's OFDI stock (27% in 2008) was located in key host countries of the Balkans. These figures are the outcome of Greek

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[15] The determinants of OFDI from Greece do not differ from the general conclusions of the literature on the motives of FDI. MNEs investing abroad in the services sector are primarily market-seeking, while those investing abroad in the manufacturing sector are primarily resource and efficiency-seeking.

[16] For a discussion of these motives see A. Bitzenis, "Determinants of Greek FDI outflows in the Balkan region: The case of Greek entrepreneurs in Bulgaria," *Eastern European Economics*, vol. 44 (2006), pp. 79-96. With respect to the absence of decisive western investment interest, "investors in the economically developed countries are maintaining a 'wait-and-see' attitude." See page 25 of S. Karagianni and L. Labrianidis, "The pros and cons of SMEs going international," *Eastern European Economics*, vol. 39 (2001), pp. 5-28.

[17] See report published in Greek by M. Papanastasiou, *Subsidiaries of Greek Multinational Companies and Internationalisation Strategies* (Athens: Foundation for Economic and Industrial Research, 2009). In addition, see Bitzenis*, op. cit.).*

[18] Based on the authors' calculations for 2008, Greece accounted for a considerable share of the IFDI stock of several countries: 51% in Cyprus, 24% in Albania, 14% in the FYR of Macedonia, 13.3% in Serbia, 6.7% in Turkey, 6.6% in Romania, and 4.2% in Bulgaria (OECD FDI statistics available at http://stats.oecd.org/Index.aspx?DataSetCode=CSE_2010#). The share of Greece's OFDI to SEE rose from 68.4% in 2008 to 69.2% in 2010 (see annex table 4a).

[19] This number occurs by including the share of offshore financial centers indicated in 2009 by Eurostat, since the Bank of Greece has not provided relevant data.

[20] For example, the Cayman Islands do not have any income or corporation tax and are considered a major offshore financial center. In addition, the Bouvet Island is uninhabited and has offshore anchorage only. In addition, tax motives have a primary role for OFDI from Greece that is directed to Cyprus**.**

[21] Data from the Bank of Greece (Statistics Department, Balance of Payments Statistics Division) indicate that Greece's OFDI stock in Luxembourg's financial sector was reduced from US$ 1.37 billion in 2008 to US$ 131.1 million in 2009 (conversion to US dollars is based on IMF exchange rates archives by month at http://www.imf.org/external/np/fin/data/param_rms_mth.aspx.). In addition, annex table 4 indicates that Malta attracted 12.5% of Greece's OFDI flows in 2009, although it is not among the key hosts, defined in terms of the share of Greece's OFDI stock, shown in annex table 4a.

[22] Data available by Eurostat, *op cit.*

[23] Data from the Bank of Greece (Department of Statistics, Balance of Payments Statistics Division, Department of International Investment Position).

Balkan policy and Greece's geographical and cultural proximity to the Balkans, and reflect the desire of Greek MNEs to play a leading role in that area. However, the share mentioned above does not represent the actual amount of Greece's OFDI that is directed to the Balkans. For example, MNEs from Greece often establish their headquarters for expansion to the Balkan region in countries with lower corporate tax rates (e.g., Cyprus and Luxembourg). Therefore, a certain amount of Greece's OFDI in these countries is actually transferred to the Balkans.[24]

The corporate players

Early OFDI flows from Greece (1987-1994) took place through mergers and acquisitions (M&As) that were triggered by the consolidation of production capabilities within a few enterprises in the country.[25] Such consolidation provided them with a new powerful base in terms of technology and capital, making possible the transfer of production and commercial processes abroad. During that period, the constraints for undertaking international investment generally faced by small and medium-sized enterprises were common to Greek firms interested in investing abroad. However, this was not due to their size but rather to the lack of experience and the prevailing family ownership ethos.

Greek affiliates of MNEs from other countries were the first that expanded beyond the Greek borders. Purely domestic firms – ranging from small enterprises to large traditional firms – seized the opportunities for international expansion and engaged in foreign production afterwards, by using their accumulated experience and expertise.[26] The successful establishment of foreign affiliates by parent companies from Greece in the emerging Balkan region, which was triggered by the search for new markets, leads to the conclusion that it is not only diversification – in terms of the number of host countries – that was found desirable, but, also, and more importantly, the establishment of a leading role.[27]

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[24] More than half of Bulgaria's IFDI flows from tax havens such as Cyprus or Luxembourg reflect investments by Greek MNEs. See, for example, A. Bitzenis, "Explanatory variables for low Western investment interest in Bulgaria," *Eastern European Economics*, vol. 42 (2004), p. 12. Especially for Luxembourg, most of its share of EU FDI is explained by financial intermediation and the activities of "special purpose entities"**.**

[25] See A. Kamaras, "A capitalist diaspora: The Greeks in the Balkans," *Hellenic Observatory (European Institute) Discussion Paper no. 4* (London: London School of Economics and Political Science 2001), p. 14.

[26] The accumulated experience of purely domestic firms, which was the product of both the spill-over effects from the activities of MNEs in Greece and the regional consolidation of production capabilities, led to imitation of the international expansion of the Greek affiliates of foreign MNEs. 3E, one of Coca-Cola's anchor bottlers, is an example of Greek affiliates of foreign MNEs engaged in FDI from Greece. On the other hand, the ice cream manufacturer Delta became the first Greek MNE. See Kamaras 2001, op. cit., pp. 14-15).

[27] This is illustrated by the role of Greek FDI in the banking industries of countries of SEE. Austrian and Greek banks have the lead in investment in banking in the Balkans, though the expansion of French and Italian banks is also noteworthy. Greek banks were extending their reach into neighboring countries of SEE, which were growing twice as fast as the Greek domestic market. By 2005, Greek banks had spent US$1 billion buying banking assets in the Balkans. During 2005-2007 the number of their M&As accelerated, with the five largest Greek banks (NBG, Alpha Bank, Eurobank EFG, ATE bank, Piraeus Bank) stepping up their commercial and retail banking investments. Notable M&As during that period were those of NBG in Turkey (Finansbank), Serbia (Vojvodjanska Banka), Romania (Banca Romaneasca), and Bulgaria; by Eurobank EFG in Turkey (Tekfenbank) and Bulgaria (DZI Bank and Postbanka); by Alpha Bank in Serbia (Jubanka); by ATE bank in Serbia (AIK Banka) and Romania (Mindbank); and by Piraeus Bank in Serbia (Atlas Banka) and Bulgaria (Eurobank EFG). During the same period, NBG pulled out of Central and Western Europe by closing uncompetitive branches in Frankfurt, Paris and Amsterdam. (UNCTAD, *World Investment Report 2008: Transnational Corporations and the Infrastructure Challenge* (New York: United Nations 2008), p. 32).

A ranking of the top ten Greek MNEs in terms of outward investment through M&A deals conducted in 2000-2009 shows that the majority of those MNEs is in the services sector and has significant presence in the Balkans and Turkey (annex table 5). Top investing MNEs included: National Bank of Greece (NBG), HBC/3E and Eurobank EFG. NBG and Eurobank EFG led the way of the expansion of the Greek banking sector to the faster growing neighboring SSE countries. HBC/3E is the second largest bottler of soft drinks trademarked by Coca-Cola, globally.

Annex table 6 provides details of the main cross-border M&As by MNEs from Greece for the period 2007-2009. Although the largest transaction took place in the primary sector, the majority of the M&As occurred in the services sector. In addition, while more than half of Greece's OFDI stock is located in SEE, only one-fourth of the investment total of the main M&As went to this region in 2007-2009.

Annex table 7 shows greenfield projects abroad by MNEs from Greece for the period 2007-2009. More than half of the greenfield projects (accounting for around US$ 4.5 billion of investment) took place in SEE. In terms of value, the funds were allocated to the services sector (mainly financial and real estate services), the energy industry (both traditional and renewable energy sources) and the food industry, mainly beverages. These industries are among those the least affected to date by the global crisis.

Effects of the recent global crisis

Reduced access to finance, gloomy prospects for economic and market growth and risk aversion are the channels of transmission of the recent global financial and economic crisis to FDI flows.[28] Business-cycle-sensitive industries such as motor vehicles and equipment and retail trade have been severely affected,[29] while agrifood, pharmaceutical and service industries in general seem to have been more resilient.[30] As noted, the majority of Greek OFDI flows is directed to the services sector (annex table 3), and the biggest MNEs from Greece in terms of the accumulated value of cross-border M&A investments (2000-2009) belonged to service industries (financial intermediation, telecommunications, maritime transport among other activities), while one of them belongs to the food (beverages) industry (annex table 5).

As already mentioned, Greek MNEs' activities abroad relate mainly to the final stage of the production chain of mature products/services. Consequently, the short-term effect of the global economic crisis on the OFDI performance of Greek MNEs depends largely on the propensity to consume and competitive pressures due to price sensitivity in the host countries. The diversification of the expansion of Greek MNEs into several emerging markets helps to minimize the negative effects of the contraction of economic growth. In addition, since diversification and, in particular, the establishment of a leading role have been both the outcome and the basis for potential expansion in the emerging Balkan region, a potential

[28] UNCTAD, *Assessing the Impact of the Current Financial and Economic Crisis on Global FDI Flows* (New York: United Nations, 2009), p. 19.

[29] Industries providing goods that consumers and businesses can postpone purchasing during recessionary periods are sensitive to business-cycles fluctuations. See J. Berman and J. Pfleeger, "Which industries are sensitive to business cycles?", *Monthly Labor Review*, vol. 120 (1997), pp. 19-25.

[30] See UNCTAD, *World Investment Prospects Survey: 2009-2011* (New York: United Nations 2009), p. 33.

strategy of major cut-backs in the activities of foreign affiliates as a means of cost reduction would have negative effects on the future of MNEs from Greece.[31]

The policy scene

The most important policy influencing Greek OFDI flows is the Europeanization process of the Balkan region.[32] Greece is a "bridge" between the EU and the Balkan countries, as indicated by the Greek Balkan policy, including initiatives through the EU. From the "Thessaloniki agenda for the Western Balkans"[33] to the admission of Bulgaria and Romania as full members of the EU and onwards, Greece has:

- provided full support for Bulgaria's and Romania's membership;[34]
- provided full support for the "Stabilization and Association Process";[35]
- increased the amount of the bilateral aid to the Balkan countries; and
- put forward the Hellenic Plan for the Economic Reconstruction of the Balkans (HiPERB 2002-2011).[36]

The Greek Balkan policy has positively affected the country's position as a key regional investor. Both the HiPERB and, at the national level, the upgrading of the Athens Stock Exchange (ASE) from a developing to a developed financial market[37] have contributed significantly to the economic penetration and activity abroad of Greek and Greece-based corporations.

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[31] The finding that Greek enterprises with internationalized activities are more competitive and have a competitive advantage over Greek enterprises that do not engage in international business supports the likelihood of such effects. See reports for several industries about the motives for and barriers to internationalization, undertaken by the Federation of Industries of Northern Greece in 2008. Titles in Greek are available online at: http://www.sbbe.gr/m2/m2_3.asp. This finding exemplifies further the motives for the expansion of MNEs from Greece and the desire for a part of their profits to be the outcome of this expansion (for this desire see consolidated annual reports of all major Greek banks operating abroad). For an overview of the negative effects that both the recession and the financing constraints on Greek MNEs have on Greece's OFDI – primarily of the banking sector – to the Balkans see L. Kekic, "The Greek crisis: The threat to neighboring Balkan economies," in W. Bartlett and V. Monastiriotis, eds., *South East Europe after the Economic Crisis: A New Dawn or Back to Business as Usual?* (London: LSEE, 2010); P. Economou and M. Thomas, "Greek FDI in the Balkans: How is it affected by the crisis in Greece?," *Columbia FDI Perspectives,* no. 51 (November 21, 2011).

[32] Both the Single Market and the euro influence greatly in a positive manner the level of trade and FDI. See, for example, Baldwin et al. (2008), *op. cit*.

[33] For the EU-Western Balkans Summit-Declaration see online the European Commission Enlargement site at: http://ec.europa.eu/enlargement/enlargement_process/accession_process/how_does_a_country_join_the_eu/sap/thessaloniki_summit_en.htm.

[34] Greece also provides full support for the prospective membership of Albania, Croatia, the FYR of Macedonia, Montenegro, Serbia, and Turkey.

[35] For the Stabilization and Association Process (the framework for EU negotiations with the Western Balkan countries), see online the European Commission Enlargement site at: http://ec.europa.eu/enlargement/enlargement_process/accession_process/how_does_a_country_join_the_eu/sap/index_en.htm.

[36] Details of HiPERB provided by the Greek Ministry of Foreign Affairs are available at: http://www.mfa.gr//en-US/Economic+Diplomacy/HiPERB/). Four-fifths of the HiPERB fund contributes directly to the development of infrastructure and networks necessary for private ventures and one-fifth is a subsidy for private ventures in the primary and secondary sectors.

[37] Greece is regarded by the FTSE Group (among others) as a developed market after meeting criteria such as market capitalization and developing a derivatives market. For example, legal reforms during the 1990s that improved transparency and regulation and the establishment of a derivatives market in 1999 contributed to the increase of the market size of the ASE and enhanced its importance and reliability as a fundraiser. See E. Springler, "Financial liberalization, stock markets and growth in economies with underdeveloped financial markets," *European Political Economic Review*, vol. 3 (2006), pp. 70-71.

Other policies have not been that successful. For example, subsidies promoting OFDI prior to HiPERB – such as Law 2601/98 – did not manage to boost its size, which accelerated greatly only after 2003. In addition, the Thessaloniki Stock Exchange Center (TSEC), which was founded in 1996 with the ambition of promoting OFDI in the Balkans and other neighboring countries, has failed to fulfill the expectations so far.[38]

Finally, Greece has signed 43 (of which 39 are in force) bilateral investment treaties (BITs) and 46 double taxation treaties (DTTs) on income and capital.[39] The only key host economy of Greece's OFDI (see annex table 4) that have signed any of these two types of international investment agreements after 2000 – the decade that Greece's OFDI boomed – is Turkey. This leads to the conclusion that both BITs and DTTs have not played an important role to the development of Greece's OFDI.[40]

Conclusions

MNEs from Greece have been extending their reach into SEE with the aim of establishing a leading role in those economies. They have been largely successful in that respect, especially after 2000; to a considerable extent, Greece's geographical and cultural proximity to the SEE region provides a competitive advantage over rival MNEs from other developed countries. Although this aim has been realized as MNEs from Greece are among the major foreign direct investors in SEE countries, the effects of the global crisis and the Greek sovereign debt crisis weaken future expectations for sustaining this leading role.

The escalation of the Greek sovereign debt crisis since November 2009 has led to an unfavorable shift in expectations for the country's economic growth. The recession has deepened as the contraction in domestic demand continues in 2011. Both, the internal situation (recession) and the external conditions (in host economies of Greece's OFDI), force the major MNEs from Greece to disinvest. This problematic situation will sustain the decrease of Greece's OFDI flows that commenced in 2008, at least through 2011. Although the deterioration of IFDI stock in 2010-2011 has resulted in a positive net OFDI position for the time being, the current and expected decrease of OFDI stock, along with the increase of IFDI

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[38] Law 2601/1998 launched government subsidies in the late 1990s for ventures abroad by Greek entrepreneurs/enterprises and MNEs based in Greece. Although it managed to stimulate investment flows of GDR 2.24 billion – directed mainly to Tirana and Korce (Albania) – that led to the creation of 8.000 jobs abroad (announcement in Greek by Greek Ministry of Foreign Affairs at http://agora.mfa.gr/frontoffice/portal.asp?cpage=NODE&cnode=57&fid=14663), it had not managed to generate the boost on OFDI that commenced in 2004 – see annex table 2. Similarly, although the TSEC was founded in 1996 with the aim of attracting the headquarters of foreign MNEs wishing to expand in the Balkans, it has not yet met these expectations.

[39] See UNCTAD; for BITs at http://www.unctad.org/sections/dite_pcbb/docs/bits_greece.pdf, for DTTs at http://www.unctad.org/sections/dite_pcbb/docs/dtt_Greece.PDF.

[40] There are studies that examine Greece among others and find that both BITs and DTTs stimulate OFDI growth. For the case that BITs generally have a positive effect on OFDI see R. Desbordes and V. Vicard, "Foreign direct investment and bilateral investment treaties: An international political perspective," *Journal of Comparative Economics*, vol. 37 (2009), pp. 372-386. Similarly, for the case that DTTs lead to higher FDI stocks see F. Barthel, M. Busse and E. Neumayer, "The impact of double taxation treaties on foreign direct investment: Evidence from large dyadic panel data," *Contemporary Economic Policy*, vol. 28 (2010), pp. 366-377. Although the paper of Barthel et al. examines Greece as a host country, the general implication is that DTTs have a positive impact on OFDI. However, there is no consensus that these two types of international investment agreements increase OFDI from developed to developing countries. See K.P. Sauvant and L.E. Sachs, eds, *The Effect of Treaties on Foreign Direct Investment: Bilateral Investment Treaties, Double Taxation Treaties, and Investment Flows* (Oxford: Oxford University Press, 2009).

stock from the prolonged privatizations that have been planned, are expected to hold back Greece's advancement to a net outward investor till at least the end of the present decade.

The short-term aim of MNEs from Greece is survival until liquidity constraints are lifted and the economy regains growth. Until the advancement of recovery to a level at which the availability of funds will allow for further foreign expansion, MNEs from Greece are likely to aim for generating a part of their total annual profits from foreign affiliates only to the extent that liquidity constraints and cost reduction allows.[41]

Additional readings

Bitzenis, A., "Determinants of Greek FDI outflows in the Balkan region: the case of Greek entrepreneurs in Bulgaria," *Eastern European Economics*, vol. 44 (2006), pp. 79-96.

Demos, A., F. Filippaios and M. Papanastassiou, "An event study analysis of outward foreign direct investment: the case of Greece," *International Journal of the Economics of Business*, vol. 11 (2004), pp. 329-348.

Kalogeresis, A. and L. Labrianidis, "From spectator to walk-on to actor: An exploratory study of the internationalisation of Greek firms since 1989," *European Journal of Comparative Economics*, vol. 7 (2010), pp. 121-143.

Kitonakis, N. and A. Kontis, "The determinants of Greek foreign direct investments in southeast European countries," *Southeast European and Black Sea Studies*, vol. 8 (2008), pp. 269-281.

Stoian, C.R. and F. Filippaios, "Dunning's eclectic paradigm: A holistic, yet context specific framework for analyzing the determinants of outward FDI: Evidence from international Greek investments," *International Business Review*, vol. 17 (2008), pp. 349-367.

Useful websites

Bank of Greece: (http://www.bankofgreece.gr/Pages/en/default.aspx).

The Hellenic Statistical Authority: (http://www.statistics.gr/portal/page/portal/ESYE).

Invest in Greece Agency: (http://www.investingreece.gov.gr/default.asp?pid=21&la=1).

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[41] In an example regarding the Greek banks operating abroad, after the outbreak of the sovereign debt crisis the contribution of profits from foreign affiliates allowed the compensation of losses reported in the Greek market. However, gloomy prospects of the Greek market, liquidity constraints, and recapitalization plans from the anticipated program for the Greek bonds exchange have negatively affected their international activities by forcing them to sale foreign affiliates.

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The Vale Columbia Center on Sustainable International Investment (VCC –www.vcc.columbia.edu), led by Dr. Karl P. Sauvant, is a joint center of Columbia Law School and The Earth Institute at Columbia University. It seeks to be a leader on issues related to foreign direct investment (FDI) in the global economy. VCC focuses on the analysis and teaching of the implications of FDI for public policy and international investment law.

Statistical annex

Annex table 1. Greece: outward FDI stock, 1990, 2000, 2009, 2010

(US$ billion)

Economy	1990	2000	2009	2010
Greece	2.9	6.1	39.5	37.9
Memorandum: comparator economies				
Austria	4.7	24.8	163.6	169.7
Bulgaria	0.1	0.0	1.4	1.5
Cyprus	0.0	0.6	16.7	20.6
Ireland	14.9	27.9	289.3	348.7
Portugal	0.9	19.8	68.5	64.3
Spain	15.7	12.9	64.6	660.2

Source: UNCTAD (http://unctadstat.unctad.org).

Annex table 2. Greece: outward FDI flows, 1995 and 2001-2010

(US$ billion)

Economy	1995	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Greece	0.0	0.6	0.7	0.4	1.0	1.5	4.0	5.2	2.4	2.1	1.3
Memorandum: comparator economies											
Austria	1.1	3.1	5.8	7.1	8.3	11.1	13.7	39.0	29.5	7.4	10.9
Bulgaria	0.0	0.0	0.0	0.0	-0.2	0.3	0.2	0.3	0.8	-0.1	0.2
Cyprus	0.0	0.2	0.5	0.6	0.7	0.6	0.9	1.2	4.1	5.1	4.2
Ireland	0.8	4.1	11.0	5.5	18.1	14.3	15.3	21.1	18.9	26.6	17.8
Portugal	0.7	6.3	-0.1	6.6	7.5	2.1	7.1	5.5	2.7	0.8	-8.6
Spain	4.7	33.1	32.7	28.7	60.5	41.8	104.2	137.1	74.7	9.7	21.6

Source: UNCTAD (http://unctadstat.unctad.org).

Annex table 2a. Greece: net FDI position, 2008-2011

(US$ million)

Source	Net FDI position	2008[b]	2009[b]	2010[b]	2011[c]
OECD	Outward less inward FDI stock	-701.5	-2,625.6	n.a.	n.a.
	FDI outflows less inflows	-2,080.6	-379.6	n.a.	n.a.
UNCTAD	Outward less inward FDI stock	-886.5	-2,643.5	4,317.26	n.a.
	FDI outflows less inflows	-2,081.1	-381.3	-919.5	n.a.
Bank of Greece[a]	Net international investment position (Outward less inward FDI stock)	-886.5	-2,643.5	7,551	15,446.2

Sources: OECD (http://stats.oecd.org/index.aspx?); UNCTAD (http://unctadstat.unctad.org); Bank of Greece (http://www.bankofgreece.gr/Pages/el/Statistics/externalsector/international.aspx).

[a] Conversion to US dollars is based on IMF exchange rates archives by month at http://www.imf.org/external/np/fin/data/param_rms_mth.aspx.

[b] Noticeable differences in figures are assumed to be due to differences in methodology/coverage.

[c] End of third quarter 2011.

Annex table 3. Greece: sectoral distribution of outward FDI flows, 2000, 2009

(US$ million)

Sector/industry	**2000**	**2009**
Primary		
Agriculture and fishing	1.8	0.3
Mining and quarrying	14.0	11.7
Extraction of petroleum and gas	0.0	0.0
Secondary		
Manufacturing	1,579.2	-269.0
Food products	1,559.8	42.1
Textiles and wearing apparel	4.4	-2.3
Wood, publishing and printing	0.0	1.7
Refined petroleum products and other treatments	4.6	-378.7
Manufacture of chemicals and chemical products	1.1	27.4
Rubber and plastic products	1.1	30.5
Metal Products	-8.1	7.8
Mechanical products	1.1	-3.7
Office machinery and computers	0.2	1.7
Radio, TV, communication equipments	-1.5	4.8
Motor vehicles	-0.2	0.0
Other manufacturing	16.8	-0.1
Electricity, gas and water	0.1	7.1
Construction	16.9	45.8
Services		
Total services	**142.2**	**2,016.4**
Trade and repairs	65.7	171.6
Hotels and restaurants	0.3	67.9
Transport and storage	-0.4	53.2
Post and telecommunications	50.1	589.8
Financial intermediation	0.1	820.7
Real estate activities and private purchases and sales of real estate	0.3	173.6
Computer and related activities	0.1	4.5
Research and development	0.0	0.3
Other business activities (legal, accounting, market research, management, consultancy, architectural, advertising)	21.5	11.5
Education, health and social work	3.0	41.1
Recreational, cultural and sporting activities	0.0	0.0
Other services	1.3	82.4
Unspecified other sectors/industries		
Unspecified economic activity	**404.8**	**94.1**
TOTAL	**2,159.1**	**1,906.3**

Source: Bank Data from the Bank of Greece (Department of Statistics, Balance of Payments Statistics Division, Department of International Investment Position). Conversion to US dollars based on IMF exchange rates archives by month, available at: http://www.imf.org/external/np/fin/data/param_rms_mth.aspx.

[a] The activity breakdown is based on Eurostat's classification in Balance of Payments Vademecum (December 2008).
[b] The activity breakdown is based on the sector of economic activity of the Greek direct investor company.
[c] From 2003 onwards, FDI data include reinvested earnings.

Annex table 4. Greece: geographical distribution of outward FDI flows, 2000, 2009

(US$ million)

Region/economy	2000	2009
Total	**2,159.1**	**1,906.3**
Developed economies		
Europe	**1,933.6**	**1,861.7**
European Union	1,876.0	1,643.5
Euro Area	135.0	1,667.1
Austria	-0.1	71.3
Belgium	6.3	4.3
Bulgaria	6.4	151.1
Cyprus	75.6	955.3
Czech Republic	0.0	-8.6
Denmark	1,718.7	0.0
Estonia	0.4	-0.1
Finland	0.0	0.1
France	2.2	6.1
Germany	46.0	31.4
Hungary	0.0	2.4
Ireland	1.8	-0.1
Italy	-6.1	-7.5
Latvia	1.7	0.0
Lithuania	0.0	0.1
Luxembourg	2.0	47.0
Malta	0.2	267.4
Netherlands	5.9	251.2
Poland	0.0	27.2
Portugal	0.0	2.9
Romania	15.1	146.9
Slovakia	1,741.0	-0.9
Slovenia	0.0	4.3
Spain	1.2	34.4
Sweden	1.3	0.9
United Kingdom	0.9	343.6
Other European economies	**57.6**	**218.3**
Albania	45.7	161.1
Serbia & Montenegro	-0.1	20.9
Croatia	0.0	1.4
FYR of Macedonia	4.6	37.9
Switzerland	-4.4	40.3
Turkey	11.2	6.3
Russian Federation	0.3	21.5
North America	**165.0**	**15.3**
United States	163.5	5.2
Canada	0.0	0.6
Oceania	**-0.5**	**-111.1**
Australia	-0.3	2.4
Asia	**8.8**	**100.8**
China	0.0	-5.3
Japan	4.4	2.3
Africa	**1.8**	**2.6**
Egypt	1.8	1.2
Unspecified economies	**50.5**	**37.0**

Source: Data from the Bank of Greece (Department of Statistics, Balance of Payments Statistics Division, Department of International Investment Position). Conversion to US dollars based on IMF exchange rates archives by month at http://www.imf.org/external/np/fin/data/param_rms_mth.aspx

[a] The geographical breakdown is based on Eurostat's classification in Balance of Payments Vademecum (December 2008);
[b] From 2003 onwards, FDI data include reinvested earnings.

Annex table 4a. Greece: key host economies[a] for outward FDI, 2006-2010

Host economy/area	**Outward FDI stock**				
	2006 (US$ million)	**2007** (US$ million)	**2008** (US$ million)	**2009[b]** (Per cent)	**2010[b]** (Per cent)
Albania	n.a.	649.7	677.8	1.8[c]	1.3
Austria	n.a.	n.a.	n.a.	1.4	1.0
Bouvet Island	n.a.	n.a.	908.7	n.a.	n.a.
Bulgaria	1,234.6	1,700.3	1,882.5	5.1	6.5
Cayman Islands	n.a.	575.7	1,311.7	n.a.	n.a.
Cyprus	7,002.0	10,405.1	10,757.4	28.3	27.7
Egypt	n.a.	n.a.	n.a.	*0.6*	2.0
The FYR of Macedonia	n.a.	622.8	599.7	1.6[c]	1.2
Germany	*442.2*	558.2	570.9	1.5	1.2
Hong Kong (China)	*131.2*	*361.7*	*460.3*	1.4	1.5
Luxembourg	806.9	821.2	1,414.9	*0.4*	*0.5*
Netherlands	*355.6*	1,066.5	3,194.3	16.5	7.6
Romania	3,236.5	5,800.9	4,509.5	11.1	11.8
Serbia	n.a.	2,422.6	2,517.0	6.7[c]	6.6
Turkey	2,961.4	5,602.4	4,689.4	12.3	14.1
United States	1,409.9	1,664.8	1,355.4	4.8	6.6
Offshore financial centers (Cayman Islands, Bouvet Island, etc.)	n.a.	n.a.	n.a.	6.7	n.a.
Total[d]	**16,651.3**	**31,890.3**	**34,389.3**	**99.2**	**89.1**
World	22,436.8	33,997.0	37,457.1	100.0	100.0
Euro area	n.a.	n.a.	n.a.	49.3	39.2
EU	n.a.	n.a.	n.a.	61.6	n.a.

Sources: OECD (http://stats.oecd.org/index.aspx?) for 2006-2008; Eurostat (http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/search_database) for 2009; Data from the Bank of Greece (Department of Statistics, Balance of Payments Statistics Division, Department of International Investment Position) for 2010.

[a] Key host economies include economies with over US$ 500 million (or 1%) of Greece's OFDI stock.
[b] Allocation of OFDI stock in percentage of total.
[c] Estimated percentage in 2008.
[d] Figures for "total" do not include entries shown in italics , which in turn do not represent key host economies of Greece's OFDI stock in the year shown.

Annex table 5. Greece: Top 10 MNEs headquartered in Greece, ranked by accumulated value of outward investment deals through M&As in 2000-2009

Rank	Acquirer	Destination economy	Industry	Total value of M&As, 2000-2009 (US$ million)
1	National Bank of Greece	Albania, Bulgaria, Egypt, Romania, Serbia & Montenegro, Turkey	Financial intermediation	6,873.1
2	HBC/3E -Coca Cola	Cyprus, Ireland, UK	Food products (beverages)	2,710.1
3	Eurobank EFG	Bulgaria, Cyprus, Netherlands, Poland, Romania, Serbia & Montenegro, Turkey	Financial intermediation	1,412.2
4	Titan	Cyprus, Netherlands, United States	Manufacturing (construction materials)	843.6
5	Cosmote	Albania, Cyprus, Romania	Telecommunications	769.6
6	Forthnet	Netherlands	Telecommunications	708.8
7	Piraeus Bank	Albania, Bulgaria, Egypt, Romania, Serbia & Montenegro, Ukraine, United States	Financial intermediation	524.4
8	Oikonomou Group/DryShips Inc.	Norway	Maritime (conglomerate)	499.9
9	Hellenic Telecommunications Organization (OTE in Greek)	Cyprus, Netherlands, Romania	Telecommunications	443.7
10	Alpha Bank	Romania, Serbia & Montenegro	Financial intermediation	384.6

Sources: Data from the Bank of Greece (Department of Statistics, Balance of Payments Statistics Division, Department of International Investment Position), unpublished data obtained by the authors. Conversion to US dollars based on IMF exchange rates archives by month, available at: http://www.imf.org/external/np/fin/data/param_rms_mth.aspx.

Annex table 6. Greece: main M&A deals, by outward investing firm, 2007-2009, ranked by value of transaction

Year	Acquiring company	Host economy	Target company	Target industry	% shares acquired	Estimated/ announced transaction value (US$ million)
2008	DryShips Inc	Norway	Ocean Rig A.S.A	Drilling oil and gas wells	50.1	1,494.3
2008	Forthnet Media Holdings SA	Netherlands	NetMed BV	Cable and other pay television services	100.0	778.9
2008	National Bank of Greece SA	Turkey	Finansbank AS	Banks	9.7	697.1
2008	Titan Cement Co SA	Egypt	Lafarge Titan Egypt	Cement, hydraulic	50.0	512.5
2007	DryShips Inc	Norway	Ocean Rig A.S.A	Drilling oil and gas wells	30.4	405.0
2008	Coca-Cola Hellenic Bottling Co	Italy	Socib SpA	Bottled and canned soft drinks and carbonated waters	100.0	353.1
2009	DryShips Inc	Norway	Primelead Shareholders Inc	Investors	25.0	330.0
2008	Vivartia SA	United States	Nonnis Food Co	Cookies and crackers	100.0	320.0
2008	DryShips Inc	Norway	Ocean Rig A.S.A	Drilling oil and gas wells	19.5	302.0
2009	Cosmote Telecommunications	Romania	Telemobil SA	Radiotelephone communications	100.0	291.3
2007	Navios Maritime Holdings Inc	Belgium	Kleimar NV	Deep sea foreign transportation of freight	100.0	261.9
2007	Coca-Cola Hellenic Bottling Co	Russian Fed	Aquavision	Bottled and canned soft drinks and carbonated waters	100.0	260.3
2007	EFG Eurobank Ergasias SA	Turkey	Tekfenbank AS	Banks	70.0	182.0
2008	Marfin Investment Group	Croatia	Sunce Koncern dd	Hotels and motels	49.9	141.7
2008	Titan Cement Co SA	Turkey	Adocim Cimento	Cement, hydraulic	50.0	132.6
2008	Navios Maritime Hldgs-Port Op	Argentina	Cia Naviera Horamar SA-Upriver	Deep sea foreign transportation of freight	100.0	112.2
2007	MIG Leisure Ltd	Cyprus	Hilton Cyprus Hotel	Hotels and motels	n.a.	78.6
2007	Bank of Piraeus SA	Ukraine	JSC International Commerce	Banks	99.6	75.3
2009	Cosmote Telecommunications	Albania	Albanian Mobile Communications	Radiotelephone communications	12.6	62.1

2009	Club Hotel Casino Loutraki	Serbia	Grand Casino doo Beograd	Hotels and motels	51.0	56.7
2007	Inform Lykos SA	Austria	Austria Card GmbH	Semiconductors and related devices	n.a.	42.8
2007	Nireus Aquaculture SA	Norway	Marine Farms ASA	Animal aquaculture	29.9	42.1
2007	Coca-Cola Hellenic Bottling Co	Italy	Eurmatik Srl	Automatic vending machines	100.0	21.4
2007	Sciens International Holdings	Bermuda	Apollo Aviation Holdings Ltd	Business services	50.0	20.0
2009	EFG Eurobank Ergasias SA	Romania	BancPost SA	Banks	3.5	17.0
2009	Frigoglass SA	United States	Universal Nolin Co LLC	Refrigeration and heating equipment	100.0	11.5
2009	Andromeda SA	Spain	Niordseas SL	Animal aquaculture	100.0	10.4
2009	Andromeda SA	Spain	Piscicultura Marina	Animal aquaculture	100.0	7.7
2009	Sidenor SA	Italy	AWM SpA	Machine tools, metal cutting types	34.0	3.4
2009	Alapis SA	Turkey	Genesis Ilac ve Saglik	Pharmaceutical preparations	50.0	2.4

Source: The author, based on Thomson ONE Banker. Thomson Reuters.

Annex table 7. Greece: main greenfield projects, by outward investing firm, 2007-2009, ranked by value of investment

(US$ million)

Date	Investing company	Host economy	Sector	Investment	Estimated investment
2008	Global Finance	Romania	Financial services		1,270.3
2008	Marivent	Bulgaria	Alternative/renewable energy	741.4	
2009	HelioSphera	United States	Electronic components	500.0	
2008	Coca-Cola Hellenic Bottling (CCHBC)	Romania	Coal, oil and natural gas		471.2
2008	Titan Cement	Poland	Coal, oil and natural gas		449.5
2008	Public Gas Corporation of Greece (DEPA)	Italy	Coal, oil and natural gas		401.6
2009	Vegas Oil and Gas	Egypt	Coal, oil and natural gas		307.0
2008	Michaniki	Ukraine	Real estate	300.2	
2008	LAMDA Development	Turkey	Real estate		213.0
2008	Titan Cement	Albania	Building and construction materials		206.8
2009	Titan Cement	Egypt	Building and construction materials	180.0	
2009	Copelouzos Group	Bulgaria	Alternative/renewable energy		179.6
2009	Copelouzos Group	Bulgaria	Alternative/renewable energy		179.6
2007	Danaos	Bulgaria	Real estate	177.0	
2008	Coca-Cola Hellenic Bottling (CCHBC)	Romania	Beverages		176.7
2007	Coca-Cola Hellenic Bottling (CCHBC)	Russia	Beverages	161.3	
2008	Raptis Kavouras	Romania	Real estate		118.9
2008	Elmec Sport	Romania	Real estate		118.9
2008	Titan Cement	United States	Building and construction materials		113.7
2007	Gek Group	Bulgaria	Leisure and entertainment	98.1	
2008	Alpha Grissin Infotech	Bulgaria	Transportation		80.9
2007	Panhol Group	Romania	Real estate	77.9	
2007	Alapis	Hungary	Pharmaceuticals		73.7
2007	Folli Follie	Russia	Consumer products		72.3
2007	Fage Dairy Industry	United States	Food and tobacco	70.0	
2007	Global Finance	Bulgaria	Real estate	68.3	
2007	Sidenor	Cyprus	Metals		63.8
2007	Sidenor	Bulgaria	Metals		57.1
2009	Apriati	France	Consumer products		56.9
2008	Hellenic Telecommunications Organisation (OTE)	Romania	Communications	55.5	
2007	Titan Cement	Bulgaria	Building and construction materials	52.4	

2007	Korres	Japan	Consumer products		52.1
2007	Korres	Japan	Consumer products		52.1
2007	National Bank of Greece	Egypt	Financial services		48.3
2008	Bioter	Cyprus	Real estate		47.3
2007	Michaniki	Bulgaria	Real estate		47.3
2009	Vivartia	United States	Food and tobacco	27.0	
2009	Karamolegos Bakery Industry	Romania	Food and tobacco		23.6
2009	Folli Follie	United Kingdom	Consumer products		22.8
2009	Folli Follie	United Kingdom	Consumer products		19.3
2009	Folli Follie	United Kingdom	Consumer products		19.3
2009	Karatzis S.A.	United States	Paper, printing and packaging		18.7
2009	Folli Follie	United Kingdom	Consumer products		18.1
2009	Folli Follie	United Kingdom	Consumer products		18.1
2009	Publicworld	Bulgaria	Consumer electronics	15.0	

Source: The author, based on fDi Intelligence, a service from the Financial Times Ltd.