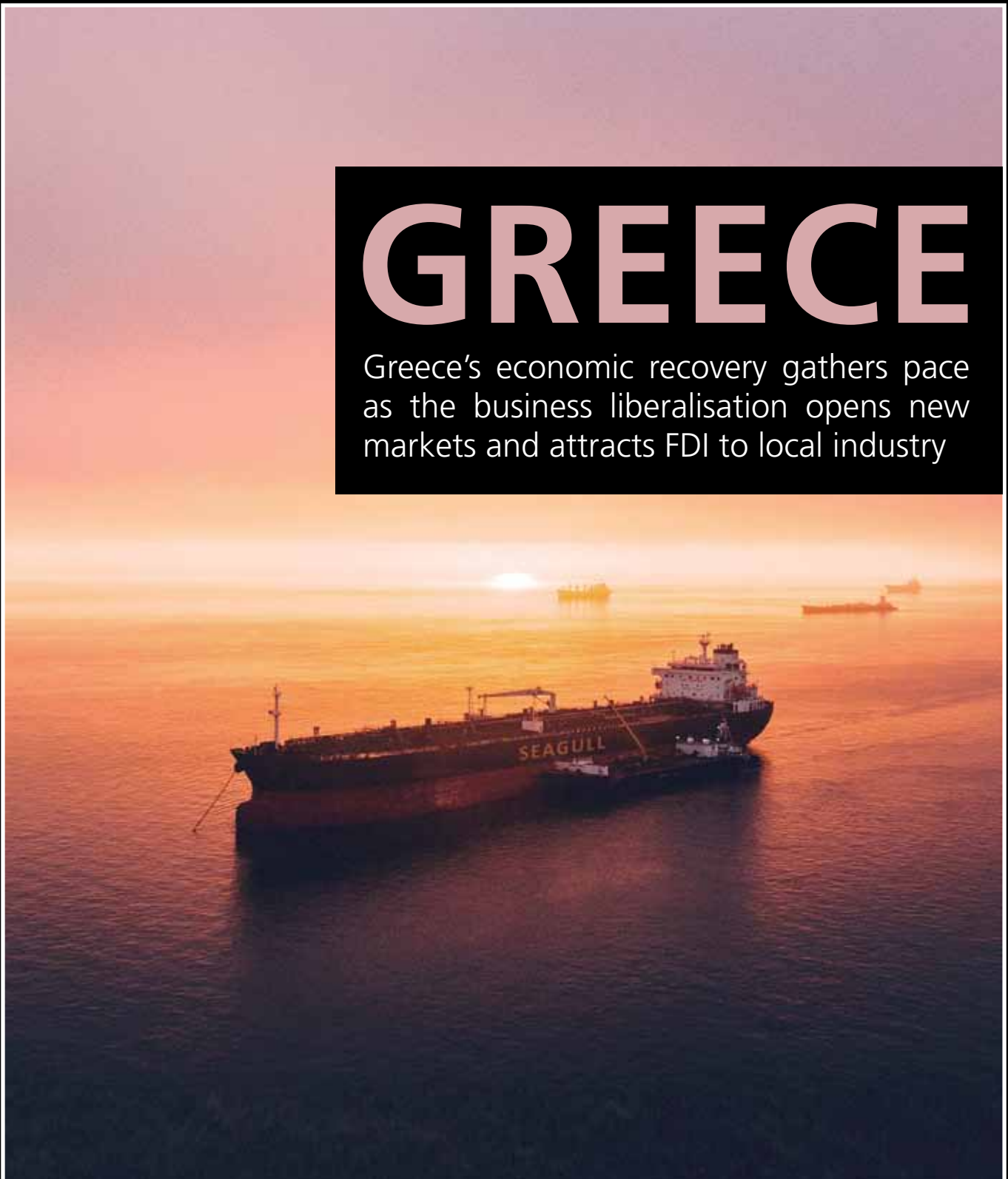


GREECE

Greece's economic recovery gathers pace as the business liberalisation opens new markets and attracts FDI to local industry



Established in 2004 in Pireaus, Spirit World Group's mission is to become the preferred supplier in Shipping, Forwarding, Supplying and Trading in the Global Industry

www.spiritworld.gr



GREEK DEFENCE IS BACK IN FORM

AN INCREASE IN DEFENCE SPENDING IS GOOD NEWS FOR THE LOCAL INDUSTRY

Greece is back. After a devastating, decade-long economic meltdown triggered by its sovereign debt calamity in 2009, political uncertainty and a resulting crisis of confidence, the European Union member is undergoing what many observers are calling “the Greek Revival”.

The Greek economy has been enjoyed a very robust rebound in 2021 with GDP growth expected of almost 7%, fueled by a strong pent-up consumer demand, a resurgent tourism sector and solid support by the Greek government, quickly shaking off the shrinkage caused by the pandemic in 2020.

And officials predict that 2022 should see the economy grow by some 4.5%, with exports and investment continuing their upward trajectories at least over the next several years.

Greek companies, both public and private, are enjoying the new boom in such vital sectors as shipping, logistics, tourism, consumer goods, manufacturing, services and others seeing a new dawn in their fortunes and their future.

Another sector on a roll is the Greek defence industry which is firmly putting behind years of bureaucracy, stagnation and antiquated practices to embrace innovation, with customers lining up to sign contracts of high-tech systems “Made in Greece”, many earmarked for NATO and European Union partners.



“LAST YEAR WE SAW A RETURN TO PROFITABILITY, SO WE AIM TO RETAKE OUR FOREIGN MARKETS”

Return to Form

One such company is Hellenic Aerospace Industry S.A. (HAI), a state-owned enterprise which has worked with such leading international military and civil aviation and defense firms as Boeing, Airbus, Lockheed-Martin, EADS, Dassault, Pratt & Whitney and many others.

As with every other public Greek company, it went through rough times following the economic crisis, says CEO Demetrios Papacostas, but is now on the way back.

“We suffered a lot, primarily because the Greek Ministry of Defence cut down considerably on spending due to the austerity measures that the country was obliged to follow,” he recalls.

“This, of course, had a direct effect on us as we are directly linked to the Minis-

try and not just the Greek Air Force and we were forced to align ourselves with the austerity restrictions. Our revenue plunged dramatically and therefore our profitability.

“Now, fortunately, we’re returning to where we were before all this happened with the government spending on defence and we’re executing many programs that have to do with this policy and we’re looking ahead to a bright future,” he says.

But it’s not only the Greek defence forces which are providing HAI with a steady income. Many of the company’s projects come from its collaboration with US defence giant Lockheed-Martin with which it has worked for 40 years.

HAI builds one third of the US contractor’s worldwide F-16 fighters and a third of the C-130 military transport aircraft, the CEO says, adding that the tie-up accounts for 80% of the Greek company’s revenue “be it Lockheed-Martin’s programs or joint programs with the Greek Air Force.”

“This is where it stands today but our plans are to go well beyond that and return to our previous situation when we were active in 36 countries worldwide and primarily in the Middle East and North Africa.

“Saudi Arabia was one of our clients



for many years when we worked on their C-130 engines and also the United Arab Emirates with whom today we have a very large engineering and maintenance training program,” he says.

“The Middle East and North Africa has been our traditional target market and we want to bring that back again.”

Along with Lockheed-Martin, HAI has worked with other major aircraft manufacturers providing maintenance, repair and modification services for combat and air-lift platforms, both fixed-wing and rotary-wing aircraft.

It also provides similar services for civil aviation companies.

“This sector of our business was heavily affected by Covid-19 because many aircraft were grounded due to the drop in airline activity,” Papacostas says. “But we believe this industry will come back within the next several years and we’re diversifying into other aviation and aerospace fields.”

“Another activity we’re getting into is the unmanned aerial vehicles, or drones, and we’re getting into the satellite business as well. These give us new projects at the same time we’re expanding into many other countries.”

Along with the pandemic hurting its maintenance services business, the so-called brain drain triggered by the economic crisis has impacted HAI which lost many of its best people as they fled abroad in search of work.

“First of all, because of the austerity measures salaries were heavily reduced and as a state-owned company we had to follow the rules and salaries were cut an average of 25%,” he recalls, “and many middle management and technicians went to work in Germany, Italy or wherever.”

“And again, because of the austerity measures, we couldn’t hire new people and our payroll was reduced by almost 50%. We’ve now revised our hiring process to make sure we can find and train the people we need.”

But the CEO is confident that these obstacles will be successfully overcome and that Hellenic Aerospace Industry S.A. is on the right track.

“Our first priority is to return to profitability as the company has posted losses over the past five years at least. In 2021 we are going to become profitable and I’m sure that over the next several years we’ll see a different company successfully and profitably competing on the international market.”



Photo: Miltech



CHRISTOS CHOUMPAVLIS
PRESIDENT & MD OF MILTECH
VICE PRESIDENT & CEO OF ATESE

“WE’RE EXPORTING OVER 95 % OF OUR PRODUCTION AND WE EXPECT TO DOUBLE OUR SALES”

Export Success

International sales are key to Miltech Hellas and its sister company, Atese, explains Christos Choumpavlis, the President and Managing Director of Miltech S.A. and vice president and CEO of Atese S.A., companies which manufacture a wide range of security systems and products with both military and civilian applications.

“Around 95% of Miltech’s production is exported as we are very well known internationally and we are number one in the Greek market,” he says. “We enjoy good export markets in Europe, Saudi Arabia, Tunisia and other countries.”

Miltech carries out the manufacturing, while Atese - Engineering Commercial Consulting Societe Anonyme - Private Security Services Company -, focuses on engineering, design and installations for the local market and NATO projects in Greece.

Along with such items as weapons sights, thermal imaging cameras and other equipment, Miltech also manufactures communications accessories such as frequency converters, tactical field telephones and hand-cranked generators, as well as multi-function avionics displays.

One example of its international activities is Miltech’s recent provision of the advanced surveillance equipment for an unmanned, armed maritime surface vessel

in collaboration with two other European companies which underwent tests in Spain.

“We’re about to sign a contract in Morocco with the Ministry of Defense for electrical security equipment, we’re exporting cameras to Indonesia and we’re expecting a callback from Saudi Arabia, with which we have a good relationship, for thermal cameras for their land forces,” the Executive says.

“Domestically, the Greek Ministry of the Interior and the police are good customers for our thermal surveillance systems which have been keeping an eye on our borders during the refugee crisis,” Choumpavlis adds.

Although the Covid-19 pandemic had little negative impact on the companies’ manufacturing activities as technicians and engineers were able to work from home, travel restrictions and lockdowns did prevent sales representatives from displaying their merchandise at security trade fairs around the world.

“But now things are getting back to normal so we’re adopting a more aggressive policy in reaching out to potential foreign clients and partners,” he explains.

“And we hope this year to see a rise in exports to France thanks to the recent sale of 24 French-made Rafale fighter jets to Greece and the contract for Greece to purchase three French frigates.



"We already have a relationship with Rafale as we've been manufacturing electrical boxes and harnesses for their aircraft."

Choubavlis attributes Greece's international presence in the industry to the country's reputation as a reliable producer of defense-related systems, arguing that Greek engineers are among the most qualified in the sector.

"That's why in the technical field in the United States, the United Kingdom, Germany or the Netherlands you see key people who are Greek or of Greek origin," he says.

"Secondly, Greek technicians and workers are eager to please and have a good attitude when it comes to customers so if you ask them to do something they will go above and beyond to make sure it's carried out to the letter."

Greece, he notes is a small player on the world stage diplomatically, but can compete with the defence industries of the global powers on quality and price. Houbavlis adds that the Greek government is also supporting the sector by encouraging company participation in international security and defense trade fairs.

"I think with our preparation and the opportunities which are opening up to us right now, we should be able to double both our business and our current annual turnover which is between 9 and 10 million euros."

Offset Expertise

A major defense contractor active in other fields is Athens-based Kleos which was founded in 1990 and rapidly diversified while remaining focused primarily on projects for the Greek Armed Forces.

"We started with 15 employees by implementing projects in the defence sector which is vital to this country's protection because of some of our neighbours and so we have to be well armed," explains President and Managing Director Stefan C. Tsolakidis.

"And over the years Greece has signed defence contracts with many different countries like the United States, Brazil, Germany, Italy, France, Sweden, Poland, etc., and these countries are obliged to compensate the money they receive from us with what are called 'offsets'.

"In the defence industry, this is when the purchasing government obliges the supplying company of the exporting country to reinvest part of the contract in the importing country, and Kleos has been involved in 7 billion euros in offsets so far," he says.



Photo: HAI



STEFAN C. TSOLAKIDIS

PRESIDENT & MD OF KLEOS

"GREECE IS A PERFECT COUNTRY FOR DEFENCE CONTRACTORS TO ENTER THE EUROPEAN UNION"

Some of the major multinationals Kleos has worked with include Dassault, Matra, Raytheon, Embraer, Agusta-Bell and other leaders in the defence and aviation sectors in a range of fighter, helicopter, missile, air traffic control, electronic warfare and radar projects, as well as with the state-owned Hellenic Aerospace Industry.

"What we do is take care of all the knowhow that will be transferred to Greek companies through these offset contracts, how they will absorb it, for example spare parts for the Mirage fighter or a missile or radar system," the president says.

"So we train the people, oversee the quality control, fill in the paperwork with the Ministry of Defense and all of that."

Tsolakidis has used his contacts forged with his then fellow students during his aeronautical engineering studies to promote Greece as a destination for military

training for the air forces of their countries.

"We are receiving here pilots and aeronautical engineers from Arab countries like Jordan, Egypt, Tunisia, Libya and Sudan because I had become friends with fellow students who are now senior government or military officials," he explains.

"For instance, we have taken more than 100 Jordanian military planes for maintenance at HAI and I was the agent for that deal. It can cost \$1 million per plane and another \$1 million for an engine so you imagine the money involved."

On the civilian side, the company is active in building design and construction, travel, events organisation, real estate, food processing and scientific texts translation.

Looking ahead, the executive sees the company getting involved in such high-tech endeavors as producing solar-powered backpack batteries for infantry troops, drones, anti-drones and cybersecurity systems.

"Greece," he says, "is the perfect country for investing in industry as we have very good human capital and capability, our manufactured goods are European Union certified and it's the ideal door to enter into the European market."

Focus on Steel

Increasing military and security budgets are also much welcomed at Tsiotas Elektrometal and Alkyon Trading and Importing, two related companies with the former established in 1974 by the father of current Managing Director for both firms, Dimitrios C. Tsiotas.

"This is a family-owned business and we import special grades of steel for military and civilian industries, but not for construction," he explains. "Two years ago I decided to set up the Alkyon company to concentrate further on the steel sector and act as an agent here for foreign companies in the Greek market."

A large part of the company's operations is supplying marine paints made in the United States for the Greek Navy. Employing 14 people, the companies posted a combined turnover for 1.5 million euros.

"We're small but we are developing," the managing director says. "Around 80% of Alkyon's business is military related up from 40% before the company began representing the US marine paint concern."

Like other executives, Tsiotas argues that while Greece's economy is definitely on the rebound from the crisis, effects still lin-





DIMITRIOS C. TSIOTAS

MANAGING DIRECTOR OF TSIOTAS STEEL AND ALKYON TRADING & IMPORTING



“WE NEVER HAD TO SHUT DOWN SHOP AS WE WERE WORKING FOR THE MILITARY”

ger coupled with the fallout from Covid-19.

“We haven’t recovered 100% from the big recession. I think 2019 was a positive year and there were signs of further growth, but then the pandemic arrived.

“However, both our companies continued to operate as they were not on the list of those that had to shut down because we work with the military. But of course there were problems with the supply chain regarding imports,” he says.

A key supplier to the companies is located in northern Italy, one of the first European regions to be hard hit by the virus which went into a hard lockdown. Trucks couldn’t move and many factories were shut.

“But,” Tsiotas says, “we were lucky to have some stock in the warehouses so we managed to cover most of the demand.”

With the country’s military spending on the rise, the managing director is confident the sector is on a roll, especially with the recent major fighter jet and frigate deals with France, and he expects there will be a lot of subcontracting work around.

Large civilian projects are also in the cards over the next several years involving some of Elektrometal’s clients.

“There is also a lot happening in the green energy sector to which we can contribute, as well as the new underwater cable connections between the Greek islands and the mainland,” he explains.

“These technologically challenging projects require some special steels which we provide and that is one area in which we have an advantage.”

“And we’re always on the lookout for further opportunities to work with foreign companies as their agent here in Greece. I think that the bad times are largely behind us and we’re moving ahead, both as a business and as a country, and Greece can be a very reliable business partner.”

Assured Growth

Within just eight years of its existence, security systems firm Gladius has carved out for itself a very good business working with tenders both in Greece and abroad, explains Managing Director Chris Koufomichalis.

“We were founded in 2014 in the middle of the economic crisis and we represent some specific companies from different countries in Greece and worldwide.

“But even though it was difficult, we managed to grow by, for example, executing some contracts in cooperation with an Italian company for the delivery to the Greek Coast Guard,” he says.

Along with such seagoing vessels as patrol boats, fast interceptors, general-purpose guard ships and self-righting search and rescue boats, Gladius also handles a wide range of security products and services.

These include integrated security solutions for metropolitan and residential areas, critical infrastructure and industrial and military facilities, as well as command and control applications, and solutions for emergency response and homeland security agencies.

It also offers such high-tech products as border and perimeter security systems, remote control systems, space and satellite-based defense capabilities and cyber intelligence systems.

“So we’re doing well. When the crisis started a lot of Greek government tenders were cancelled but then there was lot of European Union funding money

“I BELIEVE THAT THERE ARE A FEW GOOD YEARS OF STRONG GROWTH STILL AHEAD OF US”

for protecting our borders,” he recalls.

“So things started turning around 2015 and the funding mainly came from European funds.”

Employing a staff of six, the company garners annual revenue of around 1.5 million euros.

According to Koufomichalis, Greece is an excellent place for foreign firms involved in the security and defence sectors. With the country’s need of major manufacturing companies, local companies like Gladius can act as a bridge for those foreign concerns looking to set up shop.

“Greece is in a good geographical location and has solid relationships with many countries in this region, mainly in the Middle East,” he explains. “So the only thing that is missing here are good products that can be easily exported with technology and of course this can be done.”

The Executive points out the timing is right for security and defense contractors as Greece rushes to update and upgrade its existing systems.

“This was all urgently needed as everything was getting old and obsolete and if it’s not done, Greece will have serious problems,” he says. “I don’t know exactly how long it will last, but there are certainly a few good years of growth ahead of us!”

XP. ΤΣΙΟΤΑΣ
Industrial & Military Supplies

ELECTROMETAL S.A.
has more than 30 years experience in the Greek special steel market, serving every customer's demanding needs.

12 Etolikiou St.
Piraeus, 185 45
Greece

T: +30 210 4173058
+30 210 4176081
F: +30 210 4114125

www.tsiotassteel.com

GLADIUS

Gladius Is Here To Provide
Innovation Products And Solutions
And Not Just Ideas.

www.gladius.gr

GREEK SHIPPING ROARING TIMES

AFTER A DECADE OF SLOW DEMAND, THE MARKET'S STRONGLY REBOUNDED

Since time immemorial, Greece's history, economy and culture have been entwined with the sea which is understandable for a nation of an estimated 2,000 islands, of which around a tenth are inhabited.

In ancient times, Greek sailors manning warships fought with enemies in epic sea battles which are still studied today and seafaring Greek colonists established communities around the Mediterranean for trade.

That trading tradition continued through the centuries and over the past 100 years, Greek shipowners have used the country's prime location, an international outlook and low taxes to establish Greece today as the world's premier shipowning nation.

With a fleet of almost 5,000 vessels, Greece accounts for around 20% of global deadweight tonnage (dwt) and in 2020, the fleet increased by 4 per cent to 364 million dwt, according to the Union of Greek Shipowners.

Despite the economic fallout from the Covid-19 pandemic, Greek shipping companies are still investing in new vessels and in 2020 they ordered more than 100 new efficient ships.

These figures prove that the shipping industry in Greece is hearty and healthy with shipowners looking forward to new horizons and new business as the world recovers from the pandemic and seaborne trade booms.

Strong Recovery

Happily preparing for that new scenario for the shipping business are brothers Stratos Tsalamaniotis and Nikolas Tsalamaniotis, Co-CEO's of Seaven Tanker Management Inc. with domestic and international operations, as well as Co-CeO's of Mylaki Shipping Agency, a well established inde-



STRATOS
TSALAMANIOS

CO-CEO OF
SEAVEN &
MYLAKI SHIPPING
AGENCY



NIKOLAS
TSALAMANIOS

CO-CEO OF
SEAVEN &
MYLAKI SHIPPING
AGENCY

“REGULATIONS & HIGH TAXES WILL BE TESTING THE SHIPPING INDUSTRY IN THE NEAR FUTURE”

pendent shipping agents running its own offices in almost all main Greek ports.

“We're expecting our 15th vessel to be delivered to us in Japan very soon and we're thinking about buying some more vessels,” explains Nikolas.

“Our company mostly operates in the Mediterranean, the Black Sea and continental northern Europe and primarily in the chemical business carrying petroleum products, as well as cement carriers.

“These carriers largely operate in the eastern Mediterranean from Turkey to Israel as the latter is a very important cement importer,” he adds.

Domestically, Seaven carries jet fuel throughout the Greek islands for the airplanes which carry the millions of visitors to and from the country's premier tourism destinations, making summer a peak season for the shipping line's activities.

The tourism sector, and therefore the jet fuel business, provides a reliable indicator of how the Greek economy is faring, the brothers say.

“That's how we first noticed that

“BUSINESS TURNED AROUND IN 2018, AS THE TOURIST SEASON MOVED FROM 3 TO 6 MONTHS”

things were turning around in 2018, ten years after the economic crisis,” Stratos explains. “There was a lot of movement of oil, especially during the tourism period which actually increased from three months to six months, April to October.

“That meant a lot of flights using jet fuel as well as gasoline and diesel for the tourist buses and rental cars, so we had a lot of deliveries to the islands. At the same time, there was an increase in construction and we benefited from the cement shipments.”

The Tsalamaniotis are the second generation of a shipping family which began as agents in 1982, expanding into ownership fifteen years later. The brothers took over the business from their father in 2012.

The company currently employs a total of 70 people in its agency and shipping divisions and posts annual revenue of around 50 million euros and the brothers expect a 10% increase in that figure for 2021.

Seaven's fleet is comprised of small or medium sized Greek-flagged modern



oil/chemical tankers and cement carriers, able to discharge either pneumatically or mechanically.

The executives pride themselves on maintaining a modern and technologically-advanced fleet and in 2021 alone added four new vessels: two cement carriers, the Seaven Glory and the Seaven Sky, and two oil/chemical tankers, the Seaven Hope and the Seaven Horizon.

These acquisitions signal the brother's optimism concerning their company, the shipping sector and the Greek economy overall.

"Since the new government came to office in 2019, we're seeing recovery and growth in the economy year-by-year," Nikolas says. "Apart from the pandemic and refugee crisis, Greece has been doing very well."

"I think it is going to be a good year from our company and for worldwide growth. Here in Greece, apart from shipping we see a lot of infrastructure and construction activity and 2022 could be a crazy year."

Looking further ahead, Stratos says while there are challenges, the future looks bright.

"Shipping will be tested in the near future because we have a lot of new regulations and increased taxes but hopefully we'll see a huge improvement in the industry compared to these past years."

Undersupply of Ships

But predicting future market conditions in the shipping industry can be fraught with uncertainties, cautions Panagiotis Christodoulatos, the Managing Director of Ikaros Shipping and Brokerage.

"Shipping is a sector that is unpredictable, you can never foresee, you can never analyse," he argues. "Because shipping is affected by so many factors starting with the weather, the economy, local regulations and pandemics."

Created in 1985 by Christodoulatos' father, the Piraeus-based company has always focused on chartering bulk carriers built by the leading shipyards of Japan and South Korea. Today, it has a fleet of seven modern vessels, each with the word "Ken" in their names, and employs around 150 people including crews.

"Our annual revenue depends on the year and on the market," the executive explains. "For example, in 2020 we had a loss because the market had been



PANAGIOTIS
CHRISTODOULATOS

MANAGING
DIRECTOR OF
IKAROS SHIPPING &
BROKERAGE

"SHIPPING IS UNPREDICTABLE AND IN 2021 OUR MARKET SWUNG TO THE POSITIVE SIDE"

down since October 2019, we had to purchase new equipment for the ships and then we had Covid-19.

"But Ikaros had a very good 2021 as the market has swung completely to the other side. However, you have to remember that we were coming out of 12 years of recession and during those years we never saw a market for bulk shipping like there is now."

The managing director lists a number of troubling issues facing the industry, starting with rising costs and prices which are affecting the whole economy. Sector specific challenges include finding the necessary human resources.

"We have problems with the quality of the crews," he says. "The seamen just are not as they were in the past in terms of knowledge and dedication to the company."

"And in comparison with the International Transport Workers' Federation salary scales, our crews are very well paid, well above the average, and they receive plenty of benefits, but we still face these challenges."

Christodoulatos argues that the Greek

shipping industry is more competitive than in the past because shipowners are now keener to invest in new vessels than before, making the Greek fleet one of the most modern on the planet.

Most of the ships in Ikaros' fleet, for example, are less than 13 years old.

For the moment, the company has put on hold any new ship orders and the Managing Director warns that the global industry is going through a period of undersupply which is one of the reasons there are long lines of ships sometimes waiting weeks discharge their cargos at ports around the world.

"At the time of the global economic crisis in 2008 there were still five years of new building orders. So all this ship tonnage came into operation but with the near collapse of the banking system, very few ships were scrapped and we had an oversupply," he explains.

"Now the situation is reversed, there is an undersupply and it will take years to balance out, but that is the nature of the shipping business which is one of the stars of the Greek economy."



Maritime Advantage

Along with the actual business of moving seaborne goods from point A to point B, Greece's shipping sector also includes companies that provide the supplies for vessels that makes it all possible.

Seabright Company is a prime example, designing and manufacturing high-quality marine and industrial lighting fixtures, and trading electrical consumables and supplies for ships.

"Our company was started by our grandfather in the 1950's in the same sector but was then involved in refurbishing electrical materials for vessels," says Co-Managing Director Panagiotis Mallios.

"Over the years, we moved into the distribution of electrical equipment, then the production of lighting fixtures for all types of vessels and that now remains our main business."

Seabright's product range includes technical indoor and outdoor lighting, floodlights, downlights, crew and cruise passenger accommodation lighting, emergency and navigation lighting, and brass lighting and brass electrical equipment.

The company posts annual sales of around 7 million euros and has enjoyed a 20 to 25% increase over the past several years.

"Right now we have around 35 people working for the company. Our headquarters are here in Greece, we have a US office in Miami to serve the cruise industry and one in Gdansk, Poland," explains Export Director Elias Mallios.

"So we have been growing despite the domestic economic problems, largely because of our international markets," he continues. "The European market is definitely our most important and we offer the same high grade of quality as our foreign competitors but at a much more competitive price."

There has also been a dramatic rise in prices of raw materials like steel and aluminum which have spiked between 40 and 50%.

"Also, we can't find electronic materials,"



PANAGIOTIS (L) & ELIAS (R) MALLIOS
CO-CEO'S OF SEABRIGHT



"A NEW WAVE OF INVESTMENT IN LOCAL SHIPYARDS CAN HELP US INCREASE THE LOCAL SALES"



notes Panagiotis. "Basically, everything we use is electronic and with Covid-19 in China factories closed or slowed down production. Now that we are recovering, we need much more to cover the losses from 2020."

"I spend half the day searching for materials and I am buying from companies A, B, C and D to see if they have what we need to manufacture our products to our usual high standards."

The executives say that being based in Greece is a distinct advantage for the company as it is the most important maritime nation in the world and many of

its customers are right outside the door of Seabright's offices in Piraeus port.

"We're also seeing new potential right here as there has been a wave of foreign investment in Greek shipyards so that could help us to increase our local sales," Panagiotis says.

"Our plan is to expand our product portfolio and get involved in the oil and gas offshore sector with explosion-proof products which we are now designing. Now, after the economic crisis, there will be a lot of opportunities for growth and due to our track record, I know we can do this."

www.seabright.gr

INTERVIEW WITH MR. MIKE SPIRIDAKOS

Chief Executive Officer and Founder of SPIRIT WORLD GROUP

Diversity and Entrepreneurship are the key ingredients that Mr Spiridakos has used as his personal recipe to beat the pandemic and prepare Spirit World Group to grow as Greece becomes a global transshipment hub. New and exciting products such as drones are undepinning his hopes in the future growth of the Group



Based in the port of Piraeus, Spirit World Group began business in 2004 as a logistics, transportation and freight forwarding firm and has since diversified into a number of related activities, says Founder and CEO Mike Spiridakos.

One-Stop Shop

"That was an era when Greece was a medium-sized player regarding the import-export business before the big international companies arrived," he recalls. "And I had in mind a 'one-stop shop' operation providing services to the market.

"Two years 2006 after establishing ourselves here in Greece as our European headquarters, I opened our office in Hong Kong to be our headquarters for China and Southeast Asia."

From then on, Spirit World Group expanded with new companies, each independent. Using his long term contacts with shipping companies, Spiridakos set up a third outfit, Spirit Supplies commercial company, to provide Greek ship owners taking delivery of new-build vessels in the Chinese shipyards with essential goods. Later on, the CEO transferred the subsidiary to Greece and expanded his customer list to include not only commercial shipping firms but also cruise ships, passenger vessels and yachts.

"Most of this was foodstuffs of a very wide range of products, and so I diversified into the hotel, restaurant and hospitality industry," he says. "Group companies are all linked as they use our freight forwarding, logistics and warehousing operations. This diversification helped us during the economic crisis as we were international, so we were not impacted by the domestic problems."

"I learned a valuable lesson from this: when you've diversified your activities and hard times hit, there is the possibility that as one suffers, the others may benefit," he adds.

When the economic crisis waned, Spiridakos moved into the shipping industry, buying his first vessel in 2017 and starting a bunkering business, which involves the supplying of fuel to ships, and includes the shipboard logistics of loading fuel and distributing it among available bunker tanks. "I bought a second vessel two years later and the whole operation is a perfect example of how the group works," the Executive explains. "I positioned the vessel as a paid charter for the public electricity company PPC. So the whole operation involves our group's shipping, supplies, commodities, forwarding and energy companies."



Diversity Beats Pandemic

"Before the pandemic, in 2019, we had more than 180 people working for us and our turnover, including commodities trading was around 80 million euros annually," Spiridakos says.

"But then Covid-19 arrived and the market dropped like crazy. All our hotel and restaurant clients closed their doors, the cruise and passenger business dried up and so our supply Business declined by around 80%.

"However, our transportation and vessel management and operations businesses remained steady. So again, the group's diversity helped us greatly in getting through a crisis."

The pandemic and the resulting surge in e-commerce and home delivery gave the Group CEO another idea: drone delivery. "At the end of 2020 and I saw an opportunity in technology. I realised that in Greece we were almost at zero regarding unmanned aerial vehicles, or UAV's, while at the same time Amazon was beginning to carry out parcel delivery during the pandemic, putting UAV services as the future in logistics" he says.

"So I decided to get into the UAV Business with a new company, S.A.S. Technology, and now I'm proud to say we are the first Greek company to produce UAV's from design & R&D to the finished vehicle," Spiridakos says.

"Our core business involves design and manufacturing innovative UAV's for the civil and the military and defence sector, and we have already several unmanned systems in production that are used from Hellenic Armed forces and Hellenic Fire Service, systems that are putting Greece in to the international Technology In-

dustry through SAS Tech (SARISSA/EMPUSA)."

"The solution for the Covid19 was the vaccine. Therefore, having the Drone System we need to provide as well the Antidrone solution. So S.A.S. Technology with CERTH (Centre for Research & Technology Hellas) led to the PANOPTIS project that is going to be the first Hellenic Antidrone system."

The years between 2019 and 2021 when the world was turned upside down by what he calls a "game changer" and nothing will be the same as it was before.

"This is all about the new mobility aided by digital systems, and I want to employ it as a way for us to transform the market, not only in Greece but around the world," he argues.

While Spirit World Group becomes involved in innovative technology for the future, it is still grounded in transport and logistics in Greece. "Greece is the entrance way not only to the Balkans but also to the rest of Europe, and the big cargo lines are using the port of Piraeus as the place to break up their shipments for the rest of the continent," he says.

"Therefore, the big shipping companies operating out of the USA, Asia, the Middle East and Africa use Greece as a logistics centre as a distribution point taking advantage of our VAT exception and excellent customs system," he says.

Spiridakos sees his country as a great opportunity for investment whether by Greeks themselves or foreign concerns taking on projects that will benefit Greece.

What our market need and it is our main aim at the group, is to do something different compared with rest of competitors, something that make every say "hey, why didn't I think of that?" and is attracting the interest of Global investors.

For 2022 the Group is entering as well into the health industry with the Company "asOenis", and into the Green Energy with the company "Spirit Energy, covering with this way as a Group the markets with the fastest development around the world.

BOOMING TIMES FOR LOGISTICS

THE HIGH DEMAND FOR WAREHOUSES IS PROOF THAT BOOMING TIMES ARE HERE FOR LOGISTICS

At the crossroads of three continents, Greece has for thousands of years been a hub of connection for global trade.

And it's huge and highly-respected shipping industry, coupled with new commercial routes linking East and West, ensures that this strategically-located nation will continue to be a major player in the globalization process.

At the same time, a new surge in consumer spending by Greeks after the deprivations brought on by the economic crisis, fueled by a rebounding economy and new emphasis on home deliveries are spurring logistics companies, both domestic and foreign, to invest in the sector.

New transport companies are being established, logistics service providers are setting up shop, road and rail links are expanding and construction companies are turning to building much-needed warehouse space to handle the demand.

Warehouse Expertise

One of Greece's leading companies in this field is N. Karpathios Commercial Construction Company, part of a family-run group active in several related fields, says Panagiotis Karpathios, the construction firm's CEO.

"The company was founded by my father in 1981, and I began working here in 1999," he recalls. "We started as a construction company and we're still involved in that sector but we're developing and building warehouses so we're specialised in the logistics industry delivering turn-key projects."

With around 100 employees, the company's annual revenue over the past



two years was some 50 million euros and the executive expects that to rise to between 80 and 90 million euros over the next two years.

According to the CEO, the logistics market began to take off more than 20 years ago, back in 2000 and the N. Karpathios Group was one of the first to jump into development. Since then, it has built more than 200,000 square meters of warehouse space annually, for a current total of more than 3 million square meters.

Over the past seven years, 600,000 square meters have been sold to investors.

Karpathios noticed a second boom in demand for warehouse space in 2016, once the hangover from the economic crisis began to dissipate.

"One of the difficulties we're now facing as this demand increases in finding plots to build on and the demand is more than the supply," the Executive explains. "I now have clients who need 500,000 square meters and I can only give them half of that so that's my biggest problem.

"Developers are very important for the logistics sector in Greece because most of the logistics companies are renting buildings, they are not buying the land and putting up their own warehouses."

Karpathios says most of the problem of available land is centered in the corridor connecting the country's main port at Piraeus and Athens, but his company has already booked a number of plots.

"We're okay for the next three or four years but it is going to be a problem within ten years or so and over the longer term," he explains. "We're also looking at areas of agricultural use which will be changing over to industrial use



PANAGIOTIS KARPATHIOS

CEO OF N. KARPATHIOS COMMERCIAL CONSTRUCTION COMPANY

"GREECE WILL BECOME MORE IMPORTANT AS AN EUROPEAN-WIDE HUB FOR ALL LOGISTICS"

but his takes time."

N. Karpathios Commercial Construction Company is one of five companies in N. Karpathios Group S.A. which is also involved in real estate, tourism, project management and consultancy.

As well as a number of logistics companies both domestic and international such as DHL and Miltitzer & Munch, the firm's client list includes BMW, Wella Cosmetics and global shipping and air cargo operators.

"I believe we're still at the beginning of the logistics wave in Greece. You have to create new buildings, green buildings and now the region around Athens is the hotspot of logistics," the CEO argues.

"We're upgrading the trains, the highways and the ports and I am certain Greece will become even more important than it has been as far as connecting Europe, Asia and Africa."

N. Karpathios Group is betting its future on this prediction, and the company hopes to develop a further 250,000 square meters of warehousing over the next two years which is already reserved for sale to local investors. There has also been investment interest from the United Kingdom and Germany.

"While the logistics activities are going ahead we're also developing hotels

N. KARPATHIOS S.A.
COMMERCIAL CONSTRUCTION COMPANY

www.karpathios.com

Our company, through its experienced team of engineers, undertakes the study and the submission of proposals and solutions after recording your needs for each space.

on the Greek island of Santorini and we want to get into the office sector as an investment,” he says.

“There are some real opportunities now in Greece and I would recommend that serious investors take a good look at what’s out there.”

Family Tradition

Transport has been the traditional occupation of the Economou clan and that continues today in the family business which has seen boom and bust over the years but now is ready for a bright, new future.

“Both my grandfathers worked in transport with horses and wagons as they operated around the country following World War II and then in 1998 my brother and I set up Economou Transport,” says Managing Director Elias Economou.

“We rented a small warehouse to cover our needs and park our trucks. Since we were servicing UK from 1998 with 30 owned trucks and continued until present day even after Brexit, we became leaders in the line between UK and Greece and the opposite.

As for our warehouse, little by little some of our customers asked us to store their pallets and from that we began to build our logistics business.”

As the company grew, they rented more warehouses and then built their own, a 5,000-square-meter facility and then acquired more land for future warehouses with expansion of 45.000 square-meters.

That warehouse, built in 2005, was almost filled before it was completed and taking note, bankers offered the family loans with easy credit and the future looked rosy.

“We had major clients like Chevron-Texaco with around 7,000 pallets of their lubricants in our warehouse and Daikin handling their spare parts,” the Executive recalls.

“At one point we had 15,000 square meters but then the economic crisis arrived, Chevron-Texaco left the country and other smaller companies shut down, so we lost one of our biggest customer, plus almost 80 per cent of our turnover for two years.”

It took 8 years for Economou Transport



ELIAS
ECONOMOU

MANAGING
DIRECTOR OF
ECONOMOU
TRANSPORT

“OUR COMPANY’S EXPERTISE IS ON TRADE BETWEEN GREECE AND THE UNITED KINGDOM”

to recover back to its pre-crisis level and generate profits by working with major companies and servicing them their needs ad-hoc.

The Managing Director first felt that the logistics business was turning around in 2016 and he says that over the past four years he has seen more exports from Greece to the rest of Europe and fewer imports.

“Until 2005 we imported everything and only exported agricultural products. But with the rise in exports, the transport sector is benefitting,” he says. “However, Greece still must boost its industrial base.”

Economou Transport operates international and national trucking services along with bonded warehousing, distribution, re-packaging, cargo insurance, door-to-door delivery and many other services.

“We’ve made the company fitter and stronger and are working more like freight forwarders than just a transport company but we manage to handle our own fleet,”

Economou explains. “Our company’s expertise is between Greece and the United Kingdom and while many companies lost business after Brexit, we grew because we had worked with the UK for 30 years.”

The Managing Director says that further international expansion is the plan for the next several years. “Our goal is to develop our agents, not only in the UK and the Netherlands but also in Germany, Poland and the Middle East,” he says.

“Now we have the know-how for customs clearance we’re thinking of opening a new line between Greece, Cyprus, and Syria in the next few years. And who knows, after that maybe on to Lebanon and Iran. It’s an exciting time to be in this business.



KONSTANTINOS
PAPANIKOLAOU

CEO OF
BLACKHAWK
PROJECT
MANAGEMENT
SERVICES

“WE SHIFTED TO THE LOGISTICS SECTOR AS IT IS NOT AS WELL DEVELOPED AS IN EUROPE”

Shift to Logistics

A change of direction triggered by a crisis set another company on a new path when Covid 19 devastated Greece’s tourism industry and Konstantinos Papanikolaou, founder and CEO of Blackhawk-Project Management Services, diversified into logistics.

“The driver in most of our projects is hospitality and we had started this company in 2017 with resorts, hotels and tourism villas, so when the pandemic hit, we were among the first to be affected by this blow,” he recalls.

“We were proactive enough to diversify quite quickly and shift to the logistics sector involving construction that we believe is a very promising industry in Greece as it has not developed like in other Western countries.”

Papanikolaou saw that logistics centers were attracting a lot of attention and immediately educated and trained some of the company’s engineers to specialize in logistics.

“We understood that there was a gap in the market in which there would be a huge





“THE PANDEMIC BENEFITED US AS WE DID ALL THE LOGISTICS FOR THE MINISTRY OF HEALTH”



STELIOS KAPETANAKIS

BUSINESS DEVELOPMENT MANAGER OF TRANSCOMBI EXPRESS

demand in the future and we were right about that because already in Greece they are developing half-a-million-square-meter logistics centers,” he says. “It’s booming!”

Blackhawk currently has three contracts for logistics projects and the CEO says this sector is now the company’s priority but has no plans to abandon tourism.

Headquartered in Athens, the company also has a representative office in Serbia and activities in Romania and Bulgaria.

Some of its iconic projects are the first in Europe Banyan Tree 5-star Hotel in Corfu, the 5-star Kalesma Hotel in Mykonos and the prestigious “The 80” office building in downtown Athens.

Along with project management, Blackhawk also offers construction management services and real estate development. The company employs ten in-house engineers plus auxiliary staff and posts an annual revenue of 1 million euros.

Along with logistics construction, the company is changing in other ways.

“What I’m doing now is shifting Blackhawk into some green and green-friendly practices in terms of construction and the services we provide,” Papanikolaou explains.

“Our engineers are training right now for monitoring how new buildings are certified according to specifications of the US sustainability agency, LEED, and the equivalent British agency, BREEAM.

“We saw this trend coming and we’re very proud to be the project manager for the first LEED-certified logistics project in Greece. There are several certified office buildings but we see the trend and want to be at the forefront of these developments regarding logistics,” he says.

The CEO predicts that the logistics sector will continue booming over the next several years. “And I’m confident it will be combined with this new green strategy by the European Union and all these big institutions worldwide,” he says.

“So investors who would like to come to Greece and invest in the logistics market should also bring some expertise in this new, green world and it will be a great success.”

sis like hygiene items and everyone was buying them,” notes Business Development Manager Stelios Kapetanakis.

“And the pandemic benefitted us because once it began, we signed on with the Ministry of Health to do all of its logistic needs, except for the vaccines, so things like masks, self-testing kits and beds we distributed all over Greece.”

Transcombi Express handles all its clients’ needs, from international air, road, rail and sea cargo and domestic distribution, to warehousing and contract logistics. It also offers value-added services such as labeling, packaging, customs clearance and even price tag printing.

It’s three centers in Greece are located in Athens, the suburb of Aspropyrgos and within the Inoia free zone directly connected to major highways and the company’s own rail station.

While company President John Kapetanakis welcomes the rise in logistics business in Greece, he cautions that there

Booming Year

Logistics, of course, relies on transport and storage, and one of the country’s leading companies performing these services is Transcombi Express, founded more than 30 years ago.

“The year 2021 was one of the best in the company’s history because a lot of our existing warehouse customers had products sold during the Covid-19 cri-



could be over investment in warehouses.

“These is no major player in Greece like Amazon, for example, which needs a 200,000-square-meter logistics center. And while it’s true that a lot of Chinese goods are coming through Greece on their way to Europe, these goods are not being stored in warehouses,” he explains.

“These goods are staying maybe three days in Greece and then they’re put in trucks or on trains and distributed to the rest of Europe.”

However, the company plans to triple its own warehouse capacity over the few years, along with its turnover, says the business development manager, and he expects the logistics industry in Greece to eventually consolidate with fewer but larger companies.

The president adds that in 2022 Transcombi Express will focus on starting a new division for handling pharmaceutical products, warehousing and distributing all over Greece with new cold storage facilities.

“Greece is the new gateway to Europe via the new Silk Road and is becoming a major hub for logistics from other continents,” he argues. “There could be a day when Greece is just as important to the European sector as the Netherlands or Germany.”

International Focus

A Greek company which has largely pivoted away from focusing on the home market and relies heavily on landing contracts abroad is IBLs - Industrial and Logistics Consultants which carries out layout, design and implementation of warehouses and industrial buildings.

“We started out 21 years ago in the Greek market but for the past 11 years we’ve been working in the Middle East in Saudi Arabia, Qatar and United Arab Emirates,” according to Managing Director Ioannis Manolas.

“Our business is ‘Design to Project Management and Facility Maintenance’. We’re only involved in services, so we do not own or sell the warehouses,” the executive says. “Because of the economic crisis, investment in our sector was very, very low so we had to invest in the Middle East and signed on some big projects like the Free Zone in Qatar and many high-level logistics projects in Saudi Arabia.”

The company’s latest project under construction in Qatar is a 27,000-square-



“WE ARE COMMITTED TO THE GREEK MARKET IN PROJECTS THAT MEET OUR STANDARDS”

meter, multi-user contract logistics facility in the Ras Bufontas Free Zone. Around 80 per cent of IBLs’ 3 to 4 million euro annual turnover comes from its business in the Middle East with the rest in Greece.

“There is a big difference between the two markets,” Manolas explains. “In the Greek market there are mainly three issues. Firstly, the warehouses here are small, with 80 per cent having a maximum of 5,000 square meters.

“Secondly, the market itself is not that big and thirdly, not many Greek companies are internationally exposed, so this all means we had to concentrate on markets abroad.”

Manolas admits that the most important project for IBLs now is Saudi Arabia’s NEOM development, a multi-billion-dollar city of the future being built on the Red Sea under the auspices of that country’s Vision 2030, an ambitious plan to diversify the Saudi economy away from oil activities.

At the same time, the company is involved with pharmaceutical, food and lo-



gistics projects in the Kingdom which the Managing Director describes as “one of our major priorities.”

“All governments in these oil rich countries are encouraging investment in big warehouses with automation or robotics to maximise the productivity of the supply chain,” he explains.

“And although we are focusing on Middle East, we have not abandoned the Greek market, where we are still committed to projects which match our quality, standards and goals.

“As the market grows here at home, I can see our activities balance shifting to 60 per cent abroad and 40 per cent domestically, or even double of what it is now,” he confesses.

But looking ahead, Manolas sees the company remaining focused on the lucrative Middle East markets over the next ten years while also continuing in Europe with plans to get involved in the real estate in the United Kingdom.

The Managing Director adds that he is expecting very rapid growth over the next five years in IBLs by doubling the staff of engineers and maximising turnover by two and a half times.

“There’s a revolution happening in logistics. The reasons behind this are because e-commerce is now international, due to the new robotics systems which are being installed and last but not least, the new connections between seaports and rail networks across Europe.”

Manolas believes this revolution will also extend to Greece, with very large warehouse projects as height restrictions for warehouses are eased, more land available for logistics construction and investment taking off.

“As 80% of our existing warehouses are small, if we have the possibility to construct large warehouses and install automation systems, we can maximise productivity and in the end that is the most important advantage when competing in a global market,” he says.

SERVICES SECTOR ENJOYS REVIVAL

WHILE TOURISM PICKS UP, CONSUMER CONFIDENCE IS NOW BOOSTING THE GREEK SERVICE SECTOR

All indicators point to Greece's economy moving back into the black and the services sector is still holding its position as the largest contributor to the country's GDP, at some 80%.

And as Greece puts the economic crisis of the late 2000's and the sovereign debt default of 2015 behind it, tourism, revenues, industrial production, consumer spending and other factors are fueling a new surge in the services sector.

Roller Coaster Economy

A company prospering from its deep knowledge of many sectors is Revival S.A., active in consultancy and accounting services now expanding further into one of Greece's leading industries, tourism, a business familiar to the firm since its inception.

Founded in 1998, the company has lived through and survived the roller coaster of the Greek economy, says Revival S.A. President and CEO George Antypas.

"It was difficult for Greek companies because of the economy and it was even dangerous," he says. "The whole country was affected by the crisis in 2008 and everyone thought it wouldn't last longer than one or two years."

"But by 2012 it was apparent we had very deep problems in all sectors, consulting, manufacturing, consumer goods, everything. Everyone's turnover, including ours, fell 50%.

"We had to cut salaries for our 80 employees but we never fired a single one and we still have the same number of people working for us," he explains.

Like many executives, Antypas began to see the first shoots of economic recovery around 2014 when the numbers of tourists coming into the country registered a slight increase of 5%.

Banks began lending again as the recovery gathered steam but then the debt default occurred, banks closed and the government put limits on withdrawals.



GEORGE ANTYPAS

PRESIDENT & CEO OF REVIVAL SA



"OUR COMPANY'S CULTURE SETS US APART AND WILL BE THE BASIS OF OUR SUCCESS"

"So after seven years we had another huge crisis. We took all of our cash out of the company bank accounts to be sure we could pay our employees," the president recalls. "This helped us survive and now we're doing well."

Revival's consultancy services cover accounting, finance, tax advice, human resources, payrolls, business intelligence, business restructuring, marketing and digital marketing. It also works with clients in development programs, hospitality, informatics and technology, and data protection.

Its departments cover tourism, trade, health, supply chains, manufacturing, shipping, construction, real estate and the public sector.

"Knowing how important tourism is to the Greek economy, another survival tactic I implemented during the second crisis was to take everything from the company's fi-

ancial department and put it into tourism," Antypas says.

"And I was right because while the economy recovered by 10% in those years, the tourism industry recovered by between 20 and 30% and we began visiting international travel and tourism exhibitions to further boost the business."

The president says the focus on tourism has fueled Revival's excellent results and he describes the company as being in its best position since its founding, with all employees back to full salaries, profits on the rise and many new investments on the horizon.

Antypas argues that the recovery in tourism will raise consumer spending and that in turn will lift up all economic sectors, but admits the shortages of human resources across the economy could hamper growth.

REVIVAL
consulting services

Απόγονοι 161 & Βλαχίας 2
Απόγονοι 194-196, 104 42 Αθήνα
T +30 210 5156800
F +30 210 5157516
info@revivalsa.gr

Microsoft Partner
Silver Cloud Productivity
Silver and Midmarket Cloud Solution

ΣΕΠΕ ΣΕΚΕΕ SETE ΣΕΜΑ

REVIVALSA.COM

“Look at our company, for example. We want to make new investments in technology and artificial intelligence but it’s hard to find talent or even create talent in the company itself,” he complains.

“If you look around our offices you’ll see that we have classrooms for employees for training. We can’t find talent in the labor market so we go to the universities and make donations so we can hire new graduates.

“And we are also utilizing on-line assets to make better use of our employees’ time. For instance, our accounting department has 500 clients who work with us on-line in real time and I believe we’re the only company in Greece that can do that,” he says.

The president is clearly bullish about his company’s and the nation’s future and is betting on better days.

“If we are successful in 50% of our investments in three years we can double our current annual turnover of 4 million euros and I’m sure we can do that by the end of 2024,” he predicts.

“We have a good company culture regarding our employees and our clients and that is what will set us apart to continue our success in the years to come.”

Continuous Growth

Another company which has gone from success to success since its founding almost 20 years ago is the family-owned fashion merchandiser Altex which expanded from producing for others to having its own chain of retail outlets.

“We were created in 2003 by my father Yannis Alexiou after he left a career as a producer for large Greek clothing retailers handling production in China, India, Bangladesh and Pakistan,” explains Kostas Alexiou, the company’s Chief Financial Officer. His brother is the CEO.

“At the beginning, we continued operating as a producer but then in 2005 we had the idea of starting our own brand, Funky Buddha, along with two others, Garage 55 and Second Skin, and introduced them to wholesalers here in Greece.”



KOSTAS ALEXIOU

CHIEF FINANCIAL OFFICER OF ALTEX

“DURING THE CRISIS PEOPLE MOVED TO VALUE FOR MONEY BRANDS LIKE FUNKY BUDDHA”

Funky Buddha is a line of casual clothes for the youth market, while Garage 55 is aimed at denim-wearing young men and Second Skin specialises in athletic clothing. There are also lines for women and children.

With its wholesale operation, the company sold its three brands through multi-brand boutiques and in 2010 took a leap into international expansion.

“This proved to be difficult at first so we participated in a few clothing trade fairs with our booth representing the Funky Buddha collection and we made some agreements with agents in France, Spain and Germany,” the CFO recalls.

“So our brands were in around 300 stores in the wholesale network in Greece and Cyprus, plus some 85 stores in those other markets. They were very successful and when the crisis hit, people started to move towards value for money purchases like our lines and we had a huge increase in sales.”

This success led to the family deciding to showcase leading brand Funky Buddha in its own small retail network, opening



five outlets in Athens’ most prestigious department stores.

Sales rocketed, allowing Altex to open company-owned and operated stores in high street locations, as well as in major shopping malls, and set up a franchise model which eventually accounted for 27 of the company’s 43 dedicated stores.

But then the Covid-19 lockdown was imposed.

“It was a shock but the government was very quick to react in supporting business and employees,” he says. “And we had multiple financial tools which helped us get through the five months of lockdown in 2020.

“And, of course, our on-line sales really took off providing revenue so all of this was instrumental in keeping us afloat. Now things are back, demand is up and in fact 2021 was our best year in terms of revenue but also in terms of profits.”

And the family is not slowing down. Plans for 2022 include five new locations opening during this year and the revenue from on-line sales is expected to rise by 80 % in 2022 as compared to the figures of 2021.

“The company is going to continue growing for sure,” Alexiou confidently says. “First of all there are a lot of opportunities for further funding so I see the company doubling in revenue over the next three years.

“This is achievable as there is untapped potential not only in our domestic market but also in the Balkans which we have yet to touch. We’re experts now in retail fashion and things can only get better!”



Greek Entrepreneurship

In existence for a scant seven years and already boasting almost 200 stores in eight countries, Coffee Lab Micro Roasters is leading Greece in serving up fine, 100 per cent Arabica coffee and another example of a local company doing good.

Founder, Owner and General Manager Stelios Roumeliotis had been a coffee distributor to small cafes for almost 20 years before he made up his mind to open the chain and provide Greeks with something they had not enjoyed before.

“Our idea was to sell our philosophy of fine coffee in our own shops, introducing 100 per cent Arabica coffee into the Greek market as the first such chain,” he recalls.

“Before we came along, the whole market was basically blends like the international brands Illy and Lavazza so we introduced singular coffees of different varieties giving the consumer the best to choose from.”

Coffee Lab sources its coffees from single origin, contracted producers in Brazil, Guatemala, Ethiopia and Kenya offering Arabica and Robusta blends ranging from special to decaf.

Along with a wide selection of coffees and other hot and cold beverages, the Coffee Lab shops also feature baked goods, handmade chocolate treats and even nuts.

Its success is reflected in its annual turnover, from 150,000 euros in 2015 to 8 million in 2021.

“By the end of 2021 we expected to have 171 stores in Greece, Egypt, Cyprus, Germany, Belgium, Bulgaria, the United Kingdom and soon the United States,” the Executive says.

“The United Kingdom is a very good market for us as is Belgium and we want to concentrate in Europe as the Arab countries can be very problematic regarding investors, consumer and the political situation.

“And in these new markets, some of the shops will be franchises and some master franchises,” he explains.

Roumeliotis credits the rebound of the Greek economy and Coffee Lab’s own for-



STELIOS
RUMELIOTIS

FOUNDER &
GENERAL MANAGER
OF COFFEE LAB
MICRO ROASTERS



“GREEK ENTREPRENEURS HAVE THE MENTALITY TO FIND NEW BUSINESS AND ADAPT AS WELL”

tunes to the recovery of the tourism sector, noting that foreign tourists are an important customer base for the company.

“And this rebound should further fuel our growth as we concentrate on expansion in foreign markets and outside of Athens where we already have 110 shops and we don’t want them to compete with each other,” he says.

“I would like to see Coffee Lab with 300 shops when we hit our tenth anniversary and I’d like to also get more involved in the quality of our product and its sustainability as climate change is becoming such a huge issue.

“We are a perfect example of Greek entrepreneurs as we have the mentality to find new businesses and new ways to adapt to existing markets,” he says. “This, coupled with the increasing interest in this country by foreign investors, means that Greece is on the right path.”

Formula for Success

Expansion is also in the plans of leading diagnostic laboratory Life Code Medical, founded in 2009 to carry out genetic and molecular biology tests, among other high-tech medical tasks.

“Our main focus was on genetics, prenatal diagnosis, oncology and hematology and from 2013 we expanded into biochemical and microbiological testing but our main focus is still genetics,” explains Marketing and Finance Director Konstantinos Tyrosvoutis.

Life Code grew quickly and now employs a highly-trained staff of 25 and posts annual revenue of between 2 and 3 million euros, doing very well over the past years due to the Covid-19 pandemic as many firms in the health sector have done.

“These have been fruitful years for us because we were one of the few labs that did Covid testing in the first wave and so had a lot of customers for PCR and antigen tests as we were at the forefront,” he says.

“That made us very well known to a lot of other labs and companies that we worked with and still work with.”

Life Code used the boost in revenue to invest in new technology, especially for the lab’s core business involving genetics with the expectation that will mean a further growth in clients.

The lab’s services include infertility investigation, genetic disease testing and counseling, pregnancy, prenatal and paternity testing, infectious disease testing, biopathology and cytology examinations and molecular microbiology testing.

All done to the highest globally-accepted standards approved by European and US international certification organisations and Life Code participates in a number of external quality control programs managed by US, UK and European medical associations.

“Our international contacts are very important to us as we collaborate with foreign laboratories that have the genetic know-how and specialised tests,” Tyrosvoutis explains.





KONSTANTINOS TYROSVOUTIS

FINANCE & MARKETING MANAGER OF LIFE-CODE



“WE WERE ONE OF THE FEW LABS THAT DID COVID TESTING IN THE FIRST PANDEMIC WAVE”

“And we are open to all new collaborations and partnerships at the highest possible scientific level, commercially as well to provide our tests to other European countries.”

Life Code exports to Greece’s Balkan neighbours and has already been participating in multinational trials which took place in Greece, as part of its concerted effort to expand horizons out of its home market.

This is part of its plan to become one of the major genetic labs in Europe.

“We know the next big step in our field will be whole genome sequencing so we want to be one of the labs able to do this, interpret the results and be a European leader,” the Executive says.

“We’re taking advantage of the opportunities that are now emerging in Greece. There are some very good labs and other companies here with well-trained people in all the sectors which cooperate well with the rest of Europe,” he argues. “It’s a true formula for success!”



Real Estate Boom

With Greece’s real estate and construction sectors roaring back to life, gaining new importance are those firms which carry out commissioning, the planning, documenting, scheduling, testing and verifying that a building adheres to the owner’s project requirements regarding function and energy efficiency.

A valuable and necessary service as buildings become more high-tech and are required to meet ever more stringent environmental regulations.

One of the leading companies in the field is VPC which has its origins back in 2000 when Founder and current CEO Vassilis P. Paraskevopoulos returned from the US and set up a small consultancy, he recalls.

“We were mechanical engineering consultants and our vice president, George Maragiannis joined in 2002. Two years later we saw a niche market in commissioning and specialized in that sector,” he says.

“Then the big financial crisis arrived in 2008, 2009. The real estate sector was hardly affected and slowed down. At the same time some visionary real estate companies decided to move into more high-end buildings that carry environmental certifications and have low carbon footprint.

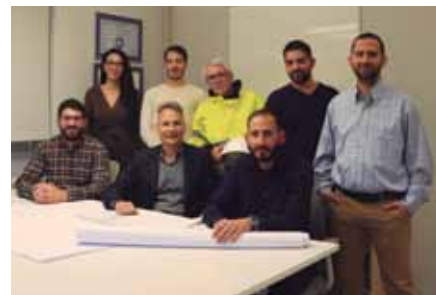
This was for us a good starting point because commissioning is something that delivers quality to the projects and a requirement for any green building certification.”

“Our best and main clients are developers because commissioning can deploy its full potential only if you’re working for the client and not for contractors,” he adds.

But as the company grew amidst of the financial crisis it faced the problem of cash flow as each year it had to pay enormous tax and social security rates.

“Those were really strange times, having great revenues but reduced profit. It all changed for the better after 2019 when taxes were reduced and we found ourselves getting some relief. And during the pandemic our business did well because people had the money to tie up the loose ends in projects,” the CEO explains.

Along with its commissioning services, VPC provides ongoing commissioning, testing, adjusting and balancing (TAB) to measure and adjust air and water flows to meet design requirements, energy audi-



VASSILIS P. PARASKEVOPOULOS
AND THE TEAM OF VPC

“IT ALL CHANGED QUICKLY FOR THE BETTER DURING 2018 WHEN TAXES WERE REDUCED”



ting and energy assessment.

Over the years, the company’s projects have included office buildings, hospitals, hotels, laboratories, luxury residences and other high-end structures.

“Demand is coming back very strongly and we’re in the process of providing financial offers on a constant basis,” the CEO says. “Our only obstacle is finding qualified engineers of the right age and experience.

“The older engineers have the experience but a hard time adopting to the company’s culture, while the recent graduates have no experience. The toll of the crisis in Greece is that we have lost most of our professionals. The next three years are crucial. We are investing into automation for our work and we would like to see VPC to double in size and in the number of projects.”



GREECE BETS ON LOCAL INDUSTRY

SUCCESS STORIES IN THE GREEK INDUSTRY ARE BETTING ON DOMESTIC AND FOREIGN GROWTH

Greece's industrial sector is on a growth spurt as the country's economy hits high gear after years of crisis and stagnation with new industries popping up and older ones quickly adjusting to new realities.

Last October, industrial production growth rose to 16.5% year-on-year from just under 10% the previous month, for the largest growth in industrial output since April, 2021.

According to analysts, leading the growth were manufacturing, electricity supply, computers, electronic and optical products, clothes, food, pharmaceutical products and printing and recorded products, with many of these being exported to neighboring countries.

And executives in the industrial sector say they see signs that this welcome growth, barring unforeseen surprises, should continue over the next several years as manufacturing catches up with the services industry in importance to the Greek economy.

International Expansion

A manufacturer which has enjoyed almost constant growth since its founding in 1984 is Kapachim S.A. which started as a producer of raw materials for detergents and now is one of the largest such concerns in Europe with many well-known brands as its customers.

"Our first factory was in Athens but then we moved to Inofita where we built a larger plant and now we've expanded into raw materials for personal care products and water treatment," says General Manager Dimitris Kavadas.

"And over the years we've largely avoi-



DIMITRIS KAVADAS

GENERAL MANAGER OF KAPACHIM SA

"AS GREECE IS A SATURATED MARKET, YOU NEED TO GO ABROAD, AND SO WE HAVE"

ded the economic shocks and even during the long recession we were not that affected as a company," he explains. "The proof is that our turnover was 6 million euros in 2006 and it's 60 million in 2021, with the last five years accounting for most of the increase"

The executive attributes almost all of that growth to Kapachim's export markets as the domestic market has been largely stable over the past 15 years.

"Since Greece is a saturated market, you have to go abroad and nowadays 75 per cent of our exports are to countries near Greece like Bulgaria, Romania and Turkey, but we also export to the Middle East, Africa, Europe, the United States and ever as far away as New Caledonia in the South Pacific!"

"And much of our growth is also because of our cooperation with the big multinationals in the sector like Proctor & Gamble and Unilever which are our main customers and with whom we have developed different projects abroad," he says.

But Kapachim is not only selling its materials in other countries but also producing and has long operated manufacturing facilities in Morocco and Algeria, and recently opened a third plant in Hungary.

As could be expected, the company weathered the Covid-19 pandemic well given that it manufactures products used in cleaning and personal care.

"For us, 2020 was a strange year because our sector was affected positively because people were running to the supermarkets across Europe to snap up everything they could find related to cleaning so we had a huge increase in sales," Kavadas recalls.

"But then the lockdowns led to a slight recession in our business as tourism fell and that affected the consumer market. So we had a very strong March and April, then not such a great summer."

The General Manager argues that the pandemic's impact on tourism also had a positive effect in the end.

"I think what happened with the first wave of Covid-19 in 2020 was that everyone realised that Greece cannot just rely on tourism and we need to have a more industrialised economy.

"Of course it's not easy to make that transition from one day to the next because Greece is a small country and the domestic market is not attractive to investors. But I do think industrial growth will come in sectors where there is added value, but not across all of industry."

Kapachim S.A. is a leading producer of raw materials used in the detergents and cosmetics industry. Utilizing its 30 years of experience and continuous presence in this market, Kapachim S.A. is committed to manufacturing high quality products

EL.VENIZELOU 128 N.IONIA ATTIKI GREECE / FACTORY: INOFITA VIOTIAS GREECE / T: +30 22620 31912 F: +30 22620 31898 E: contactus@kapachim.com
www.kapachim.com



GEORGE TRAKAKIS

CEO OF ENDLESS EC

“WE WANT TO BE DOMINANT IN OUR MARKET, AND THEN WE CAN EXPAND ABROAD”

Consistent Growth

Consumer liquid detergents have become a major earner for Endless EC, formerly Eurochartiki, which started out in 1985 as a producer of paper products but has since diversified to become a leader in the domestic market.

“Two friends created this company in a small warehouse in central Athens providing free napkin and paper towel dispensers and selling the paper products for those dispensers,” says CEO George Trakakis.

“As the company began to grow we introduced the first paper tablecloths in Greece and moved our manufacturing plant to Aspropygos and we now have 80,000 square meters of production area for our paper products and liquid detergents.”

“So growth has been consistent and now



we have 245 people on our payroll and last year’s revenue was 57 million euros,” he adds.

Helping that growth was the fact that the company has been stable through Greece’s various economic downturns and the pandemic with the executive saying he didn’t have to worry about survival but rather how to expand.

Between 2015 and 2020, the company managed 6% annual growth and enjoyed 8% growth in 2020.

“It was all thanks to the local market because we are very big suppliers to the hotel, restaurant and catering sectors with around 1,200 clients all over the country and we are present in the big supermarkets with private labels,” he explains.

“Because of our sales increases we never really noticed there was a problem with the Greek economy. We had so much potential to grow despite the falling GDP as our turnover and profitability increased,” he explains.

“We realised there was a change in late March 2020 with the lockdown as our sales went up by 80% even with the hotel, restaurant and catering sectors closed.

“But we were able to meet the demand as we had made a 17-million-euro investment back in 2019 in new buildings and machinery for paper and detergent production so the increased capacity came at the perfect time,” he says.

As many Greek executives complain, the one cloud on the economic horizon is the difficulty in finding workers and Trakakis predicts that companies will have to invest a lot in automation as there is no quick solution to the problem.

But he praises the level of expertise among managers, saying the Greek managerial class has the brains to ensure their companies survive, grow and prosper.

Looking to the future, the CEO rules out exporting Endless EC’s products and is not interested in tie ups or partnerships with foreign companies.

“Because our product is considered a commodity and its bulky, export transportation costs really affect the final price by a huge margin. So I believe the only way to expand into another market is by purchasing a company there or setting up on our own,” he says.

“But this is not something we are looking at for the moment as we want to be dominant in our own market first. Then we can think about expanding abroad.”



TINA STAVROU

VICE PRESIDENT OF EUROTRADE

“THE BIGGEST ACHIEVEMENT OF MY LIFE WAS KEEPING THE COMPANY ALIVE IN THE CRISIS”

Shift to Manufacturing

Greece’s construction boom and the recent refugee crisis has helped modular structure manufacturer Eurotrade S.A. double its turnover during the past several years, and a healthy domestic market and new opportunities should fuel further growth, says company Vice President Tina Stavrou.

“Our company was founded by my father in 1978 initially as a small import-export operation. Within ten years my brother and I joined Eurotrade and we shifted the company from commercial to industrial manufacturing pre-fabricated, modular buildings,” she recalls.

Most the company’s business for many years was directed for the Greek market which has gone through many ups and downs. For Eurotrade and the rest of the construction sector, the first crisis occurred after the 2004 Olympic Games once the major infrastructure projects were finished.

“This was the main foundation of our business at the time as we were produ-



cing and selling the container-like offices and administration buildings you see on so many big building sites,” the Executive says.

“Then, of course, in 2008 the real disaster occurred, eight out of ten construction companies went bankrupt, but we got through that. When people ask me what is my biggest achievement in life, I say that I kept the company alive through this crisis.”

“We finally started to breathe again in 2016, but just a bit. Then we started seeing some improvement in the general situation around two years ago,” she adds.

Eurotrade’s product range of modular buildings includes offices, sanitary facilities, school buildings, security cabins, toll booths, emergency and medical equipment shelters, shops, catering and housing units and warehouses.

The company also has a rental division and manufactures a line of bullet-proof structures.

“Our modular buildings are used on construction sites all over Greece and with the upturn in that industry we’re doing well. We have also been a major supplier of modular building to the non-governmental organisations working on the refugee crisis,” Stavrou says.

“And these products have become very popular as they can be used in emergency housing situations whenever there is an earthquake, flooding or other natural disaster,” adds Sales Manager Melina Filotheou.

Eurotrade’s turnover in 2020 was double that of the previous year and 2021 saw another doubling to 9.5 million euros. Most of the growth was from domestic sales but the company also enjoyed some major export successes.

“We outfitted a large workers’ camp in Cyprus a couple of years ago, something that by itself led to a tremendous increase in our export sales volume” the President says. “Furthermore, since we developed our bullet-proof guard shack range about 10 years ago, we observed an extremely high demand for the total range of our products, on an international level”, she adds.

“For 2022, with a huge international project assigned to our company, we expect those export sales figures to skyrocket!” Stavrou says. “Greece will always be a small market but we don’t want to abandon our customers.”

“We just need to strike a balance between domestic and foreign in the future looking mainly at Europe but also the Americas,” she says.



Market Recovery

Economic meltdown, financial restriction and pandemics have all hit Greek producers but stationary manufacturer Skag suffered one of its worst crises when war and unrest broke out in some of its main export markets, says Managing Director Popy Skagias.

“Our best year was 2008, we had no competitors in Greece and we were exporting to a lot of countries,” she recalls. “Turnover that year was more than 16 million euros and it was an excellent time.

“Exports accounted for 25% of our turnover with the Gulf countries and the larger Middle East like Kuwait, Saudi Arabia, Qatar, Israel, Syria and Lebanon but then the conflicts there broke out and our exports froze.”

During its export drive, Skag had also been racking up sales in the former Yugoslavia, Bulgaria and Romania until the war in Kosovo largely ended that business, she says.

Just another chapter in a family-run company which has operated for 66 years providing a wide range of stationary products, books and other paper goods. By the beginning of the 1980’s Skag was one of the four main producers of these products and a decade later was the market leader.

“I joined the company in 1988 to work as the import/export manager importing raw materials we use and exporting our finished products,” the Managing Director says.

“Our exports really took off when we installed our first machinery to turn out the lever arch file, then we added a second one and that gave us the opportunity to participate in international paper product trade fairs.

“And our first big export market was the United Kingdom where we had a very big client. Then we started selling licensed products from the television situation comedy “Friends” for the UK company Helix and by the end of the 1990’s we were producing



THEODOROS SKAGIAS

FOUNDER OF SKAG SA

these globally for the rest of Europe, Australia and the United States,” she explains.

Skag has been through hard times over the crisis and in 2019 instituted some changes to turn the company around like closing departments, shutting unprofitable warehouses and setting a new distribution plan.

That year turnover reached 8.5 million euros which dipped to 7 million in 2020, with growth back up by 22% in 2021, thanks in part to the effects of Covid-19.

“During the pandemic, big malls and large stores were closed so people had to buy their notebooks, paper, stationary needs, school supplies, etc. from the small retailers which are important clients of ours,” Skagias says.

“Also, because people were staying home they wanted educational toys and craft supplies for their children and the small shops asked us to come up with a new line in those. They sold like crazy.

“Another boost for us was that rival companies couldn’t import stationary supplies so that left the domestic market largely to us,” she adds.

Now, Skag is adding a new line of technological accessories for children like headphones, microphones and drawing pads.

“So it all looks good for us,” the Managing Director says. “The Greek economy is recovering, the government is stable and its making all the right moves so it’s an excellent time for investors to come here and take advantage of these opportunities.”

INTERVIEW WITH MR. DINO ANDREOU

Chief Executive Officer of
OTEGLOBE

In the short span of two decades, OTEGLOBE has moved from being the international arm of OTE Group to become an standalone international operator, with the aim to take on new markets beyond its home turf in Southeastern Europe. The Covid pandemic has only accelerated its growth, as Mr Andreou explains



Greece's strategic geographical location has long made it a natural hub for one of its prime industries, international shipping, and now this fortunate position is transforming the country into a participant in global electronic communications.

And that's the focus of OTEGLOBE, the international wholesale arm of the long-dominant Greek company, OTE Group, which is the leading telecoms wholesale carrier in southeastern Europe and beyond through its full range of Services.

Founded in the year 2000, the idea was to work in the private sector and utilise the existing infrastructure of OTE Group's international network, serving the Group and other carriers in the area, explains OTEGLOBE CEO Dino Andreou.

Auspicious Start

"OTE Group was the dominant player in telecoms, mainly a public company at that time, but now Deutsche Telekom is the major shareholder and the Greek state has only a small stake," he says.

"In our first financial year we had about 10 million euros and we had some revenue from OTE Group so we weren't starting from scratch."

In 2007, the company stepped up its game when the Group decided to pass on its foreign assets to OTEGLOBE, cross-border connections to neighboring countries. To cope with the increasing demand in the region OTEGLOBE had to invest in new network infrastructure building two networks.

"Our first network, named Greece Western European Network or GWEN, connected Greece to Western Europe via an undersea cable to Italy, that was handed over to us and had been operating since 2004 because of the Olympic Games. Our next network, named Transbalkan or TBN, offered to the market a unique route, since it ran on leased fiber through the Balkans, Bulgaria, Romania and on to France, Germany, the Nether-

lands and the UK," the executive recalls.

Over the years OTEGLOBE poured millions of euros into its networks, increasing capacity to ensure it kept its place as the biggest and most reliable international telecoms operator in the region.

The company incorporates the latest state-of-the-art innovations like 400Gbps technology and has its own private IP network operating in Europe's most important telecom hubs. OTEGLOBE also enjoys a strong position as an established IPX carrier in the global voice wholesale market.

Pandemic Resistant

All of this investment paid off when the Covid-19 pandemic struck as Internet usage surged with so many people working from home and the company's increased capacity became vital.

"We were in a good position to have enough capacity to cover all the needs of the country," Andreou says, "as our company is the principal data supporter in Greece.

"And at the same time that we were meeting domestic demand, we were also serving Turkey as something like a third of Turkish capacity goes through our networks.

"So despite all the challenges we faced with the pandemic we never experienced a drop in business, hence at least the pandemic proved good for business but it was also a real test of our capacity and infrastructure," he adds.

Besides the important regional role it plays in telecoms, OTEGLOBE is also the only company in Greece with submarine cable connectivity on a truly international scale.

Several years ago it invested around 50 million euros in the AAE-1 cable system which starts in southeast Asia, passes through the Indian Ocean, the Gulf and northeast Africa to the Mediterranean, then continues to Italy and France.



Favourable Prospects

Sector analysts point out that the Greek telecoms market has grown significantly and that should continue at least until 2025 and beyond, as the urban population increases along with smartphone usage, video-on-demand streaming and growth in the Internet of Things sector.

And all this is impacting favorably on OTEGLOBE according to its financial statement for 2020 which noted the company's revenues remained relatively stable compared with the previous year at around 349 million euros, while the CEO foresees a slight improvement for 2021.

Looking ahead, Andreou explains that the company's goals include further investment in capacity and submarine cable systems.

"First of all, we want to increase the capacity of our existing network as we need more to meet the demands at the moment and that's what we have earmarked our budget for.

"Our second goal is to investigate further participation in submarine cables and perhaps build on the investment we made in AAE-1, as we really want to be part of this business and widen our international presence beyond southeastern Europe," he adds.

"It's a healthy sector and without telecoms all the new ideas about things such as Artificial Intelligence cannot exist. Companies like ours which have a strong view of things like globalization will do better and for Greece now is the time to start thinking globally."

OTEGLOBE

The Mediterranean Hub
connecting Europe to the world

www.oteglobe.gr

INTERVIEW WITH MR. DIONYSIOS STERIOTIS

**Chairman of
SEAGULL LOGISTICS WORLDWIDE HOLDING**



The boom in logistics and the need for further warehouse space has put Seagull Logistics as a likely winner in the new Greek and international scene, after only fifteen years of explosive growth and development. Its founder and Chairman discusses the next steps as the company prepares to grow even larger

It's a new era in the worldwide transportation and warehousing sectors as consumers turn more and more to on-line shopping, new markets and new suppliers blossom across the globe and transport hubs proliferate on all the continents.

Thanks to its location in Europe and its proximity to Asia, the Middle East and Africa, long-time presence in international shipping and an improving economy, Greece is playing an increasingly important role in the logistics industry in addition to its traditional role in international shipping, exemplified by companies like Seagull Logistics Worldwide Holding.

With its corporate headquarters in Switzerland and day-to-day activities operating out of Greece, the company is well situated to be a leading force in its chosen sectors and has enjoyed phenomenal growth.

Remarkable Growth

"Seagull was originally founded in Greece in 2006 and since then has developed into an international freight forwarding and transportation-logistics company," explains Chairman Dionysios Steriotis.

"It was a company which started with 300,000 euros in annual turnover and last year the figure was 130 million euros. So we've had remarkable growth, even through the dark days of the economic crisis, domestic political upheaval and the Corona virus," he notes.

"We cover all kinds of transport except for passengers with nine different departments handling everything from international sea, air and land transport and warehousing, to cargo services and domestic distribution all across the Greek Islands."

Seagull's complimentary services also include container, customs and temporary storage, code management and track and trace, cargo insurance, door-to-door delivery, packaging and refrigerator as well as oversized cargo management.

Shareholders have a family history of over 100 years in the shipping and maritime industries and this wealth of experience, coupled with family-business values, commitment and dedication, guarantees Seagull's lead position in the market.



"SINCE WE NEEDED A CLEAR IDENTITY, WE MOVED OUR HEAD OFFICE TO SWITZERLAND"

International Presence

Along with Switzerland and three offices in Greece – in Piraeus, Aspropyrgos and Thessaloniki – Seagull Logistics also has branches in the United Kingdom, Cyprus, Bulgaria and China.

Because of difficulties linked to the Covid-19 pandemic, it recently sold its operations in Kenya and South Africa to an Israeli company. But further expansion is still in the cards as Seagull is discussing a merger and acquisition in Spain.

At the moment, 55% of Seagull's revenue comes from international operations and the rest from its domestic business.

"So we've been through a lot since our founding, we started out as being very Greek which was a problem when the crises hit," the chairman recalls. "We had a healthy company but we needed a clean identity and that's why we moved headquarters to Switzerland.

"We went through the capital controls in 2015 because of the problems between international bailout lenders and the former Greek government which triggered bank closures and cash withdrawal limits," he says.

"At that time, being Swiss helped a lot in paying our suppliers and getting paid in Switzerland by our clients and that burnished our image among the many other businesses we work with."



Logistics Boom

Steriotis noticed the first signs of a turnaround in the Greek economy in 2017 and 2018, and the holding had a great year in 2019, fueling new plans to undergo a major development scheme to expand its total warehouse capacity from 30,000 square meters to 140,000 square meters.

This is an industry-wide phenomenon meant to address the country's desperate shortage of high quality warehouse space, fueled in part by the fact that between 2006 and 2013, more than 300 Greek logistics and freight forwarding companies went out of bu-



“THERE’S A LOT OF DEMAND FROM INTERNATIONAL FIRMS FOR MODERN WAREHOUSES”

siness, leaving only around 25 still operating in the Greek market.

Part of the problem is that government regulations freezing new construction in some regions have also added to the problem while at the same time, 800,000 companies in all sectors of the Greek economy disappeared.

“In the past we had a lot of small warehouses that accommodated and served small business customers, but now we have big customers that require very large warehouses,” the Chairman explains.

“So there is a lot of demand right now and the majority of our customers are large companies or international firms that are insisting on the latest machinery, the best in security and strict safety compliance so that basically means building totally new structures.”

That demand has been instrumental in driving Seagull Logistic’s growth, along with many local companies closing their in-house logistics departments during the long recession in order to better focus on sales and production, and outsourcing all those operations to dedicated companies like Seagull Logistics.

In addition, the surge in on-line merchandising, demand for last-mile delivery and the overall improvement in the Greek and international economies has greatly helped the company and other sector players to prosper.

“That’s why we’re seeing so many big international companies and financial ope-

rators looking to buy logistics companies in Greece,” the Chairman explains. “We ourselves have had several interested parties come knocking on our door looking to invest here.”

As in other sectors in Greece and in the transport industry in the United States, the United Kingdom, Europe and so many other parts of the world, it is becoming increasingly difficult to find the qualified personnel needed to maintain and grow a competitive transport business.

“It is really difficult right now because with the market going up, salaries are increasing rapidly. For example, as the demand for transportation and domestic deliveries have risen during the pandemic, truck driving as a profession is practically extinct in Greece,” Steriotis says.

“Why? Because today on-line food delivery drivers can make at least 1,600 euros a month with tips, while truck drivers are taking home only 800 to 900 euros a month. So it’s almost insane trying to find anyone who wants to drive a truck right now and who can blame them?”

Bright Future

The Chairman believes that Seagull Logistics is in the number two position among competing Greek transport and logistics firms in turnover, and is doing very well in other regards.

He estimates that currently the company has the lowest debt in the industry and it is planning to add another 30,000 to 40,000 square meters of state-of-the-art warehouse space with the goal of a total of 200,000 by the end of 2022.

“But I think my priority would not to acquire more space right now. I would rather like

“WE ARE NOW READY TO EMBRACE THE GOOD TIMES WITH OUR SOLID FOUNDATION”

to see us better organise the company with more automated systems and robotics that would provide us and our customers with more speed, same-day delivery and reduce our overall costs,” he says.

“This is vital to the company as it increasingly looks like the cost of rental space is about to double from what it was the norm only three or four years ago.”

Concerning tie ups with foreign investors, Steriotis says he would be more interested in pursuing a strategic partnership than in someone just pouring money into the business.

“We are no longer just a Greek company, we are a global company with a very good footprint in Europe and any future international partner would have to take that into account,” he says.

“Greece right now is in a good place in many ways. We have our strategic geographical location, the new Greek government promotes privatisation and new technology with the Ministry of Digital Development completely changing the ways things are done in the public sector.”

“The difference in this country with the way it was only four or five years ago is like day and night,” he argues. “We’re not just very optimistic, we’re all working 24/7 with a lot of energy and passion.”

“For 14 years we were expecting and hoping for these good days and as company and a group, we are ready to embrace these good times with our solid foundation to move forward.”

MEET US AT



Posidonia

The International Shipping Exhibition
6-10 June 2022

seagull-worldwide.com



CELEBRATING 15 YEARS

ABOVE
US
ONLY
THE SKY



Seagull



SEAGULL SA GROUP OF COMPANIES