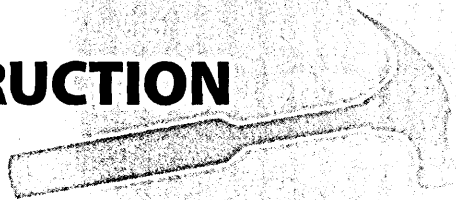


CONSTRUCTION



OPPORTUNITIES

OPPORTUNITIES: The budget for the 2004 Olympic Games in Athens is around \$4.8 billion, of which \$2.9 billion is earmarked for construction projects directly related to the Games (Olympic village, yachting centre, equestrian centre, multi-use arena, press village, international broadcasting centre and media press centre). Other projects, not directly related to but still necessary for the hosting of the Olympic Games, include improvement of the infrastructure, new athletic training centres, and upgrading of entrance points into Greece and of tourist areas. It will also cost \$1.5 billion to develop the athletic facilities of the entire country.

Tourism development features strongly in the third Community Support Framework. As organizers seek to add winter sport, cultural and conference tourism to the sun and sea products on offer in the summer, opportunities include the construction of hotels, marinas, golf courses, conference centres and car parks.

MARKET CONSIDERATIONS

MARKET CONSIDERATIONS: The construction sector, which was long fragmented and dominated by small private interests, is gradually coming together as an organized sector with corporate interest. Banks and construction companies are forming real estate companies to build, refurbish and manage properties in structured portfolios.

Economic fundamentals have improved spectacularly in the course of the last decade. Inflation and bank interest rates have come down to levels where it is now possible to make a real rate of return on property investments. Lower interest rates and easily accessible consumer loans also allow Greeks to hold mortgages and make home improvements.

Competition is fierce, and Canadian companies must partner with either local or other European Union firms to keep close to developments and opportunities as they arise. The high cost of land and the difficulty in acquiring zoned properties are major impediments to property development, as is a complex bureaucracy. In many areas of Greece, property developers must take into account local architectural styles. Greeks prefer solid constructions based on cement, and non-traditional building products or methods such as prefabricated structures are met with some hesitancy.

Stiff competition for market share has been created by approximately 2200 construction companies, and mergers and acquisitions over the last few years have led to a profound restructuring of this sector. With Greek entry into the European Monetary Union, international developers are investing in Greek property. For now, it largely concerns commercial property, but, over time, residential properties could be developed as second or retirement homes for northern Europeans escaping colder climates.

For more information, contact:

Marianna Saropoulos,
Commercial Officer
Canadian Embassy
4, Ioannou Ghennadiou Street
Athens, GR 115-21, Greece

Tel.: (011-30-1) 727-3351
Fax: (011-30-1) 727-3460
E-mail: marianna.saropoulos@dfait-maeci.gc.ca
Web Site: <http://www.infoexport.gc.ca/gr>