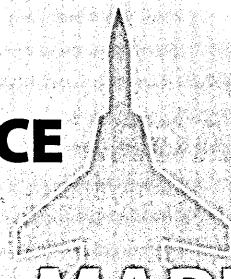


# AEROSPACE *and* DEFENCE



## OPPORTUNITIES MARKET

**OPPORTUNITIES:** The aerospace industry in Greece relies heavily on imports. The state-owned Hellenic Aerospace Industry offers fabrication and assembly of aero-structures, as well as aircraft overhaul and maintenance services, mainly for the national aviation operator, Olympic Airways (OA), and for the Hellenic Air Force. It is also the usual recipient of offset benefits in relevant international procurement projects. Other smaller firms in the industry deal mainly with specialized parts such as brakes and doors.

Civil aviation is closely associated with OA and its affiliates. Once the major player in the market, OA is currently facing serious financial, administrative and, perhaps, identity problems. There are also a number of smaller airlines, especially since the liberalization of the market. Some, having started from domestic flights, are gradually expanding to international operations. The rest mainly cover air-taxi, VIP or medical-emergency services.

**Defence** expenditures account for about 5% of Greece's gross national product. An armament program worth GRD4 trillion (about \$16 billion) is being concluded, and another one is being prepared for the near future. Like its predecessor, it is anticipated that this plan will also aim at an effective use of modern technology, rather than mere accumulation of defence material. Thus, Greece will attract the interest of the major players in the defence field.

## MARKET CONSIDERATIONS

**MARKET CONSIDERATIONS:** In the liberalized civil aviation sector, there was initially a preference toward leased aircraft. With the growing involvement of shipowners in this sector, purchases of new aircraft are now common. Competition seems to be boiling down to two or three firms or groups. For **defence**, budget restraints may impose significant cuts to the initial value of the new armaments program. In general, offset benefits and local value-added are among the most significant evaluation criteria.

This fiercely competitive market is not easily accessible, so Canadian companies must make frequent trips to these countries to make their firms better known and to develop personal contacts. Commitment is also very important and requires sufficient reserves of patience and financing. The services of a local marketing consultant is a key to business success in this sector.

Competition in **aerospace** primarily comes from U.S. and European players, through local subsidiaries or local agents. In the area of **defence**, Russians are also competitors.

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DEFENDORY, exhibiting defence technology for land, sea and air, will take place in Fall 2002.