

Master Thesis

**“THE ONE BELT ONE ROAD INITIATIVE: THE EXPECTED IMPACT ON
THE ECONOMY AND LOGISTICS SECTOR OF GREECE.”**



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ABSTRACT

The primary aim of this thesis was to investigate the extent to which the modern Maritime Silk Road will manage to eventually boost the sensitive Greek economy and the extent to which Greece will be able to gain a powerful position regarding the logistics sector and will manage to become a key logistics provider to the EU. In order to provide an answer to the main research question, the researcher proceeded to the conduction of exploratory interviews with five professionals, operating within the Greek market. The analysis of the data indicated that, despite some minor disadvantages, the OBOR project is expected to have a significant and positive impact on the Greek economy, as well as on the logistics industry and the individual firms of the country. Greek economy is supposed to strengthen and grow, thanks to large infrastructure projects and resulting connectivity between Europe and Asia. The logistics industry will expand further its activities, to increase the volume of services and to reach to even higher profitability levels, while individual firms will mainly benefit by developing strategic partnerships with Chinese companies. Some of these positive effects have, already, started to materialize, while others are expected to arise both in the short and the long term. OBOR project refers mainly to a large investment on the Port of Piraeus, however, apart from the port area, benefits will spread into the wider Greek economy. In more details, it is expected that OBOR initiative will affect positively the construction industry, along with the shipping and the tourism industry and trade. Again, it is foreseen that such effects will start to materialize both in the short and long run. Overall, it is believed that the Chinese investment will contribute to the reduction of the high unemployment rate and to the increase of the GDP of Greece. Summing up, Greece has the potential to benefit from initiatives, such as the OBOR investment and become a leading logistics services' provider in the European market. Nonetheless, it is imperative that certain measures are taken. The results of the research confirm only partially the findings of previous similar researches, since they reject the view that investment on infrastructure affects the economic growth only in the long run.

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1. INTRODUCTION

Since 2000, China has managed to exploit effectively, through COSCO, both the size and the strategic location of the port of Piraeus, which is estimated to carry almost 60% of Chinese exports worldwide (www.helleniclawfirm.com). After having sealed a 35-year concession agreement for the control of the Port of Piraeus and having invested \$258 million in the development of the port, the Chinese COSCO controls, today, two-thirds of the port's total traffic. Its investment has resulted in Piraeus port's climbing from the 93rd-ranking port in container capacity to 39th and has contributed \$560 million in tax and personal income to Greece's economy, creating more than 2.000 jobs (www.foreignbrief.com).

Chinese investment in the port of Piraeus is part of the Chinese initiative One Belt One Road (OBOR). Actually, according to foreign press (New York Times and Wall Street Journal), investment in the port of Piraeus is considered to be one of China's most successful foreign trade initiatives (www.helleniclawfirm.com) and has been identified as "*an unlikely rising star of China's One Belt One Road initiative*" (www.foreignbrief.com). The specialty of this specific investment, within the wider context of the OBOR project, derives from two major facts. Firstly, in the case of Piraeus port, funding diverged from the standard OBOR financing model, as it came from both direct investment and control. Furthermore, port facilities generate important revenue for China, allowing it to avoid the financial risk it faces in other infrastructure types of the OBOR project (www.foreignbrief.com). Overall, it is expected that the Chinese investment in Piraeus port will result in a win-win situation for the Chinese and Greek economy, enabling the first to restore the former prestige of the Silk Road and the second to achieve an economic recovery. It remains to see whether expectations will be fulfilled.

1.1 Theoretical background

It is universally accepted by the academic and professional community that investments in infrastructure contribute to the growth of national economies (Tripathy *et al.*, 2016). By

sharing OECD's definition, German-Soto and Barajas Bustillos (2014, p.1208-1209) describe infrastructure as "*the equipment of industries and firms, public services, public endowments and airports, hotels and other services*". In this context, the development of infrastructure aims at enabling business to increase productivity and employment and to encourage economic growth, resulting to the elevation of income and augmentation of social and economic opportunities (German-Soto & Barajas Bustillos, 2014).

The development of infrastructure plays a role of major importance for both developing and advanced economies. In the first case, infrastructure development allows for the alleviation of poverty and unemployment, while in the second case, it contributes to the improvement of the living conditions and of the competitiveness of private businesses (Kumo, 2012). The same view is, also, supported by Sahoo (2006), who elaborating further on infrastructure's impact on national economies, underlines that infrastructure facilities strengthen the productivity of businesses and households as well as of the government, at large.

The relationship between investment in infrastructure and growth of national economies was investigated by Aschauer (1989), who observed and reported a significant and positive relationship between the two variables. Since then, the majority of relevant studies resulted in similar conclusions, regarding the nature of this relationship (Canning & Pedroni, 2004; Calderon & Servén, 2003; Roller & Waverman, 2001). More specifically, it has been observed that there is a direct link between investment in infrastructure and formation of GDP, whereas there is an indirect link between investment in infrastructure and productivity, transaction costs and competitiveness (World Bank, 1994).

Based on the results of previous mentioned researches, several nations used investments in infrastructure as instruments of policies and relied on them so as to drive regional development and promote economic growth (German-Soto & Barajas Bustillos, 2014).

However, investments in infrastructure can act as drivers of major economic growth for a nation, even when they come from a foreign economy. A rather representative example is the OBOR project or the "One Belt One Road" initiative of the Chinese government, which is expected to enable the development of trade routes, linking China to Central, West and

South Asia, to Europe and Africa. Apart from the establishment of physical connections between the different countries, the OBOR project will allow China to create probably the world's largest platform for economic, social and cultural cooperation (www.mckinsey.com).

The OBOR project was proposed, in 2013, by Chinese paramount leader Xi Jinping, focusing mainly on connectivity and cooperation among China and European Union. Estimates for the total cost of investment range between \$US4 trillion and \$US8 trillion and funding will be provided by both existing and new Chinese financial institutions, including the Asia Infrastructure Investment Bank (AIIB) (oborwatch.org). It is a project that has attracted the interest of more than 60 countries, which have expressed themselves in favor of participating. Furthermore, it has, already, resulted in practical achievements, including the signing of cooperation agreements between China and numerous countries as well as between more than 200 enterprises, the development of train connections and of new rail links and high-speed-rail projects (www.mckinsey.com).

Among numerous Chinese investment plans included in this "New Silk Road" initiative, is an agreement between Greece and China. More specifically, China aims to enlarge their trade power by investing in Piraeus port located in Attica, which is considered as China's new gateway to Europe. The Chinese government regards the port of Piraeus in Greece as the main entry point for Chinese exports into the Southern, Eastern and Central EU, as well as the key hub for seaborne transportation across and around the Mediterranean Sea. China's Prime Minister, Li Keqiang, has stated among others that their ambition is to make Piraeus into one of the most competitive ports in the world and to strengthen the port's inland railway links.

1.2 Objectives and Problem Definition

The main research objective of this thesis is the investigation of the impacts that OBOR investment initiative, regarding the port of Piraeus, may have on Greece, from both a macro and a micro and mezzo perspective. In more details, the author aims at exploring how

China's investment on the Piraeus port can affect the Greek economy, along with the logistics' sector of the country and the individual firms.

Given the theoretical background on the relationship between investments in infrastructure and growth of national economies and the brief presentation of the OBOR project, the main research questions of this thesis can be formulated as follows:

“Will the modern Maritime Silk Road manage to eventually boost the sensitive Greek economy? Will Greece gain a powerful position regarding the logistics sector and manage to become a key logistics provider to the EU?”

In order to provide a complete answer to the main research question, though, answers to the following sub-questions should be given first:

- ❖ What is the OBOR project and how it is expected to affect, now and in the future, the Greek economy, the logistics industry and the individual firms of the country?
- ❖ What are the regional-economic effects to be expected from OBOR type investment (added value, employment)?
- ❖ What is the time-frame for these effects to materialize?
- ❖ How will these effects spread into the Greek economy? By only benefitting the port area or will it spread toward the larger Greek economy?
- ❖ Should we expect an increase in GDP of Greece in the forthcoming years due to the Chinese investment?
- ❖ Will this initiative help to reduce the currently high unemployment rate in the country?
- ❖ How can Greece become a powerful logistics provider for Europe in the upcoming years?
- ❖ Are there disadvantages of OBOR type investment to be expected for the Greek economy?

1.3 Contribution of the research

It is expected that upon completion of this thesis, useful insights will be provided to both the academic and the professional community. As far as the academic society is concerned, this thesis is going to further enrich the existing literature regarding the relationship between investment in infrastructure and economy's growth. In addition, it will focus on an economy, the Greek economy that has not been highly researched so far. As for the professional society, logistics industry experts and individual firms will be informed about the expected outcome of the OBOR project's investment on the port of Piraeus. Thus, they will have the opportunity to develop an appropriate business strategy to take full advantage of any possible benefits that will arise, either for businesses or for the overall economy.

1.4 Structure of the research

The first chapter of this thesis introduced the reader to the main research question and its theoretical background, to the research objective and the importance of the research. It, also, presented the way following sections will be structured.

Next chapter will be dedicated to the analysis of current situation. More specifically, it will provide a brief overview of the Greek economy and of the Port of Piraeus as well as of the Greek logistics industry. Then, it will describe in detail the OBOR project and refer to similar Chinese investments in other countries and their outcomes.

Chapter 3 will explore the effect of investment on infrastructure on the economic growth, by reviewing the relevant international literature.

Chapter 4 is dedicated to the presentation of the methodological approach that will be adopted for the research, describing its type and the procedures of data collection and data analysis.

Chapter 5 will present in detail the results of the data analysis, while chapter 6 will conclude by reporting the key findings of the research, its theoretical and practical implications, its limitations and suggestions for future research.

2. SITUATION ANALYSIS

2.1 Greek economy - Brief overview

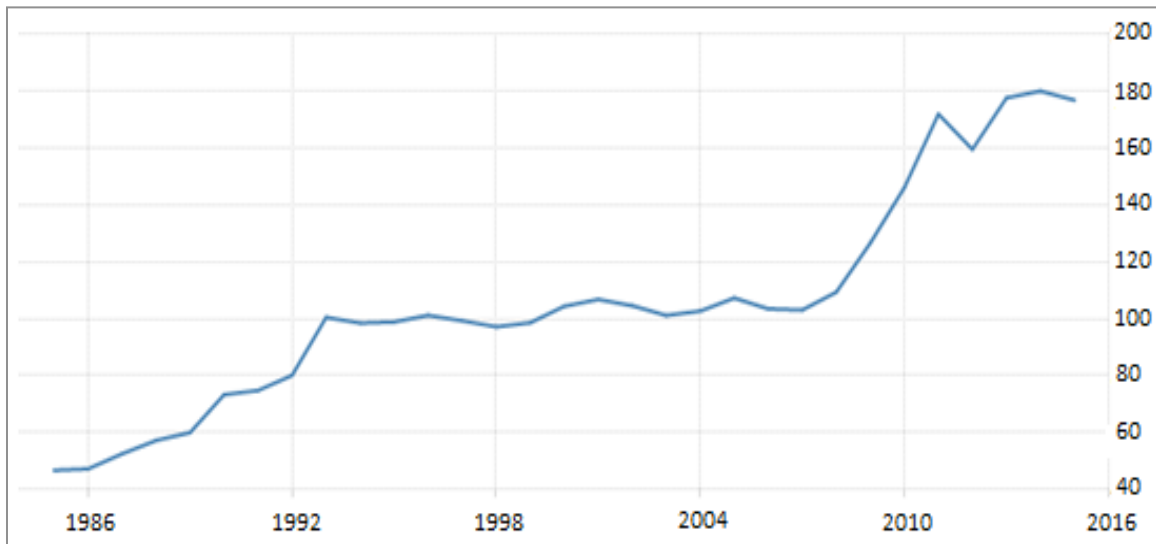
Throughout the years, the Greek government has faced numerous public debt problems, spending many years in default (Reinhart & Rogoff, 2009). At the beginning of the 90s, the debt of the Greek government accounted for around 75% of its Gross Domestic Product (GDP). That period, the country started to prepare for the adoption of euro as its national currency. Interest rates on Greek bonds dropped dramatically and the cost of borrowing became low. However, contrary to what was expected, this influx of capital did not lead to economic growth, since the government did not invest in production that would generate revenue and increase the competitiveness of the economy so as to repay the national debt (Gros & Alcidi, 2011). In contrast, low tax rates and an imbalanced amount of imports from abroad, comparatively to exports, increased the debt even more.

The global financial crisis of 2008 and 2009 that followed, forced Greece to spend in strategies that used up most of its economic resources, leading to a rise of debt to around 125% of GDP. As a consequence, investors, starting to lose confidence in the ability of Greece to serve its debt, demanded higher interest rates in order to buy Greek bonds. This resulted in increased borrowing costs that exacerbated the debt levels and led Greek economy near default (IMF, 2011). In the year of 2014, the debt had risen to approximately 180% of the GDP.

The GDP of Greece is generated, mainly, by the services sector, including revenues from shipping, telecommunications and tourism (80,9%). The industry sector represents 15% of it and the agriculture sector the remaining 4,1% of GDP (CIA, 2017). In 2015, the GDP of Greece was €176,02 billion and the GDP per capita was €16.182. Based on these figures, Greece was ranked 46th out of 195 countries (The World Bank, 2015).

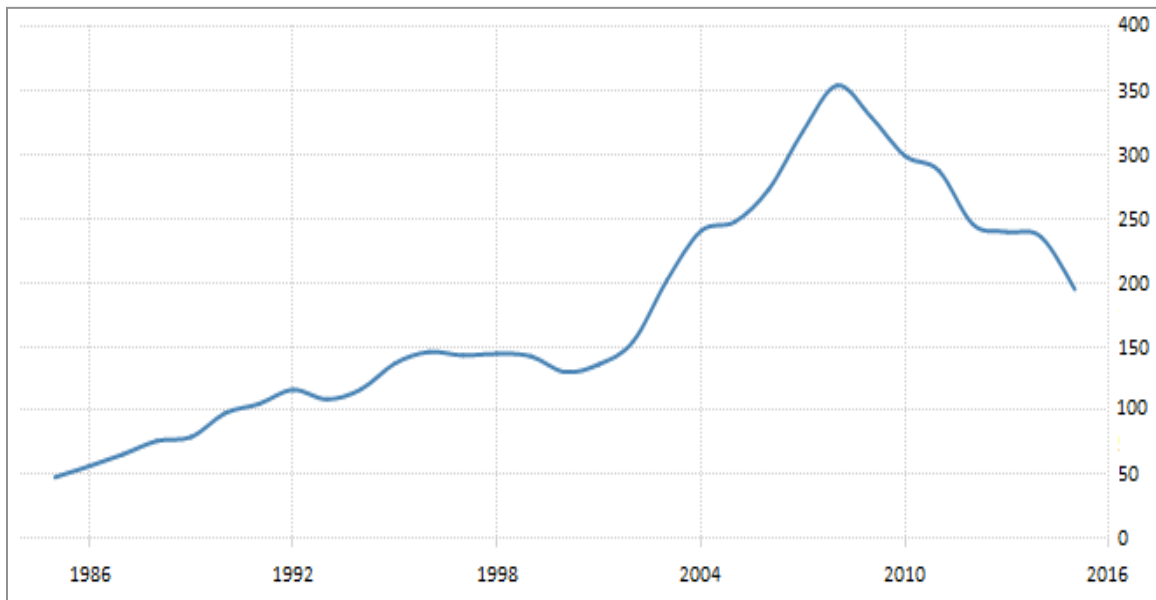
The figures that follow demonstrate the evolution of the Greek debt, as a percentage of GDP and the evolution of GDP during the last three decades.

Figure 1 - Greek government's debt as a percentage of GDP



(Source: Eurostat, 2016)

Figure 2 - Evolution of Greek GDP (in billion \$US)

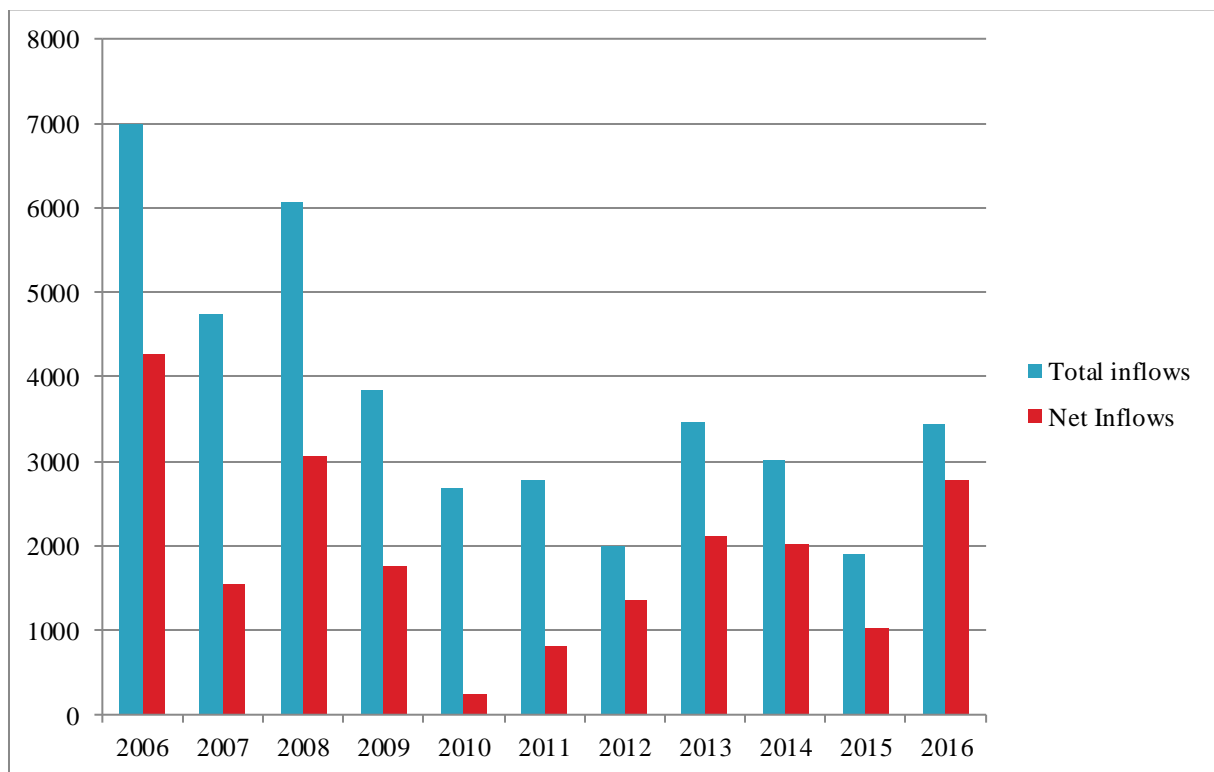


(Source: The World Bank, 2016)

As a means of overcoming the current difficult economic situation, Greece attempts to attract foreign direct investments that could boost its national economy. Although the levels

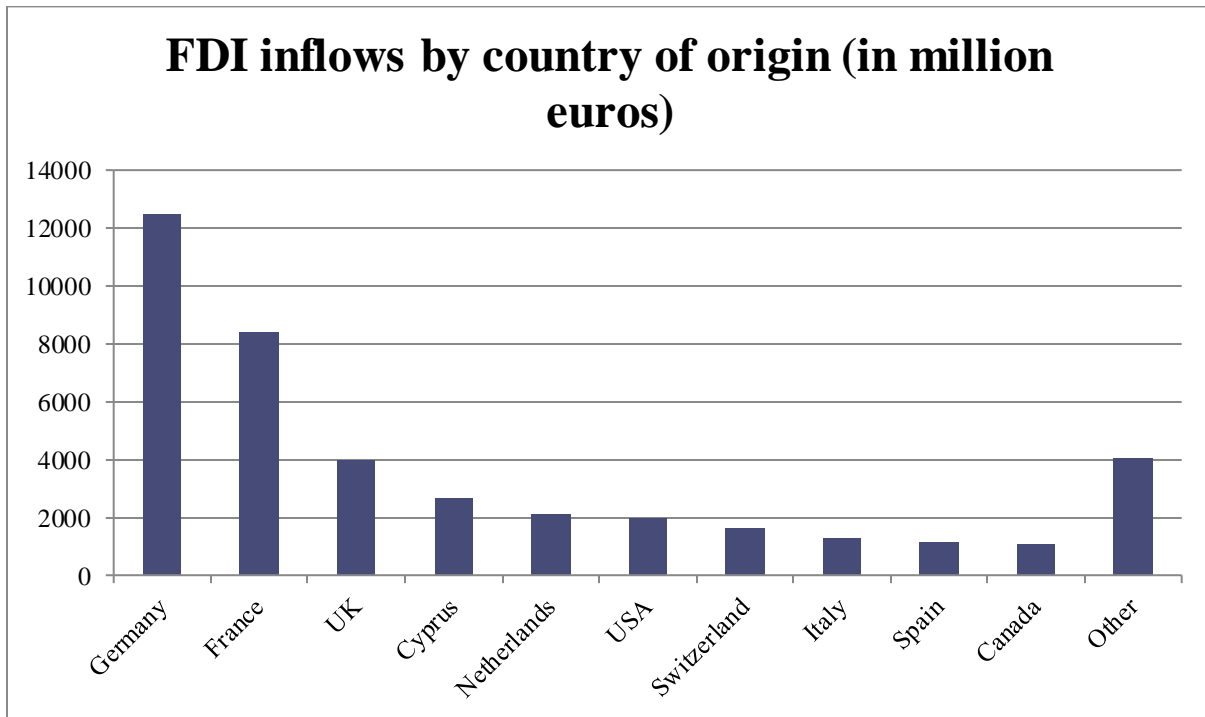
of foreign direct investment are significantly lower compared to the pre crisis period, Greece achieved a significant performance in 2016, as total gross foreign direct investment inflows reached 3.5 billion euros. At the same time, net inflows reached 2.8 billion euros, the largest amount that was recorded since 2008, before the beginning of the crisis. Germany and France are the two countries with the greatest FDI outflows to Greece (12,5 million euros and 8,4 million euros respectively), followed by other countries (including China) and the UK.

Figure 3 - FDI inflows in Greece during 2006-2016 (in million euros)



(Source: www.enterprisegreece.gov.gr)

Figure 4 - FDI inflows by country of origin during 2005-2015 (in million euros)



(Source: www.enterprisegreece.gov.gr)

2.2 The port of Piraeus

A representative example of inflows of foreign direct investment was the lease of the Piraeus Port by the Greek government to COSCO, which took place in 2009. The port of Piraeus is the largest port in Europe and one of the largest ports in the world, regarding passengers' traffic (www.olp.gr). Its throughput volume is estimated at 20 million passengers per year, including the ferry traffic between Salamis and Perama, accounting for about 8 million passengers annually. Piraeus port serves as the main link between the mainland and the Aegean islands and Crete as well as European Union's main sea gate at its southeastern edge. The Port of Piraeus is operated by the Piraeus Port Authority S.A. (PPA). In 2002, the port zone lands, the buildings and the facilities of the port were leased to PPA, by the Greek Government, for 40 years. The duration was modified in 2008 to 50 years of lease. One year later, the government leased half of the container port from PPA to COSCO (China Ocean Shipping Group Company), for a period of 35 years.

By 2016, the Chinese shipping company had invested € 350 million in the port of Piraeus (www.chinadaily.com), intending to implement new projects of more € 500 million, within the next five years (<http://www.ekathimerini.com>). The invested amount is rather remarkable, comparing to total Chinese foreign direct investment in Greece, considering that, during the period 2010-2015, it accounted for \$ 1.150 million (Casaburi, 2016). In the meantime, total foreign direct investment inflows to Greece decreased during 2010-2015, from € 30.140,6 million to € 21.498,8 million, with cumulative foreign direct investment inflows reaching € 129.569,40 million in 2015 (www.bankofgreece.gr).

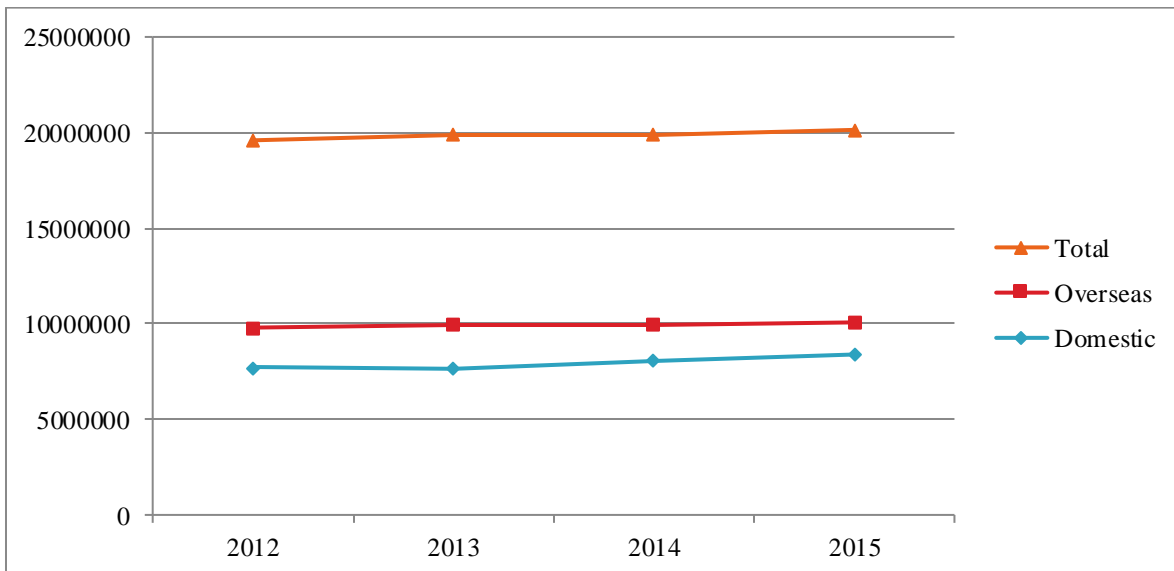
Today, the total capacity of the port is estimated at 6.7 million TEUs. The container part of the port consists of three terminals. Terminal 1 is operated by PPA S.A., having a capacity of almost 1 million TEUs. Terminal 2, with a capacity of 3 million TEUs, is operated by a subsidiary of COSCO, while Terminal 3, with a capacity of 2.7 million TEUs, was constructed in 2013 and, also, awarded to the subsidiary of COSCO. Apart from these, the cargo terminal has an annual traffic capacity of 25 million tons; the automobile terminal has a transshipment capacity of 670.000 units per year and the three passengers' terminals have a total capacity of more than 2.500 passengers per hour (www.olp.gr).

The main business activities of the Piraeus port include the cruise and coastal shipping, the car and container terminals and the ship repair business. In the field of cruise the traffic of both home and transit passengers' traffic was significantly increased in 2016. The number of cruise passengers, who used the port as an either starting port or final destination, increased by 24%, while the number of transit passengers increased by 7%. As a result, an increase of approximately 12% was, also, observed in the total passenger product handled. At the same time, the number of cruise ship calls remained constant, increasing from 621 calls in 2015 to just 625 calls in 2016 (www.olp.gr). Results were different in the case of coastal shipping, where the number of passengers presented a slight decrease of 4% between 2015 and 2016. However, the movement of vehicles, during the same period, increased by 2% (www.olp.gr).

A decrease of 9% was reported in the case of car terminals, mainly due to the staff strikes. After the restoration of terminal's normal operation, significant growth rates were recorded. Regarding cargo traffic, it had been increased by 6%, as a result of the increase

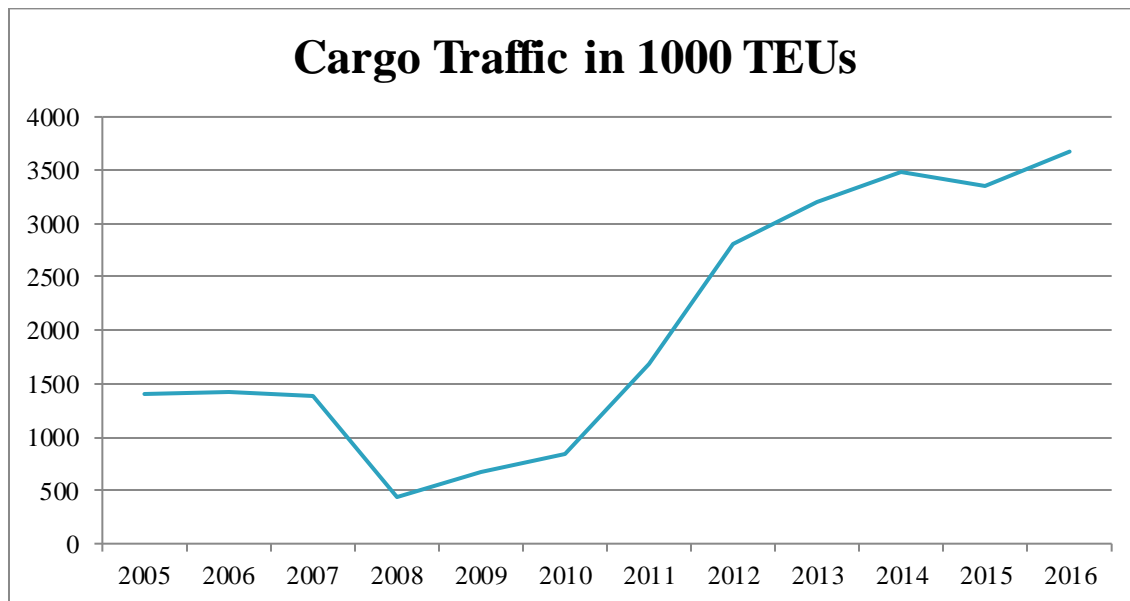
of both domestic and cargo traffic, by 9% and 5% respectively (www.olp.gr). On the contrary, a significant decrease of traffic in the container terminal was reported. Besides the increase of 26% in local cargo, the total transit freight terminal project decreased from 255.581 TEUs, in 2015 to 203.658 TEUs in 2016 (www.olp.gr). Finally, the ship repair business was, also, affected by the employees' strikes, which resulted in a decrease of 5 repaired ships, from 239 repaired ships in 2015 to 234 repaired ships in 2016 (www.olp.gr). The figures that follow demonstrate the evolution of the passengers' traffic for the period of 2012-2015 and the evolution of container traffic for the same period.

Figure 5 - Passengers' traffic 2012-2015



(Source: www.olp.gr)

Figure 6 - Container traffic 2012-2015



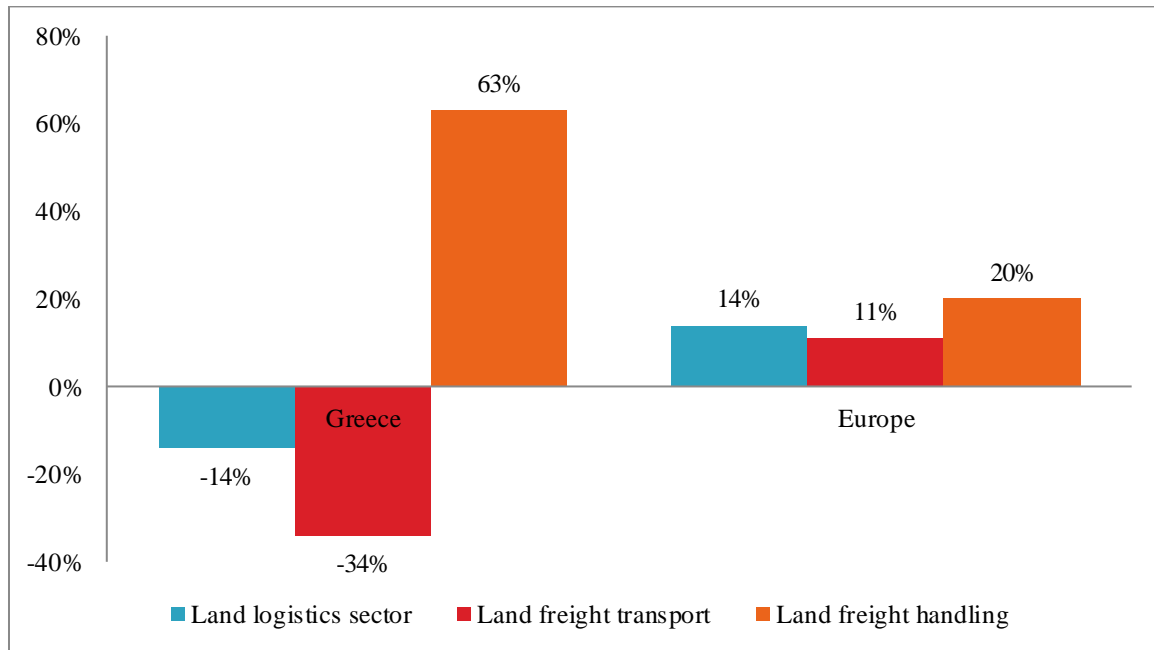
(Source: <http://ec.europa.eu>, <http://www.porteconomics.eu>)

2.3 The Greek logistics sector

Thanks to its geographical location on the crossroad of three continents (Europe, Asia and Africa), Greece serves as a gateway between East and West, forming a strategic node for the development of transportation in the greater region and attracting investments in logistics and transport.

During the financial crisis, the land logistics sector in Greece increased its market share to 2,9% of GDP, in 2016, from 2,5% of GDP in 2008. In this way, Greece managed to gradually close the gap with the European average of 3,4%. However, two opposite trends can be observed between the two main components of land logistics, namely: (i) the freight handling sector and (ii) the freight transport sector (NBG, 2017). More specifically, the freight handling sector, including activities of warehousing, packaging, invoicing etc, surpassed the period of its mild growth (29% during 2000-2008), growing by 63% during the period of 2008-2016. On the contrary, the freight transport sector decreased by 34%, in terms of value added during the period of 2008-2016, following a period of impressive growth (2000-2008).

Figure 7 - Value added 2008-2016



(Source: NBG, 2017)

Furthermore, the land logistics sector covers about 3,7% of total employment, compared with the EU average of 3,9%, with a gradually narrowing gap with the EU, regarding labor productivity. The value added in the case of Greece is estimated at € 36.000 per employee in 2016, whereas the value added in the EU is estimated at € 57.000 per employee (NBG, 2017).

The competitiveness of the Greek logistics sector has, also, demonstrated a significant improvement during the last five years. According to the Logistics Performance Index of the World Bank (LPI), Greece managed to narrow the gap between its logistic sector and the European one, to 11% in 2016, from 19% in 2012, showing significant improvement in all the individual parameters of the index. Nevertheless, there is still room for further improvement, as Greece holds one of the last places in the European ranking.

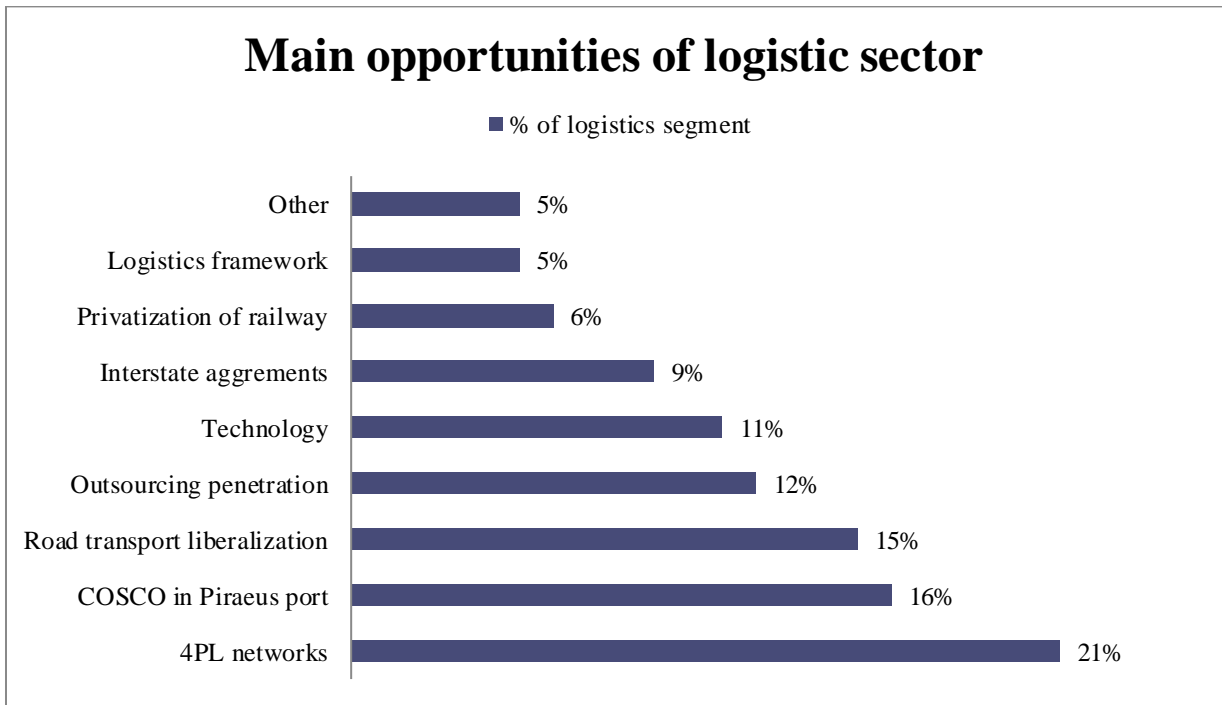
Figure 8 - Logistics competitiveness: Greece vs EU



(Source: NBG, 2017)

The impressive growth of the logistics sector during the last years, along with a number of features, including the competitive sea freight cost for transported containers, the continuous investment in road and rail infrastructure, its advantageous location, its world champion shipping sector, its know-how and skilled labor and the operation of efficient global logistics providers in the Greek market, allow for the identification of Greece's potential to become a major logistics, distribution and assembly hub for Europe (www.enterprisegreece.gov.gr). However, it seems that the factors, providing further stimulus in the future differ from the factors that drove the growth in the past. The participation in 4PL networks and the enhanced presence of COSCO at the Piraeus port remain among the most important factors, stimulating logistics enterprises (NBG, 2017).

Figure 9 - The main opportunity of the greek logistics sector



(Source: NBG, 2017)

2.4 OBOR Project

More than 2.000 years ago, a network of trade routes, linking China to both Central Asia and the Arab World, was established by China's imperial envoy, Zhang Qian. This network, named after China's most important exported product, was known as the Silk Road that drove the development of the entire region for many years (www.mckinsey.com). Based on the Silk Road network, the One Belt, One Road (OBOR) initiative is introduced as a "New Silk Road" initiative, focusing, mainly, on the establishment of the connectivity and cooperation among China and EU.

2.4.1 What is OBOR Project?

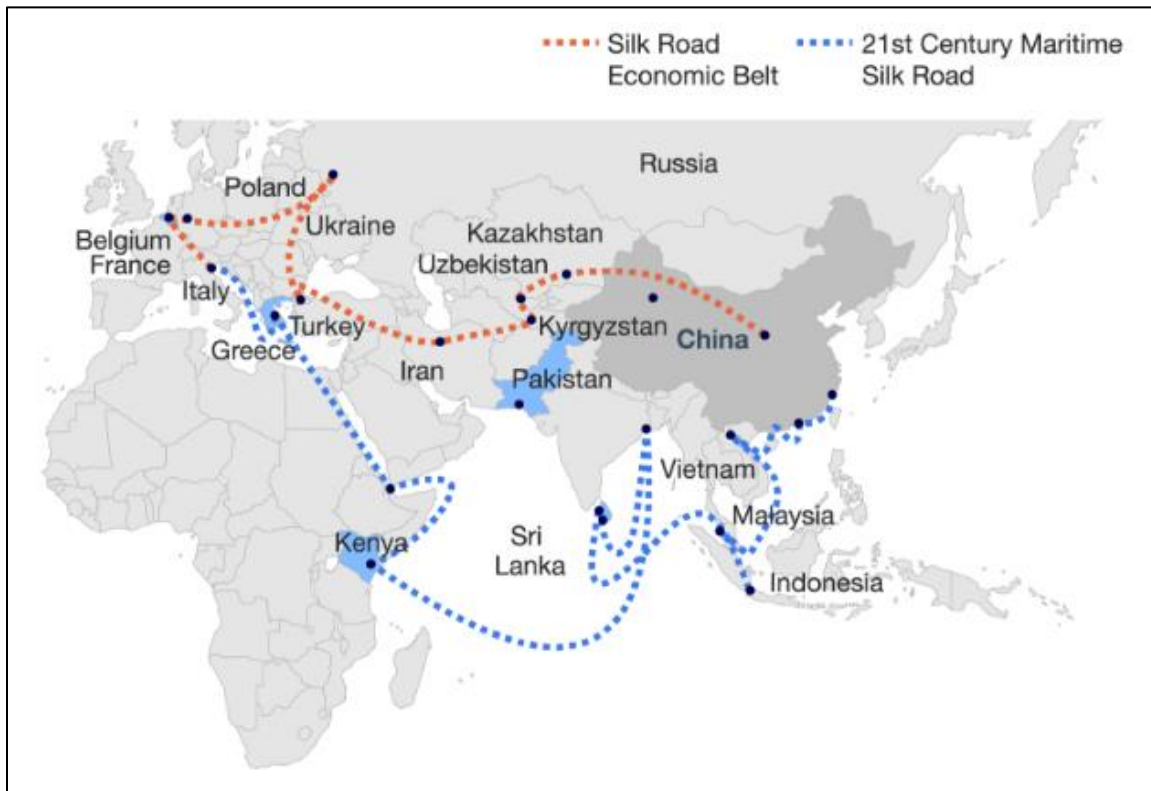
The OBOR project is a Chinese plan, consisting of interconnected infrastructure projects, stretching across sixty countries, from Western Europe to Southeast Asia. OBOR project, which was initially proposed by the Chinese paramount leader Xi Jinping in 2013 and

authorized by the State Council in 2015, forms one of China's major plans for economic development. Its action plan consists of two main components (www.mckinsey.com):

- **The Silk Road Economic Belt:** it is envisioned as three routes that will connect China to Europe, through Central Asia, China to the Persian Gulf and the Mediterranean, through West Asia and China to the Indian Ocean, through South Asia. It is expected that "the Belt" will strengthen trade links and increase the demand for Chinese manufactured products (www.oborwatch.org).
- **The 21st Century Maritime Silk Road:** it is expected to establish connections among regional waterways, including the Pacific Ocean, the South China Sea and the Indian Ocean, to strengthen cooperation across them (www.oborwatch.org).

The OBOR project is structured upon six economic corridors of infrastructure development, designed so as to drive economic growth in some of China's surrounding nations. These corridors include: (i) the China – Mongolia – Russia Economic Corridor (CMREC), (ii) the New Eurasian Land Bridge (NELB), (iii) the China – Central and West Asia Economic Corridor (CCWAEC), (iv) the China – Indochina Peninsula Economic Corridor (CICPEC), (v) the China Pakistan – Economic Corridor and (vi) the Bangladesh – China – India – Myanmar Economic Corridor (BCIMEC) (www.oborwatch.org).

Figure 10 - Routes of OBOR project



(Source: www.mckinsey.com)

The OBOR project is expected to enhance interconnectivity within a geographical area that generates almost 55% of global GNP, represents almost 70% of global population and has approximately 75% of known energy reserves (European Parliament, 2016). China estimates that this project will involve about 65 countries and 4,4 million people and will achieve an annual trade worth US \$ 2,5 trillion, between these countries, having a rather lasting and significant impact (European Parliament, 2016).

China designed and developed the OBOR project as a way to respond to a number of interconnected problems it is facing. More specifically, towards the end of the 20th century, China went through wide-ranging economic reforms that enabled it to undertake the production of Western multinationals. However, the financial crisis of 2008 resulted in the decrease of global demand, which, in turn, ceased the rapid expansion of the Chinese market economy. The cost of maintaining economic growth started to increase, while the

process of capital accumulation and demand for Chinese exports had to be maintained (www.oborwatch.org). The large-scale projects included in the OBOR initiative are expected to allow China to address both the over-accumulation of capital and the overcapacity in the construction and heavy manufacturing industries. Furthermore, it is believed that the impact of projects on surrounding countries will strengthen the demand for Chinese exports, facilitating, at the same time, the movement of products, services and people (www.oborwatch.org).

2.4.2 The Significance of the OBOR Project

Undoubtedly, the OBOR Project is an initiative of major geopolitical, economical and geostrategic significance for both China and other countries that will be involved. As far as China is concerned, the OBOR project is expected to raise its regional and international profile and establish it as a responsible global power. Furthermore, it will allow the expansion of China's political and economic leverage over its neighborhood, it will enable the acceptance of the prevalence of China's territorial and maritime rights by certain Asian countries that have long-standing disputes with China and it will strengthen China's relations with both Russia and India. Another benefit, of geostrategic significance, generated by the OBOR initiative, refers to the creation of alternative trade routes, through which China will be able to avoid maritime checkpoints that are currently secured and controlled by the USA. In terms of economic significance, the OBOR project is expected to generate substantial foreign demand so as to allow China to maintain the high rates of its economic growth. In addition, it will drive the demand for Chinese construction materials, construction companies' services and high-value manufactured goods and will enable the country to take advantage of investment opportunities, to explore new markets and gain international exposure (European Parliament, 2016).

Of the same importance is the significance of the OBOR project for the EU. Firstly, by cooperating with China in the OBOR project, the EU has the opportunity to deepen its relations with China, participate in the shaping of the agenda and avoid unpleasant implications, resulting from a potential unilateral investment strategy. Next, through the OBOR project, EU has the opportunity its geostrategic ambitions in Central Asia and

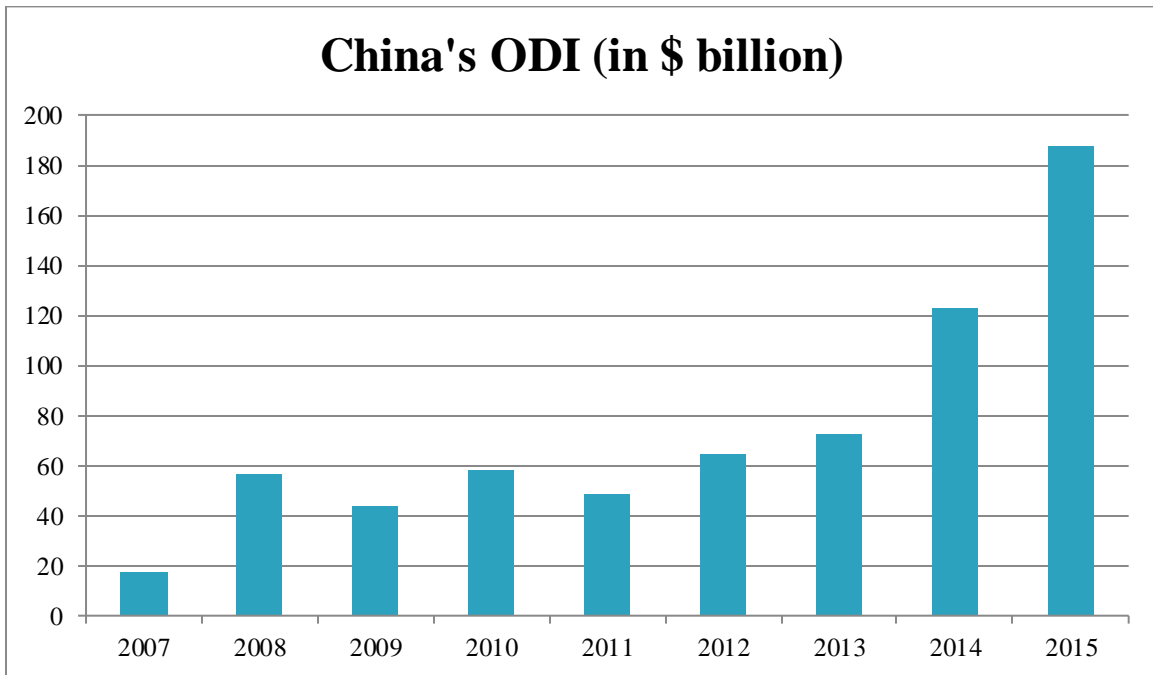
benefit in terms of new markets and energy security. Finally, as far as economic benefits are concerned, their significance is currently being questioned. Although the OBOR project will narrow the infrastructure gap between countries of Southeast Europe and old EU member states and increase their competitiveness, it is suggested that negative effects will, also, rise, including the increase of organized crime, the illegal trafficking, the terrorist activities and the trade of more counterfeited products (European Parliament, 2016).

COSCO's investment at the port of Piraeus is one of the few large-scale projects in Europe that are clearly recognized as part of the OBOR project. Through this investment, which provides to COSCO a 35-year management lease for two of the three terminals of Piraeus port, Piraeus has managed to become, apart from Sines, one of the fastest growing container port worldwide. Piraeus forms a major connector between the Maritime Silk Road and Europe and part of a north-south transport corridor that will link it with Central Europe and Germany and that is promoted by China as the concept of a "Land Sea Express Route" (www.clingendael.nl). In addition, COSCO is planning to turn Piraeus port into the biggest commercial port in the Mediterranean, into the biggest ship-repair point in the Eastern Mediterranean and into one of the most important cruise tourism junctions worldwide. It is, also, interested in developing a new logistics center at Thriasio, to the west of Piraeus (ETNC, 2016). Overall, COSCO's presence in Piraeus port sets a firm basis for the relations of Chinese government with Greece.

2.5 Evidence from other Chinese Investments

During the past years, China provided significant overseas lending and direct investment, mainly through China EXIM Bank and China Development Bank (Dollar, 2017). More specifically, in recent years, China's overseas direct investment has amounted to about \$ 100 billion annually, reaching almost \$200 billion in 2015. At the same time, the cumulative stock tripled during the period 2010-2014, reaching almost \$900 billion (Dollar, 2017).

Figure 11 - Stock of China's ODI globally



(Source: <http://data.worldbank.org>)

As a result, China, considered being a developing country, is emerging as the world's largest investor, who differs, itself from existing norms and practices in the following ways (Doller, 2017):

- Chinese investments are, mainly, concentrated in poor-governance environments.
- China, generally, does not subscribe to global standards of environmental and social safeguards.
- China remains closed to foreign investment in multiple sectors, contrary to its partners in the developed and developing world.

However, not all Chinese investment projects resulted in being successful. China's investments in both Africa and Latin America form two representative examples of past Chinese investment failures.

Since 2000, Chinese direct investment and lending to African countries demonstrated an impressive growth, leading to China's emergence as Africa's largest and most important

trading partner. The per capita growth rate of the African economy increased from 0,6% annually in 1990s, to 2,8% annually in 2000s, while export volumes, also, grew and terms of trade improved (Chen et al., 2015). Nevertheless, lack of local knowledge and inability to comply with local laws resulted in some serious losses for Chinese companies:

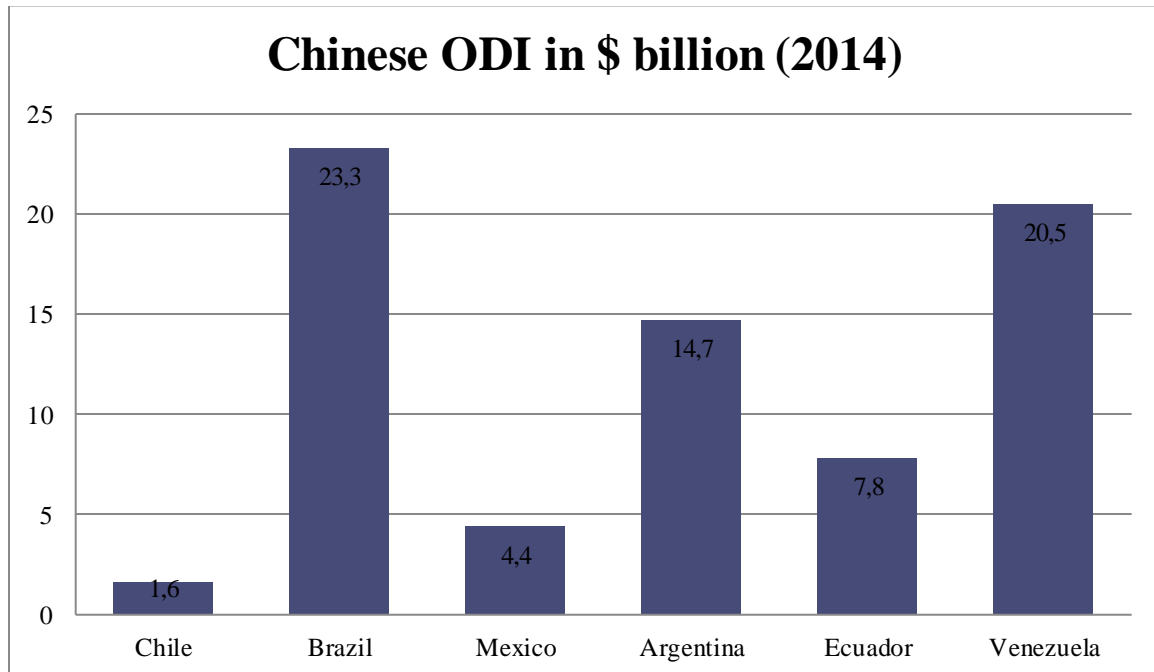
- Chinese investment to Africa involved an investment of over \$1 billion in a 3m hectare palm-oil plantation. Shortly after the start of the project, Chinese realized the lack of roads and of navigable water as well as the hostility of villagers, thus they had to retire (www.economist.com).
- A mineral extraction project, which was initiated in 2007 and costed \$6 billion in infrastructure funding, has generated less than \$1 billion so far, as bureaucracy and lack of electricity have delayed production. It is expected that Chinese will provide no more funding (www.economist.com).
- China National Petroleum Corporation was hit financially when unrest emerged in South Sudan, near two of its most important oil fields (www.businessinsider.com).

Apart from the above-mentioned cases, other factors that challenge the success of Chinese investment in Africa include the administrative inefficiency, the non-transparent legal systems, the foreign exchange controls, the high tax rates and the high labor costs (www.businessinsider.com).

Regarding Chinese investments in Latin America, they have been channeled to both countries with poor governance, such as Venezuela and Ecuador and countries with relatively good governance, such as Brazil. However, it turned out that the investments headed towards countries with poor governance didn't evolve that well. In the case of Venezuela, for example, the government preferred to seek funding through China Development Bank, rather than through IMF or other traditional sources of finance. The China Development Bank lending took place on secret terms and was, often, used for the support of corrupt political elites, who wished to maintain their power. However, since the fall of 2016, China, being unwilling to strengthen bad regimes leading to the creation of unstable and unpredictable business environments, ceased Venezuela's funding, risking not getting its money back (Dollar, 2017). In general, it is expected that China will

withdraw its investments on poor-governance states in order to achieve a better return on state-backed investments abroad.

Figure 12 - Chinese ODI shares in six major Latin American countries



(Source: Doller, 2017)

Based on the previous analysis, regarding evidence from other Chinese overseas direct investments, it can be concluded that, apart from the economic ones, there are numerous other factors that affect the success of an investment project. In the case of Chinese investment on the port of Piraeus, within the context of the OBOR initiative, the success of the project could possibly be challenged by the high levels of bureaucracy and the inflexible public administration, the unstable political climate as well as the hostility of employees, who, often, threaten the project's smooth operation with strikes.

3. How Does Investment on Infrastructure Affect Economic Growth?

3.1 Literature Overview

The relationship between the investment in infrastructure and the economic growth is an area that has heavily attracted the interest of the academic community. As a result, numerous relevant researches have been conducted throughout the years, investigating the impact that investment on infrastructure may have on the economic growth, within different geographical and economical contexts. The majority of the studies agree on the existence of a significant and positive relationship between the two variables.

Canning and Pedroni (2004) investigated the long-run impact of investment of infrastructure on the per capita income, using as a sample a panel of countries, for the period between 1950 and 1992. Their results, clearly, suggest that, in most countries' cases infrastructure fosters long-run growth. More specifically, investment on telephones, electricity generating capacity and paved roads were observed to lead to the maximum level of economic growth.

Two years later, Tripathy et al. (2006) conducted the same research, focusing, however, on both the long-term and short-term relationship between investment in infrastructure and economic growth and limiting it on the case of the Indian economy. The results of their research do not indicate the existence of a relationship between the two variables in the short-run. However, they were similar with those of Canning and Pedroni (2004), regarding the long-run relation. Results showed that there exists a long-run relation between economic growth, domestic investment and government revenue. As Tripathy et al. (2006) conclude, investment in infrastructure encourages the economic growth, through the increase of labor's and capital's productivity, the reduction of production's costs and the raising of levels of production, profitability, employment and income.

In the same context, Kumo (2012) investigated the relationships between three variables, including economic growth, economic infrastructure investment and employment, within the economy of South Africa, during 1960-2009. In accordance with the results of previous researches, Kumo (2012) found that, in the long term, economic growth and economic

infrastructure investment affect each other in a significant and positive way. Based on his findings, Kumo (2012) supported that economic infrastructure investment drives the economic growth in South Africa, while, at the same time, economic growth encourages more investments on public infrastructure. The case of South Africa had, also, been explored in the past by Fedderke and Garlick (2008), who attempted to develop a theoretical framework in order to analyze the relationship between economic growth and infrastructure investment, including port infrastructure. Their findings, which were further supported by Kumo's work, confirmed the existence of a strong and positive relationship. Particularly, it was shown that both infrastructure stock and investment foster economic output and that the relationship between the two variables varies significantly, according to the type of physical infrastructure.

The African continent has been, also, investigated by other researchers, who preferred, however, to study the cases of other countries than South Africa. Taking into consideration the deterioration of public investment in Kenya, Mburu (2013) decided to investigate the relationship of government investment in infrastructure and economic growth, during the period of 2005 and 2012. Similarly, to the case of South Africa, economic growth in Kenya proved to be significantly and positively affected by the government investment in infrastructure, since the last one encourages various types of economic activity.

The case of Egypt, also, confirms the results of the above-mentioned studies. An important decline in infrastructure investment, similar to the one that took place in Kenya, led Loayza and Odawara (2010) to explore the impact of investment infrastructure on economic growth. According to their results, an increase in infrastructure expenditures by 5% or 6% of GDP could result in the increase of annual per capita growth rate of GDP by 0,5%, during a decade's time and by 1% during the third decade.

In accordance to previous findings, German-Soto and Barajas Bustillos (2014) studied the contribution of infrastructure investment on the economic growth, for the main urban areas of Mexico, for the period of 1985-2008 and concluded that the first has long-run effects on the second. They suggested that the impact of infrastructure investment is not contemporaneous but spread through time and that when its provision is limited, then it can serve as a restriction for growth.

Ahmed et al. (2013), who studied the role of infrastructure on economic growth in the economy of Pakistan, confirmed, once more, the results of previous researches. The authors adopted two different approaches regarding public investments. In the first case, production taxes finance the public investments on infrastructure, while, in the second case, resources are provided through foreign borrowing. Their analysis reveals that in the long-run, both types of funding contribute in macroeconomic gains and international borrowing. Nevertheless, in the short-run, financing through production taxes appears to restrain the industrial sector, thus the economic growth.

Investment on infrastructure has a significant and positive impact on the economic growth in the case of larger economies, as well. Sahoo et al. (2010) investigated this relationship, within the context of the Chinese economy, for the period from 1975 to 2007. Their analysis confirmed that although public and private investments, along with infrastructure stock and labor force contribute to the economic growth of the country, the contribution of infrastructure development in economic growth is of greater importance than the contribution of both private and public investments.

Contrary to the above-mentioned studies, the economy of New Zealand does not align completely with the view that investment on infrastructure contributes positively to the economic growth. A research conducted by O'Fallon (2003) showed that, although there is a definite link between investment on infrastructure and economic growth, mainly in the long-run, the causality of this link cannot be proved. As the author states, the investment of infrastructure can boost economic growth when appropriate conditions exist, such as input from labor or private capital, but it cannot create it on its own.

Other authors have, also, expressed their skepticism regarding the impact of infrastructure investment on economic growth. Romp and de Haan (2007) accept that public capital affects positively economic growth; however, they question the size of this impact. Similarly, Bom and Lighthart (2009) agree on the positive sign of the relationship but consider the estimates to be too optimistic. Finally, Estache and Garsous (2012) explain that the impact of infrastructure investment on economic growth varies across different geographical regions. As they describe, for regions of Sub-Saharan Africa, infrastructure investment equal to 10% of GDP is required in order to support growth. This percentage

may increase to 25% of GDP for the poorest countries of the region. Needs in infrastructure investment is considerably lower in other regions. Asia and Latin America needs an investment of about 4%-5% of their GDP to boost their growth, when regions of Middle East and North Africa require around 3% and regions of Europe and Central Asia require 6,5%.

The review of the literature reveals that, no matter the status of the national economy, investment on infrastructure has a significant and positive effect on the economic growth, in the long-term. The size of this impact or the size of investment that is required in order for the national economy to be fostered varies significantly across the regions. As for the impact of infrastructure investment on economic growth, previous researches do not confirm a significant or positive contribution.

3.2 Formulation of Hypotheses

Following the analysis of the relevant international literature, the hypotheses of the current study may now be formulated. According to most researchers, who have conducted similar studies within different geographical contexts, investment on infrastructure contributes positively in economic growth in the long-run, but its positive impact is not confirmed for the short-run. Consequently, the two main hypotheses of this study can be developed as follows:

H1: OBOR project will have a significant and positive impact on the Greek economy, in the long-term.

H2: OBOR project will have a significant and positive impact on the Greek economy, in the short-term.

4. METHODOLOGY

4.1 Research type

The methodological approach adopted for the purposes of a research can be categorized based on the following criteria: (i) the method of reasoning employed, (ii) the way research questions are structured and (iii) the nature of the collected data.

According to the method of reasoning employed, the methodological approach can be identified as either inductive or deductive (Trochim, 2006). In the case of an inductive approach, the research moves from the specific to the general. He/she collects data that are, then, used for the generation of ideas and he/she expresses arguments inductively, based on personal experiences or observations. On the other hand, in the case of deductive approach, the researcher moves from the general to the specific. He/she is based on either an idea or framework and uses data that will enable him/her to either accept or reject the idea or framework (Holloway, 1997). In this case, arguments are expressed deductively and are based on rules or laws.

Based on the second criterion, the research approach can be identified as exploratory, descriptive or explanatory. The descriptive methodological is rather formal, attempting to describe a situation, a problem or a phenomenon, through the development of research hypotheses and specific research questions. At the same time, explanatory research approach focuses on the identification and clarification of the reason why a relationship exists between the two aspects of a situation or a phenomenon. In essence, the explanatory approach tries to investigate the reason why things happen in a certain way. Finally, within the context of exploratory research, the researcher aims at identifying what happens, at searching for new ideas, at asking questions or at establishing a phenomenon in a new way (Saunders *et al.*, 2009).

The third criterion, referring to the nature of the collected and analyzed data, classifies methodological approaches into two broad categories, the qualitative and the quantitative research studies. The quantitative research study is conducted, mainly, through the collection and analysis of arithmetic data and is usually employed when research

hypotheses need to be tested. Quantitative study is based on the distribution of questionnaires and the statistical analysis of large volumes of data, usually through a statistical software. On the contrary, the qualitative approach is adopted when the researcher needs to identify why things happen in a certain way. Qualitative study is based on the collection and analysis of non-arithmetic data or data that cannot be quantifiable, through the employment of interviews or document analysis (Saunders *et al.*, 2009).

Based on the information provided above and taking into consideration that the primary aim of the current study is the exploration of the OBOR project and of its effects on both Greek economy and Greece's role within the European logistics sector, it can be concluded that the methodological approach adopted falls under the categories of the deductive, descriptive research approach, conducted through qualitative study.

4.2 Collection of opinions

For the purposes of the study, opinions were collected through the conduction of interviews. Further, expert interviews were considered to be the most appropriate type of interviews, given the main research question. According to Flick (2009), expert interviews refer to a qualitative research methodology, whose theoretical background is the reconstruction of subjective views in a specific aspect. In the case of expert interviews, target groups consist mostly of an organization's staff members, possessing a specific function and professional experience and knowledge (Flick, 2009). Another view, expressed by Meuser and Nagel (2002), considers expert interviews as a specific form of semi-structured interview, where interviewees are, mainly, interesting because of their capacities as experts over a certain field of activity.

The opinions' gathering stage consisted of five semi-structured interviews, with professionals, who are highly involved and affected respectively by the OBOR Project. All interviewees were chosen based on their expertise over the OBOR project and their ability to provide useful insights regarding the main research question and its sub-questions.

The first interviewee was Mr. Stoumpis Nasos, CEO of VELOSTRANS company, member of FDL Group. FDL Group is among the leading companies of the Greek logistics industry,

possessing years of experience and technical know-how and providing tailor-made solutions. Active in Contract Logistics sector, FDL Group operates in Greece, through thirteen distribution centers, in Cyprus and Bulgaria, while it maintains a strong network in numerous countries across Europe. Given his current position and his long-standing experience within the logistics sector, Mr. Stoumpis Nasos was considered to be able to provide important information, regarding the effect of OBOR project on the Greek logistics industry and on individual firms of the country, as well as on the potential of unemployment's rate reduction and Greece's becoming a powerful logistics provider for Europe.

The second interviewee was Mr. Tzanetakos Ilias, who works as a warehouse manager in FDL group. Taking into consideration FDL group's position within the Greek logistics sector, it was expected that the comparison between Mr. Tzanetakos' view on OBOR project and its impact on the overall Greek economy and Mr. Stoumpis' view could lead to some valuable insights regarding the effect that OBOR initiative could have on the Greek industry of logistics.

The third interviewee was Mr. Stelios Papageorgiou, a custom broker with nine years of professional experience, who is currently cooperating with Cosco Greece on the domain of the customs operations and more specifically at the tobacco excise duties. Mr. Papageorgiou's selection as one of the interviewees was based on the belief that his cooperation with Cosco could enable him to provide, perhaps, a different perspective on OBOR project. At the same time, he is representing a different industry than logistics, allowing for the exploration of project's impact on other sectors, as well.

The fourth interviewee was Mr. E.V., a journalist, who kindly asked not to mention his full name. Mr. E.V. is currently working in a press office, being responsible for the monitoring of foreign press, the compilation of press releases and political documentation as well as the management of social media. Thanks to his current position and his educational background in communication and media, political sciences, public administration and international relations, Mr. E.V. was expected to offer a more objective point of view on the OBOR project and its impact on the Greek economy, as his sector, contrary to others, such as construction, logistics, shipping etc, is not directly affected by the project.

The fifth and last interviewee was Mr. Fotis Oikonomou, who works for a Greek maritime corporation, dealing with business development and project management. Mr. Oikonomou's professional experience in multiple industries, including ports, logistics, maritime, production and commercialization of commodities, constitutes him as the ideal interviewee so as to express a holistic approach regarding the significance of OBOR project for the Greek economy.

Wishing to point out the considerations of people who represent the affected sectors (logistics, economy) from OBOR investment, the author attempted to approach professionals of different industries, either directly or indirectly related to the OBOR project. The search strategy employed consisted of two steps. During the first, the author decided upon the industries, whose experts could provide the most useful insights about the OBOR initiative. During the second step, the author used her professional connections so as to identify and contact professionals, whose contribution could enrich the research and its outcomes.

Information about all interviewees is provided on Table 1, below.

Prior to the interviews, all interviewees were contacted by email, providing the interview schedule, a detailing research background, the research objectives and the list of discussion questions (provided in Appendix A'). All five interviews were conducted in person. In all cases, the researcher attempted to build a trusting relationship and to develop a discussion, encouraging the interviewees to express their own concerns. Interviews were recorded electronically and structured by an interview protocol with open-ended questions. Each interview lasted approximately 45minutes. At the beginning of each interview, the interviewer introduced herself and the topic and informed the interviewee that their discussion was being recorded and that interviewee name would be used for the purposes of the research. All recorded interviews were transcribed and sent back to the interviewees so that their feedback, interpretation of any points and final approval could be received.

Table 1 - Information on Interviewees

Interviewee	Interviewee's position	Duration	Date	Interviewee's Role	Years in Logistics industry / Infrastructure Investments
Mr. Stoumpis Nasos	CEO of VELOSTRANS Company, member of FDL Group	43 minutes	07/11/2017	Mr. Stoumpis possesses long-standing experience within the logistics industry.	13 years
Mr. Tzanetakos Ilias	Warehouse manager in FDL group	49 minutes	15/11/2017	Mr. Tzanetakos possesses long-standing experience within the logistics industry and a strategic position with one of the leading players in Greek logistics industry	6 years
Mr. Stelios Papageorgiou	Custom broker, cooperating with Cosco Greece	45 minutes	10/01/2018	Mr. Papageorgiou cooperates with Cosco Greece on the domain of the customs operations and more detailed at the tobacco excise duties	9 years
Mr. E.V.	Journalist	48 minutes	28/12/2017	Mr. E.V. works in a press office and is responsible for the monitoring of foreign press, the compilation of press releases and political documentation and management of social media.	9 years
Mr. Fotis Oikonomou	Employee of Greek maritime corporation	53 minutes	08/02/2018	Mr. Oikonomou possesses professional experience in diverse industries, including ports, logistics, maritime, production and commercialization of commodities.	10 years

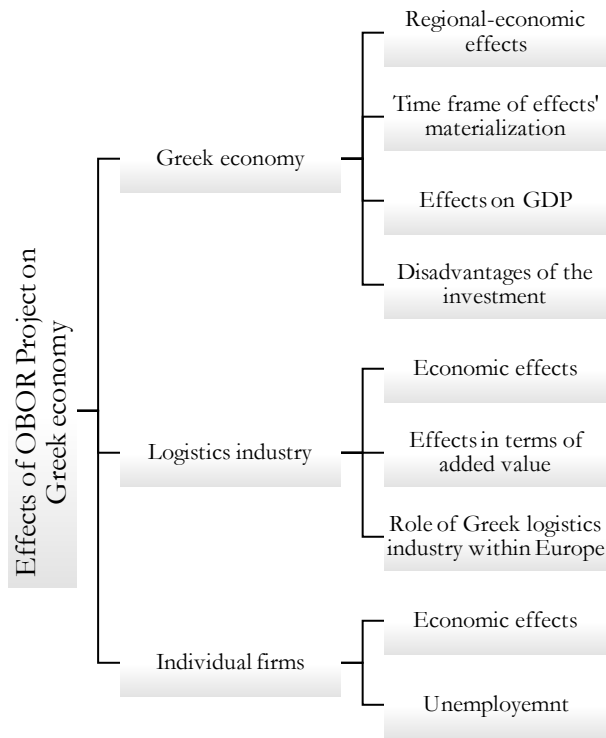
4.3 Opinions' analysis

Since knowledge on the effects that the OBOR project may have on the Greek economy is scarce, collected opinions were analyzed through the adoption of a thematic interpretational content analysis approach (Gibbs, 2007). The selection of the methodological approach was based on content analysis' contribution to the emergence and interpretation of themes from the interview transcripts, leading to the generation of knowledge.

The first stage of the analysis included the extraction of raw-data quotes pertaining to the impact of the OBOR initiative on the overall Greek economy, the various industries of economic activity and individual firms. Quotes that referred to common themes were paraphrased as lower-order themes. The second stage of the analysis included the combination of lower-order themes into higher-order themes, which were, then, pieced together, resulting into an effective representation of participants' collective experiences.

The figure that follows (Figure 13) represents the lower-order and higher-order themes, as they emerged from the data analysis.

Figure 13 – Data analysis themes



5. RESEARCH FINDINGS

5.1 Awareness about the OBOR project

The first group of interview questions (questions regarding interviewee's professional background and current position excluded) explored the extent to which interviewees are aware of the OBOR project, their thoughts about its most important characteristics and their personal view regarding the project's impact on their business.

Regarding participants' knowledge about the OBOR project, it occurs that all five interviewees are aware of the OBOR project, highlighting China's ambition to connect with Europe and its serious investments so as to fulfill its strategic plan. Furthermore, Mr. Stoumpis foresees that, through the OBOR project, China attempts to expand to more sectors of economic activity than the port itself, mentioning that *"in my opinion, the OBOR project intends to slowly develop more services than the port itself (handing, transportation, logistics)"*.

Regarding OBOR project's most important characteristics, all interviewees paid special attention to the investments on infrastructure, realized by Cosco and the Chinese government, aiming at *"overcoming any trade barrier for Chinese export policy and strategic plans"*, according to Mr. Oikonomou. In addition, Mr. E.V. explained that, along with the development of large infrastructure projects *"and the connectivity they bring between Europe, Asia and other places of the world, its most important characteristic is the acceleration of economic, cultural, educational and research exchanges and tourism between China and Greece"*, whereas Mr. Tzanetakos focused on *"the acquisition of Piraeus port by Chinese Cosco, which is expected to change the Greek economy"*.

When asked about the extent on which the OBOR project is affecting their business, some of the interviewees mentioned that their business is not yet affected directly. However most of them agreed on that Cosco's investment is expected to have a significant impact on their business in the future. In more details, Mr. Stoumpis and Mr. Tzanetakos, representatives of the logistics industry, described that *"the increase of the trade flows between Greece and China ... will create multiple opportunities"*. In the same context, Mr. Stoumpis

provided a specific example of their business being affected, by analyzing the case of IBM and HUAWEI products, “*which are not transported to EU through Piraeus, but would be then forwarded to EU with our transportation services*”. Similarly, Mr. Papageorgiou reported that now, OBOR project does not affect directly his work. Nevertheless, according to him “*throughout the years, an increase of the TEUs traffic will be marked and as a result of it, the necessity for customs brokers will be higher in order to ensure the smooth operation of the customs clearances*”. In the meantime, Mr. Oikonomou, representative of the shipping industry, stated that his business is, already, affected, since Cosco’s investments have, already, transformed the port of Piraeus, turning it from a Mediterranean hub into a European hub. According to him, “*around Piraeus a maritime cluster is taking shape with diverse activities further to the traditional vessel ownership boosting up global influence of Greek Shipping and opening new opportunities for companies actively supporting shipping industry*”. Contrary to Mr. Oikonomou, Mr. E.V. affirmed that his business is not directly affected by the OBOR project.

5.2 Effects of OBOR project on Greek economy

The second group of questions focused on the effects that OBOR project may have on the Greek economy. Questions in this group aimed at extracting information regarding: (i) the significance of project’ impact on Greek economy and the time frame of their materialization, (ii) the regional-economic effects that may arise from OBOR project, (iii) the way they may be spread into the wider Greek economy, (iv) project’s impact on the Greek GDP and unemployment rate and (v) the disadvantages of the project.

Overall, interviewees appeared rather optimistic about the changes OBOR project is expected to bring to the Greek economy. Even though they cannot estimate the exact size of the effect, they strongly believe that OBOR project will have a significant and positive impact on the Greek economy. Mr. E.V. thinks that “*OBOR project may attract investments of Chinese companies in Greece, which are rather important for the recovery of the Greek economy. In the meantime, it may support the bilateral trade relations and strengthen the exports of Greek products to China*”, while Mr. Oikonomou stresses out expected positive side effects referring to the modernization of transport infrastructure and

the creation of new jobs. In the same context, Mr. Tzanetakos assumes that OBOR project will *“revive industries, such as the construction and the logistics industry, it will contribute to the decrease of unemployment and the improvement of the transportation infrastructure as well as to the overcoming of trade barriers, reinforcing Greek exports”*. Even though the positive impact of the OBOR project is commonly accepted, participants seem to slightly disagree about the time horizon of the materialization of such impact. Representatives of the logistics industry (Mr. Stoumpis and Mr. Tzanetakos) expect that benefits will be visible in the long run, at least five years ahead of now, contrary to the rest of interviewees, who agree on that OBOR project’s effects will arise both soon and in the long run.

When asked about the regional-economic effects that should be expected from the OBOR investment, interviewees provided some really useful insights. Firstly, all of them agreed on that OBOR investment will contribute to the decrease of the high unemployment rate. Further, they focused on the expected economic growth, *“through higher volume of trade and creation of jobs, move up the value of the logistics services and accrue enormous benefit through the eventual knowledge that will occurred”*, as suggested by Mr. Papageorgiou but also on factors, such as the mobility of products and people and added value to tourist services. In this context, Mr. Oikonomou describes that *“upgrade and upscale of transport infrastructure could promote the mobility of people and products, leverage into better matching between producers and consumers. It could bring some fresh air in job creation giving incentives to Greek skilled force who is currently working abroad to repatriate. Ports are modernized, a direct flight from China to Greece is weekly scheduled bringing added value to tourist services furtherly boosting up a significant pillar of the Greek Economy”*. Again, Mr. Stoumpis and Mr. Tzanetakos, who represent the logistics industry of Greece, expect that these effects will materialize within the next five to ten years, contrary to Mr. Papageorgiou, who expects effects to arise earlier, within the next three to five years. In the meantime, Mr. E.V. foresees that effects will be visible both *“in the near future and in the long run, depending on each sector/industry”*, an opinion shared by Mr. Oikonomou, who stated that *“it depends on the willingness of parties involved to expedite procedures by overcoming trade barriers and regulatory bottlenecks”*. Overall, interviewees are confident that regional and economic effects reported above will

spread into the wider Greek economy, impacting multiple sectors of economic activity, including, among others: ((i) the construction industry, (ii) the logistics industry, (iii) the shipping industry, (iv) exports and (v) tourism. Special attention is paid on Chinese investment's impact on the shipbuilding industry. Mr. Oikonomou supports his sayings by the example of *“the investment of COSCO to dry dock facilities in Scaramanga (ship building and repair area close to Piraeus) which could be the beginning of a constant positive change in ship building and repair industry where Greece has a long tradition but unfortunately is witnessing a continuous fall for many years now”* and Mr. Papageorgiou explains that *“if we take under consideration that the demand for shipping services is expected to rise and at the same time the impact of the maritime in the volume of production units and services it is quite obvious to imagine what will be the level of spread for an economy”*.

Based on their assumptions about the impact that OBOR project will have on the larger Greek economy, participants expect an increase in GDP of Greece in the forthcoming years, due to the Chinese investment, whose scale will have a significant contribution in the effort of Greece's economy to overcome its negative economic situation. However, some of them appear skeptical and relate a possible increase of GDP to the actual materialization of the aforementioned positive effects, stating that *“if benefits and positive effects expected become a reality, this will go hand in hand with an increase in GDP”* (Mr. Oikonomou) and that *“should the Greek government exploit the benefits of such an investment in the right way, there will be an increase in GDP in the long term”*, as assumed by Mr. Stoumpis.

Similarly, an increase of current unemployment rate, as a result of the Chinese investment, is taken, almost, for granted. Most interviewees explain that OBOR project forms a rather big investment, which will, inevitably, be followed by other investments, such as investments in warehousing or in transportation, which will be, further, followed by the creation of new jobs. At this point, Mr. Papageorgiou mentions that *“a quite important number of jobs will be created in the port of Piraeus and in the secondary business activities as well”* and Mr. Tzanetakos explains that *“Given the expected expansion of the activity of different economic sectors and the development of individual firms, the currently*

high unemployment rate will decrease". Finally, Mr. E.V. highlights the sustainable character of new jobs, by commenting that *"Chinese investments can indeed contribute to the creation of new and sustainable jobs"*.

As far as OBOR project's disadvantages for the Greek economy are concerned, interviewees expressed different perceptions. Their majority stated that no disadvantages have been noticed so far and no disadvantages are expected to arise in the future. Mr. Papageorgiou added further that *"if there any disadvantages are not adequate to highlighted them, since the benefits that Greece will gain are quite more important"*. However, both Mr. Oikonomou and Mr. Tzanetakos seem more skeptical, considering that disadvantages are unavoidable and that their size depends on the exploitation plan of any given opportunity arise. In more details, Mr. Oikonomou referred to *"low quality of port or transport management, constructional deficiencies, labor conflicts"* as risks that should be identified, assessed and controlled with well-structured mitigation strategies and Mr. Tzanetakos forecasted *"an increase of illegal trafficking and of the trade of counterfeited products"*.

5.3 Effects of OBOR project on logistics industry

The third group of interview questions attempted to investigate the impact that OBOR project could have on the Greek logistics industry, the time horizon of the materialization of its effects as well as the prerequisites in order for Greece to become a powerful logistics provider for Europe within the upcoming years.

All interviewees agreed on that the OBOR project will have a significant and positive impact on the Greek logistics sector, while some of them noticed that progress is already taking place. Mr. Stoumpis related OBOR project's positive impact to *"the pressure for procedures to be fixed, such as pressure at customs office"*, whereas Mr. E.V. related it to *"the Chinese side's intention to support the Greek logistics sector"*. Overall, interviewees expect that the OBOR project will allow the logistics industry of Greece to expand further its activities, to increase the volume of services and to reach to even higher profitability levels. Furthermore, Mr. Oikonomou stated that *"the impact is already happening"*, a

view, which was, also, shared by Mr. Tzanetakos, adding that “*mega dry ports and logistic hubs (e.g Thriasio), modern warehouse plants with added value manufacturing or labeling services for commodities coming from far east, new infrastructures in highways and railways will all result in structuring advanced transport systems becoming main corridors of moving increasing volumes of cargo to Central European markets*”. Regarding the time horizon of the materialization of project’s effects on the logistics sector, participants agreed that positive impacts will be visible in the long run, especially within a five-year period.

Even though it is commonly accepted by the professionals, who participated in the research, that investments like the OBOR project could support Greece’s effort to become a powerful logistics provider for Europe in the upcoming years, different opinions were expressed about the actions required in order for this effort to succeed. Mr. Stoumpis referred to the need for: (i) political support and stability that could ensure proper investments on time, (ii) merge of spare warehouses and creation of big ones, (iii) building of infrastructure and (iv) proper rail connection and big hubs. In the same context, Mr. Oikonomou suggested the development of “*effective intermodal connections, flexible freight rates, tax incentives or any other financial incentive for attracting or raise investment funds, further investments in technology and automation of services and less trade barriers*” and Mr. Tzanetakos emphasized on “*changes in the regulatory framework and public administration, along with improvements in service quality and attractions of highly skilled workforce and incentives for investments*”. Finally, Mr. Papageorgiou explained that Greece will be able to deal with the new situations that have been generated at the world trade environment, if measures imposed by Troika are implemented.

5.4 Effects of OBOR project on individual firms

Based on interviewees' view, OBOR project is expected to have a significant impact on individual firms, especially on firms operating within the Greek logistics industry. As Mr. Oikonomou explains, *"firms especially in logistics industry will be affected. Impact will be translated in creating new opportunities for business, fostering partnerships with global entities and upgrade their role in the supply chain"*. However, the level of impact on individual firms depends on some numerous factors, including firms' size, their level of service, their resources and finance, according to Mr. Papageorgiou.

Apart from the firms of the logistics sector, OBOR project is supposed to affect firms of other sectors of economic activity, too. Mr. E.V. described that *"OBOR project could have a significant impact, through prospective business partnerships between companies of both countries"*. His view was further strengthened by Mr. Tzanetakos, who added that *"individual firms will primarily benefit from the opportunity of developing strategic partnerships with Chinese companies"*. In any case, special attention should be paid to the factor of the Greek economy, *"which impedes the improvement"*, according to Mr. Stoumpis. Mr. Stoumpis elaborated further on this aspect describing that *"for example, when you need to pay in advance for an export, having no insurance for the burden, that in the long run blocks the improvement"*.

5.5 Concluding remarks

The analysis of the collected data provided some valuable insights regarding the impacts that the OBOR project may have on the wider Greek economy along with the logistics industry and individual firms. Before the presentation of key findings and conclusions extracted by the analysis, the choice of interviewees was, once more, justified by the fact that, thanks to their different professional backgrounds and experiences, they contributed to the formation of a global view about the Chinese investment in Greece.

As far as research hypotheses are concerned, the results of the analysis suggest that both of them should be accepted. In more details, all interviewees agreed on that the OBOR

project will have a significant and positive impact on the Greek economy as well as positive and significant regional and economic effects. Furthermore, all interviewees suggested that both types of effects will materialize in the long run. As a result, research hypothesis H1, stating that OBOR project will have a significant and positive impact on the Greek economy, in the long-run, is accepted.

In the meantime, most respondents reported that positive impacts on the Greek economy are, already, visible or they are expected to arise both in the short and the long term. Consequently, research hypothesis H2, stating that OBOR project will have a significant and positive impact on the Greek economy, in the short-term, is accepted.

The following table summarizes the results of the research hypotheses testing.

Table 2 - Results of research hypotheses testing

Hypothesis	Support
H1: OBOR project will have a significant and positive impact on the Greek economy, in the long-term.	Accepted
H2: OBOR project will have a significant and positive impact on the Greek economy, in the short-term.	Accepted

6. CONCLUSIONS

6.1 Summary of key findings

The primary aim of this thesis was to investigate, on one hand the extent to which the modern Maritime Silk Road will manage to eventually boost the sensitive Greek economy and on the other hand, the extent to which Greece will be able to gain a powerful position regarding the logistics sector and will manage to become a key logistics provider to the EU. To provide an answer to the main research question, the researcher proceeded to the conduction of exploratory interviews with five professionals, operating within the Greek market. Two of them work for the Greek logistics industry, which is expected to be directly affected by the OBOR initiative, whereas the rest of the participants represent different economic sectors, namely: (i) the shipping industry, (ii) the customs brokers and (iii) the journalists. Taking into consideration that each interviewee demonstrated different professional background, thus different professional experiences, the author considered them rather suitable for the purposes of the study, as they would be able to contribute to the formation of a global view upon OBOR project's impact on the larger Greek economy.

The analysis of the collected opinions provided full answers to all research questions formulated in the first chapter. In more details:

- ❖ The OBOR project, a Chinese plan, consisting of interconnected infrastructure projects, stretching across sixty countries, from Western Europe to Southeast Asia, is expected, despite some minor advantages, to have a significant and positive impact on the Greek economy, as well as on the logistics industry and the individual firms of the country in the long term.
- ❖ In terms of regional-economic effects of the OBOR investment, Greek economy is supposed to strengthen and grow, since economic, cultural, educational and research exchanges and tourism between China and Greece will be accelerated. Apart from the logistics industry, sectors of economic activity, such as construction and tourism, will, also, be significantly and positively affected, while individual firms will mainly benefit by developing strategic partnerships with Chinese

companies. Overall, employment is expected to decline, whereas added value of the project will increase along with the country's GDP.

- ❖ It is foreseen that OBOR project's positive effects will start to materialize both in the short and long run.
- ❖ OBOR project refers mainly to a large investment on the Port of Piraeus, however, apart from the port area, benefits will spread into the wider Greek economy. In more details, it is expected that OBOR initiative will affect positively the construction industry, along with the shipping and the tourism industry and trade.
- ❖ Chinese investment is, also, expected to contribute to the increase of the GDP of Greece, within the forthcoming years, if the benefits and the positive impacts that are expected, become a reality
- ❖ The Chinese investment will contribute to the reduction of the high unemployment rate, through its contribution to the expansion of the activity of multiple sectors of economy
- ❖ The development of large infrastructure projects, within the context of the OBOR project and the connectivity they bring between Europe, Asia and other places of the world is of great importance. The logistics industry will expand further its activities, aiming at increasing the volume of services, reaching to even higher profitability levels and becoming a powerful logistics provider for Europe in the upcoming years.
- ❖ Disadvantages of the project, such as low quality of port or transport management, constructional deficiencies, labor conflicts, increase of illegal trafficking and increase of the trade of counterfeited products, are, also, expected, however, they are considered to be of minor importance.

Summing up, Greece has the potential to benefit from initiatives, such as the OBOR investment and become a leading logistics services' provider in the European market. Nonetheless, it is imperative that certain measures are taken. These include, among others, changes in the regulatory framework and in public administration, political support and stability, flexible freight rates, improvements in service quality, attraction of highly skilled workforce, incentives, either tax or financial, for investments and less trade barriers.

6.2 Relating findings to previous researches

The findings of the current study confirm only partially the findings of previous similar researches, conducted within the context of the international literature. In more details, the results of the analysis suggest that investment on infrastructure has a positive and significant impact on the economic growth of a country, confirming numerous researchers, who extracted the same conclusion previously (Canning and Perdoni, 2004; Tripathy *et al.*, 2006; Ahmed *et al.*, 2013; Kumo, 2012; Fedderke and Garlick, 2008; German-Soto and Barajas Bustillos, 2014; Loayza and Odawara, 2010 and Sahoo *et al.*, 2010). In addition, the findings of the research strengthen further the view that the positive impact that investment on infrastructure may have on the economic growth, materialize in the long run, as shown by Canning and Pedroni (2004), Tripathy *et al.* (2006), Ahmed *et al.* (2013), Kumo (2012), Fedderke and Garlick (2008) and German-Soto and Barajas Bustillos (2014). However, it rejects the findings of researchers, such as Tripathy *et al.* (2006) and Ahmed *et al.* (2013), who suggested that investment on infrastructure does not have a significant effect on economic growth in the short run.

Finally, interviewees' fears that the positive impacts of the OBOR investment will materialize only if certain measures are put into action by the Greek government, tend to support the findings of business reports (www.businessinsider.com) which, based on examples of Chinese investments on other countries, state that factors, such as the administrative inefficiency and the high tax rates, may challenge the success of the investment.

6.3 Limitations and suggestions for further research

One of the most important limitations of this research refers to the number of interviewees that participated in the study. Due to limited time and resources, the author proceeded to the realization of interviews with only five professionals. Participants represented different sectors of economic activity and their selection was largely based on their different professional background and experiences, to ensure the objectivity of research results.

However, the content of this thesis constitutes a snapshot of the perceptions of few individuals, thus it would be interesting to investigate as well, the views of other professionals, who operate on industries rather indirectly affected by the OBOR investment, such as the construction, the tourism or the trade industries.

Another limitation of the study derives from the fact that all interviewees operate in the wider region of Athens. The major investment of Chinese government concerns the port of Piraeus, nevertheless, it is expected that the effects of the OBOR project and of all investments accompanying it will spread into the larger Greek economy. In this context, it would be quite challenging to investigate the view of professionals based on Northern Greece regarding the OBOR project and their thoughts about the way it is going to affect their own businesses.

Finally, taking under consideration that, according to the research results, the effects of the OBOR project on the Greek economy will be visible within the next few years, it is suggested the conduction of a similar research after a few years. Such a study would enable the capturing of materialized effects and their comparison both with the expected effects and the results of other Chinese investments, as reported by other researchers earlier.

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APPENDIX A' – INTERVIEW QUESTIONS

Table 3 - Interview Questions

Personal details	1. What is your professional background?
	2. How many years of professional experience do you have?
Current position	3. What is your current position?
	4. Which are your main tasks?
OBOR Project related questions	5. Do you know the OBOR project? If yes, what do you consider the important characteristics of the project?
	6. Is the OBOR project affecting your own business? If yes, how?
	7. Do you believe that OBOR project could have a significant impact on the Greek economy? If so, how is it expected to affect the Greek economy and within what time horizon (in the near future or in the long run)?
	8. Do you believe that OBOR project could have a significant impact on the Greek logistics industry? If so, how is it expected to affect the Greek logistics industry and within what time horizon (in the near future or in the long run)?
	9. Do you believe that OBOR project could have a significant impact on the individual firms of Greece? If so, how is it expected to affect the individual firms of Greece and within what time horizon (in the near future or in the long run)?
	10. According to your opinion, what are the regional-economic effects to be expected from the OBOR investment (e.g in terms of added-value, employment etc)?
	11. What, do you think, is the time-frame for these effects to materialize?
	12. How, do you think, will these effects spread into the Greek economy? Do you believe that only the port area will be benefited, or these effects will be spread towards the larger Greek economy?
	13. Should we expect an increase in GDP of Greece in the forthcoming years, due to the Chinese investment?
	14. Do you think that OBOR project will contribute to the reduction of the currently high unemployment rate in the country?
	15. Do you believe that OBOR project will, also, have disadvantages for the Greek economy? If so, can you, please, describe them?
	16. What are your suggestions in order for Greece to become a powerful logistics provider for Europe in the upcoming years? Do

you think the investments like the OBOR project could support this effort?

TRANSCRIPTS OF INTERVIEWS

Interview with Mr. Nasos Stoumpis

- 1. What is your professional background? How many years of professional experience do you have?**

I work on logistics since 1997. More specifically, I work for FDL group since 2002. Before 2002, I was occupied as logistics manager at Pilsbury. I've joined operational as well as commercial parts of Foodlink company until now. I am now CEO of Velostrans, which is an international transporter, and commercial director of FDL group S.A.

- 2. What is your current position? Which are your main tasks?**

As CEO of Velostrans I am responsible for the coordination and general management of the company. I, also, act as the commercial director of the company, being responsible for sales development, customer support and service as well as for marketing.

- 3. Do you know the OBOR project? If yes, what do you consider the important characteristics of the project?**

Yes, I am aware of the project, especially regarding the impact that COSCO has on the Piraeus port. I surely know that the investment has come to follow a certain strategic plan, it has already made some serious investments and it keeps investing. It is a big bet between Cosco and the Chinese government. Cosco has come here to follow a very specific plan. To be the port, to increase the traffic from China to EU having Greece as a gate. Moreover, in my opinion, the OBOR project intends to slowly develop more services than the port itself (handling, transportation, logistics).

In my opinion the most important characteristics of this project are the investment on infrastructure, the company itself, as well as warehousing investments with companies,

which are affiliated with Cosco and building of a good company picture for the Greek market.

4. Is the OBOR project affecting your own business? If yes, how?

Not yet directly. Regarding logistics, we have noticed a commercial activity of COSCO to take part to a couple of bargains for logistics operations. Not only, do they do business on the port activities, but also at the logistics sector.

They will affect all of us as they keep expanding their investment.

An example where our business could be affected, would be the case where IBM and HUAWEI (which are not transported to EU through Piraeus, instead on North EU), would be then forwarded through EU with our transportation companies.

5. Do you believe that OBOR project could have a significant impact on the Greek economy? If so, how is it expected to affect the Greek economy and within what time horizon (in the near future or in the long run)?

In the long run (within 5 years) a small benefit will show up. The companies and the economy in general will be benefited (tax customs). I cannot estimate the size of the effect on the GDP (above 1% of the GDP).

6. Do you believe that OBOR project could have a significant impact on the Greek logistics industry? If so, how is it expected to affect the Greek logistics industry and within what time horizon (in the near future or in the long run)?

I believe yes. As long as there is pressure for procedures to be fixed (e.g. pressure at customs offices). The time horizon would be 5 years

7. Do you believe that OBOR project could have a significant impact on the individual firms of Greece? If so, how is it expected to affect the individual firms of Greece and within what time horizon (in the near future or in the long run)?

When a network is being upgraded, everyone takes their piece. However, the Greek economy is a factor which impedes the improvement. For example, when you need to

pay in advance for an export, having no insurance for the burden, that in the long run blocks the improvement.

8. According to your opinion, what are the regional-economic effects to be expected from the OBOR investment (e.g in terms of added-value, employment etc)?

Yes, more people and machines will be needed as the investment keeps going, thus employment would be needed. I think it's going to be a positive change.

9. What, do you think, is the time-frame for these effects to materialize?

5 years

10. How, do you think, will these effects spread into the Greek economy? Do you believe that only the port area will be benefited, or these effects will be spread towards the larger Greek economy?

I believe that the benefits arising from this investment will also benefit the Greek economy. However, in my opinion this benefit will show up only after a few years. A prerequisite for this to happen will be the proper governmental management.

11. Should we expect an increase in GDP of Greece in the forthcoming years, due to the Chinese investment?

Should the Greek government exploit the benefits of such an investment in the right way, I assume there will be an increase in GDP in the long term. Taking measures which would further increase the country's exports would be a way of elaborating the GDP increase.

12. Do you think that OBOR project will contribute to the reduction of the currently high unemployment rate in the country?

Such a big investment will be followed by other investments such as warehousing or transportation solutions that didn't exist until now. Thus, more positions would need to be covered. Should we assume that the investment works as planned the need for more

workforce will be inevitable. Therefore, if the optimistic scenario wins, a reduction in unemployment would be achieved.

13. Do you believe that OBOR project will, also, have disadvantages for the Greek economy? If so, can you, please, describe them?

No disadvantages except for the case where we do not decide to accept this whole change as a country.

14. What are your suggestions in order for Greece to become a powerful logistics provider for Europe in the upcoming years? Do you think the investments like the OBOR project could support this effort?

- Geographical advantage
- Political support and stability in order to achieve proper investments on time
- Merge the spare warehouses into one big one (less costs, less traffic,)
- Build infrastructure

The main disadvantage is the lack of proper rail connection and big hubs. At this point, it should be mentioned that the Thriasio project has frozen.

Interview with Mr. Stelios Papageorgiou

- 1. What is your professional background? How many years of professional experience do you have?**

I work as a custom broker since 2009. During these 9 years I had the opportunity to exercise customs clearance processes for a variety of goods (e.g. clothes, medicines).

- 2. What is your current position? Which are your main tasks?**

During the last 3 years I cooperate with Cosco Greece on the domain of the customs operations and more detailed at the tobacco excise duties. Therefore, I am responsible to organize and perform all the customs procedures for British American Tobacco (BAT) Hellas such as the preparation of taxation statements, import and export of tobacco products and issued of Electronic Accompanying Documents (e-AD) for the movement of excise goods in accordance with Customs regulations. Apart from the context of the daily procedures I am responsible to inform BAT Hellas with the latest customs amendments of the EU regulations.

- 3. Do you know the OBOR project? If yes, what do you consider the important characteristics of the project?**

One Belt and One Road (OBOR) is China's most ambitious project to create world's largest economic platform. The OBOR action plan encompasses two main elements: The Silk Road Economic Belt and the 21st Century Maritime Silk Road. The Silk Road Economic Belt is conceived of connecting China to Europe (via Central Asia), the Persian Gulf, the Mediterranean (through West Asia), and the Indian Ocean (via South Asia). At the same time, the 21st Century Maritime Silk Road is planned to create connections among regional waterways.

- 4. Is the OBOR project affecting your own business? If yes, how?**

Now OBOR project has not affected directly my work as a customs broker, however based on the proposed plan an essential element to the success of the project will

determine the Port of Piraeus in Greece. In my opinion, throughout the years will be marked an increase of the TEUs traffic and as a result of it, the necessity for customs brokers will be higher in order to ensure the smooth operation of the customs clearances.

5. Do you believe that OBOR project could have a significant impact on the Greek economy? If so, how is it expected to affect the Greek economy and within what time horizon (in the near future or in the long run)?

Greece's strategic location constitutes a major advantage for the development of opportunities relatively the Logistics domain, as its geographical position enables access to three continents (Europe-Asia-Africa). Therefore, Greece will determine a critical role in the successful fulfillment of OBOR project, especially through the utilization of Piraeus port in the action plan. As a consequence of the project, Greek economy will benefit in short-term (i.e. increase of labor positions, income from customs duties) and long-term (i.e. expertise and skilled workforce, increase of the logistic activities in Greece).

6. Do you believe that OBOR project could have a significant impact on the Greek logistics industry? If so, how is it expected to affect the Greek logistics industry and within what time horizon (in the near future or in the long run)?

The domain of logistics services in Greece present an improvement since 2010, when COSCO decided to invest in port of Piraeus. According to the Logistics Performance Index (LPI) of the World Bank, Greece in 2010 was standing in the 53th position while in 2016 has reached 47th. Taking under consideration that Greece's GDP during the last 8 years has been shrunk by 30%, highlights the significant importance of the investment. Therefore, with the OBOR project in action the logistics industry of Greece will be able to expand its activities, increase the volume of services and reach to even higher profitability for the industry.

- 7. Do you believe that OBOR project could have a significant impact on the individual firms of Greece? If so, how is it expected to affect the individual firms of Greece and within what time horizon (in the near future or in the long run)?**

The Logistics domain has been developed into a fundamental aspect of the business environment, as the companies have realized the substantial benefits which arise from utilizing effective Logistics practices, at their operations. Moreover, the complexity of the logistics sector is not able to apply by a minority of businesses. In the aftermath of the OBOR project, all firms which perform logistics activities in Greece will be affected. However, the level of the impact for Greek firms will vary according to their size, level of services, resources and finance.

- 8. According to your opinion, what are the regional-economic effects to be expected from the OBOR investment (e.g in terms of added-value, employment etc)?**

At the regional level, Greece companies will have the opportunity to expand their activities in the international trade and cooperate with firms from other nations. Greece has been positive on OBOR with the expectation for economic growth through higher volume of trade and creation of jobs, move up the value of the logistics services and accrue enormous benefit through the eventual knowledge that will occurred.

- 9. What, do you think, is the time-frame for these effects to materialize?**

The time-frame for reliable results will be range from 3-5 years. In my opinion, during this period the results of the business activities will be measurable.

- 10. How, do you think, will these effects spread into the Greek economy? Do you believe that only the port area will be benefited, or these effects will be spread towards the larger Greek economy?**

According to analysts the OBOR project is expected to reshape the international trade, therefore the effects on businesses which operate on the domain of logistics are going to be massive. In such a case, the echo of the consequences will not be limited only in the port of Piraeus but will expand in the whole economy. For instance, if we take under consideration that the demand for shipping services is expected to rise and at the

same time the impact of the maritime in the volume of production units and services it is quite obvious to imagine what will be the level of spread for an economy.

11. Should we expect an increase in GDP of Greece in the forthcoming years, due to the Chinese investment?

Greece's GDP during the recession shrunk almost 30% and as result a paradox in economic terms named deflation presented which only in the whole economic history in Japan had appeared in 1970. Therefore, any investment in such a scale will have a significant contribution in the effort of Greece's economy to overcome this situation.

12. Do you think that OBOR project will contribute to the reduction of the currently high unemployment rate in the country?

Aforementioned how OBOR project will affect various business activities as a result of its successful implementation in Greece. Therefore, I strongly believe that a quite important number of jobs will be created in the port of Piraeus and in the secondary business activities as well.

13. Do you believe that OBOR project will, also, have disadvantages for the Greek economy? If so, can you, please, describe them?

In my opinion, OBOR project for Greece's economy only positive aspects will have. If there any disadvantages are not adequate to highlighted them, since the benefits that Greece will gain are quite more important.

14. What are your suggestions in order for Greece to become a powerful logistics provider for Europe in the upcoming years? Do you think the investments like the OBOR project could support this effort?

The trend of the global market is the shrinkage of the processes and the expenditures for the creation of a competitive business environment. In addition to that, the removal of the barriers of entry across the nations has facilitate towards this policy, as the decline of the services that involved across the nations contribute to be achieved limitation of the cost and time aspects. In this framework, the countries analyze their

strengths and weaknesses so as to create an attractive environment for investments. Nowadays, Greece faces the results of the devastating economic recession and consequently effective measures that will lead the country to reenter at the global markets, is imperative. Therefore, the measures of Troika aim to this direction, as new situations have been generated at the world trade environment.

Interview with Mr. E.V. - Journalist

- 1. What is your professional background? How many years of professional experience do you have?**

I am a journalist with an educational background in media and communication, political science and public administration. I am currently enrolled at an MSc in international relations and strategic studies. I have worked for about nine years in media and communication.

- 2. What is your current position? Which are your main tasks?**

I am currently working for a press office. My main tasks include the monitoring of foreign press, the compilation of press releases and political documentation as well as the management of social media.

- 3. Do you know the OBOR project? If yes, what do you consider the important characteristics of the project?**

I am informed about the OBOR Project. I think that its most important characteristic is the acceleration of economic, cultural, educational and research exchanges and tourism between China and Greece. Furthermore, the development of large infrastructure projects and the connectivity they bring between Europe, Asia and other places of the world is equally important.

- 4. Is the OBOR project affecting your own business? If yes, how?**

Not directly.

- 5. Do you believe that OBOR project could have a significant impact on the Greek economy? If so, how is it expected to affect the Greek economy and within what time horizon (in the near future or in the long run)?**

OBOR Project may attract investments of Chinese companies in Greece, which are considered rather important for the recovery of the Greek economy. In the meantime, it

may support the bilateral trade relations and strengthen the exports of Greek products to China. Positive impact may be arising both in the near future and in the long run.

- 6. Do you believe that OBOR project could have a significant impact on the Greek logistics industry? If so, how is it expected to affect the Greek logistics industry and within what time horizon (in the near future or in the long run)?**

COSCO's investment on the port of Piraeus (as well as COSCO's other investments) may benefit the Greek logistics sector, rather in the long run. This depends on the Chinese side's intention to support it.

- 7. Do you believe that OBOR project could have a significant impact on the individual firms of Greece? If so, how is it expected to affect the individual firms of Greece and within what time horizon (in the near future or in the long run)?**

OBOR project could have a significant impact, through prospective business partnerships between companies of both countries. In this context, China was the honoured country at the 82th International Exhibition of Thessaloniki. Such results may arise soon, given that Chinese companies have officially expressed their interest.

- 8. According to your opinion, what are the regional-economic effects to be expected from the OBOR investment (e.g in terms of added-value, employment etc)?**

Chinese investments, within the context of OBOR project, may have multi-dimensional benefits for the Greek economy. They may contribute to the recovery of the economy, to the creation of new jobs, to improve country's image abroad and form a stability pillar.

- 9. What, do you think, is the time-frame for these effects to materialize?**

Either the near future or the long-run, depending on sector/industry.

10. How, do you think, will these effects spread into the Greek economy? Do you believe that only the port area will be benefited, or these effects will be spread towards the larger Greek economy?

Investments on sectors, such as transportation, shipping, tourism, trade and shipbuilding industry as well as infrastructure may bring positive results for the overall Greek economy. In certain sectors, such results may be visible in the short term.

11. Should we expect an increase in GDP of Greece in the forthcoming years, due to the Chinese investment?

It's a bit early to assess the Chinese activity, however, it may lead to an increase if it keeps up the same pace.

12. Do you think that OBOR project will contribute to the reduction of the currently high unemployment rate in the country?

Chinese investments can indeed contribute to the creation of new and sustainable jobs.

13. Do you believe that OBOR project will, also, have disadvantages for the Greek economy? If so, can you, please, describe them?

No disadvantages for the Greek economy are notices. At least, until now.

14. What are your suggestions in order for Greece to become a powerful logistics provider for Europe in the upcoming years? Do you think the investments like the OBOR project could support this effort?

Based on COSCO's example, the port of Piraeus may turn into the key transit center of the Mediterranean, forming the main gate to the rest of Europe. In this way, investments, such as the OBOR project may result to the creation of a strong logistics center.

Interview with Mr. Fotis Oikonomou

- 1. What is your professional background? How many years of professional experience do you have?**

I have almost 10 years of professional experience. I have worked in a diverse type of industries including ports, logistics, maritime, production and commercialization of commodities. My academic background has to do with urban planning and transport economics with a specialization in port management.

- 2. What is your current position? Which are your main tasks?**

I am working in a Greek maritime corporation consisting of a group of companies with two main activities: management and operation of ships and development of IT solutions for maritime industry. I am mostly dealing with business development and project management, but I am also engaged in operational Research activity as member of the company's research department.

- 3. Do you know the OBOR project? If yes, what do you consider the important characteristics of the project?**

I Know the One Belt One Road initiative. It is China's broader revival of the ancient silk trade corridors between Chinese Empire and EURASIA economy. It is highlighting the fact that in our days neo-liberal China with a consolidated centralized administration and a powered public authority is perhaps the only economy that can raise such huge funds for this kind of complex and expensive projects. The most important fact of this initiative are the billions of dollars dedicated to infrastructure developments in third countries to overcome any trade barrier for Chinese export policy and strategic plans

- 4. Is the OBOR project affecting your own business? If yes, how?**

If we consider Piraeus port as an important node along the new silk road, then the answer is yes. COSCO acquired 51% of the port with a plan to raise this percentage to

67% -if I am not wrong- in few years' time. With COSCO investments in new port infrastructure Piraeus has increased container throughput and along with that its role as a hub not only in Mediterranean but in European port system. Around Piraeus a maritime cluster is taking shape with diverse activities further to the traditional vessel ownership boosting up global influence of Greek Shipping and opening new opportunities for companies actively supporting shipping industry.

- 5. Do you believe that OBOR project could have a significant impact on the Greek economy? If so, how is it expected to affect the Greek economy and within what time horizon (in the near future or in the long run)?**

I cannot measure exactly the Impact of OBOR project to the Greek economy, but my feeling is that in the near future will have positive side effects modernizing transport infrastructure and creating new jobs

- 6. Do you believe that OBOR project could have a significant impact on the Greek logistics industry? If so, how is it expected to affect the Greek logistics industry and within what time horizon (in the near future or in the long run)?**

Yes, the impact will be significant, and it is already happening. Mega dry ports and logistic hubs (e.g Thriasio), modern warehouse plants with added value manufacturing or labeling services for commodities coming from far east, new infrastructures in highways and railways will all result in structuring advanced transport systems becoming main corridors of moving increasing volumes of cargo to Central European markets

- 7. Do you believe that OBOR project could have a significant impact on the individual firms of Greece? If so, how is it expected to affect the individual firms of Greece and within what time horizon (in the near future or in the long run)?**

Firms especially in logistics industry will be affected. Impact will be translated in creating new opportunities for business, fostering partnerships with global entities and upgrade their role in the supply chain.

8. According to your opinion, what are the regional-economic effects to be expected from the OBOR investment (e.g in terms of added-value, employment etc)?

Sector wise someone could think of the benefits coming from infrastructure projects and gained by local engineering contractors. Construction industry is a sector facing persistent stagnation during the years of economic crisis and OBOR project could be a factor for growth. In any case upgrade and upscale of transport infrastructure could promote the mobility of people and products, leverage into better matching between producers and consumers. It could bring some fresh air in job creation giving incentives to Greek skilled force who is currently working abroad to repatriate. Ports are modernized, a direct flight from China to Greece is weekly scheduled bringing added value to tourist services furtherly boosting up a significant pillar of the Greek Economy.

9. What, do you think, is the time-frame for these effects to materialize?

It depends on the willingness of parties involved to expedite procedures by overcoming trade barriers and regulatory bottlenecks

10. How, do you think, will these effects spread into the Greek economy? Do you believe that only the port area will be benefited, or these effects will be spread towards the larger Greek economy?

I have mentioned before some benefits for other industries as construction and tourism. Another example is the investment of COSCO to dry dock facilities in Scaramanga (ship building and repair area close to Piraeus) which could be the beginning of a constant positive change in ship building and repair industry where Greece has a long tradition but unfortunately is witnessing a continuous fall for many years now.

11. Should we expect an increase in GDP of Greece in the forthcoming years, due to the Chinese investment?

If benefits and positive effects expected become a reality, this will go hand in hand with an increase in GDP.

12. Do you think that OBOR project will contribute to the reduction of the currently high unemployment rate in the country?

I cannot measure the volume, but unemployment rate will fall.

13. Do you believe that OBOR project will, also, have disadvantages for the Greek economy? If so, can you, please, describe them?

It all depends on the exploitation plan of any given opportunity arise. Hidden risks are always behind any huge project as OBOR. Low quality of port or transport management, constructional deficiencies, labor conflicts or any other risk should be identified, assessed and controlled with well-structured mitigation strategies.

14. What are your suggestions in order for Greece to become a powerful logistics provider for Europe in the upcoming years? Do you think the investments like the OBOR project could support this effort?

Greece has always had the location to become a gateway for European market but lacking a right regulatory layout, incentives for investments and quality of services. Effective intermodal connections, flexible freight rates, tax incentives or any other financial incentive for attracting or raise investment funds, further investments in technology and automation of services, less trade barriers are some of the key factors to become a significant logistic provider for Europe and investments like OBOR will support this effort especially in terms of infrastructure and superstructure adequacy and excellence.

Interview with Mr. Ilias Tzanetakos

1. What is your professional background? How many years of professional experience do you have?

I started my professional experience working as a sales associate at Coca cola Hellenic for 1 year. Afterwards, I initiated my career at FDL group as a trainee for 6 months; which was followed by almost 4 years of being an Account Manager at the same company. Therefore, my professional experience at the commerce and logistics sector lasts approximately 5 years.

2. What is your current position? Which are your main tasks?

I am currently working as a warehouse manager at the biggest DC of FDL GROUP S.A. company. My main task is to control the proper functions of the warehouse. I am responsible of managing people, processes and systems, to ensure goods are received and dispatched appropriately and productivity targets are met. I am also responsible for workplace health and safety standards and for the security of the building and stock. Moreover, I liaise with customers, suppliers and transport companies, plan, coordinate and monitor the receipt, order, assembly and dispatch of goods.

3. Do you know the OBOR project? If yes, what do you consider the important characteristics of the project?

I am aware of the OBOR project, a huge Chinese investment aiming at connecting China and Europe and facilitating the trade flows between them. I believe that the most important characteristic of the project is the development of infrastructure to third countries as well as the acquisition of Piraeus port by Chinese COSCO, which is expected to change the Greek economy.

4. Is the OBOR project affecting your own business? If yes, how?

Considering that FDL group is one of the key players of the Greek logistics sector, OBOR project is undoubtedly affecting our business. The OBOR project has, already, transformed the Piraeus port into one of the fastest growing ports worldwide, contributing to the further strengthening of activities, such as construction and transportation. Moreover, it is expected to support the trade relations between Greece and China and increase the trade flows between them. In this context, we hope that OBOR project will create multiple opportunities for FDL group, which specializes in international transportation services.

5. Do you believe that OBOR project could have a significant impact on the Greek economy? If so, how is it expected to affect the Greek economy and within what time horizon (in the near future or in the long run)?

I strongly believe that the overall impact of OBOR project to the Greek economy will be positive. I assume that it will revive industries, such as the construction and the logistics industry, it will contribute to the decrease of unemployment and the improvement of the transportation infrastructure as well as to the overcoming of trade barriers, reinforcing Greek exports. I expect that benefits of the OBOR project will be visible in the long run, at least five years ahead from now.

6. Do you believe that OBOR project could have a significant impact on the Greek logistics industry? If so, how is it expected to affect the Greek logistics industry and within what time horizon (in the near future or in the long run)?

I am sure that the impact will be significant, and I can notice that changes are already taking place. COSCO's investments in Piraeus port and infrastructure are, already, positively affecting our business, by increasing the imports' and exports' volumes.

- 7. Do you believe that OBOR project could have a significant impact on the individual firms of Greece? If so, how is it expected to affect the individual firms of Greece and within what time horizon (in the near future or in the long run)?**

As mentioned previously, the OBOR project is expected to affect several different industries in Greece. Individual firms will primarily benefit from the opportunity of developing strategic partnerships with Chinese companies. Firms of the logistics industry will be heavily impacted, enjoying opportunities for expansion and business development, which lead to improvement of profitability and performance.

- 8. According to your opinion, what are the regional-economic effects to be expected from the OBOR investment (e.g in terms of added-value, employment etc)?**

OBOR investment is affecting multiple sectors of the Greek economy, including among other: (i) the construction industry, (ii) the logistics industry, (iii) the shipping industry, (iv) exports and (v) tourism. All the above-mentioned sectors are expected to experience decrease of unemployment rate, increase of service quality and of course, a range of economic benefits.

- 9. What, do you think, is the time-frame for these effects to materialize?**

I think that positive effects of OBOR project will start to materialize within the next five to ten years.

- 10. How, do you think, will these effects spread into the Greek economy? Do you believe that only the port area will be benefited, or these effects will be spread towards the larger Greek economy?**

I surely believe that effects of the Chinese investment will spread into the wider Greek economy, significantly impacting the sectors mentioned below ((i) the construction industry, (ii) the logistics industry, (iii) the shipping industry, (iv) exports and (v) tourism).

- 11. Should we expect an increase in GDP of Greece in the forthcoming years, due to the Chinese investment?**

An increase in Greek GDP should be expected as long as aforementioned positive effects do materialize during the upcoming years.

12. Do you think that OBOR project will contribute to the reduction of the currently high unemployment rate in the country?

Given the expected expansion of the activity of different economic sectors and the development of individual firms, the currently high unemployment rate will decrease.

13. Do you believe that OBOR project will, also, have disadvantages for the Greek economy? If so, can you, please, describe them?

I think that disadvantages are unavoidable, but I hope that they will not be able to outrun the positive benefits that are expected. In any case, I expect an increase of illegal trafficking and of the trade of counterfeited products.

14. What are your suggestions in order for Greece to become a powerful logistics provider for Europe in the upcoming years? Do you think the investments like the OBOR project could support this effort?

Given its strategic location between Europe, Asia and Africa, Greece could easily become one of the key logistics providers worldwide. However, to achieve this, changes in the regulatory framework and in public administration should take place, along with improvements in service quality and attractions of highly skilled workforce and incentives for investments. Investments, such as the OBOR project, could, surely, support this effort as they could contribute to the strengthening of the Greek economy.