

Greece: EIB, National Bank of Greece and Piraeus Bank launch EUR 560 million agriculture investment scheme



- First targeted support for agriculture and bio-economy investment in Greece by EIB
- Greece is second largest beneficiary under pan-European EIB agriculture programme
- NBG, Piraeus Bank and EIB join forces to unlock new investment by farmers and agribusinesses
- Scheme to modernise production, increase exports and improve quality of Greek agriculture
- Dedicated financing to encourage young farmers to invest to transform agriculture sector

The European Investment Bank will partner with two leading Greek banks, the National Bank of Greece and Piraeus Bank, to transform agricultural investment across Greece. The new scheme is expected to back EUR 560 million of new investment by farmers, agribusiness, food and bioeconomy companies across the country.

Agriculture and agribusiness is crucial sector for the Greek economy and key employer in rural districts and regional towns. The new agriculture investment initiative is expected to accelerate use of new technology, improve the quality of agricultural products and enable the Greek agriculture and agribusiness to better serve domestic and international markets.

Addressing the challenge of ageing farmers

The future of farming in Greece, as in many other European countries, is challenged by an ageing workforce and young people not wishing to work in the agriculture sector. In Greece, more than 30% of those working in agriculture are over the age of 64 and only 5% younger than 35 years old.

To address this challenge, part of the new agriculture and agribusiness lending scheme will be dedicated for young farmers and young owners and managers of agriculture and agribusiness companies, under the age of 41.

“New investment is crucial to unlock the full potential of agriculture and to support economic and social development across Greece. It is a pleasure to welcome EIB President Werner Hoyer to Athens and recognise the European Investment Bank’s firm commitment to support agriculture and agribusiness investment in Greece in partnership with NBG and Piraeus Bank. This exciting new initiative, the second largest national scheme under EIB’s pan-European agriculture investment initiative, will help to transform Greek agriculture, enable agribusiness to innovate and encourage young farmers to create jobs.” said Christos Staikouras, Minister of Finance of the Hellenic Republic and Governor of the European Investment Bank.

“Greece is home to world class agriculture and exports high quality agriculture products loved by consumers in Greece and around the world. This new agriculture financing scheme will help farmers and agriculture companies to invest in production, innovate new products and create skilled jobs across the country, as well as address the challenge of young people not starting careers in agriculture. I congratulate the European Investment Bank, National Bank of Greece and Piraeus Bank for their engagement to further support Greek agriculture and agribusiness.” said Makis Voridis, Minister of Rural Development and Food.

“The signing of the loan agreements with the EIB for the financing of EUR 560 million of investments in the primary sector signals the government’s determination to support Greek farmers and improve the competitiveness of agricultural products. It also highlights the valuable contribution the EIB is making in the effort to modernise agricultural production, promote precision farming and overhaul the country’s agricultural infrastructure,” said Kostas Skrekas, Deputy Minister of Rural Development and Food.

“The European Investment Bank is pleased to support new agriculture and agribusiness investment across Greece. The economic and social impact of the EIB’s first targeted support for agriculture investment in this country, in cooperation with NBG and Piraeus Bank, will be strengthened by the local knowledge of our partners and the EIB’s experience across Europe. The dedicated support for young farmers reflects challenges facing agriculture across Europe and this new initiative will provide a model for others to follow.” said Werner Hoyer, President of the European Investment Bank.

The new initiative was formally agreed in Athens earlier today. Werner Hoyer, President of the European Investment Bank, Pavlos Mylonas, Chief Executive Officer of National Bank of Greece and George Chandjinicolaou, Chairman of Piraeus Bank signed the finance contracts in the presence of Makis Voridis, Minister of Rural Development and Food and Kostas Skrekas, Deputy Minister of Rural Development and Food.

Building on successful cooperation with NBG and Piraeus Bank

The European Investment Bank will provide total of EUR 200 million to

National Bank of Greece and Piraeus Bank to strengthen lending to farmers, agriculture and agribusiness companies. National Bank of Greece and Piraeus Bank will commit their own funds to enable EUR 560 million of new investment, including contributions from final beneficiaries, to be supported.

“Supporting agriculture and especially agribusiness is a key focus of the National Bank of Greece. This new partnership with the EIB will enable us to expand financing for the sector with a key focus on attracting a new generation to this vibrant part of the economy.” said Pavlos Mylonas Chief Executive Officer of National Bank of Greece.

“Piraeus Bank has constantly maintained a leading role in the effective absorption of European funds, thus providing its clientele with a wide range of financial solutions tailored to specific needs. Piraeus Bank continuously expands its long-standing cooperation with the European Investment Bank Group in order to support Greek entrepreneurship and fund the main pillars of Greek economic activity. We steadily recognize the long-term importance of the agrifood sector for the sustainable development of the Greek economy and firmly support our clients, by offering customized products and services. By entering into this new financial agreement with the EIB, Piraeus Bank is determined to support the transformation of the Greek agriculture and bio-economy sectors with a special emphasis on young farmers, innovation and the modernization of agri-businesses. Through this initiative, Greek agricultural products will enhance their competitiveness in international markets, employment and incomes in these sectors will be increased and regional development will be strengthened.” said George Chandjinicolaou, Chairman of Piraeus Bank.

Both partner banks will be able to expand dedicated agriculture financing and provide new financing products that better reflects agriculture and agribusiness investment needs.

Over the last five years, the EIB has provided over EUR 4 billion for investment across Greece in cooperation with leading Greek Banks. Last year, new targeted credit lines were launched to strengthen access to finance for companies supporting youth employment and the empowerment of women at workplace.

Background information:

National Bank of Greece S.A. is one of the four systemic banks in Greece and one of the largest financial institutions in Greece, providing a wide range of financial products and services. It has a strong presence throughout the country with leading market shares in most of its main business areas, including corporate lending.

Piraeus Bank Group headquartered in Athens, with approximately 12.1k employees leads a group of companies covering all financial activities in the Greek market (universal bank). Piraeus Bank, the largest bank in Greece, with 29% market share in terms of loans and deposits, provides a wide range of financial products and services to approximately 5.3mn customers.