HP, Cosco reach deal on Greek hub

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Hewlett Packard on Friday sealed a deal with Chinese shipping giant Cosco to move a key part of its regional supplies through the main Greek port of Piraeus, officials said.

According to the Greek development ministry, HP will move to Piraeus its central distribution hub for central Europe, the Middle East, North Africa, the eastern Mediterranean and eastern Europe.

"We believe in Greece and the future of the Greek economy," said Tony Prophet, HP's senior vice president for operations.

The US computer giant also has regional logistics hubs in Rotterdam and Dubai.

The agreement coincides with the completion of a new 17-kilometre (10.6-mile) railway line connecting Piraeus with the main European freight network.

Greek state rail operator Trainose can now forward a train to HP's key European hub in Prague in five days, the company's chairman Thanassis Ziliaskopoulos said.

By 2015, Trainose—which is up for privatisation—should be able to handle 2,000 trains per year, Ziliaskopoulos said.

The US computer giant's global supply and transport operation amounts to $50 billion (38 billion euros), the Greek development ministry has

said.

"I wish to thank these two companies who are marking a new start for Piraeus through this dynamic move," said Greek Prime Minister Antonis Samaras, who attended a ceremony at Cosco's installations near Piraeus alongside the US and Chinese ambassadors.

"Such investment will help our country deal with unemployment which remains the top item on this government's agenda," Samaras said.

Some 27 percent of Greeks are officially unemployed, including 6 in 10 youths.

The two companies had reached a preliminary deal in November.

The Piraeus port authority (OLP) has a 35-year concession agreement with Cosco to run two of its container terminals.

Greece has been on a hunt for investors to counterbalance the effects of a deep recession now in its sixth year.

A day before the HP-Cosco deal, the government passed a law offering companies not based in Greece a VAT exemption to move their goods through the country.

To be liable for the break, the imports must be worth at least 120 million euros annually for the first five years, and 300 million euros thereafter, while at least 90 percent of the goods must be earmarked for non-Greek markets.

With the country still on the ropes despite successive international bailout packages, restoring confidence has been difficult.

The Greek economy took a double blow last year when a prominent Coca-Cola subsidiary and a leading Greek daily exporter announced plans to relocate abroad amid waves of austerity cuts and sales tax hikes that have felled consumer demand over the past four years.

But earlier this week, Greece reached a deal to sell global tobacco giant Philip Morris half of its tobacco production for the next three years.

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