



# Banking On Each Other

GREECE AND TURKEY HAVEN'T ALWAYS BEEN BEST OF FRIENDS BUT, AS **MARK MOBIUS** FINDS, INVESTMENT OPPORTUNITIES ARE FORGING CLOSER TIES



## GRECIAN TALES

**ABOVE** The  
Museum of  
Cycladic Art  
**TOP** A view over  
Athens

**M**Y EUROPEAN TRIP TOOK ME from Venice to Greece (where I luckily missed the student riots) and then to Turkey. The Beechjet 400 from Venice to Athens was small but efficient, and we landed in Athens within two hours. I enjoy Greece and Turkey, particularly their capital cities, Athens and Istanbul.

Although the historical relationship between the two countries has not always been the best, there are signs of substantial improvement. It's important to note that the worldwide headquarters of the Greek Orthodox Church is still in Istanbul (formerly Constantinople) and the Greek Patriarch still lives there in what essentially is a Muslim country. One of the most significant signs of accommodation between the two countries has been the massive investment Greek banks have made in Turkish banks. Turkey's population of 67 million compared to Greece's 11 million is obviously an attraction for Greek bankers.

Incomes are quite different, with Greeks enjoying a per capita income of US\$31,800, while Turks have an average income of just US\$10,200 per head. In recent years, Turkey has grown faster, although its GDP growth this year is expected to come in at only 2.3 per cent, with Greece's at 2.9 per cent. Meanwhile, inflation is much higher in Turkey at 11 per cent, compared with Greece's four per cent. The high but falling inflation has,

of course, impacted upon the Turkish lira which has devalued against the US dollar by 26 per cent since the beginning of 2008.

Greece uses the euro now, rather than the old drachma, but last year, even the euro devalued against the US dollar by 12 per cent. In US dollar terms, both stock markets have had almost identical declines, with the Athens market falling by 68 per cent and the Istanbul market falling by 67 per cent since January 2008.

During my presentations in Athens I found our clients to be knowledgeable and sophisticated, with a readiness to invest to take advantage of the recent market declines.

One of my presentations was at the Nicholas P Goulandris Foundation – Museum of Cycladic Art, a remarkable private art museum with surprisingly modern-looking Cycladic sculptures from as far back as 2,000 BC.

At the same museum was an exhibition of the Costakis Collection of Russian suprematist and constructivist paintings. George Costakis was born in Moscow in 1913 of a Greek merchant father and later became a driver to the Greek embassy in Moscow. When the embassy was closed, Costakis became head of personnel for the Canadian embassy. On trips to various art galleries for his diplomat clients, he began collecting the avant-garde, non-figurative paintings produced from 1900 to 1934. It's an interesting example of the reach of Greek businessmen and travellers



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around the world.

To avoid the rainy weather in Istanbul over the weekend we flew to Antalya on Turkey's Mediterranean coast. As we landed we could see the vegetable and fruit fields dotted with many plastic-covered water-retaining hothouses that supply Europe and Russia with fresh produce. That coastal region is sheltered from northern winds by the Toros mountains. As promised, the weather was warm with a refreshing chill in the evenings. Antalya is a popular destination for not only Germans, but also Russians and people from the Middle East. At the airport we saw planes from Russia, Saudi Arabia and various European countries.

For our first weekend, we stayed at the spectacular Kempinski hotel and liked the area so much that we returned the following weekend for a stay at the Rixos Premium hotel in the town of

Belek outside Antalya city. It's a large hotel with 1,700 beds in rooms, suites and villas and huge facilities to match, including indoor and outdoor swimming pools, a large spa, health club, playground, amphitheatre, cinema, nine restaurants and large water park dedicated to Troy, complete with a giant wooden horse that looks like the one from the movie and a dolphinarium where you can swim with dolphins. The spa is excellent with a saltwater jet pool, an elaborate *hamam* in the old Turkish style and experienced masseurs. The Rixos chain includes a number of other hotels in Turkey, not only in Antalya, but also in Bodrum on the Aegean Sea, Konya in the centre of Turkey, Astana and Almaty in Kazakhstan, Prikarpatye in the Ukraine, Dubrovnik in Croatia and an Ottoman-themed resort that's set to open in 2009 in the Palm Jumeirah in Dubai. The chain even has a private Special Edition Learjet Bombardier 60 at clients' disposal. I particularly enjoyed the wide range of restaurants scattered all over the extensive grounds.

Both Turkey and Greece deserve more frequent visits because the culture, history and tourist facilities are among the world's best, and investment opportunities are there to be taken. ■

**UNDER THE SUN**

**ABOVE** Antalya's coastline

**TOP LEFT** Mobius at the Kempinski Hotel in Turkey