



Greece



Business Support on Your Doorstep

Enterprise Europe Network London Country Profile May 2007

Greece



Country's full name: Hellenic Republic.

Capital City: Athens (3.2 million).

Population: 10.9 million. Greek 98%, Turkish and other 2%.

Official Language: Greek.

Currency: Euro (Since January 2002).

Religions: Greek Orthodox 98%, Muslim 1.3% and other 0.7%.

Area: 131,957 sq km.

Terrain: Mostly mountains with ranges extending into the sea as peninsulas or chains of islands.

Climate: Temperate with mild and wet winters and hot and dry summers.

Administrative divisions: 13 administrative divisions called districts and at a lower level, there are 51 regions and 1 autonomous region, called prefectures.ⁱ

Weights and Measures: Metric.

Time Zone: GMT plus two hours. From late March to late October a daylight saving scheme is in operation which is three hours ahead of GMT.

International dialling code: 00 30.

Government: Greece is a presidential parliamentary republic with a unicameral parliament (Vouli ton Ellinon) with 300 seats. Parliament members are directly elected every four years, last time in March 2004 at which Mr Konstandinos Karamanlis became Prime Minister. The parliament elects the president for a five-year term and Mr Karolos Papoulias was elected president in March 2005. The next presidential elections will be held in March 2010 and the next parliamentary elections will be held in March 2008.ⁱⁱⁱⁱ

ECONOMIC OVERVIEW

The Greek economy has a public sector which accounts for a large part of the GDP. The country is a major beneficiary of EU funding and enjoys a genuine growth rate largely because of an investment boom and infrastructure developments from the 2004 Athens Olympic Games. Greece is having difficulty meeting the targets set down in the EU Growth and Stability Pact. To overcome these challenges, the government tries to reduce government spending, reduce the size of the public sector and reform the labour and pension system.^{iv} The government has also begun to reduce the size of the government administration, increase privatisation and attract foreign investment.^v

Greece has the largest agricultural sector (7% of GDP) relatively to other EU countries, which highlights the importance of this sector for the Greek economy. The industrial sector accounts for 22% of total GDP, which is relatively low compared to other EU Member States. The Greek services sector ranks seventh compared to other EU Member States which implies that in Greece, services are much more significant than industry, reaching 71% of GDP.^{vi}

Greece functions as a hub in South East Europe and the government has developed several programmes to enhance the economic development, such as the Hellenic Stability and Growth Programme, The National Reform Programme for Growth and Jobs to enhance employment, growth and social cohesion and the National Strategic Reference Framework.^{vii} The most important trade partners are Germany and Italy. In total, 77% of all the foreign direct investment in Greece comes from EU Member States.^{viii}

ECONOMIC INDICATORS^{ix}	
Population (2006)	10.9 million
Unemployment rate (2006)	9.2%
GDP per head (euro) (2005)	16,613
GDP average growth rate (2005)	3.7%
Inflation rate (2006)	3.4%
Total exports (million euro) (2005)	13,38
Total imports (million euro) (2005)	43,45
Internet users (2006)	23%

Sources: Eurostat

INFRASTRUCTURE / ENVIRONMENT

Roads

There is 114,931km of road in Greece, of which 105,507km are paved, including 880km of motorways.^x With funding from the EU, Greece has built a new motorway from the west to the east coast of mainland Greece.

Railways

Greece's railway structure is limited with only 2,571km of rail tracks running across the country. The railway goes from Athens to the Peloponnesus (Patras and Kalamata) and to Thessalonica continuing to Istanbul, Skopje or Sofia.^{xi}

Shipping

Greece is a country rich on islands and benefits from an extended coastline. It has 16,000 km of coast and 3,000 islands and islets, of which 450 are inhabited.^{xii} There is the 6 km Corinth Canal, which shortens the sea passage by 325 km. The Greek area exists of 1140 sq km of water. There are numerous ferries that connect the islands as well as mainland Greece and neighbouring countries.^{xiii}

Civil aviation

There are 82 airports in Greece of which 66 have paved runways and 16 have unpaved runways. The main airports are Athens and Thessalonica and Olympic Airlines is the main Greek airline. Most islands also have their own airports. The number of heliports is eight.^{xiv}

Energy

Energy diversification has been progressing and Greece is actively increasing interconnections with neighbouring countries. This will not only contribute to the security of supply, but also make Greece an important energy hub.^{xv} Greece relies heavily on the import of oil from the Middle East, with only 1.4% produced domestically. Natural gas is also imported from abroad, with two-thirds of gas imports coming from Russia.^{xvi}

Telecommunications

The National Telecommunications and Posts Commission (EETT) is the independent administrative authority responsible for the regulation and supervision of telecommunications and postal services. The most important telecommunication organisation is the Hellenic Telecommunications Organisation (OTE). Greece has more than 9.3 million mobile phone subscriptions and approximately 23% of households have internet access.^{xvii}

Environment

The concept of sustainable development has now been introduced in the environmental development policies and sustainable practices have been introduced in sectors such as energy, tourism, transport and agriculture. The objectives, guidelines, proposals and options of the third European Union Support Framework for a National Project for the Protection of the Environment, the preservation of the ecological balance and the upgrading of the quality of life are incorporated into Greece's Project and Planning Strategies.^{xviii}

MAJOR SECTORS OF THE ECONOMY

Tourism

Greece receives more than 16 million tourists a year, which results in more than one tourist per inhabitant. The tourism sector constitutes one of the main sources of Greece's national wealth as it contributes annually more than 17% of the GDP, promotes employment opportunities and plays a decisive role in the development of the periphery. Greece ranks the fourth place on the list of Europe's highest incomes from tourism.^{xix}

Food and drink

The food and drink sector is one of the most dynamic areas of the Greek economy, with Greeks spending twice as much of their income on these products as their European counterparts (approximately 40% on food, beverages and tobacco). Greece is well known for its olive oil. It is the largest producer of extra virgin olive oil and the third largest olive oil producer in the world. Other products that are produced in Greece include honey, vegetables and fruits.^{xx}

Energy

In order to create a comprehensive energy policy and to establish secure sources of energy, the Greek government has, in accordance with European Union legislation, introduced legislation for the deregulation of the electrical energy market. This means that domestic production, transmission, and distribution are open to private investors. The electricity market in Greece has been transformed from a state monopoly into a growth and opportunity sector. In the energy sector the government is focusing on establishing Greece as the energy hub of South East Europe.^{xxi}

ICT

The ICT sector accounts for 4.1% of GDP and growth is expected to continue at above average rates. The telecommunications, since deregulation of the Greek telecommunications market, has been transformed from state monopoly to having dozens of new small, medium and large ICT companies active in developing and broadening services and products. The use of computers and internet are still low compared to EU standards as computer usage in Greece is only 23%. This percentage results in many investors seeing the ICT sector as an opportunity, especially in areas such as education, but also for software development.^{xxii}

BANKING AND FINANCE

Banking

The Hellenic Bank Association (HBA), which is a non-profit organisation, represents Greek and foreign banks operating in Greece. The largest bank in Greece is the National Bank of Greece with 22,000 employees. The national central bank is the Bank of Greece which is licensed by the European Central Bank.

Bank of Greece, 21 E. Venizelos Avenue, GR 102 50 Athens, Greece

Tel: 0030 (0) 210 3201 111. Fax: 0030 (0) 210 3232 239. Email: secretariat@bankofgreece.gr

Website: www.bankofgreece.gr

Hellenic Bank Association, 21a, Amerikis Street, 106 72 Athens, Greece

Tel: 0030 (0) 210 3386 500. Fax: 0030 (0) 210 3615 324. Email: hba@hba.gr

Website: www.hba.gr

Finance

The Greek stock exchange is called the Athens Exchange and consists of three sub departments: Athens Exchange, Hellenic Exchanges and Thessalonica Stock Exchange Centre. This exchange is part of the European and World Federation of Exchanges.

Athens Exchange (Athex), 10 Sophocleous Street, 105 59 Athens, Greece

Tel: 0030 (0) 210 3366 800. Fax: 0030 (0) 210 3311 975. Email: helpdesk@ase.gr

Website: www.ase.gr

Insurance

The number of insurance companies has fallen over the last few years reaching 95 in 2005 compared to more than 100 in 2002 and with a total investment of €7.6m.^{xxiii}

Association of Insurance Companies Greece, 10 Xenofontos street, 105 57 Athens, Greece

Tel.: 0030 (0) 210 3334 100. Fax: 0030 (0) 210 3334 149. Email: info@eaee.gr

Website: www.eaee.gr

OPPORTUNITIES FOR UK EXPORTERS / INVESTORS

Overview

British exports to Greece grew by more than 10% in 2004 to £1.4bn, whilst Greek exports to the UK were at £650m. Greece is the UK's 29th largest export market. The top three exports to Greece in 2004 were road vehicles, medicinal products and beverages. The top three exports to the UK in 2004 were medicinal and pharmaceutical products, fruit and vegetables, and clothing and clothing accessories. Although a large number of family-run businesses dominates the Greek market, British chains have been successful in establishing branches in Greece.

Tourism

Greece has established itself as a popular destination for leisure tourism and ranks in the top 15 destinations on the global market. Representing 17% of the GDP, tourism is a vital economic sector and takes a dominant position in the Greek economy. Tourism is undoubtedly the sector which benefited most from the Athens 2004 Olympic Games and tourist consumption has increased by 67% between 2000 and 2004. As its importance increases every year, this is a niche where market opportunities for British businesses exist.^{xxiv}

Legal services

As Greek industry moves away from family run companies and these companies look for funding in order to expand into the Balkans, there is growing demand for city-based financial and legal services. Several Public Private Partnership projects (schools, prisons, regeneration and facilities management) are tendered, offering a wide range of opportunities for UK-based consultants. Significant opportunities may arise when the ports privatisation programme is concluded. Pension reform can also prove an interesting area for British companies as consolidation of existing funds is expected to take place and private pension funds will overtake state pensions.^{xxv}

Renewable energy

The energy sector is likely to provide opportunities for both domestic and international players, as private companies invest in the building of new power stations and the use of renewable energy increases, mainly through the construction of wind farms in northern Greece and on the Aegean Islands.^{xxvi}

Shipping

Shipping is one of the most dynamic sectors of the Greek economy representing 4.9% of GDP. Shipping activities in 2005 made a Greek import of more than €12bn possible. UK companies enjoy a dominant position in the market for shipping related services such as insurance, law, financing and brokerage. Greece is the fourth largest market for London based legal services in the world, almost exclusively from shipping. Eight major British law firms have offices in Piraeus, with a combined turnover of over £20 million. The biggest wholesaler of underwriting insurance services to Greek shipping interests remains Lloyd's London.^{xxvii}

Agriculture

Agriculture is a relatively important sector of the economy, accounting for some 7% of GDP and 15% of employment. Opportunities may exist for joint ventures, where SME producers are interested in finding partners with whom to exploit the wider market in the neighbouring Balkan countries. Another opportunity is vocational training. Greeks place great emphasis on education and vocational training has lagged behind, especially in the traditional sector of farming, a sector which is not seen as attractive by young people.^{xxviii}

Food and drink

Britain is a net exporter of food and beverages to Greece, mainly due to the large consumption of Scotch whisky. Whisky accounts for 40.4% of the Greek's alcohol consumption followed by ouzo (25.7%). As the market is heavily monopolised by the major players like Johny Walker, it is difficult for new, independent whisky brands to sell well. In the food sector, the main opportunities exist in breakfast products, biscuits, chocolate, marmalades, sauces, ethnic foods and meat products (sausages, bacon, etc). These are mainly for the tourist industry and are preferred by the British.^{xxix}

BUSINESS CULTURE

Business hours

Most commercial businesses are open from 9.00 to 17.00 while government agencies are open to the public from 8.00 to 14.30. Banking hours for customers are generally 8.00 to 14.00. Many small businesses and small retail outlets still practice an afternoon break from 14.30 to 17.00, especially during the summer. However, large department stores and supermarkets do not close during the day.

National holidays

(Dates are given for 2007)

- New Year's Day (1 January)
- Epiphany (6 January)
- Greek National Day (25 March)
- Good Friday (6 April)
- Easter Monday (9 April)
- May Day (1 May)
- Pentecost Monday (28 May)
- Assumption Day (15 August)
- Ohi Day (28 October)
- Christmas Eve (24 December)
- Christmas Day (25 December)
- St Stephen's Day (26 December)

Dress

The dress code depends on which type of business meeting you attend. In summer, due to the heat and the Greek's attitudes towards formality, dress code is more informal and being dressed casually is acceptable except at official gatherings.

Business etiquette

Punctuality is considered very important. Shaking hands is the standard international business greeting. It is recommended to start a business meeting with polite conversation of a general nature over a cup of coffee or a soft drink. The Greeks are not heavy consumers of alcohol but smoking is extremely prevalent and cigarettes are often offered at business meetings. Personal contact is very important and Greeks prefer face-to-face meetings rather than doing business by telephone or in writing, which is seen as too impersonal.

SETTING UP A BUSINESS IN GREECE

Greece offers an attractive investment climate with economic stability, a competitive labour market and access to the markets in South East Europe. Setting up a company can be either as a company Limited by Shares (SA) or a Limited Liability Company (EPE). All companies in Greece have to register with their local/regional chamber of commerce rather than with a central body like Companies House. EPEs also have to register with the local tax office.^{xxx}

Information on how to set up a business in Greece and investment opportunities can be found at the Hellenic Centre for Investment's website.

ELKE Hellenic Centre for Investment, 3 Mitropoleos Street, 105 57 Athens, Greece

Tel: 0030 (0) 210 335 5700. Fax: 0030 (0) 210 324 2079. E-mail: admin@elke.gr

Website: www.elke.gr

Athens Area Chamber of Commerce, 246 West Hancock Avenue, GA 30601 Athens, Greece
Tel: 0030 (0) 706 549 6800. Fax: 0030 (0) 706 549 5636. E-mail: info@athenschamber.net
Website: www.athenschamber.net

FURTHER SOURCES OF INFORMATION / USEFUL ADDRESSES

Enterprise Europe Network London at London Chamber of Commerce and Industry

33 Queen Street, London, EC4R 1AP
T: +44 (0)20 74891992. F:+44 (0)20 72031812 E: europe@londonchamber.co.uk
The Enterprise Europe Network London brings together GLE, London Chamber of Commerce and London Technology Network. We provide practical, hands-on support and information for London's small and medium businesses seeking funding, hoping to expand their business into Europe, or wishing to develop (technology) partnerships with other European businesses.
W: www.een-london.co.uk

London Chamber of Commerce and Industry

33 Queen Street, London, EC4R 1AP
Tel: 020 7248 4444. Fax: 020 7489 0391. Email: lc@londonchamber.co.uk
London Chamber of Commerce's World Trade Team, Information Centre and Enterprise Europe Network can provide information or advice on many topics relating to international trade and overseas markets, including Greece. London Chamber of Commerce is a membership organisation but non-members can utilise certain services on a charged basis.
Website: www.londonchamber.co.uk

UK Trade and Investment

Greece desk, 66-74 Victoria Street, London, SW1E 6SW
Tel: 020 7215 4992. Fax: 020 7215 4711. Direct contact: Sue Gibb. Tel: 0030 (0) 210 727 2777.
Email: sue.gibb@fco.gov.uk
UK Trade and Investment is the British government body responsible for helping UK companies secure overseas sales and investments. Their website has pages for each country in the world, including Greece.
Website: www.uktradeinvest.gov.uk

British Hellenic Chamber of Commerce in Greece

25 Vas. Sophias Avenue, 106 74 Athens, Greece
Tel: 0030 (0) 210 7210 361. Fax: 0030 (0) 210 721 2119. Email: info@bhcc.gr
Website: www.bhcc.gr

Embassy of Greece

1A Holland Park, London, W11 3TP
Tel. 020 7229 3850. Fax. 020 7229 7221. Email: commercial@greekembassy.org.uk
Website: www.greekembassy.org.uk

British Embassy

1 Ploutarchou Street, 106 75 Athens, Greece
Tel: 0030 (0) 210 727 2600. Email: information.athens@fco.gov.uk
Website: www.british-embassy.gr

Invest in Greece

1 George Street, Snow Hill, Wolverhampton, WV2 4DG
Email: info@invgr.com
Website: www.invgr.com

ELKE Hellenic Centre for Investment

3 Mitropoleos Street, 105 57 Athens, Greece
Tel: 0030 (0) 210 335 5700. Fax: 0030 (0) 210 324 2079. Email: admin@elke.gr
Website: www.elke.gr



This country profile was produced by the Enterprise Europe Network London team at London Chamber of Commerce. The Enterprise Europe Network London brings together GLE, London Chamber of Commerce and London Technology Network. The Enterprise Europe Network London is funded by the European Commission and the London Development Agency.

We provide practical, hands-on support and information for London's small and medium businesses seeking funding, hoping to expand their business into Europe, or wishing to develop (technology) partnerships with other European businesses. For more information please go to:
www.een-london.co.uk

Disclaimers

Whilst every effort has been made to ensure the accuracy of the information contained in this Guide, London Chamber of Commerce and Industry does not guarantee the accuracy of the information contained therein and does not accept responsibility for errors, omissions or their consequences.

Neither the European Commission nor the Executive Agency for Competitiveness and Innovation nor any person acting on behalf of them is responsible for the use which might be made of the information contained herein. The views in this publication are those of the author and do not necessarily reflect the policies of the European Commission.

-
- ⁱ <http://www.hepo.gr/pages.fds?langid=2&pagecode=01.07.01>
- ⁱⁱ <https://www.cia.gov/cia/publications/factbook/geos/gr.html#top>
- ⁱⁱⁱ <http://www.ypex.gov.gr/www.mfa.gr/en-US/Services/Useful+Links/Greece/Information+About+Greece/INFORMATION+ABOUT+GREECE.htm>
- ^{iv} <https://www.cia.gov/cia/publications/factbook/geos/gr.html#top>
- ^v www.eia.doe.gov Country Analysis Briefs PDF
- ^{vi} National strategic reference framework Greece 2007-2013 page 13
- ^{vii} <http://www.mnec.gr/en/economics/>
- ^{viii} http://www.elke.gr/default.asp?V_DOC_ID=850&V_LANG_ID=0
- ^{ix} http://www.mnec.gr/export/sites/mnec/en/economics/greek_economy_prospects/FactSheet_January_07_Eng.pdf
- ^x CIA factbook
- ^{xi} <http://www.europeanrailguide.com/maps/greece.html>
- ^{xii} https://www.uktradeinvest.gov.uk/ukti/appmanager/ukti/countries?nfpb=true&genericSummary_4_actionOverride=%2Fpub%2Fportlets%2FgenericSummary%2FshowContentItem&windowLabel=genericSummary_4&genericSummary_4navigationPageId=%2Fgreece&genericSummary_4navigationOriginPortlet=Sector_Reports&genericSummary_4navigationContentPath=%2FBEA+Repository%2F317%2F393840&pageLabel=CountryType1
- ^{xiii} http://goeurope.about.com/od/greec1/Greece_Travel_and_Tourism_Information_for_Greece.htm
- ^{xiv} CIA factbook
- ^{xv} <http://www.iea.org/Textbase/npsum/greece2006SUM.pdf>
- ^{xvi} www.eia.doe.gov Country Analysis Briefs PDF
- ^{xvii} Eurostat
- ^{xviii} <http://www.minenv.gr/1/e108.html>
- ^{xix} http://www.mnec.gr/export/sites/mnec/en/economics/greek_economy_prospects/FactSheet_January_07_Eng.pdf
- ^{xx} idem
- ^{xxi} http://www.elke.gr/default.asp?V_DOC_ID=761&V_LANG_ID=0
- ^{xxii} http://www.elke.gr/default.asp?V_DOC_ID=857
- ^{xxiii} <http://www.eaee.gr/web/index.php?sec=26&ctg=113>
- ^{xxiv} http://www.elke.gr/default.asp?V_DOC_ID=2536
- ^{xxv} Report from the UK Trade & Investment on legal services, trade and opportunities
- ^{xxvi} idem
- ^{xxvii} Report from the UK Trade & Investment on marine trade and opportunities
- ^{xxviii} Report from the UK Trade & Investment on agricultural trade and opportunities
- ^{xxix} Report from the UK Trade & Investment on food and drinks trade and opportunities
- ^{xxx} www.eke.gr