

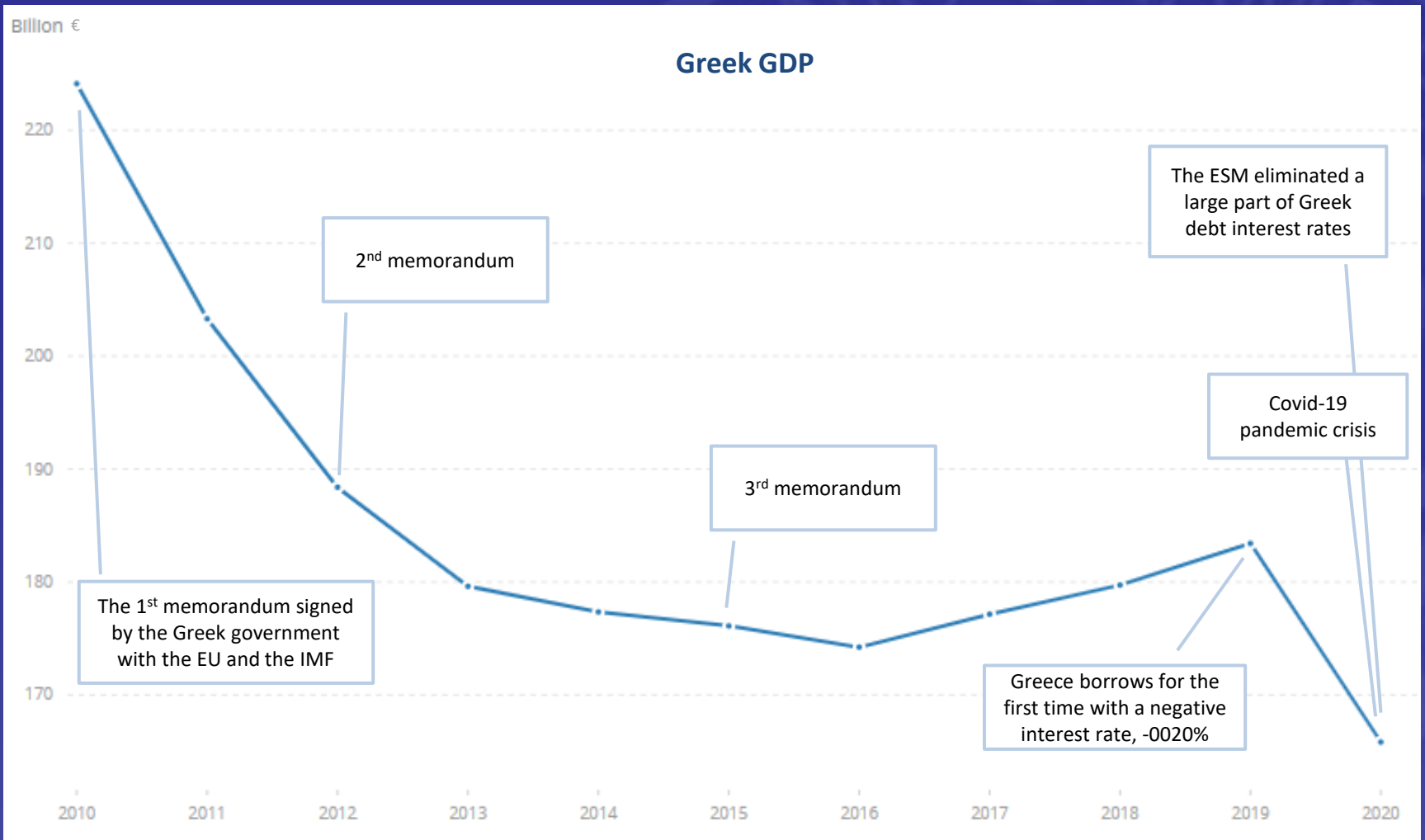


12th Follow The Entrepreneur (FTE) Mykonos

The Future of Greece | Tuesday, October 5, 2021

Elias Spirtounias
Executive Director
American-Hellenic Chamber of Greece

The course of Greece



	2017	2018	2019	2020	2021	2022
Greece	Current prices EUR billion	Percentage changes, volume (2015 prices)				
GDP at market prices	177.2	1.6	1.9	-8.2	3.8	5.0
Private consumption	121.7	2.3	1.9	-5.2	1.6	3.0
Government consumption	36.2	-4.2	1.2	2.7	2.1	-1.4
Gross fixed capital formation	20.8	-6.6	-4.6	-0.6	11.5	20.0
Final domestic demand	178.6	-0.3	1.0	-3.1	2.8	4.1
Stockbuilding ^{1,2}	1.2	1.4	0.1	0.7	0.0	0.0
Total domestic demand	179.8	1.3	0.9	-2.8	3.2	3.9
Exports of goods and services	62.0	9.1	4.8	-21.7	4.9	13.3
Imports of goods and services	64.6	8.0	3.0	-6.8	1.5	9.1
Net exports ¹	-2.7	0.3	0.7	-5.8	0.9	0.7
<i>Memorandum items</i>						
GDP deflator	—	-0.1	0.2	-1.5	0.0	1.2
Harmonised index of consumer prices	—	0.8	0.5	-1.3	0.2	1.2
Harmonised index of core inflation ³	—	0.3	0.8	-1.2	-0.7	1.0
Unemployment rate (% of labour force)	—	19.3	17.3	16.3	15.9	15.6
General government financial balance ⁴ (% of GDP)	—	0.9	1.1	-9.7	-10.1	-3.7
General government gross debt (% of GDP)	—	201.3	204.8	241.9	237.4	227.9
General government debt, Maastricht definition (% of GDP)	—	186.2	180.5	205.6	201.1	191.6
Current account balance ⁵ (% of GDP)	—	-2.9	-1.5	-6.7	-6.5	-5.2

1. Contributions to changes in real GDP, actual amount in the first column.

2. Including statistical discrepancy.

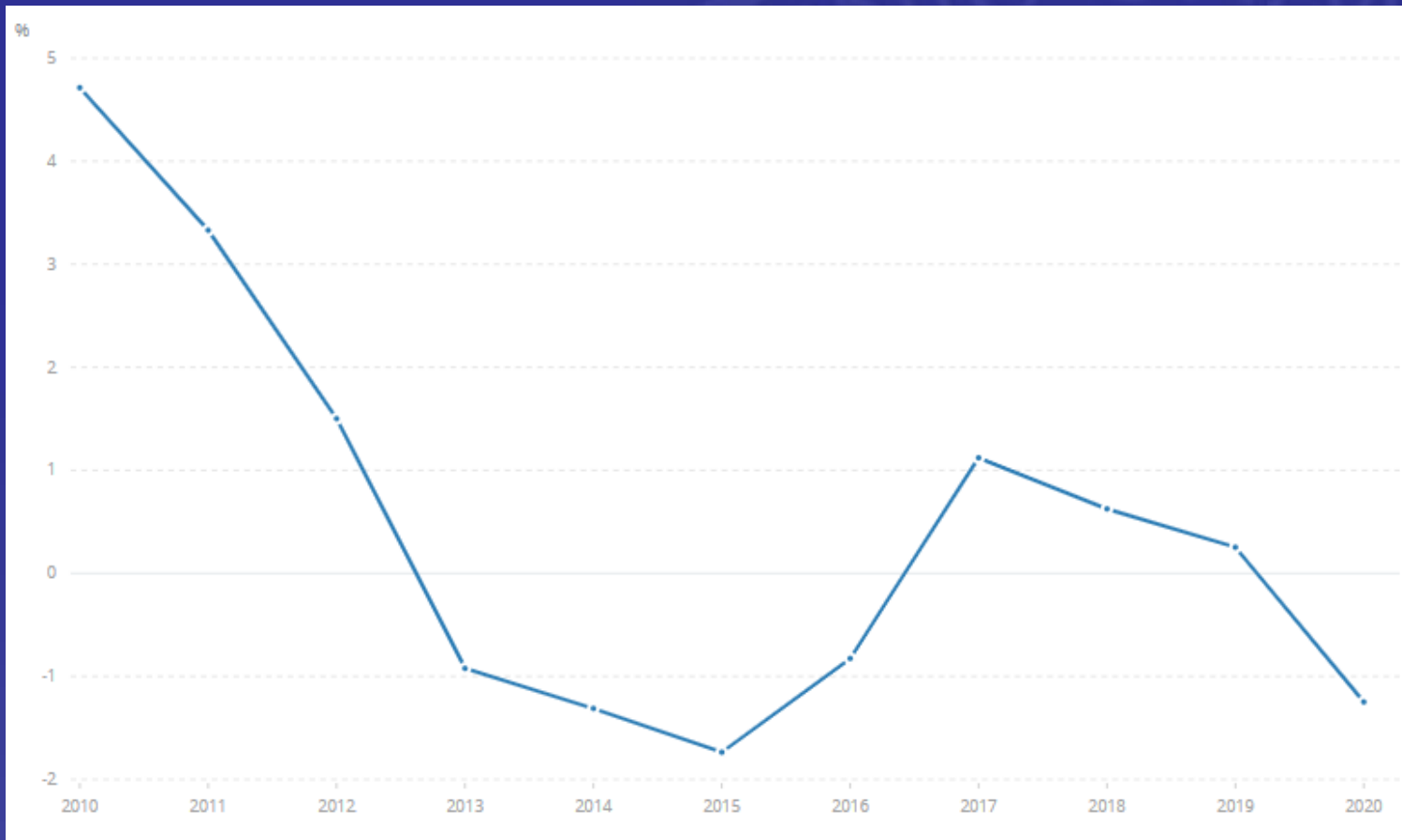
3. Harmonised index of consumer prices excluding food, energy, alcohol and tobacco.

4. National Accounts basis. Data also include Eurosystem profits on Greek government bonds remitted back to Greece, and the estimated government support to financial institutions and privatisation proceeds.

5. On settlement basis.

Source: OECD Economic Outlook 109 database.

Inflation rate in Greece

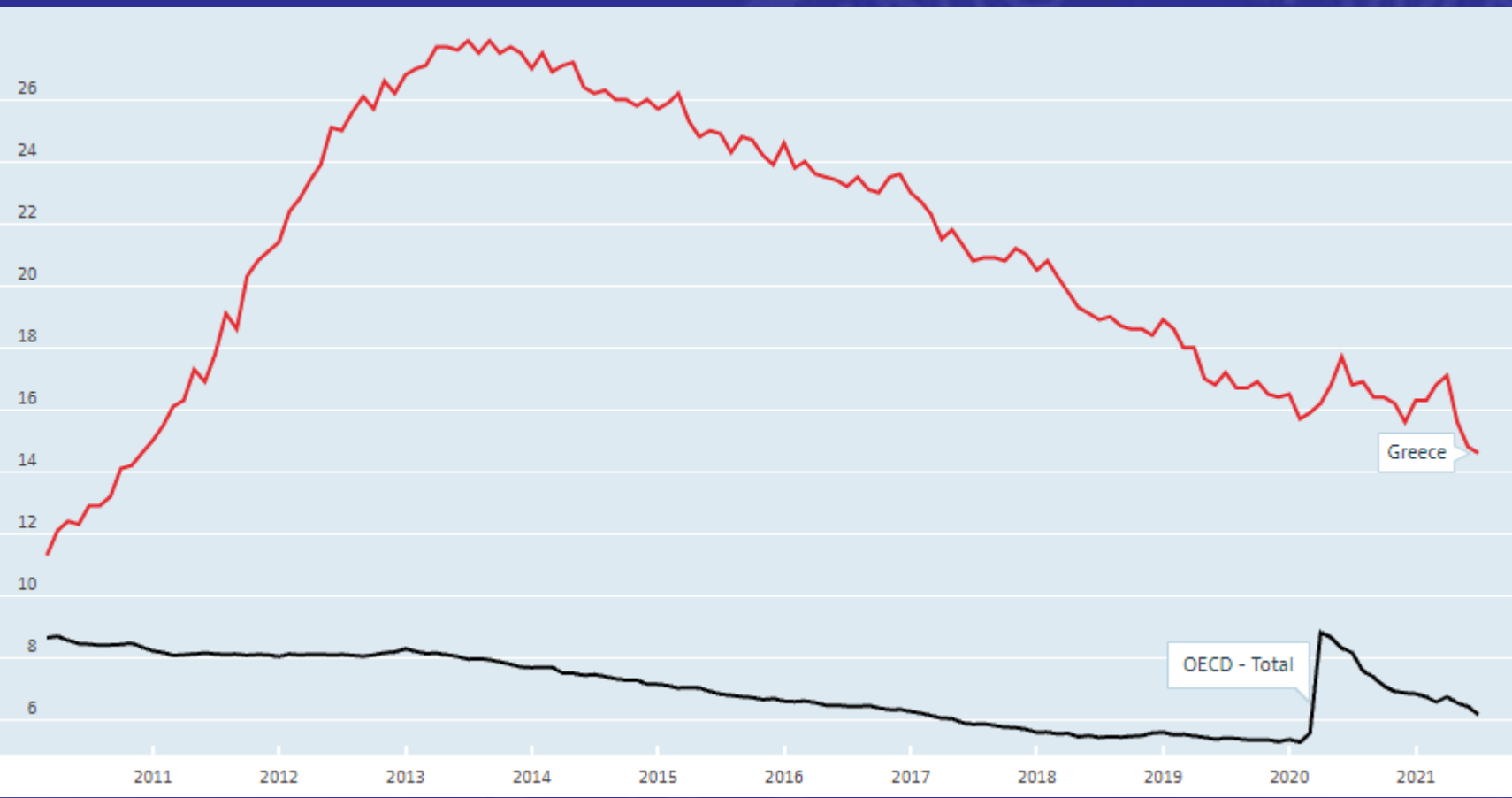


Source: The World Bank

<https://data.worldbank.org/indicator/FP.CPI.TOTL.ZG?end=2020&locations=GR&start=2010>



Greece and OECD unemployment rate



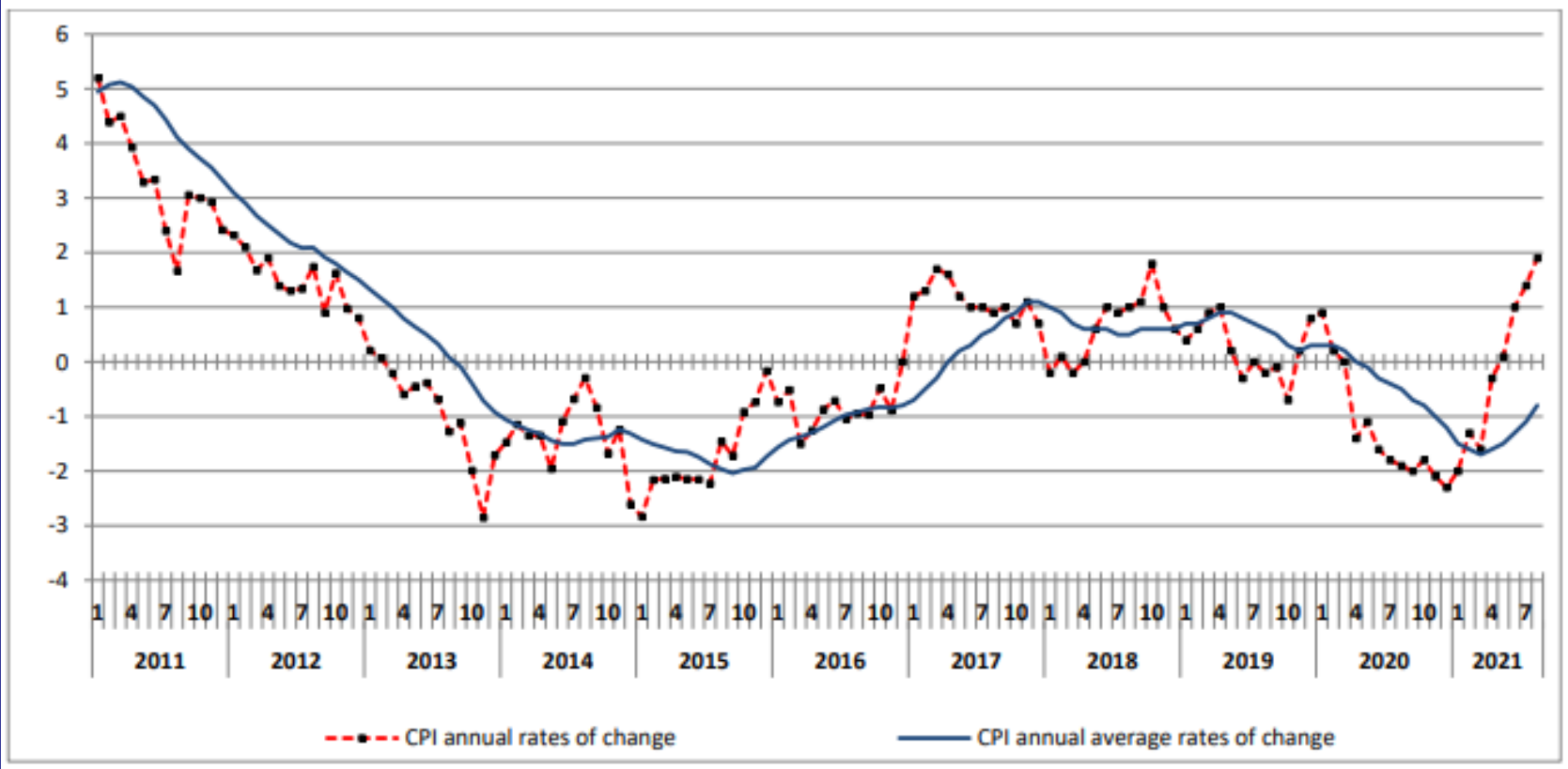
Source: OECD

<https://data.oecd.org/unemp/unemployment-rate.html#indicator-chart>





Greece consumer price index



Source: Hellenic Statistical Authority (ELSTAT)



Greece consumer price index

Annual rates of change: The 1.9% increase of the Overall CPI in August 2021, compared with the corresponding index in August 2020 is, mainly, due to the changes in the groups of goods and services as follows:


An increase of:

- **3.0% in the group Food and non-alcoholic beverages** due to the increase, mainly, in the prices of: other bakery products, lamb and goat, poultry, fresh fish, cheese, olive oil, other edible oils, fresh fruit, fresh vegetables. This increase was partly offset by the decrease, mainly, in the prices of: breakfast cereals, beef, pork, yoghurt
- **4.4% in the group Housing**, due to the increase, mainly, in the prices of: electricity, natural gas, heating oil
- **6.7% in the group Transport**, due to the increase, mainly, in the prices of: fuels and lubricants, new motorcars, tickets for passenger transport by air
- **0.2% in the group Hotel-Cafés-Restaurants**, due to the increase, mainly, in the prices of: hotels-motels-inns, restaurants confectioneries-café



Greece consumer price index

A decrease of:

- **0.4% in the group Alcoholic beverages and tobacco**, due to the decrease in the prices of articles of wines
 - **2.6% in the group Clothing and footwear**, due to the decrease in the prices of articles of clothing and footwear
 - **0.5% in the group Household equipment**, due to the decrease, mainly, in the prices of: household textiles, household appliances and repair
 - **0.5% in the group Health**, due to the decrease, mainly, in the prices of pharmaceutical products
 - **2.6% in the group Communication**, due to the decrease, mainly, in the prices of telephone services
 - **0.7% in the group Recreation and culture**, due to the decrease, mainly, in the prices of major durables for outdoor recreation
 - **1.1% in the group Miscellaneous goods and services**, due to the decrease, mainly, in the prices of: other appliances and articles for personal care, motor vehicle insurance
- 

Greece government bond 10Y

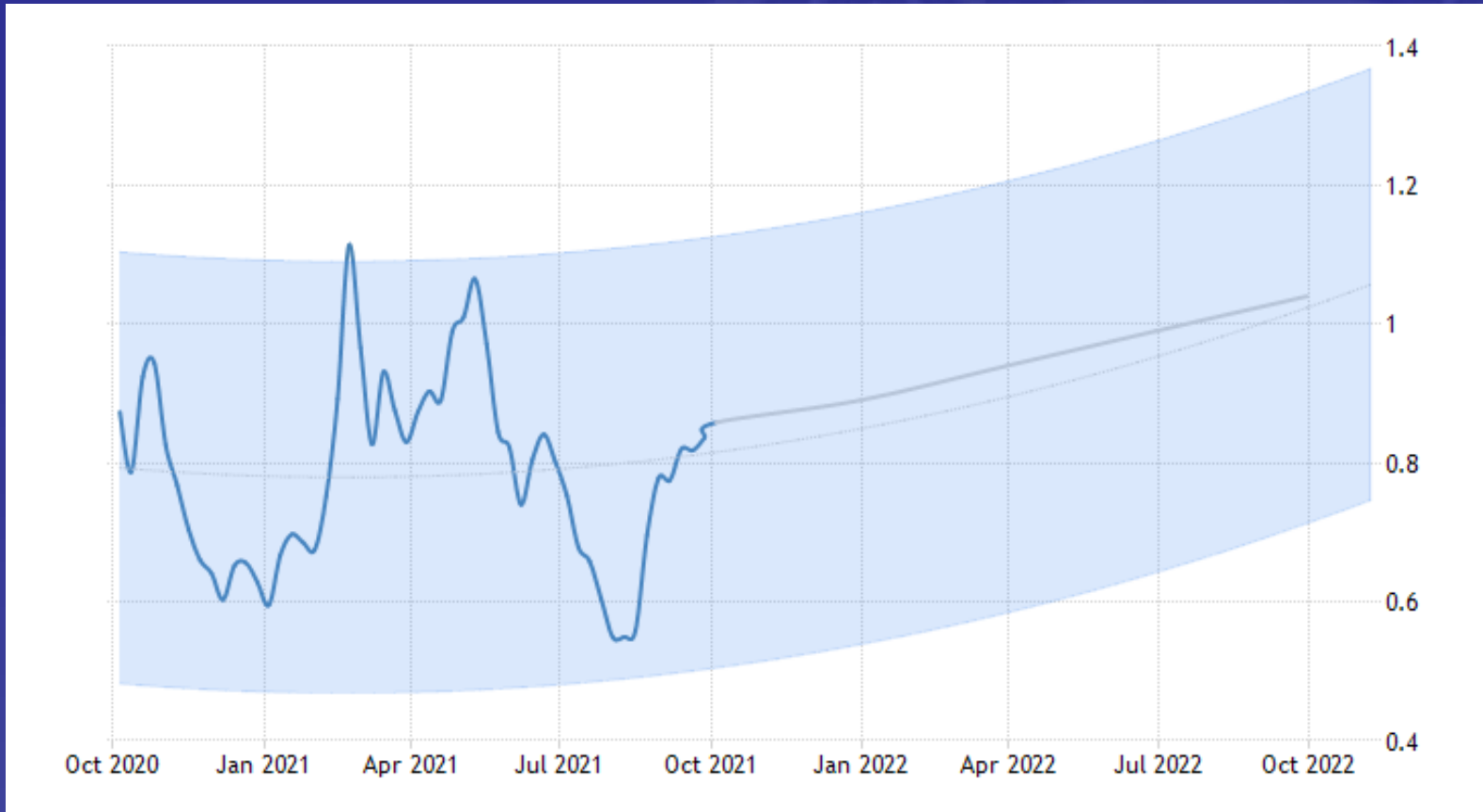
Greece 10Y Bond Yield was 0.87 percent on Monday October 4, according to over-the-counter interbank yield quotes for this government bond maturity



Source: Trading Economics

<https://tradingeconomics.com/greece/government-bond-yield>

Greece government bond 10Y forecast



Source: Trading Economics

<https://tradingeconomics.com/greece/government-bond-yield>



Greece government bond 2Y

Greece 2Y Bond Yield was negative for the first time with a percentage of -0,01318988 (11/11/2020)



Source: Bloomberg

Covid-19 and Greece

- Greece implements measures to confront Covid-19 pandemic
- March 23, 2020: First lockdown and curfew
- November 9, 2020: Second lockdown
- During the pandemic crisis, the sectors of maritime and air transport, hotels and tourism, restaurants, caterings, retail were affected negatively while pharmaceuticals, telecommunications and supermarkets had a positive impact
- 2020: To deal with the Covid-19 outbreak Greek government announced measures to support Greek enterprises to the tune of 13.9% of GDP
- July 2020: EU formed Next Generation EU (NGEU) (750 bil. €)
- June 2021: European Commission approved the Recovery and Resilience Plan “Greece 2.0” with the amount of 30.5 bil. € for 2021-2026 of which 17.8 bil. € will be allocated to grants and 12.7 bil. € in the form of loans





Where the country stands now

- Tourism model changes: Europeans are willing to pay more in order to secure their safety
- Tourism sector reaches levels of 2019
- New investment projects lead real estate sector to reach pro-Covid-19 levels (Hellenic Project, CVC capital, GEK Terna, Prodea Investments, Ellaktor, Premia Properties, Noval Property AEEAP-Viohalco etc.)
- Digital Transformation (Digital Vaccination Certificate, e-efka, gov.gr, public sector CRM, SYZEFXIS project etc.)
- Circular economy acceleration





Reforming Greece - Milestones


Making public finances sustainable

- Personal income tax system revised
- VAT system streamlined for general efficiency and to reduce the scope for fraud
- Unsustainable and fragmented pension system overhauled

Safeguarding financial sustainability

- Governance of Greek systemic banks strengthened and brought in line with international best practice
- Structure of household and corporate insolvency legislation reviewed
- Reduction in stock of non-performing loans (NPLs)

Structural policies to enhance growth, competitiveness and investment

- Labour market reforms – improved system of collective bargaining
 - Product markets – reducing unnecessary barriers, lifting restrictions in regulated professions
- 



Reforming Greece - Milestones

Structural policies to enhance growth, competitiveness and investment

- Energy market for gas and electricity opened to competition
- New independent fund (HCAP) for better management, improved service provision, and monetization of key state assets

The functioning of Greece's public sector

- Size of public sector reduces by 25 per cent between 2009 and 2017
- Annual performance assessments for all public officials; competitive selection of senior management
- Reforms improving efficiency of judicial system





Greece 2021 structural reform priorities

- Improve investment climate: Enhance efficiency and effectiveness of public administration and the legal system
- Financial system and investment: Restore banks' health and improve the execution of the public investment budget
- Labor market: Strengthen active labor market programs
- Education and skills: Improve the quality of childhood education, schools and tertiary education
- Social protection: Modernize programs, targeting and administration

Source: OECD

[Greece Economic Snapshot - OECD](#)



Why Greece

- Real GDP is forecasted to grow by 6.0% in 2022
- Planned increase in real-estate taxes in 2022 provide impetus to the construction sector
- Optimistic employment plans in most business sector and low labour contributions are expected to lead to a marginal decrease in the unemployment rate in 2021
- The Greek Plan envisages using RRF loans to be directed to finance projects falling under Greek transition, Digital Transition, Openness (export orientation), Innovation and Economies of scale through firms' scale-up
- The Greek government reduced the corporate income tax rate, suspended the imposition of the special solidarity contribution (SSC), and introduced other support measures through Law 4799/2021, published in the Official Gazette on May 18
- Greek banks liquidity increase (more than 77 bil. €) due to European Central Bank
- Greek government announced National Strategy for Extroversion with 458 actions for exports and FDI improvement

Source: European Commission

https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-performance-country/greece/economic-forecast-greece_en



Greece assets

- Life quality (environment, culture, entertainment, location)
- Logistics and transportation infrastructure
- Telecommunication and digital infrastructure
- Labour force skills – high knowledgeable labour force
- Tourism
- Renewable energy sources





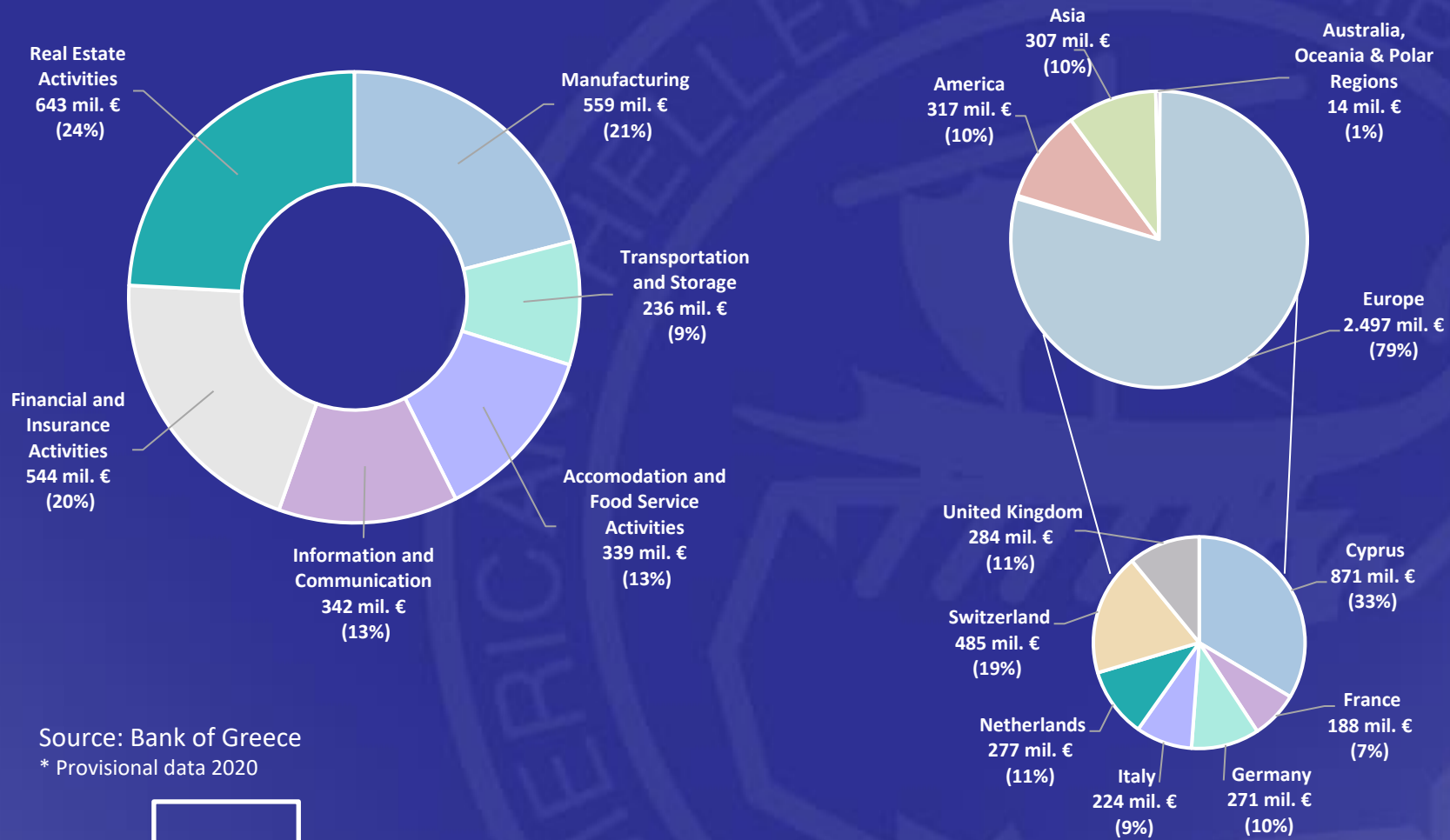
Most promising sectors in Greece

- Tourism
- Digital Economy
- Logistics
- Energy
- Real Estate & Constructions
- Transportation
- Health
- Technology



Greece

Net foreign direct investment by major sectors and countries



Source: Bank of Greece
* Provisional data 2020





Greece's startups

- Startups in Greece appear during the period 2012-2014 as a key to economic recovery
- Startups' main sectors of interest for 2021: Bioscience, tourism, environment, agrotechnology, advertisement, Big Data, financial technology, e-commerce, shipping, human resources, education
- High employability in startup sectors: Bioscience, advertisement, e-commerce, Big Data and tourism
- Greece supports startups by launching "Elevate Greece", an official platform and leading resource for in-depth information on the Greek Startup Ecosystem, aspiring to help it grow and expand
- 451 startups are registered in Elevate Greece with 4.380 employers
- 301 startups have raised funds, 2400 mil. € capital invested, 100+ community builders





Greece's startups

- Thess INTEC is a 4th generation Science and Technology Park that enhances synergies between academia, research, high-tech companies, public sector and the local community. It will be the first large-scale science and technology infrastructure in Greece
- ΧΡΩΠΕΙ will be the first Innovation Center of Greece accommodating companies and industries' R&D departments, academic institutions, startups, startup incubator/accelerators in order to support product and services innovative development through partnerships with business community
- Skroutz, Beat, Think Silicon, Instashop, Innoetics and Softomotive, e-Food are some of Greece's major startups with high investment interest and/or with global presence



Greece's startups

TOP 10 MOST FUNDED GREEK STARTUPS (ALL-TIME)

	Company	Total Funding (€ in millions)
1	Blueground	89.65
2	Persado	83.6
3	Viva Wallet	75
4	Workable	73.83
5	Netdata	31.2
6	Balena (Resin.io)	28.19
7	Hellas Direct	23.8
8	Softomotive	21.75
9*	Skroutz	**
10*	Plum	19.50

*New entries in 2020
 **Undisclosed amount

TOP 10 MOST FUNDED GREEK STARTUPS IN 2020

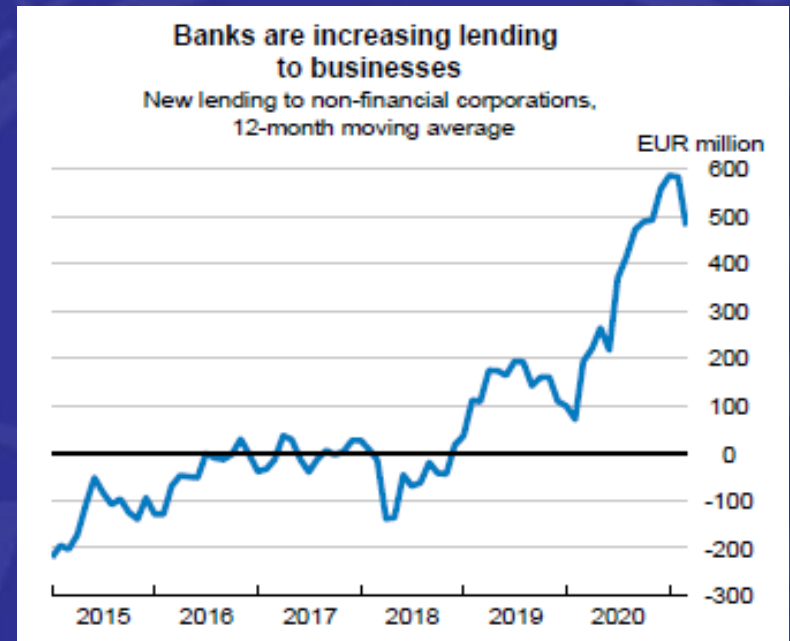
	Company	Funding (€ in millions)
1	Skroutz	*
2	Omilia	17.4
3	TileDB	12.5
4	Netdata	12.2
5	Navenio	10.1
6	Spotawheel	10
7	Belvo	8.6
8	Plum	8.4
9	Arrikto	8.4
10	Byrd	5.8

*Undisclosed amount



What are the forecasts for Greek economy

- Greece's economy is projected to grow by 3.8% in 2021 and 6.0% in 2022
- The easing of travel restrictions is expected to support services activity and exports
- Support policies have encouraged banks to restart lending to businesses



Source: OECD

[Greece Economic Snapshot - OECD](#)





What are the forecasts for Greek economy

- Rising cost of energy due to EU environmental policy regarding electricity production
- Inflation, as measured by the Harmonised Index of Consumer Prices (HICP), is expected to remain negative in 2021, mainly on account of its services component, particularly tourism, and of the lockdown measures imposed during the first months of 2021 which adversely impacted both demand and supply of goods and services. In 2022 and 2023 headline inflation will post positive, albeit low rates
- In 2022 and 2023 it is forecasted a faster increase in private consumption, in line with an expected improvement in labour market conditions and a rise in disposable income
- Services exports are expected to trend upward this year, driven by a rebound in tourism receipts, while demand for shipping services should increase in line with global economic and trade developments



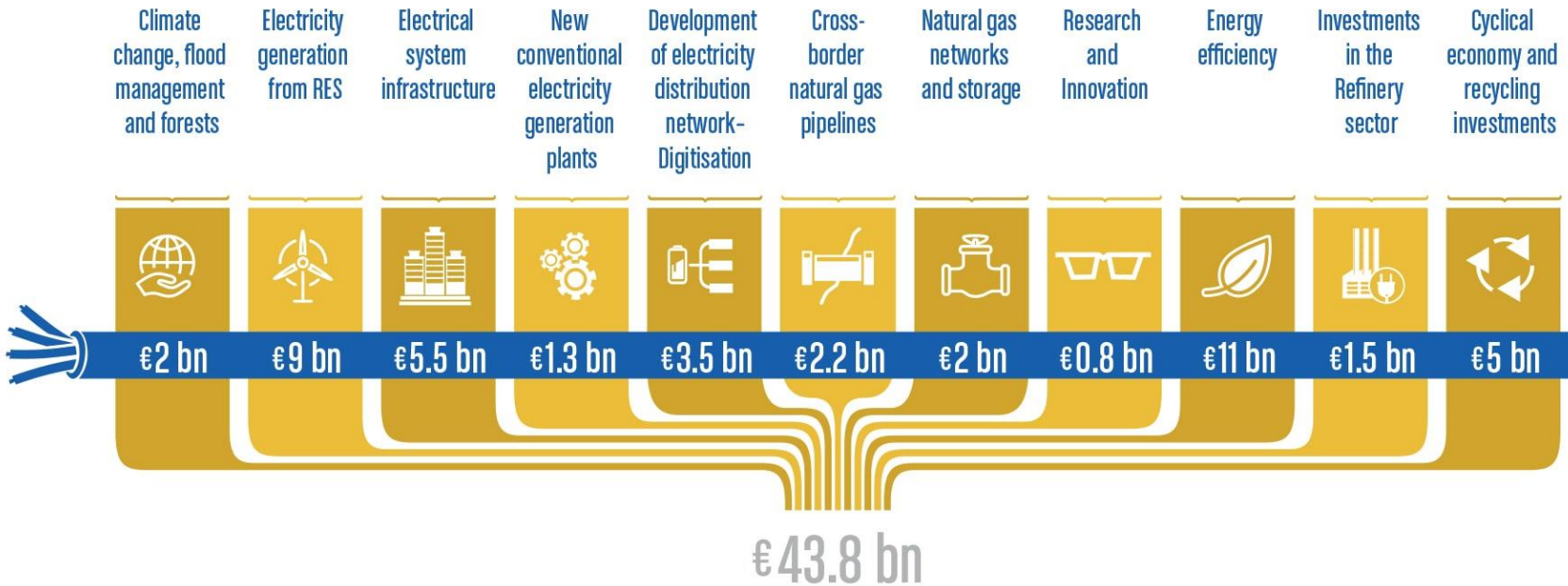
What are the forecasts for Greek economy

- Energy transition

ESTIMATED INVESTMENTS IN KEY AREAS

ACCORDING TO GREECE'S 2019 NATIONAL ENERGY AND CLIMATE PLAN

Total Estimated Investments (€ million) for the period 2020-2030



Source: National Energy and Climate Plan - Dec. 2019



Possible impediments for Greece's growth

- Justice, legal and regulatory environment
- Bureaucracy
- Brain drain
- Unstable political environment
- Increase in products costs due to raw materials price raise
- Rising energy costs





Redefining the future of Greece

- The legacy of 2020 includes two extremely positive developments: the speed of the digital transformation of the state – under the pressure of the pandemic – and the significant number of foreign direct investments in technology
- On its way back to sustainable growth, the Greek economy is currently faced with three interconnected challenges:
 1. Carrying on and completion of the reforms, with an emphasis on taxation, education, the justice system, and the further digitization of the public administration
 2. Analyzing, comprehending and managing the drastic changes brought about by the disruption of the global economy, driven by globalization, the digital technology revolution, demographic developments and climate change.
 3. Accepting that innovation and digital technology are critical priorities to achieve high and sustainable growth rates within this environment of rapid technological transformation.






Redefining the future of Greece

Three trends are expected to greatly influence future developments:

- A stronger focus on climate change and sustainable growth – a trend already reflected in the European Union Recovery Fund's emphasis on sustainability and the circular economy.
- Accelerating the pace of adoption of digital technology and its penetration into traditional sectors of the economy.
- Awareness among citizens and businesses alike, about the need to build more flexible and resilient supply chains, while many governments are focused on reducing their economies' dependence on remote or politically unstable third countries.

Greece will not be able to meet these challenges if it continues to rely on the growth model it followed in recent decades. Today, we need a new, inclusive and outward-looking growth model, which emphasizes on attracting greenfield investments, integrating digital technology, transitioning to the circular economy, and utilizing the most precious asset we have at our disposal: the human capital.



AmCham Network

- Washington D.C. – U.S. Chamber of Commerce
- AmChams in Europe, the umbrella organization for 45 American Chambers of Commerce (AmChams) throughout Europe and Eurasia

How AmCham helps you and your business?

- broadening business horizons
- creating new business partnerships
- taking advantage of trade and investment opportunities
- being a part of American Chambers global network

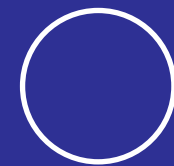
AmCham Greece est. 1932

- one of the largest, most active and dynamic American Chambers in Europe.
- basic mandate: to promote and foster commercial, financial, and business relations between the United States and Greece.



AmCham Greece in brief





AmCham Greece Serves as

- A spokesperson to governments and their agencies to obtain effective results in policy issues affecting Greek-American economic relations
- a liaison between government and private sector regarding general and specific points of concern
- A liaison between Greek and American businesses, government offices and agencies for the development of mutually beneficial policies

How we do it



AmCham Greece Committees

- the core interface of the Chamber vis-à-vis the government and societal stakeholders

Active in

- formulating the strategic sectoral roles of the Chamber
- organizing events such as conferences, exhibitions, trade missions, seminars, and media briefs
- developing position papers
- advancing the interests of member companies sectorally
- advising in policy formation, legislation, and government action



We presented more than 10 reasons to join AmCham Greece_
Want to learn more?

www.amcham.gr

Thank you



Connection
Advocacy
Growth

