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1. SMEs in Greece – a brief fact check:

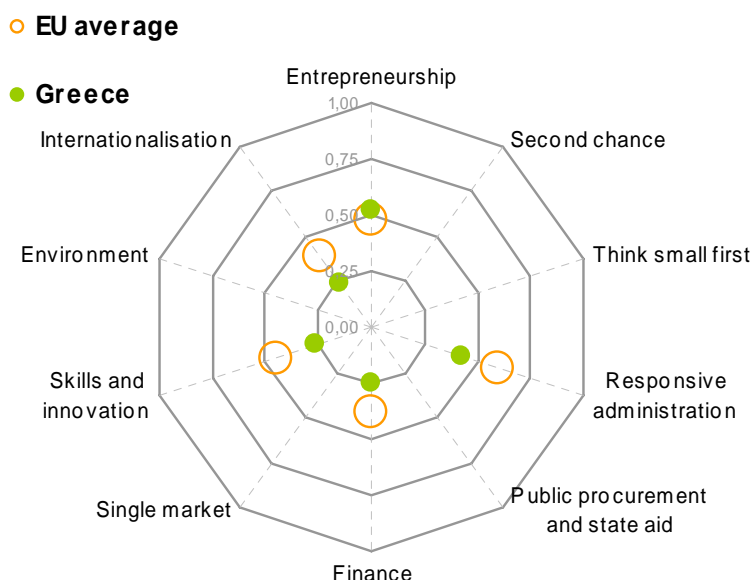
There are approximately 73 SMEs per 1000 inhabitants in Greece, which is greatly above the EU-27 average of ca 40. Since this is mainly due to a high overall number of businesses, Greece is only slightly above average in terms of the proportion of SMEs as compared to all enterprises. It is noteworthy that more than 97% of all Greek enterprises are micro companies. Greek SMEs represent a very important share of the economy, accounting for a far larger share of total employment and value added than the EU average. Again, the role of the Greek micro companies is unique in the European context.

	Number of enterprises			Number of persons employed			Value added (MEUR)		
	Value	%	EU-26 average	Value	%	EU-24 average	Value	%	EU-26 average
Micro	796.454	97,1%	91,8%	1.401.286	56,5%	29,6%	23.379	36,6%	21,1%
Small	21.235	2,6%	6,9%	392.668	15,8%	20,6%	11.845	18,5%	19,0%
Medium	2.496	0,3%	1,1%	240.199	9,7%	16,8%	9.279	14,5%	17,8%
SMEs	820.185	99,9%	99,8%	2.034.153	82,0%	67,1%	44.503	69,6%	57,9%
Large	462	0,1%	0,2%	447.752	18,0%	32,9%	19.387	30,3%	42,1%

Source: Eurostat SBS data base, 2004 and 2005 data.

2. Greece's SBA profile¹

The SBA policy radar for Greece suggests room for improvements in almost all the measured areas. In the field of "Entrepreneurship" Greece matches the performance of its EU peers. According to the data available for the categories "Responsive administration", "Finance", "Skills and Innovation" and "Internationalisation" Greece trails the EU-average. As, for the five sections where no category-average could be calculated the existing indicators show more mixed results with some positive values in terms of second chance and the think small first principle.



¹ It should be noted that the different dimensions of the radar correspond to the set of 10 principles foreseen in the European Commission's Small Business Act.



I. Entrepreneurship: The overall performance of Greece in this area is in line with the EU average. A strong indicator in this segment is the desire to become self-employed (47% as opposed to 30% for the EU average). This wish is also reflected in the percentage of people that actually have started a business which is still active or currently taking steps to start one, which is 33% in Greece compared to 23% on average. There are also comparatively many women entrepreneurs in Greece: 15% as compared to less than half that figure among EU peers. These results are, nevertheless, partly contradicted by the fact that merely 37% of Greeks see entrepreneurship as an opportunity (58% on average).

II. Second chance: For the single available indicator for this section – degree of support for allowing a second chance, the Greeks seem to be significantly more supportive than the average EU citizen, with 89% expressing such support compared to 80% at the European level.

III. Think small first: The two available indicators for this section – the degree of support among SMEs for current regulations and the time it takes to comply with administrative obligations – suggest a Greek performance above the EU average, with the first amounting to 41% (compared to the EU average of 29%). As for the second, Greek SMEs devote only 4% of total working time to administrative procedures, as compared to the EU average of 8%.

IV. Responsive administration: Data available for this category places Greece in a position behind the other EU countries. Most indicators in this segment trail the EU average, while there are only a few with results above the average. Compared to other EU countries the complex and costly start up procedures are particularly noticeable. In Greece it takes 38 days to start a business, compared to 20 days on average. It should be noted that these findings based on World Bank data, differ from corresponding figures obtained directly from the Member States (through the Lisbon process), according to which it only takes 15 days (corresponding EU average is 9 days). The cost of setting up a business amounts to 23% of the per capita income, compared to ca 7% on average.

V. Public procurement and State aid: The single available indicator for this section hints at a somewhat unfavourable situation in Greece - the proportion of total state aid devoted to SMEs is

below the EU average (8% as compared with 11%).

VI. Finance: Overall, the data gathered in this category places Greece below the EU average. There is a low availability of venture capital and the extent of guarantees for SMEs is also considerably inferior to the EU average. In terms of the relative strength of the legal rights, the available information indicates that Greece is below its EU peers. Nevertheless, Greece seems to have comparatively favourable payment conditions: the average payment delay is ca 35% of the average number of contract days compared to 50% on the EU level, and the share of lost payments is also lower than the EU average (1,5% compared to 2,4%).

VII. Single market: The three available indicators for this section suggest that there is considerable room for improvements in Greece, as compared to the other EU Member States. All the indicators (related to the implementation and transposition of EU directives linked to the Single Market) show results below the EU par, in particular in terms of the average transposition delays for overdue directives.

VIII: Skills and innovation: The figures for Greece in this section are below the EU-level for both policy areas covered in this segment. Only 8% of all Greek SMEs with 10-250 employees reported having purchased on-line over the last year, whereas the EU average is 28%. Greek companies received orders via the Internet far less frequently than their European peers. In terms of continuous vocational training, only 14% of employees participated in such training in Greece, compared to 33% on average, and the average duration of the learning activities was three times shorter. On the positive side, an indicator with an above EU-average performance is the Greek share of SMEs' turnover from new or significantly improved services and products.

IX: Environment: Three indicators are available for Greece for this section. It appears that the share of SMEs having comprehensive systems for energy savings, and the share of SMEs applying simple measures to save energy taken together position Greece below the EU average in this field (4% and 22% respectively, as compared to the EU average of 4% and 29% respectively). This picture is further substantiated by the fact that the average expenditure on environmental protection is



remarkably lower in Greece (€8 against €900) than in the rest of the EU.

X: Internationalisation: Most indicators in this segment are below the EU average, mirroring Greece's results in the "Single market" category. Data suggests that the procedures for exporting and importing in Greece are less efficient than in

other EU members. The number of days required to export and import is substantially above the average (20 and 25 days respectively as compared to ca 13 days). The share of SMEs' turnover resulting from exports is only at 2% compared to 4,6% on average).

Example for a good practice in SME policy

To illustrate the efforts of the Government to promote SMEs, the statistical information of the fact sheet is enriched by an example of a good practice in SME policy – as singled out in the European Commission's Communication on "Think small first – A Small Business Act for Europe":

Title of the Project: The Hellenic Technology Clusters Initiative

The purpose of the project is to attract foreign and local investment, to capitalize on the strong local base of scientists and to promote diffusion of know-how among members.

The initiative seeks to create and support cluster of mainly small and mid-size businesses in sectors where Greece has the capacity to attain, in the near future, a worldwide competitive advantage and where cluster members can increase their market share. Special emphasis was given to promoting patent submission: the businesses are supported during the whole process of filing patents. The measure is endorsed by the Hellenic Ministry of Development.

Further information: www.htci.gr

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