Key points

**Past & future SME performance**: SMEs play an important role in the Greek ‘non-financial business economy’. They generate 63.6% of value added and 85.2% of employment, exceeding the EU average of 56.8% and 66.4% respectively. Micro firms are the backbone of the Greek economy providing a remarkable almost 6 out of 10 jobs, compared with the EU average of 3 out of 10 jobs. SME employment rose by 10.7% in 2015-2017 thanks to the exceptional performance of micro firms, which increased their employment by 18.2%. It is predicted that the growth in SME employment that began in 2015 will continue in 2017-2019, with an expected rise of more than 6% per year. SME growth in value added is also expected to accelerate, increasing by more than 8% per year in 2017-2019.

**Implementing the Small Business Act for Europe (SBA)**: Greece’s performance has been broadly below the EU average for many years. Only state aid & public procurement is above the EU average, while ‘responsive administration’ is in line with the EU average. Greece is among the weakest performing countries in access to finance, ‘second chance’, environment, and internationalisation. During 2017 and the first quarter of 2018, Greece adopted many new policy measures covering seven out of the 10 SBA principles.

**SME policy priorities**: Due to the financial crisis of the past decade, many SMEs continue to face obstacles when looking for financing. Access to finance remains the most problematic area in Greece. Recent policy efforts in this area, together with the economic recovery, are expected to have a significant impact, but these efforts need to be continued. Additional measures should be taken in parallel to improve the business environment in Greece, such as simplifying the complex and burdensome administrative procedures focusing particularly on insolvency legislation. The systematic application of the SME test should also be strengthened. Furthermore, as the Greek economy is relatively small, specific policy measures should encourage SMEs to increase exports and engage in more internationalisation activities. Additional policy efforts are also necessary to support digitalisation and SMEs’ research and innovation activities to become more productive and competitive.

---

**About the SBA fact sheets**

The Small Business Act for Europe (SBA) is the EU’s flagship policy initiative to support small and medium-sized enterprises (SMEs). It comprises a set of policy measures organised around 10 principles ranging from entrepreneurship and ‘responsive administration’ to internationalisation. To improve the governance of the SBA, the 2011 review of it called for better monitoring. The SBA fact sheets, published annually, aim to improve the understanding of recent trends and national policies affecting SMEs. Since 2011, each EU Member State has appointed a high-ranking government official as its national SME envoy. SME envoys spearhead the implementation of the SBA agenda in their countries.
1. SMEs — basic figures

<table>
<thead>
<tr>
<th>Class size</th>
<th>Number of enterprises</th>
<th>Number of persons employed</th>
<th>Value added</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Greece</td>
<td>EU-28</td>
<td>Greece</td>
</tr>
<tr>
<td>Micro</td>
<td>807 666</td>
<td>97.3 %</td>
<td>93.1 %</td>
</tr>
<tr>
<td>Small</td>
<td>19 662</td>
<td>2.4 %</td>
<td>5.8 %</td>
</tr>
<tr>
<td>Medium-sized</td>
<td>2 349</td>
<td>0.3 %</td>
<td>0.9 %</td>
</tr>
<tr>
<td>SMEs</td>
<td>829 677</td>
<td>100.0 %</td>
<td>99.8 %</td>
</tr>
<tr>
<td>Large</td>
<td>376</td>
<td>0.0 %</td>
<td>0.2 %</td>
</tr>
<tr>
<td>Total</td>
<td>830 053</td>
<td>100.0 %</td>
<td>100.0 %</td>
</tr>
</tbody>
</table>

These are estimates for 2017 produced by DIW Econ, based on 2008-15 figures from the Structural Business Statistics Database (Eurostat) and additional data provided by ELSTAT. The data cover the ‘non-financial business economy’, which includes industry, construction, trade, and services (NACE Rev. 2 sections B to J, L, M and N), but not enterprises in agriculture, forestry and fisheries and the largely non-market service sectors such as education and health. The following size-class definitions are applied: micro firms (0-9 persons employed), small firms (10-49 persons employed), medium-sized firms (50-249 persons employed), and large firms (250+ persons employed). The advantage of using Eurostat data is that the statistics are harmonised and comparable across countries. The disadvantage is that for some countries the data may be different from those published by national authorities.

SMEs play an important role in the Greek ‘non-financial business economy’. They generate 63.6 % of value added and 85.2 % of employment, exceeding the respective EU averages of 56.8 % and 66.4 %. Micro firms are the backbone of the Greek economy. They provide almost 6 out of 10 jobs, compared with the EU average of 3 out of 10 jobs. Due to the high proportion of micro firms, Greek SMEs are smaller than the EU average. They employ an average of 2.4 people, compared with the EU average of 3.9.

SMEs in Greece have made mixed progress in recent years. SME employment rose by 10.7 % in 2015-2017. However, this strong employment growth was entirely due to the exceptional performance of micro firms, which increased their employment by 18.2 % during this period. In contrast, firms in the other size classes suffered a slight downturn, with employment losses of 2.5 % (small firms) and 1.2 % (medium-sized firms) in the same period. SME value added growth was also subdued, falling by 2.8 % in 2015-2016, followed by an increase of 5.4 % in 2016-2017, leading to an overall rise of 2.5 % in 2015-2017.

One sector in which micro firms generated strong employment growth is transportation and storage. In 2015-2017, micro firm employment in this sector increased by 20.4 %. Employment in small and medium-sized firms also grew, but more moderately, at only 3.8 % and 2.4 % respectively. In the same period, SME value added decreased across all size classes, with an overall fall of 3.3 % in 2015-2017. An important contributing factor to
recent SME advances is the overall improvement in the quality of the Greek logistics infrastructure, logistic procedures and speed of freight handling. However, SMEs in transportation and storage have also faced substantial changes in their operating environment as a result of a number of large-scale foreign infrastructure investments. For example, the largest Greek seaport, Piraeus, has experienced a surge in investments since 2009, when half of the port was leased to the Chinese Ocean Shipping Company (COSCO). SME growth opportunities may emerge from the higher capacity and efficiency at this transportation hub. However, a survey of 200 Greek SMEs in land transportation and storage indicates that, so far, only 27% of SMEs have benefited from the latest investments in Piraeus.

SMEs in manufacturing have played a substantial role in the growth of the ‘non-financial-business economy’. SME employment increased across all size classes, with an overall rise of 9.7% in 2015-2017. SME value added also increased by 14.6%. SMEs in food products, the largest SME subsector, generated around a third of both SME employment and value added in 2017. Strong export performance, with exports of food products increasing by 46% in 2010-2016, contributed to SME growth in this subsector. As a result, SME employment rose by 10.8% and value added increased by 15.0% in 2015-2017. The Greek food products that have been most successful in gaining worldwide market shares in recent years, are dairy products (cheese and yogurt), olives, natural sweets and honey. However, a general weakness of the sector is that the majority of Greek agricultural products are exported in bulk form, with a comparably low degree of processing and only small added value from manufacturing. An example is Greek olive oil, of which only 27% of exports are branded before leaving the country, compared with 50% of exports from Spain and 80% from Italy.

Business demography has developed favourably in recent years. The general commercial registry reports 31,271 business registrations for 2017, a rise of 4.1% on the previous year. The number of de-registrations reported in the registry decreased by 27.1% in 2016-2017, dropping to 25,277 in 2017. Corporate insolvencies fell even more sharply, dropping to 111 in 2016 — 46.2% fewer than the previous year and only around a quarter of total insolencies in 2011.

The following segment presents data that has been collected for the EU Startup Monitor and refers mainly to the population of online and technology based start-ups. The Greek start-up ecosystem has developed rapidly over the past five years. The typical Greek company founder is male (82.9%) and holds a university degree (95.1%). The proportion of company founders in Greece with a bachelor’s degree was among the highest in the EU (26.8%, compared to the 19.3% EU average). One third of start-ups in Greece are in the traditional software (as-a-service sector) (36.6%), although they are also active in other sectors, such as biotech (7.3%), compared to the 6.5% EU average. Greek start-ups currently employ 90 people and are looking to hire 5.5 more within the next 12 months. They are known especially for their open and entrepreneurial culture. For example, 76.3% of respondents stated that they seek strategic advice from their staff. Greek start-ups generate their revenues mostly through business-to-business (72.7%) and within the Eurozone (78.0%). Most Greek respondents’ start-ups obtained either all or some (82.1%) of their financing from EU investors. The geographic start-up hub for Greece is Athens, with some start-ups also in Thessaloniki.

The share of Greek firms that have successfully scaled up their operations in recent years is lower than the EU average. In 2015, 1,405 firms or 6.0% (provisional data) of all firms in the ‘business economy’ with at least 10 employees, were high-growth firms, compared with the EU average of 9.9%. At 10.4%, the highest proportion of high-growth firms was in administrative and support services.

The growth in SME employment, which started in 2015, is forecast to continue in 2017-2019, with an expected rise in SME employment of more than 6% per year. SME growth in value added is also predicted to accelerate, increasing by more than 8% per year in 2017-2019.
2. SBA profile

Overall, Greece’s performance is below the EU average, with only state aid & public procurement being above the EU average. Entrepreneurship, single market, and skills & innovation are below the EU average. Greece’s performance is among the weakest in the EU in four areas (‘second chance’, access to finance, environment, and internationalisation).

There have been few changes in Greece’s performance since last year’s fact sheet. It has deteriorated in two areas, however. These are ‘second chance’, which has one of the lowest scores in the EU and skills & innovation, which was previously in line with the EU average but has now fallen below it. However, the country has made some progress in ‘responsive administration’ since last year and is now broadly in line with the EU average.

On the policy side, the introduction of the SBA in 2008 has acted as a catalyst for Greece. It has paved the way for administrative and institutional changes (e.g. amendments of the insolvency law, a new framework for non-performing loans, simplification of the procedures to set up a business, etc.) and the adoption of new instruments (e.g. guarantees for loans, seed and early stage venture capital, micro-finance loans, etc.). The SBA has set the framework for supporting SMEs based on specific targets and objectives. Despite the various reforms, there is still room for improvement, as Greece still ranks low in most international competitiveness rankings.

In 2017 and the first quarter of 2018, which is the reference period for policy measures in this year’s fact sheets, Greece adopted more than 20 policy measures addressing seven out of 10 policy SBA areas.

The area that saw the most significant progress was entrepreneurship, with six measures introduced to foster investment in entrepreneurship and a further measure announced to support existing and future social entrepreneurs and companies. There was also significant policy progress in access to finance, with the introduction of four new measures focused on financing new entrepreneurs and the announcement of one new measure to help to remove obstacles to investment.

Various measures were also adopted under the ‘second chance’ principle to simplify debt settlements procedures. In addition, two measures were introduced under ‘responsive administration’ and skills & innovation. Only one measure was adopted in the area of internationalisation to support exports of Greek SMEs outside the EU.

Four areas (‘think small first’, state aid & public procurement, single market, and environment) had the least progress during the current reference period, with no significant measures adopted or announced.
SBA performance of **Greece**: state of play and development from 2008 to 2018

Note: The scores presented in the chart above are not fully comparable to those displayed in previous versions of the fact sheet. This is due to a review of the framework of indicators used to assess performance across the SBA principles. Only the aspects with sufficient background data are presented. The value for progress over time was set to 0% in case of insufficient data and marked in the above chart by a diamond shape. For more details, please consult the methodological note on the webpage of the SME Performance Review:

3. SBA principles

3.0 ‘Think Small First’

The ‘think small first’ principle is meant to be a guiding principle for all policy- and law-making activities. It requires policymakers to take SME interests into account at the early stages of the policy-making process. The principle also calls for newly designed legislation, administrative rules and procedures to be made simple and easy to apply.

Greece has introduced various measures under the ‘think small first’ principle since 2008. However, there is room for improvement. Greece could, for example, systematically apply the SME test to impact assessments of new SME legislation. Moreover, the results of the regulatory impact assessment could always be applied effectively and transparently.

During the current reference period, no significant measures were adopted or announced.

3.1 Entrepreneurship

Greece continues to perform below the EU average in entrepreneurship. Although the business ownership rate in Greece is the highest in the EU, there has been a weak performance in most other indicators. For instance, there has been a downward trend in the total early stage entrepreneurial activity since 2014, despite a five percentage point increase in the number of Greek citizens that consider entrepreneurship a desirable career choice. Entrepreneurship education at school and at post-secondary level has lost ground against the EU average compared to the previous reference period. Although the attention given by Greek media to entrepreneurship has slightly increased, it is still one of the lowest in the EU.

On the policy side, promoting entrepreneurship has been a priority for the Greek government for the last decade. Some of the most relevant measures have focused on simplifying the procedures to start a new business and on specific groups (e.g. female and youth entrepreneurship). Since 2012, over 500 start-ups have been established with the support of approximately 20
incubators and accelerators and 10 venture funds.22 However, SMEs still face many challenges, such as weak contract enforcement23 and one of the most restrictive product markets (OECD data 2013).24

The support for start-ups and scale-ups is increasingly a national policy priority. For instance, setting up the ‘Equifund’ fund-of-funds will make approximately EUR 320 million available to start-ups and scale-ups through intermediary funds (technology transfer, accelerator, early stage/seed and growth stage private equity funds).

Several important measures have been adopted in the current reference period. One of the most significant was Law 4512/2017 (ΝΟΜΟΣ ΥΠ’ ΑΡΙΘ. 4512 Ρυθμίσεις για την εφαρμογή των διαδρομικών μεταρρυθμίσεων του προγράμματος οικονομικής προσαρμογής και άλλες διατάξεις) which implements the structural reforms of the economic adjustment programme. Key provisions of this new legal framework include: (i) a three-year tax exemption for innovative companies (Art. 353); (ii) the regulation of the mediation principle in civil and commercial cases (Art. 178-187); (iii) stronger enforcement of intellectual property rights; and (iv) a licensing system for essential patents carried out by the Industrial Property Organisation (Art. 123-126).

Furthermore, under the 2014–2020 rural development programme, Greece has adopted a support programme to invest in the processing, marketing or development of agricultural products (Μεταπόθεση, εμπορία και ανάπτυξη γεωργικών προϊόντων με τελικό προϊόν εκτός Παραρτήματος I της Συνθήκης για τη Λειτουργία της Ευρωπαϊκής Ένωσης (μη γεωργικό/ γεωργικό προϊόν)). This support programme is encouraging digital transformation in the agri-food sector. Law 4472/2017 has introduced additional measures to lower corporate and income tax as a further boost to entrepreneurial activity in Greece. More precisely, the taxation of earned income, pensions and business activity has been reduced from 22% to 20% to alleviate the burden on those with low incomes. The measure will enter into force in 2020. In addition, Greece announced the creation of ‘Centres for the Support of the Social and Solidarity Economy’ (Κέντρα Στήριξης της Κοινωνικής και Αλληλέγγυας Οικονομίας) which will support existing and future social entrepreneurs and companies.

3.2 ‘Second chance’

‘Second chance’ refers to ensuring that honest entrepreneurs who have gone bankrupt get a second chance quickly. Little progress has been reported and the country’s performance on the ‘second chance’ principle is among the weakest in the EU. The time it takes to resolve insolvency is still one of the longest in the EU. Since 2015, there has been a negative trend in the fear-of-failure rate. This slightly increased in 2017, making it the second highest in the EU.

Insolvency remains one of the major problems for Greek companies. It is estimated that approximately 25% of SMEs have problems with too much debt.25 Further policy action is needed in this area, particularly to simplify the current insolvency legislation and further improve out-of-court-resolution mechanisms26.

To strengthen the ‘Extrajudicial Debt Settlement mechanism for businesses (ΝΟΜΟΣ ΥΠ’ ΑΡΙΘ. 4469 Εξωδικαστικός μηχανισμός ρύθμισης οφειλών επικεφαλμένων και άλλες διατάξεις) that was introduced in 2017, three ministerial decisions were adopted during the current reference period to simplify procedures for the settlement of debts up to EUR 50,000 to banks, tax authorities and social security institutions (ΚΥΑ οικ. 62134/4100/28-12-2017 (ΦΕΚ Β/ 4640), ΚΥΑ 130060/27-11-2017 (ΦΕΚ Β’4158-129-11-2017), ΠΟΑ. 1223/2017 — ΦΕΚ 4643/Β/29-12-2017).

---

**Note:** Data bars pointing right show better performance than the EU average and data bars pointing left show weaker performance.
3.3 ‘Responsive administration’

Responsive administration’ refers to public administration being responsive to the needs of SMEs. Greece has made substantial progress in this area since 2008, and the country currently performs broadly in line with the EU average. This progress is partly thanks to the reduction of the time, cost and procedures to start a business and the elimination of the paid-in minimum capital required for business registration. Moreover, although the cost to enforce contracts has not changed since 2008, it remains one of the lowest in the EU. However, Greece’s performance for some individual indicators is among the weakest in the EU particularly for the burden of fast-changing legislation and the complexity of administrative procedures, both of which are still major problems when doing business.

Several initiatives, such as the 2014-2020 e-Government strategy, have been adopted since 2008 in the area of ‘responsive administration’. Despite the progress over the last decade, important issues, such as the complexity of administrative procedures, need to be addressed.

During 2017 and the first quarter of 2018, the following relevant measures were adopted:

- A new legislative framework that determines the content and procedure of the notification process for food and beverages manufacturing and processing businesses (ΚΥΑ οικ.32790/392/Φ.15/2017 (ΦΕΚ 1061/Β/28-3-2017) Απλούστευση πλαισίου άσκησης μεταποιητικών και συναφών δραστηριοτήτων τροφίμων και ποτών και προτυποποίηση των διοικητικών διαδικασιών γνωστοποίησης λειτουργίας).

- Law 4512 / 2017 introduces the structural reforms of the economic adjustment programme. Article 166 sets out all relevant provisions for the establishment, operation and regulation of business parks (ΝΟΜΟΣ ΥΠ’ ΑΡΙΘΜ. 4512 Ρυθμίσεις για την εφαρμογή των διαδικασιών μεταρρυθμίσεων του προγράμματος οικονομικής προσαρμογής και άλλες διατάξεις/ Άρθρο 166 Ρυθμίσεις για επιχειρηματικά πάρκα).

Note: Data bars pointing right show better performance than the EU average and data bars pointing left show weaker performance.
3.4 State aid & public procurement

Greece’s performance in state aid & public procurement, the country’s strongest performing area, remains above the EU average. SMEs participation in public tenders is high in Greece. SMEs also account for a high share of the total value of public contracts awarded in this country. However, e-procurement is still underperforming, and the average delay in payments from public authorities is still more than double the EU average — one of the highest in the EU — though a slight improvement on last year.

Major steps have been taken since 2008, including the creation of a single public procurement authority and the adoption of a national strategy on public procurement to increase administrative capacity and make the process more professional.

During the current reference period, the second cycle of the general entrepreneurship aid scheme of Law 4399/2016 (Αναπτυξιακός Νόμος 4399/2016 - 2ος κύκλος Τεχνητή Επιχειρηματικότητα) was adopted, providing financial aid to SMEs in the tourism, manufacturing and services sectors.

3.5 Access to finance

Greece scores below the EU average in access to finance overall and well below the EU average for the majority of indicators. Access to finance is the country’s weakest performing area. For instance, it takes around 65 days for a company to get its invoices paid, 29 more than the EU average and one of the highest payment delays in the EU. Bank lending to SMEs remains
a significant barrier due to the high average interest rates on small loans. There is also lack of available ‘business angel’ funding, venture capital and equity financing or alternative sources of financing such as crowdfunding. However, banks are currently much more willing to lend than they were in 2015 and access to public financial support has significantly improved.

Despite the various public financial support measures introduced in recent years, such as the ‘Escrow Account’ and the ‘Entrepreneurship Fund II’, there are still not enough funds to go around.

During the current reference period, the following significant measures have been adopted:

- The ‘Entrepreneurship Fund I — intermediate programme (ΤΕΠΙΧ Ι)’ (Ταμείο Επιχειρηματικότητας Ι — Ενδιάμεσο Πρόγραμμα (ΤΕΠΙΧ Ι)) aims to facilitate Greek companies’ access to finance, improve loan conditions and fill the gaps in the financial market.

- The second cycle of the General entrepreneurship aid scheme (2ος κύκλος Γενική Επιχειρηματικότητα) is designed to provide funds to SMEs in the tourism, manufacturing and service sectors.

- The second cycle of the support programme for SMEs in the tourism sector (Ενίσχυση Τουριστικών Μικρομεσαίων Επιχειρήσεων για τον εκσυγχρονισμό τους και την ποιοτική αναβάθμιση των παρεχόμενων υπηρεσιών (Β’ Κύκλος)) aims to financially support existing micro, small and medium-sized tourism companies in their efforts to modernise/enhance their services and processes, to strengthen their position in domestic and international tourism markets.

- The second cycle of the support programme for self-employed higher education graduates (Ενίσχυση της αυτοαπασχόλησης Πτυχιούχων Πανεπιστημίων Τριτοβάθμιας Εκπαίδευσης (Β’ Κύκλος)) aims to boost financial support for new companies focusing on the self-employment of higher education graduates, to safeguard employment and create new job opportunities.

In addition, a cooperation plan between the European Investment Fund, Alpha Bank and Piraeus Bank was announced. This plan aims to remove obstacles to investment by mobilising EUR 420 million to support more than 2 000 Greek SMEs.

*The Equifund (see Section 4) is a fund-of-funds to strengthen the venture capital market in Greece. It focuses on three sectors (or ‘windows’): (a) an innovation window (for innovators and researchers), (b) an early stage window (for start-ups), and (c) a growth stage window (for scale-ups). So far, 6 (out of 9) funds have been activated and provide equity to innovative SMEs.*

### 3.6 Single market

<table>
<thead>
<tr>
<th>Metric</th>
<th>Greece 2017</th>
<th>EU Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of single market directives not yet transposed</td>
<td>9</td>
<td>9.2</td>
</tr>
<tr>
<td>Average transposition delay for overdue directives (in months)</td>
<td>6.2</td>
<td>8.7</td>
</tr>
<tr>
<td>Number of pending infringement procedures</td>
<td>35</td>
<td>24</td>
</tr>
<tr>
<td>Public contracts secured abroad by SMEs (percentage of total value of public contracts)</td>
<td>8.5</td>
<td>2.6</td>
</tr>
<tr>
<td>SMEs with intra-EU exports of goods (percentage of SMEs in industry)</td>
<td>4.93</td>
<td>16.57</td>
</tr>
<tr>
<td>SMEs with intra-EU imports of goods (percentage of SMEs in industry)</td>
<td>6.37</td>
<td>25.39</td>
</tr>
<tr>
<td>Intra-EU online exporters (% of SMEs)</td>
<td>6.56</td>
<td>8.38</td>
</tr>
<tr>
<td>Easy market access for new and growing firms (1-5)</td>
<td>2.34</td>
<td>2.76</td>
</tr>
<tr>
<td>Market access for new and growing firms without being unfairly blocked by established firms (1-5)</td>
<td>2.51</td>
<td>2.73</td>
</tr>
</tbody>
</table>

**Note:** Data bars pointing right show better performance than the EU average and data bars pointing left show weaker performance.

Greece’s single market performance remains below the EU average. In particular, the share of Greek SMEs both importing and exporting outside the EU has further declined. The market entry for new and growing firms has also further deteriorated.

---

2018 SBA Fact Sheet — Greece
On the positive side, Greece transposes single market directives with an average delay of 6 months, which is faster than the EU average. The proportion of Greek SMEs securing contracts abroad is about three times higher than the EU average (reference period 2013).

Measures to help new and growing SMEs gain access to the single market and incentives to improve the current weak performance in imports and exports are needed to improve the business environment in Greece. As part of this effort, a specific event on ‘Simplifying the business environment in Greece: Digital services and tools for SMEs’ was organised in Athens in April 2018.

During the current reference period, no significant measures were adopted or announced.

### 3.7 Skills & innovation

![Graph showing variation from the EU average](image)

**Note:** Data bars pointing right show better performance than the EU average and data bars pointing left show weaker performance.

Greece’s performance in skills & innovation is below the EU average and has gone down since last year. This is partly due to the fact that the proportion of SMEs purchasing online, the lowest in the EU, has gone down. By contrast, the share of SMEs selling online has slightly increased, but is still low compared to other EU countries. The turnover from e-commerce has also decreased compared to the previous reference period and was the second lowest in the EU in 2017. Skills training has become a serious challenge. The proportion of SMEs providing ICT training to their employees has decreased from 14.0 % in 2016 to 10.7 % in 2017, which is affecting the ICT skills of the Greek workforce. In addition, general training that companies provide to their employees decreased from 27.8 % in 2010 to 21.7 % in 2015.

Policy measures to promote skills & innovation over the last decade have increased business spending on research and innovation. However, policy efforts are also needed to adapt the education system and vocational training to the needs of the current labour market.

During 2017 and the first quarter of 2018, two additional new measures were introduced:

- A new legislative framework supports innovative businesses through tax exemptions and sets stronger rules for state-funded infrastructure projects (ΚΥΑ (ΦΕΚ Β’ 2351/ 11.07.2017) Κριτήρια χαρακτηρισμού δαπανών επιστημονικής και τεχνολογικής έρευνας των επιχειρήσεων).

- A new initiative promotes the research and innovation activities of new firms in the agri-food and tourism sectors in the North Aegean Region (Προώθηση της...
The single State Aid support measure for Research and Innovation, entitled ‘RESEARCH — CREATE — INNOVATE’, is currently under way. This is funded by the ‘2014–2020 Competitiveness, Entrepreneurship and Innovation’ (EPAnEK) Operational Programme. The aim is to support research and innovation, technological development and demonstration for businesses developing new or improved products. It also aims to encourage collaboration between businesses, research and development centres and the higher education sector and to support the patentability of research results and industrial property.

### 3.8 Environment

![Variation from the EU average](chart)

**Note: Data bars pointing right show better performance than the EU average and data bars pointing left show weaker performance.**

Greece’s performance in environment remains one of the weakest in the EU, despite some progress since last year. Although the proportion of SMEs benefiting from public support measures for their resource-efficiency actions has significantly increased from 4% to 25% compared to the previous reference period, further efforts are needed as this rate is still among the lowest in the EU. Similarly, the share of SMEs offering green products or services has slightly decreased, though public support for carrying out measures to produce green products has increased somewhat.

Although some relevant measures have been adopted since 2008, such as ‘Green Tourism’ or ‘Green Business’, there is room for improvement in promoting the development of innovative eco-efficient processes, products and services and their uptake by SMEs. In recent years, Greece has prioritised the development of its renewable energy resources, focusing policy efforts on energy efficiency. Law 4513/2018 (Α’/9/23.01.2018)²⁹, which is also relevant for SMEs (p. 33–34), introduces the institutional framework to establish and operate energy communities in Greece. These aim to promote social economy and innovation in the energy sector to address energy poverty, promote energy sustainability, production, storage, own consumption, distribution and supply, increase energy self-sufficiency and security in island municipalities, and improve energy efficiency in end-use at regional level.
3.9 Internationalisation

Note: Data bars pointing right show better performance than the EU average and data bars pointing left show weaker performance.

Greece’s performance in internationalisation is still one of the weakest in the EU, with most indicators below the EU average. Although the information available to SMEs has slightly improved compared to the previous reference period, Greece’s performance for this indicator is one of the weakest in the EU. The indicator on formalities (automation, which mainly focuses on electronic exchange of data, automated border procedures, and use of risk management), has further decreased since last year. However, progress has been reported for some indicators. For example, Greek formality procedures have significantly improved since last year and the positive trend in the involvement-of-the-trade-community indicator continues, although further policy action is needed.

Although the depressed domestic market resulting from the economic crisis pushed SMEs to increase their exports, it is currently estimated that less than 10% of Greek SME’s are exporting their products. Improvements to transport infrastructures, particularly ports and railroads, together with the implementation of the recently developed logistics and transport plan, should help ease exports.

During the current reference period, a significant new measure was adopted to support international exports by SMEs (ΕΠΙΧΕΙΡΟΥΜΕ ΕΞΩ- Υποστήριξη Διεθνούς Προβολής ΜΜΕ με Εξωτερική Προσανατολισμό). Funded by the Operational Programme Competitiveness, Entrepreneurship & Innovation (ΕΡΑνΕΚ 2014-2020), the main objective is to strengthen and support the export orientation of SMEs in the manufacturing sector.
4. Interesting initiative

Below is an example of an initiative from Greece to show what governments can do to support SMEs:

**EquiFund**

EquiFund is an investment platform which is expected to have a significant multiplier effect on the economy and on society. It aims to strengthen the venture capital market in Greece, which can in turn provide entrepreneurs with the crucial financing they need to grow their businesses while attracting private sector investment. This new fund-of-funds focuses on three sectors or ‘windows’: (i) an innovation window (for innovators and researchers), (ii) an early stage window (for start-ups), and (iii) a growth stage window (for scale-ups). Under each window, a number of independently managed funds will be created that will be co-financed by EquiFund and private investors.

EquiFund has already attracted the attention of the international community due to its ability to find funding through equity investments at a time when one of the biggest problems faced by businesses is to ensure liquidity and raise funds. The investment platform not only combines funding and expertise from major institutional players, but also provides the necessary flexibility to create successful investments.

In Greece, this is the first time that such substantial investment measures are being applied. It is estimated that EUR 320 million in funds will be disbursed. Of this, EUR 200 million will come from European and national resources, EUR 60 million from the European Investment Fund, EUR 60 million from the European Investment Bank, and the additional funds from private investors.

Nine investments funds have already been created: Innovation Window Funds (BigPi Ventures, Metavallon Fund, Uni.Fund, Velocity.Partners); Early Stage Window Funds (Marathon VC, VentureFriends 400W); and Growth Window Funds (Elikonos 2, EOS Capital Partners, Synergia Hellenic Fund IV).

For more information:

https://equifund.gr

https://www.espa.gr/el/pages/EquiFund.aspx
Important remarks

The European Commission Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs (DG GROW) produces the SBA fact sheets as part of the SME Performance Review (SPR), its main vehicle for economic analysis of SME issues. They combine the latest available statistical and policy information. Produced annually, they help to organise the available information to facilitate SME policy assessments and monitor SBA implementation. They take stock and record progress. They are not an assessment of Member State policies. Rather, they should be regarded as an additional source of information to improve evidence-based policy-making. For example, they cite only policy measures national SME policy experts consider relevant. They do not and cannot reflect all measures the government has taken over the reference period. There is more policy information on a database accessible from the SPR website.

SME Performance Review:

grow-spr@ec.europa.eu

Small Business Act:

Entrepreneurship and SMEs:
https://ec.europa.eu/growth/smes

Endnotes

1 The two graphs below present the trend over time for the variables. They consist of index values for the years since 2008, with the base year 2008 set at a value of 100. As from 2016, the graphs show estimates of the development over time, produced by DIW Econ on the basis of 2008-2015 figures from Eurostat’s Structural Business Statistics Database. The data cover the ‘non-financial business economy’, which includes industry, construction, trade and services (NACE Rev. 2 sections B to J, L, M and N). They do not cover enterprises in agriculture, forestry and fisheries or largely non-market service sectors such as education and health. A detailed methodology can be consulted at: http://ec.europa.eu/growth/smes/business-friendly-environment/performance-review/

2 The Hellenistic Statistical Authority introduced a new method for compiling structural business statistics, which was applied to the year 2015. Therefore, the data for 2015 cannot be compared to the previous years. For more information on the structural break, see Press Release 30-11-2017, http://www.statistics.gr/documents/20181/9f7742a7-c2fd-4088-9c78-1e44c2667980, last accessed 28.05.2017.

3 The Hellenistic Statistical Authority introduced a new method for compiling structural business statistics, which was applied to the year 2015. Therefore, the data for 2015 cannot be compared to the previous years. For more information on the structural break, see, Press Release 30-11-2017, http://www.statistics.gr/documents/20181/9f7742a7-c2fd-4088-9c78-1e44c2667980, last accessed 28.05.2017.


spot/reports/Documents/ Sectoral%20Report_Agriculture%202015.pdf, last accessed 31.05.2018.
10 Ibid.
11 Ibid.
13 Ibid.
14 Official data on bankruptcies can be found at: http://www.statistics.gr/el/statistics/-/publication/SJU21/-
15 The data presented was collected by the EU Startup Monitor project, www.startupmonitor.eu
16 Due to data availability, the data on high-growth firms refers to the ‘business economy’ only, which covers sections B-N
including section K (financial activities, except activities of holding companies). The ‘non-financial business economy’ excludes
section K.
17 In line with the Commission implementing regulation (EU) No 439/2014, high-growth enterprises are defined as firms with at
least 10 employees in the beginning of their growth and average annualised growth in number of employees greater than 10 %
per annum, over a 3-year period. The share of high-growth enterprises is the number of high growth enterprises divided by the
number of active enterprises with at least 10 employees. Source of the data on high-growth enterprises is Eurostat
18 The 2018 SBA fact sheets benefited substantially from input from the European Commission’s Joint Research Centre (JRC) in
Ispra, Italy. The JRC made major improvements to the methodological approach, statistical work on the dataset and the visual
presentation of the data.
20 The quadrant chart combines two sets of information. Firstly, it shows current performance based on data for the latest
available years. This information is plotted along the X-axis measured in standard deviations of the simple, non-weighted
arithmetical average for the EU-28. Secondly, it shows progress over time, i.e. the average annual growth rates from 2008 to
2018. These are measured against the individual indicators which make up the SBA area averages. Hence, the location of a
particular SBA area average in any of the four quadrants provides information not only about where the country is located in this
SBA area relative to the EU average at a given point in time, but also about the extent of progress made between 2008 and
2018. All SBA principles, with the exception of the ‘Think Small First’ principle for which there is not enough statistical data
available, are calculated as composite indicators following the OECD/JRC Handbook guide. A detailed methodology can be
21 The policy measures presented in this SBA fact sheet are only a selection of the measures the government took in 2017 and
the first quarter of 2018. The national SME policy expert that PwC (DG GROW’s lead contractor for the 2018 SBA fact sheets)
contracted made the selection. The experts were asked to select only the measures they considered the most important, i.e. the
ones expected to have the highest impact in the SBA area in question. The complete range of measures the experts compiled in
producing this year’s fact sheets will be published alongside the fact sheets in the form of a policy database on the DG GROW
website.
24 https://www.oecd-ilibrary.org/docserver/5js3f5d3n2v4l-en.pdf?expires=1536071630&id=id&accname=guest&checksum=47FD68F0A6467894A639FFA3AFC5B14E
27 National Documentation Centre — EKT 2018.
30 IME GSEVEE Survey February 2018 — Biannual representation of economic climate in small businesses (the precise figure is
9.7 % of surveyed Greek SMEs in the manufacturing, trade and services sectors — representing 99.6 % of Greek businesses).