



Hellenic Federation of Enterprises



BEYOND THE GREEK CRISIS

**STRONG
INDUSTRY**
FOR INNOVATION,
GROWTH
AND JOBS

INDUSTRIAL CONFERENCE

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Where to invest: Industry's dynamic sectors

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Greek Industry's Dynamic Sectors

- Metals & metallurgy
- Food, beverages, tobacco
- Creative industry
- Oil & refinery products
- Construction materials
- Complex machinery
- Wood & paper products
- Chemicals & plastics
- Mining & minerals
- Energy systems & production
- Pharmaceuticals & cosmetics
- Recycling
- Electrical & electronic devices
- Logistics





Wide range of dynamic industrial activities

Linked to traditional sectors
and domestic raw materials

Strong exports
90.4% of total goods' exports
3.4% increase
2010-2015

Investors in Research,
Development and Innovation
63% of R&D Investment

Key for networks and value
chains

386.000 direct workers
Strong on know-how and skills

New activities at industrial
forefront
(Logistics, environmental
industry)



Some Dynamic Sectors' Figures

Agrofood

- 27% of manufacturing
- 1300 companies
- 360000 workers (direct +indirect)
- €16b Euro in sales
- €3.7b exports (2014)
- 3.4% GDP

Pharmaceuticals

- 13500 workers (excl. sales)
- €900m in production/annum
- €1b exports
- High added value (3% of total)
- R&D investments

Extractive and Minerals

- 120.000 workers
- 2.3b in sales
- 1.1b exports
- 2.2% GDP (3.4% with electricity generation)

Metals & Machinery

- ~ €1b GVA
- €6.8b in exports
- 26% of total exports

Logistics

- 11% GDP

50.000 workers

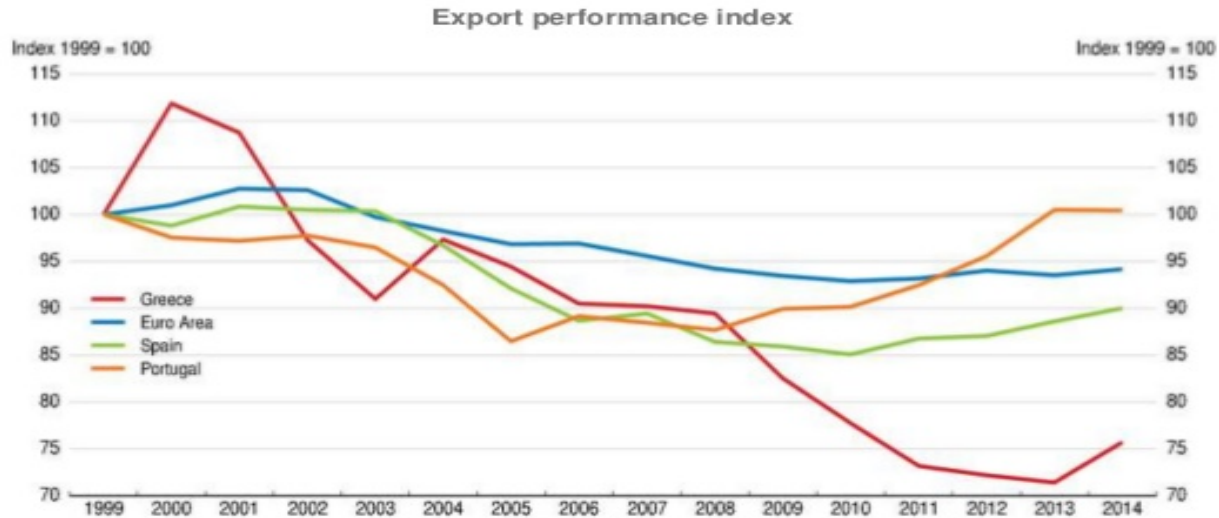
30.000 companies



Greek Industry's Dynamic Sectors



Exports are gradually improving

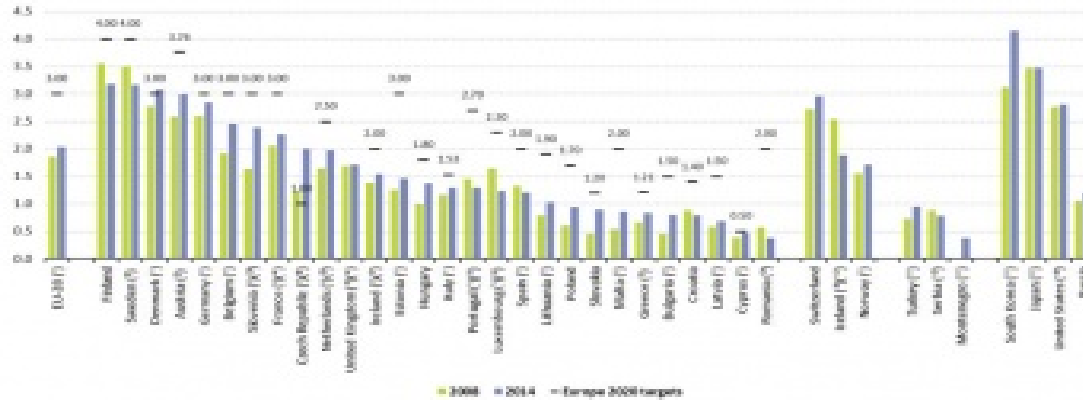


Note: Export performance is calculated as the ratio of exports of goods and services to export market.
Source: OECD Economic Outlook 98 database.



Greek Industry's Dynamic Sectors

Public & Private R&D spending is consistently low



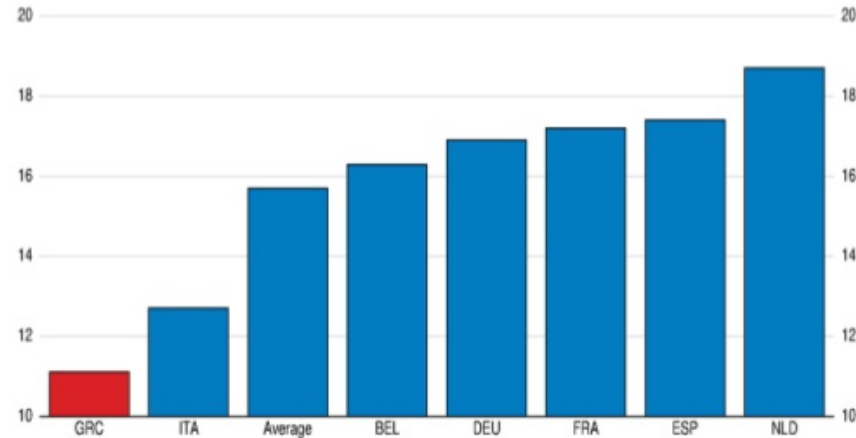
(†) 2014 data are provisional and/or estimates.
 (†) Data are provisional and/or estimates.
 (†) Break in time series for 2011.
 (†) Break in time series for 2010.
 (†) Target refers to public sector only.
 (†) No national target.
 (†) Target about 2 % (2.5 % of GMP).
 (†) Target 2.7-3.3 %.
 (†) Target 2.3-2.6 %.
 (†) Break in time series in 2013.
 (†) 2013 data (instead of 2014).
 (†) 2009 data (instead of 2008).
 (†) 2012 data (instead of 2014).



Greek Industry's Dynamic Sectors



Transport infrastructure is poor



1. 1 = extremely underdeveloped – among the worst in the world;

7 = extensive and efficient – among the best in the world.

Source: World Economic Forum, "The Global Competitiveness Report 2015-16."

➤ **Front load the use of European structural funds.**



Challenges for Dynamic Sectors' Growth

Improve Exports

- Higher added value
- Exports and new markets
- Ensure scale and viability
- Export know-how - Greek brand name
- Higher technology
- Exploit geography
- Infrastructure for growth, multipliers and jobs

Increase Innovation & Investment

- Investment Incentives
- R&D
- Ambitious PPPs in infrastructure and networks?
- Business environment
- Innovation Partnerships

Productive Networks

- B2B networks between smaller and larger companies
- Vertical networks e.g. from primary sector to services (Agrifood)
- Knowledge Networks between exports-oriented companies and research (e.g. pharmaceuticals),
- Infrastructure networks (e.g. Logistics, construction, energy, ICT)



Which way forward? Questions for public policy and businesses

Exports or imports' substitution? Supporting conditions for growth. Who does what?

Infrastructure governance and funding. A new design of PPPs, based on lessons learnt, and increased role and responsibility for the private sector?

Increasing value through innovation. Investment, R&D, clinical trials, links with universities, etc.

Productive networks for economies of scale, new markets for smaller enterprises and mobilisation of productive forces. How do we create the conditions for their development?



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