



Hellenic Federation of Enterprises



BEYOND THE GREEK CRISIS

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

INDUSTRIAL CONFERENCE

MAY 23-24, 2016

Session I: “Why choose Greece as an investment destination?”

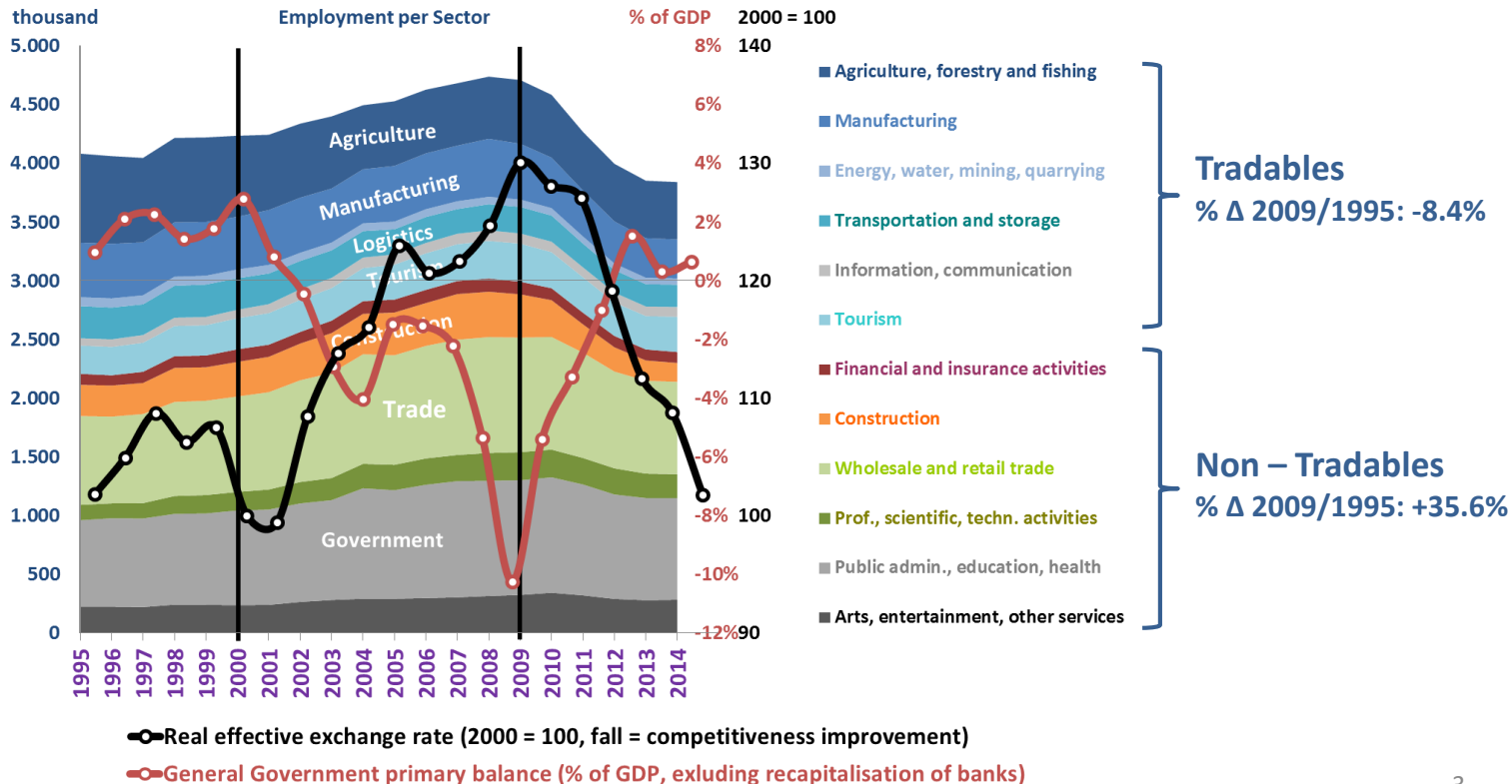


Introduction:

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Chief Economist, SEV



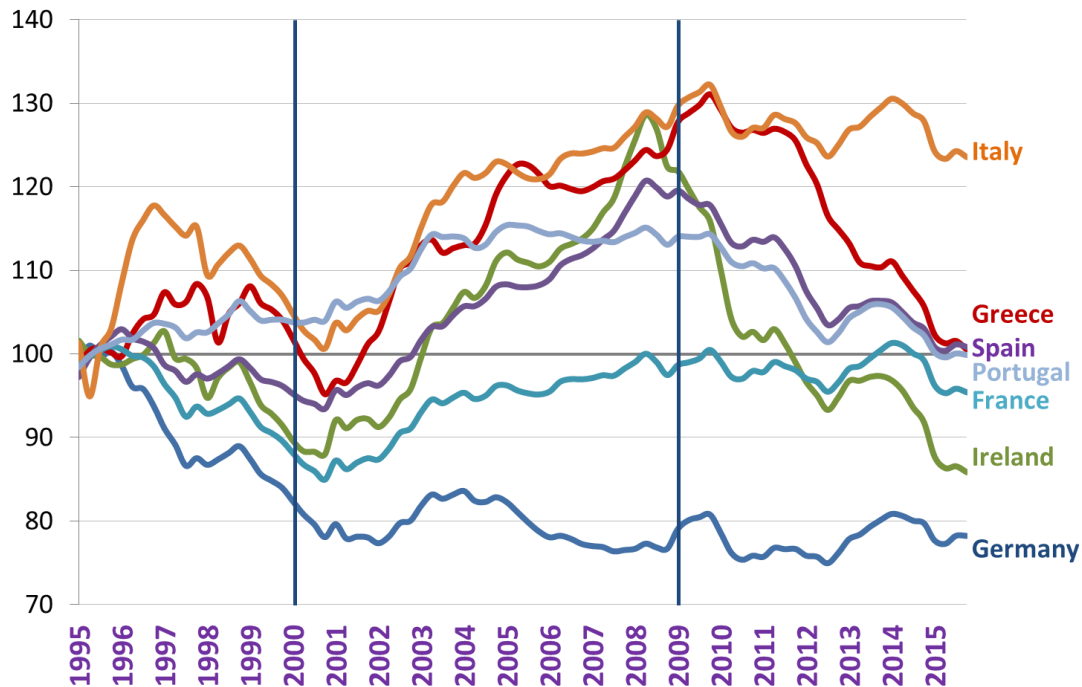
Non-tradables expand as public deficits turn relative prices against tradables!





Greece has recouped most of its competitiveness losses!

Unit labor cost competitiveness



* fall = competitiveness improvement

	% change	2009 / 2001	2015 / 2009
Ireland		29,3%	-27,1%
Greece		31,6%	-21,6%
Spain		23,6%	-14,9%
Portugal		7,5%	-12,4%
Italy		26,0%	-5,4%
France		14,3%	-3,7%

Source: Eurostat, Price and Cost Competitiveness



Greece is a champion in adjustment!

	Total Score	Fiscal Adjustment	Labour Cost Adjustment	External Adjustment	Reform Drive
Ireland	7.7	6.6	9.2	7.4	7.5
Greece	7.6	8.5	7.7	7.4	6.9
Portugal	6.5	7.1	5.6	5.9	7.3
Spain	6.5	6.3	5.7	7.0	6.7
Cyprus	6.0	6.4	6.9	4.8	n/a
Latvia	5.9	3.5	5.0	9.1	n/a
Slovakia	5.7	6.3	4.3	6.3	5.6
Estonia	5.6	2.3	5.2	7.9	7.1
Slovenia	4.7	4.3	4.3	6.8	3.6
Italy	4.3	4.3	2.9	4.2	6.0
Poland	4.1	5.5	1.5	4.8	4.8
Euro 18	4.0	4.0	2.4	4.3	5.5
United kingdom	3.9	4.8	2.4	2.9	5.6
Netherlands	3.3	3.1	2.2	5.0	3.0
Malta	3.2	2.2	1.8	5.4	n/a
Luxembourg	3.0	0.7	4.8	4.8	1.9
France	3.0	3.7	1.7	2.8	3.9
Austria	2.7	2.3	0.7	3.4	4.4
Germany	2.5	3.1	0.8	3.5	2.8
Belgium	2.4	1.3	2.2	4.0	2.0
Finland	2.2	0.0	2.6	1.5	4.8
Sweden	1.3	0.0	0.8	2.1	2.4

Source: Berenberg Bank, The Euro Plus Monitor, December 2015



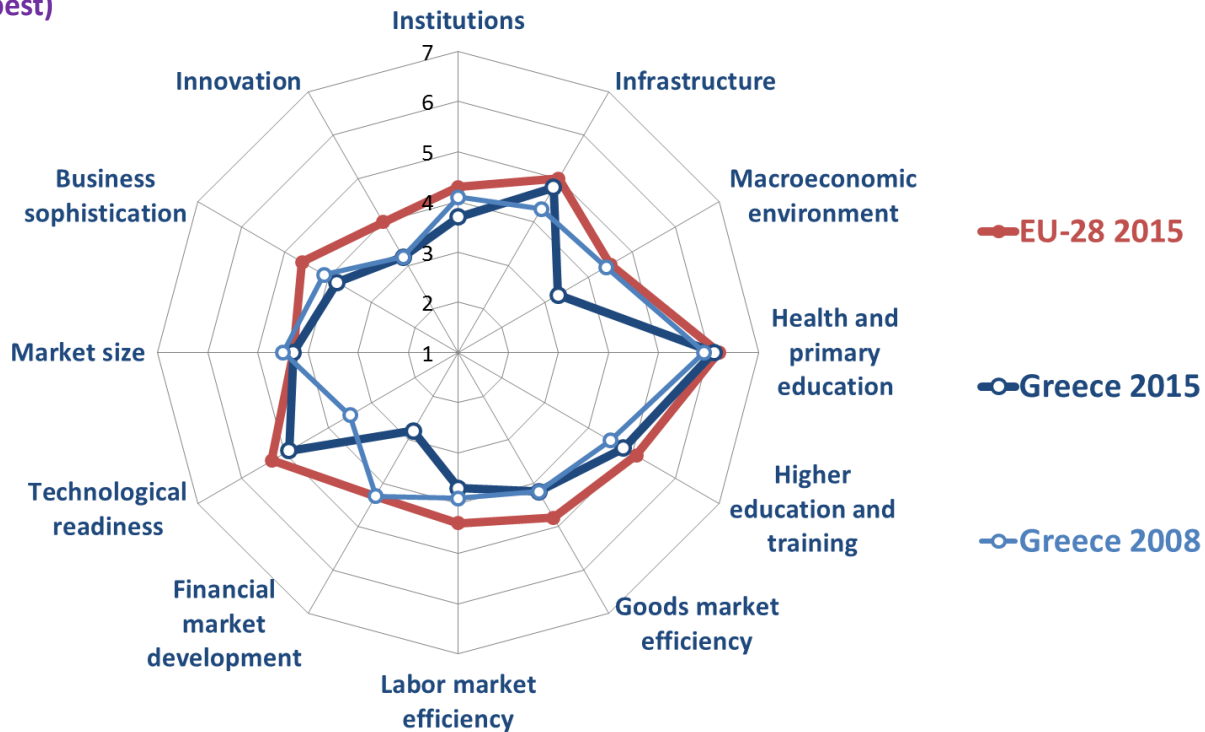
Despite efforts, institutions remain weak!

		Corruption Perceptions Index	Product Market Regulation	OECD Network Market Regulation (NETW)	IMD World Competitiveness Ranking	WEF Global Competitiveness Index	Doing Business
Rank	Country	2015	2013	2013	2015	2016	2016
1	Denmark	1	4	7	5	9	2
2	United Kingdom	11	2	1	12	7	4
3	Germany	11	11	2	7	2	10
4	Netherlands	6	1	5	8	3	21
14	Ireland	17	19	22	9	17	12
19	Portugal	21	12	21	27	27	17
20	Spain	26	18	6	28	24	24
21	France	20	22	30	24	15	20
28	Italy	36	6	17	29	29	33
32	Romania	34	31	15	35	33	27
34	Bulgaria	38	28	27	40	34	28
37	Turkey	37	39	40	31	32	36
38	Greece	38	33	31	38	42	37



Perceptions change slowly but do improve!

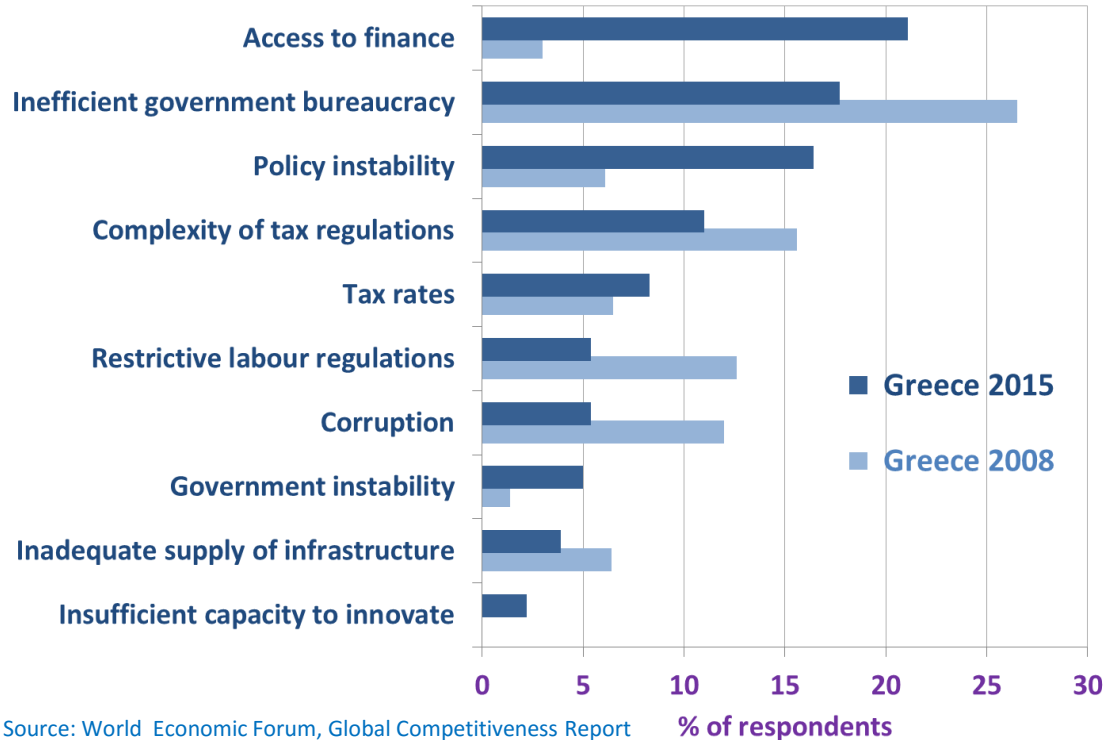
World Economic Forum: Competitiveness Index (score: 7 = best)





Major hurdles: finance, bureaucracy, regulation, taxes

World Economic Forum: The most problematic factor for doing business



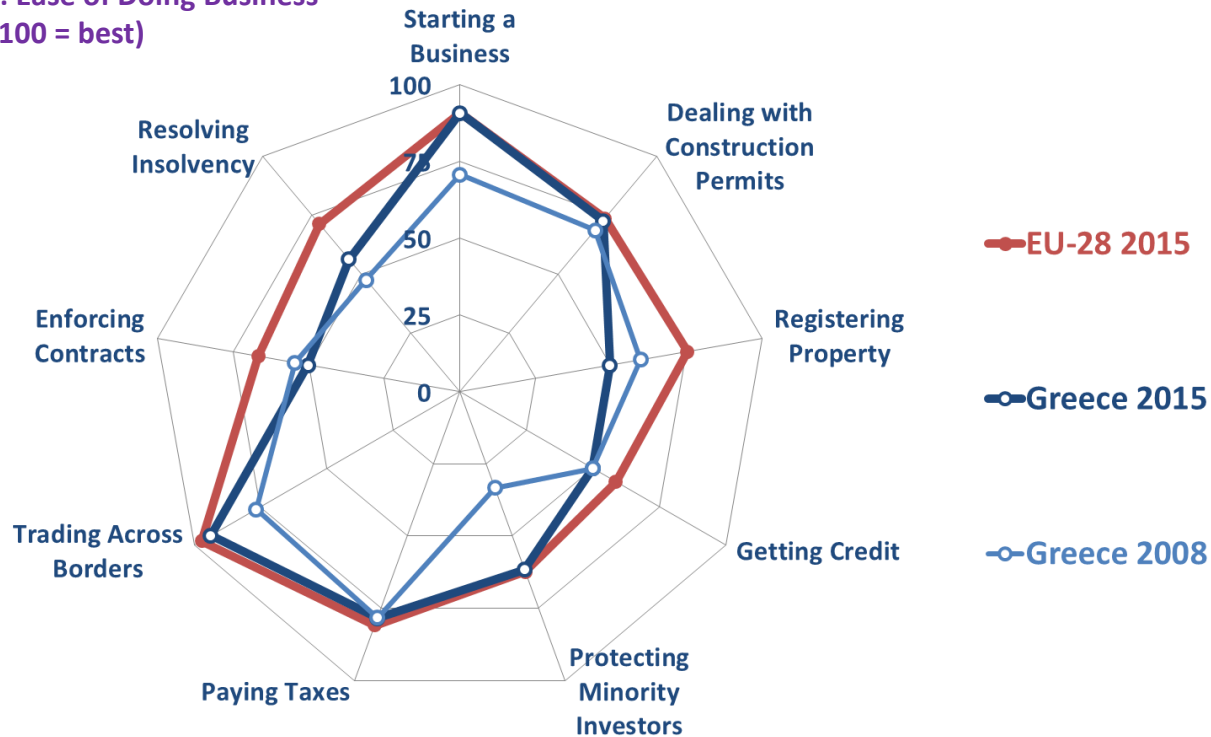
Source: World Economic Forum, Global Competitiveness Report

% of respondents



A business friendlier environment is emerging!

World Bank: Ease of Doing Business
(DTF score: 100 = best)



Source: World Bank, Doing Business