

2022 SME COUNTRY FACT SHEET

GREECE

Brief introduction

- In 2021, SMEs in Greece achieved strong growth in value added of 20.5%, after a sharp decline of 14.9% in 2020. However, employment in SMEs continued to decline by 0.9% in 2021, following a decline of 3.7% in 2020.
- The *proximity, social economy and civil security* ecosystem declined in SME employment both in 2020 and 2021, by 5.8% and 3.6% respectively. However, SME value added recovered by 21.0% in 2021, following a drop of 20.2% in 2020.
- Based on data from early 2022, it was expected that this year SME value added and SME employment in Greece would grow strongly by 9.2% and 6.1% respectively, but Russia's war of aggression against Ukraine will affect these estimates.

SME DEVELOPMENT 2020-2021



SMEs in the 'non-financial business sector'. Estimates produced by JRC.

	ENTERPRISES		PERSONS EMPLOYED		VALUE ADDED	
	NUMBER	SHARE	NUMBER	SHARE	€ BILLION	SHARE
SMEs (0 -249 persons employed)	694 346	99.9%	2 083 001	81.8%	33.6	61.6%
LARGE ENTERPRISES (250+ persons employed)	600	0.1%	462 360	18.2%	21	38.4%

The data for 2021 are estimates produced by JRC, based on 2008-2019 figures from national and Eurostat databases.

SME-RELATED STRENGTHS AND CHALLENGES

KEY STRENGTHS

- The start-up and scale-up environment has significantly improved, mainly due to the increased entrepreneurial activity, the availability of equity funds and public support schemes. In addition, a new legal framework, expected this year, would simplify existing procedures regarding the establishment and operation of spin-off companies.
- SMEs participation in public tenders in Greece as well as the proportion of bids coming from SMEs is higher than EU average. At policy level, a new public procurement law was adopted in March 2021, and complemented in May 2021 by an action plan for the implementation of a new public procurement national strategy for 2021-2025, that would have a positive impact for SMEs as well. (Enhanced Surveillance Report, Nov. 2021).
- SMEs access to public administration is improving thanks to the recent digitalisation efforts of the public domain and the implementation of several laws aimed to simplify the framework for business activities. Further progress is expected since the modernisation of the regulatory framework to reduce the administrative burden on businesses is a key priority of the Recovery and Resilience plan (Greece 2.0 Plan).

KEY CHALLENGES

- Access to finance remains difficult for many companies (Union Of Hellenic Chambers of Commerce, 2021). The percentage of SMEs whose banks loan's applications were refused or rejected is much lower than the EU average. Similarly, venture capital investments and business angels funding is lower than EU average. Over the last two years, public support measures have helped many businesses survive during the COVID-19 crisis. It is expected that the Loan Facility instrument under the Recovery and Resilience plan (EUR 12.7B will be disbursed in the form of loans) will significantly support companies' access to finance in the next years.
- Despite some progress made by businesses in the area of digitalisation to cope with pandemic, the overall performance remains very low compared to EU average in many aspects such as e-invoicing, cloud services and web presence (Eurostat, 2021). Around EUR 500 is specifically envisaged for the digital transformation of SMEs under the Recovery and Resilience plan.
- Only a small share of SMEs have taken measures against climate change and are using environmental friendly technologies. Several measures under the Recover and Resilience plan would support SME investment on different areas including energy efficiency.

OTHER KEY SME-RELATED BRIEF INSIGHTS



SKILLS

Greece's SMEs have difficulties in the transition of young people from education to employment. Internships should become more systematic and operational. The share of enterprises that train their employees is also much lower than EU average. Participation of firms and employees in life-long learning programmes is low too. (CEDEFOP, (2020)



INNOVATION

Greece increased its innovation performance by about 25% between 2014 and 2021 (European Innovation Scoreboard 2021). Although the sales of new-to-market innovations is much higher the EU average, the online selling/purchasing as well as the turnover from e-commerce is lower the EU average.



ACCESS TO MARKETS

In the EU Single Market, both intra-EU exports and imports of Greek SMEs are much lower than EU average. Similarly, the share of SMEs as intra-EU online exporters is lower than the EU average, and new and growing firms seem to have difficulties to have an easy access to EU market.

Internationalisation is not an easy task for many SMEs due to lack of information about markets abroad and the formalities required. The percentage of SMEs in industry with extra-EU exports or imports is lower than the EU average.