

2023 SME COUNTRY FACT SHEET

GREECE

Brief introduction

- In 2022, SMEs in Greece continued their recovery, with SME value added growing by 7.6% and SME employment increasing by 5.1%. However, as value added growth is not adjusted for inflation, in the high-inflation environment of 2022, growth in real terms has been lower.
- The *Retail* ecosystem declined in SME employment both in 2021 and 2022, by 4.5% and 4.2%, respectively. However, SME value added in this industrial ecosystem increased by 10.0 % in 2022, following significant growth of 18.2 % also in 2021. Please note that value added growth is not adjusted for inflation.
- In 2023, it is expected that SME value added and SME employment in Greece will continue to grow by 8.9% and 2.1%, respectively. Please note that value added growth forecasts are not adjusted for inflation.

SME DEVELOPMENT 2021-2022



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)	731 829	99.9%	2 180 534	83.5%	34.8	57.0%
LARGE ENTERPRISES (250+ persons employed)	471	0.1%	429 679	16.5%	26.2	43.0%

The data for 2022 are estimates produced by JRC, based on 2008-2020 figures from national and Eurostat databases.

SME-RELATED STRENGTHS AND CHALLENGES

KEY STRENGTHS

- Innovation:** Greece is a moderate innovator with performance below the average of moderate innovators but increasing (24%) at a rate higher than the EU (9.9%). SME product and process innovators score higher than the EU average, and innovative SMEs collaborate better than in other EU countries. (Innovation scoreboard 2022)
- Circular economy:** Greece has adopted strong measures to support SMEs developing circular economy. This goes from significant deductions for tax purposes of SME expenses for green economy and digitisation investments to information provided to help SMEs access finance for circular economy.
- The cost of starting a business** in Greece is relatively low compared to the rest of the EU, as well as the cost of resolving insolvency. (SME and Entrepreneurship Outlook, OECD 2021)

KEY CHALLENGES

- Business environment** is still challenging for SMEs as 54% of firms report business regulation as major obstacle, which is well above the EU average of 28% (EIBIS 2022).
- Digitalisation of SMEs** is still below average (according to DESI 2022) with 39% of SMEs vs 55% in the EU having at least a basis level of digital intensity and 17% vs the EU average of 34% using cloud.
- Low business dynamism** of Greek enterprises is correlated with a very low churn rate (as per Eurostat and OECD data) - which is the sum of birth and death rates of enterprises, providing a measure of how frequently new firms are created and existing enterprises close down - especially in the Greek accommodation and food services sector, in which the share of SMEs is particularly high.

OTHER KEY SME-RELATED BRIEF INSIGHTS

OTHER RELEVANT TOPICS

The Greek SME landscape is characterised by a higher share of microenterprises than the EU average. A higher share of persons are employed in this category compared to the EU (46.6% against 29.4% in the EU).

NATIONAL RECOVERY AND RESILIENCE PLAN

The substantial Greek Recovery and Resilience Plan "Greece 2.0" and COVID aids have activated also the financing through grants, which Greek SMEs have used more than the EU average (EC - State aid policy brief, 2022).

NATIONAL INDUSTRIAL ECOSYSTEMS

There was a substantially higher share of persons employed in SMEs in the electronics ecosystem in Greece (87%) than in the EU (45%).

ACCESS TO FINANCE

In 2022, Greek SMEs were among the few in the EU having reported a net improvement in the availabilities of financing. They remained however below the EU average in terms of the overall availability of financing.

Greek SMEs are among the ones using the most trade credits as financing instruments. They make more use of these types of financing than bank loans or leasing.

ENVIRONMENTAL ASPECTS OF SUSTAINABILITY

41% of Greek SMEs said that their resource efficiency actions have had significantly or slightly decreased their costs over the past two years, against 31% in average in the EU.