

Legends Consulting Country Fact Sheet



GREECE

CURRENCY: EURO

Introduction

The relationship between the Greeks and American people has a long record, dating back to early 19th century, when Greece began its struggle for independence in 1821. The United States were the first country to recognize Greece and over the decades, both countries remained allies, in World War I, World War II, and during the cold war.

Greeks are a great people and, once they get to know you, they will do everything in their power to help you in case of need and share some ouzo at a dinner party. Just don't call them between 1 and 3 PM because that is the sacred time dedicated to rest.

Business

Formal meetings with set agendas are arranged only for the most important of issues and normal meetings are much more likely to be spontaneous and designed to keep everybody abreast of developments, plans, information etc. In these types of frequent, informal meetings agendas will rarely be produced and minutes are unlikely to be circulated after the meeting.

Meetings can often appear to be noisy, boisterous affairs to those from cultures more accustomed to a reserved, calm approach where everybody politely awaits their turn to speak. In Greece meetings are designed to allow a lively airing of views where strong personal opinions, passionately expressed are appreciated. Everybody is allowed to speak but you have to expect that you may be strongly and emotionally disagreed with. Such open, emotional debate is seen as both stimulating and essential if the correct decisions are to be arrived at.

Dress code: It is important to look smart and well presented in Greece. Men will invariably wear sports jacket, trousers and shirt (and sometimes tie) whilst women tend to wear smart business suits with a skirt (but also increasingly trousers.) The 'dress down' approach doesn't seem to have made many inroads into Greece as yet – although more so in 'hi-tech' operations. Remember that summer in Greece is extremely hot and lightweight clothing is absolutely essential¹.

Traveling and doing business in Greece is pleasant and most natives, especially those of the younger generations, speak very good English. However, as in any foreign country, natives truly appreciate it when one attempts to speak a little Greek.



Travel

Travel to major Greek cities from the United States is quite easy with one or two stops from various American airports. Connecting flights to major Greek cities from many European hubs provides many more options with Frankfurt, Germany having perhaps the most connecting flights.

There are numerous travel options while traveling within Greece. The train and roadway systems connect even the most remote villages adequately. Connecting flights to and from major Greek cities are affordable and fast. Greece has great connecting services between the main land and Crete.

Although visiting most any area of Greece is quite safe, it is prudent to remain "Streetwise," while traveling by foot, train, bus, or air.

Demographics

The Greeks are proud of their history, their culture, and their contributions to the cultural foundations of the world. Greece is known around the world for its history and major contribution in philosophy, math, architecture and more.

Greek people are highly educated and although not, "Chit Chatty," they like to engage in discussions about history, the arts, business, and politics.

Views toward foreigners

Americans are welcomed openly with gracious hospitality. A person who lost their way wandering the streets of Athens or Thessaloniki can ask for directions and very well be escorted to the city center by these new friends rather than simply be given directions to find the city center.

Economic Overview and selected data

(The information below is taken directly from the CIA World Factbook: www.cia.gov/library/publications/the-world-factbook/)

Greece has a capitalist economy with the public sector accounting for about 40% of GDP and with per capita GDP about two-thirds that of the leading euro-zone economies. Tourism provides 15% of GDP. Immigrants make up nearly one-fifth of the work force, mainly in agricultural and unskilled jobs. Greece is a major beneficiary of EU aid, equal to about 3.3% of annual GDP. The Greek economy grew by nearly 4.0% per year between 2003 and 2007, due partly to infrastructural spending related to the 2004 Athens Olympic Games, and in part to an increased availability of credit, which has sustained record levels of consumer spending. But the economy went into recession in 2009 as a result of the world financial crisis, tightening credit conditions, and Athens' failure to address a growing budget deficit, which was triggered by falling state revenues, and increased government expenditures. The economy contracted by 2% in 2009, and 4.8% in 2010. Greece violated the EU's Growth and Stability Pact budget deficit criterion of no more than 3% of GDP from 2001 to 2006, but finally met that criterion in 2007-08, before exceeding it again in 2009, with the deficit reaching 15.4% of GDP. Austerity measures reduced the deficit to 10.5% of GDP in 2010. Public debt, inflation, and unemployment are above the euro-zone average while per capita income is below; unemployment rose to 12% in 2010. Eroding public finances, a credibility gap stemming from inaccurate and misreported statistics, and consistent underperformance on following through with reforms prompted major credit rating agencies in late 2009 to downgrade Greece's international debt rating, and has led the country into a financial crisis. Under intense pressure by the EU and international market participants, the government has adopted a medium-term austerity program that includes cutting government spending, reducing the size of the public sector, decreasing tax evasion, reforming the health care and pension systems, and improving competitiveness through structural reforms to the labor and product markets. Athens, however, faces long-term challenges to push through unpopular reforms in the face of often vocal opposition from the country's powerful labor unions and the general public. Greek labor unions are striking over new austerity measures, but the strikes so far have had a limited impact on the government's will to adopt reforms. An uptick in widespread unrest, however, could challenge the government's ability to implement reforms and meet budget targets, and could also lead to rioting or violence. In April 2010 a leading credit agency assigned Greek debt its lowest possible credit rating; in May, the International Monetary Fund and Eurozone governments provided Greece emergency short- and medium-term loans

worth \$147 billion so that the country could make debt repayments to creditors. In exchange for the largest bailout ever assembled, the government announced combined spending cuts and tax increases totaling \$40 billion over three years, on top of the tough austerity measures already taken. Greece, however, struggled to boost revenues and cut spending to meet 2010 targets set by the EU and the IMF, especially after Eurostat - the EU's statistical office - revised upward Greece's deficit and debt numbers for 2009 and 2010. Greece's lenders are calling on Athens to step up efforts in 2011 to increase tax collection, shore up public enterprises, and rein in health spending, and are planning to give Greece more time to repay its EU-IMF loan. Greece responded by introducing major structural reforms, but investors still question whether Greece can sustain fiscal efforts in the face of a bleak economic outlook and public discontent.

Selected Statistical Data - Greece

GDP (purchasing power parity) - \$318.1 billion (2010 est.) - Country comparison to the world: 39

GDP (per capita) - \$29,600 (2010 est.), - Country comparison to the world: 47

GDP – composition by sector – Agriculture: 3.3%, Industry: 17.9%, Services: 78.8%

Labor Force – 5.013 million (2010 est.)

Unemployment Rate – 12.5% (2010 est.) – Comparison to the world: 130

Inflation Rate (consumer prices) - 4.7% (2010 est.) – Comparison to the world: 142

Industries - tourism, food and tobacco processing, textiles, chemicals, metal products; mining, petroleum

Exports: \$20.96 billion (2010 est.) – Comparison to the world: 68

Exports – Commodities: food and beverages, manufactured goods, petroleum products, chemicals, textiles

Exports – Partners: Germany 10.9%, Italy 10.9%, Cyprus 7.3%, Bulgaria 6.5%, Turkey 5.4%, UK 5.3%, Belgium 5.1%, China 4.8%, Switzerland 4.5%, Poland 4.2% (2010)

Imports: \$46.6 billion (2010 est.) – Comparison to the world: 50

Imports – Commodities: machinery, transport equipment, fuels, chemicals

Imports – Partners Germany 10.6%, Italy 9.9%, Russia 9.6%, China 6.1%, Netherlands 5.3%, France 4.9%, Austria 4.5% (2010)

Chief of State - President Karolos PAPOULIAS (since 12 March 2005)

Head of Government - Prime Minister Georgios Andreas PAPANDREOU (since 6 October 2009)

Area – Comparative: slightly smaller than Alabama

Coastline - 13,676 km

Natural Resources - lignite, petroleum, iron ore, bauxite, lead, zinc, nickel, magnesite, marble, salt, hydropower potential

Population - 10,760,136 (July 2011 est.) - country comparison to the world: 76

Median Age - 42.5 years

Urbanization - urban population: 61% of total population (2010)

Major Cities – population ATHENS (capital) 3.252 million; Thessaloniki 834,000 (2009)

Ethnic Groups - Greek 93%, other (foreign citizens) 7% (2001 census) - **note:** percents represent citizenship, since Greece does not collect data on ethnicity.

Religions - Greek Orthodox (official) 98%, Muslim 1.3%, other 0.7%

Literacy - definition: age 15 and over can read and write; total population: 96%

Government Type – parliamentary republic

This Country Fact Sheet is designed to provide a very general overview and a broad perspective on the country as a whole. This paper is purposed as a starting point for those interested in doing business in or with the county described. More in-depth information for specific commercial and business utilization is available to our clients and/or on request.

For more complete information or for specific questions please contact us at: inquiry@legendsconsulting.net.

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¹ <http://www.worldbusinessculture.com/Business-in-Greece.html>