

**ΙΔΡΥΜΑ ΟΙΚΟΝΟΜΙΚΩΝ & ΒΙΟΜΗΧΑΝΙΚΩΝ ΕΡΕΥΝΩΝ
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The contribution of the bilateral economic relations with Germany to the economy of Greece in 2021

Athens, 28 March 2023

**With the cooperation and support of the German Hellenic Chamber of Industry and
Commerce**



The contribution of the bilateral economic relations with Germany to the Greek economy

Scope of the study

Assessment of the contribution of the bilateral economic relations between Greece and Germany to the Greek economy

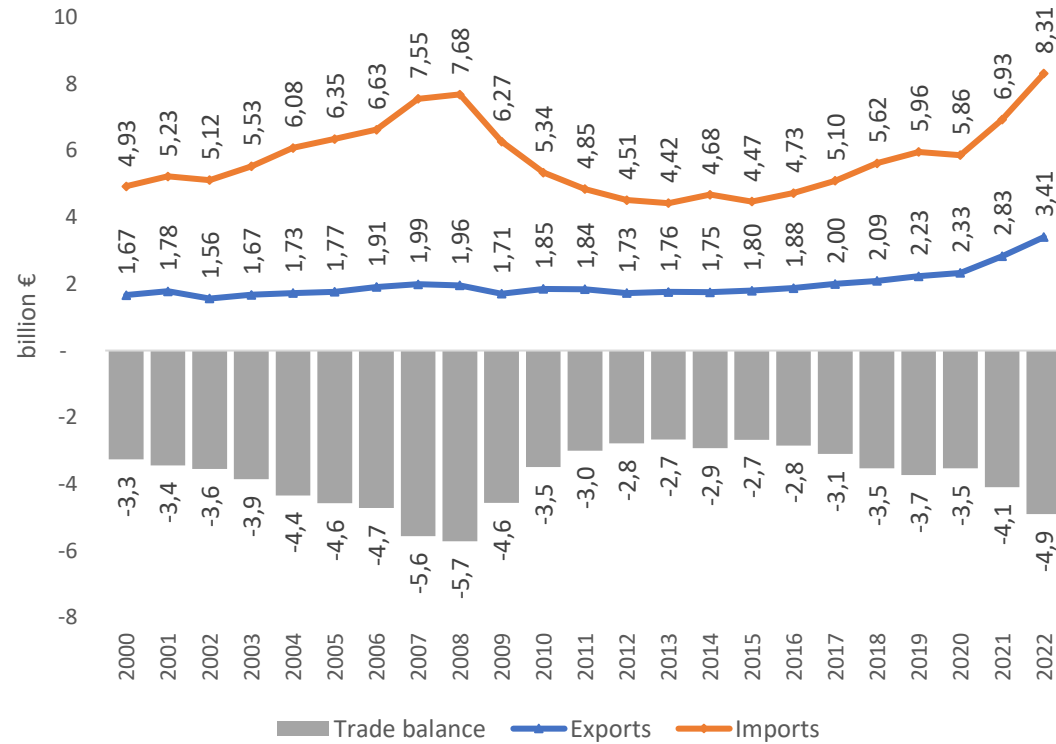
Analysis of the trends in trade and investment flows between Greece and Germany

Quantify the contribution to the Greek economy from the operation and investment of the member companies of the German Hellenic chamber

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- Scope of the study
- **Basic trends in the bilateral economic relations between Greece and Germany**
- Key figures, economic activity of member companies of the Hellenic-German chamber
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- Conclusions

The bilateral trade between Greece and Germany has strengthened

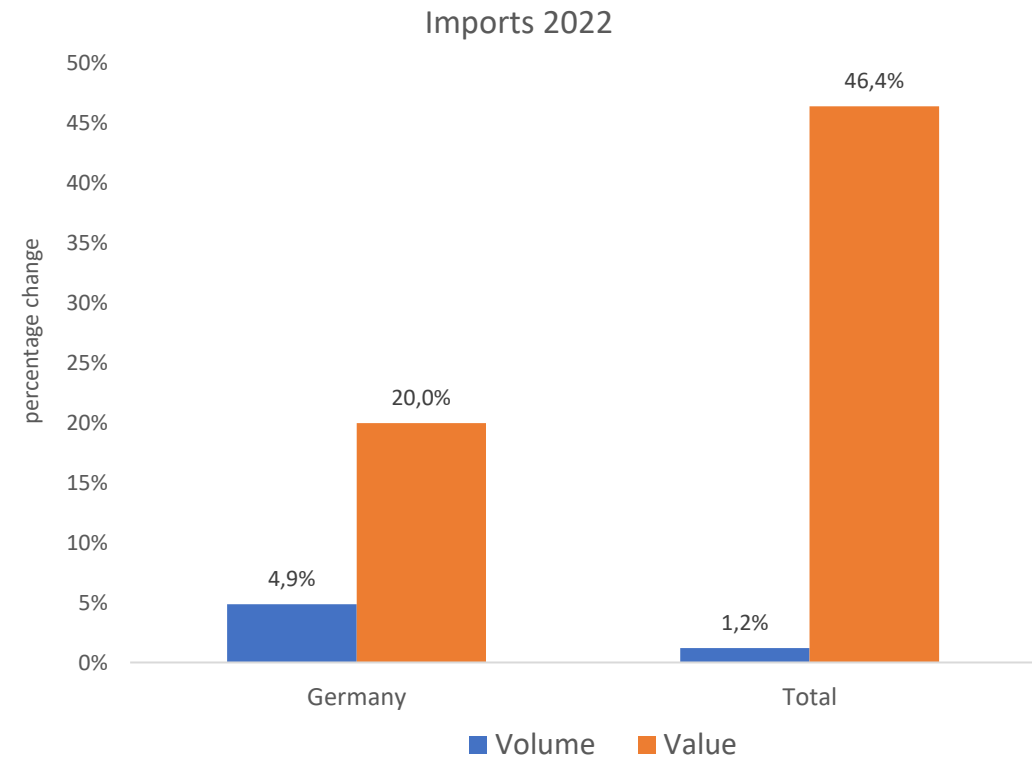


Source: Eurostat

- In 2022, the exports of Greek products to Germany increased to €3.4 billion
- German imports to Greece exceeded €8.0 billion
- As a result, the trade deficit in goods stood at €4.9 billion

Since 2015 the bilateral trade between Greece and Germany have increased, except of 2020 when imports declined

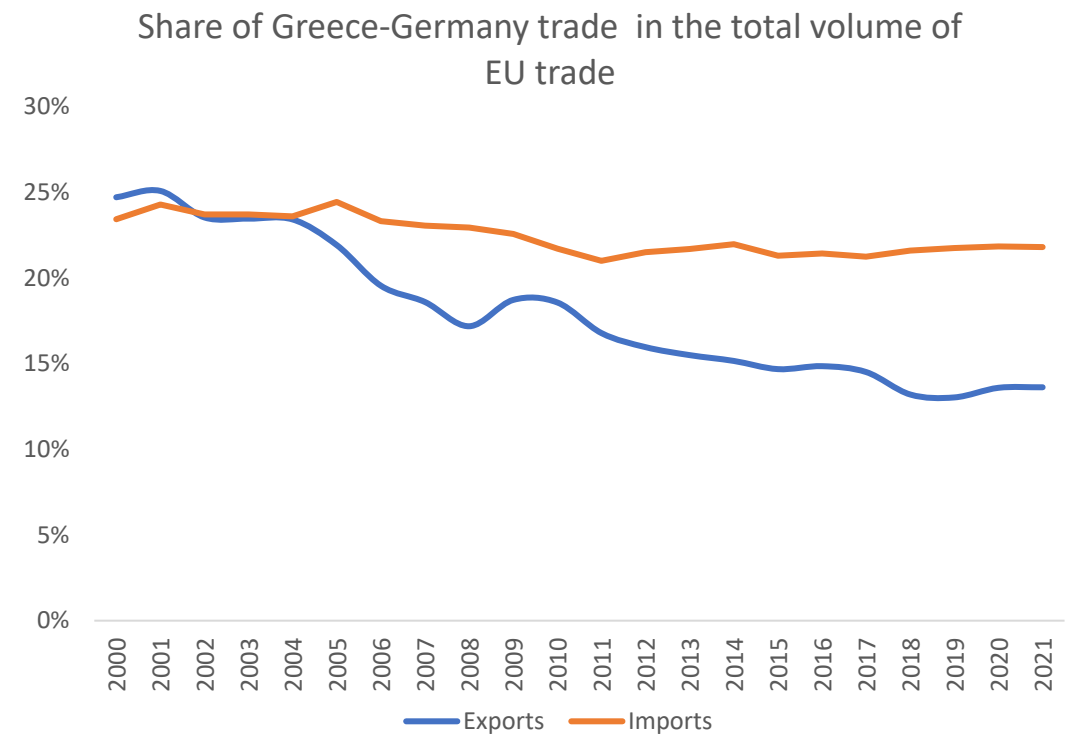
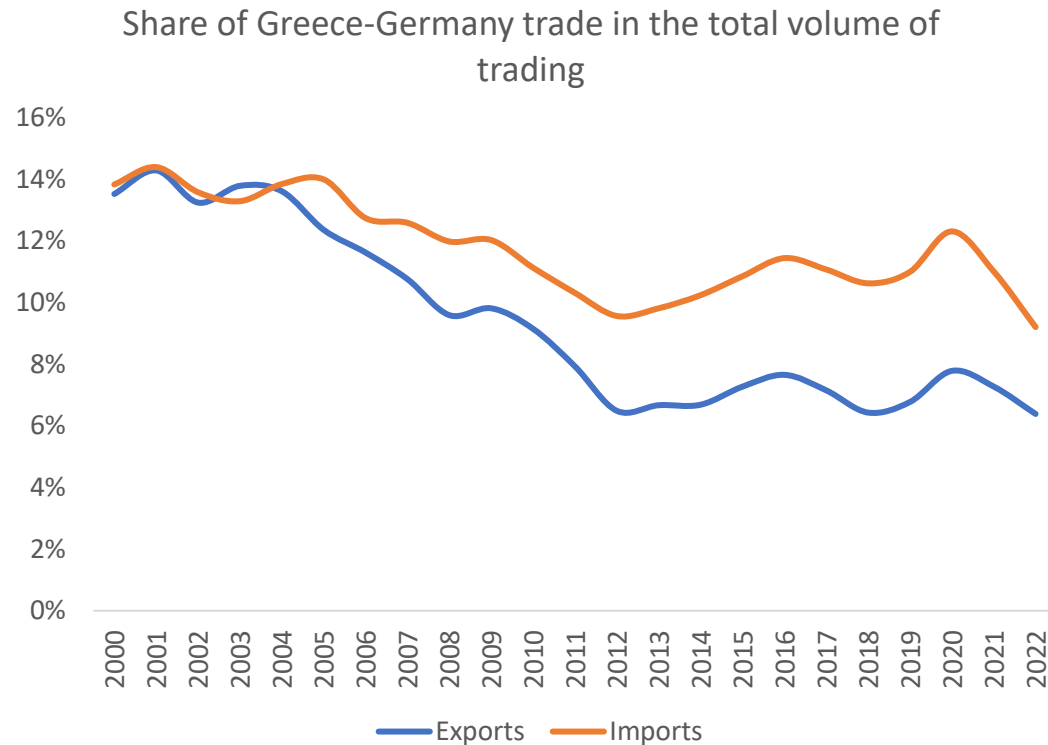
Bilateral trade between Greece and Germany increased in real terms in 2022, despite inflationary pressures that contributed to higher trade value



Source: Eurostat

Total Greek exports dropped by 2.6% in terms of volume, while imports slightly increased by 1.2%

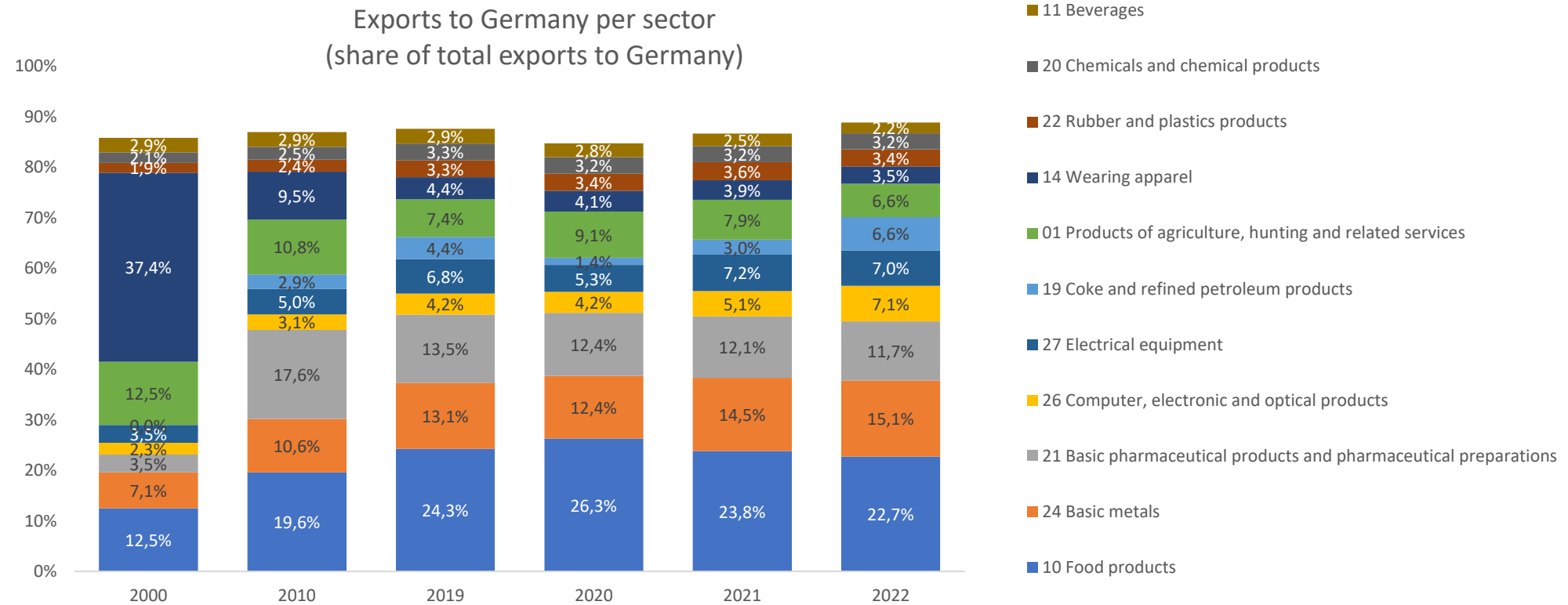
German imports to Greece amounted to 9,2% against 6,4% of total Greek exports to Germany



Source: Eurostat

Compared to 2020 and 2021 the decline is due to inflation and trade of fuels from non-EU countries. In the intra-EU trade, the share of Germany in the imports of Greece stood at 21.8%, against 13.6% share of Greek exports to Germany, with no significant changes

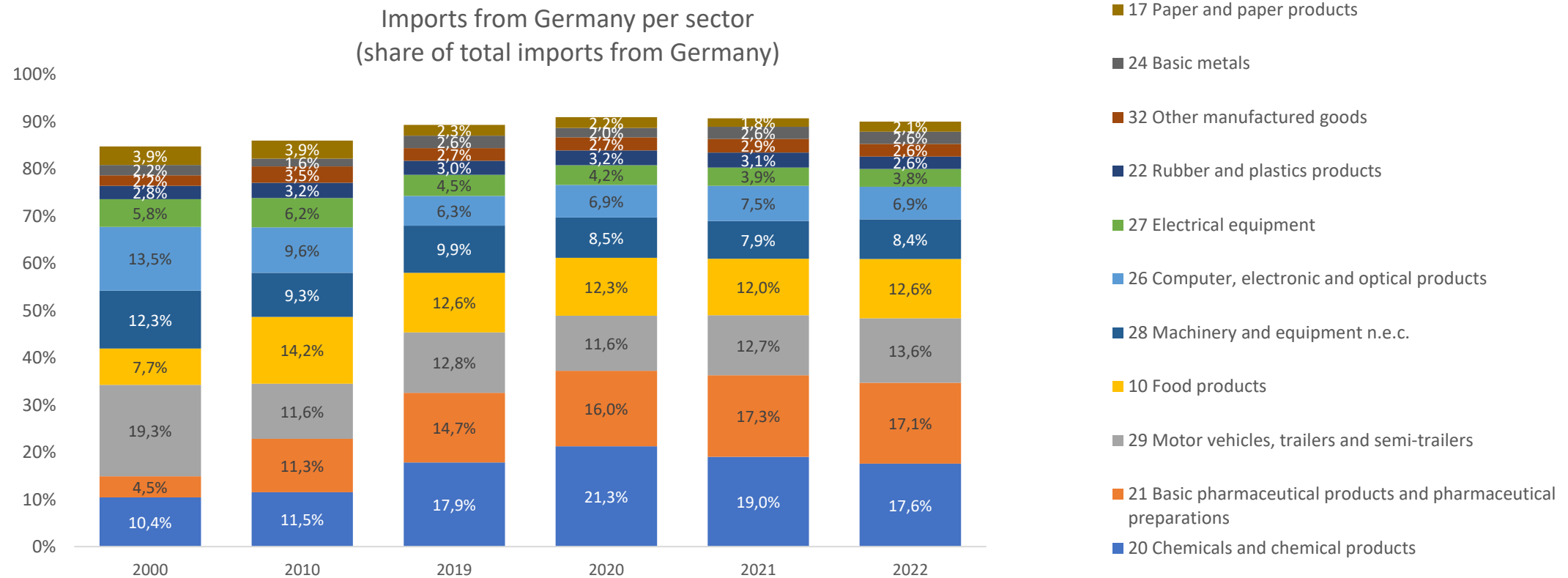
Food products, metals and pharmaceuticals have the largest share of Greek exports to Germany, representing almost 50% of total



Source: Eurostat

The share of food products and pharmaceuticals slightly dropped in 2022, while the share of metals and electronic products increased

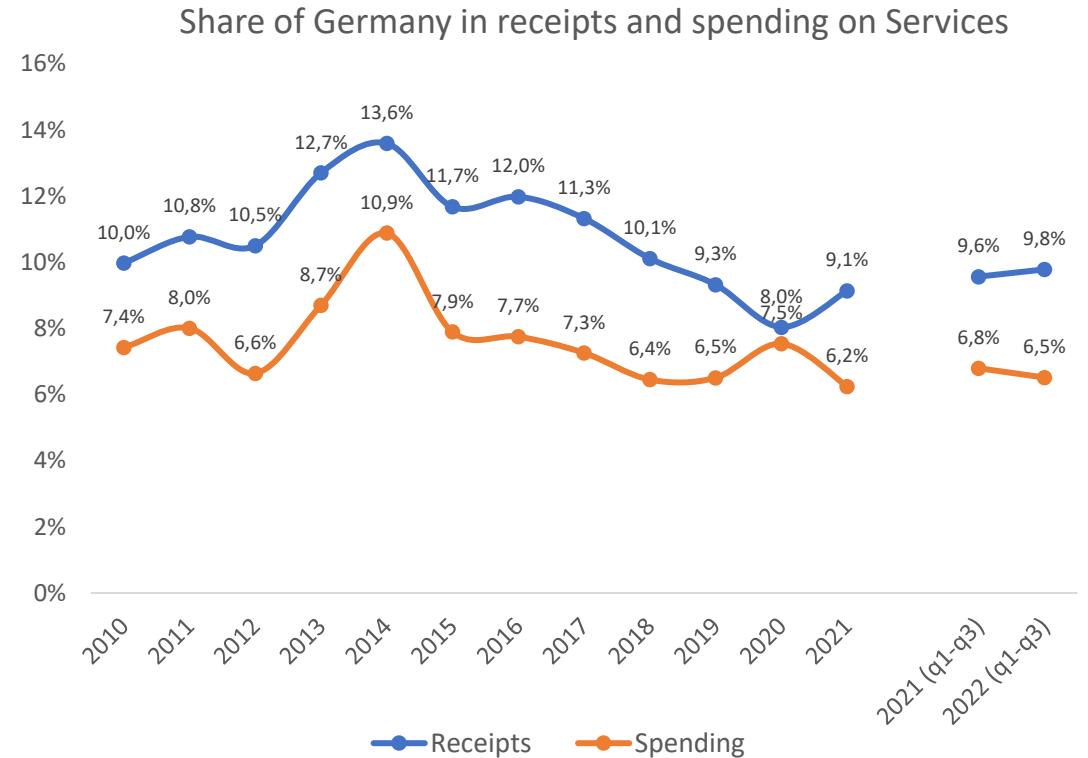
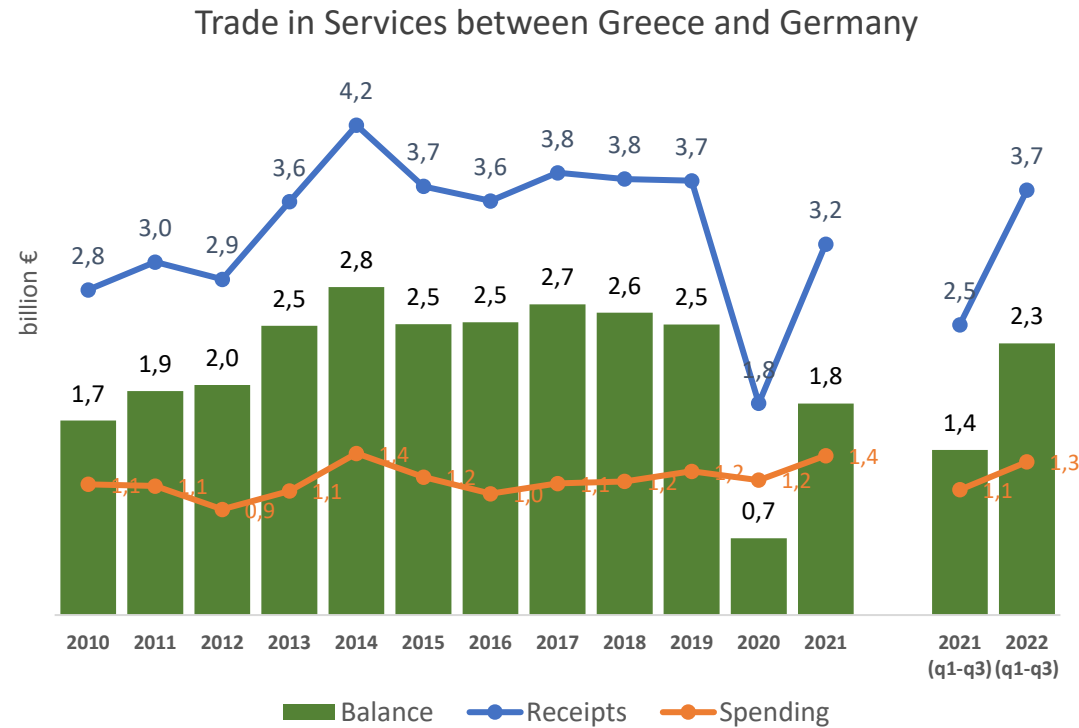
Chemicals and pharmaceuticals are the main imported goods from Germany, yet the share of chemical in 2022 dropped



Source: Eurostat

The share of vehicles, food products and machinery increased in 2022

In Services, receipts from Germany returned at the pre-pandemic level, with the prospect of exceeding the 2019 levels

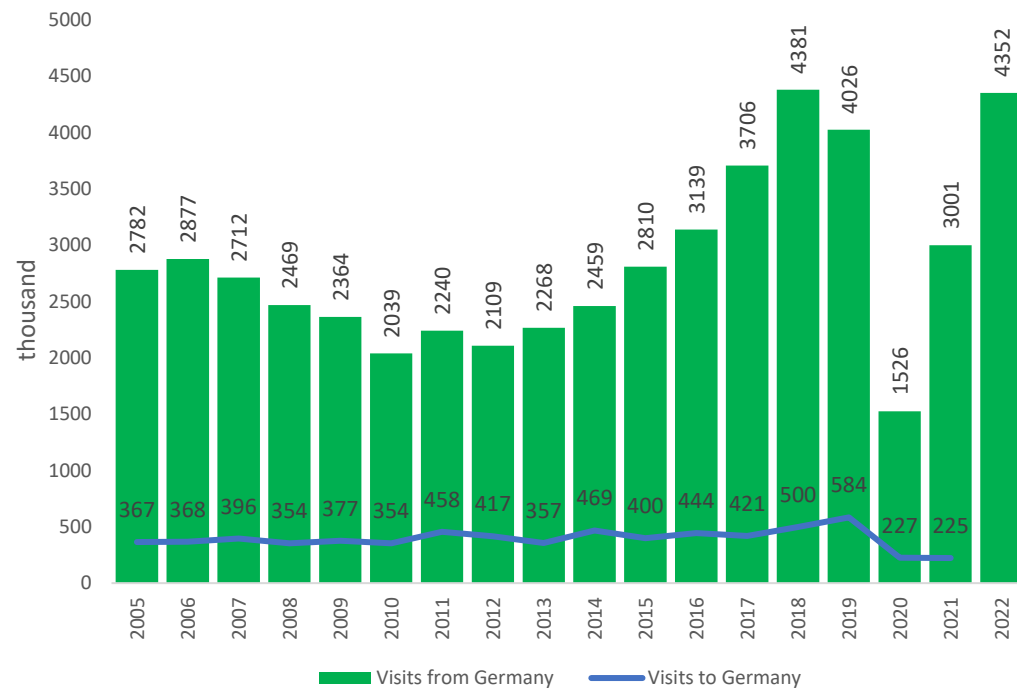


Source: Eurostat

Receipts from Germany accounted for 10% of total receipts in Greece in the first nine months of 2022, against 6.5% share for payments

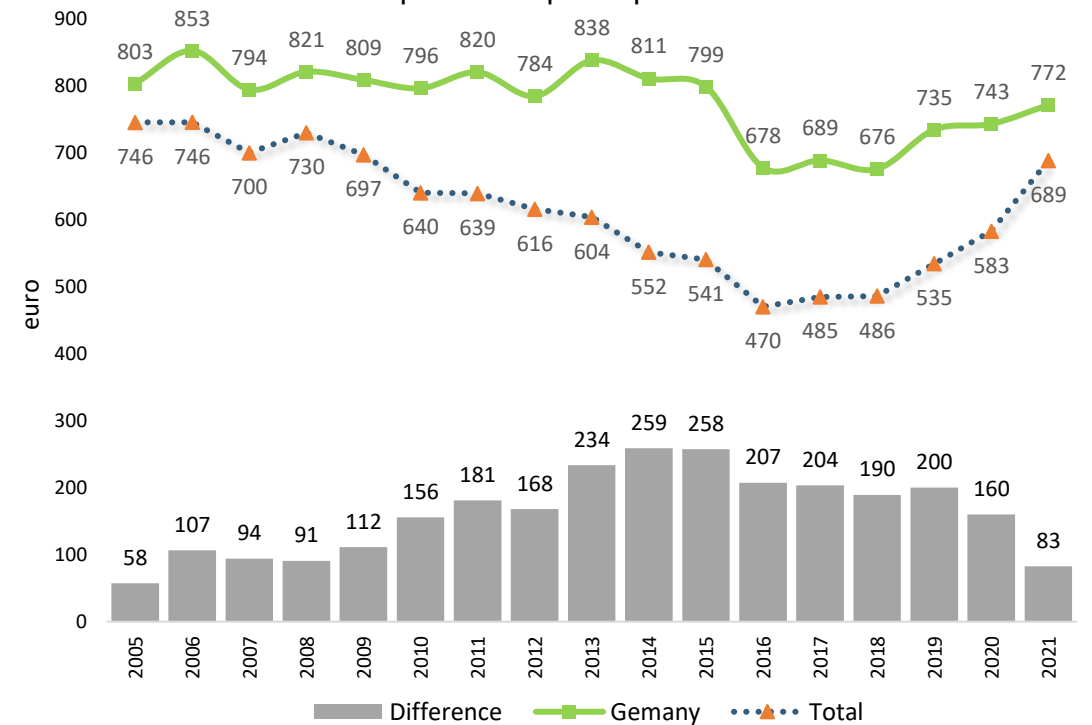
Following the decline during the pandemic, travel arrivals from Germany fully recovered in 2022

Travel flows between Greece and Germany



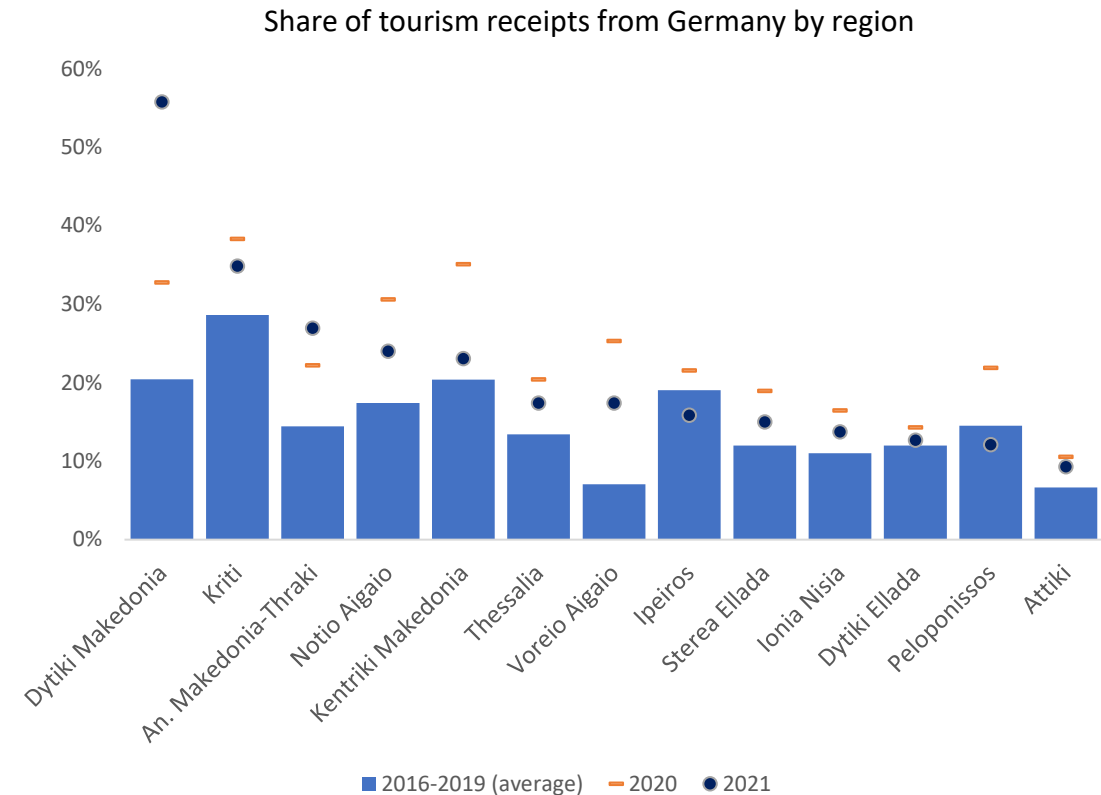
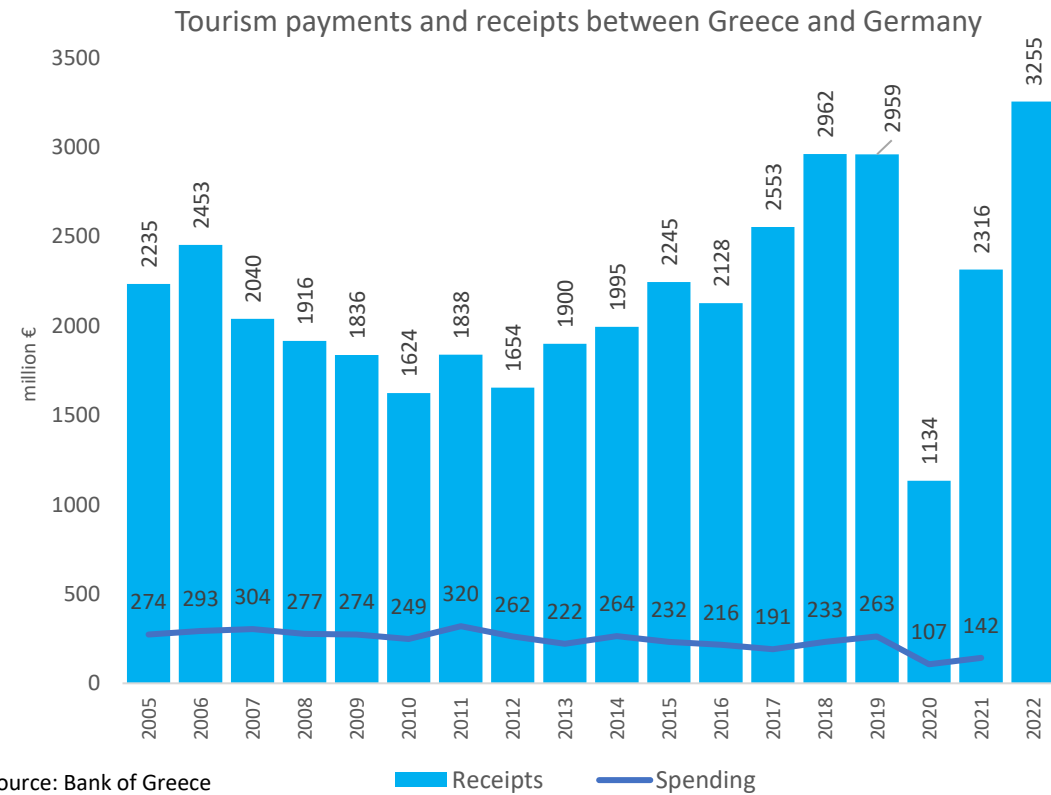
Source: Bank of Greece

Tourism expenditure per trip in Greece



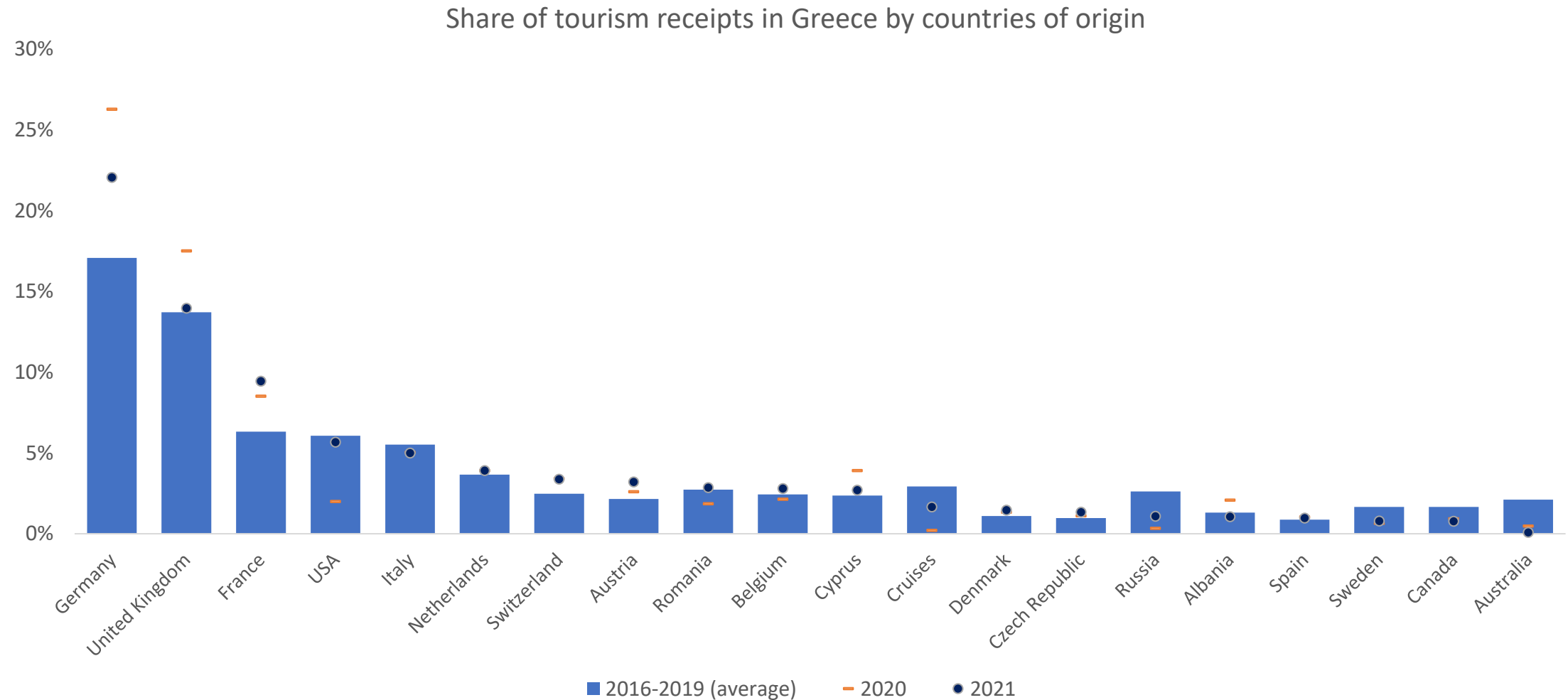
Mean spending by visitors from Germany in Greece remains higher than the average expenditure per visitor, despite some convergence

Travel receipts from Germany in 2022 reached €3.3 billion higher levels than in 2019



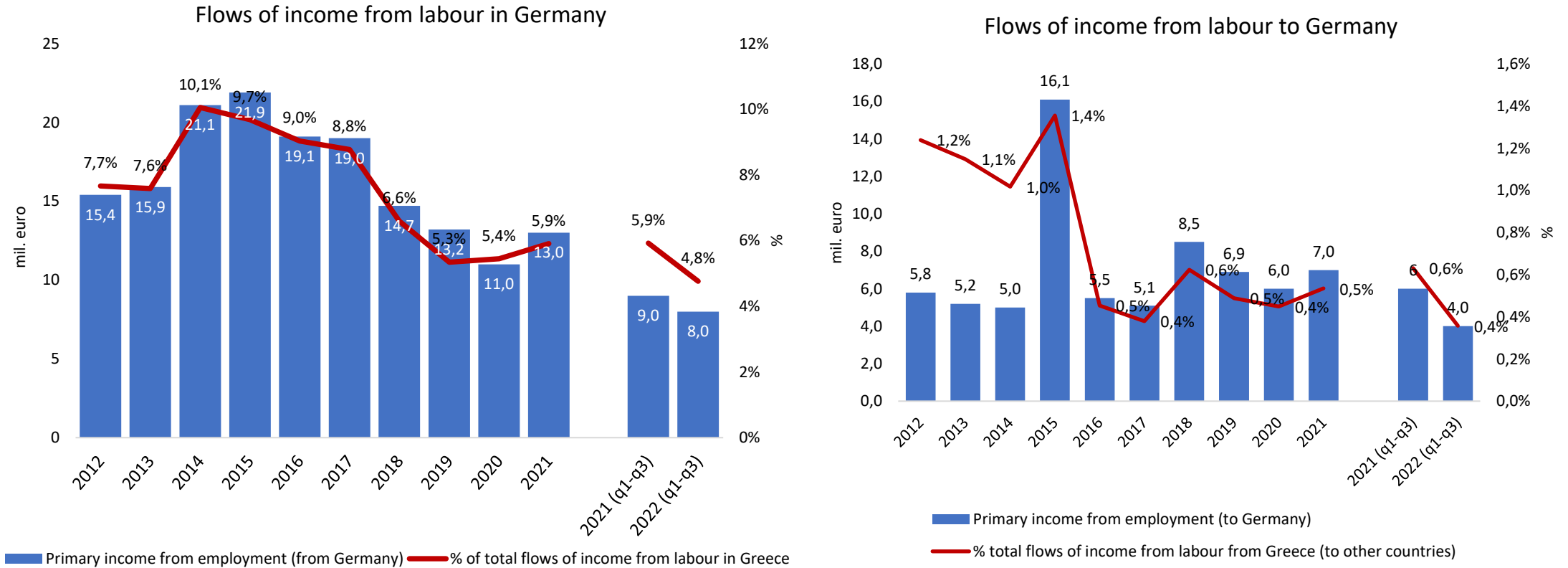
The share of tourism receipts from Germany has strengthened in 11 out of the 13 Greek regions in 2021 compared with 2016-2019. The share increased further in Dytiki Makedonia (55,8%) and in Anatoliki Makedonia-Thraki (26,9%).

Germany ranked first in tourism receipts of Greece in 2021, with a significantly higher share compared to 2016-2019 (22.1% against 17.1%)



Source: Bank of Greece

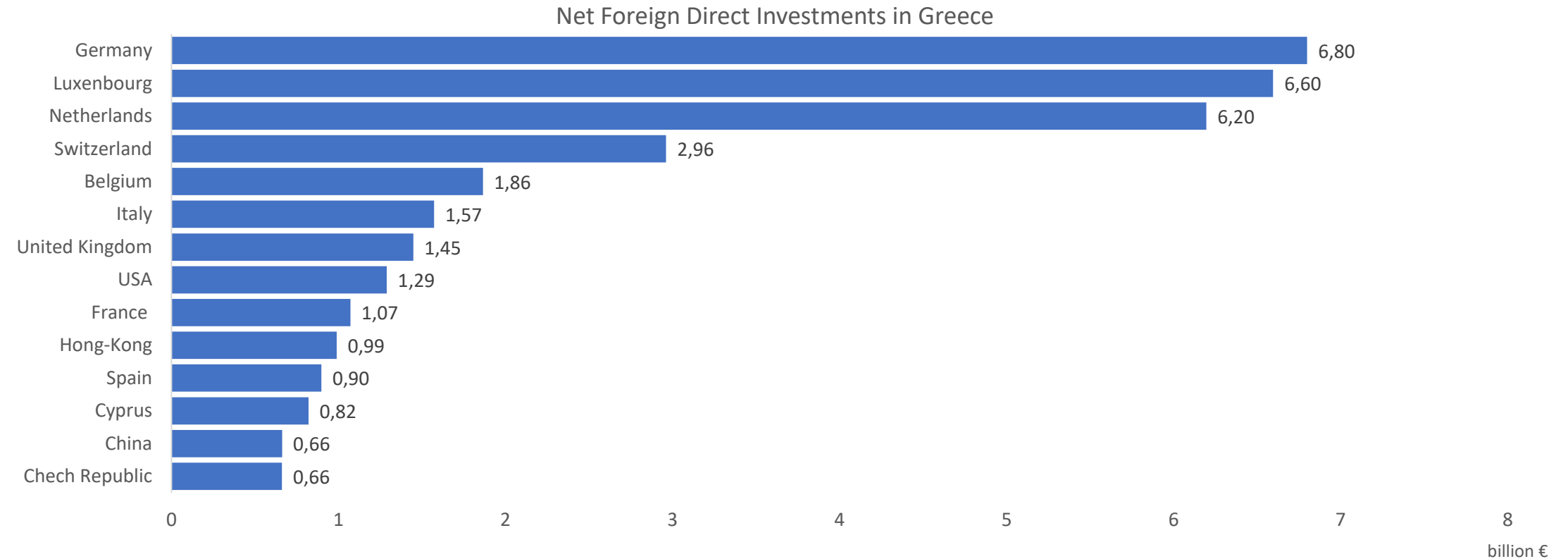
The share of primary flows of income from labor in Germany stood at 5.9% in 2021



The share of Germany in the total flows of workers' remittances in 2021, stood at 16,3%

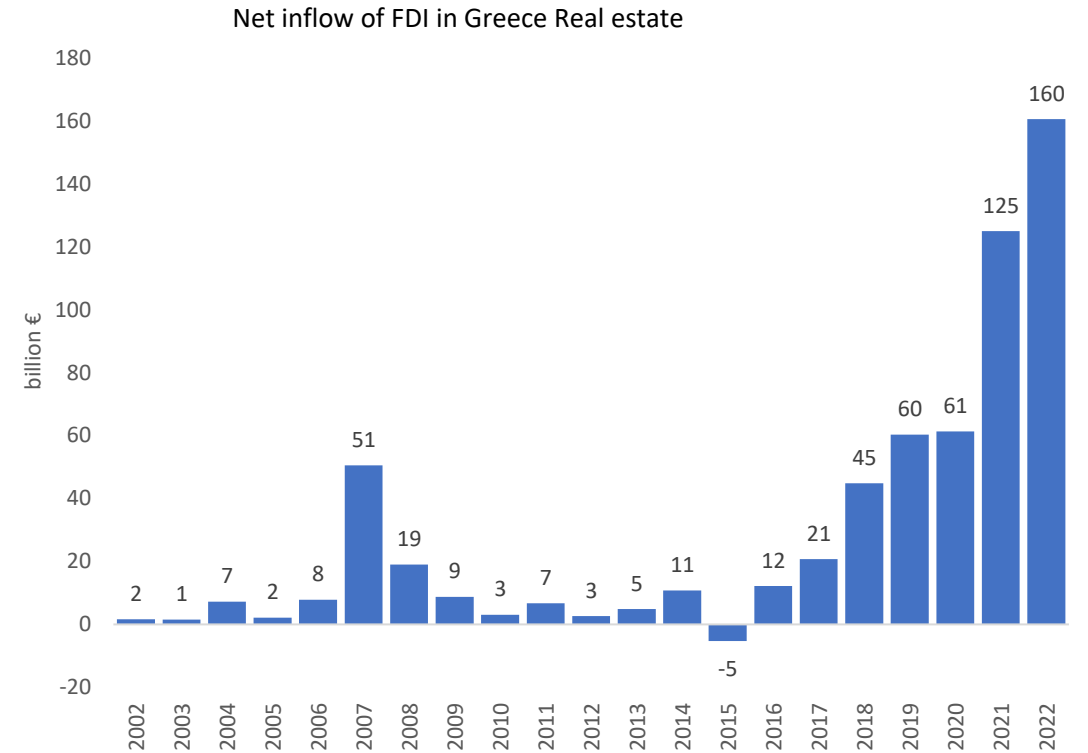
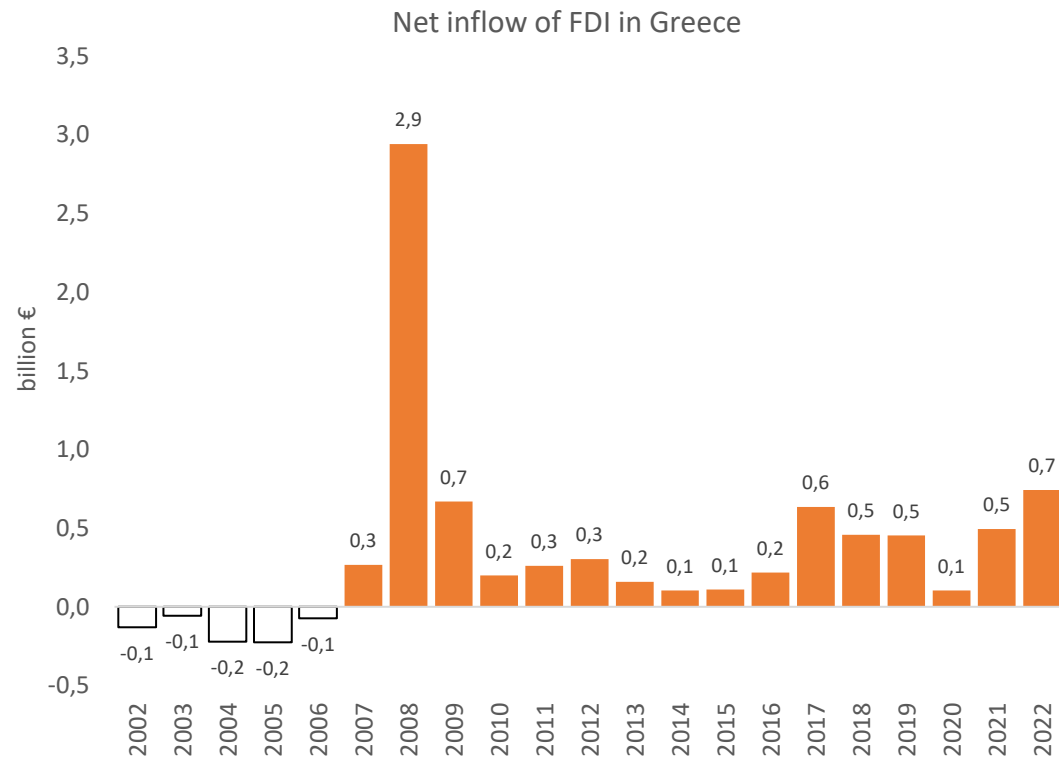
Source: Eurostat

Germany ranks first in foreign direct investment in Greece in 2021



In 2021 the total FDI stock from legal entities and single persons from Germany to Greece reached €6.8 billion

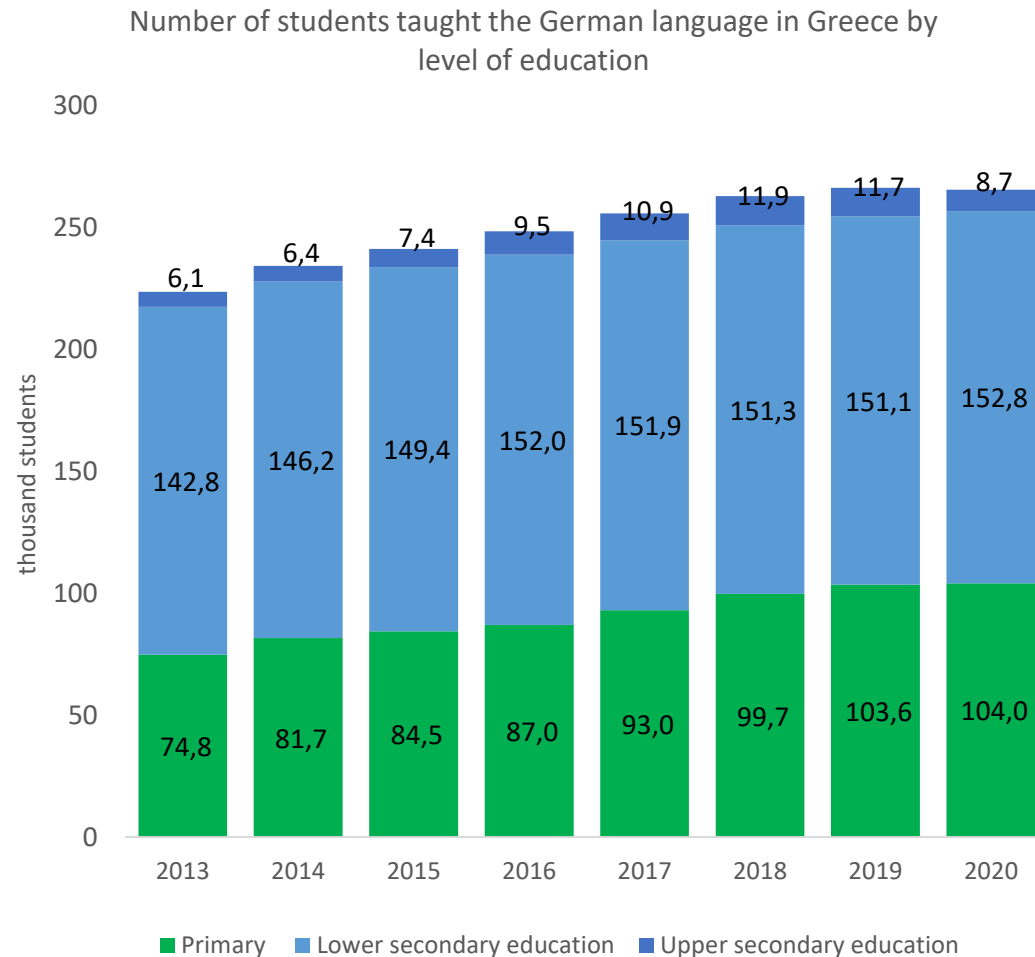
Net inflows of FDI to Greece in 2022 reached €743 million, mainly concentrated in the real estate sector



Source: Eurostat

The share of investments in real estate in Greece from Germany has strengthened in the previous years at €160 million in 2022. They accounted for 8.1% of total FDI in properties in Greece.

The ties between the two countries are also reflected in other aspects of social life such as culture and education



- Primary and secondary education
 - The number of students taught the German language in Greece reached 266 thousand in 2020, following an increasing trend since 2013
- Tertiary education
 - 1647 enrolled undergraduate students at the department of German Language and Literature in the University of Athens and 1197 in the Aristotle University of Thessaloniki

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Survey on the activity of member-companies of the Hellenic-German chamber (AHK)

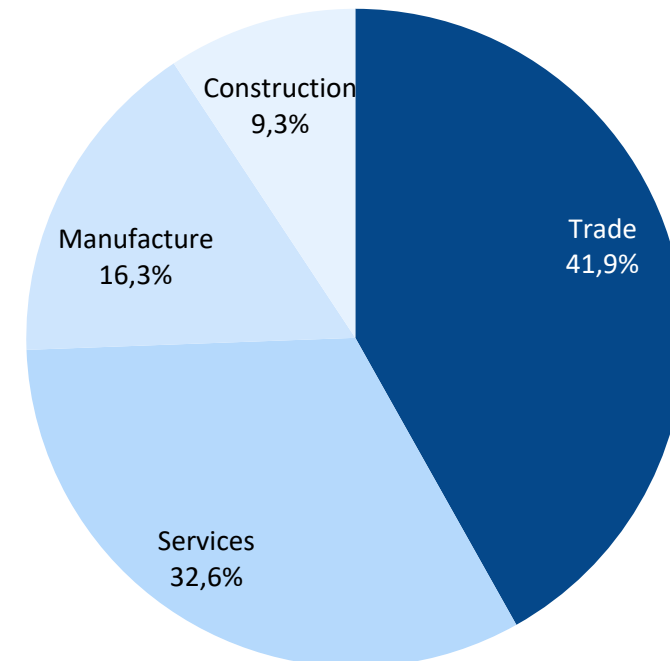
Conducted during the last quarter of 2022

Coverage: enterprises with shareholders from Germany

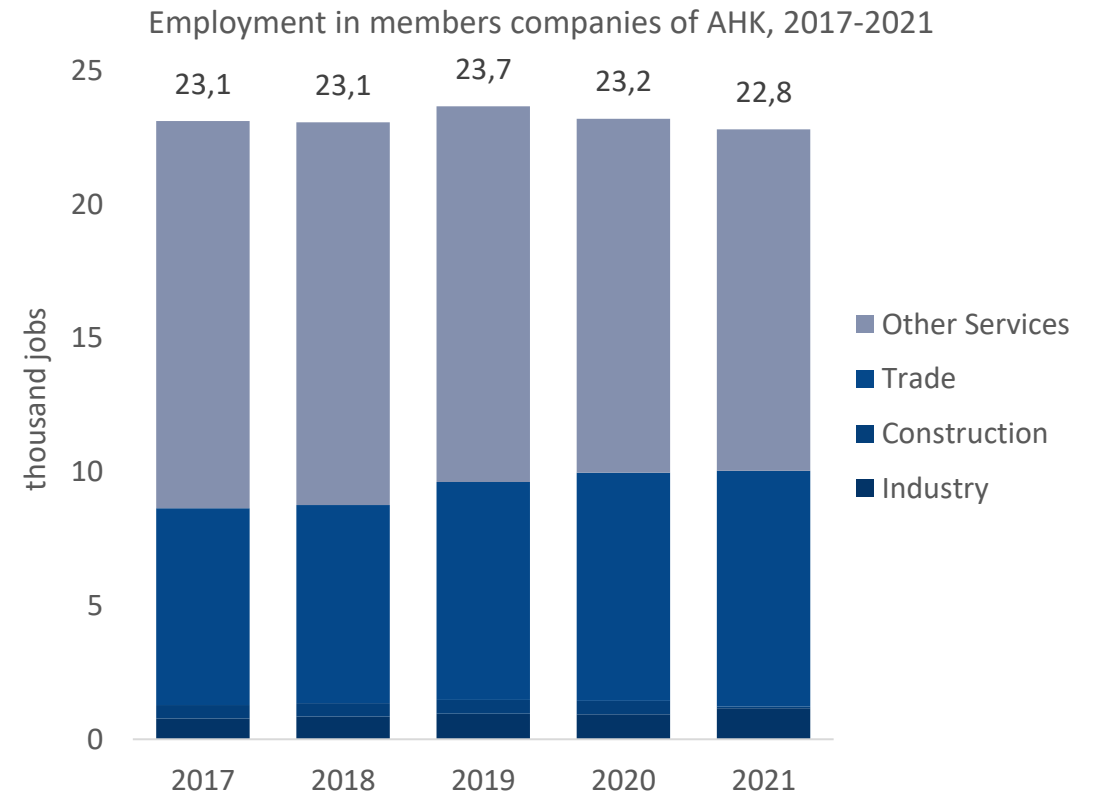
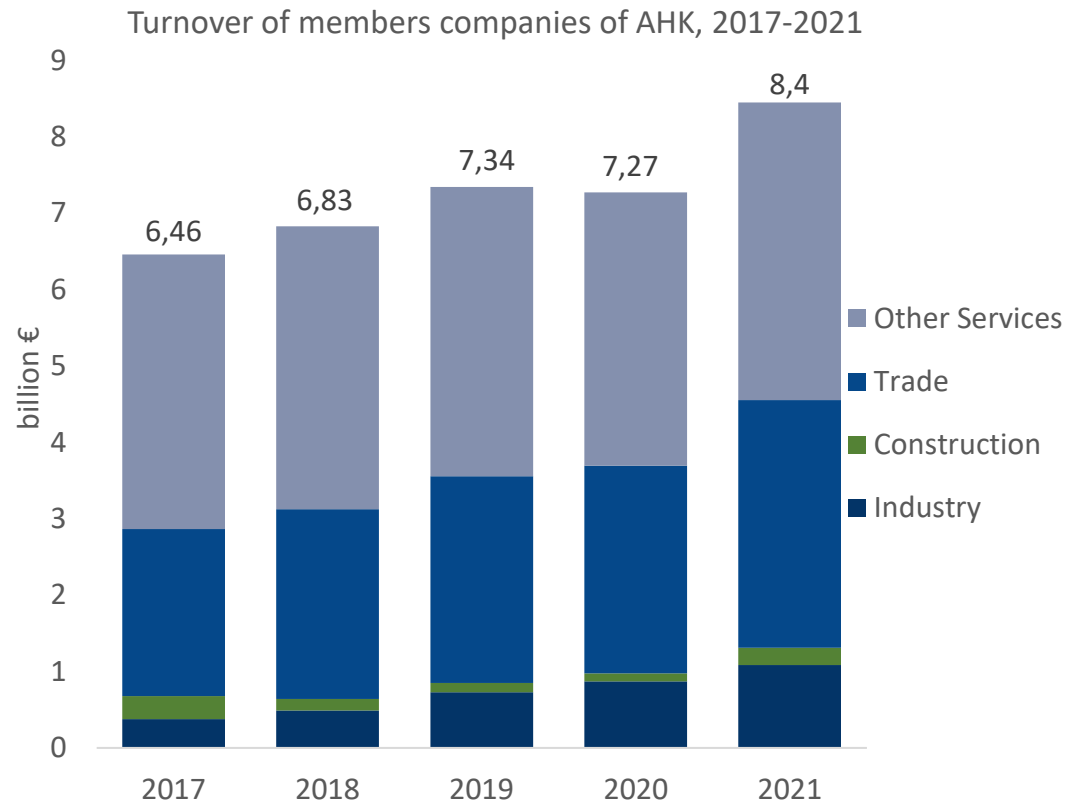
Participation of 43 enterprises

These are large enterprises, which represent most of the economic activity of the German business community in Greece

Member-companies of AHK that participated in the survey per sectors of economic activity



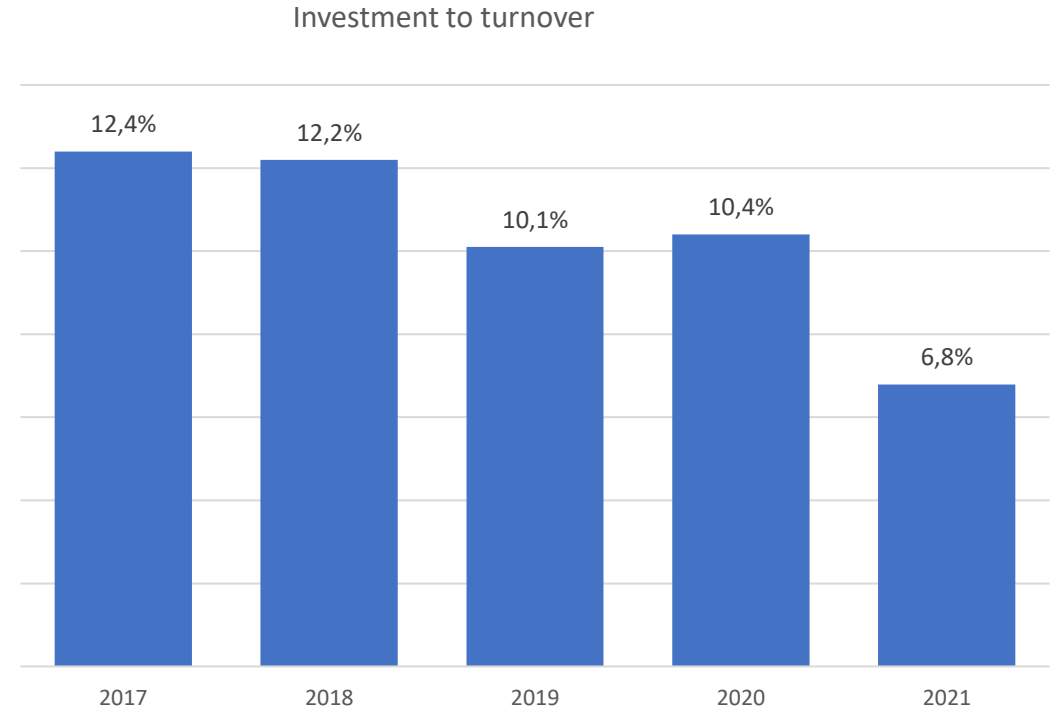
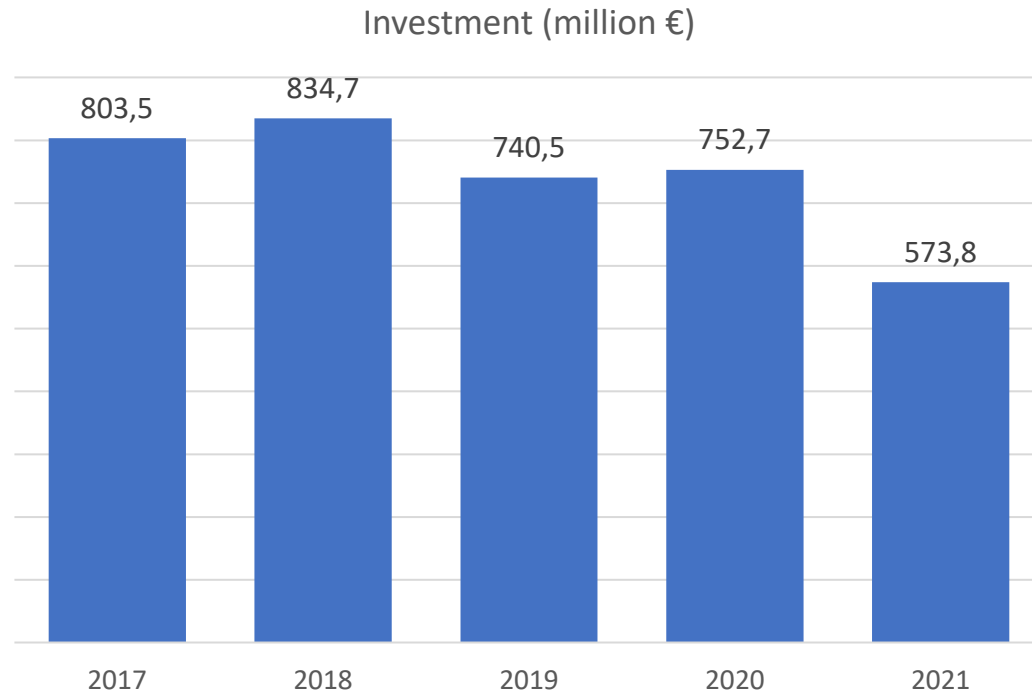
The turnover of member companies of the chamber which participated in the survey stood at €8.4 billion in 2021



Employment in the member companies of the chamber that participated in the survey stood at about 22,800 in 2021 from 23,200 in 2020.

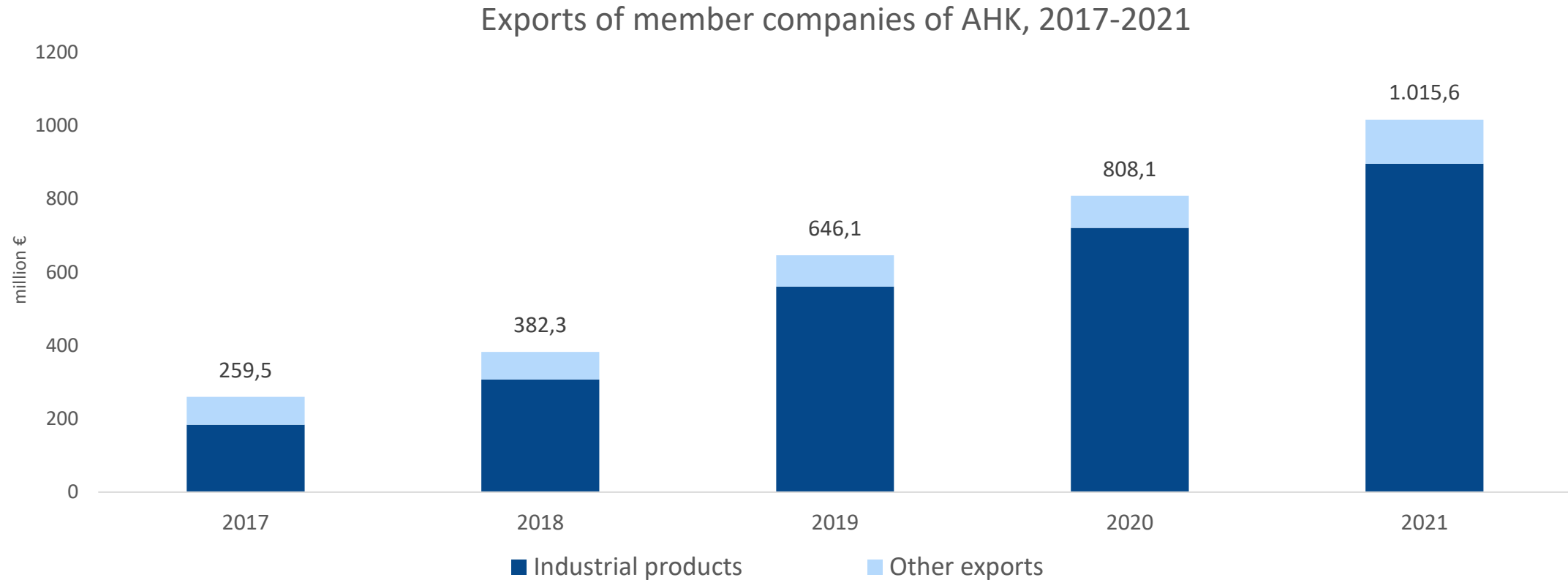
Investment in fixed capital stood at €574 million in 2021

Investment in fixed capital from member companies of AHK, 2017-2021



Between the period 2017 and 2021 the cumulative investment stood at approximately €3.8 billion, on average 10% of the firms' turnover

2 out of 3 member enterprises of the chamber that participated in the study are exporters

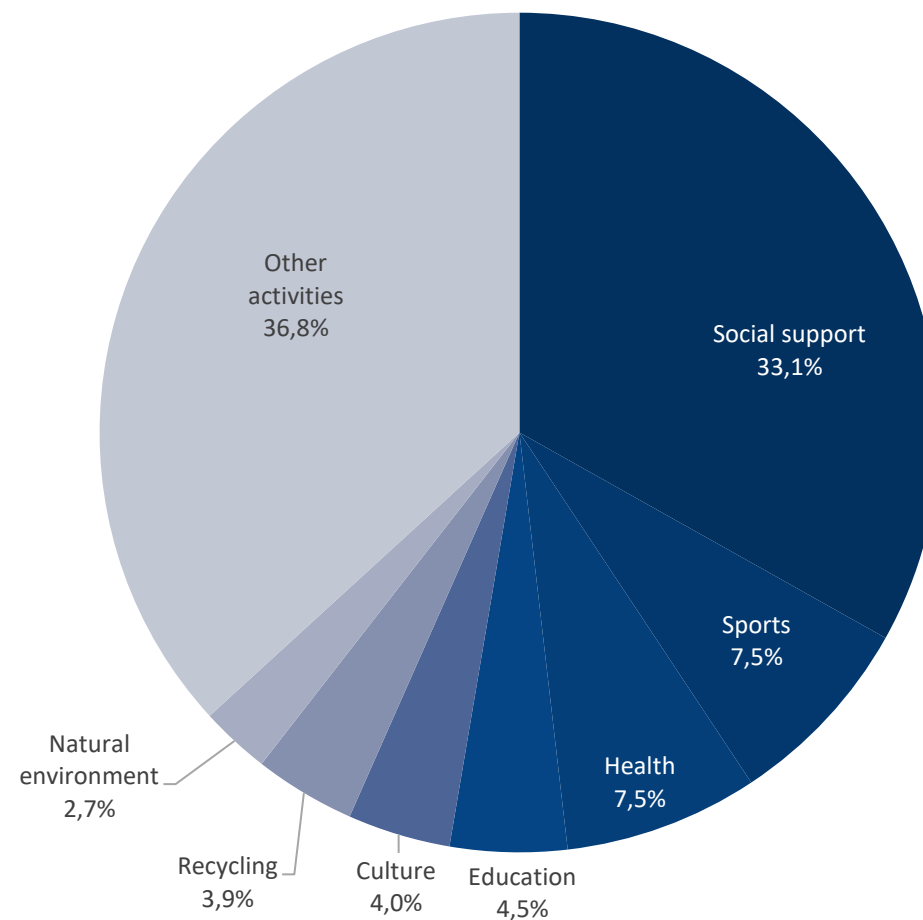
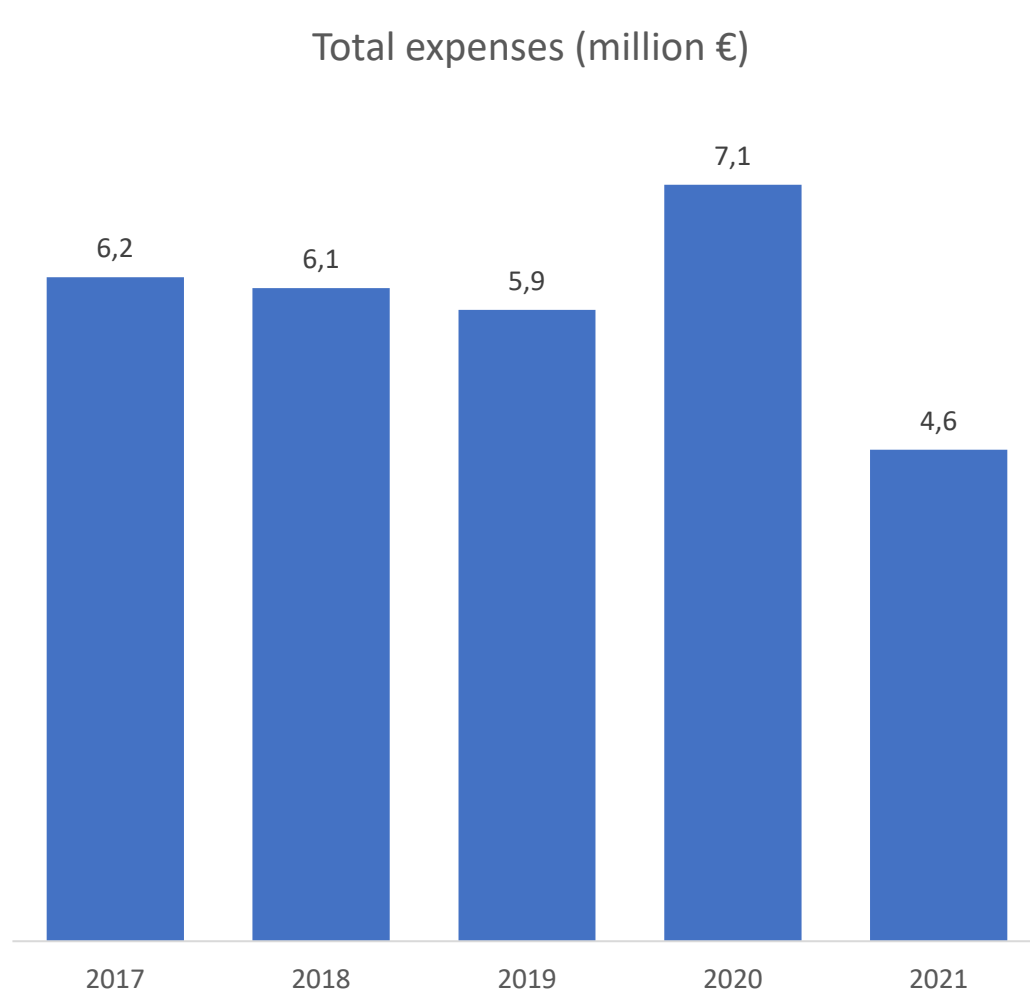


The total value of exports of goods and services stood at €1.02 billion in 2021

In 2021 grants and donations of the member companies that participated in the survey fell to €4.6 million from €7.1 million in 2020

Expenses of member companies of AHK for CSR

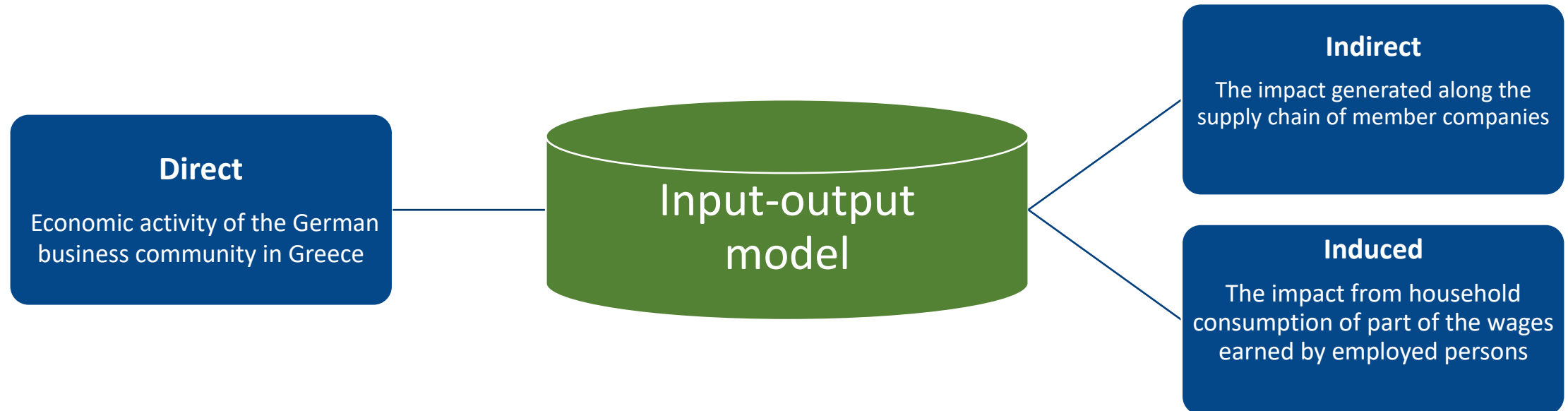
Total expenses (million €)



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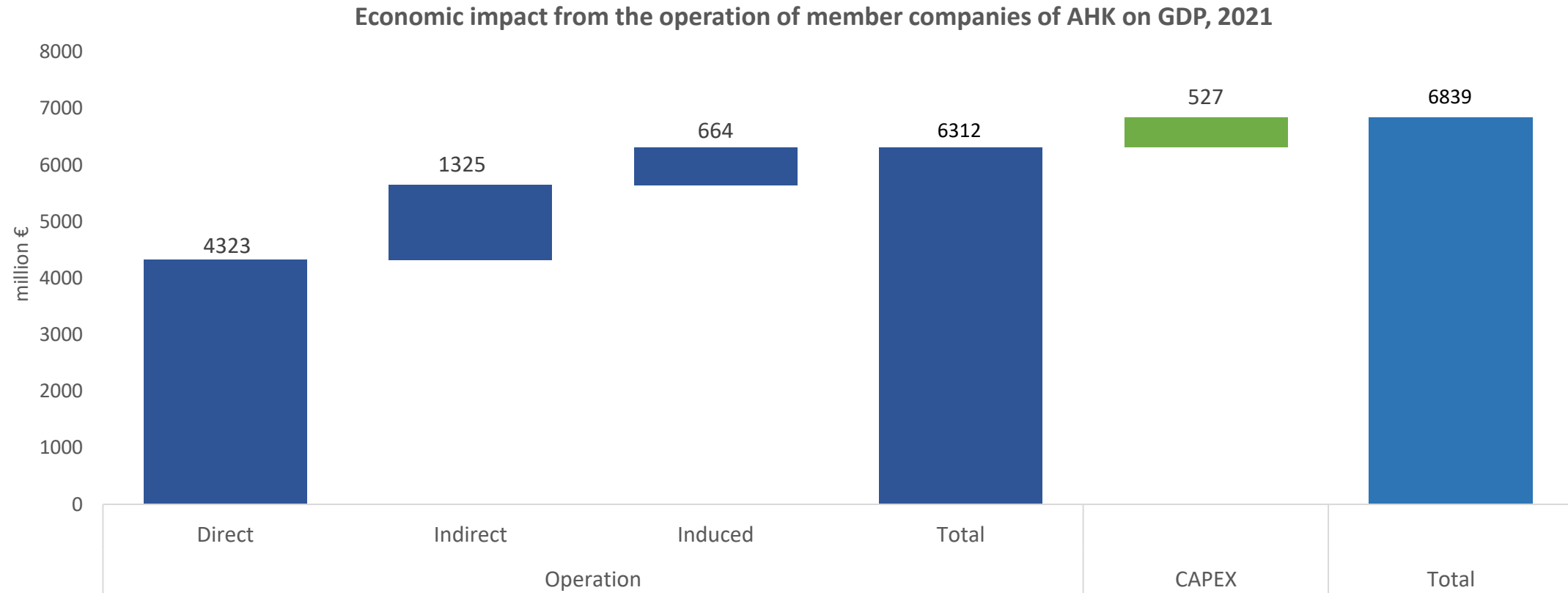
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The estimation of the overall economic impact takes into consideration the interconnections in the economy



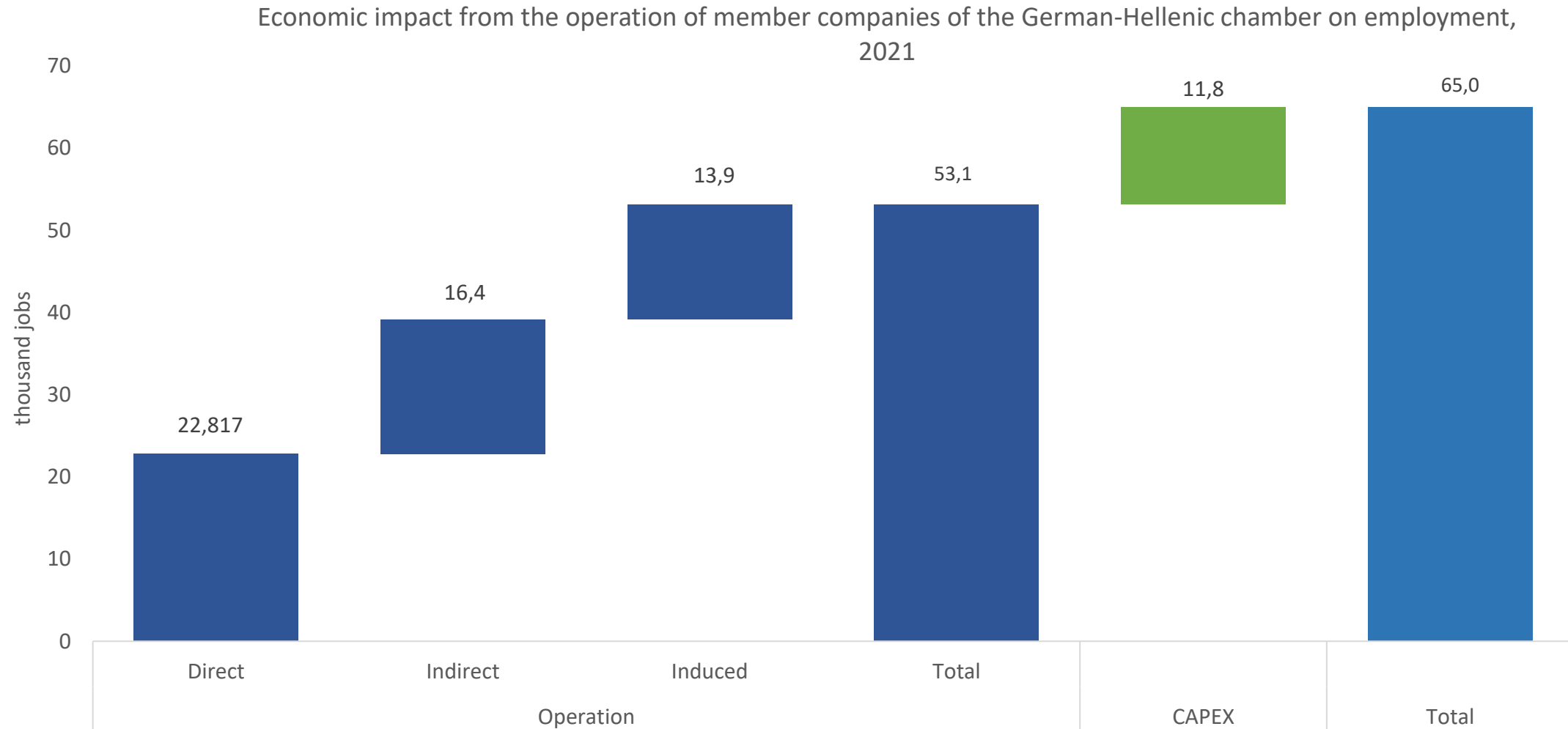
Indirect and induced effects are estimated from the input-output model, considering the interconnections between the different branches of economic activity.

The total contribution is estimated at 3.8% of GDP in 2021 (€6.8 billion)



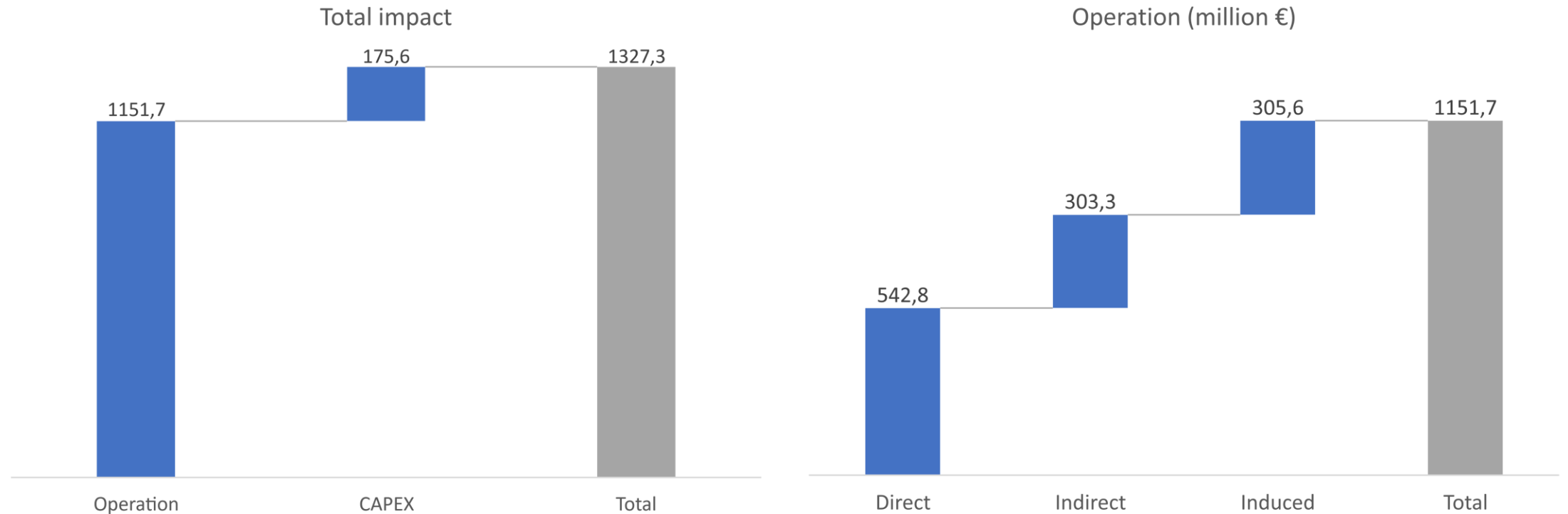
Every €1 of added value by the operation and investment of member companies generates €0.5 of GDP in other sectors of the Greek economy (€1.5 in total)

In terms of employment, the total contribution is estimated at 65 thousand jobs in 2021 (1.7% of total employment)



The total contribution to public revenues from taxes and contributions exceeds €1.3 billion

Contribution to public revenues from the operation of members companies of AHK, 2021



Direct tax revenues from the operation are estimated at €542 million of which social contributions from companies that participated in the survey of 2021 stood at approximately €118 million

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Conclusions

Germany maintained and in several indicators strengthened its position as one of Greece's largest trade and investment partners, despite the turmoil from the pandemic and the inflationary pressures in 2022

- Exports of Greek products to Germany (2022): €3.4 billion, 6.4% of total exports
- Imports of German products to Greece: €8.3 billion, 9.2% of total imports
- The trade flows with Germany increased in volume terms as well, despite the inflationary pressures
- Tourism from Germany: 4.3 visitors in 2022, as in 2019, €3.3 billion receipts, higher than in 2019, 18.5% of total receipts, no. 1 in the ranking of countries of origin
- Direct investments from Germany to Greece: €6.8 billion total capital stock in 2021, 18.3% of the total, no. 1 in the ranking of countries of origin

The contribution of the German business community to the development of the Greek economy remained strong in 2021

- The total contribution, in terms of GDP, of member companies of AHK from their operation and investment programmes is estimated at €6.8 billion in 2021 (3.8% of GDP)
- 65,000 jobs (1.7% of total employment in the Greek labor market)

Thank you for your attention

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