

**ΙΔΡΥΜΑ ΟΙΚΟΝΟΜΙΚΩΝ & ΒΙΟΜΗΧΑΝΙΚΩΝ ΕΡΕΥΝΩΝ
FOUNDATION FOR ECONOMIC & INDUSTRIAL RESEARCH**

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

Athens

June 28, 2024

**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

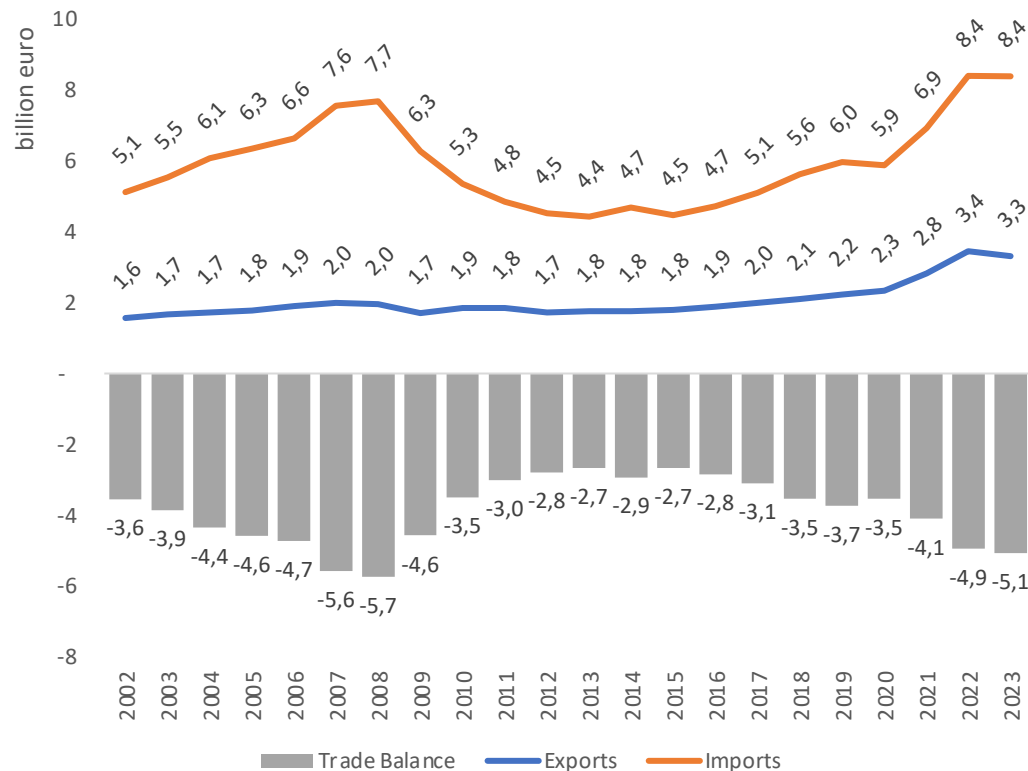
Analysis of the trends in trade and investment flows between Greece and Germany

Quantification of 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
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- Key figures, economic activity of member companies of the Hellenic-German chamber
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- Conclusions

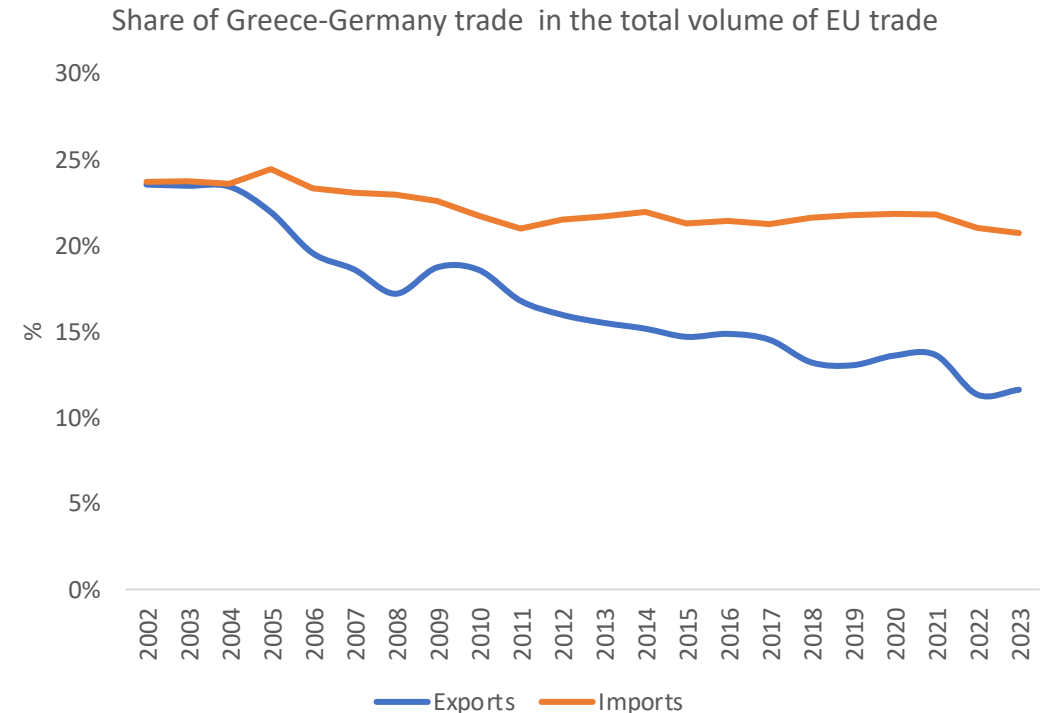
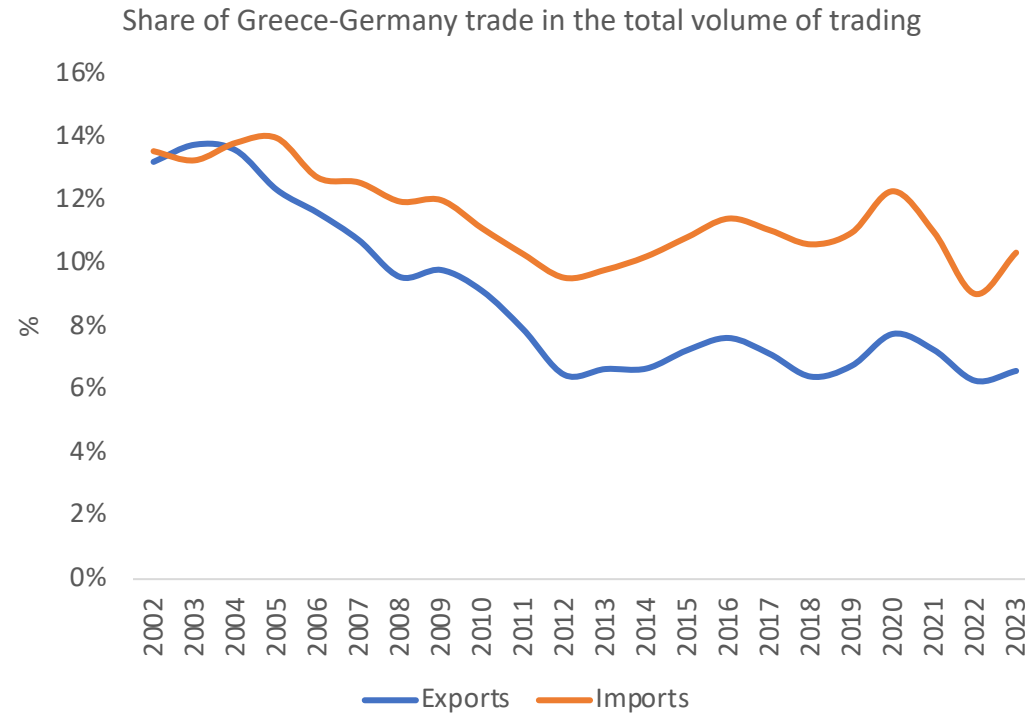
The bilateral trade between Greece and Germany has strengthened during the last decade



- In 2023, the exports of Greek products to Germany remained at high levels (€3.3 billion)
- German imports to Greece stabilized at €8.4 billion
- As a result, the trade deficit in goods stood at €5.1 billion

The slight decline in the value of the trade flows between Germany and Greece in 2023 was driven by the slowdown of world trade and economic recovery in these two countries.

The share of the bilateral flows with Germany in the total foreign trade of Greece bounced back to 10.4% for imports and to 6.6% for exports in 2023

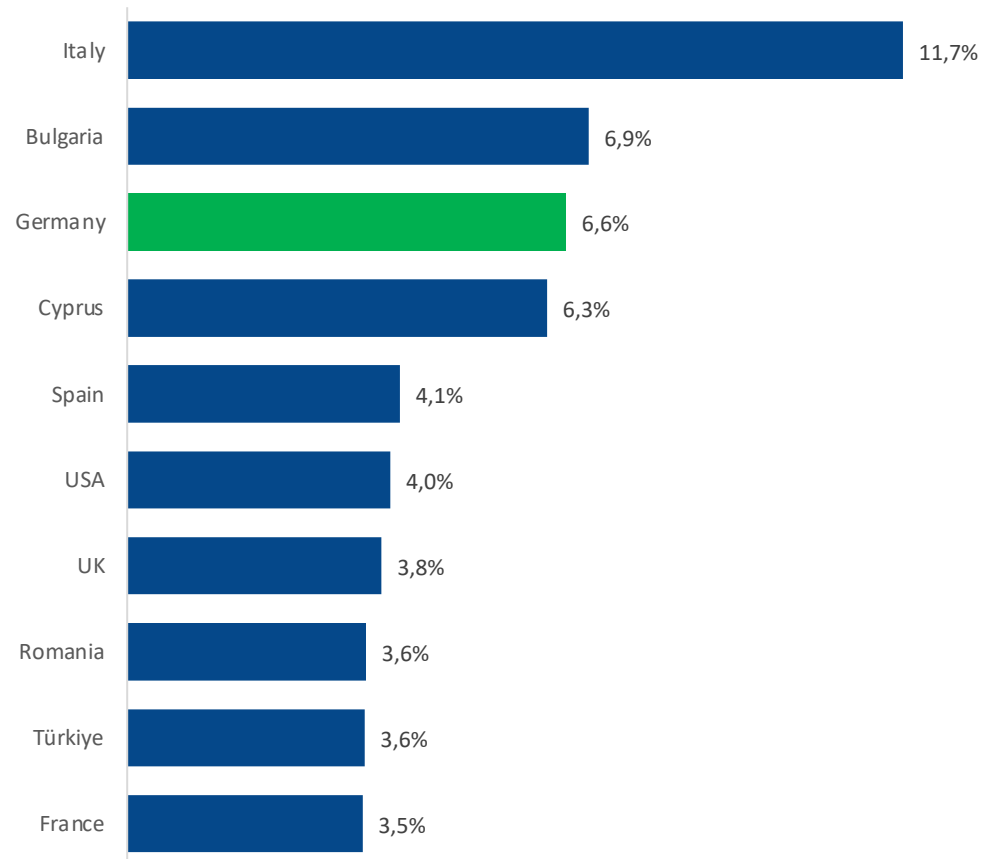


Source: Eurostat

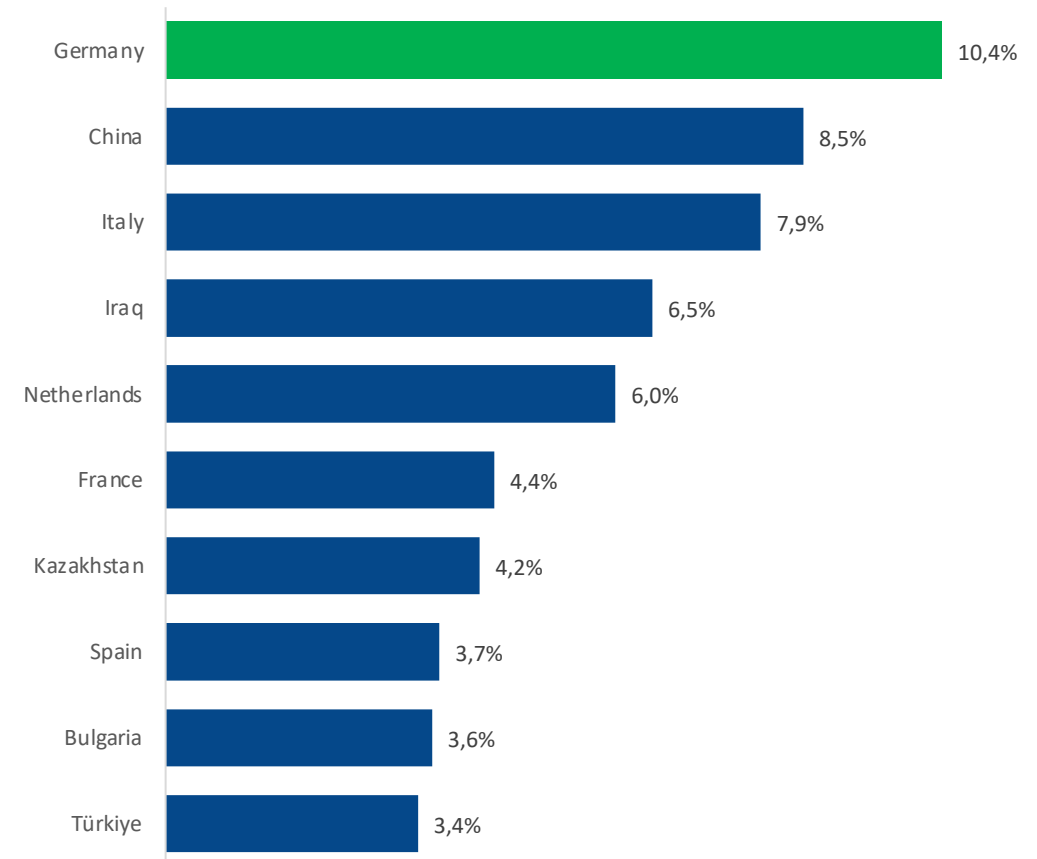
In the intra-EU trade, the share of Germany in the imports of Greece declined slightly to 20.7% in 2023, while the share of Germany in intra-EU Greek exports expanded to 11.6%, from 11.3% in 2022.

Germany was the third top destination for Greek exports and the top country for imports to Greece in 2023

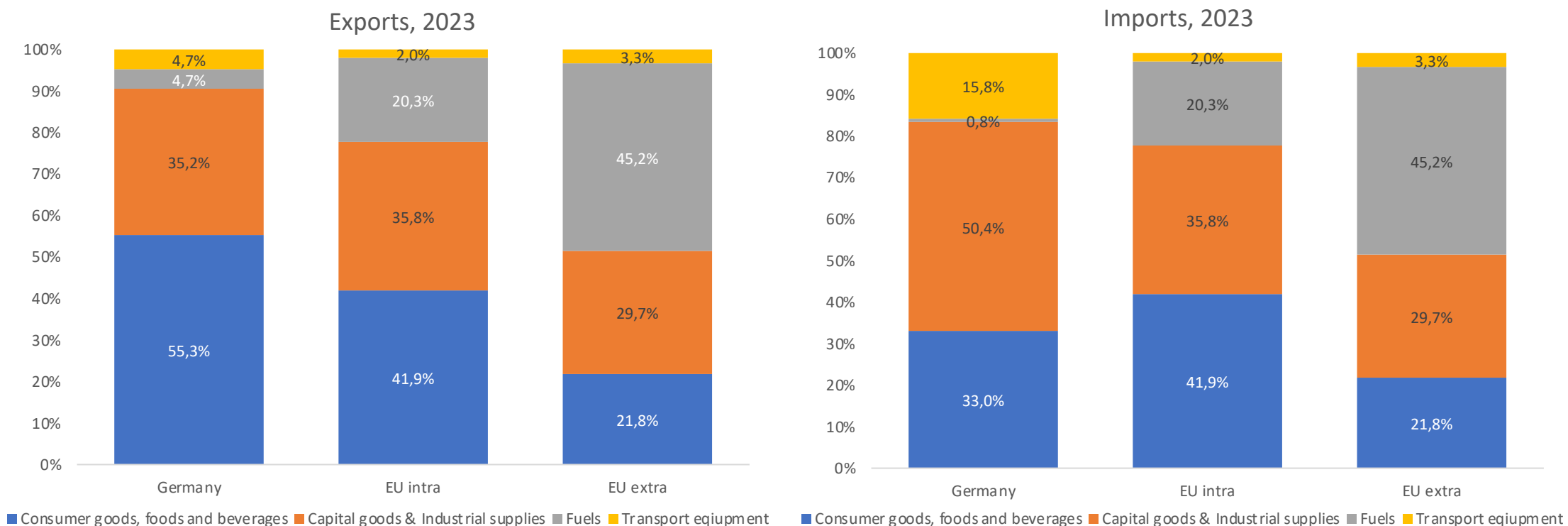
Exports by country (share of total exports), top 10



Imports by country (share of total imports), top 10

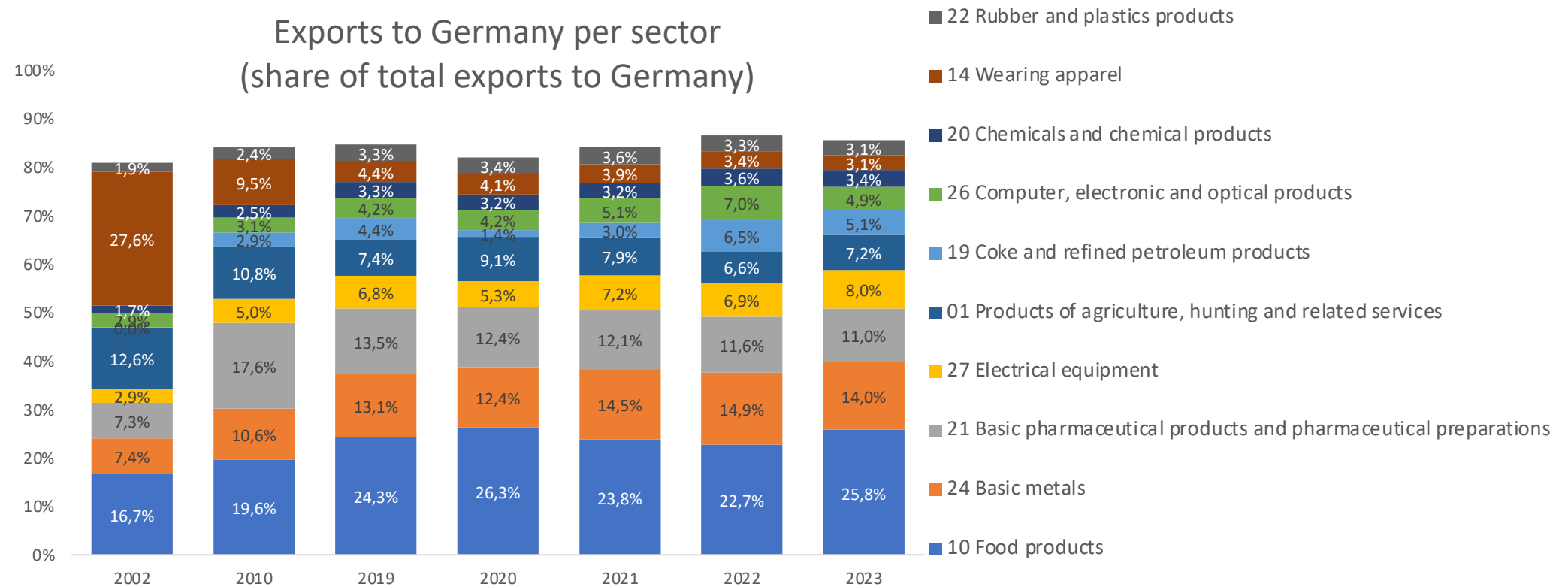


Greece exports to Germany mainly consumer goods, in higher ratio compared to other destinations



Half of the imports from Germany corresponds to capital goods, while the share of transport equipment in Germany's imports is much higher than in the imports from other countries.

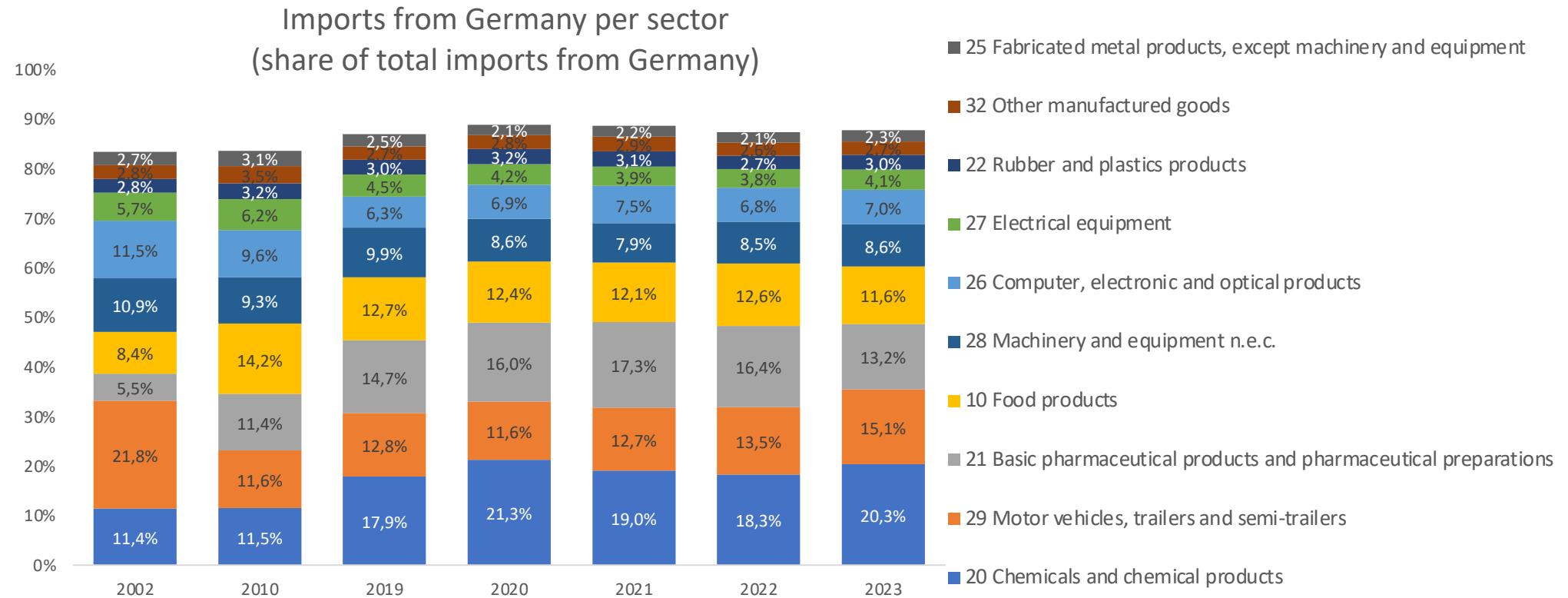
Food products, metals and pharmaceuticals have the largest share of Greek exports to Germany, representing 50% of total



Source: Eurostat

The share of food products, agriculture and electrical equipment increased in 2023, while the share of metals, pharmaceuticals, fuels and electronics slightly dropped

Chemicals, vehicles and pharmaceuticals remain the main imported goods from Germany



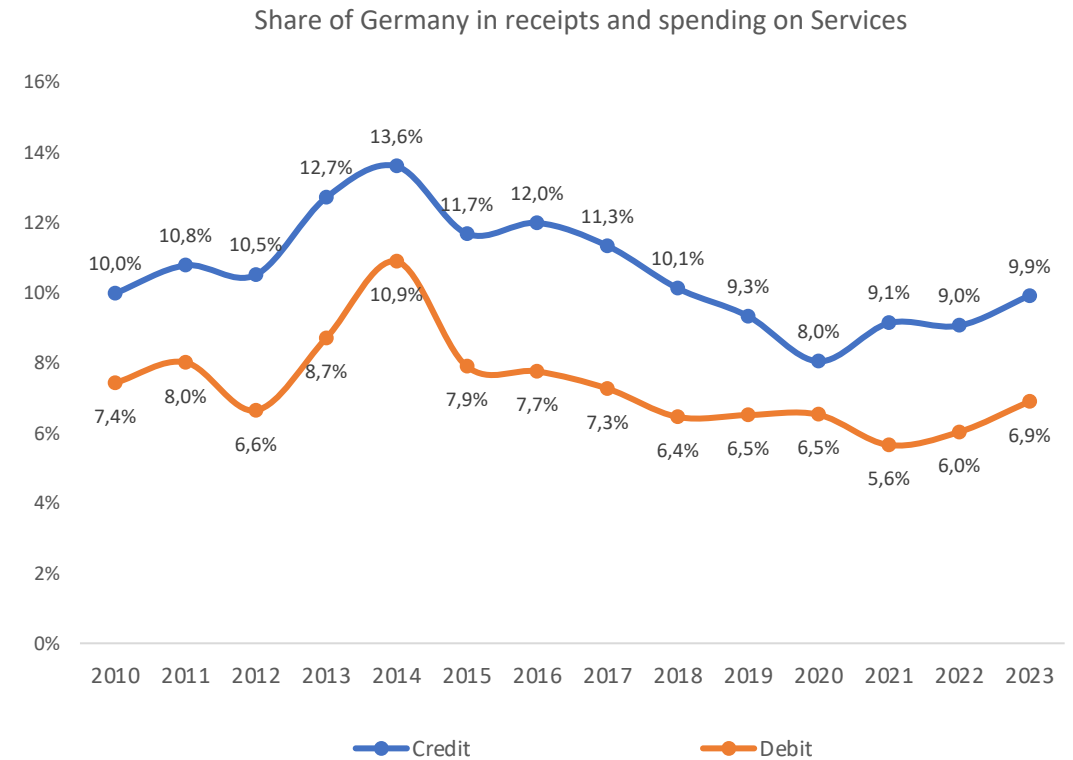
Source: Eurostat

The share of chemicals, vehicles, machinery, electronics and electrical products increased in 2023, while pharmaceuticals and food products declined

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In Services, receipts from Germany approached €5 billion, reaching their highest level at least since 2010

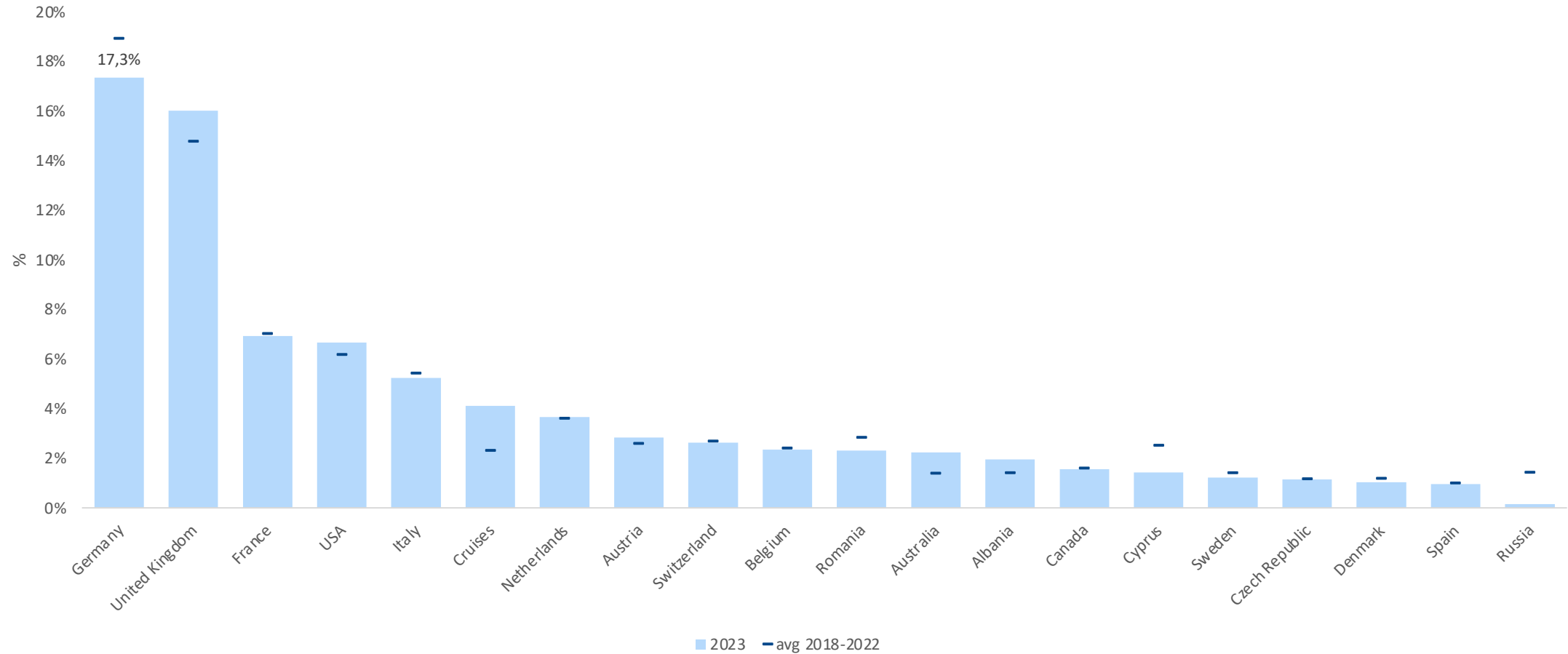


Source: Eurostat

Receipts from Germany accounted for almost 10% of total receipts in Greece in 2023, against 6.9% share for payments

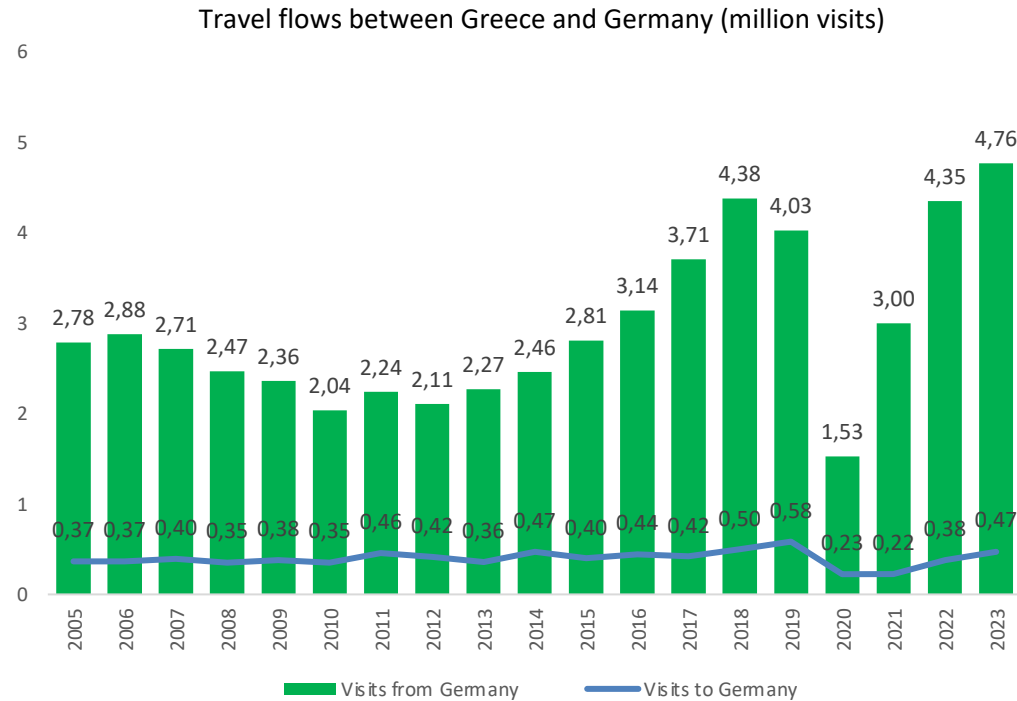
Germany ranked first in tourism receipts of Greece, with 17.3% of the total in 2023

Share of tourism receipts in Greece by countries of origin

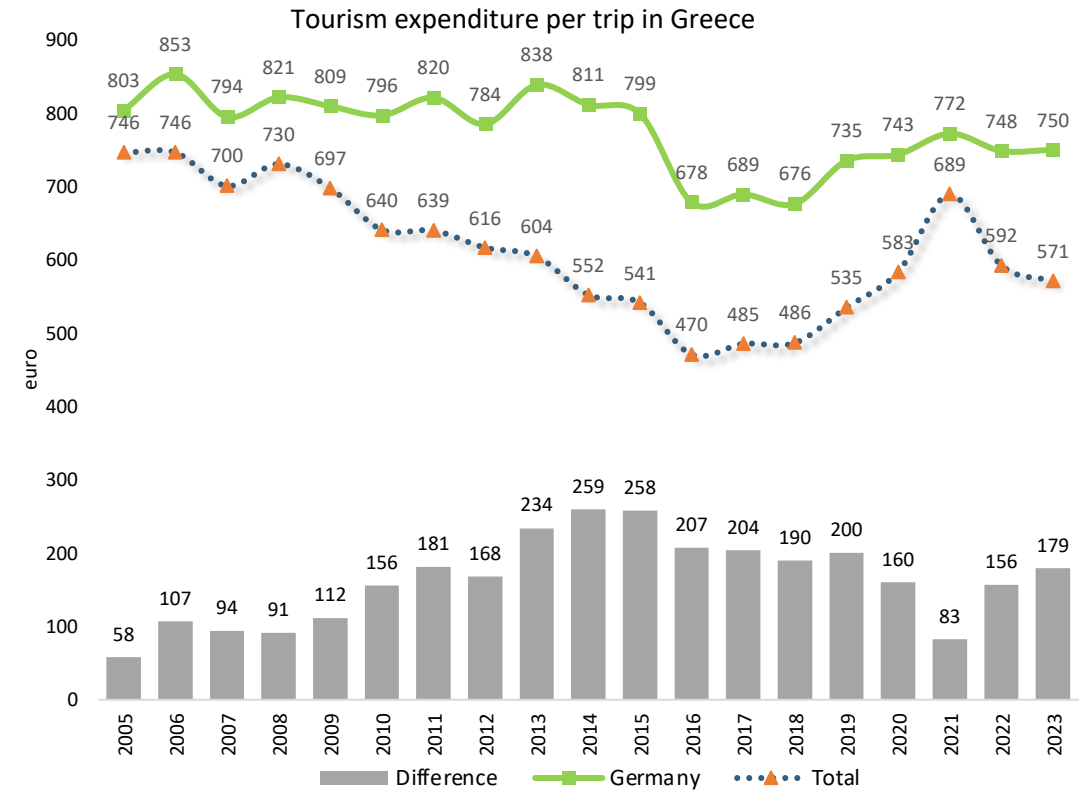


Source: Bank of Greece

Travel arrivals from Germany fully recovered following the pandemic and stood at historically high level in 2023 with 4.8 million arrivals

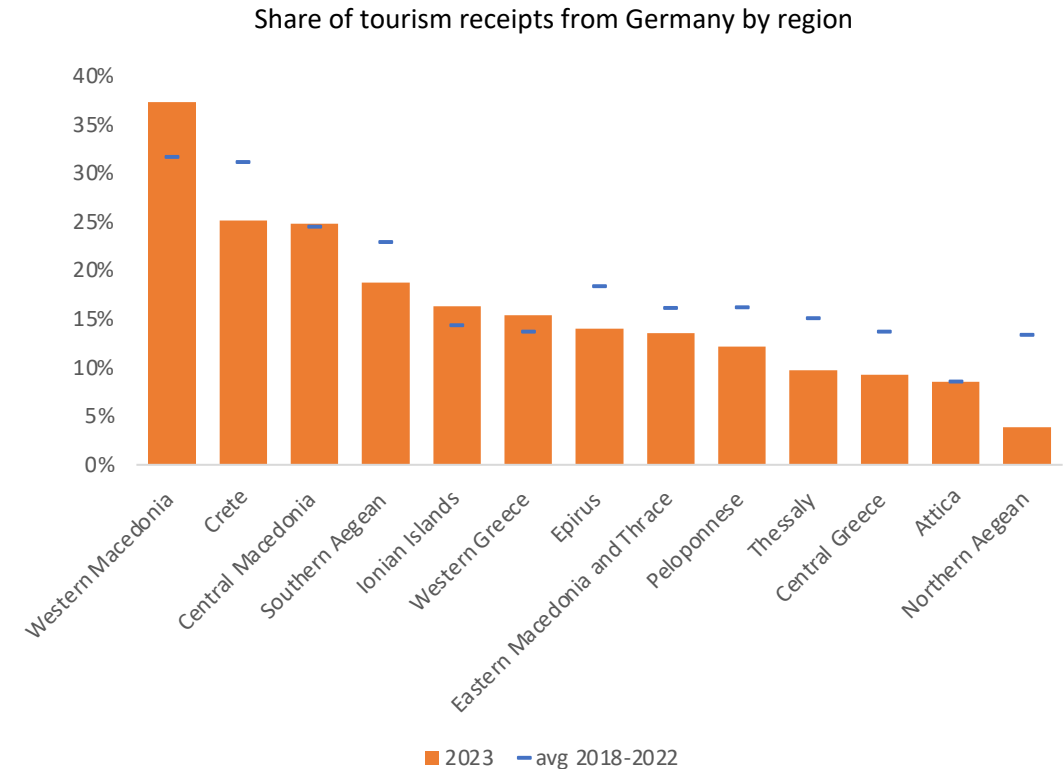


Source: Bank of Greece



Mean spending by visitors from Germany in Greece remains higher than the average expenditure per visitor, with the difference expanding since 2021

Travel receipts from Germany in 2023 reached €3.6 billion



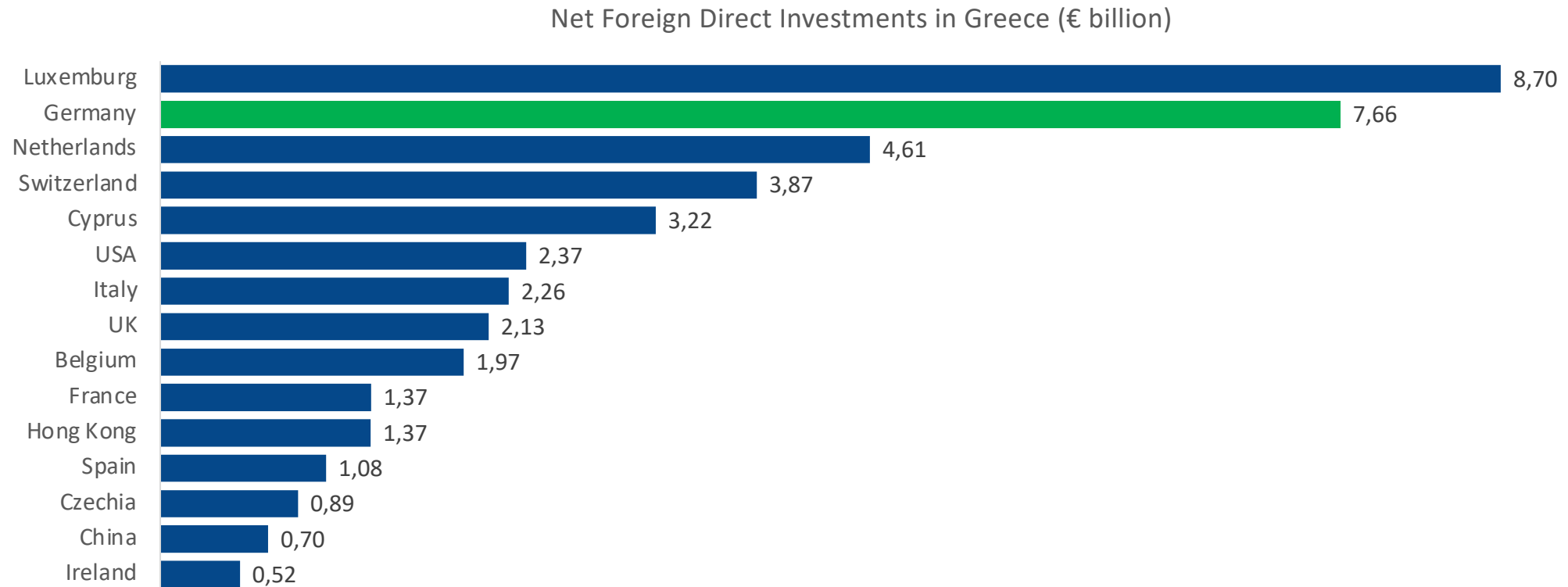
Source: Bank of Greece

The share of tourism receipts from Germany exceeds 15% in 6 out of the 13 Greek regions in 2023. The share increased further in Western Makedonia (37.3%) and in Ionian Islands and Western Greece.

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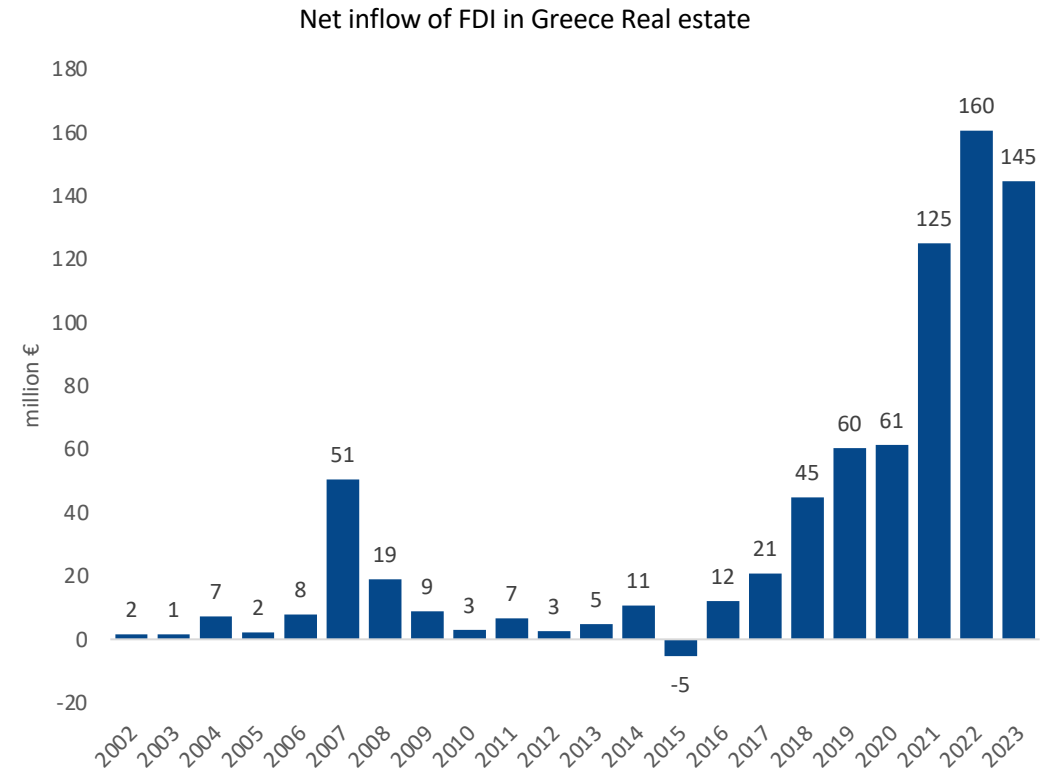
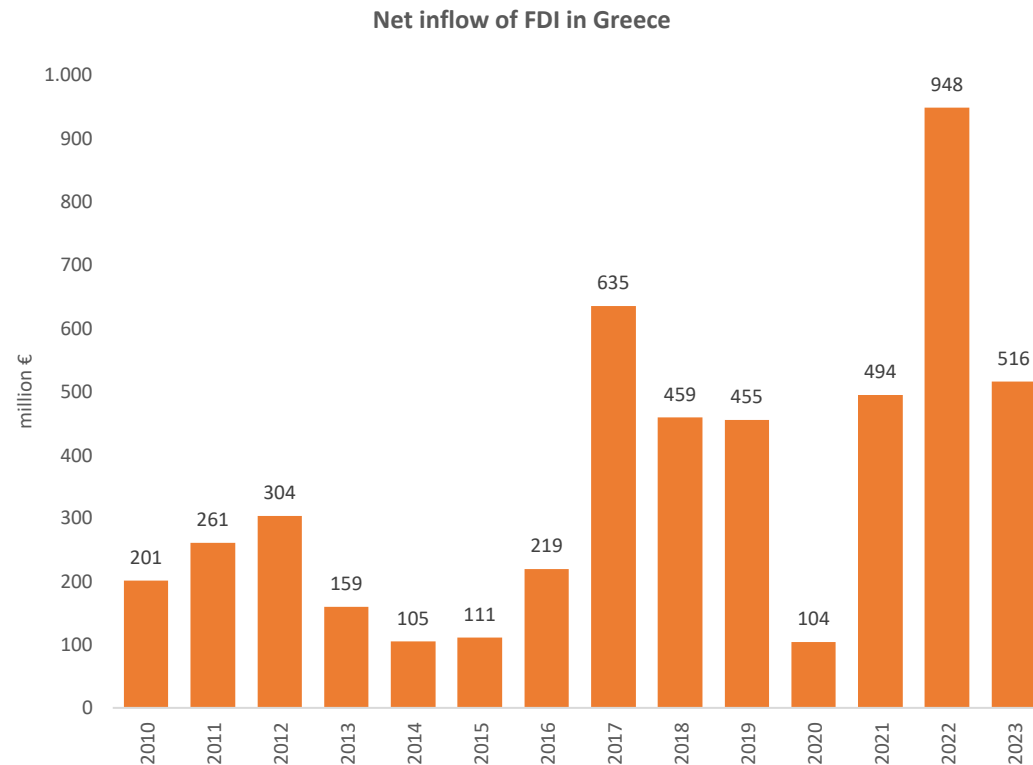
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In 2022 the total FDI stock from legal entities and single persons from Germany to Greece reached €7,7 billion



Germany ranked second (after Luxembourg) in foreign direct investment in Greece

Net inflows of FDI to Greece in 2023 stood at €516 million, after exceptionally high net inflows of €948 million in 2022

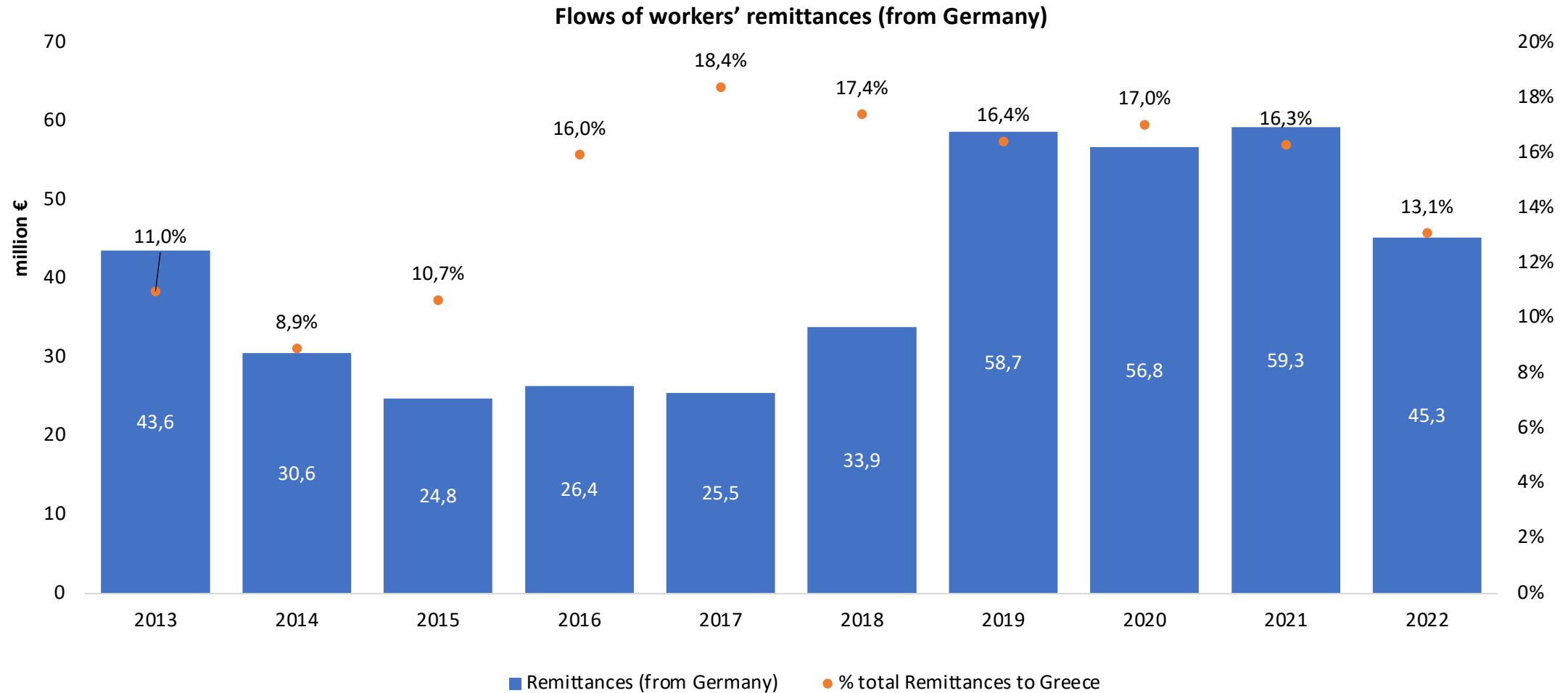


The inflows from Germany for investment in real estate in Greece remained strong in 2023, with €145 million. They accounted for 6.8% of total FDI in properties in Greece.

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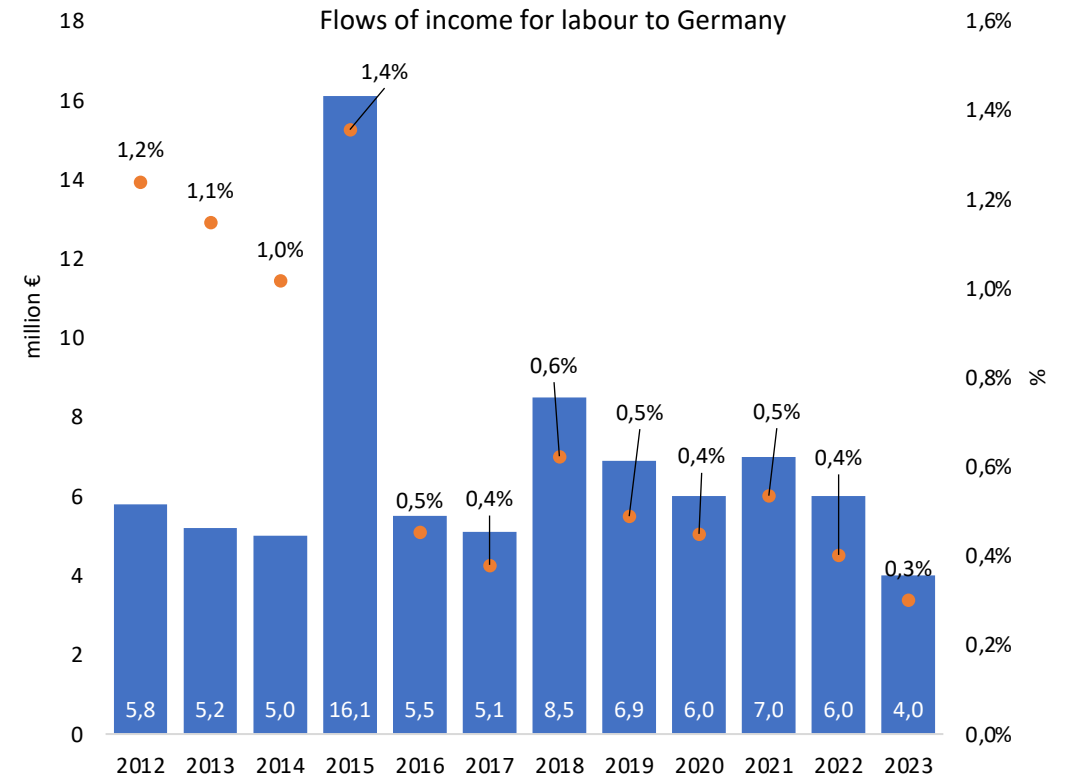
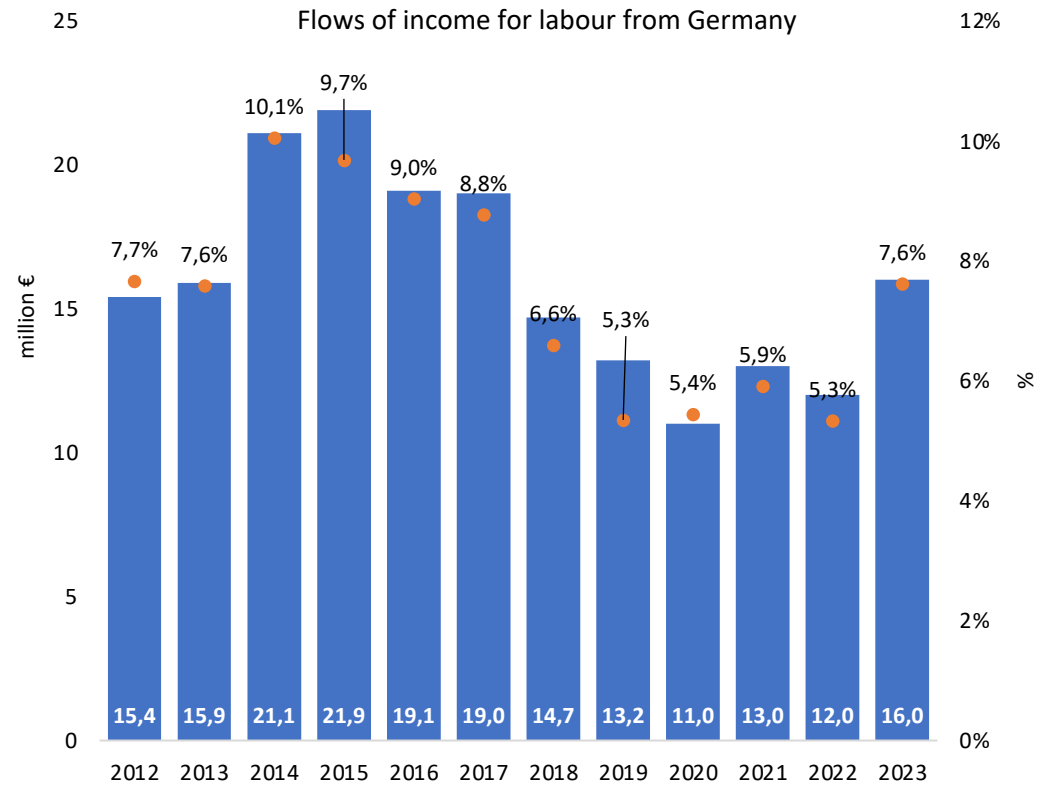
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The share of Germany in the total flows of workers' remittances in 2022, stood at 13.1%, more than €45 million per year since 2019



Source: Eurostat

The inflows of income from labor (residents of Greece employed by employers based in Germany) increased to €16 million, with the share of Germany growing to 7.6% in 2023



■ Primary income from employment (from Germany)
 ● % total flows of income from labour in Greece

■ Primary income from employment (to Germany)
 ● % total flows of income from labour from Greece (to other countries)

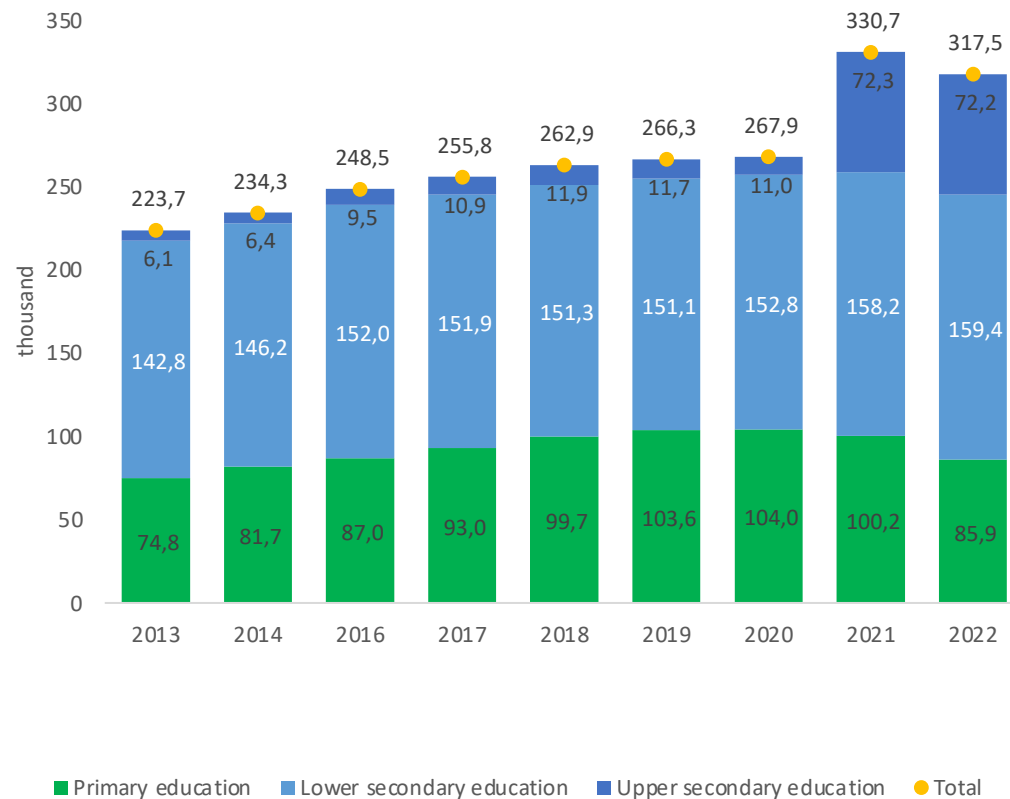
Source: Eurostat

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

Number of students taught the German language in Greece by level of education



- Primary and secondary education
 - The number of students taught the German language in Greek schools reached 317k in 2022, growing steadily since 2013
- Tertiary education
 - 1.650 enrolled undergraduate students at the department of German Language and Literature in the University of Athens and 1.200 in the Aristotle University of Thessaloniki

Source: Eurostat. Note: The jump in the number of students taught German in upper secondary education schools in 2021 is due to legislation changes that made the teaching of a second foreign language at this education level mandatory.

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Data of the member-companies of the Hellenic-German chamber (AHK)

Financial Reports

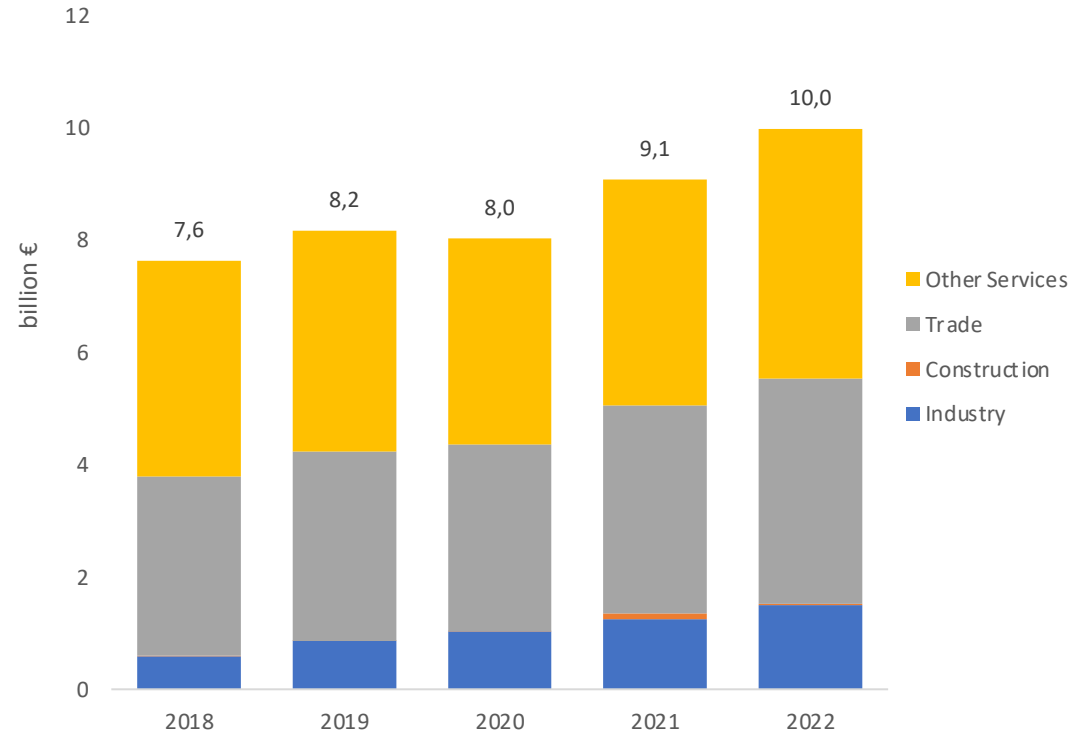
Coverage: enterprises with shareholders from Germany

94 enterprises

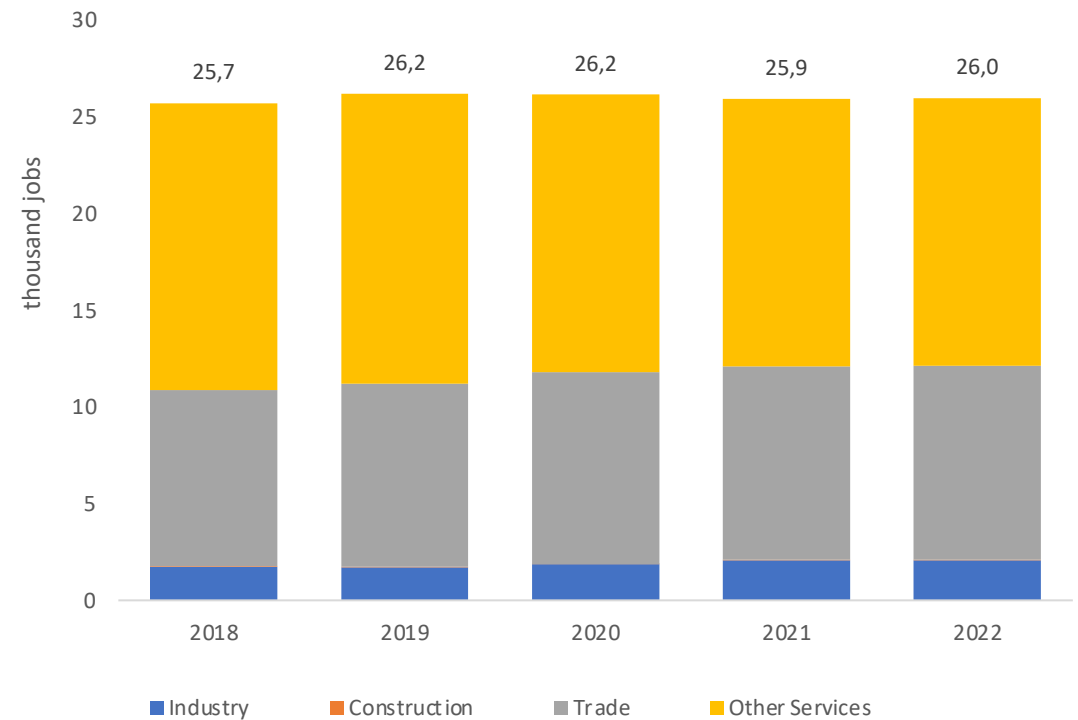
These are large enterprises, which represent most of the economic activity of the German business community in Greece

The turnover of member companies of the chamber stood at €10.0 billion in 2022

Turnover of members companies of AHK, 2018-2022

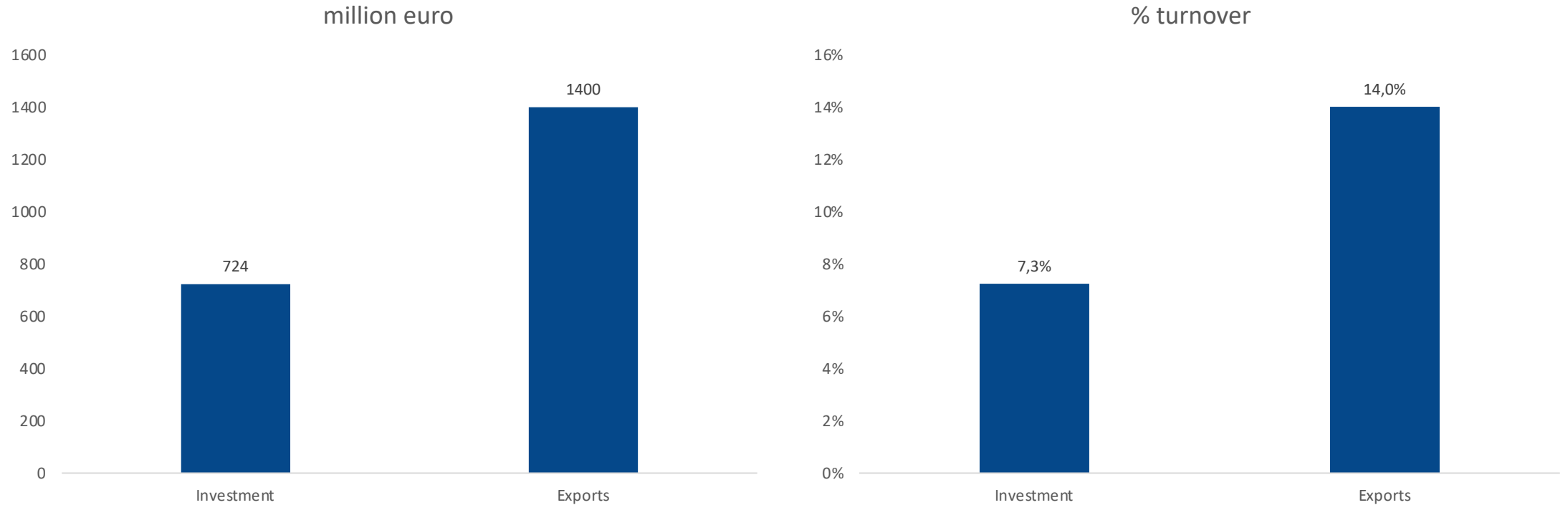


Employment in members companies of AHK, 2018-2022



Employment in the member companies of the chamber stood at about 26k people in 2022

Investment in fixed capital are estimated at €724 million in 2022, at 7.3% of turnover

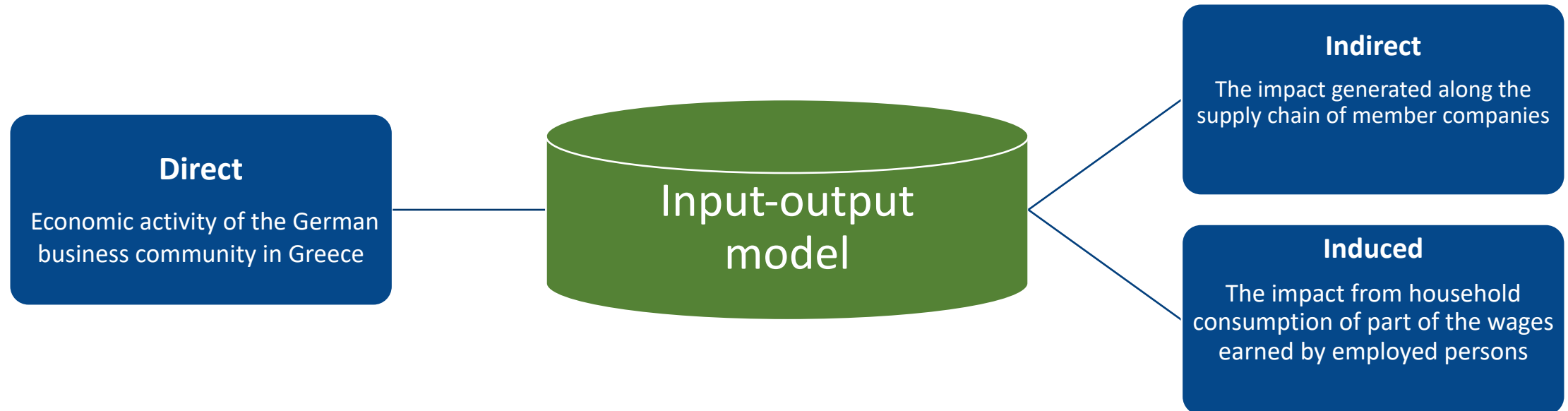


Exports correspond to 14.0% of total turnover (€1.4 billion)

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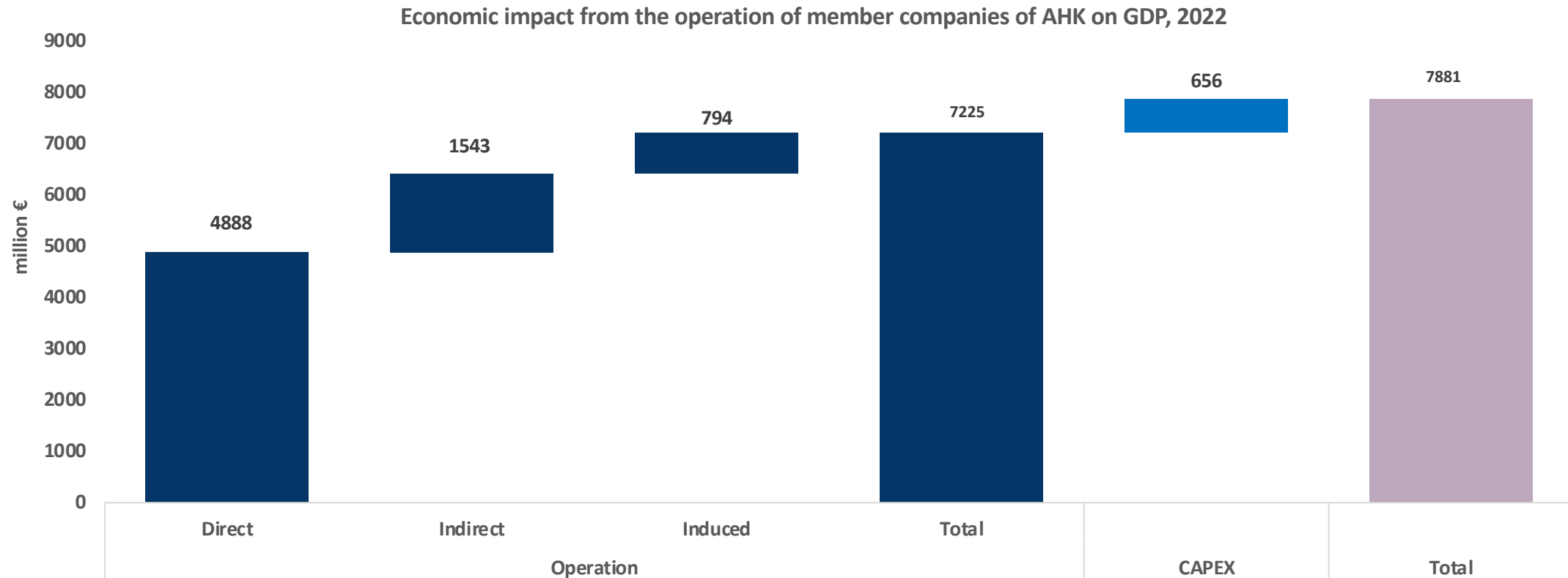
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The estimation of the overall economic impact takes into consideration the interconnections in the economy



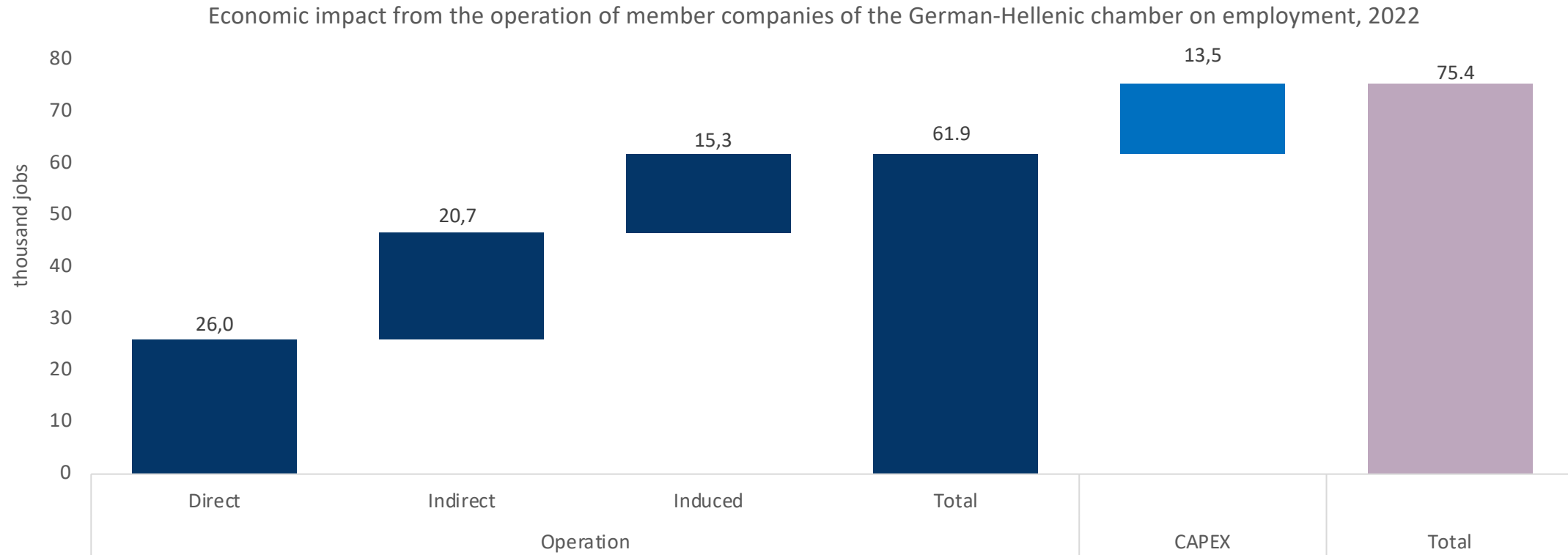
Indirect and induced effects are estimated from the input-output model, considering the interconnections between the different branches of economic activity.

The total contribution of the German business community in Greece to the Greek economy is estimated at 3.8% of GDP in 2022 (€7.8 billion)



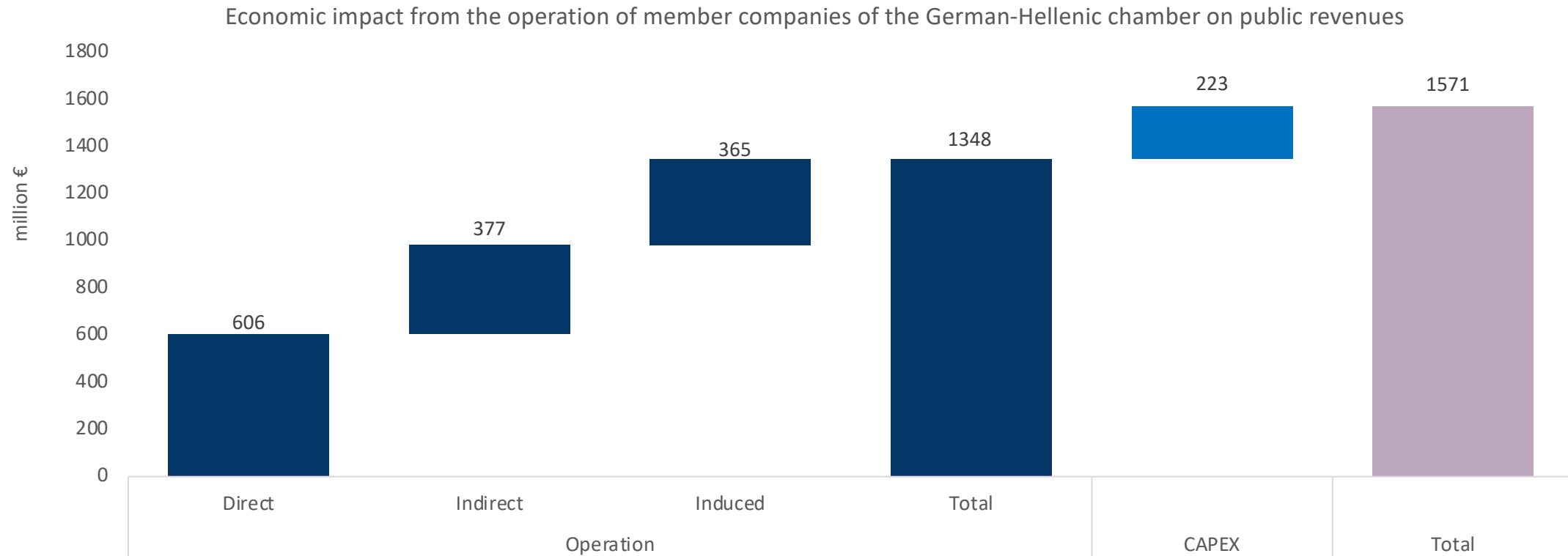
Every €1 of added value by the operation and investment of member companies generates €0.6 of GDP in other sectors of the Greek economy (€1.6 in total)

In terms of employment, about 75.4k jobs were supported by the operation of the German business community in Greece in 2022 (1.6% of total employment)



Every job in one of the member companies of the chamber supports other 1,9 jobs in the wider economy.

Public revenues from taxes and contributions that draw directly or indirectly on the operation of the German business community in Greece exceeds €1.5 billion



The direct public revenues from the operation of the chamber members are estimated at €606 million

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Conclusions

Germany maintained its position as one of Greece's largest trade and investment partners, despite the economic slowdown in 2023

- Exports of Greek products to Germany (2023): €3.3 billion, 6.6% of total exports (rank 3rd)
- Imports of German products to Greece: €8.4 billion, 10.4% of total imports (rank 1st)
- Tourism from Germany: record high 4.8 mil. visitors in 2023, with €3.6 billion receipts, 17.3% of total receipts, no. 1 in the ranking of countries of origin
- Direct investments from Germany to Greece: €7.7 billion total capital stock in 2022, 16.2% of the total, no. 2 in the ranking of countries of origin

The contribution of the German business community to the development of the Greek economy remained strong in 2022

- The total contribution, in terms of GDP, of the member companies of AHK from their operation and investment programmes is estimated at €7.8 billion in 2022 (3.8% of GDP)
- 75,400 jobs (1.6% of total employment in the Greek labor market) depend on the work done by the German business community in Greece

Thank you for your attention

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