

# COMPETITIVENESS & ENTREPRENEURSHIP

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**Within the new framework of globalized society and mainly the European unification, Greece recognizes the importance that competitiveness and entrepreneurship possesses for its growth and the upgrading of its place in the international arena. In fact, in the past few years, Greece has implemented a bold program of structural reforms to this aim.**

More specifically:

- Tax rates on the profits of enterprises have decreased by almost one third.
- The developmental law has been revised so that investments are strengthened with a percentage that reaches 60%.
- A new institutional framework for the production of public works and studies has been voted on and, as a result, a national program of public infrastructure and co-financing works, with a budget of 16 billion euros, is being realized, the greater part of which concerns regional cohesion and development.
- A new legislative framework for Public Private Partnerships (PPPs) (L.3389/2005) has been voted in according to which state and local authorities have better chances in developing useful infrastructures, even in the smallest Greek village.
- Third CSF funds absorption has been accelerated and more funds have been targeted to support and develop entrepreneurship. More than 30,000 enterprises have profited from EU programs and have been financed for improving their competitive position.
- Funds for attracting tourists from targeted markets abroad have increased while the legal framework for the promotion of special forms of tourism is being developed.
- A new aggressive policy for promoting exports, which has begun to show exceptional results, has been implemented.
- The problem concerning the Banks Insurance Fund was solved, which contributed to the successful promotion of the privatization program in this sector.
- As far as the industrial sector is concerned, the new bill on the simplification of the licensing process for manufacturing companies (L.3325/2005) has been implemented. In addition, the Business and Entrepreneurial Areas Network (VEPE) is being expanded and upgraded while new legislation is being enacted in order to turn the above network into modern business parks.
- In the trade sector, a new law on trade has been voted in. This law, among others, adapts the working hours of shops to those of the EU member states. The draft law on “Sociétés Anonymes” has been completed, the General Commercial Record (G.E.MI.), which integrates and simplifies the formal framework of commercial activity, is being created and the Bankruptcy Code is being modernized.
- The National Spatial Plan is in the last stage of development. In this context, three specific plans that concern tourism, industry and renewable energy sources (RES) are being prepared.
- A new institutional framework

for supporting the research and technology expenses, evaluating research centers and their linking with enterprises, is being drawn up. The national objective set concerns a progressive increase in the research and development expenses by 1.5% of GNP up to 2010 from 0.6% that was set in 2004. The creation of Regional Innovation Poles is being promoted in the regions of Thessaly, Central and Western Macedonia, Western Greece and Crete. At the same time, the first technological and cooperative scheme, the first high-specialization cluster in new technologies and innovation, was inaugurated.

- The electricity and natural gas market has been liberalized and Greece is now integrated into the big international networks of electricity, natural gas and oil.
- The new legal framework for the foundation and operation of distribution parks was established and remains the realization of this plan through the promotion of partnerships with the private sector.
- The Broadband Action Plan to 2008 is being promoted in the context of which the development of Metropolitan Area Broadband Networks in 75 cities and the deployment of Wireless Broadband Networks in 120 municipalities are being financed. Simultaneously, an important intervention is being promoted for boosting broadband penetration and coverage

in regions where citizens and businesses currently have difficulties in gaining broadband access. In addition, the initiative “Digital Local Authority” has also been put into effect.

- The National Strategic Reference Framework (NSRF) for the period 2007-2013, 82% of the resources of which are directed to the Greek periphery, is at the final stage. At the same time, the Government intends to draw up a law on regional development that will contain the details of the new system concerning the planning, management and control of the National Strategic Reference Framework 2007-2013 programs, so that errors of the past can be avoided.
- The Government provides income support for the elderly and retirees with low incomes of OGA, the agricultural workers’ pension fund, and has increased the supplementary pension (EKAS). It also supports the unemployed so as to strengthen social cohesion. In addition, the Government is promoting a new plan for fighting poverty by linking the increase of resources with the results of fighting tax evasion.
- In the framework of the constitutional revision, the Government is promoting the liberalization of higher education from the state-owned monopoly and promoting a legal framework on the modernization of higher education.
- Major works of information

society, the program of electronic governance as well as the creation of one-stop shops for the better service of citizens and enterprises are also being promoted.

- A new stricter law on the rationalisation of Public Enterprises and Entities (DEKO) was voted on and its application is expected. At the same time, a national dialogue for the reformation of the country's Public Social Insurance System has also been initiated.

In 2006, Greece has also made important steps in progress. If structural changes are promoted and completed in the following years, the country is expected to make even more.

Today, the EU and the major international economic organizations recognize the progress of the Greek economy. Briefly, I can mention:

- In 2006, the pace of GNP increase reached 4.1%.
- The public deficit decreased from 7.8% of GNP in 2004 to 2.6% in 2006 and continues to decrease.
- Total investments increased by 10.4% in the first half of 2006 compared to the corresponding period of 2005.

- Direct foreign investments increased by 305% during the period January-August 2006.
- Exports increased by 20% in the first eight-month period of 2006.
- Tourism in Greece increased by 8% in 2005 and even more in 2006.
- From 11.3% in the first quarter of 2004, unemployment was limited to 8.3% in the third quarter of 2006.

Greece has entered into the New Economy of Knowledge, which signals a new perception of entrepreneurship, the entry of our country into the New Economy. Greek investments in Southeastern Europe already exceed 12 billion euros, resulting in 3,500 companies and more than 1,600 bank branches being established in those countries.

Greece is changing. Greece is transforming into an international energy channel. It is transforming into a modern commercial, transit and financial center. Our country is an attractive tourist destination. It is a safe country for citizens, investors as well as visitors.

### USEFUL LINKS

Ministry of Development  
Community Support Framework 2000-2006  
OPERATIONAL PROGRAMME  
"COMPETITIVENESS"  
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