

***MARC*** A.E.

*Marketing Research Communication*

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***IME GSEVEE SURVEY***



**ECONOMIC CLIMATE TRENDS**

***July 2015***

# SURVEY SPECIFICATIONS

The survey was carried out by *marc S.A.* - registered under NCRTV No 1 (ONE)

**ON REQUEST OF** ..... IME GSEVEE

**POPULATION UNDER CONSIDERATION** Small and micro enterprises (0-49 employees) as a whole.

**SAMPLE SIZE** ..... 1.005 enterprises

**PERIOD**..... 21-27 July 2015

**AREA**..... Throughout Greece

**SAMPLING METHOD** ..... Multistage random sampling using quota based on sector and geographical distribution

**METHOD OF DATA COLLECTION** Telephone interviews based on an electronic questionnaire

*marc S.A.*..... is a member of SEDEA (Association of Greek Market & Opinion Research Companies), ESOMAR, WAPOR and respects the PESS regulation (on Quality Control for Data Collection) and the international codes of conduct on carrying out and publishing public opinion surveys.

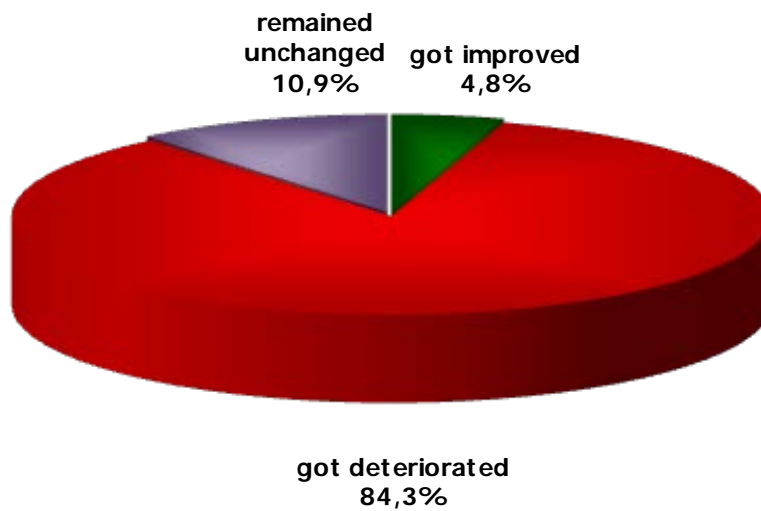
# SAMPLE STRUCTURE

SECTOR	Trade	37,5
	Manufacture	24
	Services	38,5
LEGAL STATUS	SA	7,2
	general – limited partnership	23,2
	Ltd	2,8
	Private company	0,7
	Sole proprietorship	66,1
NUMBER OF EMPLOYEES	With no employees	27,9
	1 person	25
	2-3 persons	24,7
	4-5 persons	9,3
	More than 5 persons	13,1
YEARS IN OPERATION	Up to 5 years	6,8
	5-10 years	7,9
	10-15 years	9
	15 years and more	76,3
TURNOVER	Below 50 thousand	44,9
	50-100 thousand	19,7
	100-300 thousand	18,8
	Above 300 thousand	11,9
AREA	Attica	35,9
	Rest of Greece	64,1

# ***SURVEY RESULTS***

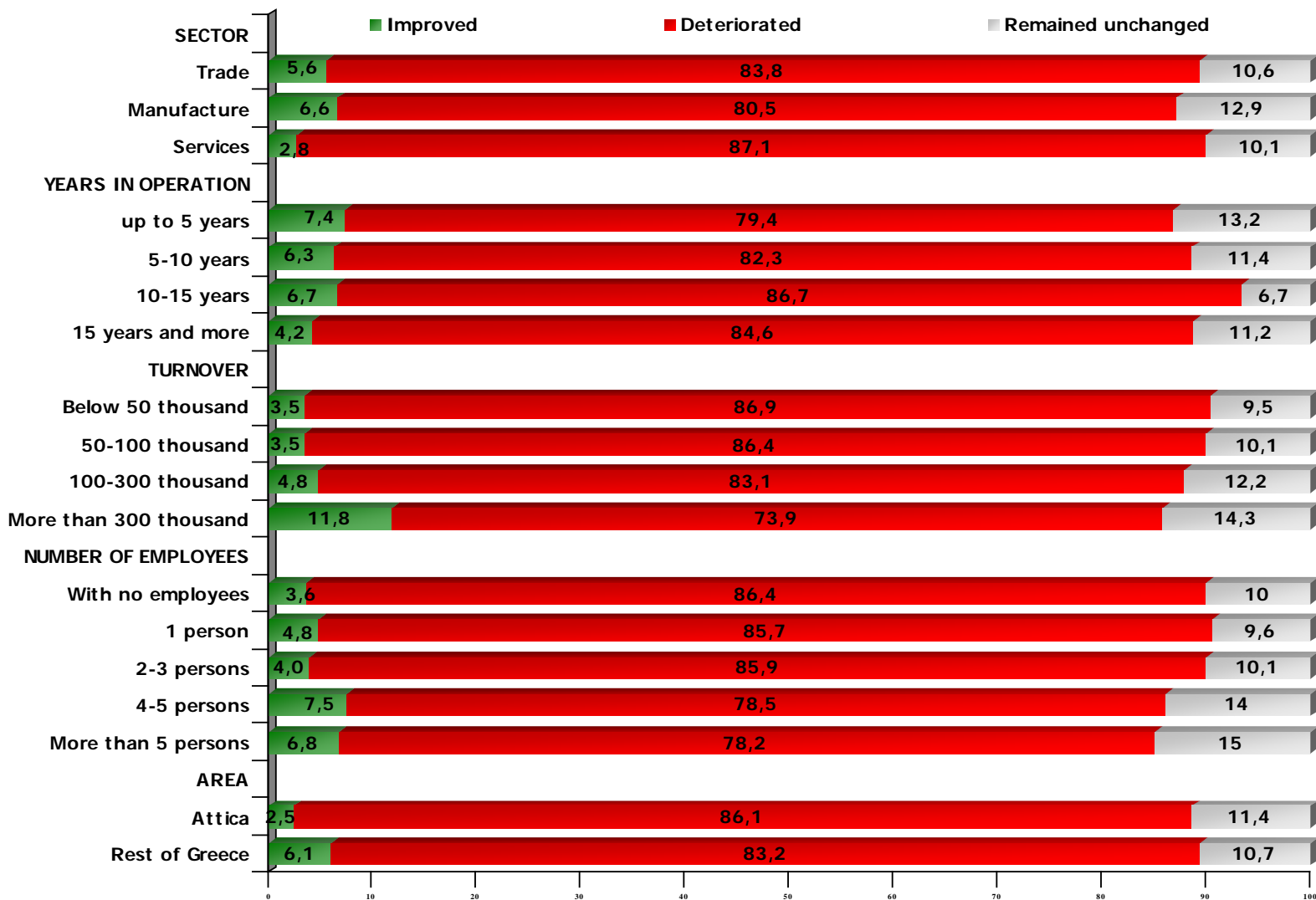
# ***OVERALL EVALUATION OF ENTERPRISES' COURSE (ASSESSMENT/ OUTLOOK)***

## The situation of your enterprise during the past half:



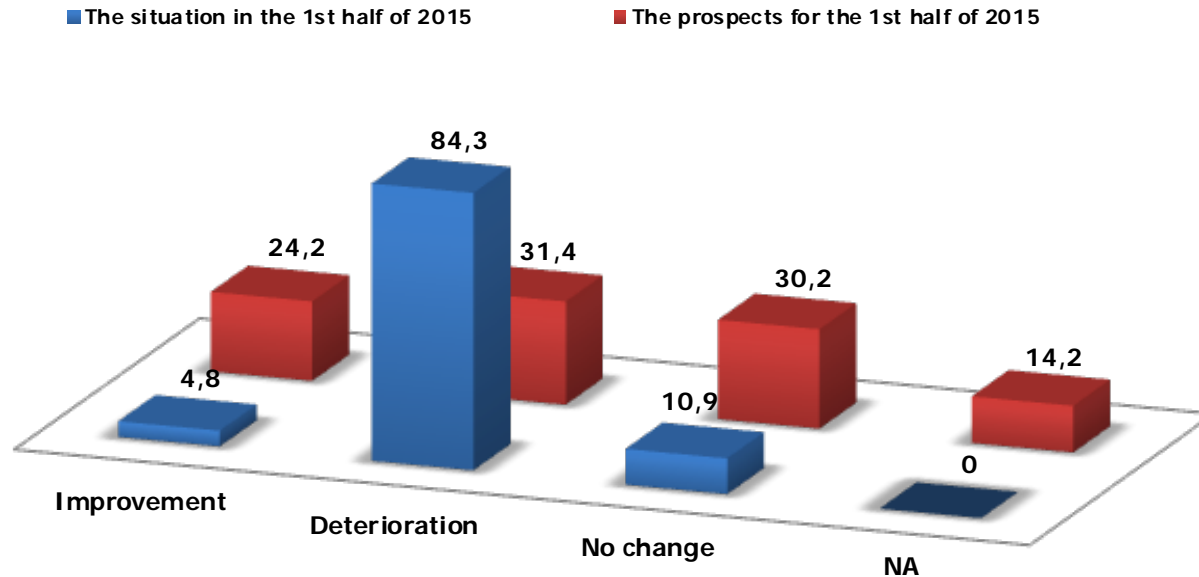
# ASSESSMENT OF THE PAST HALF

- per category -



## PROSPECTS AND REAL SITUATION FOR THE 1st HALF OF 2015

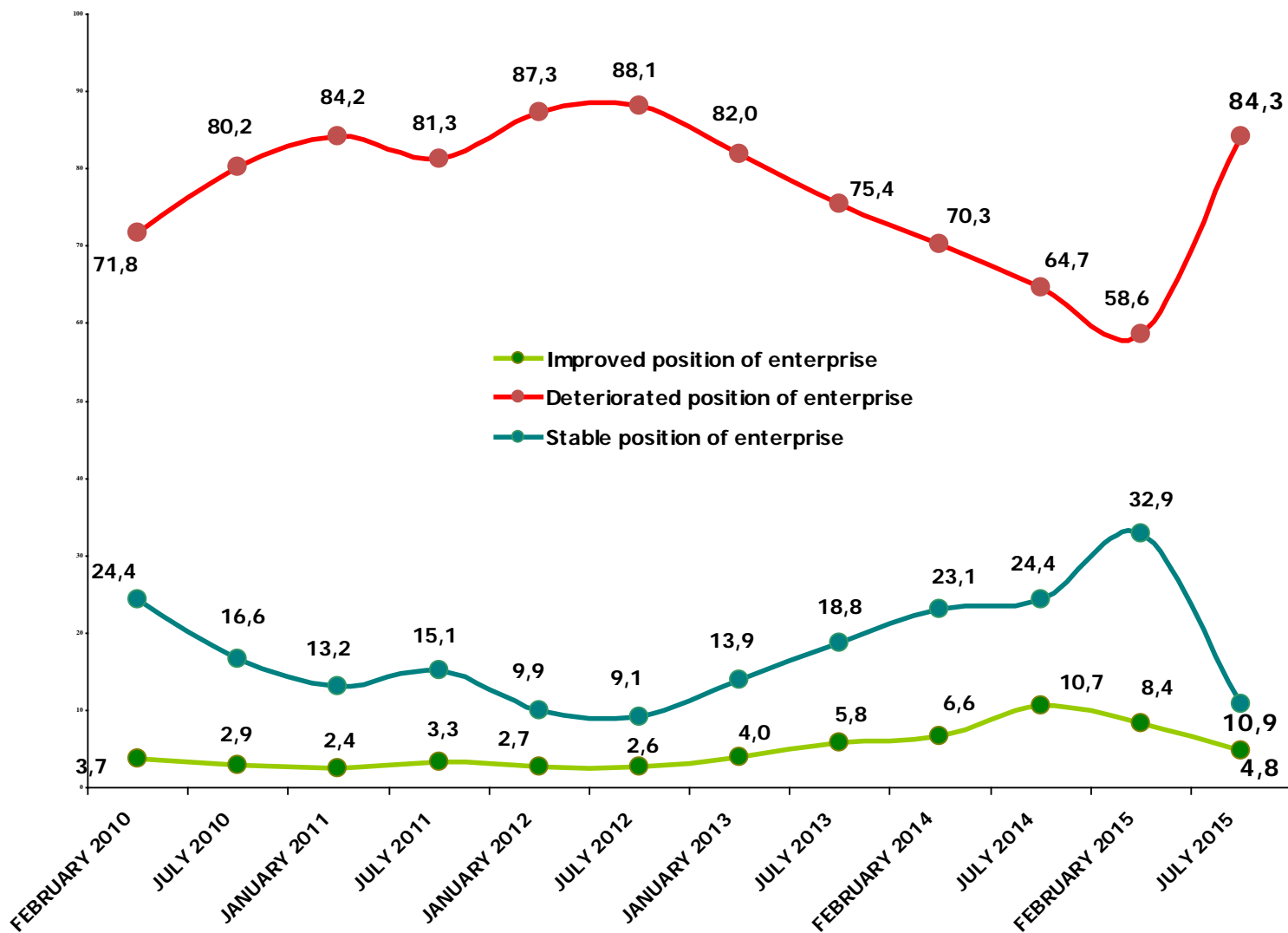
### COMPARATIVE DATA OF FEBRUARY 2015 - JULY 2015



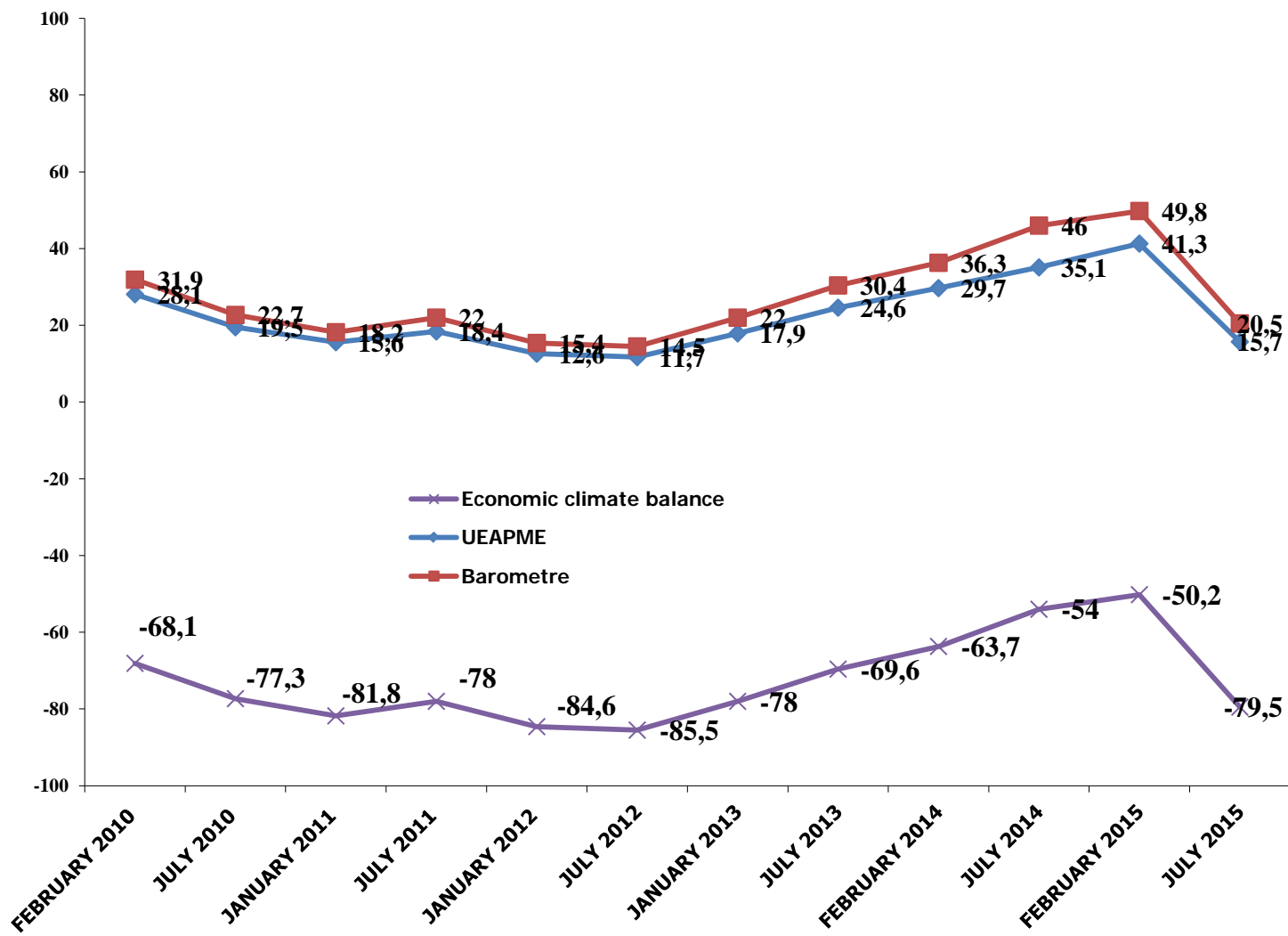
The assessment of the first half of 2015 **shows that the positive prospects developed during the past half did not turn into reality**. A twist is recorded in the economic climate back to the figures of 2012.



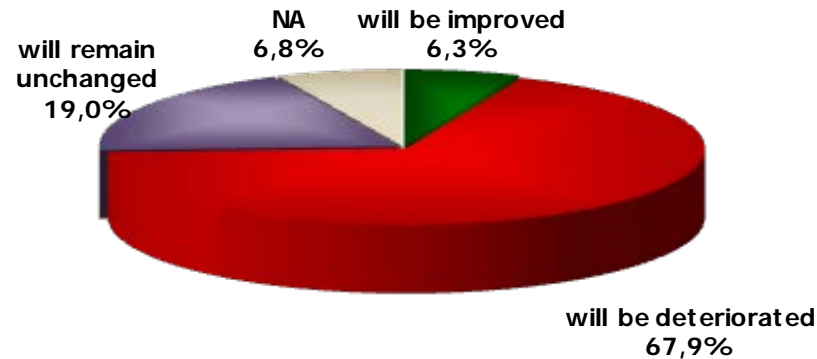
## ASSESSMENT OF THE PAST HALF COMPARATIVE DATA OF PREVIOUS SURVEYS



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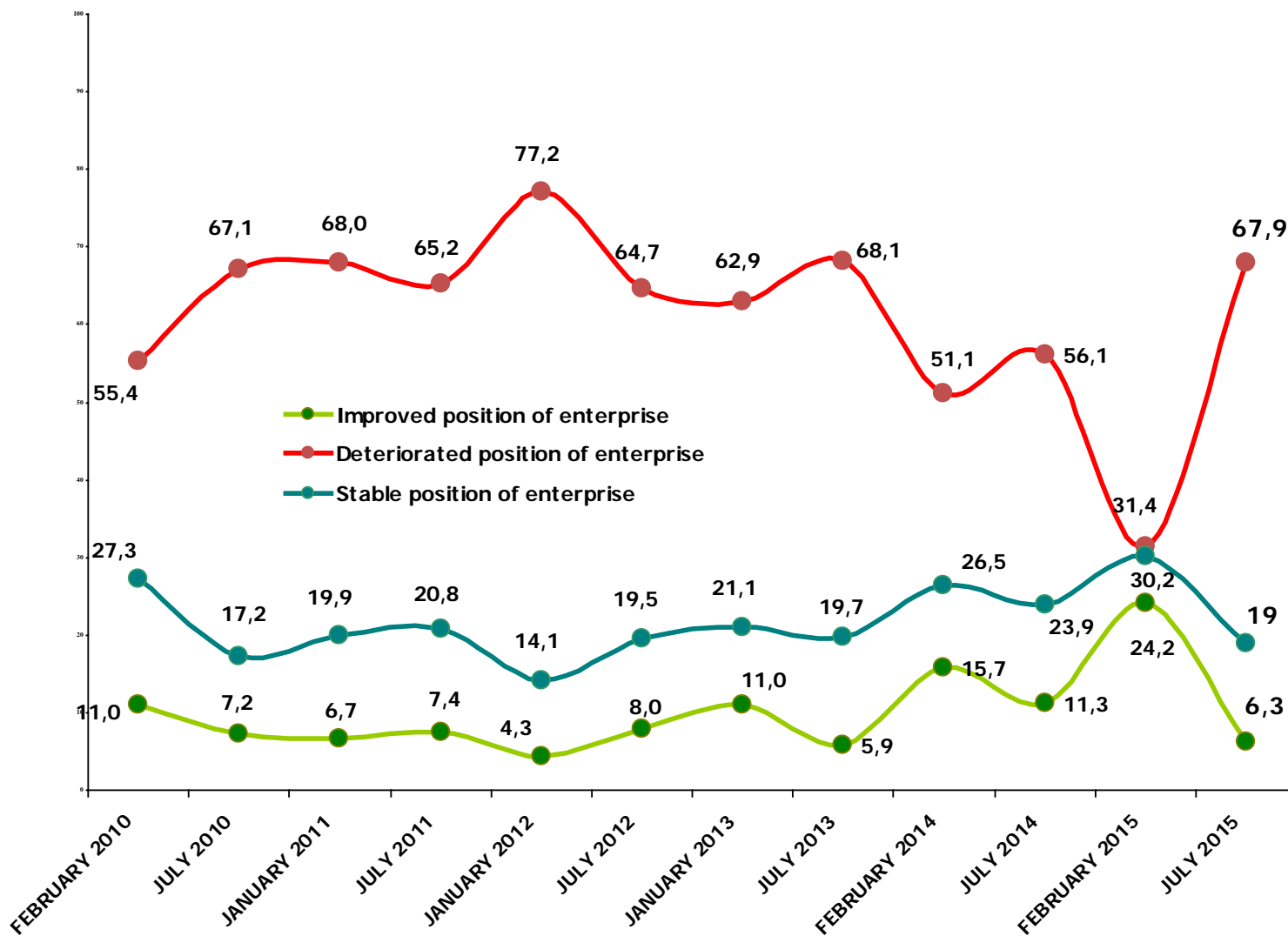


You expect that the situation of your enterprise during the next half:



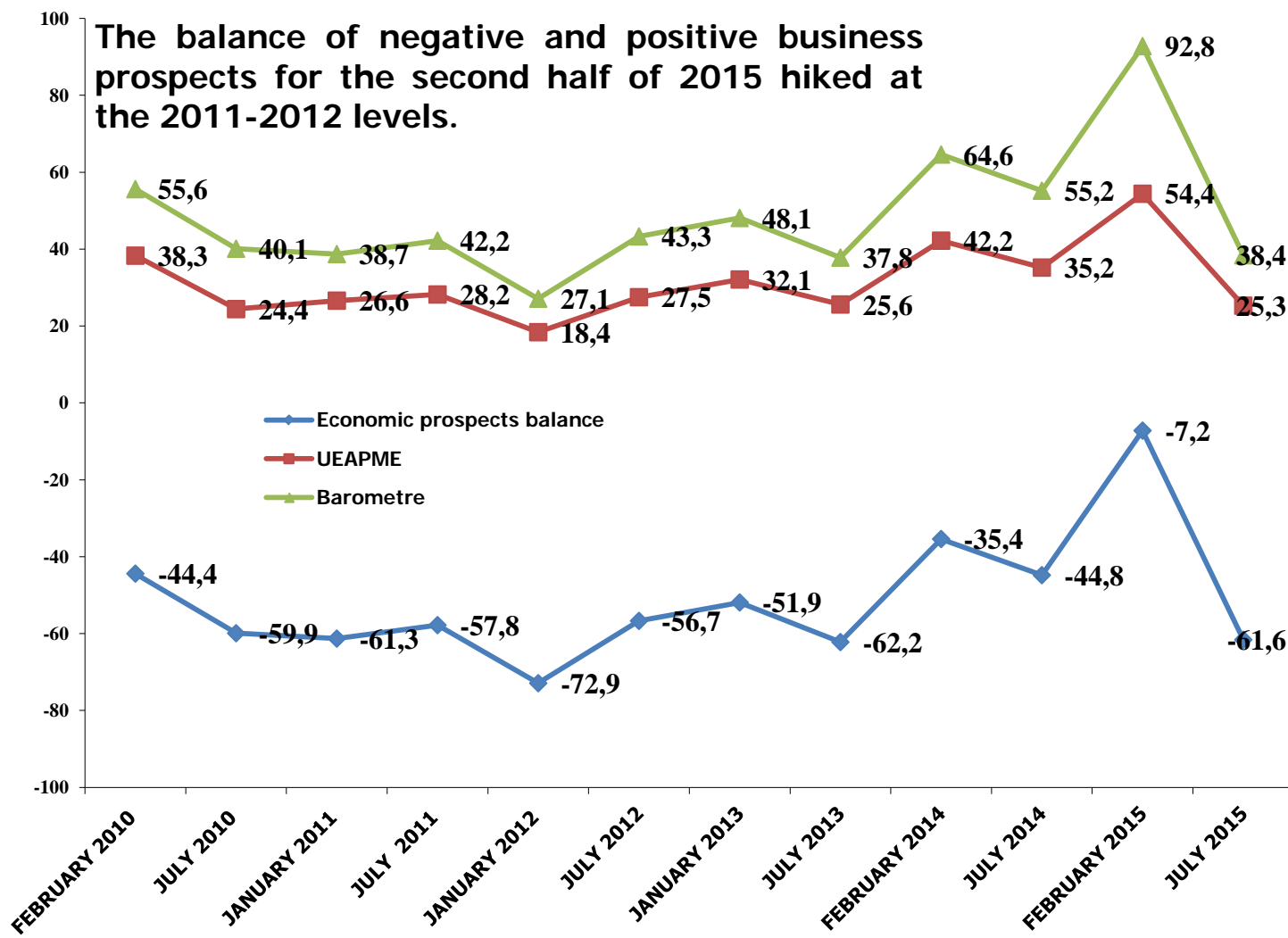
The prospects regarding the course of enterprises during the next half are largely marked by the recent developments in the bank and real economy sector. As a matter of fact, insecurity is still present despite the achievement of an agreement, a fact reflecting a real anxiety about the day coming next for the Greek economy.

## PROSPECTS FOR THE NEXT HALF COMPARATIVE DATA OF PREVIOUS SURVEYS



## PROSPECTS FOR THE NEXT HALF

### COMPARATIVE DATA OF PREVIOUS SURVEYS

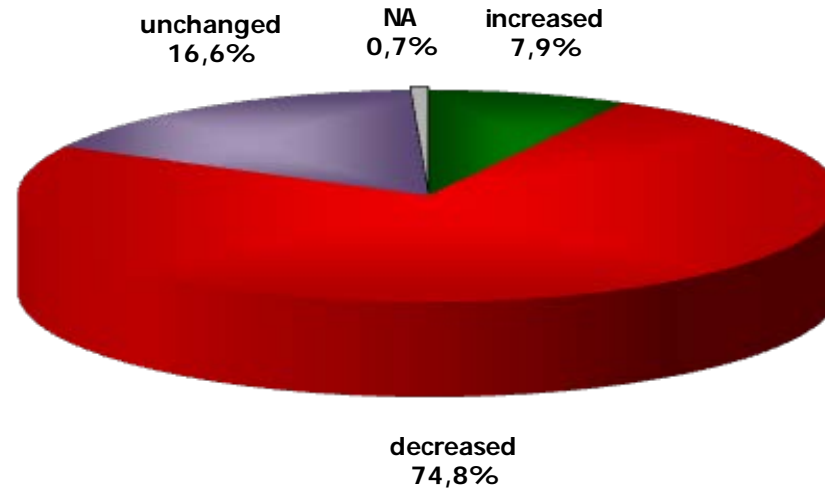


***DETAILED EVALUATION OF KEY INDICATORS  
(ASSESSMENT OF THE 1st HALF OF 2015)***

## TURNOVER



Can you indicate whether, during the 1st half of 2015, it has been increased, decreased, or remained unchanged?



## TURNOVER - per category -

	SECTOR			YEARS IN OPERATION				AREA	
	Trade	Manufacture	Services	up to 5 years	5-10 years	10-15 years	15 years and more	Attica	Rest of Greece
Increased	8,0	10,0	6,5	13,4	8,9	7,9	7,3	8,3	7,6
Decreased	76,9	71,4	74,9	62,7	72,2	79,8	75,5	76,4	73,8
Unchanged	14,1	18,7	17,6	20,9	17,7	12,4	16,6	15,0	17,4
NA	1,1	0,0	1,0	3,0	1,3	0,0	0,7	0,3	1,1

	TUROVER				NUMBER OF EMPLOYEES					
	Below 50 thousand	50-100 thousand	100-300 thousand	More than 300 thousand	With no employees	1 person	2-3 persons	4-5 persons	More than 5 persons	
Increased	5,6	5,6	10,6	17,6	4,7	7,6	6,5	14,0	13,5	
Decreased	77,7	<b>81,8</b>	70,4	61,3	<b>81,7</b>	79,2	70,2	67,7	65,4	
Unchanged	16,5	11,6	18,5	21,0	12,9	13,2	22,6	15,1	20,3	
NA	0,2	1,0	0,5	0,0	0,7	0,0	0,8	3,2	0,8	

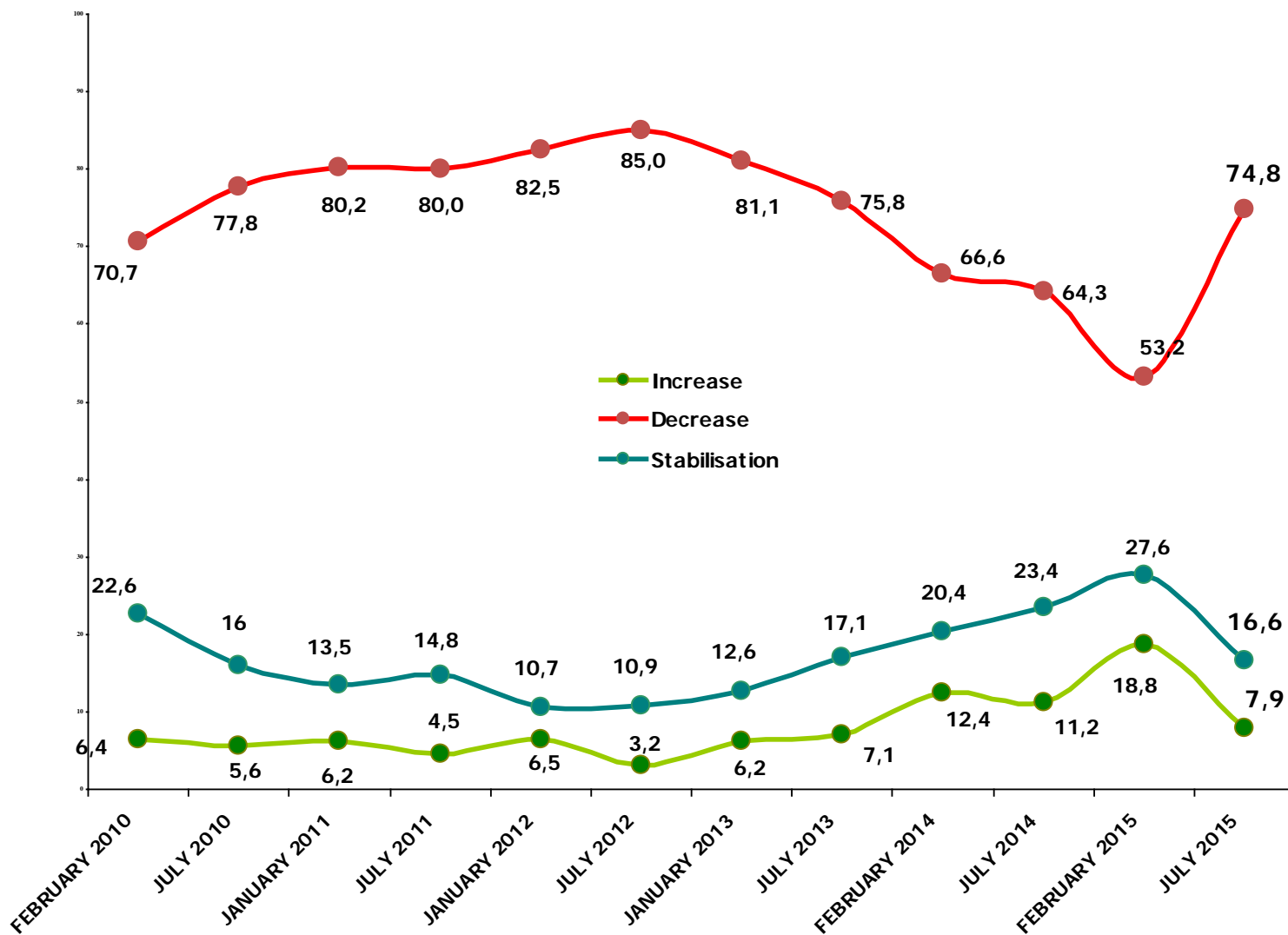
Micro enterprises and self-employed face a major problem of survival within the unfavourable competitive environment which is developed.



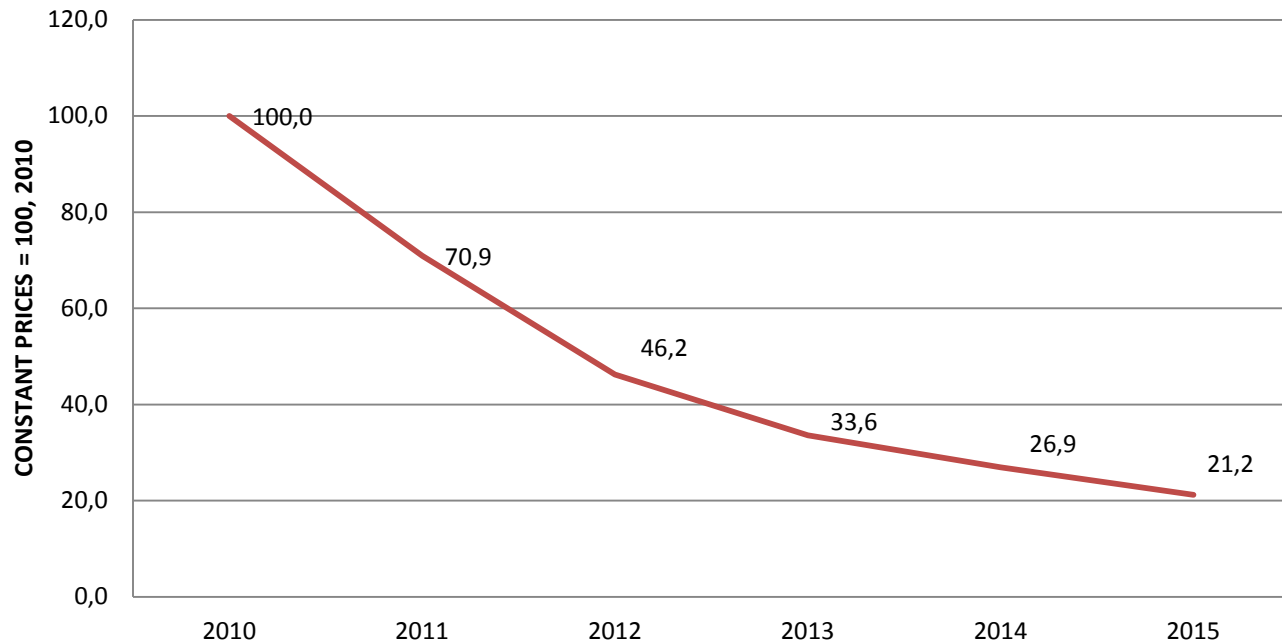
# TURNOVER

## ASSESSMENT OF THE PAST HALF

### COMPARATIVE DATA OF PREVIOUS SURVEYS

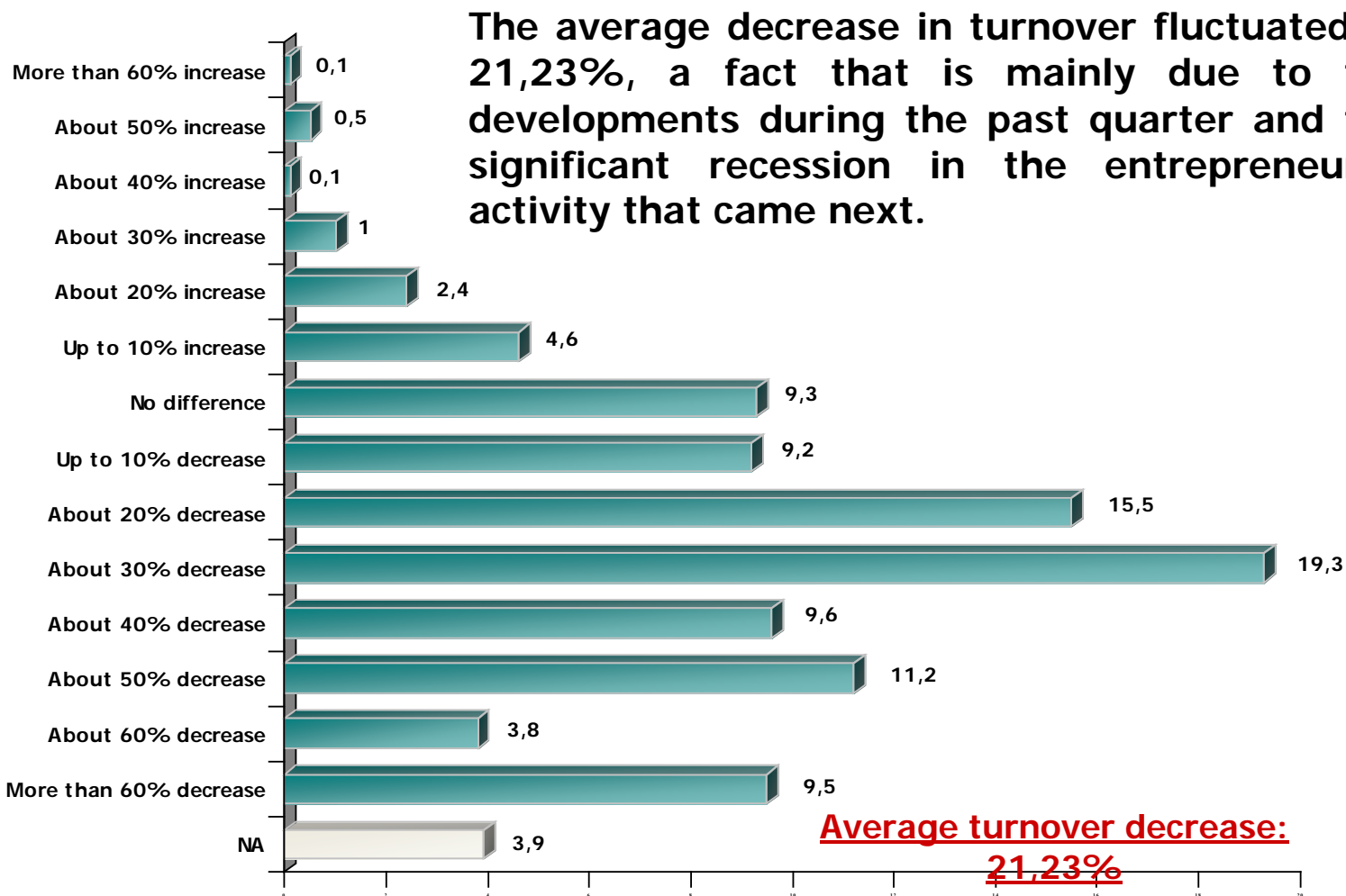


**TURNOVER COURSE, 2010-2015**



In small and micro enterprises as a whole the overall decrease, since the beginning of crisis and post-2010, reaches on average 78%.

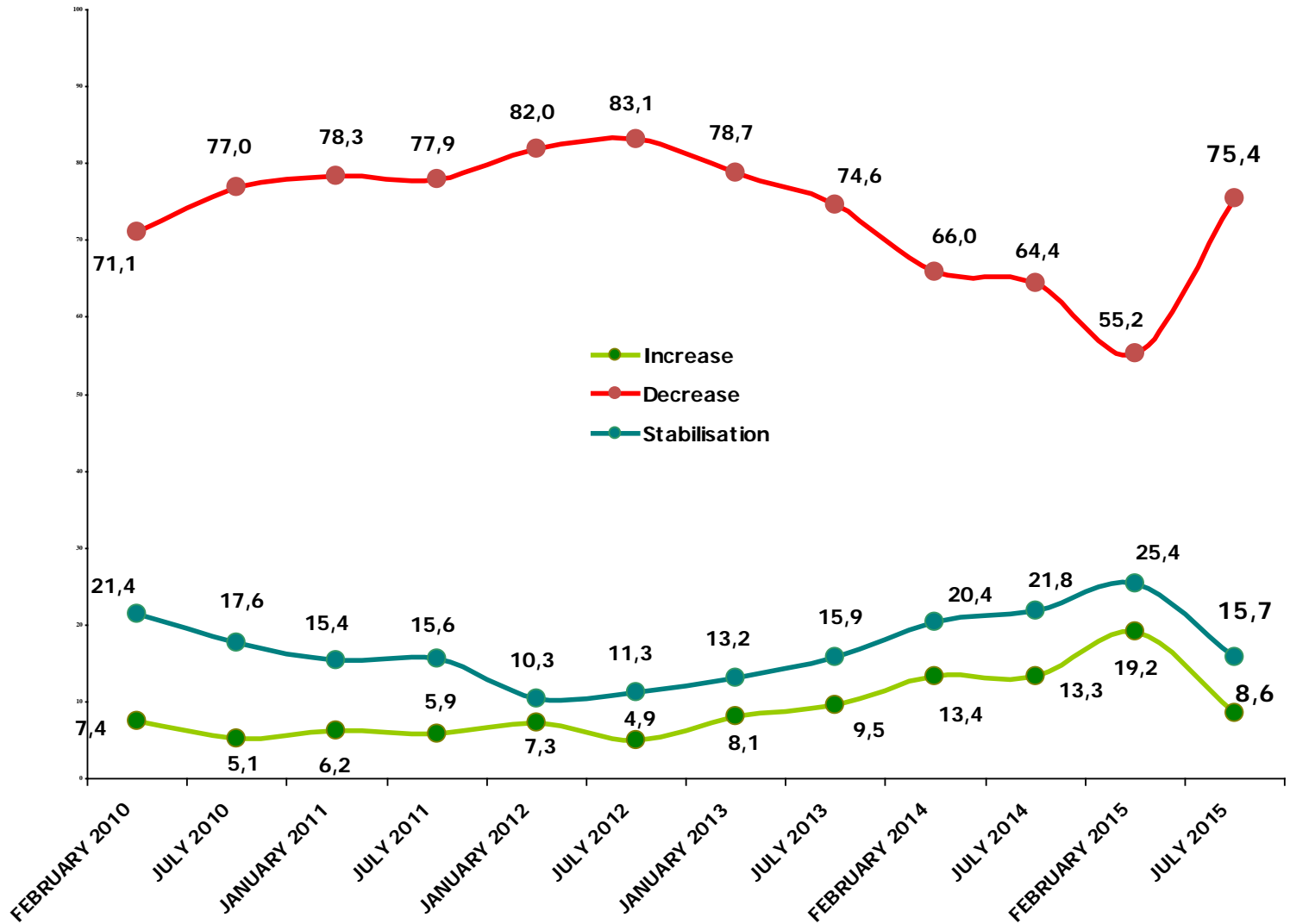
Overall, what is the percentage difference noticed in your turnover during the past half?



# DEMAND

## ASSESSMENT OF THE PAST HALF

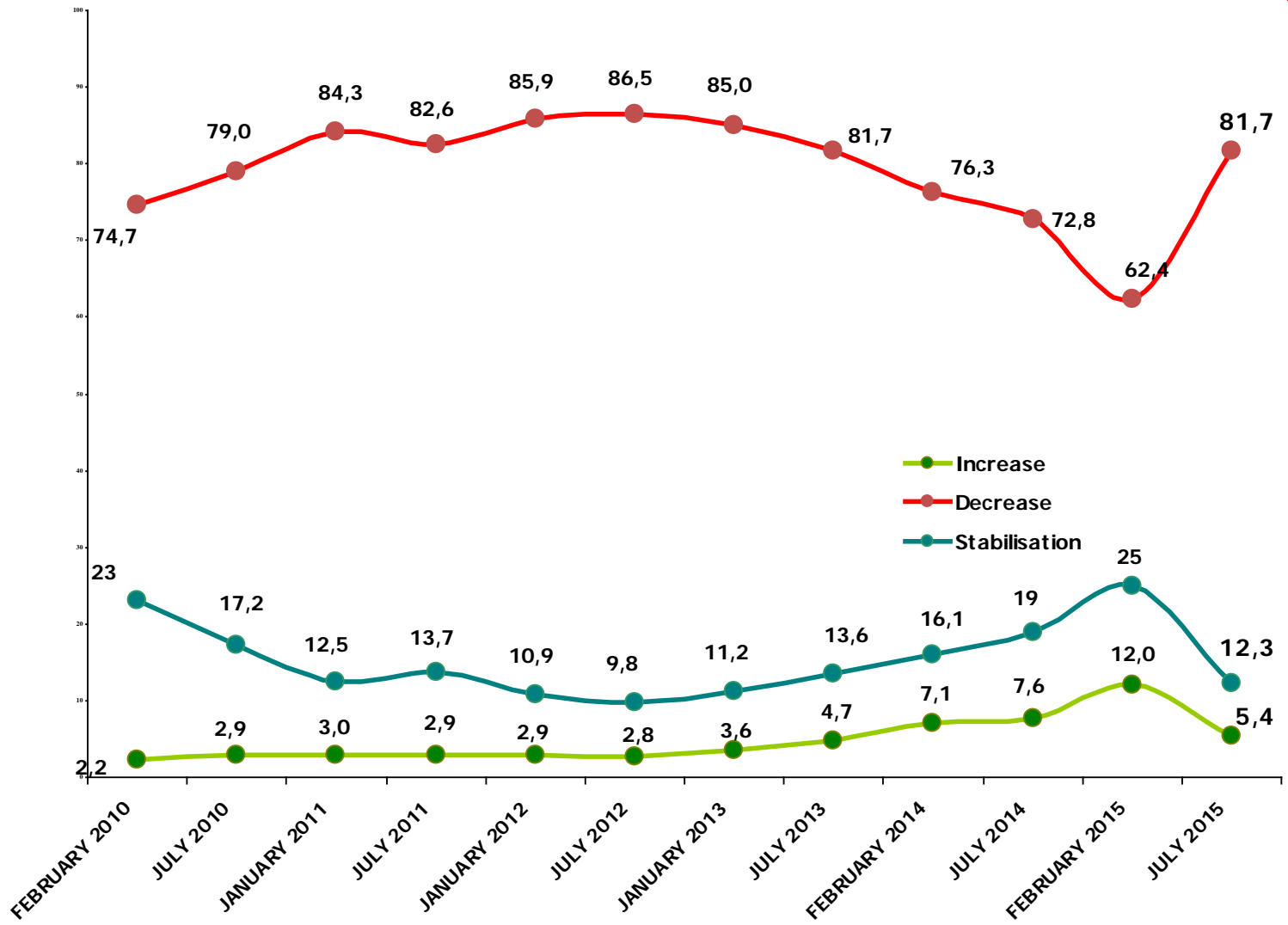
### COMPARATIVE DATA OF PREVIOUS SURVEYS



# LIQUIDITY

## ASSESSMENT OF THE PAST HALF

### COMPARATIVE DATA OF PREVIOUS SURVEYS

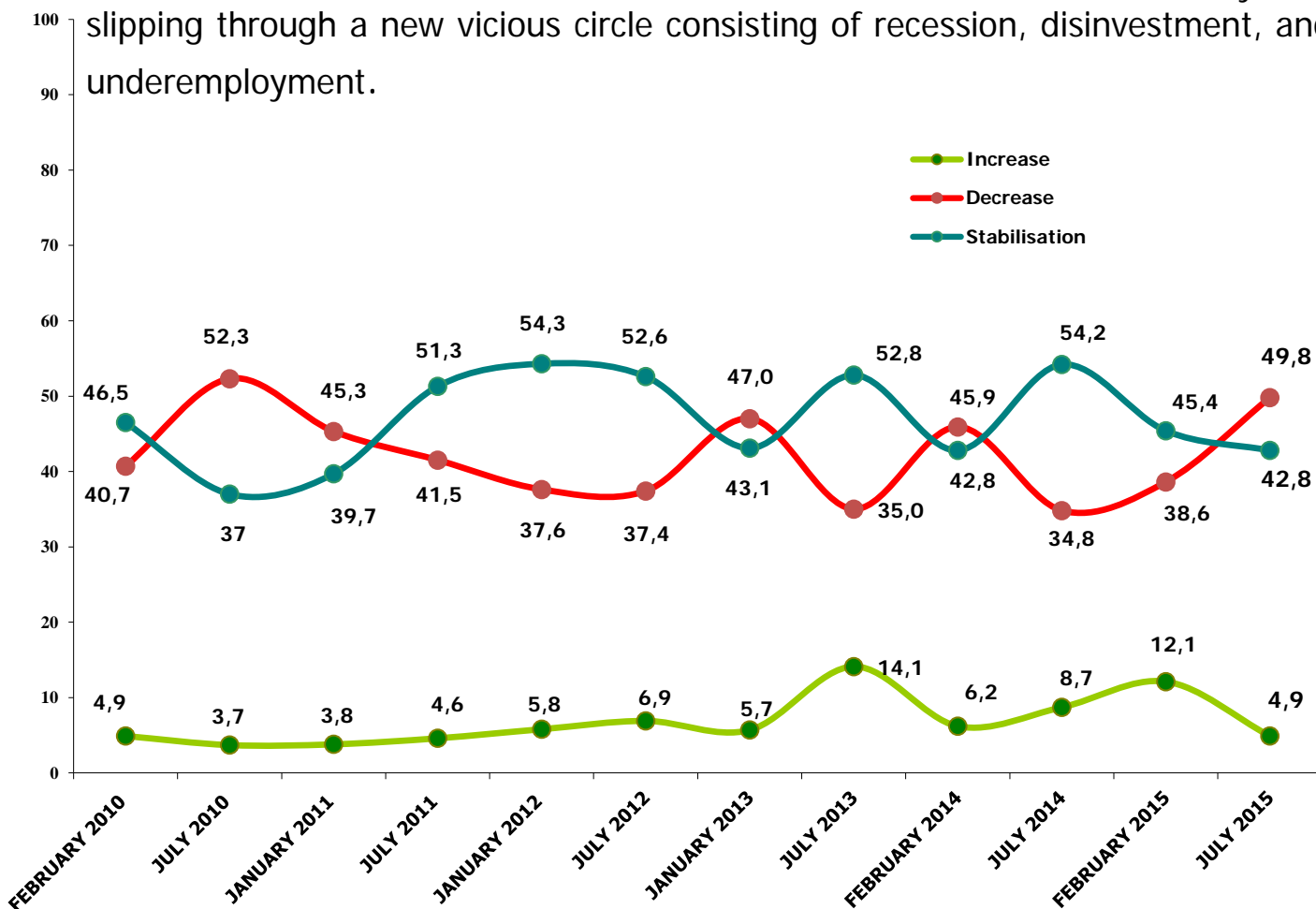


# INVESTMENT ACTIVITY

## ASSESSMENT OF THE PAST HALF

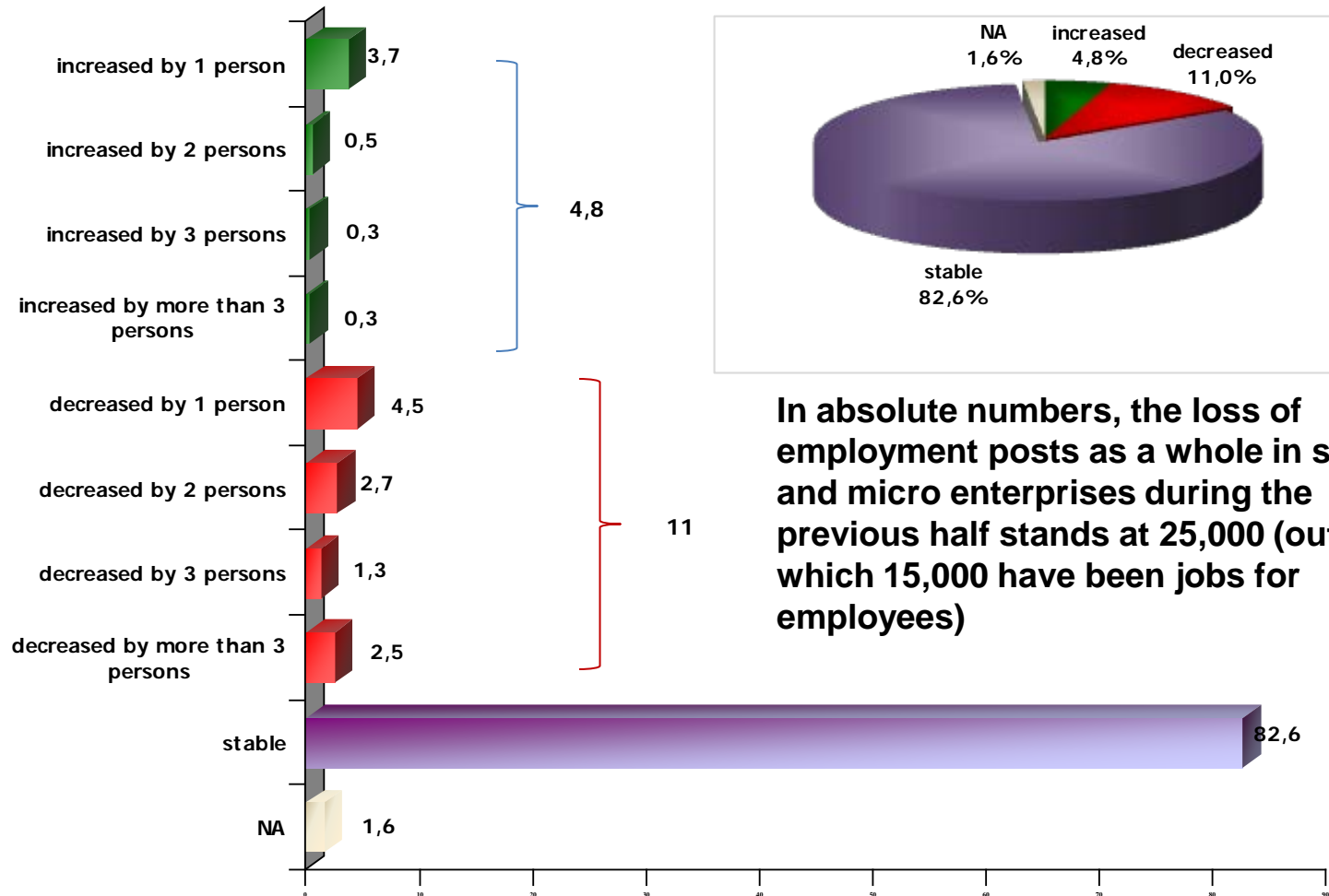
### COMPARATIVE DATA OF PREVIOUS SURVEYS

The indicator of disinvestment marks high figures, as 49,8% of enterprises said that there was decrease in investments during the past half, while barely a 4,9% increased investments. This situation foretells that the Greek economy will keep slipping through a new vicious circle consisting of recession, disinvestment, and input underemployment.



## EMPLOYMENT

Has the personnel of your enterprise, during the past 6 months, been increased, decreased, or stable? (With regard to January – July 2015 period)

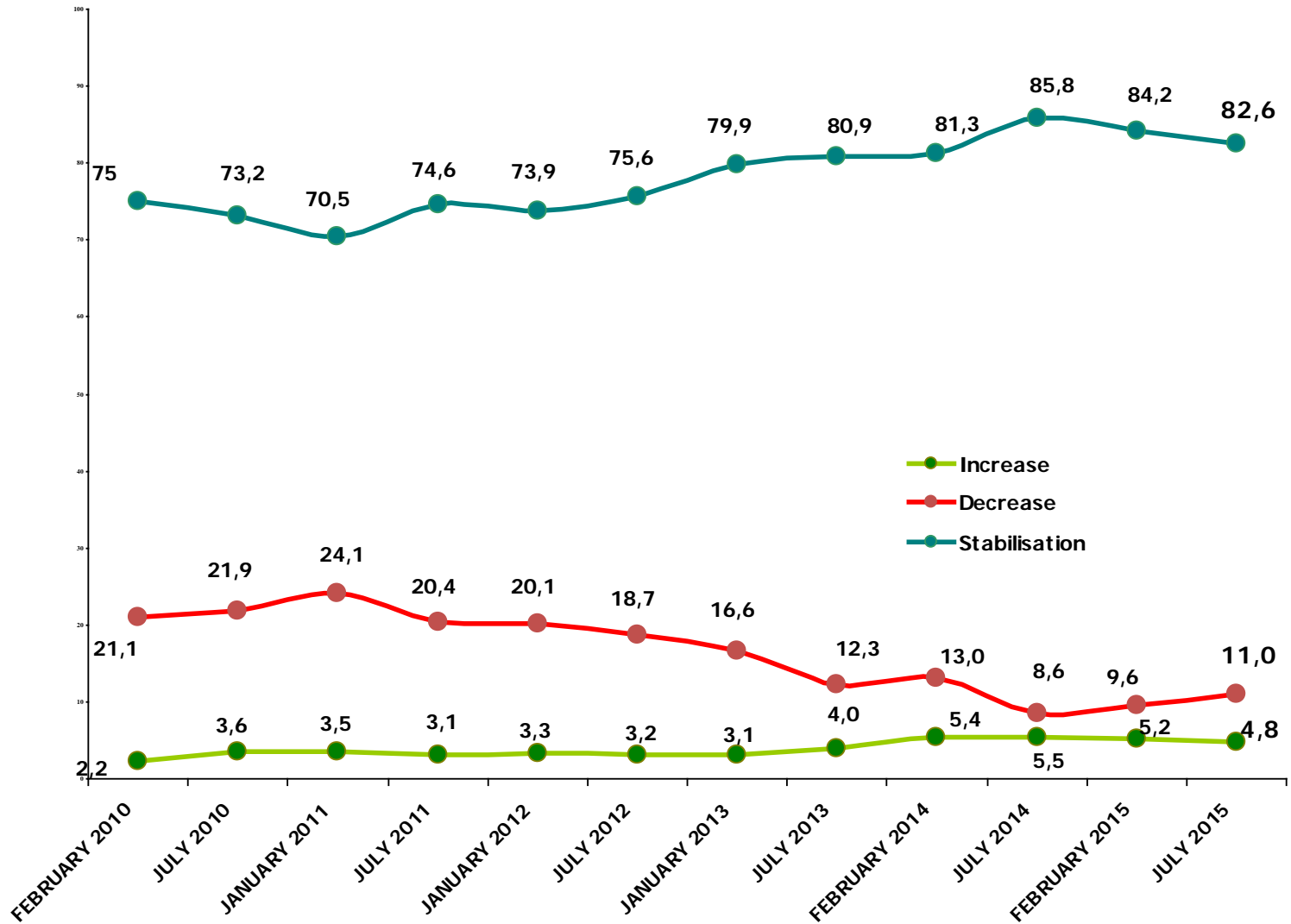


**In absolute numbers, the loss of employment posts as a whole in small and micro enterprises during the previous half stands at 25,000 (out of which 15,000 have been jobs for employees)**

# EMPLOYMENT

## ASSESSMENT OF THE PAST HALF

### COMPARATIVE DATA OF PREVIOUS SURVEYS

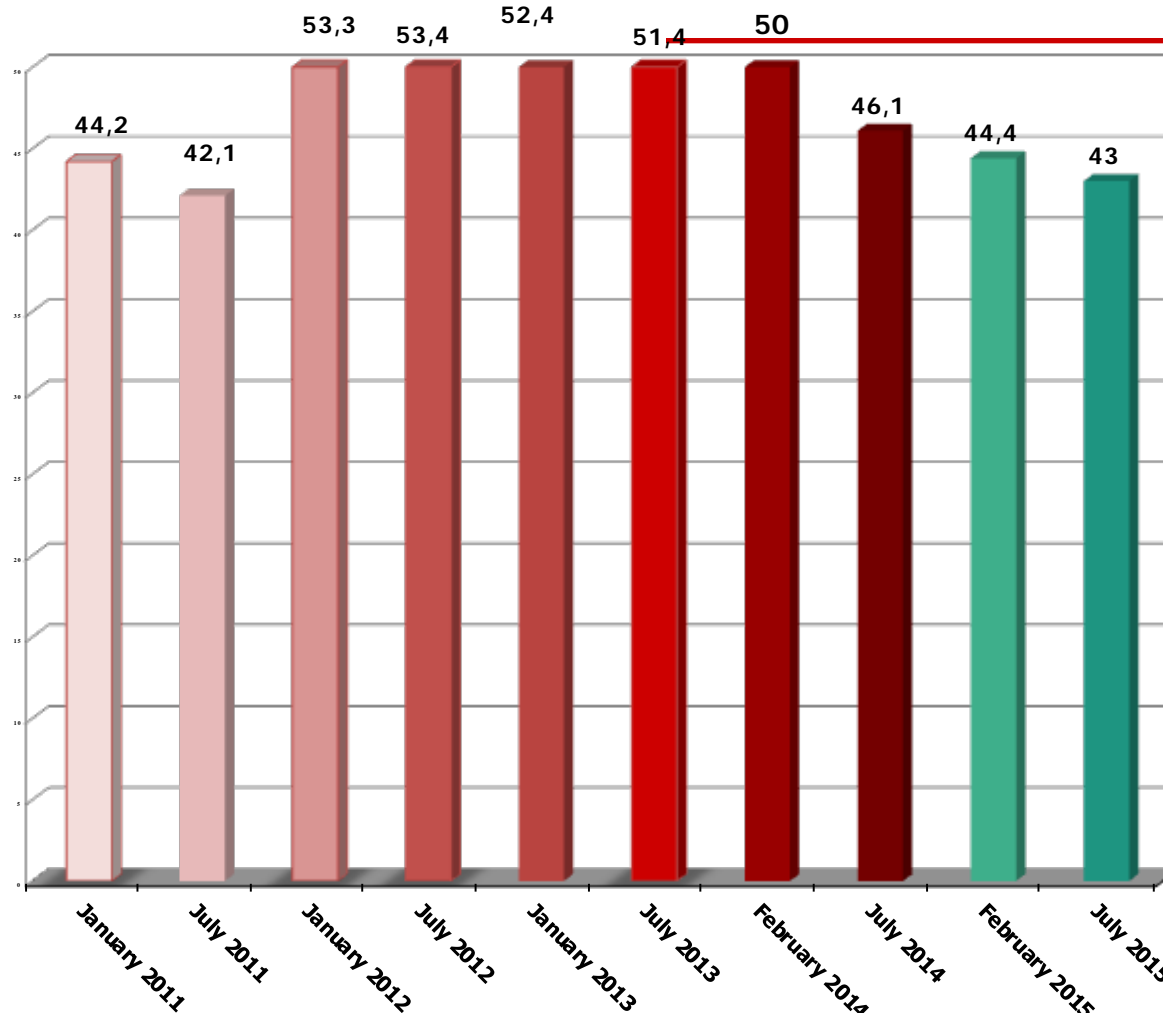




# Facing difficulties during the past 6 months in paying wages in time

*-Out of those with paid employees-*

## JANUARY 2011 – JULY 2015 COMPARATIVE CHART

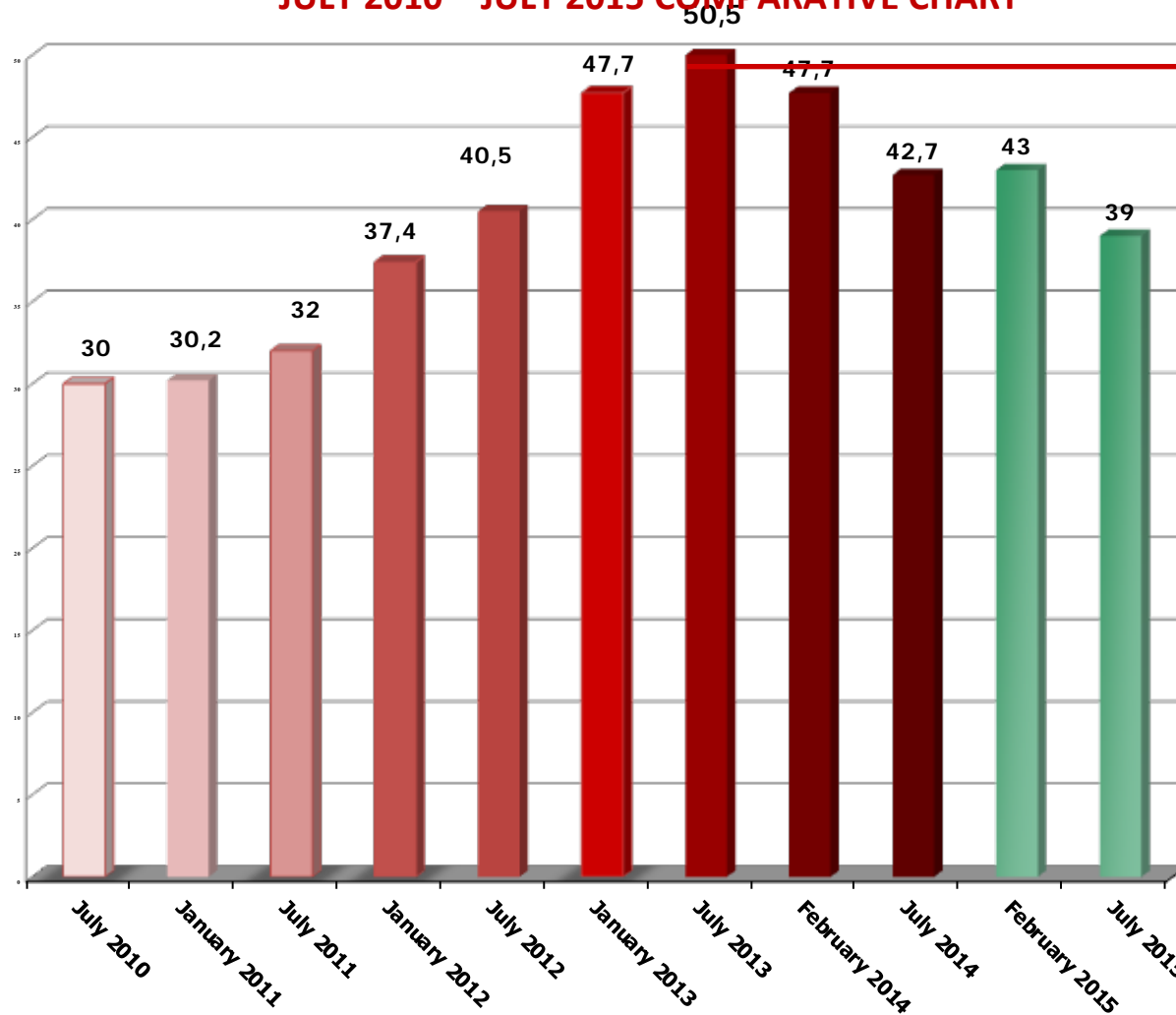


The fact shown constantly in the climate survey is the difficulty faced by small and medium-sized enterprises in paying wages in time.

Had to reduce, even occasionally, working hours or days for some employees.



*-Out of those with paid employees -*  
**JULY 2010 – JULY 2015 COMPARATIVE CHART**



1 in 4 enterprises said that they reduced employees' wages during the previous half. The scheme of implementing flexible forms of employment is still present, although decreasing (39% compared to 43%).

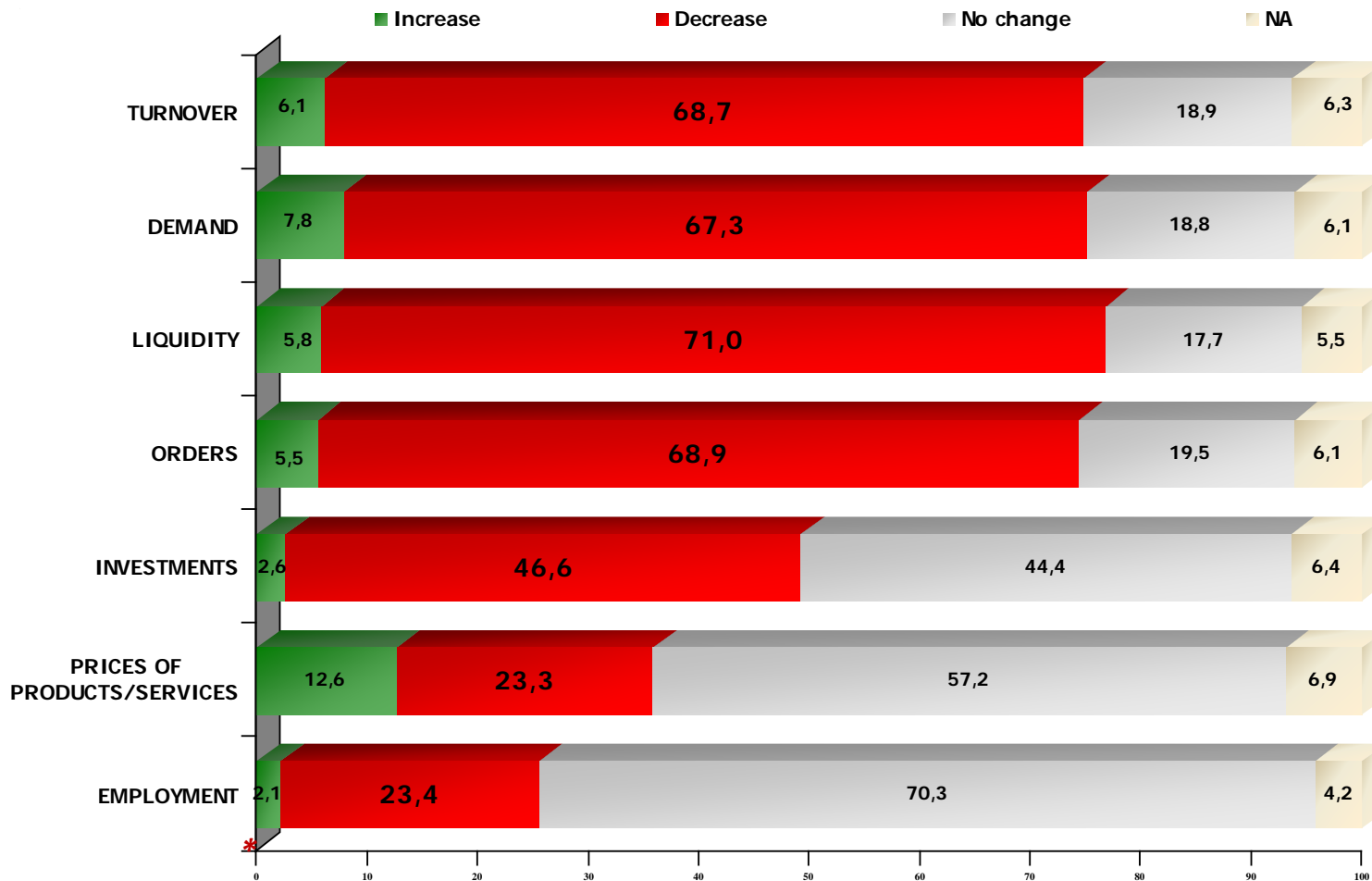
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***DETAILED EVALUATION OF KEY INDICATORS  
(OUTLOOK FOR THE NEXT HALF)***

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## OUTLOOK FOR THE NEXT HALF

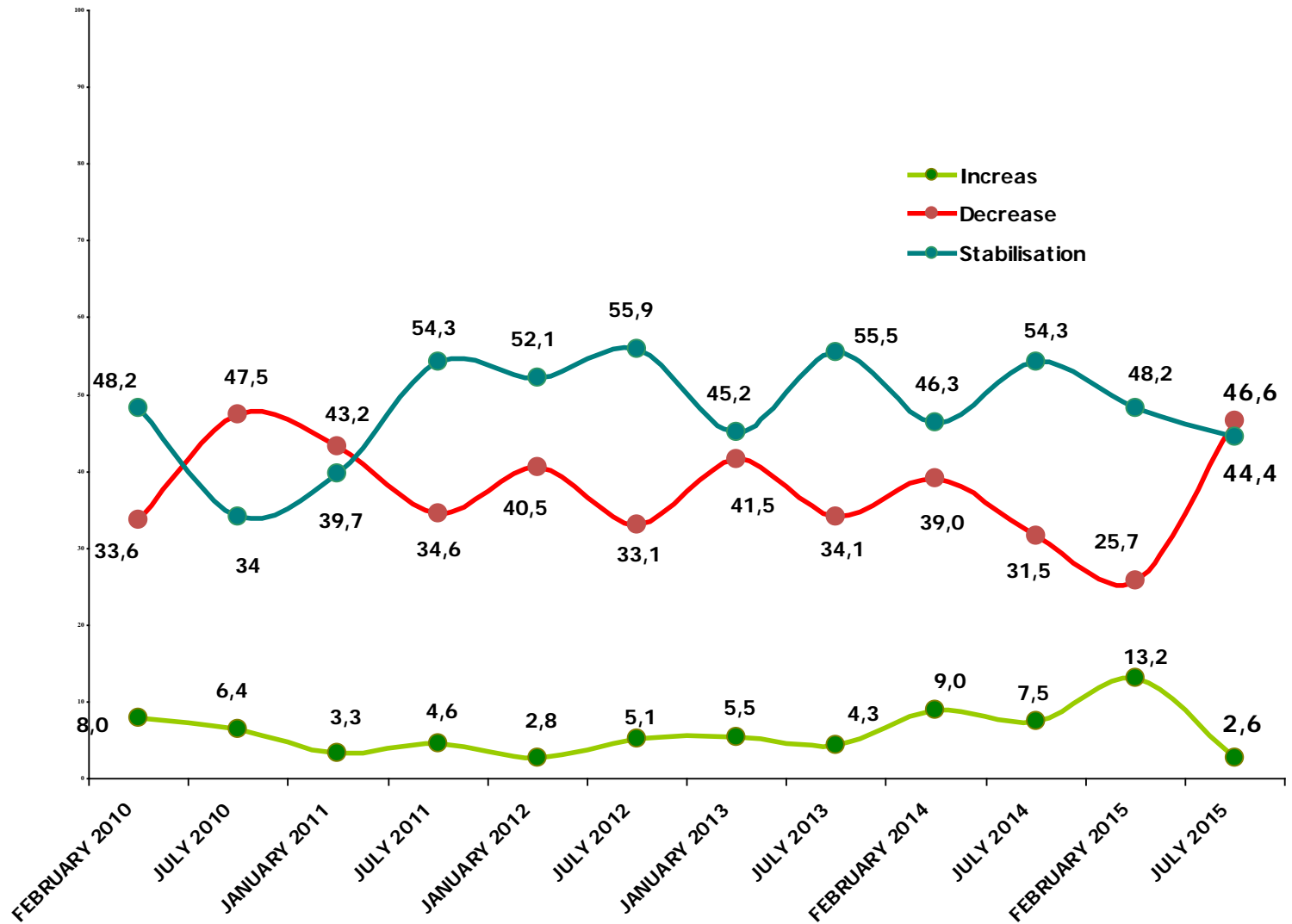
### AGGREGATED CHART\*



Every single indicator on economic prospects shows far-reaching negative performance and pessimism for more than 7 in 10 enterprises (turnover, demand, liquidity, orders, investments).

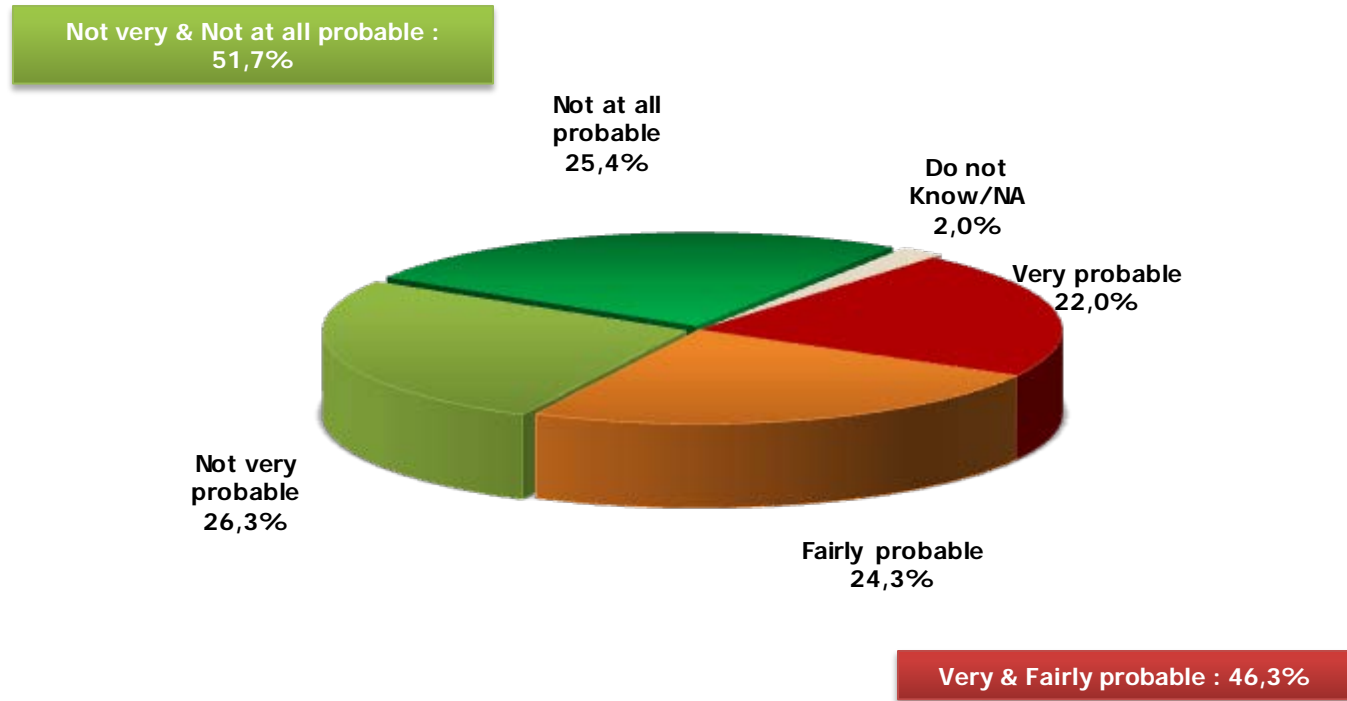
*\* Reduced to enterprises with employees*

# INVESTMENT ACTIVITY OUTLOOK FOR THE NEXT HALF COMPARATIVE DATA OF PREVIOUS SURVEYS



# ***WORRIES FOR FURTHER CLOSURES***

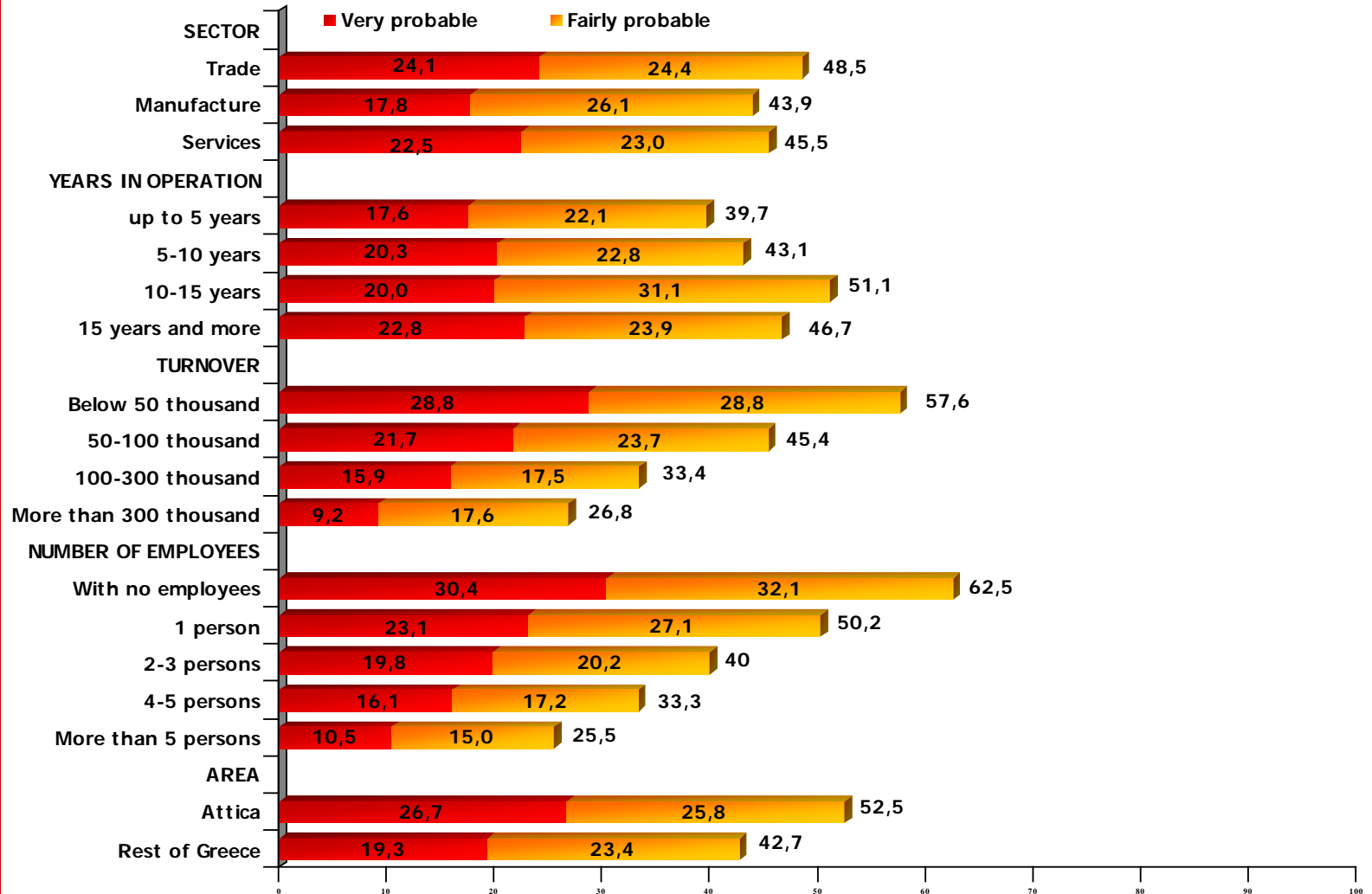
Do you consider probable or not that your enterprise will be facing major problems during the period to come to an extent that it will be at risk of closing?



The figure of small enterprises considering very and fairly probable that they will be facing major problems during the period to come to an extent that it will be at risk of closing came back to the levels of the previous years.

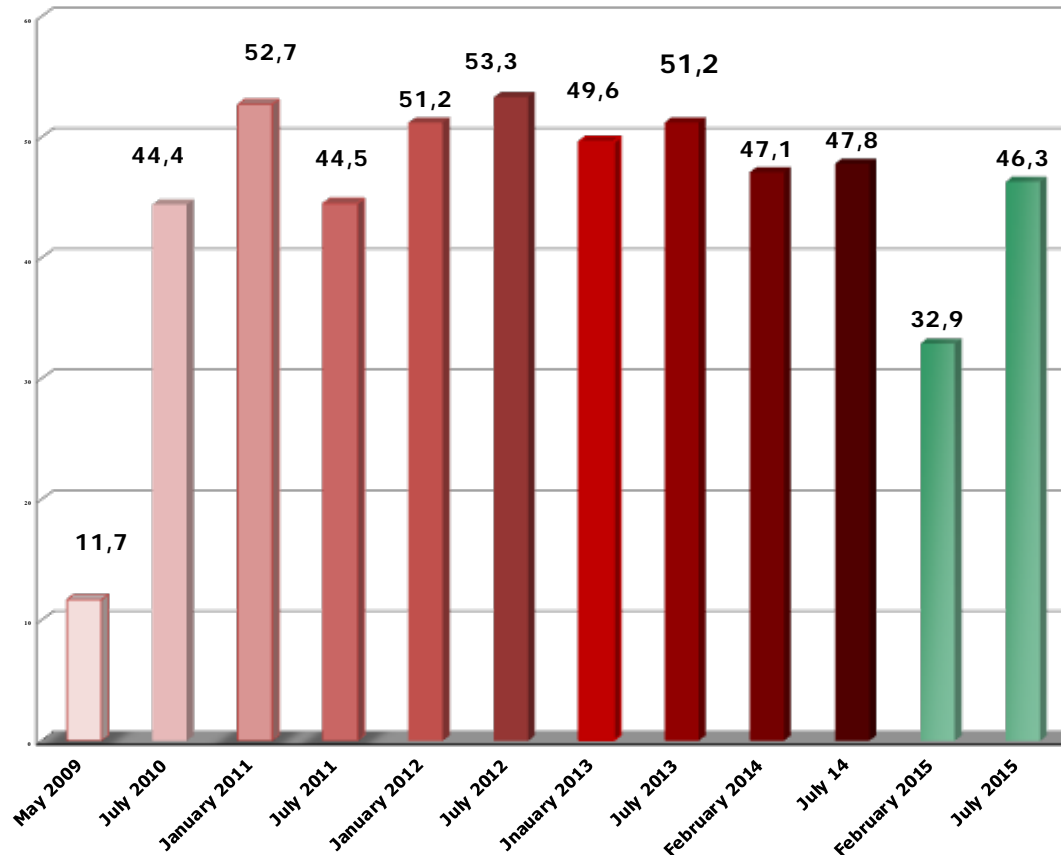
# They consider probable that their enterprise will be facing major problems during the period to come to an extent that it will be at risk of closing

- per category -





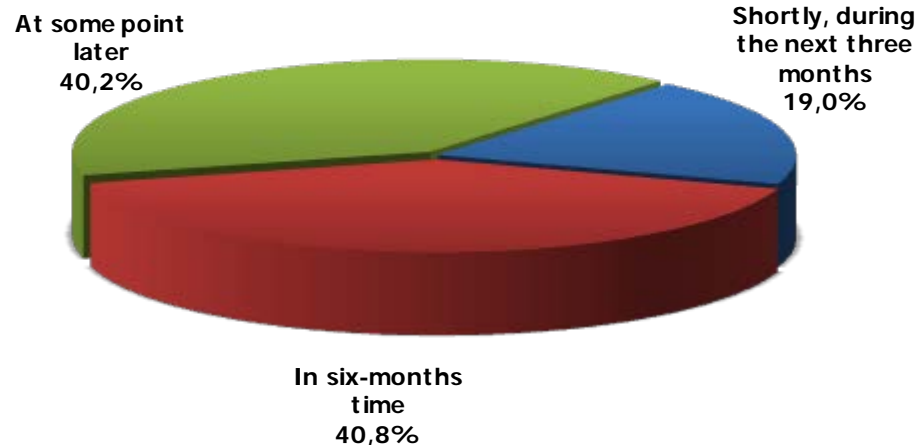
FEAR FOR A PROBABLE BUSINESS CLOSURE  
COMPARATIVE CHART  
MAY 2009 – JULY 2015



The signs for a containment of the course of recession shown in the second half of 2014 seem significantly inverted during the first half of 2015.

In your opinion, when will such an occurrence take place?

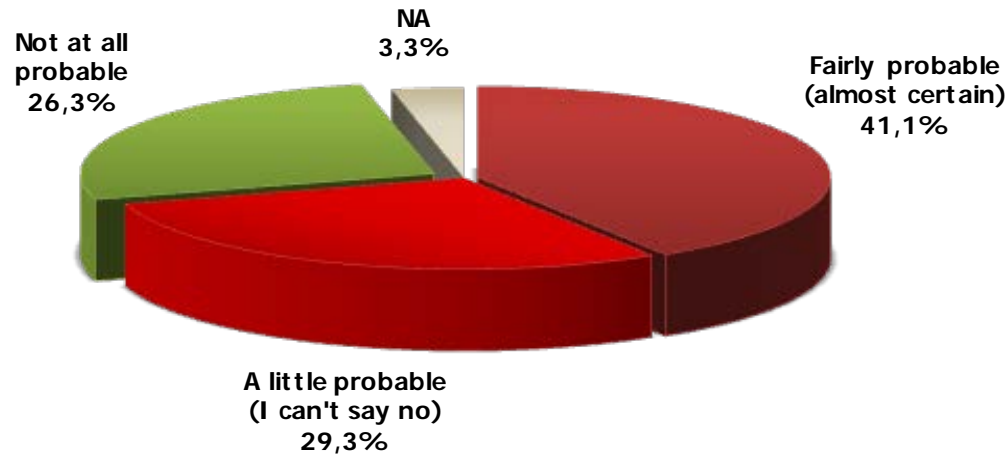
*- Out of those considering probable that their enterprise will be facing major problems during the period to come to an extent that it will be at risk of closing down -*



**It is estimated that enterprises during the next half will decrease by 63,000 and that this figure will have mainly to do with micro enterprises.** It should be noted that according to IME GSEVEE base scenario the probable business closures, which run a risk, imply a risk for **138,000 employment posts losses** (employers, self-employed, employees).

How probable do you consider it is that you will have to reduce your employees' wages or working hours during the next half?

*-Out of enterprises with paid employees -*

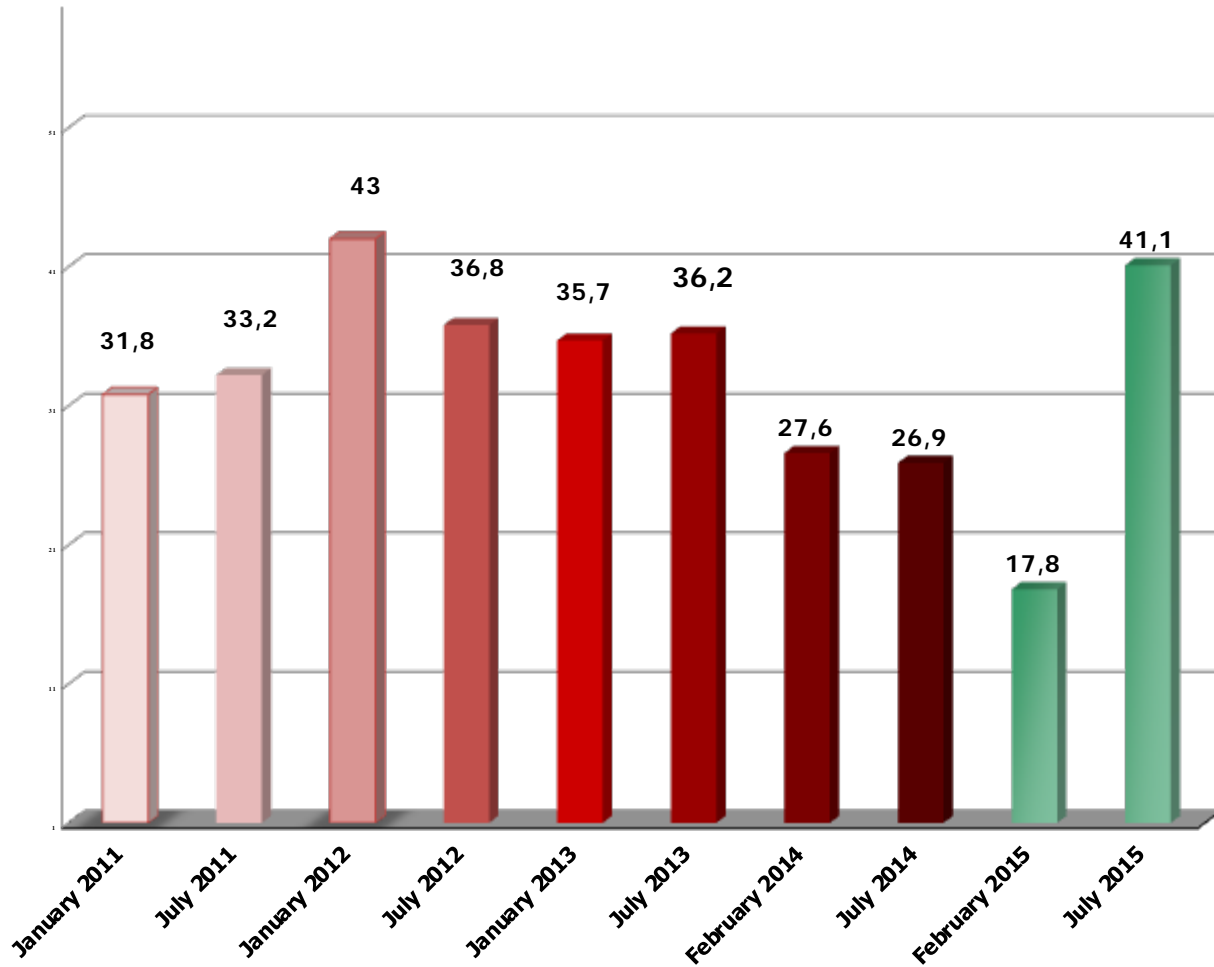


**41,1% of enterprises says that it is very probable to reduce wages or working hours during the next half.** Taking into account the lack of a prospect for increase in demand and investments, this practice will keep on comprising a fallback for enterprises.

They consider almost certain that they will have to reduce employees' wages or working hours during the next half

*-Out of those with paid employees -*

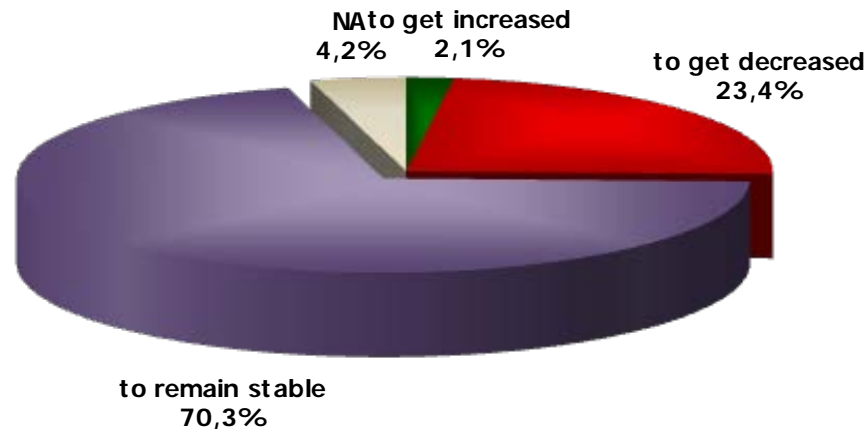
**JANUARY 2011 – JULY 2015 COMPARATIVE CHART**



## EMPLOYMENT

During the next 6 months, do you consider most probable the personnel of your enterprise to get increased, to get decreased, or to remain the same?

*- Reduced to enterprises with employees -*

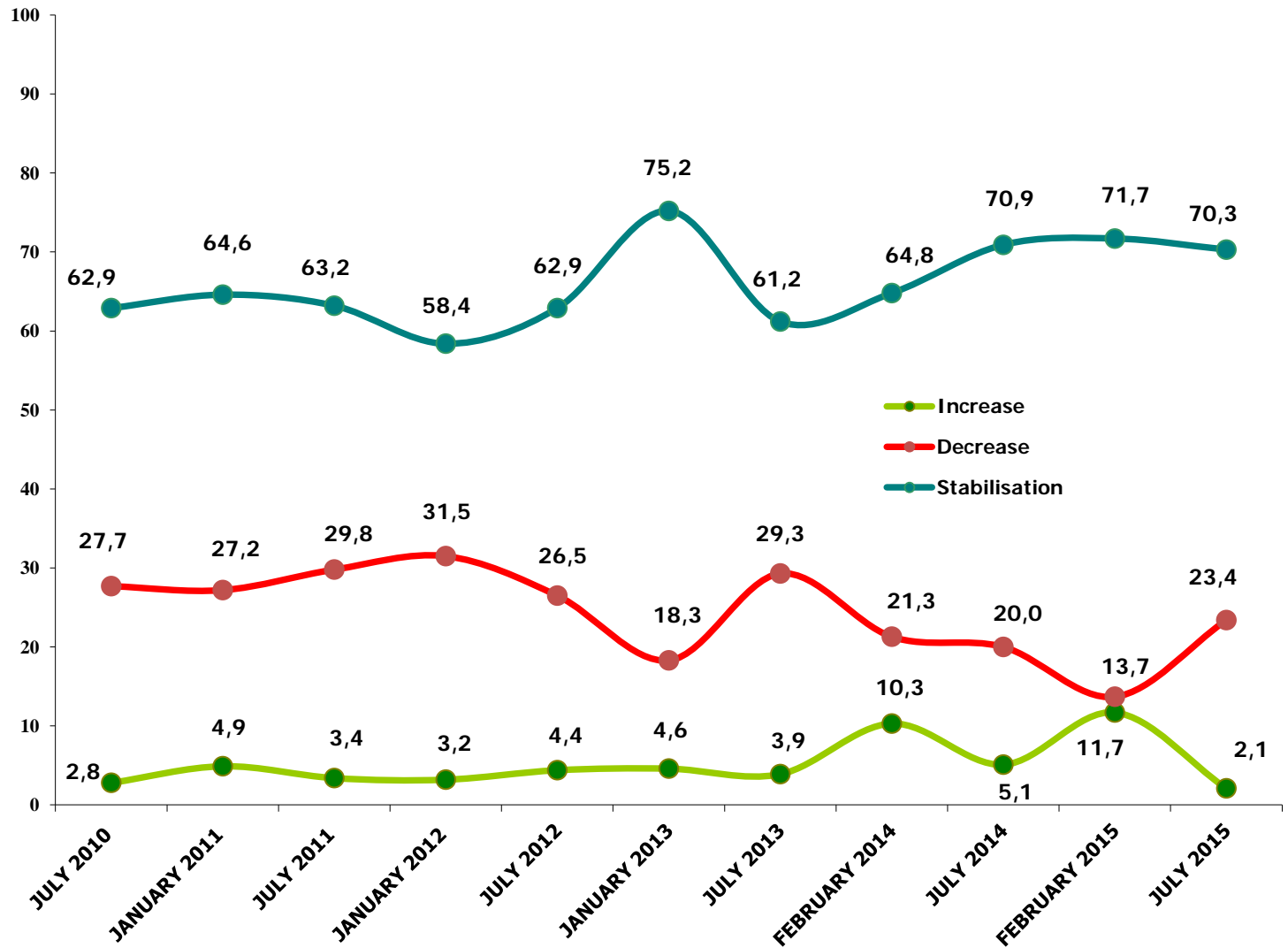


The picture on future employment flows is worrying. The prospects for the next half are still negative, **as about 1 in 4 enterprises expects decrease in the personnel employed**. This phenomenon is shown intense in 'larger' enterprises (employing 5 or more persons). If IME GSEVEE estimations get confirmed, then there is a risk for 55,000 jobs loss during the next half.

# EMPLOYMENT

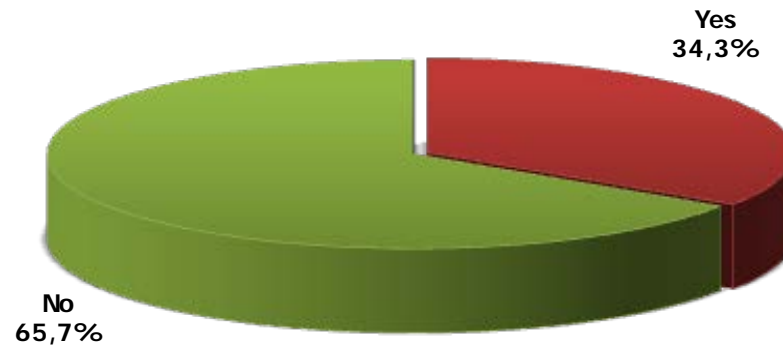
## PROSPECTS ON THE NEXT HALF

### COMPARATIVE DATA OF PREVIOUS SURVEYS



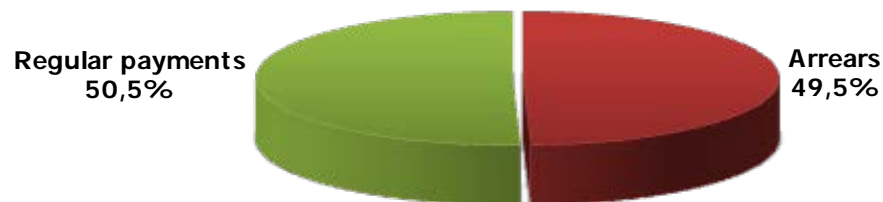
# ***LIABILITIES AND DEBTS***

## Have you got bank lending for your enterprise?





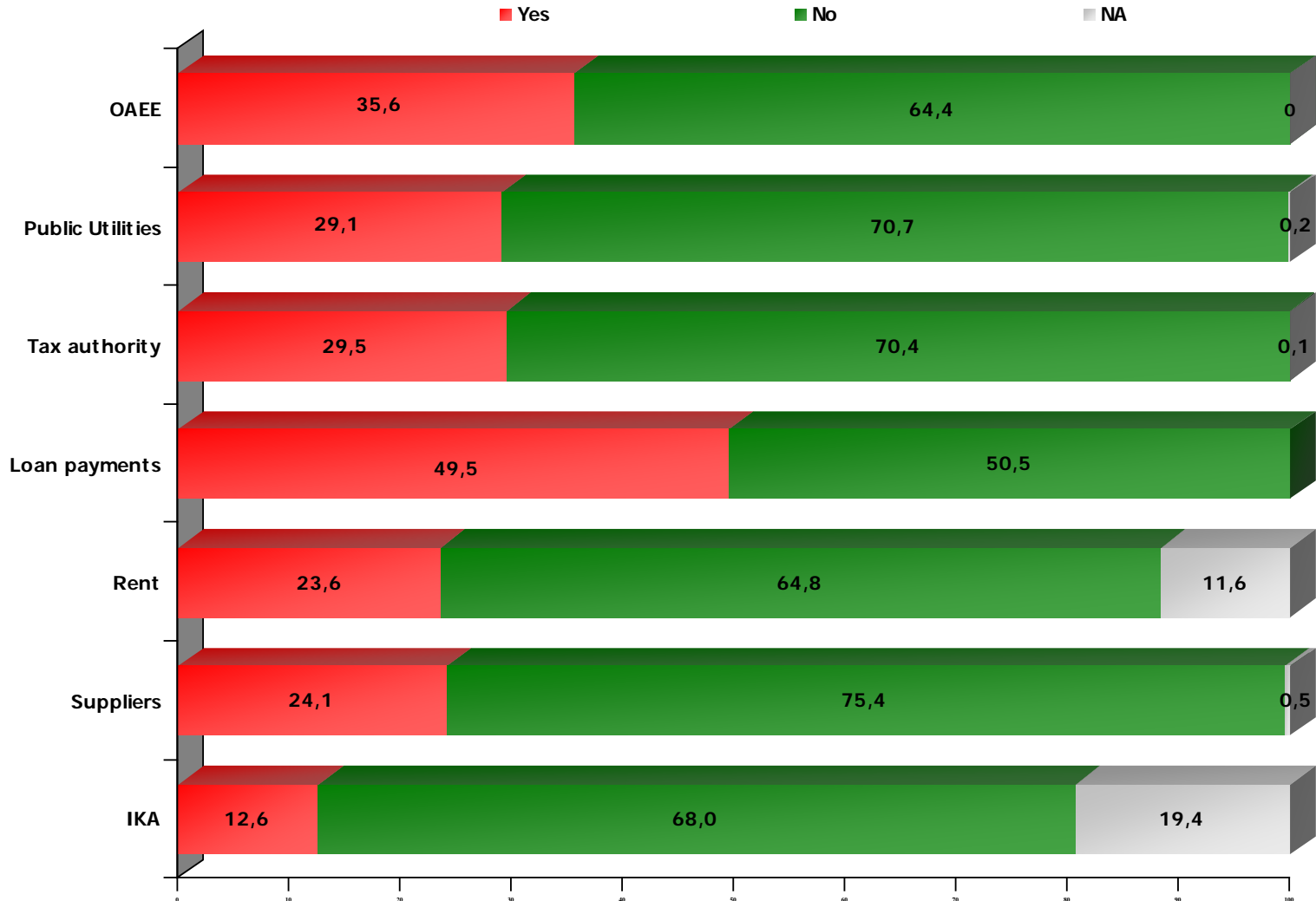
Do you pay regularly the loan payments or are there arrears from your part?  
Out of those with a bank loan



16,3 % of small enterprises states arrears towards banks. Out of enterprises with loan-related obligations, 1 out of 2 is not able performing them in due time.

Many enterprises reported that now they find it difficult to meet key obligations. During the past half, did you have arrears towards...

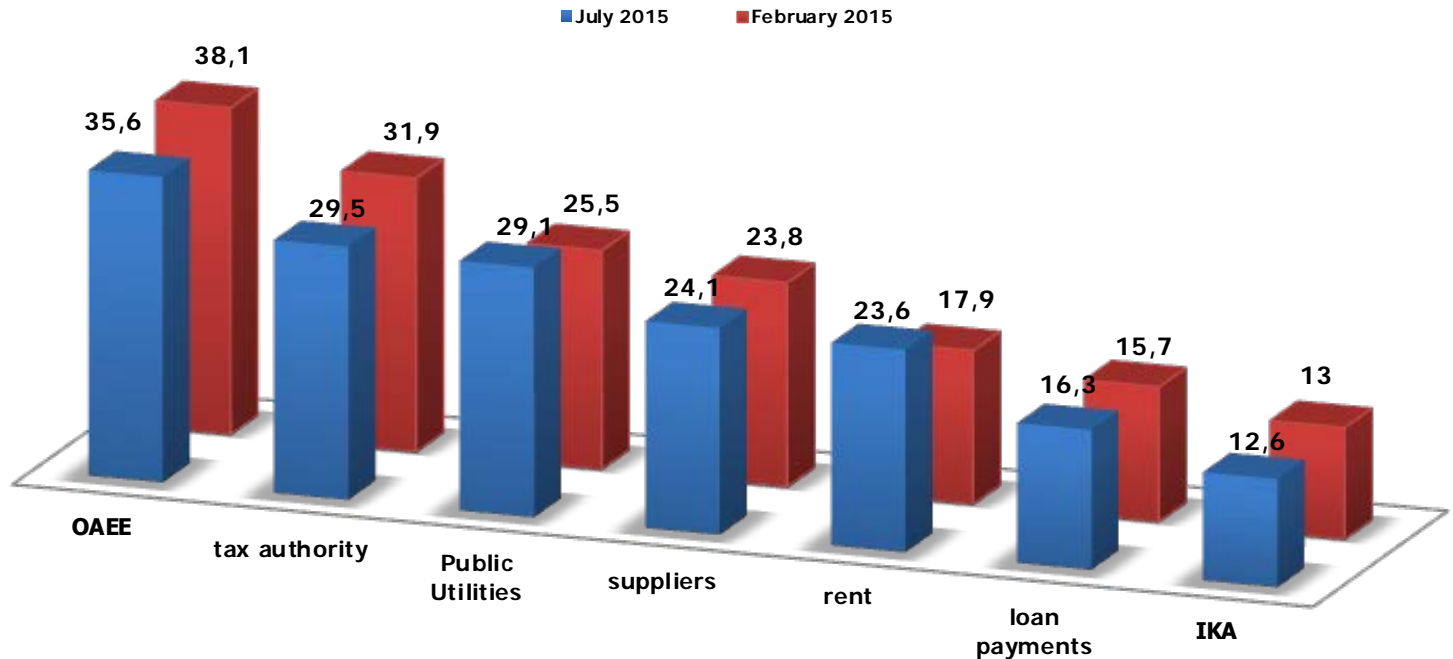
COMPARATIVE CHART



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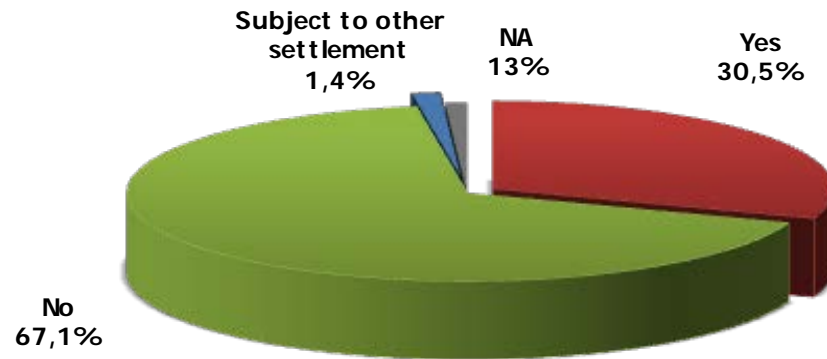


### JULY 2015 - FEBRUARY 2015 COMPARATIVE DATA



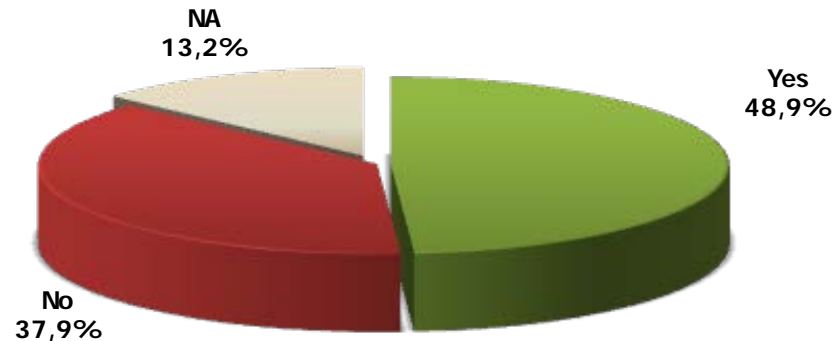
The largest part of enterprises stating arrears has to do with liabilities towards the public sector (social security funds, tax authority, Public Utilities). A significant increase was shown in arrears towards Public Utilities (from 25,5% to 29,1%).

## Have you applied for being subject to the settlement of 100 payments for arrears towards the tax authority?



	FEBRUARY 2015
	Have you applied for being subject to the settlement of 72 or 100 payments?
Yes	11,5
I consider applying	12,7
No	74,5
NA	1,3

Do you estimate that you will be able to meet your tax obligations (VAT, labour tax etc.)?

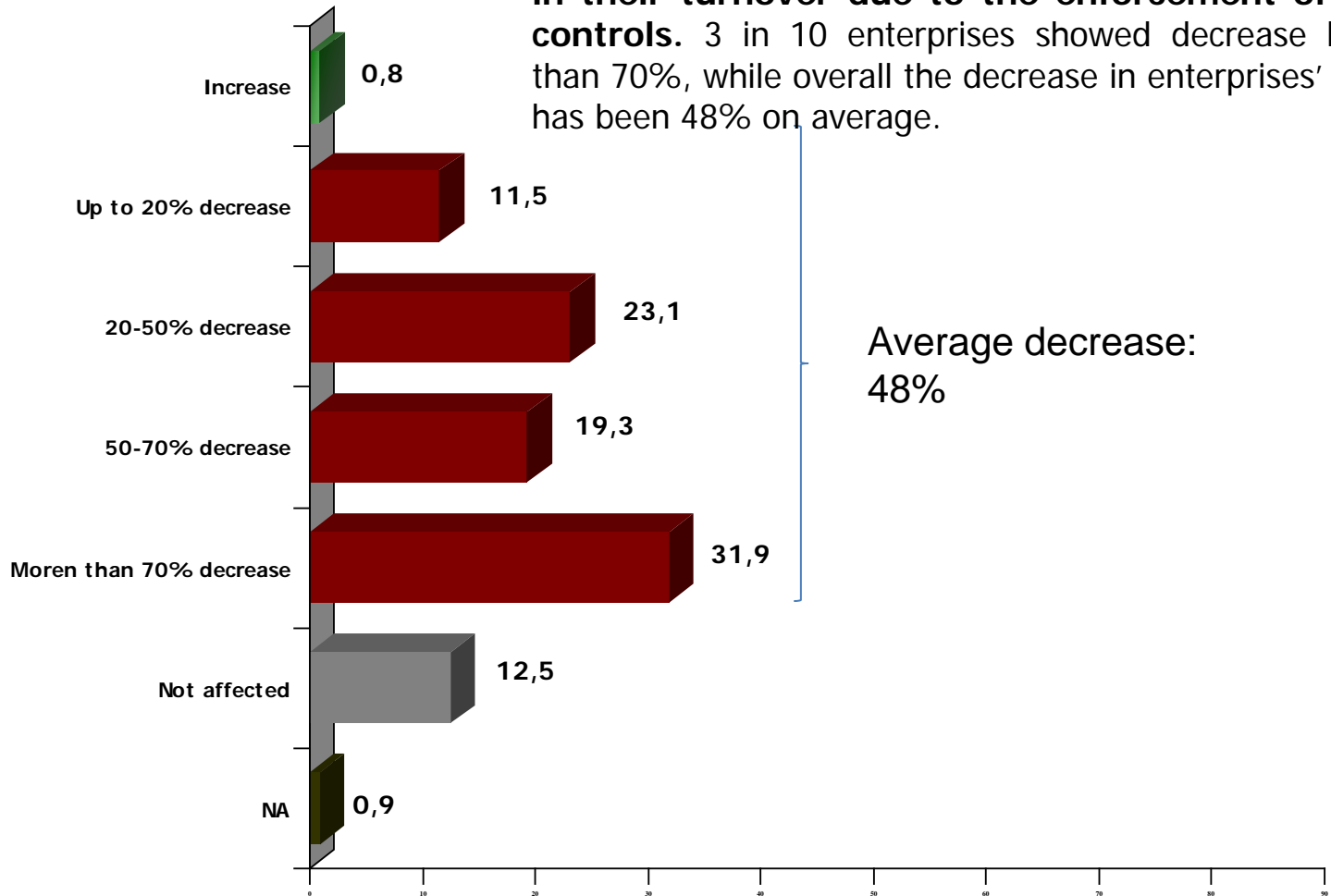


Despite the beneficial provisions for a settlement by 100 payments for taxation and social security debts, an option used by enterprises during the first half of 2015 (3 in 10 say that they have applied for being subject to this settlement compared to 11% for the settlement in place before), they are still explicitly unable to meet the high taxation and social security liabilities for the next half.

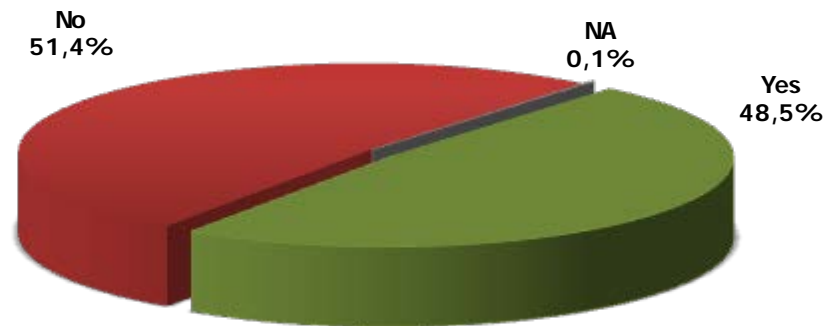
# ***CAPITAL CONTROL EFFECTS***

## How has the turnover of your enterprise been affected by banks' closing down and capital controls?

The effects of the enforcement of capital controls have been particularly sore. **9 in 10 enterprises showed a downfall in their turnover due to the enforcement of capital controls.** 3 in 10 enterprises showed decrease by more than 70%, while overall the decrease in enterprises' turnover has been 48% on average.



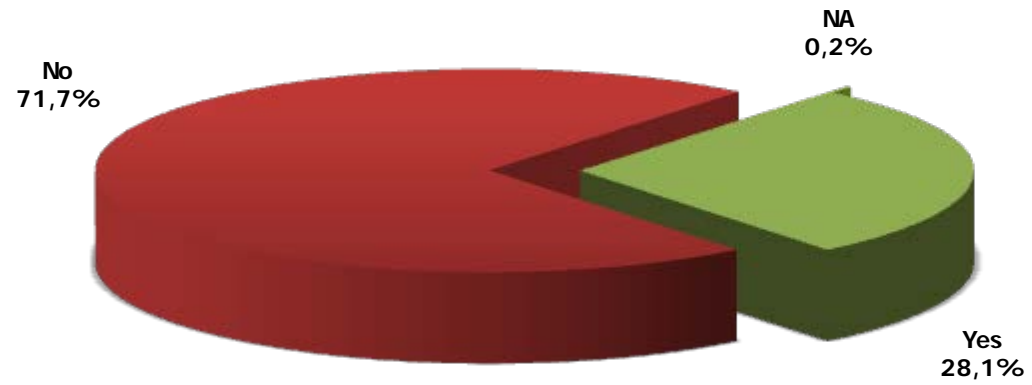
Does your enterprise have e-banking at its disposal for your customer and suppliers relations?



**Small enterprises have been unprepared to face the effects of the enforcement of capital controls and banks' closing down.** More specifically, only 1 in 2 enterprises employs e-banking for its relations to customers and suppliers, while 7 out of 10 do not have EFT/POS devices at their disposal.

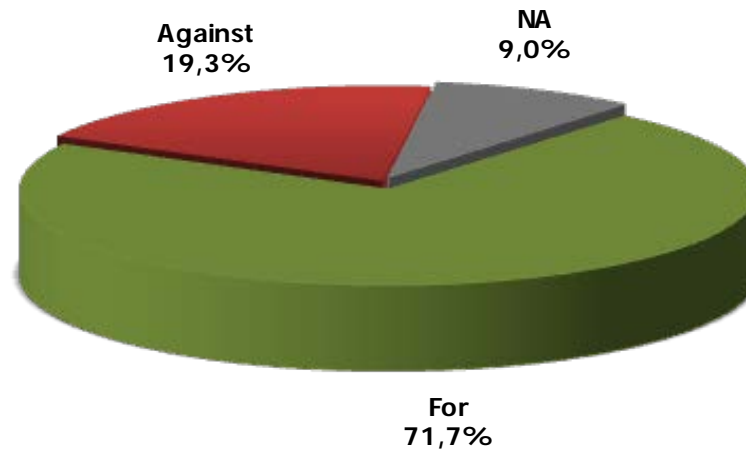


## Is there a device in your enterprise for transactions via credit or debit cards?



# ***POLITICAL CLIMATE***

## Are you for or against staying in the euro-zone?



The position of the country in the strong currency - zone seems to be unnegotiable, despite the negative elements brought about by the new unfavourable agreement for the country. The vast majority of the respondents considers that the country must stay in the euro-zone (71,7%).

# Which party do you consider that represents your interests the most?



Ιούλιος 2014

