



## Heavy Taxation Is Weighing Down Greek Entrepreneurship

In its annual Report on Entrepreneurship in Greece, the Foundation for Economic and Industrial Research (IOBE) found that in 2016, increased taxation on the self-employed and uncertainty over economic policy negatively impacted entrepreneurship in Greece, resulting in a decline in the number of businesses founded that year. The quality of new businesses also appeared to be affected, with innovation taking a hit while the number of retail businesses grew. Positive developments included an increase in the adoption and use of new technologies, a boost in opportunity entrepreneurship, and increased extroversion that appears to be the result of a high number of new businesses and start-ups in the tourism industry which is by definition extroverted.

The report found that:

- The percentage of people aged 18-64 starting a new business fell to 5.7% (approximately 380,000 individuals), down from 6.7% the year before. This is one of the country's lowest ever figures for new entrepreneurs.
- The percentage of the population stating they had suspended their business activity, either temporarily or permanently, in 2016 stood at 2.8%.
- Necessity entrepreneurship accounted for 41% of early-stage entrepreneurs compared to 22.8% across innovative European economies, and opportunity entrepreneurship for 36.1% compared to 55.8% across Europe.
- The number of female early-stage entrepreneurs shrank to 4.8%, down from 6% the previous year.
- A third of entrepreneurs (35%) has at least one degree, and 7.8% have post-graduate qualifications, compared to 42.7% who have only completed secondary education.
- One in three early-stage entrepreneurs in 2016 employed zero staff, while three in five employed teams of up to five people. This demonstrates that the majority of these new ventures are primarily small- and micro-businesses.
- Even though 64% of Greek citizens claim that entrepreneurship offers good prospects and 66% believe that entrepreneurs are valued and respected, just 13% see entrepreneurial opportunities in the country in the next six months—the lowest percentage worldwide.
- While 71% of new entrepreneurs believe that they have the skills and knowledge entrepreneurship requires, Greeks, at approximately 70%, also have one of the highest rates of fear of failure in the world.

The report links the low performance and hurdles to entrepreneurship to structural weaknesses relating to bureaucracy, an unpredictable tax system, and a lack or dysfunction of mechanisms to support and promote entrepreneurship; to the lack of proper policy; difficulty in securing funding; and heavy taxation on self-employment and new business.

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## GREEK ENTREPRENEURS TAKE UP NEW TECH

The latest generation of Greek businesses and entrepreneurs are quick to take up new technologies according to the annual report by the Foundation for Economic and Industrial Research (IOBE), which indicates that approximately 20% of new entrepreneurs incorporate new technologies in their services or production process—one of the highest figures across the EU, according to the Federation of Hellenic Information Technology and Communications Enterprises (SEPE). A little over half (56%) of new entrepreneurs in Greece opt for traditional technologies, reflecting the real impact of the financial crisis on the ability of new businesses to invest in cutting-edge technologies.



## MANUFACTURING SECTOR ON THE RISE IN GREECE

The Greek manufacturing sector growth was at a nine-and-a-half year high in December 2017 according to figures from market research firm IHS Markit, whose seasonally adjusted Purchasing Managers' Index (PMI) climbed to 53.1 in December, up from 52.2 in November 2017. The high growth was the result of significant increases in the numbers of new orders from domestic and international markets, leading businesses to increase their workforce for the eighth month running.



## Age of the Supercomputer

The European Commission has unveiled plans to invest jointly with member states in building cutting-edge European supercomputer infrastructure. In total, the European Union will spend €1 billion in an attempt to catch up with the U.S., Japan, and China. A new legal and funding structure, the EuroHPC Joint Undertaking, will acquire, build and deploy across Europe a world-class High-Performance Computing (HPC) infrastructure that will include two supercomputers capable of at least a hundred million billion calculations per second and at least two mid-range systems by 2020. It will also support a research and innovation program to develop the technologies and machines (hardware) as well as the applications (software) that would run on these supercomputers.

The Commission called the initiative “crucial for the EU’s competitiveness and independence in the data economy” and stressed that in addition to safeguarding business processes and boosting national security and defense, these supercomputers will “bring benefits to society in many areas from health care and renewable energy to car safety and cybersecurity.”



## RETHINKING PLASTICS: New Strategy Towards a Circular Economy

The EU’s new Plastics Strategy, adopted on January 16, is the first ever Europe-wide strategy on plastics and is part of an urgent plan to clean up Europe’s act, change attitudes across the continent, and modernize plastics production and collection. The strategy, which is part of Europe’s transition towards a more circular economy under 2015’s Circular Economy Package, will invest in research to ensure that every piece of packaging on the continent is reusable or recyclable by 2030. The Commission is set to introduce further rules to scale up innovation, increase recycling, curb microplastics in products, update labels for biodegradable and compostable plastics, and tackle marine litter. The aim is to protect the environment from plastics pollution while making recycling profitable for business, fostering growth and innovation, creating business, investment, and employment opportunities throughout the bloc, and spurring change across the world.

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## UNILEVER SELLS SPREADS BUSINESS

U.S. private equity firm KKR has bought Unilever’s margarine and spreads business worldwide (excluding South Africa) following a successful €6.8 billion bid. In Greece, this will include, key Elais-Unilever Hellas olive oil brands Altis, Elanthi and Solon and the historic, almost century-old, Elais factory on Pireos Street in Faliro. The deal will be completed by the end of the third quarter of 2018. Despite the sale, Unilever will retain its production line in Greece, boosting its local subsidiary Elais-Unilever Hellas by stepping up the production of detergents and other household products at its factory in Renti.