

3<sup>rd</sup> Annual Hellenic Forum  
**GREFORM:  
'Our Vision For Greece'**

**Pillars of Competitiveness**

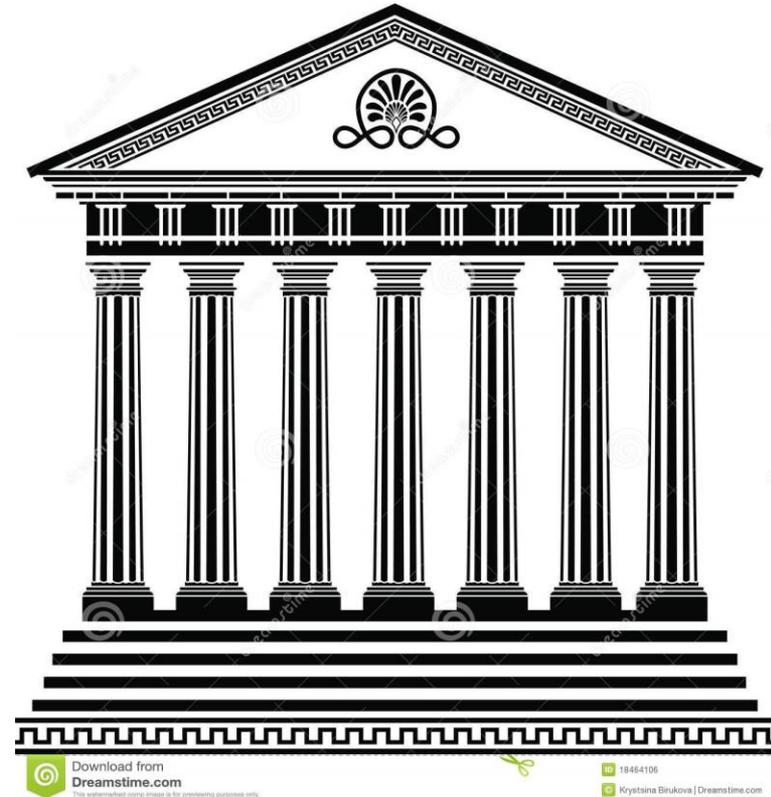
George D Cambanis  
Deloitte  
Global Shipping & Ports  
London  
March 14, 2015



# Pillars of Competitiveness

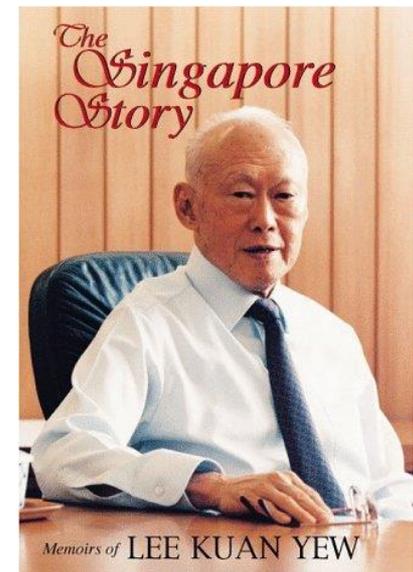
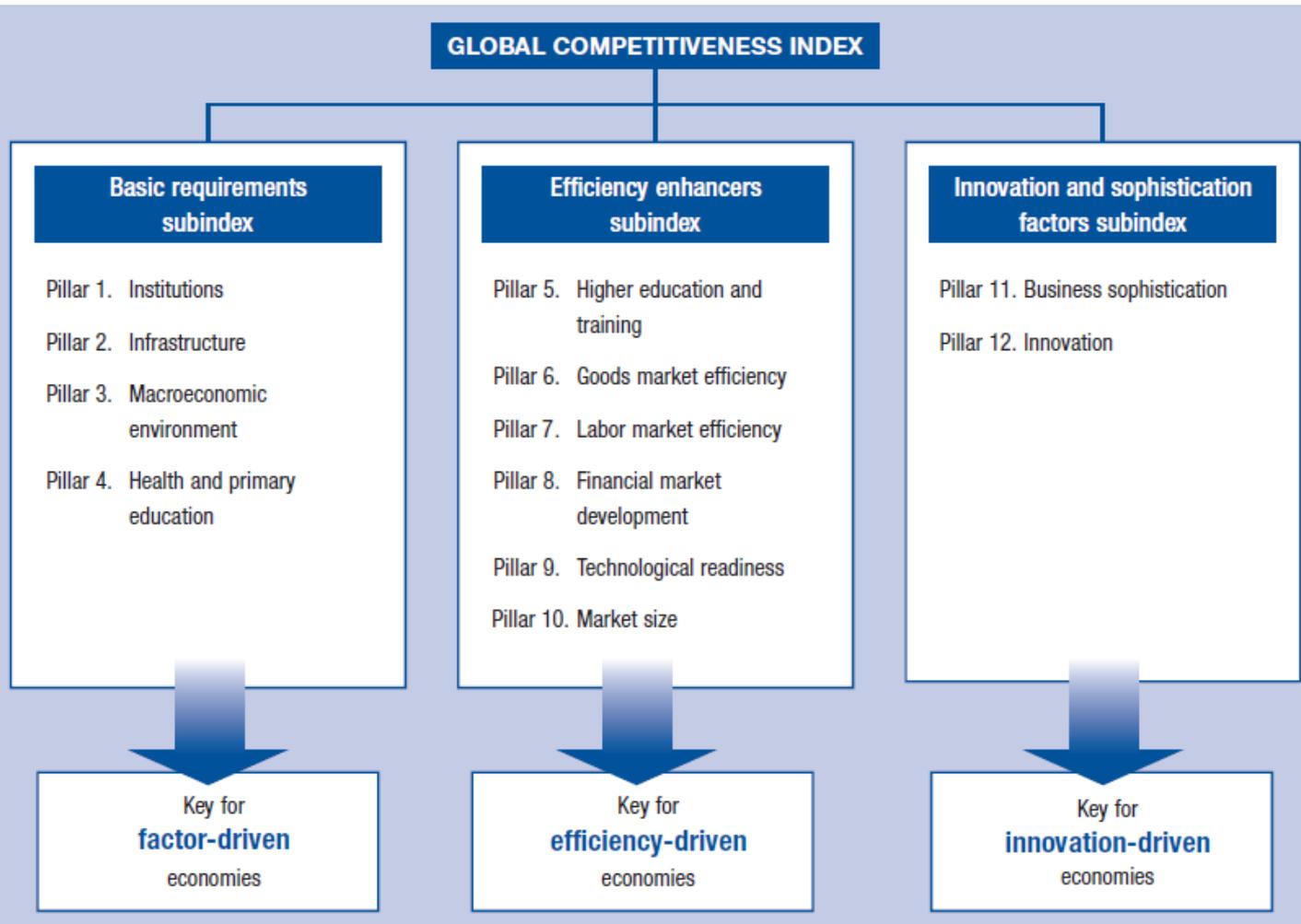
## Discussion Points

- Pillar 1: Institutions
  - Legal Framework
  - Administrative Framework
- Pillar 2: Infrastructure
- Shipping
- Deloitte
- Startups



# Pillars of Competitiveness

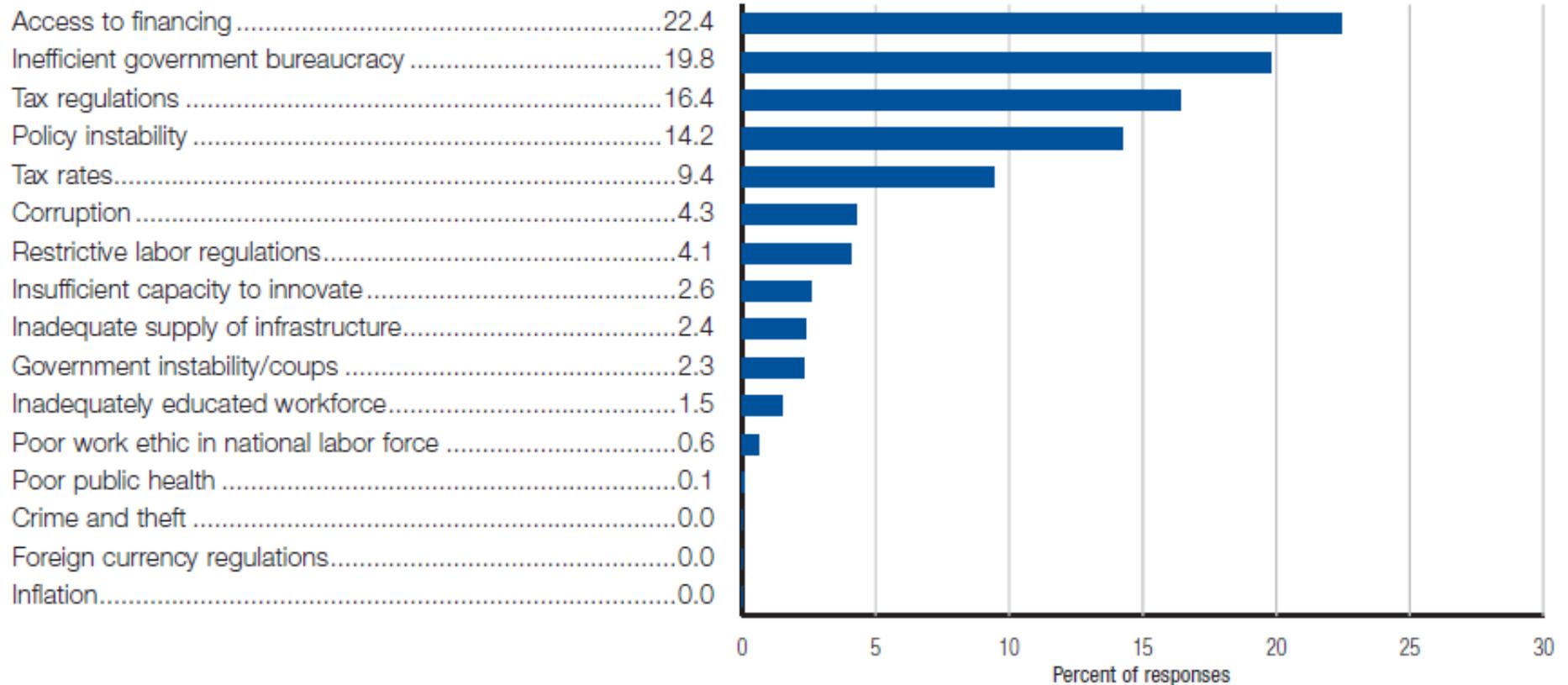
## Measuring Greece



# World Economic Forum

## Athens we have some problems!

### The most problematic factors for doing business



# Pillar 1: Institutions

The institutional environment is determined by the legal and administrative framework within which individuals, firms, and governments interact to generate wealth

INDICATOR	VALUE	RANK/144
1.10 Efficiency of legal framework in settling disputes	2.7	126

## Google It!

**“The World Bank, IMF, OECD, World Justice Forum, State Department, Transparency International, and international legal scholar and executive observations put Greece near the bottom in terms of legal system efficiency, transparency and uniform rule of law/predictability and compliance.”**

# “The Greek Legal Crisis & Reform Of The Greek Legal System”

## Legal and administrative framework

- “Without meaningful reform Greece will not achieve its potential (which is huge and investors will keep their distance (which is a shame))”
- The Greek legal system is not efficient and conducive to business
  - length of litigation
  - number of appeals and remands
  - lack of uniform judicial decisions
  - lack of out of court settlements
  - delay tactics and continuances
- “Business formation and registration steps, an archaic notary system, tax, permit and regulation hurdles. Moreover, the lack of identification of clear precedent in opinions creates results which often seem arbitrary.”

# The Greek legal system presents an unacceptable and overly burdensome risk to investors.

**We can either choose to pretend the problem is not there or, through bold comparison, trial, error and growth, create a better future for Greece.**

- Justice delayed is justice denied.
- The belief that distrust of government “requires” a high degree of minute regulation is a false remedy
- Excessive bureaucracy and legalism create more opportunities and incentives for corruption and suffocates commerce and the economy
- Excessive internal administrative processes and legal formalism cannot be carried out disconnected from the real world and without a clear perception of how they impact business on the ground
- A systemic problem requires the will to reject the quiet resignation of “this is the way of doing things” in Greece
- This will must be manifested by an “esprit de corps” of the business, legal and governing community, declaring that this status quo is no longer normal, “traditional” or acceptable.

## Pillar 1: Institutions, part 2

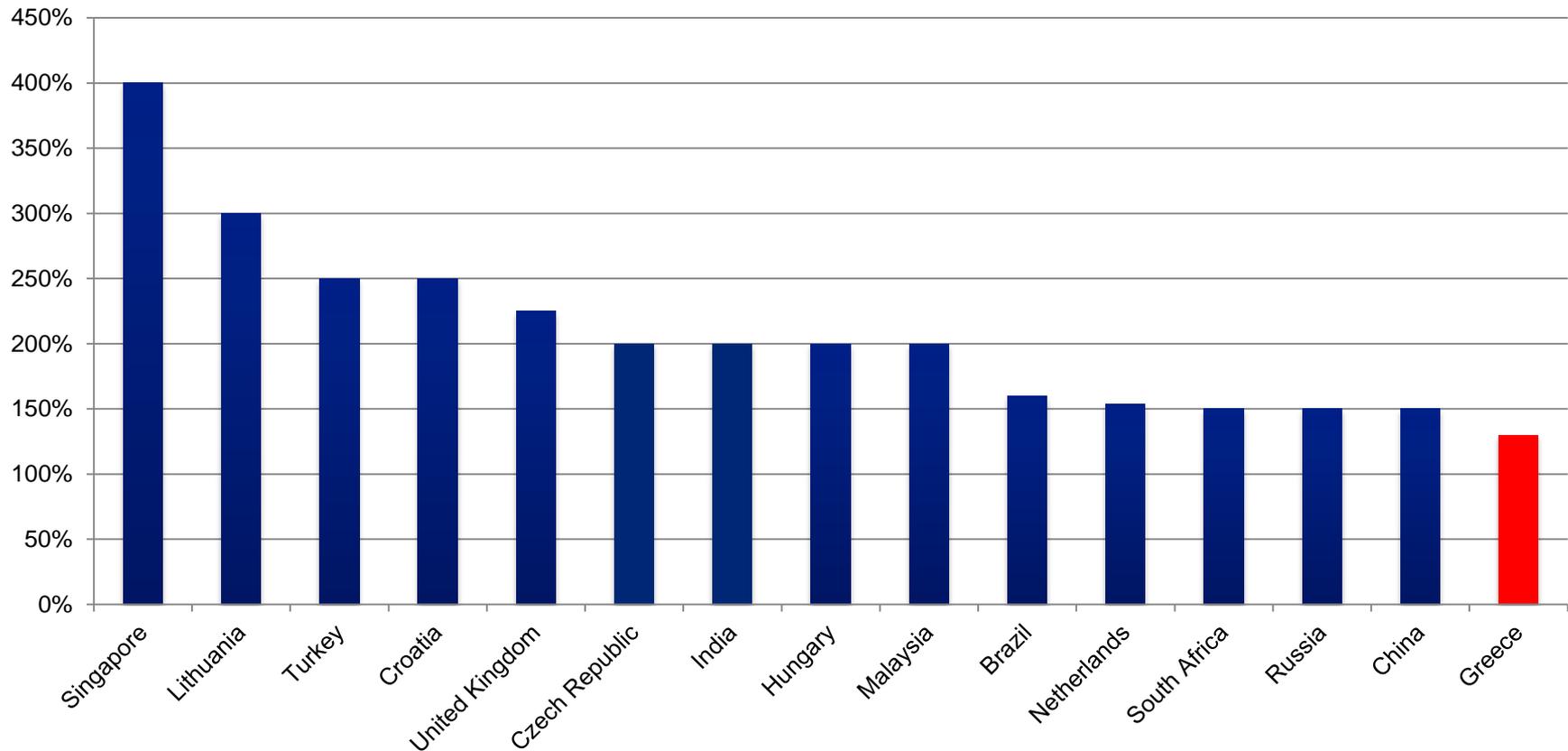
### Ranking of Greece's "administrative framework"

INDICATOR	VALUE	RANK/144
1.08 Wastefulness of government spending.....	2.2	131
1.09 Burden of government regulation .....	2.4	136
6.04 Effect of taxation on incentives to invest.....	2.4	141
7.05 Effect of taxation on incentives to work.....	2.5	138

# Comparison of tax incentives in R&D expenditure

Greece's position on incentives similar to Article 22<sup>A</sup> of the current Greek Tax Law (4172 /2013)

## TAX – Research & Development Super Deduction Rates



Source: Deloitte 2014 Global Survey of R&D Tax Incentives

So we know the fundamental problem  
Every organization in world has told us



THE WORLD BANK



WORLD JUSTICE FORUM



## Pillar 2: Infrastructure

“Extensive and efficient infrastructure is critical for ensuring the effective functioning of the economy”

### 2nd pillar: Infrastructure

2.01	Quality of overall infrastructure .....	4.6 .....	57
2.02	Quality of roads .....	4.3 .....	55
2.03	Quality of railroad infrastructure .....	2.9 .....	57
2.04	Quality of port infrastructure .....	4.7 .....	49
2.05	Quality of air transport infrastructure.....	5.2 .....	40
2.06	Available airline seat km/week, millions* .....	605.7 .....	37
2.07	Quality of electricity supply .....	5.3 .....	55
2.08	Mobile telephone subscriptions/100 pop.* .....	116.8 .....	59
2.09	Fixed telephone lines/100 pop.* .....	47.9 .....	14

# Ports

## Impact of ports on GDP



<b>Economic Impact of Selected Northern European Ports<sup>2</sup></b>						
<i>Port</i>	<i>Value Added (€ bn)</i>	<i>Value Added as % of Region's GDP</i>	<i>Value Added as % of National GDP</i>	<i>Employment Port Cluster</i>	<i>% of the Region's Employment</i>	<i>Region</i>
Le Havre / Rouen	7.0	21.3%	0.4%	55,000	9.5%	Seine-Maritime
Rotterdam	12.8	10.3%	2.2%	80,000	4.3%	Zuid-Holland
Antwerp	9.8	15.5%	2.9%	60,000	8.0%	Antwerpen
Amsterdam	1.9	1.9%	0.3%	20,000	1.2%	Noord-Holland
Zeebrugge	0.9	2.7%	0.3%	10,000	N/A	West-Vlaanderem

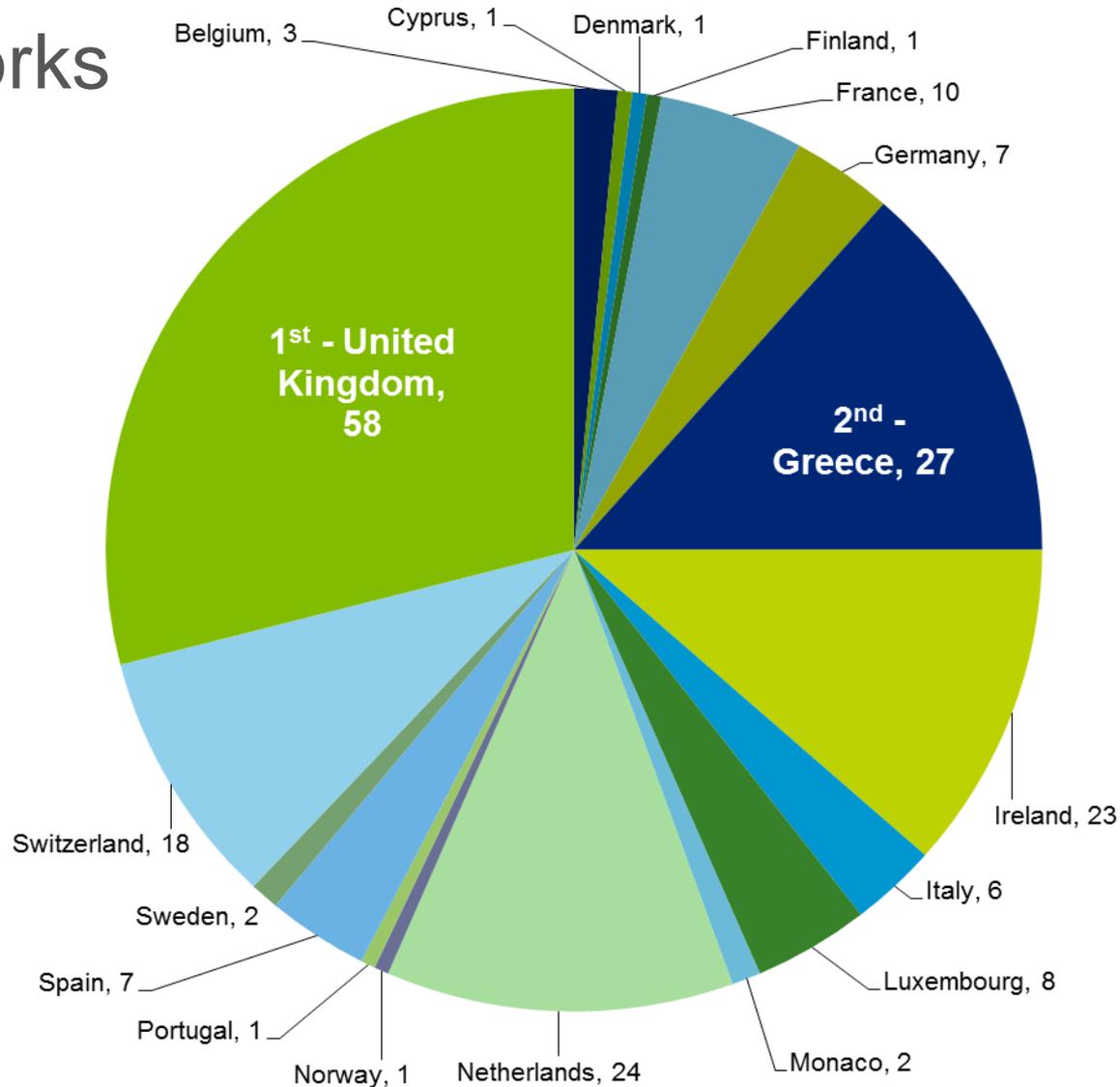
Source: OECD / 2008-2010 calculations. Personnel data are rounded.

Cities rule but port cities are special. Globalization in shipping transport has brought the emergence of hub/nodal port cities. These cities compete with each other under a border-less battlefield of shipping markets. Over half the wealthiest cities are ports today, and such trend will continue in all three scenarios in 2030 – Global Marine Trends 2030

# Shipping

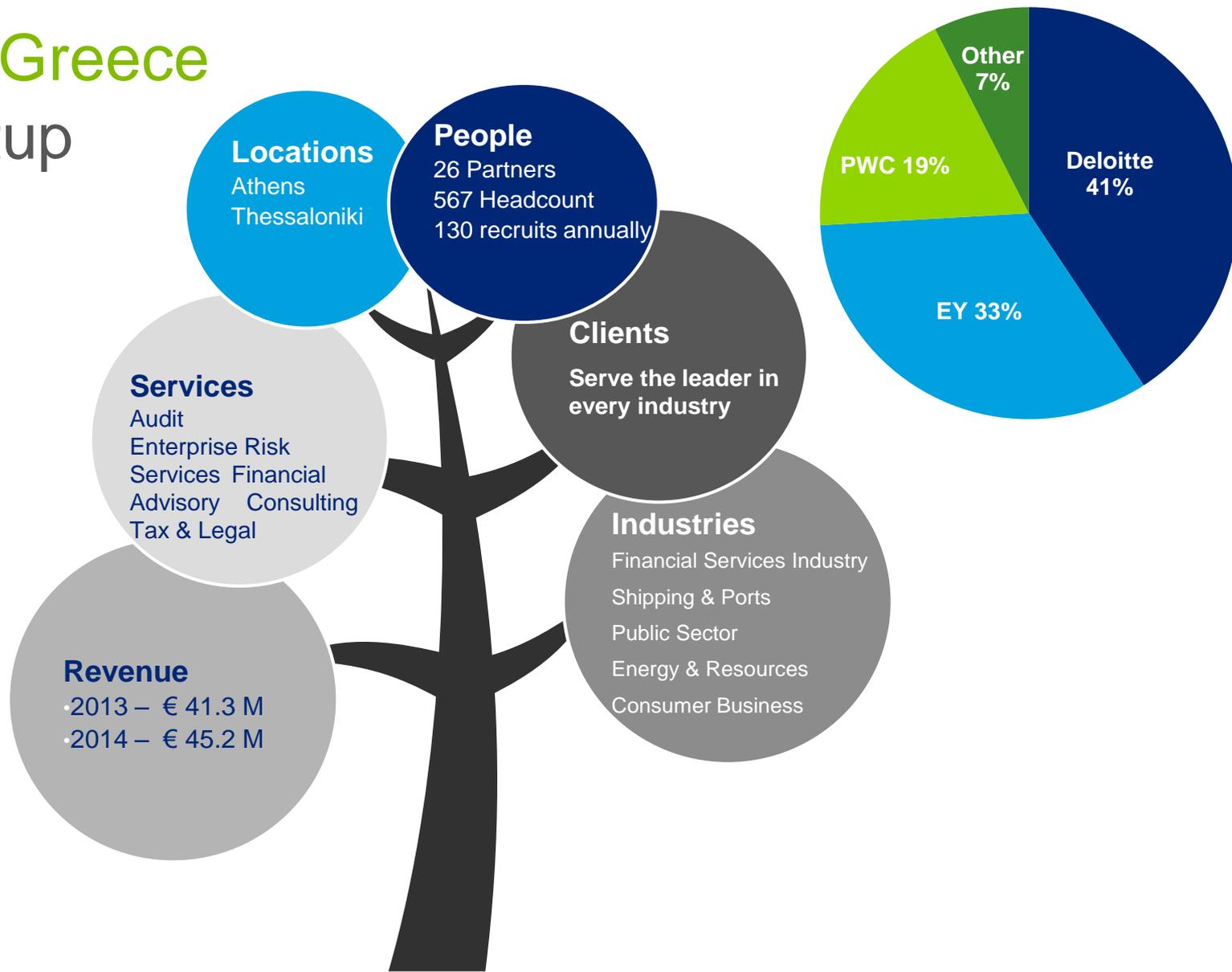
## The cluster that works

- 2<sup>nd</sup> to UK in US listed Co's
- 13.5B contribution to GDP
- Employs hundreds of thousands
- 2<sup>nd</sup> to the UK in US listed companies
- Valuable human capital
- Starting to attract foreign shipping companies
- Much more can and should be done



# Deloitte Greece

## My Startup



# Startups Are Starting

Mar 9, 2015

**GREEK  
REPORTER**

- The Hellenic Initiative is sponsoring the International Accelerator booth at SXSW® Interactive on March 13-17 in Austin, TX.
- Last year three companies in attendance received more than \$6 million in funding!
- This year 22 promising Greek startups will have the opportunity to demonstrate their products and services on an international stage. They will be representing the largest group of Greek startups to ever participate in an international startup event.

ACEin  
DELEGATE  
Agiltech  
Bluperty  
Clio Muse  
College Link  
e-Satisfaction  
Eventora  
Connect  
Gamifico  
Goodvidio  
Gridmates  
Horizon  
isMood  
Jackpot LLC  
Journalist  
NIMBATA Rabt  
Respi  
Schoox  
SourceLair  
Spacesheep  
TomoTECH  
TruckBird

**openfund**

 **THE  
HELLENIC  
INITIATIVE**

**The Telegraph**



Greek start-ups rise from the ruins

An unclassical revival is taking place in Athens, where start-ups are booming

**taxibeat**

 **upstream**

# Thank you for your time and attention



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