

3rd Annual Hellenic Forum
GREFORM:
'Our Vision For Greece'

Pillars of Competitiveness

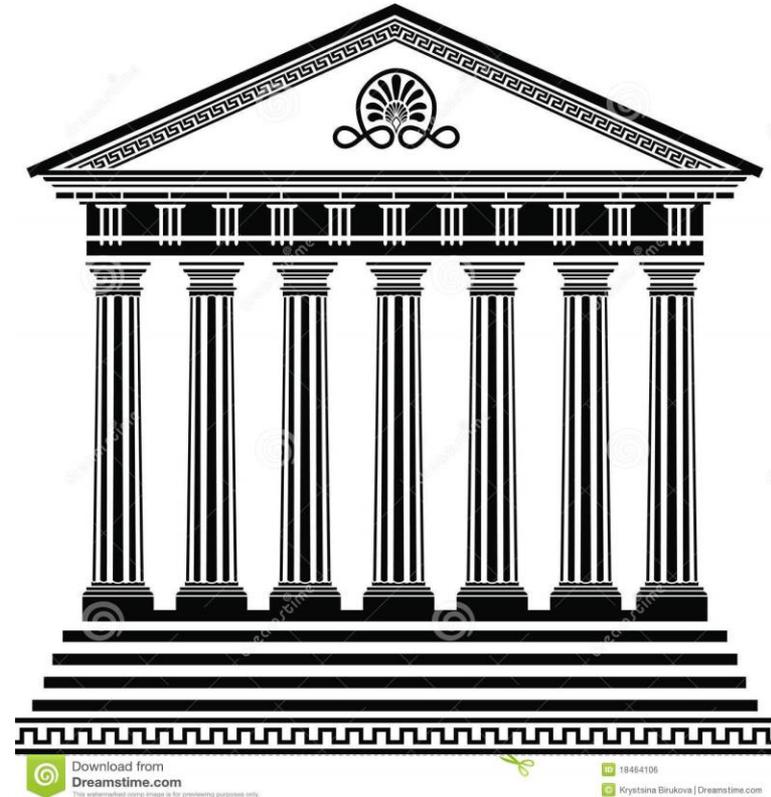
George D Cambanis
Deloitte
Global Shipping & Ports
London
March 14, 2015



Pillars of Competitiveness

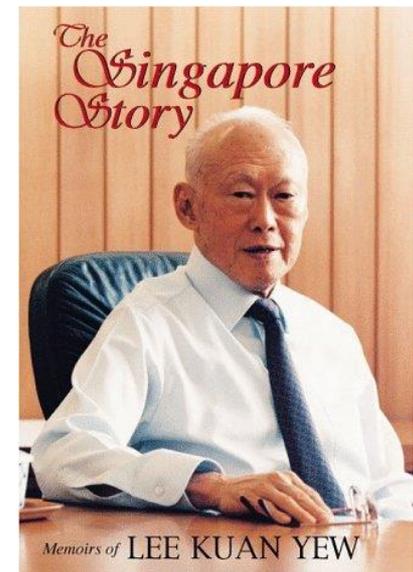
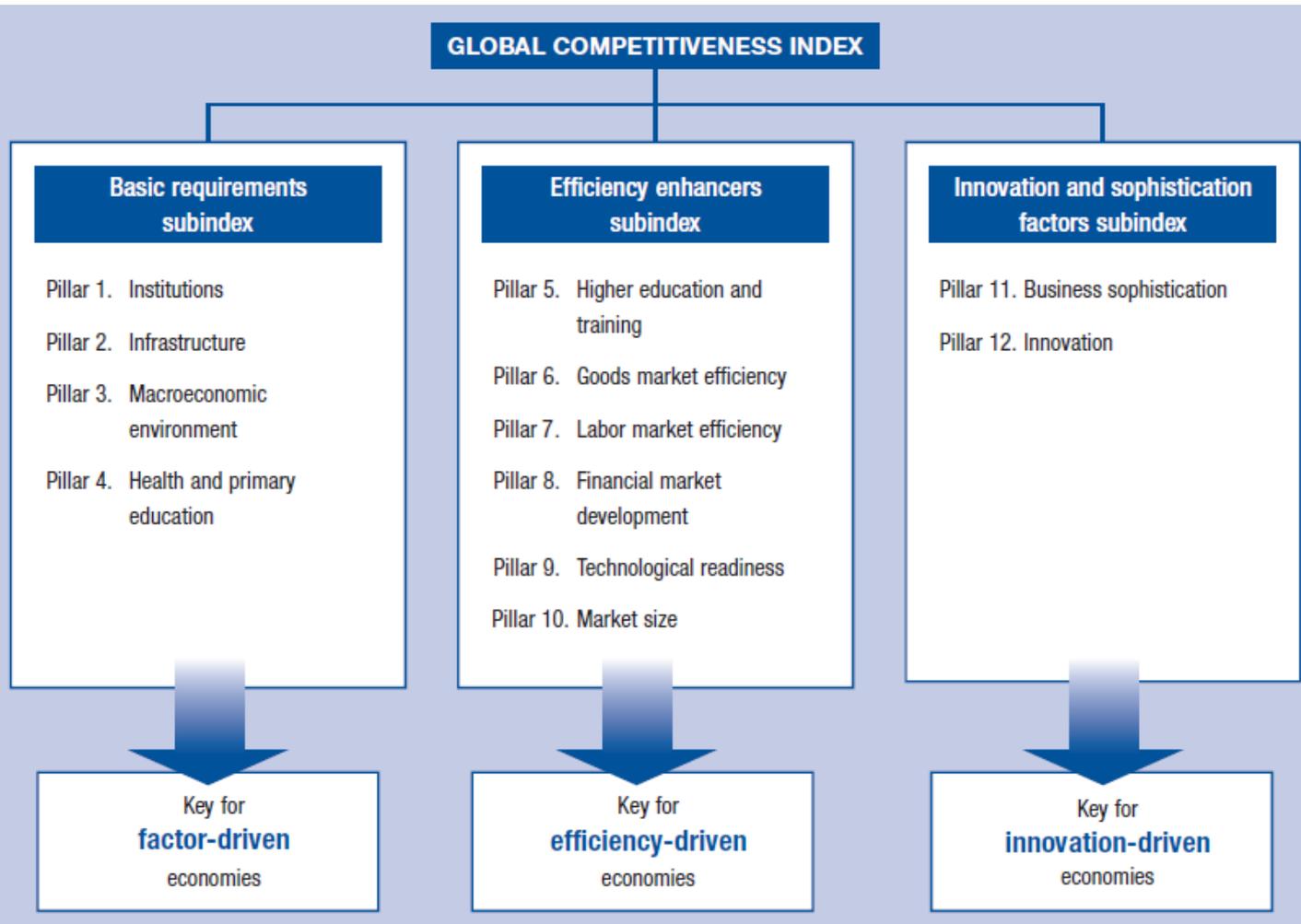
Discussion Points

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



Pillars of Competitiveness

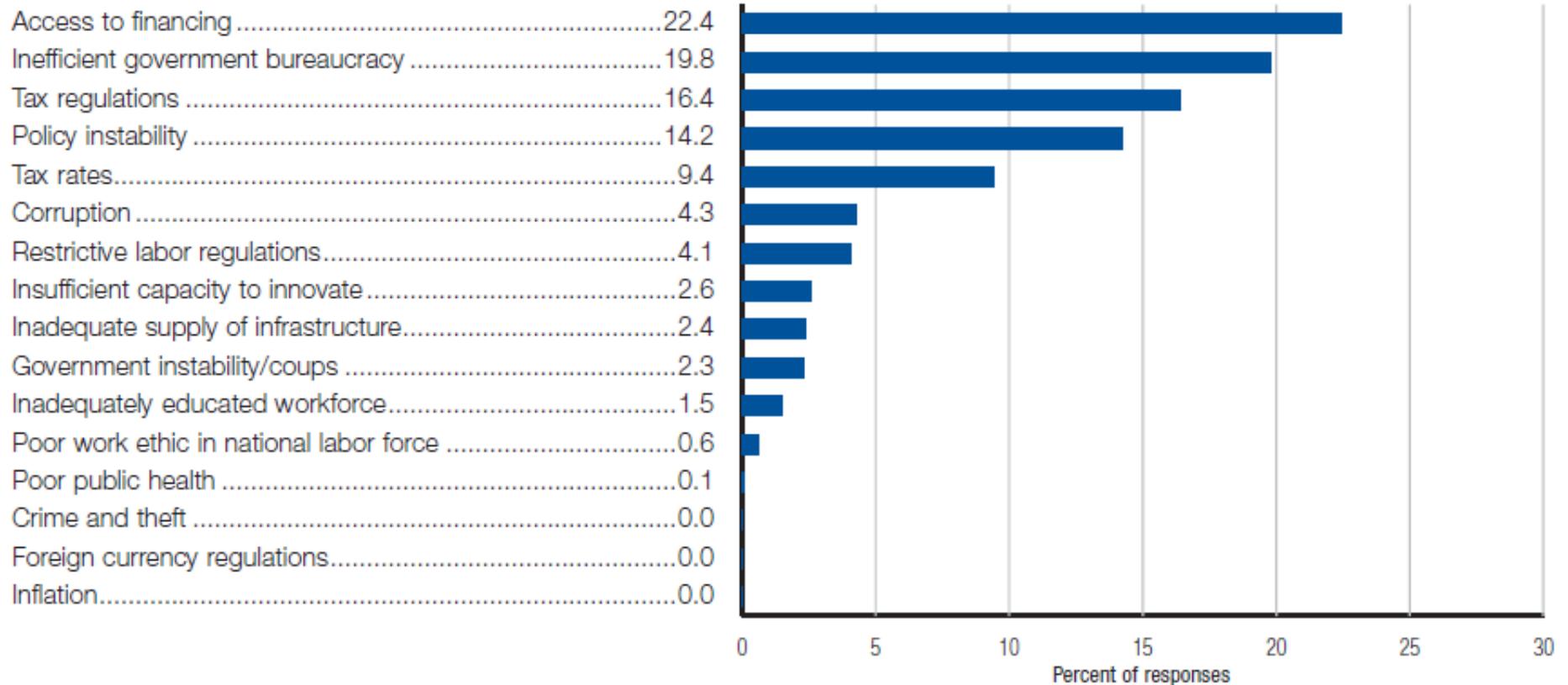
Measuring Greece



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

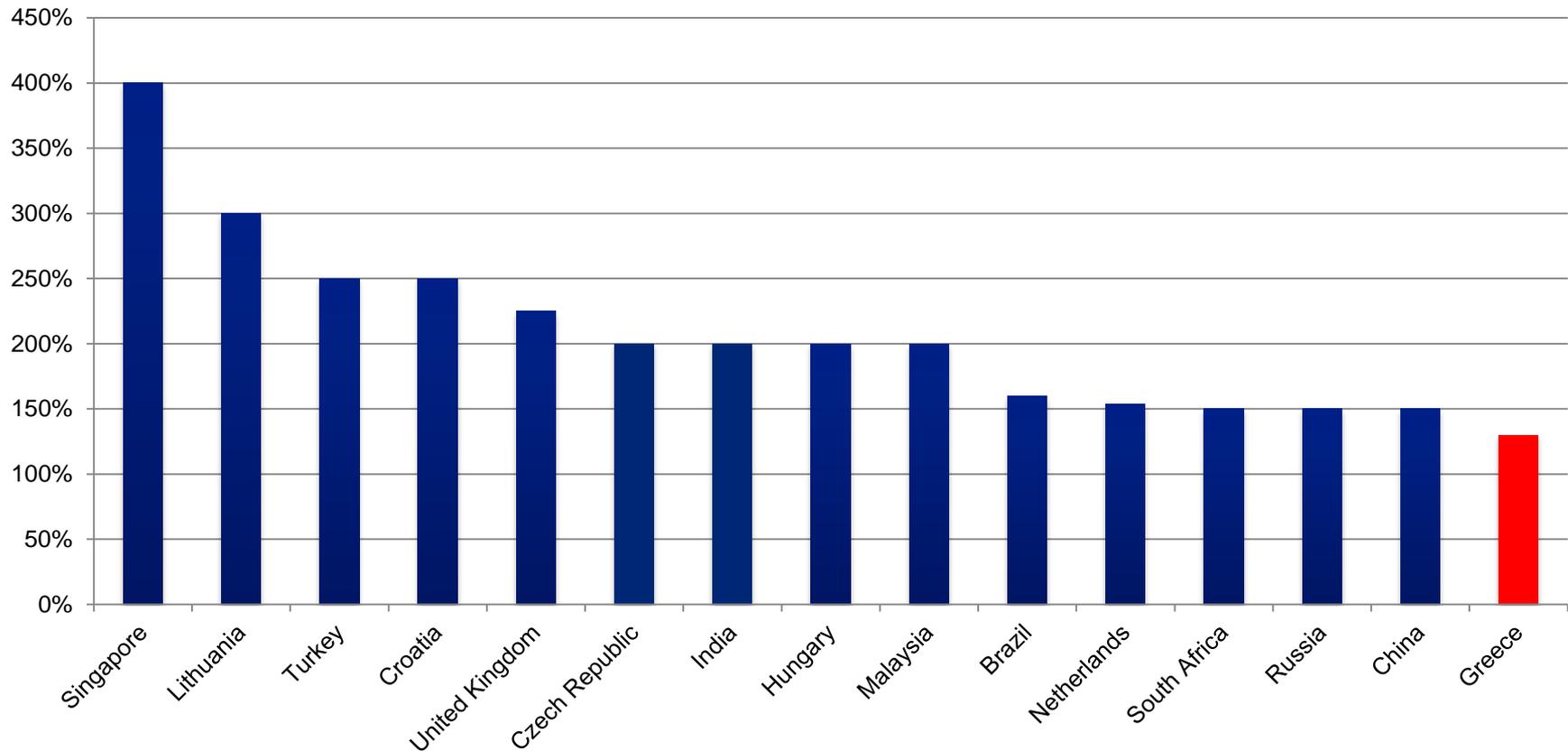
Ranking of Greece's "administrative framework"

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^A 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



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



Economic Impact of Selected Northern European Ports²						
<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

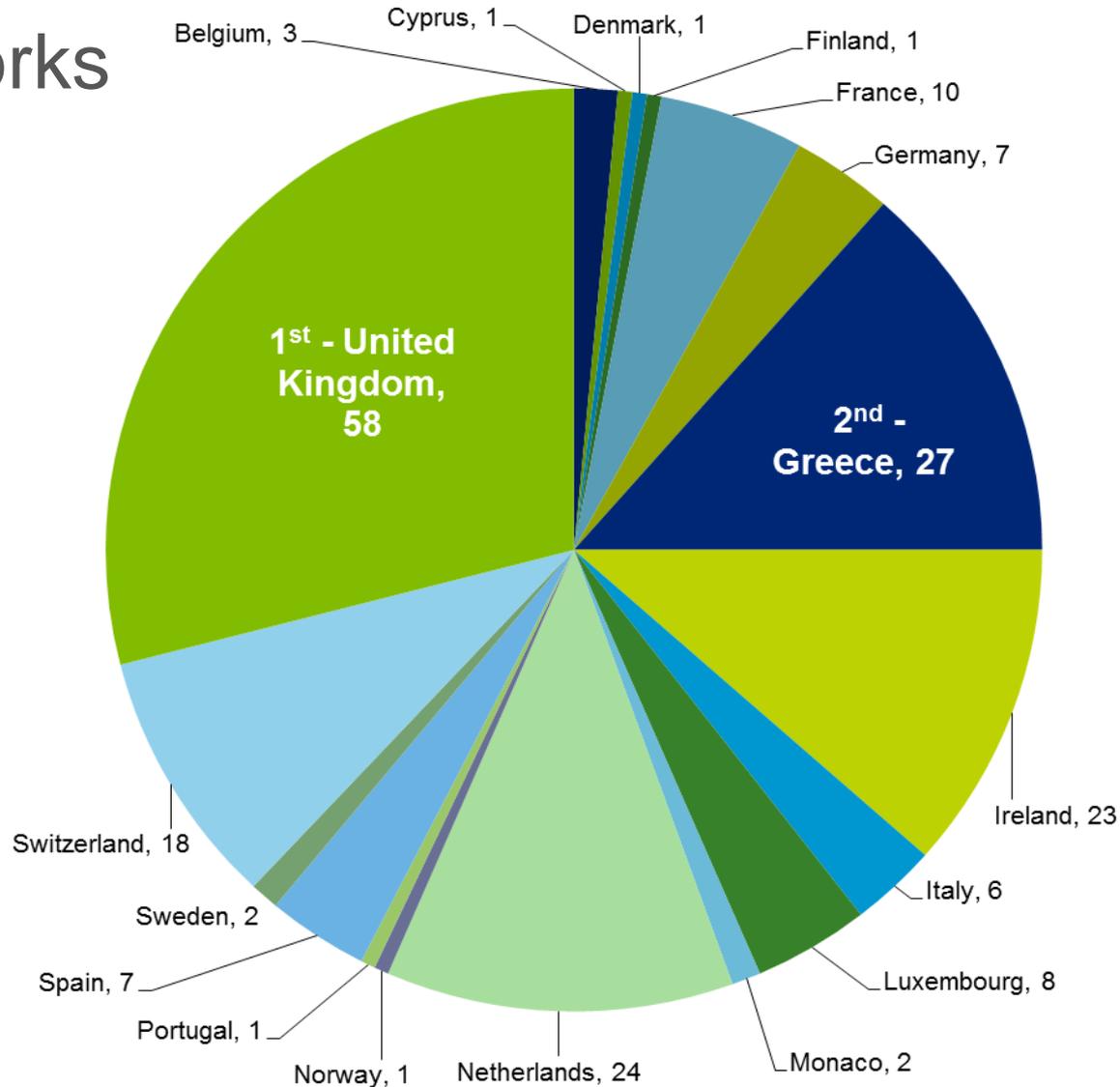
Source: OECD / 2008-2010 calculations. Personnel data are rounded.

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

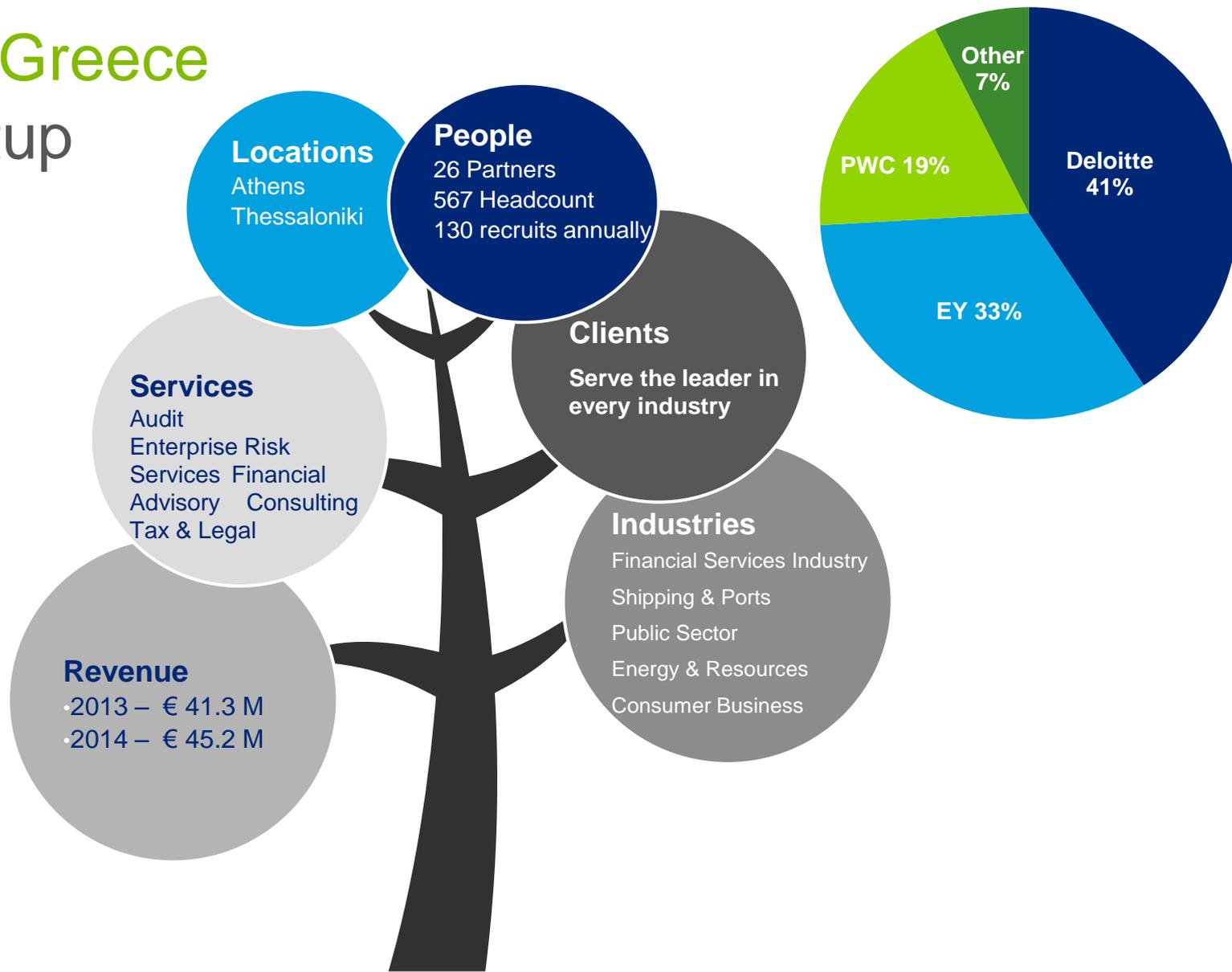
The cluster that works

- 2nd to UK in US listed Co's
- 13.5B contribution to GDP
- Employs hundreds of thousands
- 2nd 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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