

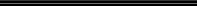




































SPRING 2012 REFORM BAROMETER – GREECE

| | Level | | | Rank | | | Gap | | Areas of Action | |
|------------|---|--------|--------|-------|------|--------|----------|------------------|-----------------|---|
| | 2010 | 2011 | Change | 2010 | 2011 | change | EU top 5 | Gap ¹ | | |
| Pillar I | 1 GDP per capita (Purchasing Power Parity- PPP) | 21461 | 20543 | -4,3% | 20 | 23 | -3 | NL AT IE SE DK | -36% |  |
| | 2 GDP per capita (€ at 2000 prices) | 17293 | 16310 | -5,7% | 20 | 20 | 0 | DK IE SE NL AT | -53% |  |
| | 3 Labour productivity per hour worked (PPP) | 25,4 | 26,6 | 4,9% | 22 | 20 | 2 | NL BE FR IE DE | -41% |  |
| | 4 Labour productivity per person employed (PPP) | 51171 | 52048 | 1,7% | 18 | 19 | -1 | IE BE AT FR NL | -25% |  |
| | 5 Private investment (excluding non residential, %GDP) | 4,3 | 3,9 | -0,4 | 18 | 22 | -4 | SK AT BE IT CZ | -4,5 |  |
| | 6 Industrial activity (% total value added) | 11,1 | 10,7 | -0,5 | 29 | 29 | 0 | SK CZ IE RO HU | -19,8 |  |
| | 7 R&D expenditure (% GDP) * | 0,6 | 0,6 | 0,0 | 26 | 28 | -2 | FI SE DK DE AT | -2,6 |  |
| | 8 Operating surplus (% total value added) ^{Note 1} | 56,0 | 56,1 | 0,1 | 2 | 2 | 0 | BG GR RO LT IE | 1,0 |  |
| Pillar II | 9 Current Account (% GDP) | -12,3 | -9,9 | 2,4 | 32 | 31 | 1 | SE DK NL LU DE | -15,7 |  |
| | 10 Export market share (gain from 2000) | -26,4 | -26,5 | -0,1 | 31 | 31 | 0 | LT RO HU BG CZ | -89,7 |  |
| | 11 Net export contribution to GDP | 3,1 | 2,9 | -0,2 | 4 | 3 | 1 | PT IE GR SK HU | -0,1 |  |
| | 12 Relative yearly gain in global trade share (% total trade) | -0,21 | -0,14 | 0,1 | 31 | 32 | -1 | EE LT LV BG CZ | -0,25 |  |
| | 13 Relative unit labour cost (gain from 2000) | 2,2 | -1,2 | -3,4 | 13 | 8 | 5 | DE SE AT PL GR | 5,8 |  |
| | 14 High-tech exports (% total exports) ** | 5,8 | 6,6 | 0,8 | 23 | 22 | 1 | MT LU HU IE CY | -23,4 |  |
| Pillar III | 15 Employment rate (% working age population) | 59,6 | 56,7 | -3,0 | 26 | 28 | -2 | AT NL LU DE CY | -13,7 |  |
| | 16 Employment rate 15-24 (% population 15-24) | 20,4 | 17,1 | -3,4 | 30 | 32 | -2 | NL DK AT DE UK | -36,3 |  |
| | 17 Employment rate 55-64 (% population 55-64) | 42,3 | 40,8 | -1,5 | 22 | 22 | 0 | SE DE DK UK FI | -19,8 |  |
| | 18 Annual hours worked (per capita) | 2017 | 1956 | -3,0% | 2 | 4 | -2 | PL PT CZ GR HU | -1% |  |
| | 19 Labour participation (% working age population) | 69,4 | 68,2 | -1,2 | 23 | 25 | -2 | SE DK NL PT DE | -11,5 |  |
| | 20 Working age population (as % total population) | 67,0 | 67,0 | 0,0 | 20 | 18 | 2 | SK PL CY LT RO | 0,9 |  |
| | 21 Unemployment rate (% labour force) | 12,5 | 15,0 | 2,5 | 26 | 28 | -2 | AT NL LU DK MT | 9,6 |  |
| Pillar IV | 22 Gross debt - general government (% GDP) | 144,9 | 162,8 | 17,9 | 30 | 30 | 0 | EE BG LU RO SE | 140,2 |  |
| | 23 Net debt - general government (% GDP)* | -113,9 | -100,6 | 13,4 | 30 | 29 | 1 | EE DK BG RO SE | -106,0 |  |
| | 24 Government budget balance (% GDP) | -10,6 | -8,9 | 1,7 | 30 | 29 | 1 | HU SE EE LU FI | -7,4 |  |
| | 25 Primary balance (% GDP) | -5,0 | -2,1 | 2,9 | 22 | 16 | 6 | HU SE DE EE IT | -4,5 |  |
| | 26 Tax burden (% GDP) | 33,3 | 35,1 | 0,1 | 11 | 15 | -4 | BG LT LV RO SK | 7,2 |  |
| | 27 Highest marginal tax rate, individual rate (%) | 45,0 | 45,0 | 0 | 21 | 20 | 1 | BG CZ LT RO SK | 33 |  |
| | 28 Public investment (% total public expenditure) | 6,0 | 5,6 | -0,1 | 23 | 22 | 1 | RO PL BG LV LT | -9,3 |  |
| | 29 Net foreign assets (% GDP) * | 111,3 | 100,7 | -10,6 | 24 | 23 | 1 | LU NL CY BE DE | 176,4 |  |
| Pillar V | 30 Net financial assets, households (% GDP) * | 65,0 | 54,9 | -10,0 | 18 | 22 | -4 | BE IT MT NL CY | -115,9 |  |
| | 31 Net financial liabilities, non financial corporations (% GDP)* | -69,5 | -64,8 | 4,7 | 4 | 4 | 0 | SK DE NL GR DK | 4,5 |  |
| | 32 Regulatory tier 1 capital to risk weighted assets * | 11,1 | 11,3 | 0,2 | 20 | 22 | -2 | EE BE MT LU RO | -3,6 |  |
| | 33 Non performing loans to total gross loans | 7,7 | 10,1 | 2,4 | 26 | 21 | 5 | FI LU SE AT BE | -1,8 |  |
| | 34 Loans to private sector (% GDP) * | 83,9 | 113,5 | 29,5 | 8 | 16 | -8 | RO SK PL CZ LT | 61,7 |  |
| | 35 Bank liabilities (%GDP) * | 196,7 | 203,6 | 6,9 | 11 | 11 | 0 | RO SK PL LT BG | 124 |  |

 Five best
 Lowest third

1. Percentage points, when not indicated otherwise

* 2009/ 2010 data
 ** 2008/ 2009 data

A methodological note can be found in the report or [here](#).

Note 1: Operating surplus is significantly increased by the inclusion of data originating from self-employment

PRIORITIES FOR REFORM IN 2012

| | I. Policy Area | II. Concrete Recommendations | III. Are the proposed recommendations already in the agenda of your Government? | |
|------------|----------------|--|---|----|
| | | | Yes | No |
| Priority 1 | 16 | -- Fight waste in public enterprises -- Introduce stronger expenditure control mechanisms -- Merge public organisations -- Speed up the privatisation programme | X | |
| Priority 2 | 1 | -- Simplify the tax system -- Reduce government bureaucracy -- Open up network industries and implement the Services Directive -- Implement the "Business Friendly Greece" programme | X | |
| Priority 3 | 19 | -- Fight tax evasion -- Enhance the effectiveness of all tax collection mechanisms -- Re-assess the impact of the tax rates on investment and development | X | |
| Priority 4 | 11 | -- Downward rigidities in wage - setting systems that prevent the necessary adjustment of private sector wages -- Examine all parameters that have an impact on labour costs, including wages, minimum wages and the national collective agreement, and the several non-wage labour costs, including social contributions | X | |
| Priority 5 | 14 | -- Centralise procurement in hospitals -- Promote e-procurement in the health care sector -- Establish electronic drug prescriptions to all social security funds | X | |

Policy areas

1. Business Environment - Regulatory barriers to entrepreneurship
2. Business Dynamics - Start-up conditions
3. R&D and Innovation
4. ICT
5. Competition policy framework
6. Sector specific regulation (telecom, energy)
7. Market integration - Openness to trade and investment
8. Active labour market policies
9. Job protection
10. Labour supply measures for specific groups (older workers, women...)
11. Wage bargaining and wage-setting policies
12. Labour market mismatch and labour mobility
13. Making work-pay: interplay of tax and benefit system
14. Pension and health care reforms
15. Quality of fiscal institutions and budgetary framework
16. Consolidation of public expenditures
17. Public sector efficiency
18. Public investment
19. Tax reforms
20. Access to bond markets
21. Access to equity markets
22. Venture capital and SME financing instruments
23. Bank lending conditions
24. Long term investment instruments

REFORM PROGRESS IN 2011

| | I. Policy Area | II. Concrete Recommendations | III. Are the proposed recommendations already in the agenda of your Government? | | How do you assess reform progress over the past year? (1 for excellent progress; 5 for no progress) * | Rank | Are these priorities properly identified in the National Reform Programme submitted by your government in 2011? | |
|------------|----------------|--|---|----|---|------|---|-----|
| | | | Yes | No | | | Comments | Yes |
| Priority 1 | 16 | Fight waste in public enterprises; Centralise the financial supervision of public enterprises; Introduce stronger expenditure mechanisms; Better manage human resources in the public sector | X | | Some steps are underway, especially regarding better management of human resources in the public sector and are likely to deliver results in the coming year. | 3 | X | |
| Priority 2 | 1 | Simplify the tax system; Develop a fully operational e-procurement system; Create one stop shops for business operation and licencing; Reduce government bureaucracy | X | | Despite government's announcements very few measures have been implemented. Actions to reduce bureaucracy are too few and fragmented. | 4 | X | |
| Priority 3 | 7 | Deregulate all restricted professions; Adopt the Services Directive; Open up energy and transportation sectors; Simplify the procedures for licencing new businesses and vestments | X | | Satisfactory progress was made in the simplification of the procedures for licencing new businesses. Further steps are needed to ensure the deregulation of restricted professions. | 3 | X | |
| Priority 4 | 12 | Facilitate greater use of temporary contracts and part-time work; Implement active labour market policies specialised for young people, women, older people, long term employed and low skilled; Implement 84% of basic salary of National Collective Agreement to new entrants under 25 years old; Extend the use of the availability of workers more than 3 continuous months in the calendar year | X | | Law 3986/2011 in combination with 3863/2010 improves sufficiently flexibility in the labour market. | 2 | X | |
| Priority 5 | 14 | Revise the secondary/supplementary public pension funds; Revise the list of heavy and arduous professions; Centralise procurement in hospitals; Establish electronic drug perscriptions to all social security funds | X | | Revision of the secondary pension funds and the list of heavy and arduous professions are underway, yet insufficient progress regarding the health sector. | 3 | X | |

* Please see list of areas on page 2 "reform priorities for 2012"

* Rank of reform progress: 1. Excellent/ no further progress needed; 2. Satisfactory; 3. Mixed; 4. Unsatisfactory; 5. No progress

REFORM PROGRESS IN OVERALL POLICY AREAS 2011

| | <i>Excellent</i> | <i>Satisfactory</i> | <i>Mixed</i> | <i>Unsatisfactory</i> | <i>No progress</i> |
|--------------------------------------|------------------|---------------------|--------------|-----------------------|--------------------|
| Productivity and investment | | | | X | |
| International competitiveness | | | | X | |
| Labour market | | X | | | |
| Public finances | | | X | | |
| Financial stability | | | | X | |

EUROPEAN SEMESTER

1. Do you believe the European Semester will bring a real change to policy coordination in Europe?

| <i>Yes, absolutely</i> | <i>To a large extent</i> | <i>To some extent</i> | <i>Not enough</i> | <i>Not at all</i> |
|------------------------|--------------------------|-----------------------|-------------------|-------------------|
| | | X | | |

2. Basing your analysis on the National Reform Programme submitted by your government, would you consider that it reveals a greater commitment from your country to this process?

| <i>Yes, absolutely</i> | <i>To a large extent</i> | <i>To some extent</i> | <i>Not enough</i> | <i>Not at all</i> |
|------------------------|--------------------------|-----------------------|-------------------|-------------------|
| | | | X | |

3. Do you believe the National Reform Programme submitted by your government properly reflects the key challenges in your county?

| <i>Yes, absolutely</i> | <i>To a large extent</i> | <i>To some extent</i> | <i>Not enough</i> | <i>Not at all</i> |
|------------------------|--------------------------|-----------------------|-------------------|-------------------|
| | | X | | |

4. The Commission's country specific recommendations for your country are:

| <i>Excessively complacent</i> | <i>Slightly too positive</i> | <i>Absolutely appropriate</i> | <i>Slightly too negative</i> | <i>Excessively harsh</i> |
|-------------------------------|------------------------------|-------------------------------|------------------------------|--------------------------|
| | | X | | |

5. Are the country-specific recommendations being properly implemented?

| <i>Yes, absolutely</i> | <i>To a large extent</i> | <i>To some extent</i> | <i>Not enough</i> | <i>Not at all</i> |
|------------------------|--------------------------|-----------------------|-------------------|-------------------|
| | | | X | |

6. Are commitments concerning the euro plus pact properly addressed by your government in the NRP?

| <i>Yes, absolutely</i> | <i>To a large extent</i> | <i>To some extent</i> | <i>Not enough</i> | <i>Not at all</i> |
|------------------------|--------------------------|-----------------------|-------------------|-------------------|
| | X | | | |

7. Do you believe the Commission recommendations in this area to be appropriate?

| <i>Yes, absolutely</i> | <i>To a large extent</i> | <i>To some extent</i> | <i>Not enough</i> | <i>Not at all</i> |
|------------------------|--------------------------|-----------------------|-------------------|-------------------|
| | X | | | |