



EN

Enterprise and Industry

2013 SBA Fact Sheet

GREECE



In a nutshell

Greece is in its fifth year of deep recession. In a country where 85% of private employment is concentrated in the SME sector and more than 50% in micro enterprises (0-9 employees),¹ the prolonged recession, aggravated by austerity measures and the delay of much-needed structural reforms, has affected SMEs profoundly and disproportionately more than large enterprises. The effects of the crisis have led the government to further fine-tune the National Plan for Supporting Small and Medium-Sized Enterprises (2010-13) and to reinforce existing self-employment support programmes. On the one hand, more specific action has been taken to help micro enterprises, with the creation of a more flexible form of private limited company (IKE). On the other, efforts to promote self-employment have targeted specific groups such as young people, the unemployed or women (e.g. Women Entrepreneurship). Also, in the 2012-13 the Greek government launched a number of specialised and targeted initiatives for SMEs in line with basic SBA principles, notably in the areas of internationalisation and innovation.

About the SBA Fact Sheets²

The Small Business Act for Europe (SBA) is the EU's flagship policy initiative to support small and medium-sized enterprises (SMEs). It comprises a set of policy measures organised around ten principles ranging from 'entrepreneurship' and 'responsive administration' to 'internationalisation'. In order to improve the governance of the SBA, the 2011 review of the Act called for improved monitoring. The SBA Fact Sheets are published annually and aim to improve understanding of recent trends and national policies affecting SMEs. Since 2011, each EU Member State has appointed a high-ranking government official as its national SME envoy. SME envoys spearhead the implementation of the SBA agenda in their countries.

1. SMEs in Greece – basic figures

	Number of enterprises			Number of employees			Value added		
	Greece		EU27	Greece		EU27	Greece		EU27
	Number	Share	Share	Number	Share	Share	Billion €	Share	Share
Micro	513.780	96,7%	92,3%	916.074	54,5%	28,9%	17	34,6%	21,1%
Small	14.978	2,8%	6,5%	282.808	16,8%	20,2%	9	18,1%	18,1%
Medium-sized	2.301	0,4%	1,1%	227.958	13,6%	17,3%	8	16,3%	18,2%
SMEs	531.059	99,9%	99,8%	1.426.840	84,8%	66,4%	34	69,0%	57,4%
Large	378	0,1%	0,2%	255.413	15,2%	33,6%	15	31,0%	42,6%
Total	531.437	100,0%	100,0%	1.682.253	100,0%	100,0%	49	100,0%	100,0%

2009 figures from the Structural Business Statistics Database (Eurostat) and Greece's National Statistical Institute. The data partially covers the 'business economy', namely industry, constructions, and services (NACE Rev. 2 sections B to J, L, M and N, except for sections D - Electricity and G - Wholesale and retail trade). Also, the data do not cover the enterprises in agriculture, forestry, fishing and the largely nonmarket services such as education and health.

Due to the limited availability of data for Greece, this Fact Sheet is less complete than those for the other Member States. In particular, the table on basic figures for SMEs corresponds to the sectors for which data are available for 2009, only giving a partial picture of the SME sector in the country. However, it is clear that **Greek SMEs have suffered profoundly, and disproportionately more than large enterprises (LEs), from the prolonged recession**, as negative GDP growth rates at constant 2005 prices have been registered for the past five years. However, on the basis of forecasted trends, it is expected that the main indicators of the Greek SME sector will start to even out in 2013.

The prolonged recession, and the consequent rise in unemployment rates, has had a **very negative cumulative impact on companies**, especially small and micro enterprises, which constitute the vast majority of the Greek SME sector. In terms of total number and contribution to employment and total value added, the SME sector in Greece is more dependent on micro enterprises than in other European countries. Greece belongs to a group of countries (together with Spain, Portugal and Italy) where SMEs account for a higher proportion of total employment than in the rest of Europe; this is concentrated particularly in micro firms, which provide over half of all jobs, as compared with approximately 30% in the EU as a whole.

One rapidly growing sector, however, is energy production. Growth rates of 29.1% (2009), 25.1% (2011) and 19.4% (2012) in turnover terms in this

sector can be partly attributed to continued public support for energy projects to encourage the transition to the 'green economy'. Also, the Operational Programme for Competitiveness and Entrepreneurship (2007-13) has supported infrastructure-building in the area of natural gas and electricity, and energy efficiency in housing and public buildings; the demand for such work has been mainly absorbed by large construction enterprises, but also by many SMEs. Apart from this, however, the deeper impact of the crisis on the Greek SME sector is confirmed by the data for the construction and manufacturing sectors.

In the construction sector, both SMEs and LEs experienced a severe decline between 2008 and 2012. This negative growth is confirmed by the steady fall in the number of building permits granted: -11.1% (2010), -28.5% (2011) and -36.7% (2012). In addition, the construction index (covering buildings and civil engineering works) has dropped by -29.2% (2010), -28.1% (2011), -26.1% (2012) and -19.0% (2013). As compared with LEs in the sector, SMEs suffered a larger drop in the number of employees (LEs: -19%; SMEs: -35%) and value added (LEs: -20%; SMEs: -33%). This can be explained by the fact that the disappearance of large public contracts, has led LEs to turn to smaller construction projects, putting SMEs out of business. In addition, some LEs have switched to environment/energy projects (i.e. wind parks, energy infrastructure, renewable energy sources) or waste management/recycling works. In contrast, SMEs mainly cater for the private market, which collapsed after 2009.

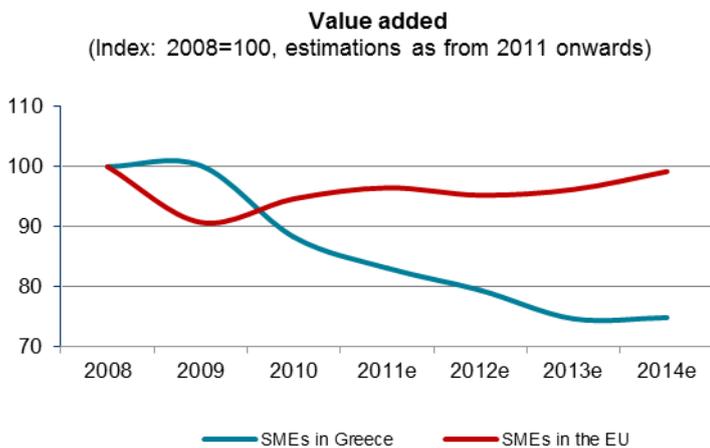
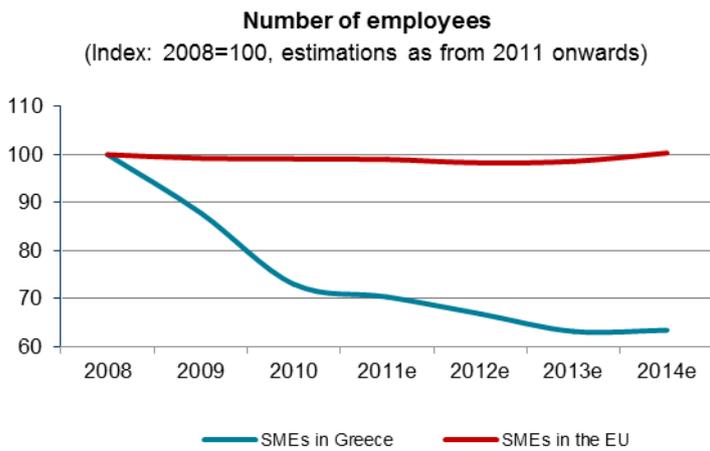
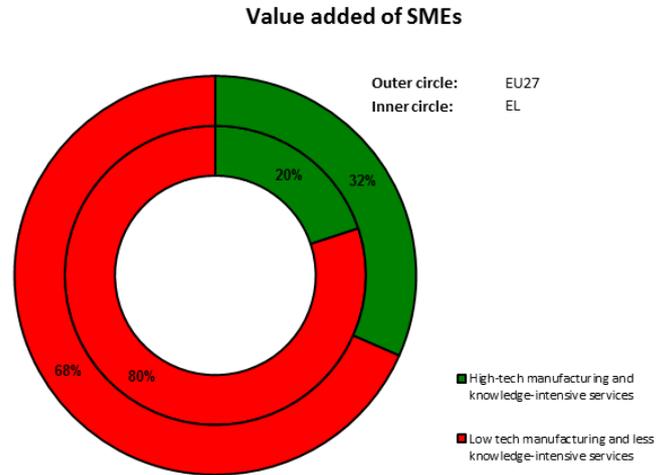
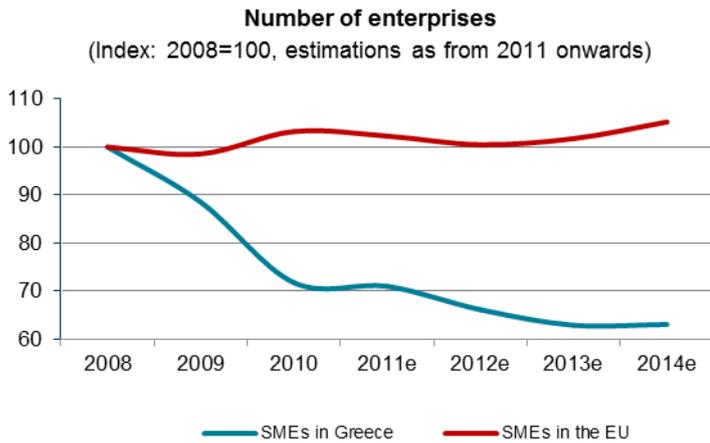
SMEs were also hit hard by the **crisis in the manufacturing sector**. Overall, between 2008 and 2012, the number of employees shrank by about 20% and the value added fell by about 10%. Again, LEs suffered less in 2009-12, both in terms of employment (LEs: -8%; SMEs: -14%) and value-added (LEs: -6%; SMEs: -16%). The negative growth can be partly explained by the austerity measures, especially increased taxes, and other developments such as reduced salaries and pensions. This led to increased financial burdens and tax obligations for businesses, coupled with reduced purchasing power for consumers: challenges which are generally better handled by LEs than SMEs, at least in the short term. Moreover, many tax incentives and/or exemptions that SMEs used to enjoy have been abolished.

More generally (and very relevant for the manufacturing sector), there is a high concentration of business activity in the Athens metropolitan area, which offers agglomeration advantages for SMEs, and particularly micro enterprises, in terms of concentrated final demand, proximity to sources of raw materials, external economies and economies of scale. Additionally, the centralised character of the Greek economy means that over 35% of Greek firms are located in the Greater Athens Metropolitan Area; the Region of Attiki (which includes Athens) generated almost 50% of GDP in 2009. **The concentration of manufacturing activities accentuates regional disparities**, with peripheral regions facing challenges such as dependency on a few economic sectors and isolation from the mainland. Moreover, according to the 2013 Innovation Union Scoreboard, the weak

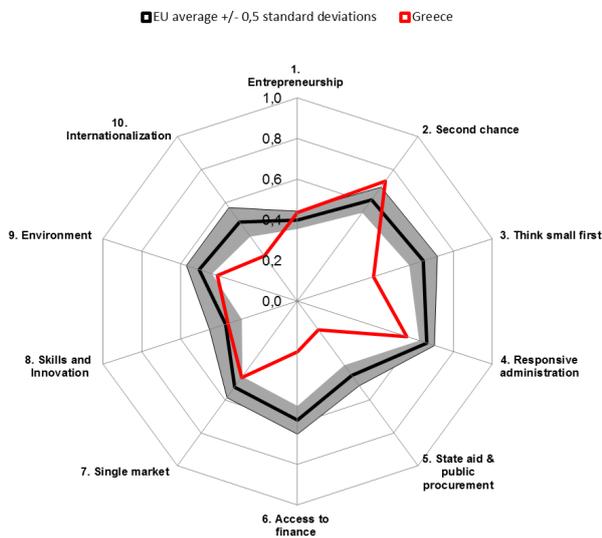
innovation culture of Greek firms is partly responsible for delaying the much-needed investment in technology and knowledge transfer, and this is reflected in the lower-than-EU-average number of SMEs and employees in high-tech manufacturing. These trends have held back the development of the SME manufacturing sector, with investment in knowledge and technology-intensive activities insufficient to trigger much-needed growth in competitiveness. Recently, the economic crisis has resulted in a new form of 'restructuring', with an estimated 1500 to 2000 Greek SMEs in 2011 and 2012 (according to information from the National Confederation of Hellenic Commerce) shifting their activities to neighbouring countries (including Turkey, Cyprus and Romania) in a bid to reduce labour costs and find new markets. At the same time, Greek small and micro enterprises are also moving towards more flexible employment forms vis-à-vis their employees, either by reducing working hours or cutting wages, to mitigate the risk of having to close down.³

Like all companies, SMEs are also confronted by the turmoil and, in some cases, closures affecting financial institutions. Banks' extreme reluctance to lend to Greek firms because of **tight funding constraints** due to the sovereign debt crisis **exacerbates the vicious cycle of economic recession and severely affects Greek SMEs' efforts to remain active**. Hardly any specialised financial support instrument for SMEs has been immune to the current financial situation and, in general, SMEs' access to loans, credits and funding sources is limited.

SME trends in Greece⁴



2. Greece's SBA profile



Overall, Greece's SBA profile is weak, with a few relative strengths (notably in the areas of 'second chance' and 'single market' areas) but also displaying weaknesses.⁵

Over the past year, Greece has implemented ten policy measures, addressing six of the 10 SBA policy areas. The effects of the crisis have led the government to improve 'access to finance' as a policy priority and to provide additional assistance under existing self-employment support programmes as well as to address the needs of investment in business competitiveness for the Greek SME sector.

Much-needed action was taken in the field of 'internationalisation', with the development of a national export strategy, but the most important progress was made in the areas of 'skills & innovation', with the Clusters Programme, ICT4Growth and the announced modernisation of the National Patent Office. The initiative on business clusters is the continuation of a long-term project involving the identification of strong nuclei of business activities with potential for exploiting research results

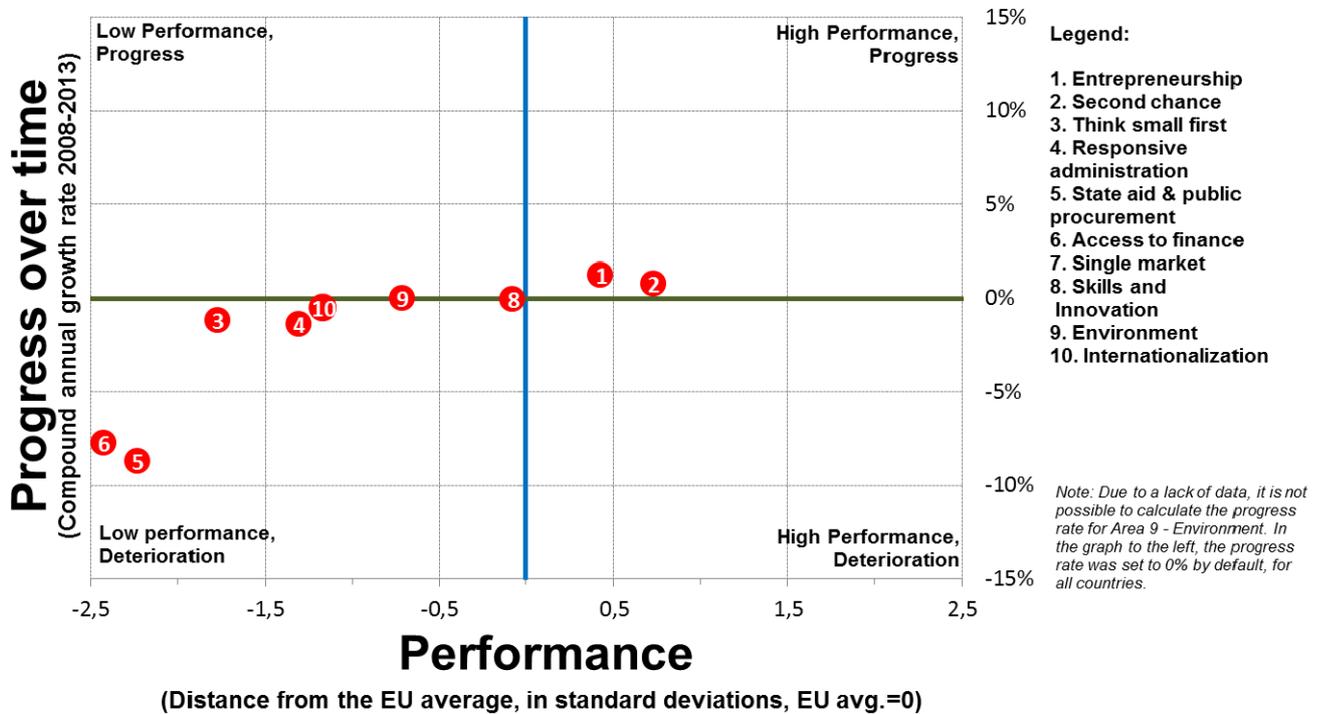
to create innovative products and services. The creation of clusters should be a pilot phase for implementation of a wider-ranging policy. At the same time, SBA performance worsened in a few areas, most notably 'state aid' and 'access to finance'.

In an effort to address these trends as part of an overall strategy for SMEs, the 'Business-friendly Greece' Action Plan, an important initiative to improve the country's SBA performance, was adopted on 11 April 2012 (Law No 4072). This contains several measures to remove barriers to entrepreneurship, including provisions on company law, starting up, establishing and winding up a business, simplified licence procedures, public procurement, taxation and the absorption of EU structural funds.

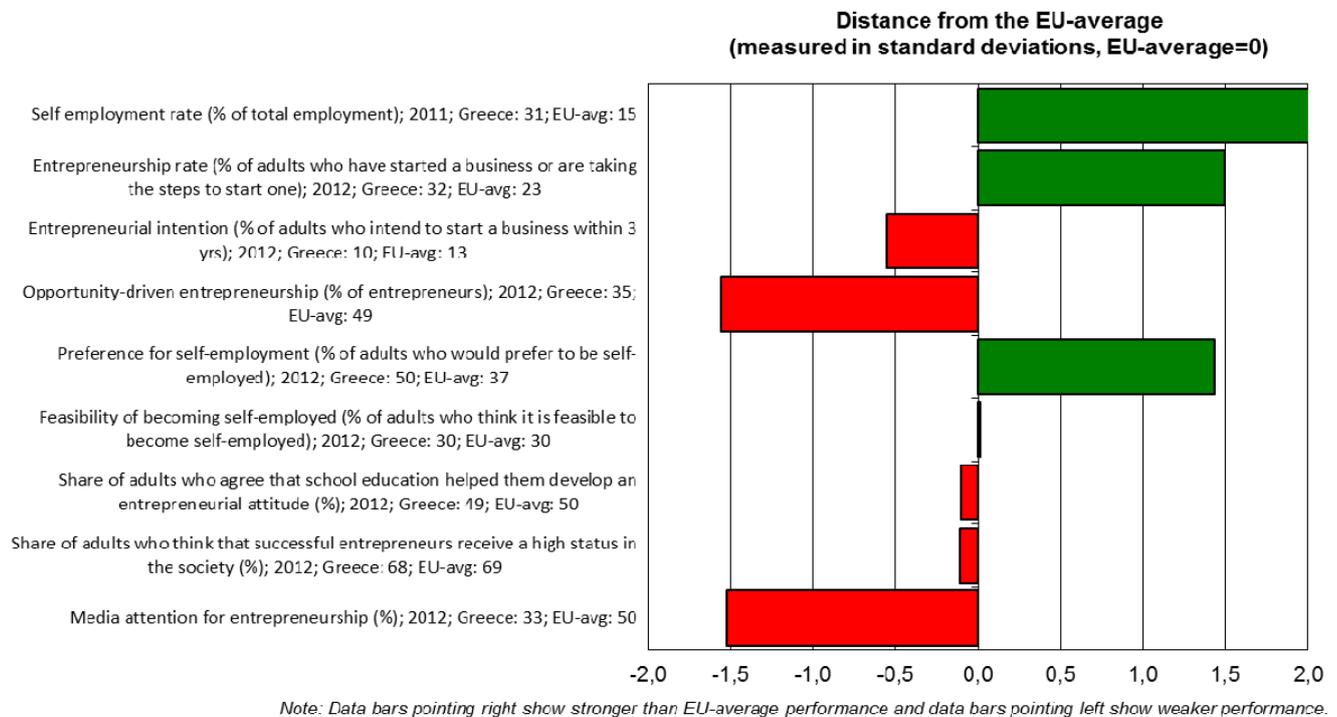
Responsibility for SBA monitoring is still distributed across several agencies and ministries, as the national strategy comprises a variety of measures designed and implemented by several General Secretariats, mainly within the Ministry of Development and Competitiveness and the Ministry of Education.

The SME envoy (the Head of the Directorate for Small and Medium-sized Enterprises) is based in the Industry General Secretariat of the Ministry of Development and Competitiveness. Although the medium- and long-term scope for genuine consultation and policy planning may be limited, due to the economic situation that SMEs are faced with, the national SME envoy does have a clear mandate, based on a ministerial decision specifying his mission and duties.

Greece's SBA performance: status quo and development in 2008-13⁶



I. Entrepreneurship

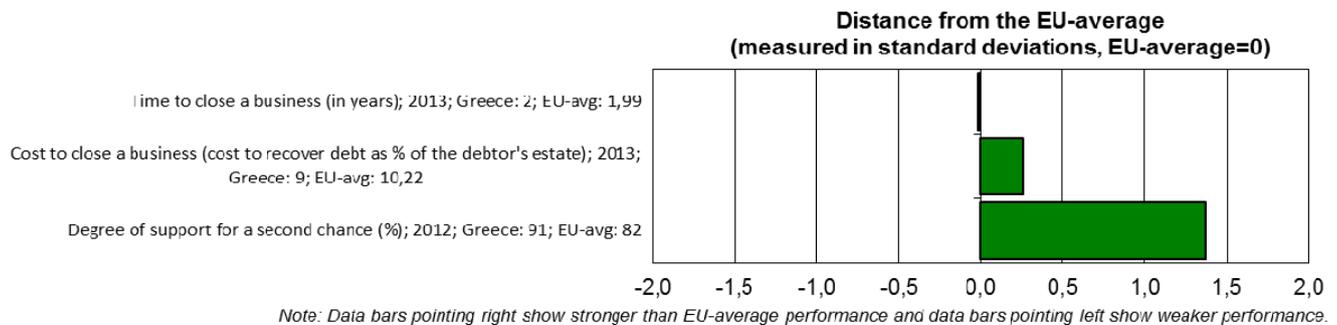


Overall, Greece's performance in this policy area is on a par with the EU average, though there are marked divergences as regards individual indicators. The main indicators of entrepreneurial activity are positive, despite somewhat negative attitudes in the media and society at large. Greeks are much more likely than other EU citizens to be self-employed (double the EU average). A majority stated a positive preference for this status (50% as compared with 37% in the EU as a whole) and a higher-than-EU-average proportion have taken steps to start a business (32% as against 23%). Sometimes, however, self-employment is not the first, but the only, choice, and the pool of would-be entrepreneurs decreased notably, together with the perception that becoming self-employed is feasible. With the marked exception of 'media attention for entrepreneurship', indicators regarding the overall

climate for entrepreneurs do not differ greatly from the EU average.

On the policy front, the Greek government endorsed an action plan to support youth employment and entrepreneurship in January 2013. A budget of €600 million, including €517 million from the European Social Fund and the European Regional Development Fund, has been allocated for its implementation. The plan comprises a set of programmes with employment and entrepreneurship measures targeting 350 000 young people in the 15-24 and 25-35 age groups. It prioritises apprenticeships, traineeships and the transition from education to employment. The Special Management Service of the Regional Operational Programme set up an 'integrated intervention for strengthening female employment through women's entrepreneurship'.

II. Second chance

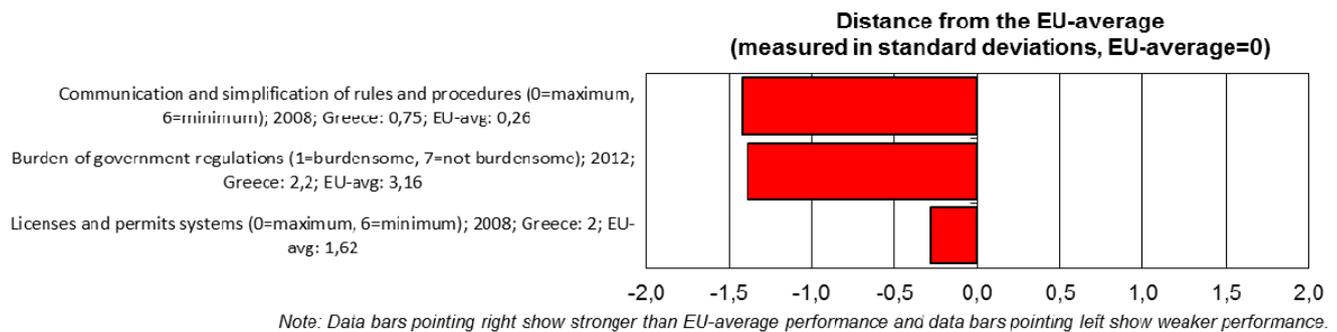


In the area of 'second chance', Greece performs much better than the EU average, particularly thanks to the degree of general support for second-time entrepreneurs. Furthermore, the time and cost involved in closing a business are clearly in line with the EU

average.

No significant new policy initiative was implemented or announced in the reference period covered by this factsheet.

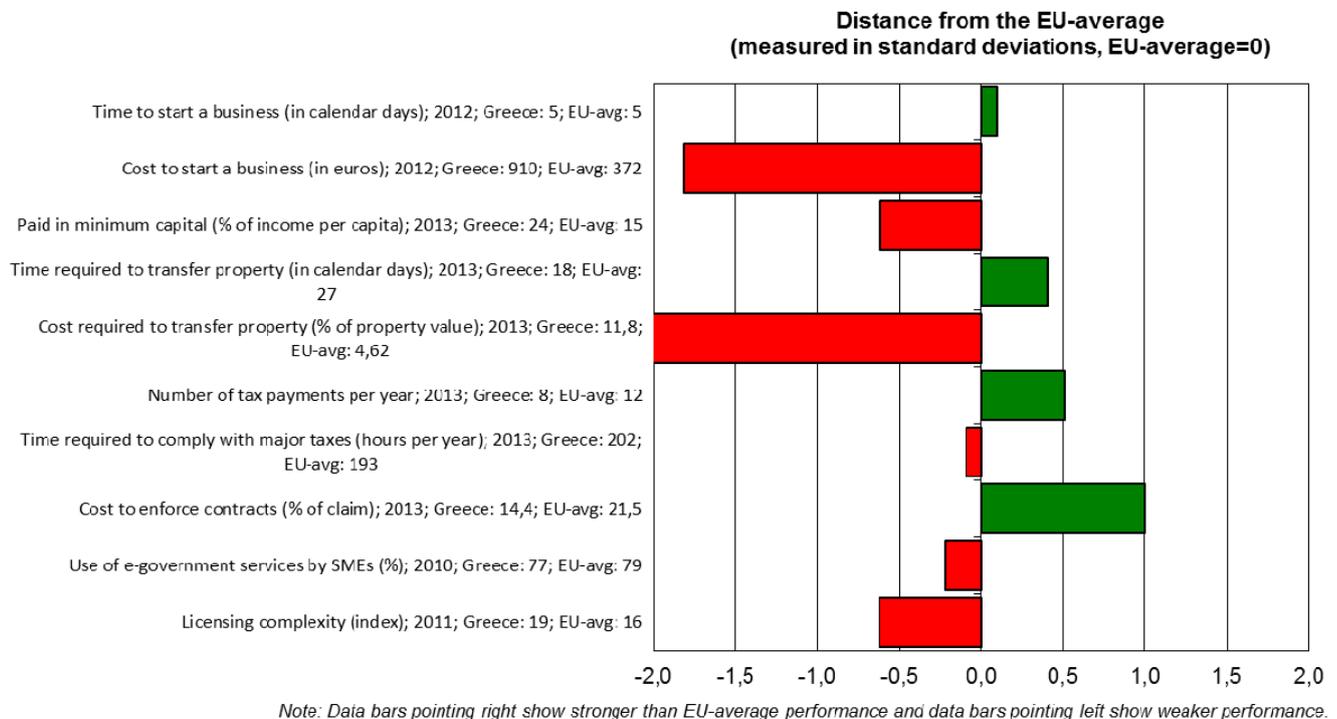
III. Think small first



Greece trails behind the EU average in this policy area, except for licences and permits. The Greek authorities are still perceived by entrepreneurs as imposing more regulatory burdens than their EU peers. On the policy front, the new Law No 4072/2012 provided for a more flexible legal form of private limited company (IKE) with just one member and a minimum capital requirement of only €1 (compared to

the minimum of €4500 for other limited companies). However, actual implementation has been slow, mainly due to the involvement of several ministries (Finance, Justice and Administrative Reform), as well as the regional authorities. This makes it difficult to ensure the necessary coordination, collaboration and synergies for decision-making.

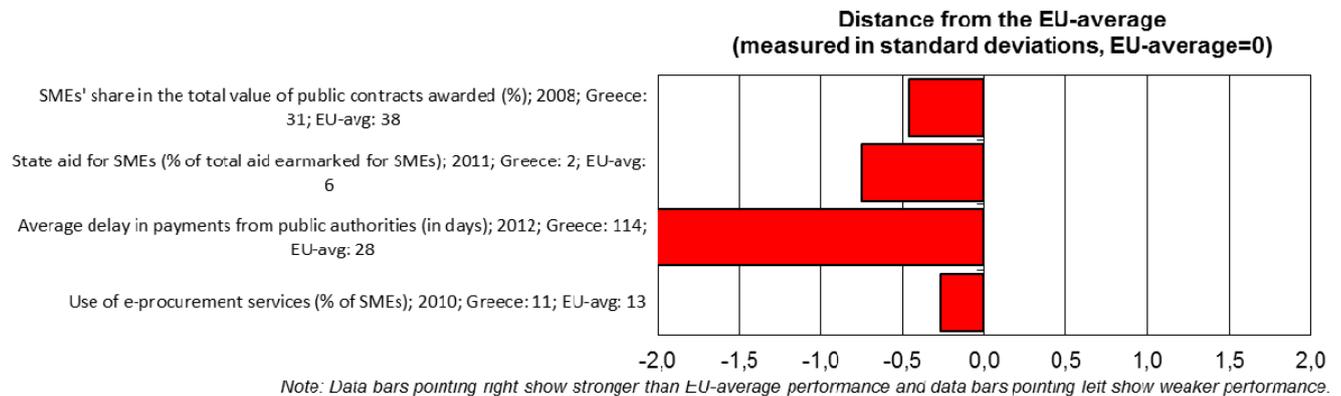
IV. Responsive administration



In this policy area, three indicators drag the Greek performance below the EU average: it is much more costly to transfer property (11.8% of the property value as against 4.6% in the EU) and to start a business (€910 as against €343 in the EU) and the minimum paid-in capital has actually increased since last year. On time considerations alone, however, the picture is not as bleak, as all relevant procedures are much quicker than or in line with the EU average, either to transfer property (18 days as against 27) or to set up a business (5 days). The costs of enforcing contracts also score favourably against the EU average (14.4 % of the claim as against 21.5 % in the EU). On the policy front, the Ministry of Development implemented provisions in Law No 4072/2012 to

simplify licensing arrangements by introducing ICT-based procedures linked to a single database. A number of implementing acts were issued during 2012 in application of Law No 3982/2011, providing an integrated institutional framework for modernising and simplifying licensing procedures for technical professions, manufacturing enterprises and business parks. For technical professions, the number of professionals with the right to provide certain services was increased, whereas the total number of licences was reduced. As regards manufacturing enterprises, there has been a considerable reduction of up to 75 % in the time and cost needed to obtain an operational licence for low nuisance activities.

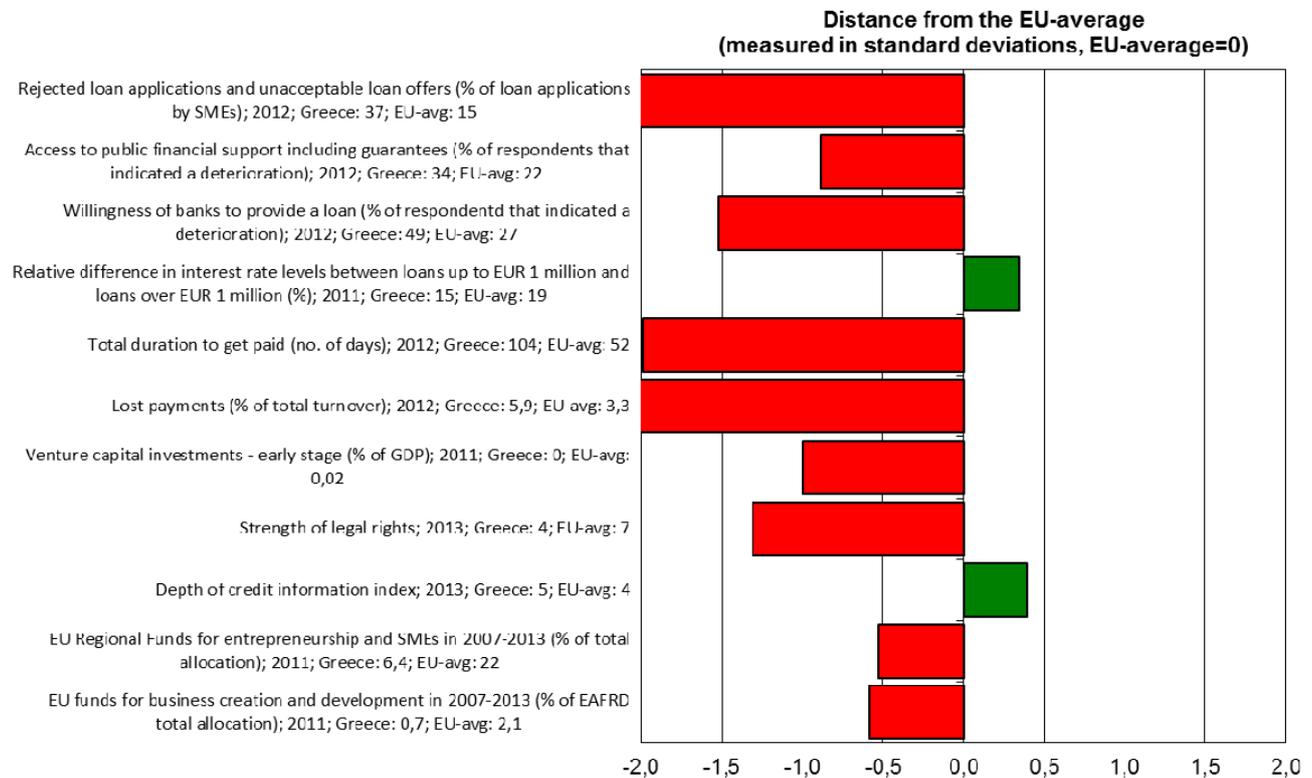
V. State aid & public procurement



Overall, Greece's performance in this policy area is well below the EU average and showing signs of deterioration, especially in the field of state aid for SMEs. Moreover, the time taken by public authorities to make payments increased (2011: 66 days, 2012: 114 days) to four times the EU average. The situation is expected to improve, though, as Greece transposed the Late Payment Directive in May 2013 with

implementation from 16 March 2013. Furthermore, the use of e-procurement services by Greek SMEs is almost in line with the EU average, a positive trend which should be reinforced by the existence (since 2011) of an e-tendering portal and by the implementation of Law No 4155/2013 on the national system for electronic public contracts.

VI. Access to finance



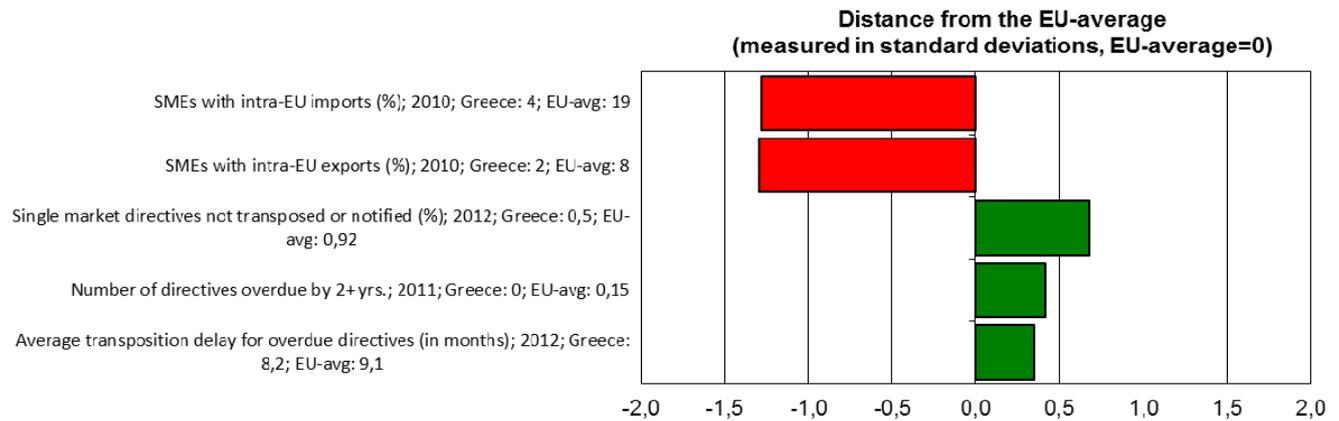
Note: Data bars pointing right show stronger than EU-average performance and data bars pointing left show weaker performance.

Greece's performance in this policy area is well below the EU average and is showing additional signs of deterioration, which is extremely worrying for SMEs. Indicators show that banks are extremely reluctant to lend to Greek firms, mostly because of tight funding constraints due to the sovereign debt crisis; this is exacerbating the vicious cycle of economic recession and severely undermining Greek SMEs' efforts to remain active. Only two indicators score in line with the EU average: the availability of information on credit and the interest-rate differential between small and large loans. Otherwise, Greece is lagging behind the EU average in this SBA policy area, whichever indicator is taken into account. Particularly worrying is the differential from the EU average in terms of banks' willingness to provide loans and the proportion of SME loan applications that are rejected. In addition, the total time it takes to be paid is still double the EU average (104 days as against 52 days), lost payments are almost double the EU average (5.9% as against 3%) and the 'strength of legal rights' is not improving.

Lastly, the take-up of European funds is below the EU average.

On the policy front, a new SME Guarantee Fund established on 21 March 2012 guarantees EIB loans totalling up to €1 billion to SMEs via partner banks in Greece. Also, in 2013, the Special Management Service of the Regional Operational Programme launched a measure to support manufacturing, tourism, trade and services SMEs investing in innovation, the environment and ICTs (see 'good practice' section below). The National Fund for Entrepreneurship and Development (ETEAN SA), a financing institution launched in 2011, is improving SMEs' access to finance, *inter alia* through Business Restart (access to working capital), bank guarantee letters for small, very small and micro-enterprises, and the Fund for Island Entrepreneurship. However, the implementation of the initiative Venture Capital for Innovative Enterprises, announced by the government in 2012, is still pending.

VII. Single market



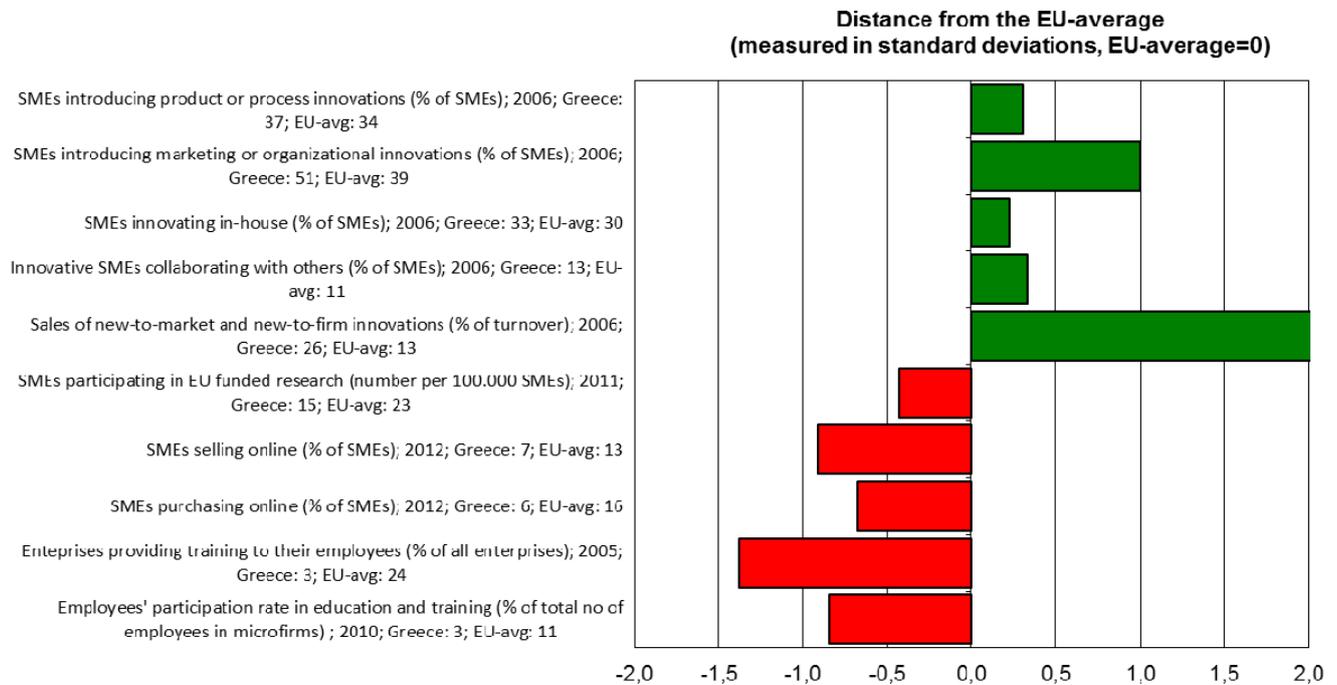
Note: Data bars pointing right show stronger than EU-average performance and data bars pointing left show weaker performance.

In the 'single market' area, Greece performs within the EU average, but with highly divergent indicators. On the one hand, Greek SMEs have difficulties in exploiting the full potential of the single market, as they are four times less likely to export within the EU and almost five times less likely to import from other Member States. This is partly explained by the country's peripheral location, which restricts the scope of SMEs' activity mostly to neighbouring economies which have also been affected by the crisis: Italy (8%

of total exports), Bulgaria (6%), Cyprus (5%) and Romania (4%). On the other hand, Greece is dealing with European legislation in a much more timely and effective way, outperforming the EU average for transposing both general directives and those specific to the single market.

No new significant policy initiative was implemented or announced in the reference period covered by this Fact Sheet.

VIII. Skills & innovation



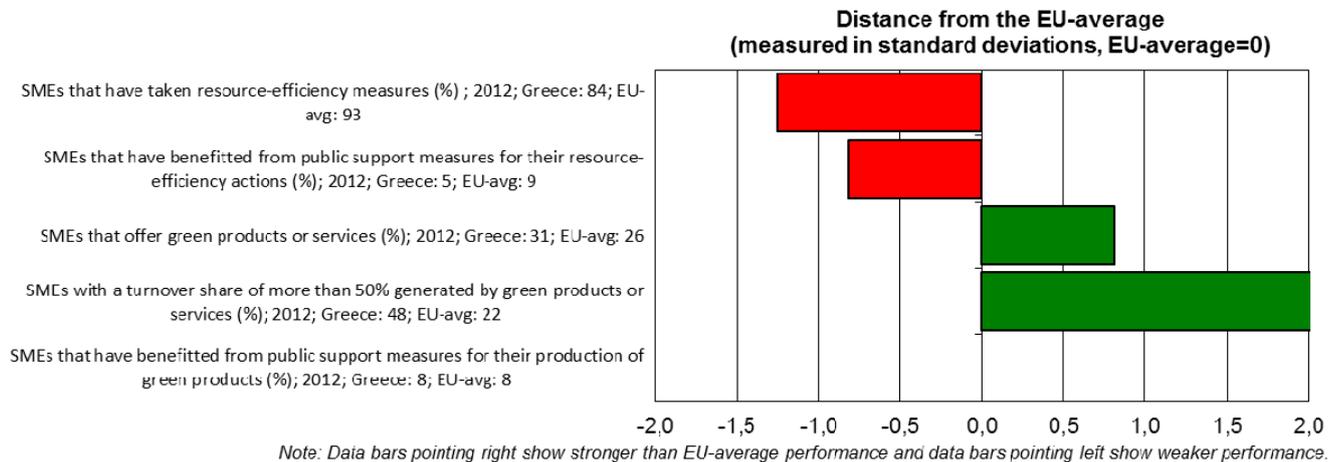
Note: Data bars pointing right show stronger than EU-average performance and data bars pointing left show weaker performance.

Greece's performance in this policy area is in line with the EU average, but with significant variations as regards individual indicators within sub-areas. Concerning skills, Greek SMEs and micro-enterprises are much less likely than their EU peers to provide training to their employees and employees are less likely to participate in education and training. Greek SMEs' readiness to use IT, as measured by online sales and purchases, is also below the EU average. As far as innovation is concerned, the performance of Greek SMEs was decisively better than average across all indicators on the basis of 2006 data, but the 2013 Innovation Union Scoreboard classifies Greece as one of the moderate innovators, with a performance below the EU average. In particular, 2010 data show some deterioration in the capacity of Greek SMEs to convert new-to-market and new-to-

firm innovations into sales.

On the policy front, three new programmes were launched and one further initiative is being considered. The programmes include ICT4GROWTH (announced in the previous SBA review period), the second phase of the Clusters Programme launched in 2011 (pilot scheme for the creation of business clusters) and the second call for proposals for the New Innovative Entrepreneurship Programme (expected in late 2013), under which 439 projects were approved in 2012. In an effort to boost development through R&D, the Government adopted Law No 4110/2013 to further enhance fiscal incentives for enterprises carrying out R&D. Another measure currently under consideration is the reform of the national patenting system with a view to faster, simpler and more harmonised procedures.

IX. Environment

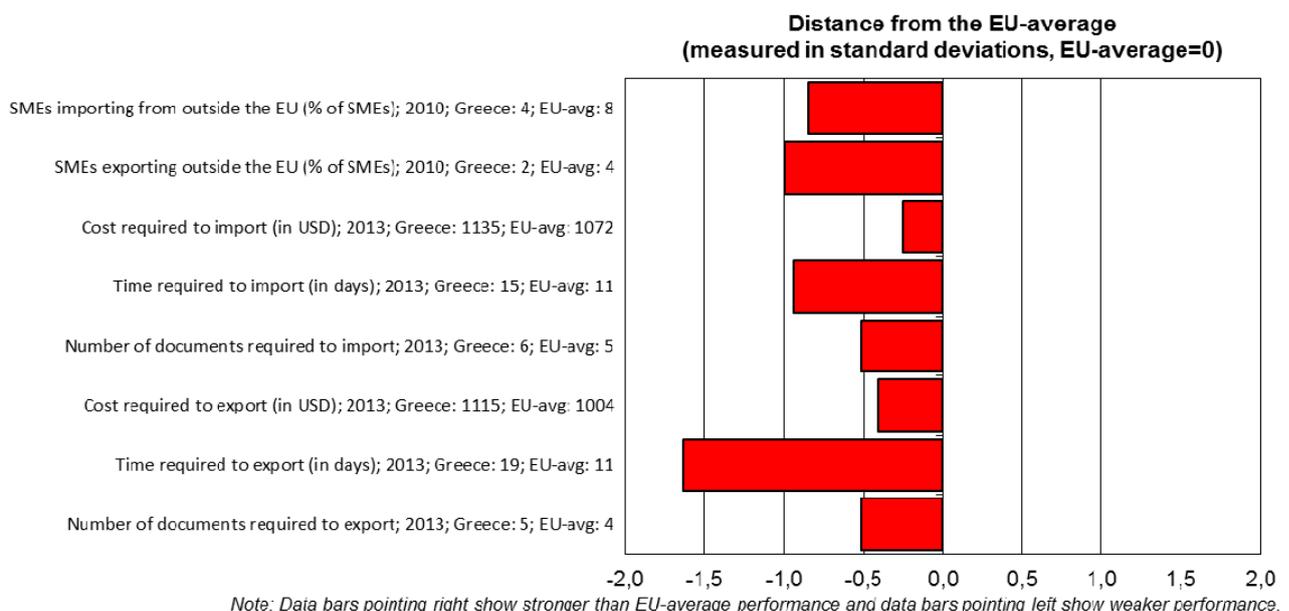


Greece's overall performance in this policy area is slightly below the EU average, with some divergence on individual indicators. On the one hand, Greek SMEs are less likely than their EU peers to take steps to be more environmentally friendly. They also received less public support for this purpose. On the other hand, they enjoy the same level of support for

offering green products and services, but are much more likely to enter and to specialise in 'green' markets.

No new significant policy initiative was implemented or announced in the reference period covered by this Fact Sheet.

X. Internationalisation



Greece's overall performance in this policy area is well below average, mainly because of the time

required for trading outside the European Union. Although improvements have been made, Greek

SMEs still need an average of 15 and 19 days respectively for import and export activities, against an EU average of 11 days for both. On the other hand, costs and bureaucratic formalities do not differ greatly from the EU average. Against this background, Greek SMEs are significantly less likely than their peers (half the EU average) to engage in trading outside the EU. According to latest data from the Bank of Greece, the main export partners are neighbouring countries: Turkey (11% of total exports), Italy (8%), Germany (6%), Bulgaria (6%), and Cyprus (5%), which indicates possible unexploited opportunities further afield, e.g. in the USA (4%). However, the SME-dominated sectors that are leading export activity, such as food production (19% of total exports in 2013), should do more to establish uniform quality standards and trade rules for export markets, exploit competitive advantages and process natural resources such as aluminium ore, which accounted for 4% of total exports in 2013.⁷ On the policy front, a national export strategy was developed, following consultations with the exporters' business community, to help Greek enterprises improve their international

competitiveness. The strategy is based on three pillars: (a) enlarging Greece's export basis, (b) trade and foreign direct investment promotion and (c) trade facilitation. This comprehensive plan has two major goals: to significantly reduce the trade deficit by 2014 and to boost goods exports to 16% of GDP by 2015.

In addition, the Internationalisation — Business Competitiveness Programme entered on its second phase in 2013, with support from Community funds, with the aim of upgrading the Greek economy towards higher value-added products that can withstand international competition. A call for proposals received 1143 projects from SMEs (or larger businesses collaborating with SMEs) for the purchase of equipment and infrastructure, ICTs, promotion activities, patenting and technology transfer, consultancy, quality certification and the creation of prototypes. The initial budget had to be doubled, showing the need for investments in the Greek SME sector as mentioned in the overview section.

A bilateral collaborative partnership between Greek and Chinese businesses was launched in 2012.

3. Good practice

Below is an example of good practice from Greece to show what governments can do to support SMEs:

'Supporting SMEs in Manufacturing, Tourism, Trade and Services' is a programme launched by the Ministry of Development, Competitiveness, Infrastructure, Transport and Networks to help existing and new small enterprises (including micro enterprises) invest in the field of innovation, environment and ICTs. The programme is co-financed by the Regional Operational Programme (ROP).

The Programme's 2013 budget of €456 million will be used to support investment plans in the country's 13 regions, on the basis of the relevant 'priorities' of the ROP.

The aim is to make full use of funding available under Cohesion Policy programmes and the European Agricultural Fund for Rural Development to improve SMEs' access to finance.

The Programme corresponds to SBA. Proposals for the implementation phase were submitted electronically via the State Aid Information System. Investments in the following areas were eligible:

- Buildings, facilities and surrounding environment
- Machinery and equipment
- Means of transport (commercial)
- Environmental and energy-saving equipment and facilities
- Know-how rights
- Certification of quality assurance systems
- Software
- Advertising and promotion
- Consulting services
- Operational expenses for new/start-up enterprises

Reference:
<http://www.start-upgreece.gov.gr/content/new-annex-%CE%B9%CE%B9-nace-programme-supporting-smes-active-manufacturing-tourism-commerce-services>

Important remarks

The Small Business Act (SBA) Fact Sheets are produced by DG Enterprise as part of the SME Performance Review (SPR), which is its main vehicle for economic analysis of SME issues. They combine the latest available statistical and policy information for the 28 EU Member States and nine non-EU countries which also contribute to the EU's Competitiveness and Innovation Framework Programme (CIP). Produced annually, the Fact Sheets help to organise the available information to facilitate SME policy assessments and monitor SBA implementation. They take stock and record progress. They are not an assessment of Member States' policies but should be regarded as an additional source of information designed to improve evidence-based policy-making. For example, the Fact Sheets cite only those policy measures deemed relevant by local SME policy experts. They do not, and cannot, reflect all measures taken by the government over the reference period. More policy information can be found on a database accessible from the SPR website.

Please also see the end notes overleaf.

For more information

SME Performance Review:

http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/performance-review/index_en.htm

Small Business Act:

http://ec.europa.eu/enterprise/policies/sme/small-business-act/index_en.htm

The European Small Business Portal:

http://ec.europa.eu/small-business/index_en.htm

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¹ According to data provided by the National Statistical Authority, Greece's unemployment rate averaged 10% in 1999–2009; it was reported as exceeding 20% in December 2011.

² The SBA Fact Sheets 2013 benefited substantially from input from the European Commission's Joint Research Centre (JRC) in Ispra, Italy. The JRC made major improvements to the methodological approach, statistical work on the dataset and the visual presentation of the data.

³ Small Enterprises' Institute, IME GSEVEE SURVEY, 27 August 2013. This survey was conducted on a sample of 1200 enterprises (0-49 employees) based on multistage random sampling, using quota based on sector and geographical distribution, via telephone interviews based on an electronic questionnaire, carried out by the company marc S.A. for the Small Enterprises' Institute. This survey is part of a repeated series of polls on issues of interest for small enterprises conducted bi-annually, stretching back to February 2010.

⁴ The three graphs below present the trend over time for the variables. They consist of index values for the years since 2008, with the base year 2008 set at a value of 100. As from 2011, the graphs show estimates of the development over time, produced by the London School of Economics on the basis of 2008-10 figures from the Structural Business Statistics Database (Eurostat). The data cover the 'business economy', which includes industry, construction, trade and services (NACE Rev. 1.1 Sections C to I, K). They do not cover enterprises in agriculture, forestry and fisheries or largely non-market service sectors such as education and health. A detailed methodology can be consulted at: http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/performance-review/index_en.htm.

⁵ The policy measures presented in this SBA Fact Sheet represent only a selection of the measures taken by the government in 2012 and the first quarter of 2013. They were selected by the SME policy country expert contracted by CARSA Spain (DG Enterprise's lead contractor for the 2013 Fact Sheets), who was asked to

select those they considered to be the most important, i.e. expected to have the biggest impact in the specific SBA area. The complete list of measures that country experts compiled in producing this year's Fact Sheets will be published on the DG Enterprise website in the form of a policy database alongside the Fact Sheets.

⁶ The quadrant chart combines two sets of information: first, it shows the status quo performance based on data for the latest available years. This information is plotted along the X-axis measured in standard deviations of the simple, non-weighted arithmetical average for EU-27. The vertical corridor marked by the dotted lines defines the EU average. Secondly, it reveals progress over time, i.e. the average annual growth rates for 2007-12. The growth rates are measured against the individual indicators which make up the SBA area averages. Hence, the location of a particular SBA area average in any of the four quadrants provides information not only about where the country is located in this SBA area relative to the rest of the EU at a given point in time, but also about the extent of progress made in 2008-13.

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http://www.nytimes.com/2012/07/08/magazine/what-greece-makes-the-world-might-take.html?pagewanted=all&_r=0