

5 November 2019

HSBC Navigator: 9 out of 10 Greek businesses are expecting growth in the next 5 years

- 65% of Greek companies say they are more optimistic on growth than they were a year ago, the highest of all European countries surveyed
- 81% of firms are positive about their outlook for international trade in the next 2 years, slightly ahead of the rest of Europe
- Greek International traders are much more confident about growth in the next 12 months – 98% of them are upbeat about their prospects compared to 85% of all companies.

After ten years of challenging economic conditions, Greek businesses are optimistic about their future growth potentials and their outlook for international trade according to the latest HSBC ‘Navigator: Now, next and how’ survey of over 9,100 companies in 35 countries and territories, amongst them Greece. But the survey also reveals that businesses seem to adopt a “slow and steady” strategy to stabilise the ship after a turbulent decade.

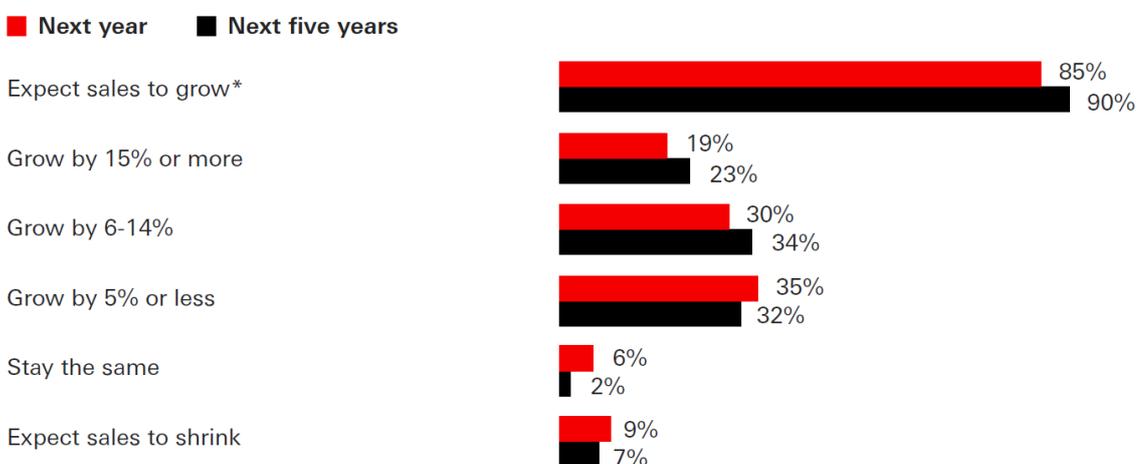
Strong growth expectations

The survey finds that 85% of Greek businesses are projecting growth for their business in the next year and this is ahead of the global and European averages (both 79%). 65% of companies are more optimistic than last year - which is the highest score in Europe. Still, only 19% are “high-growth businesses, projecting growth exceeding 15%, which is lower than the global level of 21%.

Looking forward to the next five years, 90% of Greek companies are projecting growth, ahead of the global and European average (82% and 80%).

But only over a third (35%) of Greek companies are expecting their businesses to change totally or substantially in the next five years, compared to half globally and 41% in Europe.

Expectations for future business growth



*This is the sum of grow by 5% or less, 6-14%, 15% or more

Greek businesses are projecting international growth

81% of Greek firms are positive about their outlook for international trade in the next 2 years, slightly ahead of the rest of Europe (79%). International traders are much more confident about their growth in the next year – 98% of them are upbeat about their prospects compared to 85% of all companies. This is higher than the global (81%) and European (78%) averages. Like their global counterparts, Greek businesses are upbeat about international trade, viewing trade as a force for good over the next five years. They say it will provide new business opportunities (86%), drive innovation (76%) and improve efficiency (69%).

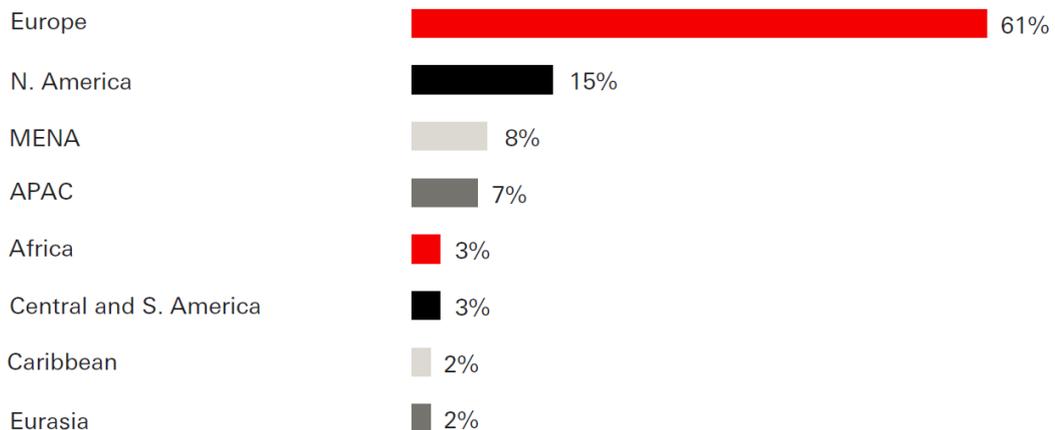
Trading within Europe remains of primary importance

For Greek companies, Europe is and will remain the primary trading partner. While 84% of international firms are trading within the region, only a few have expanded beyond to MENA (10%), North America (8%) and APAC (2%). However, in the next three to five years, Greek businesses see their business in North America growing, with 15% citing it as a top area for growth.

Within Europe, Germany is the main trading partner, mentioned by 34% of companies, followed by Italy (26%) and Cyprus (19%). But, in the future, Greek firms are looking to increase trade with Cyprus (21%), Bulgaria (18%) and France (12%). Germany will remain a top market, but only 15% of businesses are looking to expand there.

Favourable partnership opportunities (68%), proven customer demand (64%) and access to new suppliers/partners in these markets (50%) are cited by Greek business people as the key reasons for trading with Europe. On the flip side, businesses are trading with Greece because they consider their products or services to be superior to current offers in Greece (31%), they want to expand in the Greek market before their competitors (30%) and because of favourable partnership opportunities available in Greece (29%).

Future trading expansion markets in the next three to five years

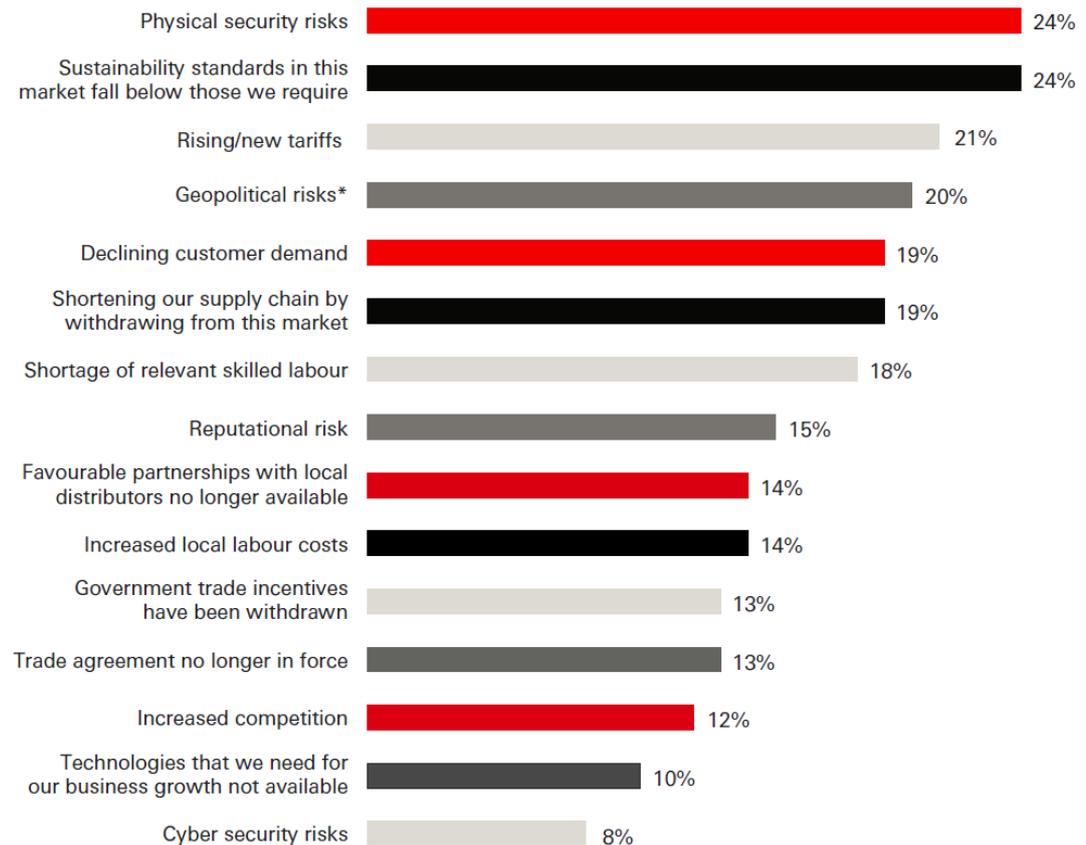


Reasons for market 'unattractiveness'

Less than half (46%) of Greek businesses have stopped or reduced trading relationships with other markets in the past two years and more than a quarter (26%) are intending to do so in the next two years, both proportions are lower than the global averages (55% and 46% respectively).

On the flip side, physical security risks, low sustainability standards (both 24%) and additional tariffs (21%) are the main reasons deterring global firms to do business in Greece.

Reasons why businesses have withdrawn or are considering withdrawing from Greece



Greek businesses reaction to protectionism and geopolitics

65% of companies worldwide feel a strong effect of protectionism, compared to 55% in Europe but 60% in Greece. The impact of geopolitics is felt at a similar level (59%), that again is lower than the global average (64%).

The Navigator study has found that companies by and large feel that the balance of protectionism is in their favour. Over half of Greek firms (53%) believe they gain more than they lose from these policies, slightly fewer than worldwide but slightly more than the rest of Europe.

Recognising the power of sustainability

For Greek businesses the top motivations for implementing sustainability are to grow sales (35%), meet buyers' expectations (26%) and meet regulatory standards (25%).

But businesses here feel slightly less empowered to aid the UN with its Sustainable Development Goals (SDGs). Just 42% of companies think they have a role to play in the SDGs and only 15% believe it's a significant role, versus global figures of 63% and 25% and European averages of 53% and 17%.

Peter Yeates, CEO HSBC Greece said: "The survey findings reveal that after a long period of depression, Greek businesses, especially international traders, are now regaining their confidence for the future. In terms of trade, Europe remains the primary focus for local businesses, which makes sense as the EU is the world's largest trading bloc set in a dynamic market of more than 500 million consumers. HSBC is a truly international bank that serves more than 7,300 multinationals in the region, and we are consequently well positioned to help local companies return to growth by expanding either within Europe or beyond. The survey

highlights Asia Pacific and the North Americas as two other regions of increasing interest to the Greek firms.”

Note to editors:

HSBC Navigator: Now, next and how for business

HSBC's Navigator report comprises a global survey gauging business sentiment and expectations on trade activity and business growth from 9,131 decision-makers in 35 markets. Research was conducted by Kantar for HSBC between August and September 2019. HSBC's Navigator helps businesses capitalise on new opportunities and make informed decisions for the future by understanding the outlook for international trade.

The full report can be accessed here: www.business.hsbc.com/trade-navigator

Interviews for the *Navigator: Now, next and how* survey were conducted in Argentina, Australia, Bangladesh, Belgium, Brazil, Canada, Egypt, France, Germany, Greece, Hong Kong, India, Indonesia, Ireland, Italy, Japan, mainland China, Malaysia, Mexico, the Netherlands, Poland, Russia, Saudi Arabia, Singapore, South Africa, South Korea, Spain, Sweden, Switzerland, Thailand, Turkey, the UAE, the UK, the USA and Vietnam.

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