



HELLENIC REPUBLIC

HELLENIC STATISTICAL AUTHORITY

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PRESS RELEASE

INWARD FOREIGN AFFILIATES STATISTICS – IFATS: Year 2016

The Hellenic Statistical Authority (ELSTAT) announces data on the Structure of Inward Foreign Affiliates Enterprises in Greece, for the year 2016.

Inward Foreign Affiliates Statistics (IFATS) are compiled on the basis of the European Union law (Regulation (EC) 716/2007) with the aim of providing an estimation on the structure and development of the activities of inward foreign affiliates enterprises, that pertain to resident enterprises whose share capital is controlled by more than 50% by non-resident shareholders, their production factors use, their performance and their contribution to the total of the economy of Greece.

Inward Foreign Affiliates Statistics are conducted within the same framework of Structural Business Statistics (SBS) as a subset of them.

In 2016, 2,557 foreign affiliates enterprises were activated in Greece in the sectors of industry, construction, trade and services (excluding personal services). On the basis of data of the survey conducted in 2016, it is observed that the total turnover of foreign affiliates in Greece amounted to 34.0 billion euro. The production value and the gross value added of these enterprises amounted to 19.5 and 7.4 billion euro, respectively (Table 1).

Information

Trade and Services Sector Statistics Division

External Trade Statistics Section

Mrs. Pandi Eleni, Mrs. Koufiadou Soultana

Tel.: +30 213 135 2042, 30 213 135 2391

e-mail: e.pandi@statistics.gr,

s.koufiadou@statistics.gr

According to the survey data, the foreign affiliates in the aforementioned economic activity sectors spent 28.1 billion euro on the purchase of goods and services in the context of their activities during 2016; 15.7 billion of this amount correspond to the purchase of goods and services for resale without processing (Table 1).

In 2016, the number of persons employed in foreign affiliates in Greece amounted to 134.3 thousand persons and the relevant personnel cost amounted to 4.5 billion euro. Moreover, gross investment in tangible goods amounted to 1.6 billion euro (Table 1).

On the basis of survey data, it is observed that the foreign affiliates enterprises whose share capital is controlled by more than 50% by non-resident shareholders compared with the total of enterprises activated in Greece in industry, construction, trade and services (excluding personal services), in 2016 (Table 1, Graph 1), account for:

- 0.3% of the total number of enterprises;
- 15.1% of the total turnover;
- 14.7% of the total production value;
- 16.3% of the total value added at factor cost;
- 15.0% of the total purchases of goods and services;
- 15.9% of the total purchases of goods and services purchased for resale in the same condition as received;
- 15.5% of the total personnel costs;
- 17.7% of the total gross investment in tangible goods;
- 5.7% of the total number of persons employed;

of these economic activity sectors.

Graph 1. Data comparison between the foreign-controlled enterprises and the nationally-controlled enterprises, 2016

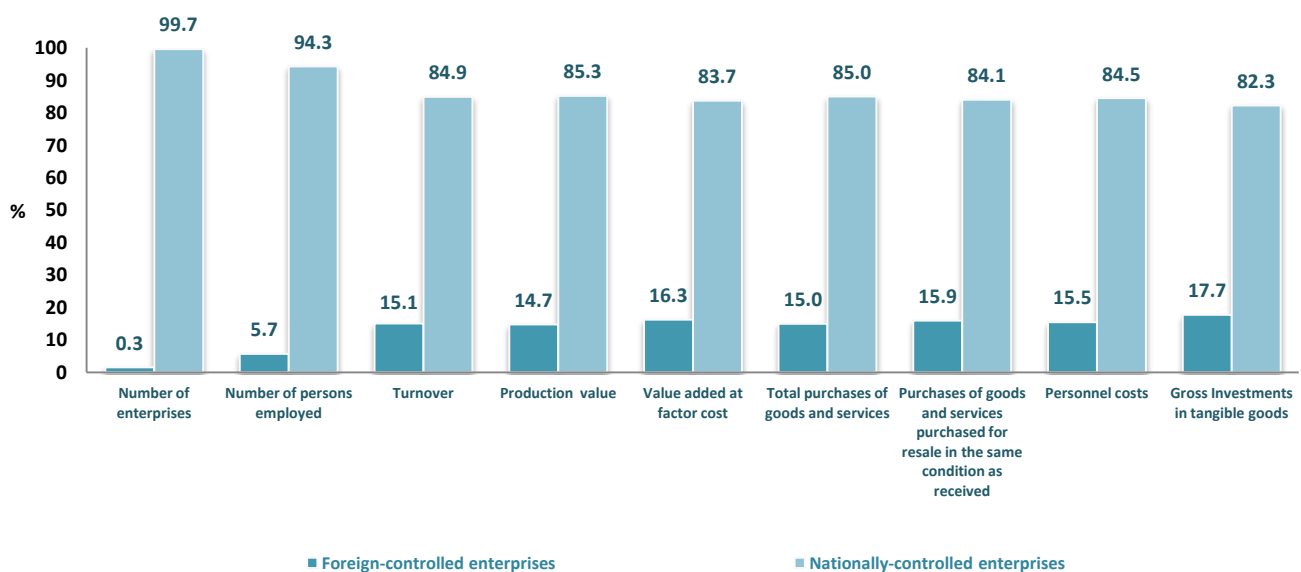


Table 1. Basic economic figures of foreign - controlled enterprises¹ residents in Greece , 2016

Characteristics	All enterprises being residents in Greece, economic activity sections B to N including S95 (excluding K) based on the activity classification NACE Rev.2	of which		Percentage of foreign - controlled enterprises to all enterprises being residents in Greece	Percentage of nationally - controlled enterprises to all enterprises being residents in Greece
		Enterprises residents in Greece controlled by institutional unit established in Greece (nationally - controlled enterprises)	Enterprises residents in Greece controlled by institutional unit not residents in Greece (foreign –controlled enterprises)		
	(1)	(2)	(3)	(3)/(1)%	(2)/(1)%
in units					
Number of enterprises	793,946	791,389	2,557	0.3	99.7
Number of persons employed	2,366,201	2,231,931	134,270	5.7	94.3
in thousand €					
Turnover	225,896,103	191,854,556	34,041,547	15.1	84.9
Production value	132,510,988	112,984,692	19,526,296	14.7	85.3
Value added at factor cost	45,239,972	37,885,865	7,354,107	16.3	83.7
Total purchases of goods and services	187,481,317	159,368,871	28,112,446	15.0	85.0
Purchases of goods and services purchased for resale in the same condition as received	99,000,489	83,251,379	15,749,110	15.9	84.1
Personnel costs	28,962,297	24,476,542	4,485,755	15.5	84.5
Gross Investments in tangible goods	8,762,467	7,212,004	1,550,463	17.7	82.3

¹ Enterprises being residents in Greece over which an institutional unit not resident in Greece has the control, that cover the economic activity sections B, C, D, E, F, G, H, I, J, L, M, N and S95 based on the activity classification NACE Rev.2.

Out of 2,557 foreign affiliates in Greece in 2016, 2,095 enterprises were controlled by EU resident institutional units (81.9%) and 462 were controlled by non-EU resident institutional units (18.1%), (Table 2).

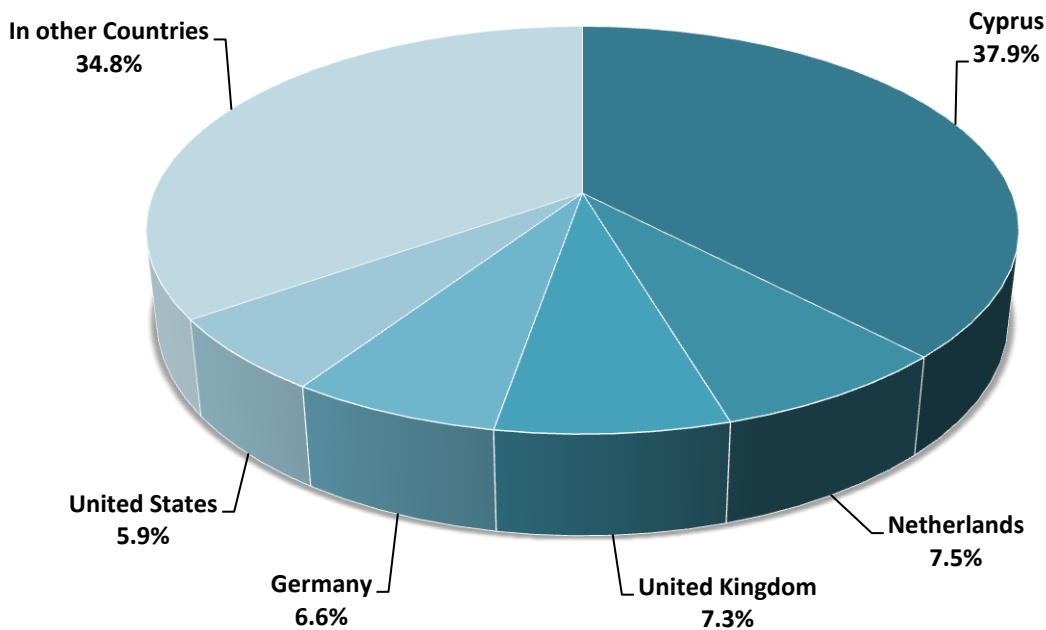
Table 2. Inward Foreign Affiliates enterprises allocated by the residency of the ultimate controlling institutional units, in EU countries and in non-EU countries, 2016²

Characteristics	Enterprises residents in Greece controlled by Institutional unit not residents in Greece	of which		(2)/(1) %	(3)/(1) %
		Enterprises residents in Greece and controlled by Institutional units residents in EU countries	Enterprises residents in Greece and controlled by Institutional units residents in non-EU countries		
	(1)	(2)	(3)		
in units					
Number of enterprises	2,557	2,095	462	81.9%	18.1%
Number of persons employed	134,270	107,099	27,171	79.8%	20.2%
in thousand €					
Turnover	34,041,547	26,232,631	7,808,916	77.1%	22.9%
Production value	19,526,296	15,326,213	4,200,083	78.5%	21.5%
Value added at factor cost	7,354,107	5,487,319	1,866,788	74.6%	25.4%
Total purchases of goods and services	28,112,446	21,944,667	6,167,779	78.1%	21.9%
Purchases of goods and services purchased for resale in the same condition as received	15,749,110	11,954,126	3,794,984	75.9%	24.1%
Personnel costs	4,485,755	3,369,074	1,116,681	75.1%	24.9%
Gross Investments in tangible goods	1,550,463	1,221,842	328,621	78.8%	21.2%

² Enterprises being residents in Greece over which an institutional unit not resident in Greece has the control, that cover the economic activity sections B, C, D, E, F, G, H, I, J, L, M, N and S95 based on the activity classification NACE Rev.2.

The five main countries of residency of the ultimate controlling institutional units are Cyprus with 37.9% (968 enterprises), Netherlands with 7.5% (193 enterprises), United Kingdom with 7.3% (187 enterprises) Germany with 6.6% (169 enterprises), and United States with 5.9% (151 enterprises), (Graph 2).

Graph 2. Geographical breakdown of inward foreign affiliates enterprises, based on the country of residency of the ultimate controlling institutional unit, 2016



From the survey data, it is observed that the foreign affiliates enterprises with ultimate controlling institutional unit resident in Cyprus account for 37.9% of the total foreign affiliates enterprises in Greece and their turnover amounted to 2.6 billion euro, representing 7.6% of the total turnover of all foreign affiliates enterprises in Greece and amounted to 20,206 employees, representing 15.0% of the total of persons employed in foreign affiliates enterprises in Greece.

On the contrary, from the survey data it is observed that the foreign affiliates enterprises with ultimate controlling institutional unit resident in the second country in ranking order i.e. in the Netherlands account for 7.5% of the total foreign affiliates enterprises in Greece and their turnover amounted to 5.6 billion euro, representing 16.5% of the total turnover of all foreign affiliates enterprises in Greece and amounted to 16,696 employees, representing 12.4% of the total of persons employed in foreign affiliates enterprises in Greece (Table 3).

Table 3. Basic economic figures of inward foreign affiliates enterprises³, according to the country of residency of the ultimate controlling institutional unit, top five, 2016

Country of the ultimate controlling institutional unit	Number of enterprises, in units	Turnover, in thousand €	Production value, in thousand €	Value added at factor cost, in thousand €	Total purchases of goods and services, in thousand €	Purchases of goods and services purchased for resale in the same condition as received, in thousand €	Personnel costs, in thousand €	Gross Investments in tangible goods, in thousand €	Number of persons employed, in units
Cyprus	968	2,587,952	2,131,984	863,340	2,097,659	638,008	494,613	177,601	20,206
Netherlands	193	5,631,780	3,862,455	1,203,343	4,511,222	1,836,463	747,410	261,742	16,696
United Kingdom	187	3,028,766	1,297,249	480,153	2,749,112	1,919,598	306,771	83,094	9,505
Germany	169	3,689,266	1,418,513	559,783	3,264,005	2,387,407	392,310	129,425	11,910
United States	151	2,445,469	1,456,639	593,521	1,675,627	796,020	467,194	129,057	10,502
In other Countries	889	16,658,314	9,359,456	3,653,967	13,814,821	8,171,614	2,077,457	769,544	65,451
TOTAL	2,557	34,041,547	19,526,296	7,354,107	28,112,446	15,749,110	4,485,755	1,550,463	134,270

³ Enterprises being residents in Greece over which an institutional unit not resident in Greece has the control, that cover the economic activity sections B, C, D, E, F, G, H, I, J, L, M, N and S95 based on the activity classification NACE Rev.2.

In 2016, were activated 2,557 foreign affiliates in Greece in the sectors of industry, construction, trade and services (excluding personal services). The sector accounting for the biggest number of enterprises is trade with 894 enterprises, representing 35.0% of the total number of foreign affiliates. Real estate activities section counts 293 enterprises, or 11.5% of the total and the section of professional, scientific and technical activities count 282 enterprises, representing 11.0% of the total (Table 4).

As regards the total turnover of foreign affiliates in 2016, the sector of trade accounted for the largest share of turnover with 19.2 billion euro, or 56.3%. It is followed by sectors of manufacturing and information – communication, accounting a turnover of 6.7 billion euro (19.6%) and 2.5 billion euro (7.4%), respectively (Table 4).

Trade is the sector with the biggest gross value added, amounting to 2.9 billion euro or 39.7% of the total, followed by manufacturing with 1.6 billion euro, representing 21.6% of the total gross value added of all the foreign affiliates (Table 4).

As regards the number of persons employed, the trade sector is in the first place, with 53,675 persons, representing 40.0% of the total of persons employed in foreign affiliates in Greece, followed by manufacturing with 23,808 persons or 17.7% (Table 4).

The personnel cost of enterprises in the sector of trade amounted to 1.8 billion euro, or 40.8% of the total personnel cost of all foreign affiliates in Greece while the enterprises in manufacturing spent 0.97 billion euro, representing 21.5% (Table 4).

Table 4. Basic economic figures of inward foreign affiliates enterprises by economic activity section, 2016

SECTION OF ECONOMIC ACTIVITY NACE Rev.2		Number of enterprises		Turnover		Value added at factor cost		Personnel costs		Number of persons employed	
		in units	%	in thousand €	%	in thousand €	%	in thousand €	%	in units	%
Mining and quarrying Electricity, gas, steam and air conditioning Water supply; sewerage, waste management and remediation activities	B+D+E	154	6.0	926,766	2.7	515,918	7.0	92,590	2.1	1,990	1.5
Manufacturing	C	228	8.9	6,664,556	19.6	1,590,330	21.6	965,223	21.5	23,808	17.7
Construction	F	126	4.9	329,822	1.0	22,550	0.3	24,348	0.5	714	0.5
Wholesale and retail trade; repair of motor vehicles and motorcycles	G	894	35.0	19,163,553	56.3	2,920,886	39.7	1,832,172	40.8	53,675	40.0
Transportation and storage	H	117	4.6	1,340,084	3.9	450,109	6.1	214,341	4.8	5,097	3.8
Accommodation and food service activities	I	122	4.8	665,028	2.0	313,356	4.3	215,293	4.8	12,151	9.0
Information and communication	J	215	8.4	2,514,328	7.4	836,355	11.4	454,983	10.1	11,787	8.8
Real estate activities	L	293	11.5	328,979	1.0	78,107	1.1	31,122	0.7	1,335	1.0
Professional, scientific and technical activities	M	282	11.0	930,302	2.7	317,972	4.3	397,379	8.9	9,003	6.7
Administration and support services activities; Repair of computers and personal and household goods	N+S95	126	4.9	1,178,129	3.5	308,524	4.2	258,304	5.8	14,710	11.0
Total		2,557	100.0	34,041,547	100.0	7,354,107	100.0	4,485,755	100.0	134,270	100.0

EXPLANATORY NOTES

Inward Foreign Affiliates Statistics	The purpose of the survey of Inwards Foreign Affiliates Statistics, is the collection, compilation and publication of statistics on the structure, the economic activities and the geographical breakdown of enterprises as referred to in Annexes I, II and III of Regulation (EC) No 716/2007, according to the concept of the ' ultimate controlling institutional unit '. The aim of the compilation of these statistics is the analysis to the structure and activities of all foreign affiliates and their contribution to the total of the economy of Greece.
Reference period	Calendar year.
Legal framework	IFATS refer to the systematic compilation of statistics in accordance with the European legal framework, and in particular with the Regulation (EC) No 716/2007, Regulation (EC) No 747/2008 and Regulation (EC) No 364/2008.
Classification System	According to the European classification of economic activities NACE Revision 2.
Coverage	<p>The IFATS covers the sections B, C, D, E, F, G, H, I, J, L, M, N and division S95 of NACE Rev.2 classification. In particular:</p> <p>Section B: Mining and quarrying; Section C: Manufacturing; Section D: Electricity, gas, steam and air conditioning supply; Section E: Water supply; sewerage, waste management and remediation activities; Section F: Construction; Section G: Wholesale and retail trade; repair of motor vehicles and motorcycles; Section H: Transportation and storage; Section I: Accommodation and food service activities; Section J: Information and communication; Section L: Real estate activities; Section M: Professional, scientific and technical activities; Section N: Administrative and support services activities; Division S95: Repair of computers and personal and household goods.</p>
Population	Resident enterprises whose share capital is controlled by more than 50% by non-resident shareholders and they are recorded on the basis of the institutional unit which is the institutional unit, proceeding up a foreign affiliate's chain of control and is not controlled by another institutional unit (UCI).
Variables	The main variables that are compiled are the following: number of enterprises; turnover; production value; value added at factor cost; total purchases of goods and services; purchases of goods and services purchased for resale in the same condition as received; number of persons employed; personnel costs and gross investment in tangible goods.
Definitions	<p>The Regulation (EC) No,716/2007 of the European Parliament and of the Council of 20th of June 2007 on Community statistics on the structure and activity of foreign affiliates, establishes the following definitions:</p> <ul style="list-style-type: none">- inwards statistics on foreign affiliates mean statistics describing the overall activity of foreign affiliates resident in the compiling country,- foreign affiliate mean an enterprise resident in the compiling country over which an institutional unit not resident in the compiling country has control,

or an enterprise not resident in the compiling country over which an institutional unit resident in the compiling country has control,

- **control** mean the ability to determine the general policy of an enterprise by choosing appropriate directors, if necessary, In this context, enterprise A is deemed to be controlled by an institutional unit B when B controls, whether directly or indirectly, more than half of the shareholders' voting power or more than half of the shares ,
- **foreign control** mean that the controlling institutional unit is resident in a different country from the one where the institutional unit over which it has control is resident,
- **ultimate controlling institutional unit of a foreign affiliate** mean the institutional unit, proceeding up a foreign affiliate's chain of control, which is not controlled by another institutional unit.

The definitions of the characteristics are established by the Commission Regulation (EC) No 250/2009 of 11 March 2009 as implemented by the Regulation (EC) No 295/2008 of the European Parliament and of the Council:

- **Turnover:** turnover comprises the total invoiced by the enterprise during the reference period and corresponds to the sales of goods and services to third parties,
- **Production value:** the production value measures the quantity that is actually produced by the enterprise, based on its sales, including the changes in stocks and the resale of goods and services,
- **Value added at production factor costs:** it is the gross income from operating activities after adjusting for operating subsidies and indirect taxes,
- **Total purchases of goods and services:** they include the value of all goods and services purchased during the accounting period for resale or consumption in the production process, except of the capital goods, the consumption of which is recorded as consumption of fixed capital,
- **Purchases of goods and services purchased for resale in the same condition as received:** purchases for resale are purchases of goods for resale to third parties, without further processing,
- **Gross investments in tangible goods:** investment during the reference period in all tangible goods, New and existing tangible capital goods are included, whether bought from third parties, acquired under a financial lease contract, produced for own use with having a useful life of more than one year,
- **Number of persons employed:** the total number of persons who work in the enterprise, including the working proprietors, partners and unpaid family members, as well as persons who work outside the enterprise who belong to it and are paid by it.

Comparability

Due to the change of the methodology used for the compilation of Inward Foreign Affiliates Statistics for the year 2015, and the revision of data provided for the year 2014 according to the new methodology, the data that are published on the website of ELSTAT for the year 2016, are comparable only with those of the years 2014 and 2015, while they are not comparable with the respective data for the previous years that are published on ELSTAT website.

Methodology

Structural Statistics on Inward Foreign Affiliates include economic data by NACE Rev,2 activities sections, in relation to the country whose the ultimate controlling institutional unit of a foreign affiliate is resident. They cover all the sections of economic activity and more specifically, manufacture, services to enterprises, trade and construction except for agriculture and personal services.

The data source of the country of the ultimate controlling institutional unit derive by:

- ELSTAT's Business Register of the reference year 2016
- questionnaires, that have been completed directly by the enterprises.

Regarding the financial data, the main data source, of Inward Foreign Affiliates Statistics, is Structural Business Statistics (SBS) that are allocated in the respective sections of economic activities.

For the compilation of the Structural Business Statistics for the year 2016, administrative tax and other data were used with main source the tax declaration form "E3", which provides most of the required information on the economic results of enterprises. The method was applied for the first time for the compilation of the Structural Business Statistics for the year 2015, while a relevant revision took place for the data of the year 2014.

The tax data cover only part of the statistical variables that are required, according to the relevant Regulation, to be estimated for Structural Business Statistics. For the estimation of the remaining variables, a survey was conducted on the large enterprises of each sector, which affect the economy of these sectors, in order to estimate the respective figures for the total enterprises population, based on the collected data.

Code of Practice

The European Statistics Code of Practice is based on 15 Principles covering the institutional environment, the statistical production processes and the output of statistics. A set of indicators of good practice for each of the Principles provides a reference for reviewing the implementation of the Code. The quality criteria for European Statistics are defined in the European Statistical Law.

Statistical authorities, comprising the Commission (Eurostat), National Statistical Institutes and other national authorities responsible for the development, production and dissemination of European Statistics, together with governments, ministries and the European Council, commit themselves to adhere to the Code. The Principles of the Code of Practice together with the general quality management principles represent a common quality framework in the European Statistical System. More information regarding the European Statistics Code of Practice can be found at the link «Code of Practice».

References

More information on the Inward Foreign Affiliates Statistics can be found on ELSTAT website www.statistics.gr/en/statistics/ind, at the link «Inward Foreign Affiliates Statistics».