



HELLENIC REPUBLIC
HELLENIC STATISTICAL AUTHORITY

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PRESS RELEASE

INWARD FOREIGN AFFILIATES STATISTICS – IFATS: Year 2015

The Hellenic Statistical Authority (ELSTAT) announces, for the first time with a Press Release, data on the Structure of Inward Foreign Affiliates Enterprises in Greece, for the year 2015.

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. With the aim to improve the quality of the produced statistical output and to reduce the response burden of enterprises, ELSTAT used, for the first time, administrative tax and other data for the compilation of Structural Business Statistics for the year 2015. This action is in line with Principle 4 “Commitment to quality” and 9 “Non-excessive burden on respondents” of the European Statistics Code of Practice, as well as Principle 2 “Mandate for data collection” of the Code, which provides that statistical authorities are allowed by law to use administrative data for statistical purposes.

In 2015, 2,437 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 2015, it is observed that the total turnover of foreign affiliates in Greece amounted to 31.7 billion euro. The production value and the gross value added of these enterprises amounted to 17.4 and 6.5 billion euro, respectively (Table 1).

Information

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According to the survey data, the foreign affiliates in the aforementioned economic activity sectors spent 26.2 billion euro on the purchase of goods and services in the context of their activities during 2015; 15.4 billion of this amount correspond to the purchase of goods and services for resale without processing (Table 1).

In 2015, the number of persons employed in foreign affiliates in Greece amounted to 123.7 thousand persons and the relevant personnel cost amounted to 4.0 billion euro. Moreover, gross investment in tangible goods amounted to 1.0 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 2015 (Table 1, Graph 1), account for:

- 0.3% of the total number of enterprises;
- 13.4% of the total turnover;
- 12.5% of the total production value;
- 13.7% of the total value added at factor cost;
- 13.6% of the total purchases of goods and services;
- 15.6% of the total purchases of goods and services purchased for resale in the same condition as received;
- 15.1% of the total personnel costs;
- 11.7% 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, 2015

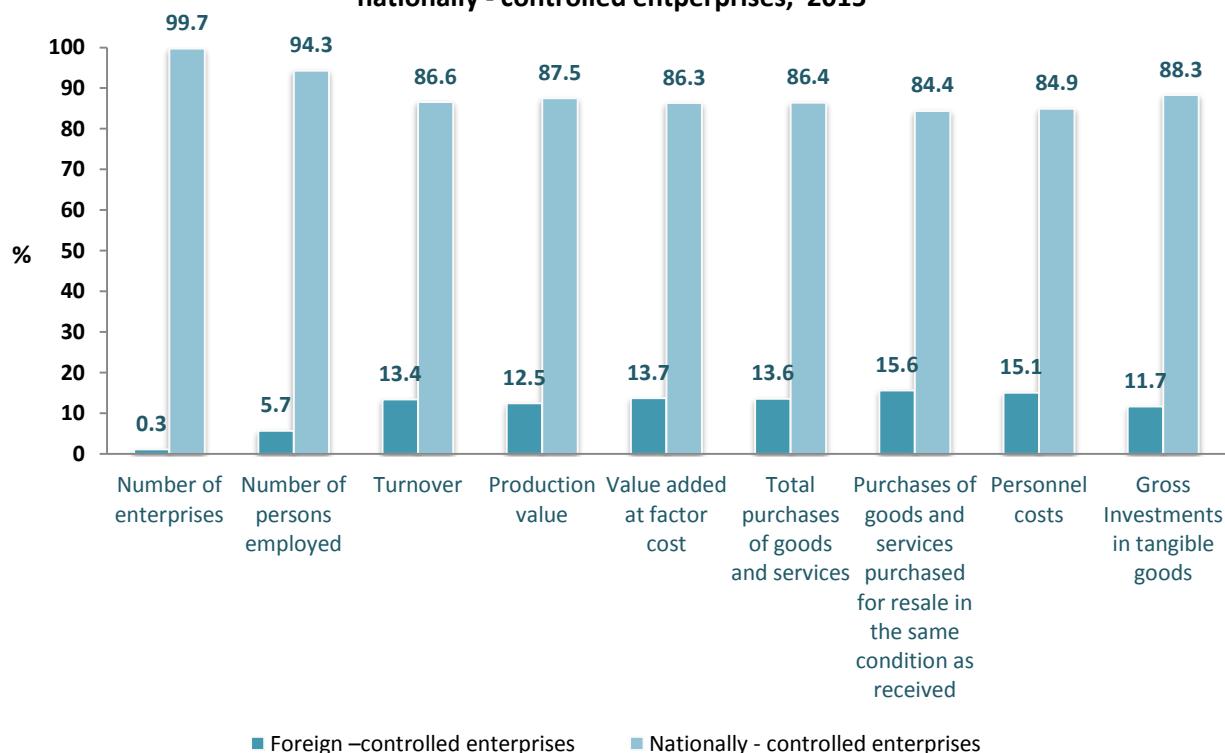


Table 1. Basic economic figures of foreign - controlled enterprises¹ residents in Greece , 2015

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	789,975	787,538	2,437	0.3	99.7
Number of persons employed	2,162,572	2,038,876	123,696	5.7	94.3
in thousand €					
Turnover	236,153,381	204,409,472	31,743,909	13.4	86.6
Production value	139,422,658	122,001,197	17,421,461	12.5	87.5
Value added at factor cost	47,103,709	40,645,648	6,458,061	13.7	86.3
Total purchases of goods and services	193,074,530	166,893,447	26,181,083	13.6	86.4
Purchases of goods and services purchased for resale in the same condition as received	99,189,782	83,751,397	15,438,385	15.6	84.4
Personnel costs	26,612,474	22,581,330	4,031,144	15.1	84.9
Gross Investments in tangible goods	9,219,847	8,141,869	1,077,978	11.7	88.3

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 2,437 foreign affiliates in Greece in 2015, 2,011 enterprises were controlled by EU resident institutional units (82.5%) and 426 were controlled by non-EU resident institutional units (17.5%), (Table 2).

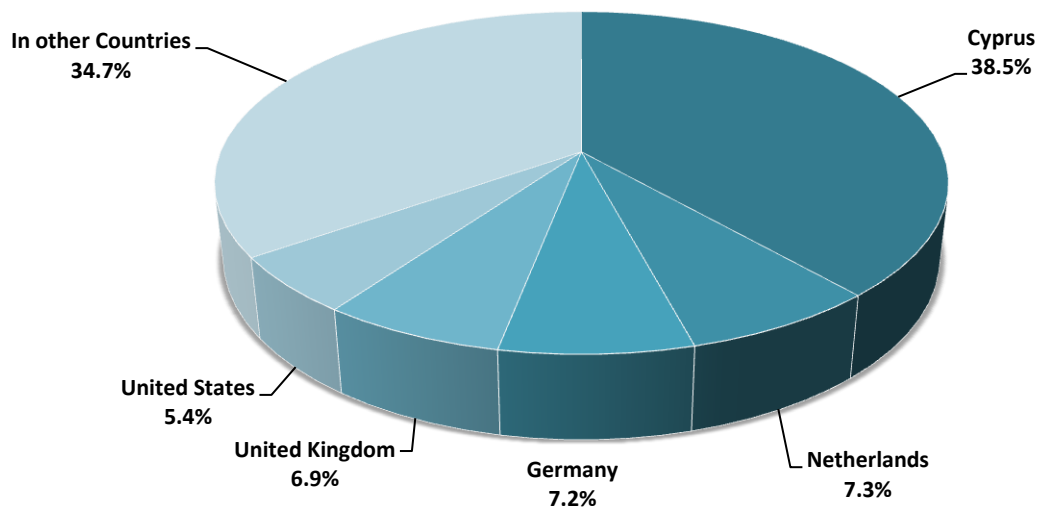
Table 2. Inward Foreign Affiliates enterprises allocated by the residency of the ultimate controlling institutional units, in EU countries and in non-EU countries, 2015²

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	2,437	2,011	426	82.5%	17.5%
Number of persons employed	123,696	101,230	22,466	81.8%	18.2%
in thousand €					
Turnover	31,743,909	25,535,230	6,208,679	80.4%	19.6%
Production value	17,421,461	13,968,053	3,453,408	80.2%	19.8%
Value added at factor cost	6,458,061	5,165,046	1,293,015	80.0%	20.0%
Total purchases of goods and services	26,181,083	20,910,776	5,270,307	79.9%	20.1%
Purchases of goods and services purchased for resale in the same condition as received	15,438,385	12,408,022	3,030,363	80.4%	19.6%
Personnel costs	4,031,144	3,124,854	906,290	77.5%	22.5%
Gross Investments in tangible goods	1,077,978	887,891	190,087	82.4%	17.6%

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 38.5% (938 enterprises), Netherlands with 7.3% (179 enterprises), Germany with 7.2% (176 enterprises), United Kingdom with 6.9% (167 enterprises) and United States with 5.4% (131 enterprises), (Graph 2).

Graph 2. Geographical breakdown of inward foreign affiliates enterprises, based on the country of residency of the ultimate controlling institutional unit, 2015



From the survey data, it is observed that the foreign affiliates enterprises with ultimate controlling institutional unit resident in Cyprus account for 38.5% of the total foreign affiliates enterprises in Greece and their turnover amounted to 2.5 billion euro, representing 7.8% of the total turnover of all foreign affiliates enterprises in Greece and amounted to 16,653 employees, representing 13.5% 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 7.3% of the total foreign affiliates enterprises in Greece and their turnover amounted to 4.8 billion euro, representing 15.2% of the total turnover of all foreign affiliates enterprises in Greece and amounted to 14,555 employees, representing 11.9% 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, 2015

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	938	2,470,501	1,760,757	616,955	1,906,721	748,258	396,036	166,103	16,653
Netherlands	179	4,824,173	3,205,406	1,061,889	3,876,199	2,187,309	621,710	263,458	14,666
Germany	176	3,758,633	1,622,486	625,510	3,143,341	2,098,519	418,744	92,871	13,298
United Kingdom	167	3,443,892	1,281,787	594,550	2,889,415	2,182,394	347,255	75,336	10,122
United States	131	2,106,753	1,391,553	585,288	1,653,029	774,065	383,622	46,479	8,285
In other Countries	846	15,139,957	8,159,472	2,973,869	12,712,378	7,447,840	1,863,777	433,731	60,672
TOTAL	2,437	31,743,909	17,421,461	6,458,061	26,181,083	15,438,385	4,031,144	1,077,978	123,696

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 2015, were activated 2,437 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 837 enterprises, representing 34.3% of the total number of foreign affiliates. Real estate activities section counts 313 enterprises, or 12.8% of the total and the section of professional, scientific and technical activities count 270 enterprises, representing 11.1% of the total (Table 4).

As regards the total turnover of foreign affiliates in 2015, the sector of trade accounted for the largest share of turnover with 18.2 billion euro, or 57.3%. It is followed by sectors of manufacturing and information – communication, accounting a turnover of 6.7 billion euro (21.1%) and 2.3 billion euro (7.3%), respectively (Table 4).

Trade is the sector with the biggest gross value added, amounting to 2,5 billion euro or 38.1% of the total, followed by manufacturing with 1,7 billion euro, representing 26.5% 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 52,856 persons, representing 42.7% of the total of persons employed in foreign affiliates in Greece, followed by manufacturing with 24,276 persons or 19.6% (Table 4).

The personnel cost of enterprises in the sector of trade amounted to 1,7 billion euro, or 42.5% of the total personnel cost of all foreign affiliates in Greece while the enterprises in manufacturing spent 0,94 billion euro, representing 23.2% (Table 4).

Table 4. Basic economic figures of inward foreign affiliates enterprises by economic activity section, 2015

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	167	6.9	628,250	2.0	199,691	3.1	86,788	2.2	1,935	1.6
Manufacturing	C	209	8.6	6,683,291	21.1	1,712,498	26.5	936,737	23.2	24,276	19.6
Construction	F	125	5.1	213,934	0.7	20,250	0.3	24,431	0.6	857	0.7
Wholesale and retail trade; repair of motor vehicles and motorcycles	G	837	34.3	18,175,532	57.3	2,463,747	38.1	1,714,471	42.5	52,865	42.7
Transportation and storage	H	106	4.3	1,292,730	4.1	374,925	5.8	151,249	3.8	4,086	3.3
Accommodation and food service activities	I	116	4.8	547,440	1.7	257,690	4.0	173,214	4.3	9,500	7.7
Information and communication	J	185	7.6	2,309,634	7.3	715,028	11.1	385,775	9.6	9,927	8.0
Real estate activities	L	313	12.8	210,736	0.7	35,238	0.5	37,036	0.9	1,654	1.3
Professional, scientific and technical activities	M	270	11.1	807,254	2.5	365,866	5.7	309,315	7.7	7,115	5.8
Administration and support services activities	N	105	4.3	833,167	2.6	302,350	4.7	201,952	5.0	11,321	9.2
Repair of computers and personal and household goods	S95	4	0.2	41,941	0.1	10,778	0.2	10,176	0.3	160	0.1
Total		2,437	100.0	31,743,909	100.0	6,458,061	100.0	4,031,144	100.0	123,696	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	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: 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.
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	The Regulation (EC) No,716/2007 of the European Parliament and of the Council of 20 th of June 2007 on Community statistics on the structure and activity of foreign affiliates, establishes the following definitions: <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, the respective data that are published on the website of ELSTAT and refer to previous years are not comparable with those of the year 2015.

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 2015.
- 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 2015, administrative tax and other data were used for the first time, with main source the tax declaration form "E3", which provides most of the required information on the economic results of enterprises.

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».