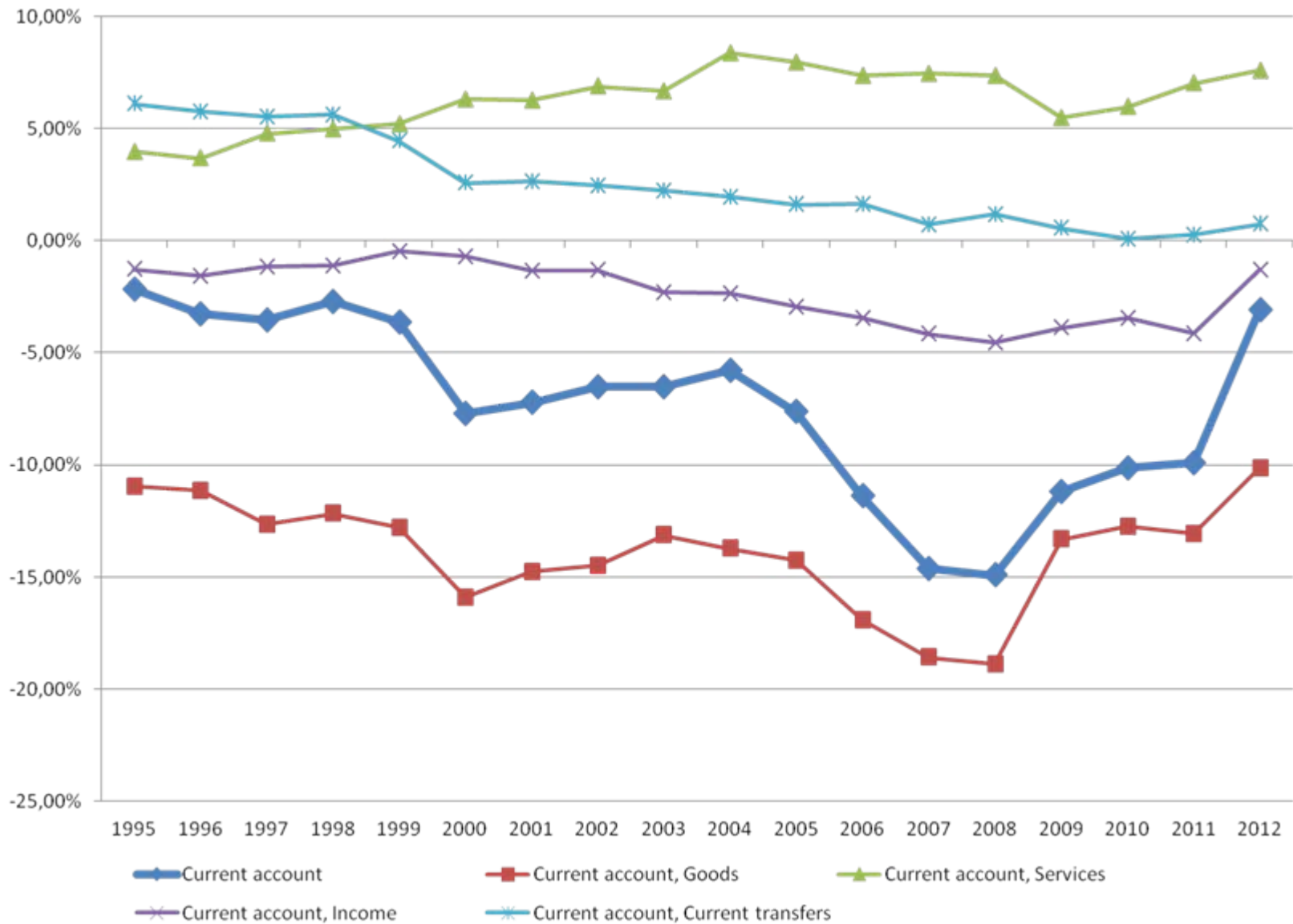


Discussion with Daniel Gros and Gikas Hardouvelis

Aristos Doxiadis

GREECE: current account components, % GDP



GEO/INDIC_NA	Exports of goods and services	Imports of goods and services	Trade G&S
Belgium	84.9	84.1	169.0
Ireland	84.0	74.8	158.8
Netherlands	76.3	68.0	144.3
Bulgaria	58.2	78.7	136.9
Czech Republic	64.4	62.1	126.5
Austria	59.3	53.5	112.8
Denmark	54.7	51.6	106.3
Sweden	53.5	46.8	100.3
Finland	46.8	43.1	89.9
Poland	39.9	43.9	83.8
Portugal	32.4	42.5	74.9
Romania	30.4	43.5	73.9
Greece	24.1	38.6	62.7
Spain	26.5	32.3	58.8
Italy	28.5	29.3	57.8
France	26.9	29.1	56.0

Percent of GDP, 2008 (Eurostat)

GEO/INDIC_NA	Exports of goods	Imports of goods	Trade goods
Belgium	66.9	68.4	135.3
Netherlands	61.0	53.7	114.7
Bulgaria	42.9	67.2	110.1
Czech Republic	54.8	54.2	109.0
Austria	42.9	43.2	86.1
Ireland	45.3	32.0	77.3
Sweden	38.0	34.3	72.3
Poland	33.2	38.1	71.3
Finland	35.5	31.8	67.3
Denmark	33.3	33.0	66.3
Romania	24.1	37.7	61.8
Portugal	23.8	36.8	60.6
Italy	23.4	23.6	47.0
France	21.3	24.0	45.3
Spain	17.6	25.5	43.1
Greece	10.7	31.6	42.3

Percent of GDP, 2008 (Eurostat)

Self-employment * as % of civilian employment, 2007

Top five
OECD
countries

Turkey	39.0
GREECE	35.1
Mexico	33.9
Korea	31.3
Italy	25.7
OECD - Total	15.8
France	9.0
Denmark	8.8
Norway	7.8
United States	7.0
Luxembourg	5.9

Bottom
five OECD
countries

*Including employers and unpaid family members

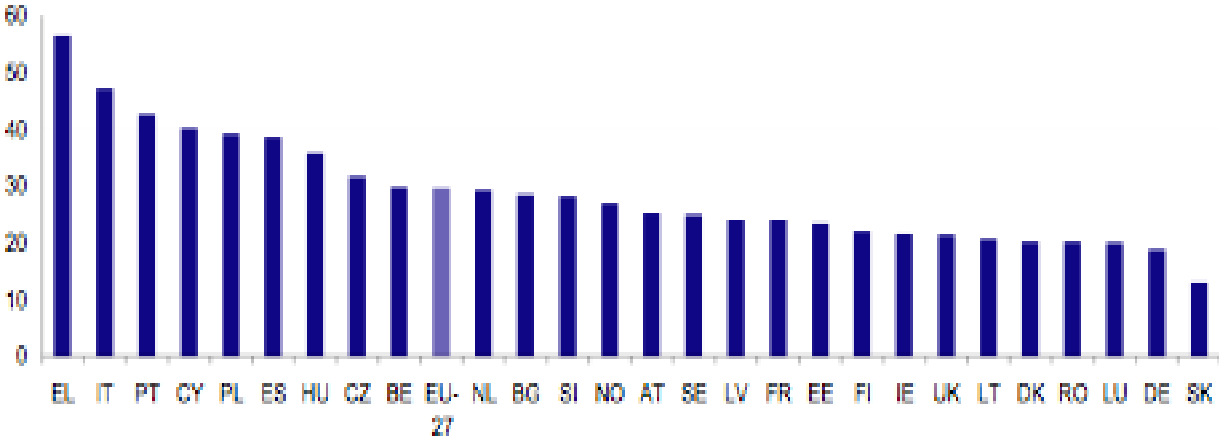
Self-employment distorts macro figures

Share of wages in GDP (2007)

	Germany	Greece
Compensation of Employees	48.5%	35.2%
Gr. Operating Surplus & Mixed Income	40.0%	53.3%
Taxes on production & imports	11.5%	11.5%

Greece had the highest % of employed in units of under 10 people among the 27 EU countries

Figure 4: Micro enterprises – share of non-financial business economy employment, 2005 (%) ⁽¹⁾



Source: Eurostat, Statistics in Focus, 31/2008

NON-TRADABLE

BIG
>250

Government
Utilities
Banks
Telecoms
Media
Retail

22.5%

TRADABLE

Manufacturing
Airlines
Shipping
Tourism

2.6%
(6.5%)

SME
<250

Media
Retail
Shops
Lawyers
Hairdressers

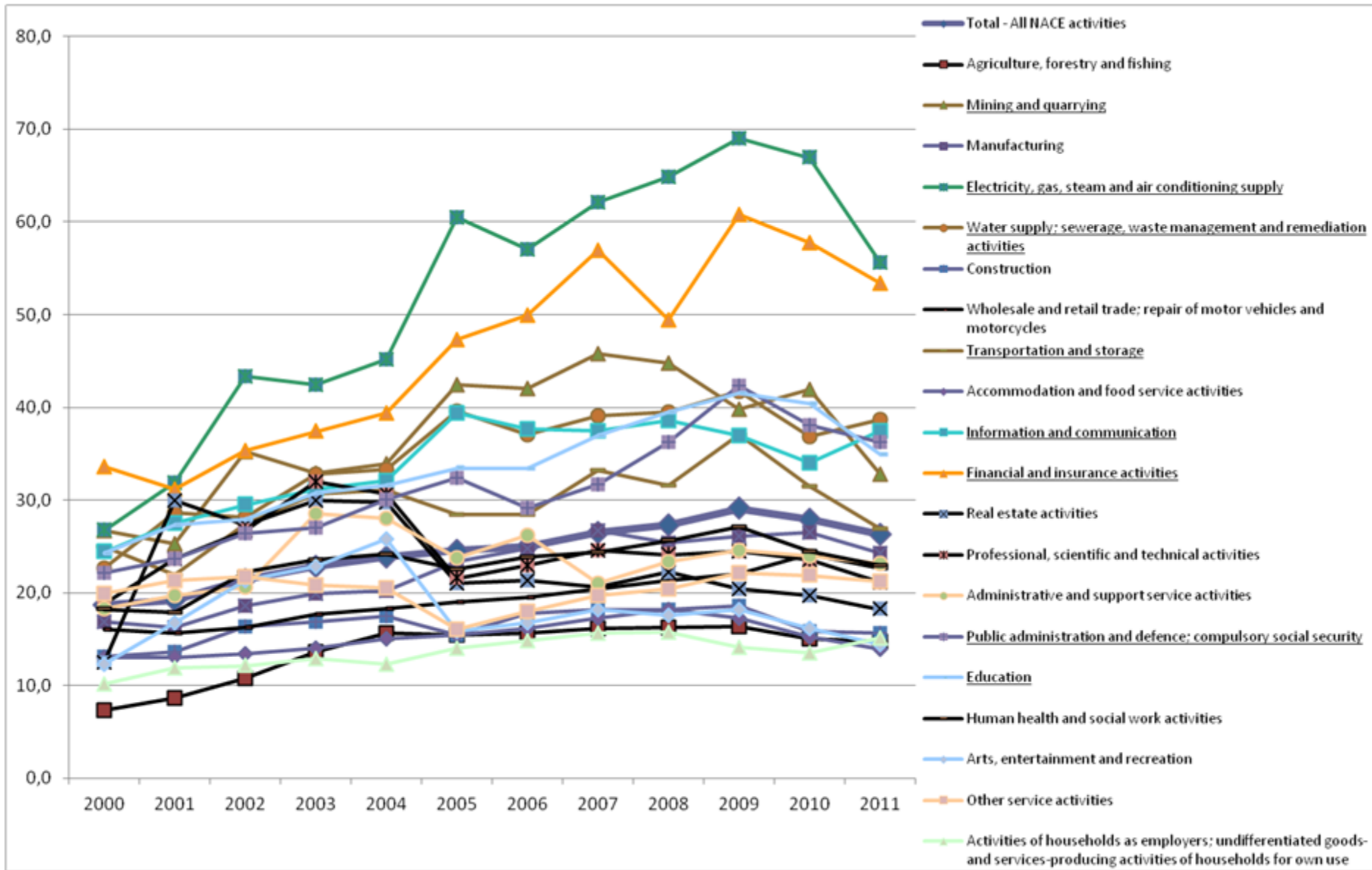
52.2%

Tourism
Small manufacture
Agriculture
Workshops
Digital Applications

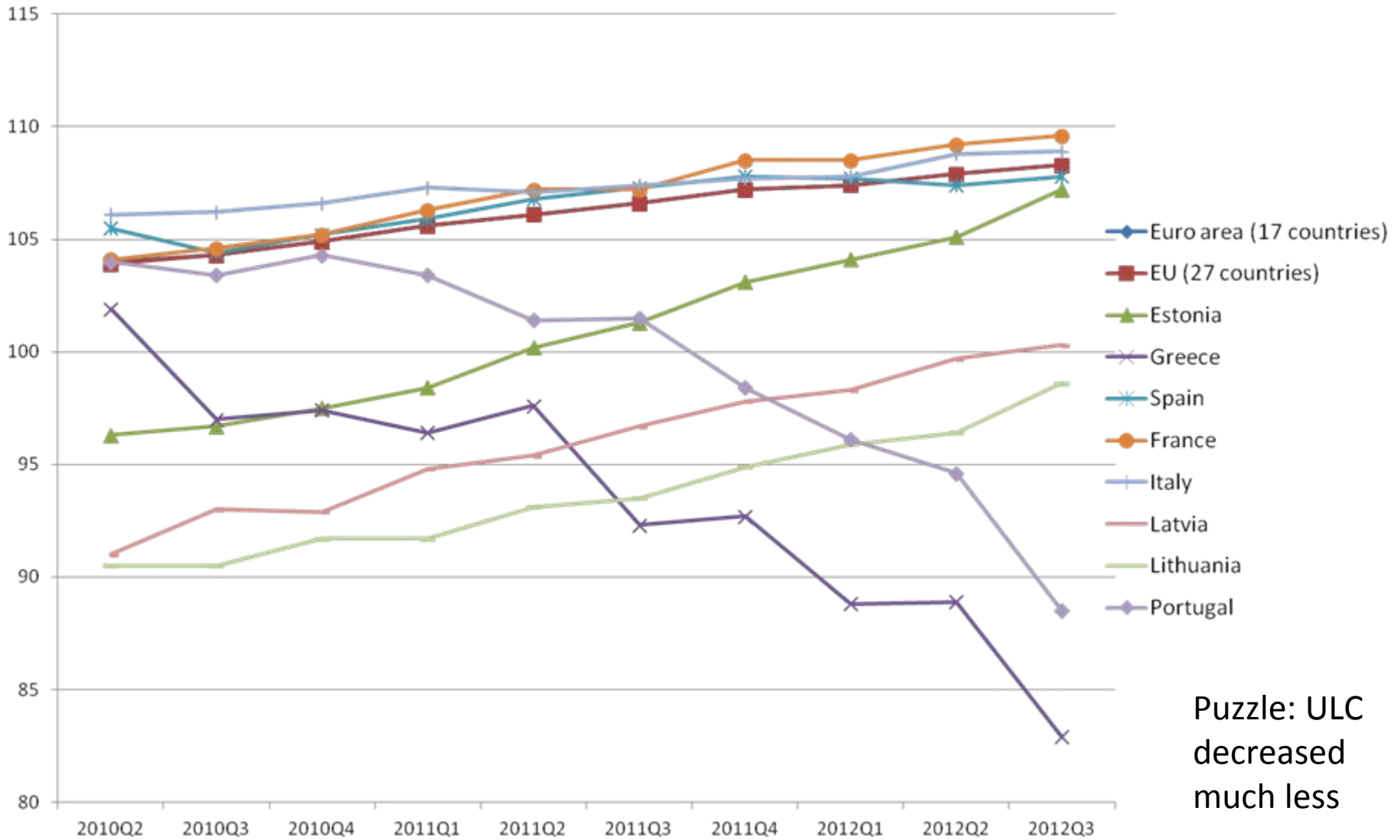
22.7%

Share in total employment, 2007

Annual compensation per full time equivalent employee



Labor cost index, hourly basis (2008=100) (Eurostat)



Puzzle: ULC
decreased
much less

What constrains growth?

	New business	Step growth	Expansion
Intersectoral Incentives	Yes	No	No
Institutional barriers	Yes	Yes	Not much
Discovery costs	Yes	Yes	No
Factor costs and taxes	n.a.	Yes	Yes