ΣΒΕ ΣΥΝΔΕΣΜΟΣ ΒΙΟΜΗΧΑΝΙΩΝ ΕΛΛΑΔΟΣ 1915

SVE FEDERATION OF INDUSTRIES OF GREECE 1915

Financing the Greek Manufacturing Sector

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General Assembly of the Federation of Industries of Greece

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Financing the Greek Manufacturing Sector

I. The importance of the manufacturing sector in Greece

II. Bank lending to the manufacturing sector

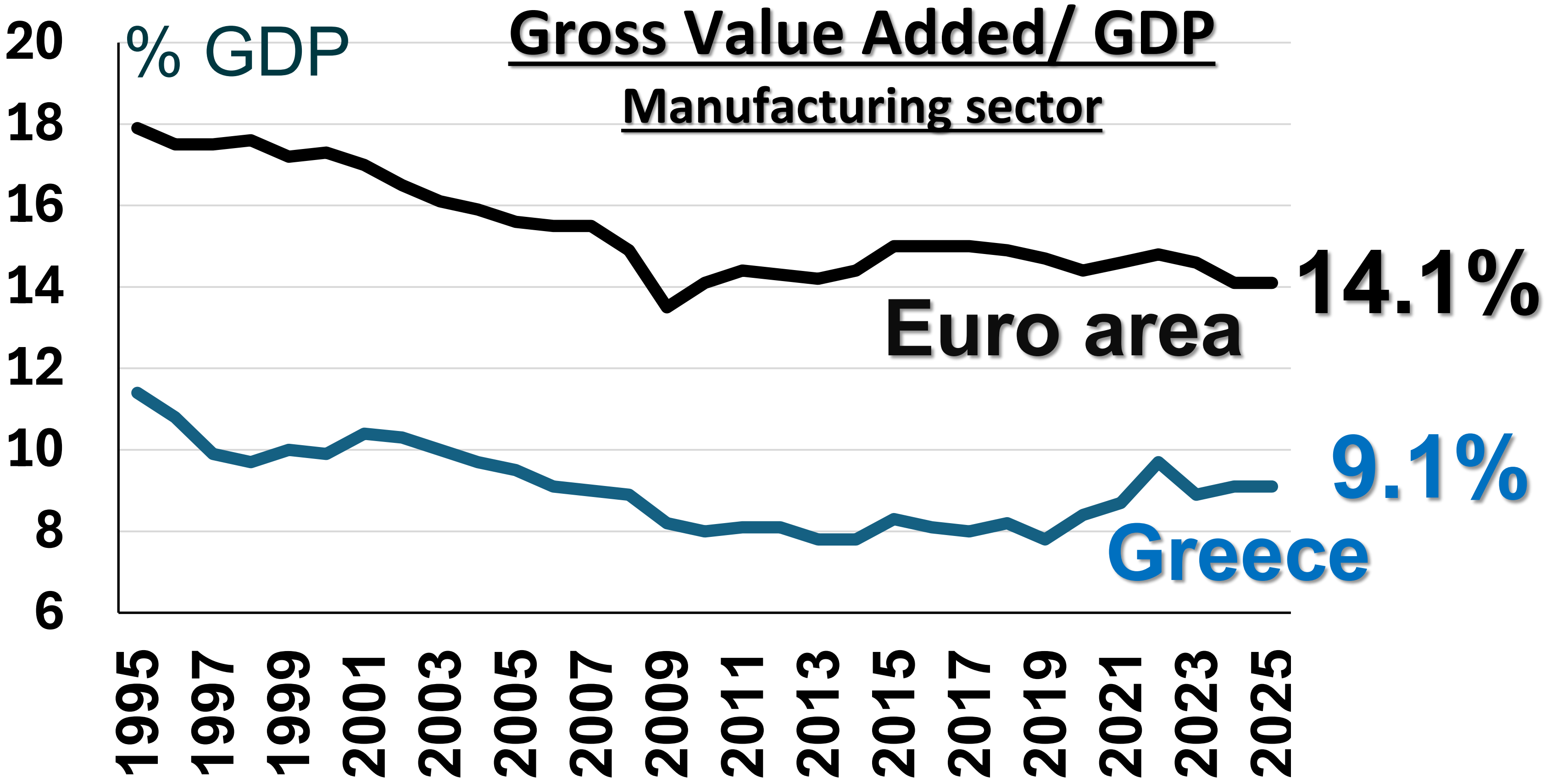
III. How important are the existing financial constraints?

IV. Enterprise funding costs

V. Summary and conclusions

I. Share of the manufacturing sector in GDP

- Manufacturing share is recovering after the crisis to over 9% today.
- A comparison with EA shows upward potential.



Nominal GDP in 2025:

Euro Area € 15,852.8 bn

Greece € 248.4 bn

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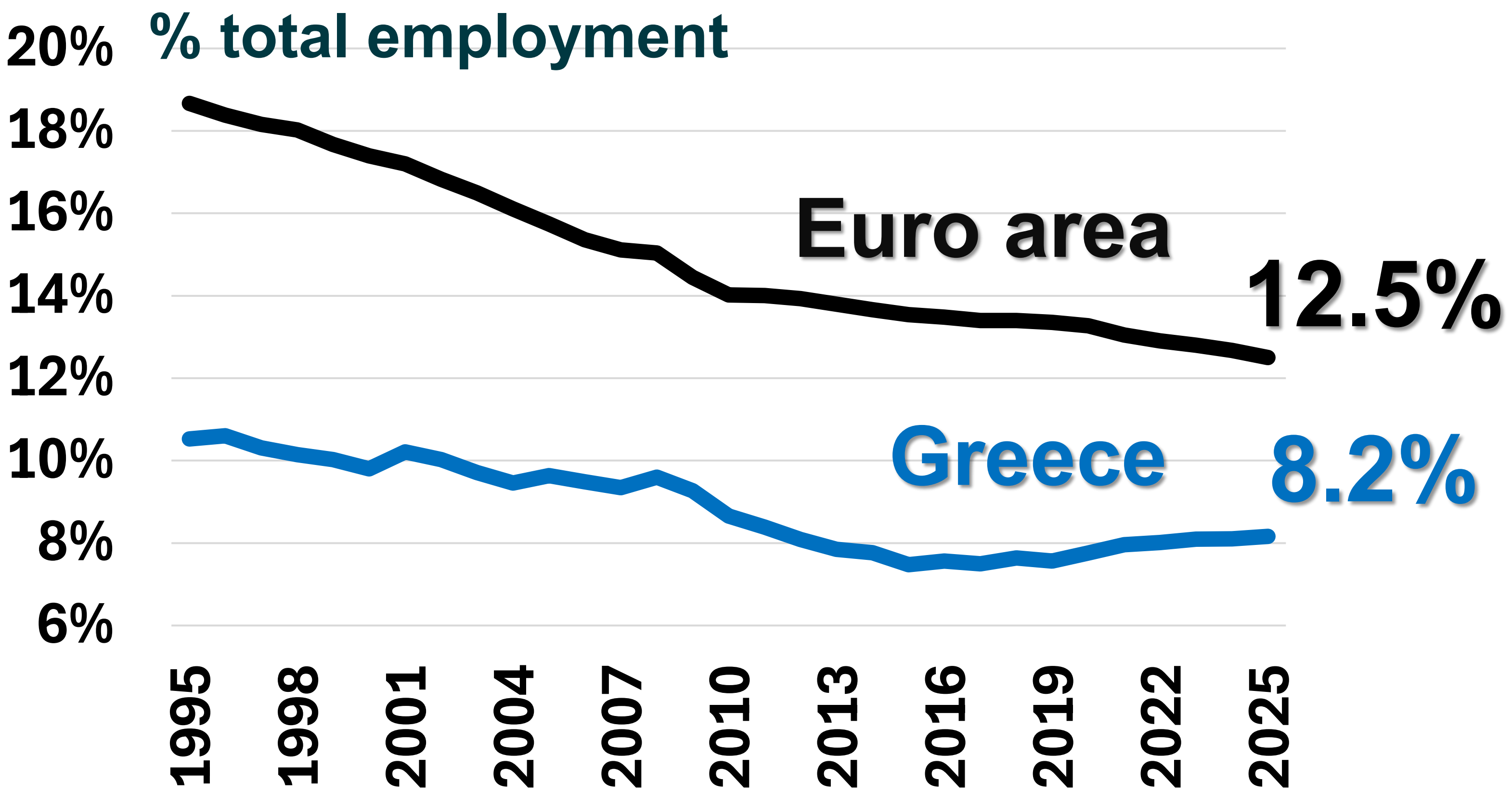
Source: Eurostat

I. Share of the manufacturing sector in employment

- In Greece, the share of manufacturing employment has slowly recovered to 8.2% in 2025.
- In EA, the share of manufacturing employment on a declining trend for decades.



Total Employment in 2025:

Euro Area	172.116.700
Greece	5.226.000

Source: Eurostat

I. Greece: Productivity across the sectors

- **Labor productivity of the industrial sector is high.**
- **2/3 of GVA in Industry is manufacturing, the rest is** *Mining and quarrying;; electricity, gas, steam and air conditioning supply; water supply; sewerage, waste management & remediation activities*
- **Manufacturing is more labor intensive than the remaining industry**

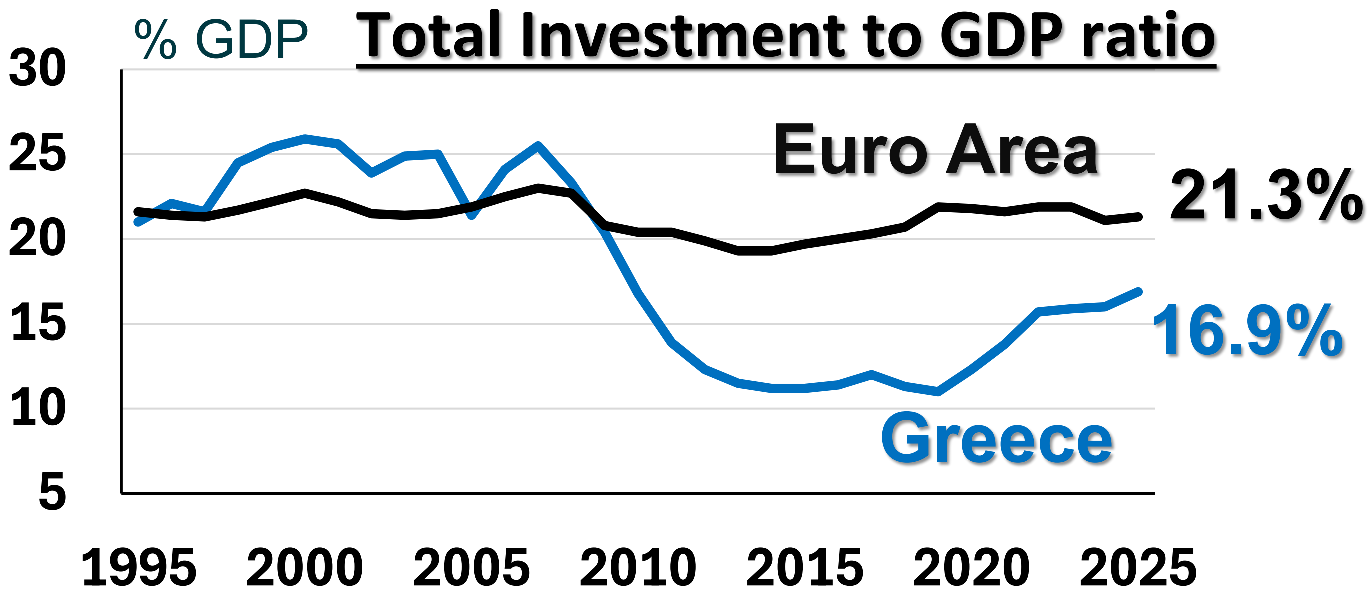
Labour productivity, 2025 (Gross Value Added at current prices)

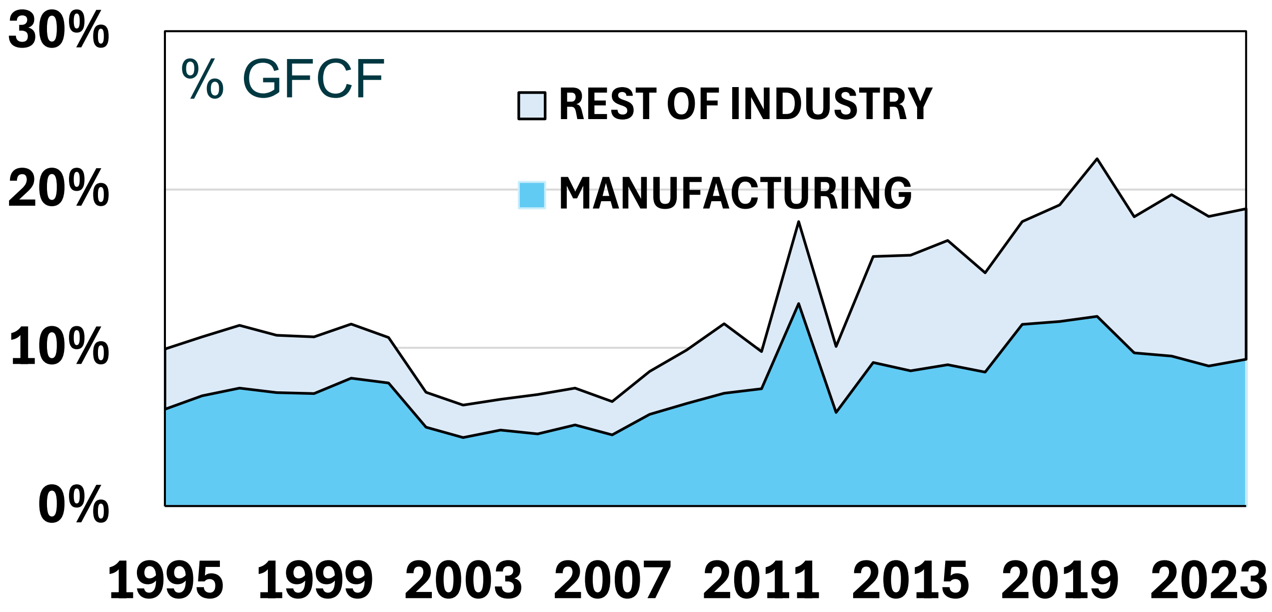
Source: ELSTAT	GVA % of total (=100)	Employment % of total (=100)	GVA/EMPLOYED
Financial & insurance activities	5.9%	1.7%	338.0%
Industry[1]	**15.2%**	**9.5%**	**160.3%**
Manufacturing	**10.5%**	**8.2%**	**128.9%**
Information & communication	3.7%	2.5%	146.9%
Public administration & defence[2]	17.5%	20.7%	84.3%
Arts, entertainment & recreation[3]	3.5%	5.0%	69.1%
Professional activities[4]	7.1%	10.4%	68.1%
Wholesale & retail trade[5]	23.8%	36.8%	64.8%
Construction	2.5%	4.0%	60.8%
Agriculture, forestry & fishing	4.1%	8.7%	47.7%
Other sectors[6]	16.8%	0.6%	
Total sectors	**€214,2 bn**	**5.226.000**	**100.0%**

[1]***Industry*** *includes Mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply; sewerage, waste management & remediation activities.*
[2]***Public administration & defence*** *includes compulsory social security; education; human health & social work activities.*
[3]***Arts, entertainment & recreation*** *includes repair of household goods & other services.*
[4]***Professional activities*** *includes scientific & technical activities; administrative & support service activities.*
[5]***Wholesale & retail trade*** *includes Repair of motor vehicles & motorcycles; transportation & storage; accommodation & food service activities.*
[6]***Other sectors*** *includes Real estate activities in national accounts, primarily reflecting imputed rentals from high ownership, actual commercial & residential rentals & real estate services & transactions.*

I. Investment activity in the Industrial Sector has surged since 2018

- ❑ In 7 years, from 2018 to 2024, total investment in the industrial sector was €36.8bn, of which €19.4bn was in manufacturing.
- ❑ The industrial sector's share of GFCF at 18.8% in 2024, compared to single-digit before the crisis.
- ❑ Helps push up the investment share of GDP





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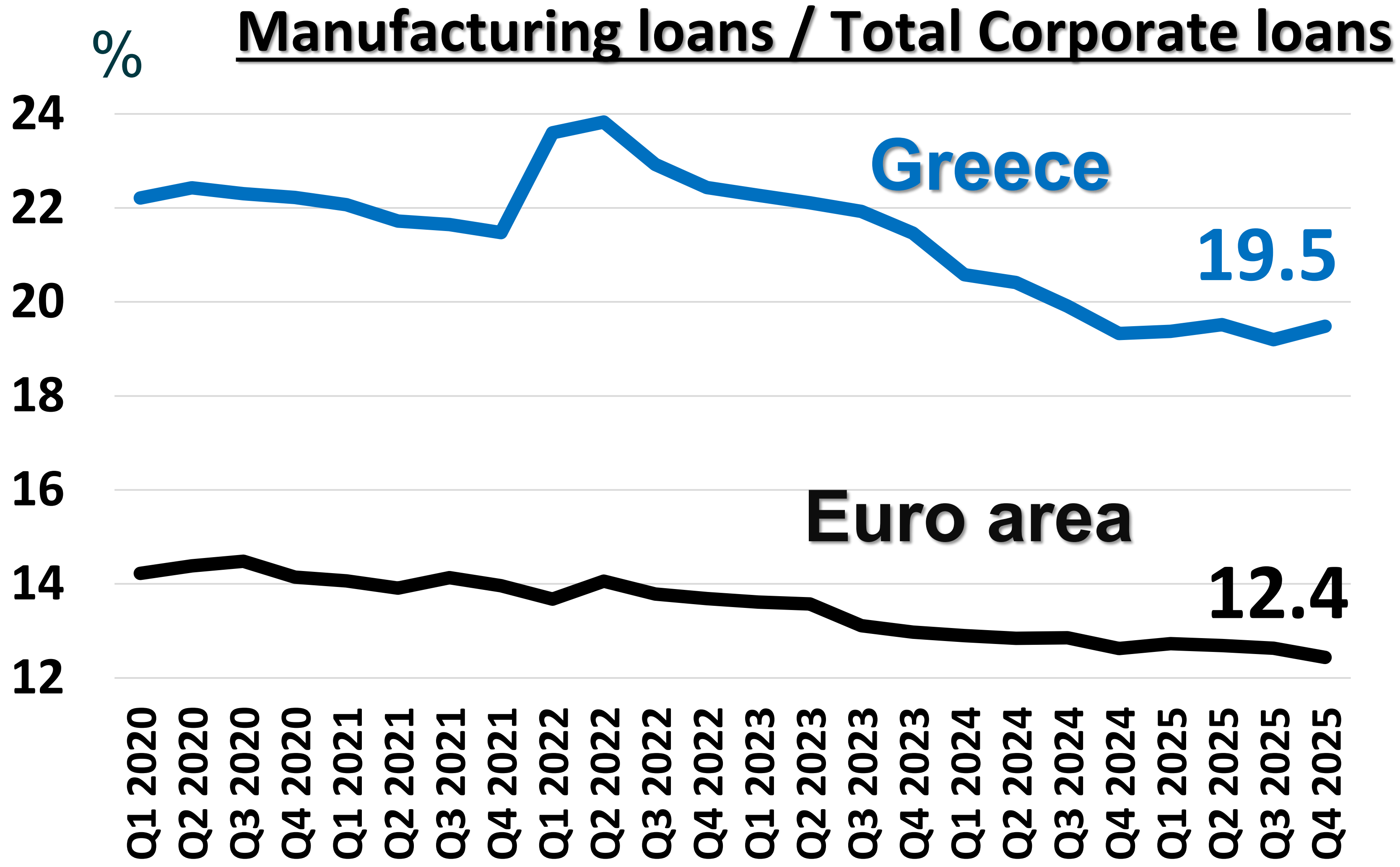
Source: Eurostat. ELSTAT

II. Share of bank loans to the manufacturing sector

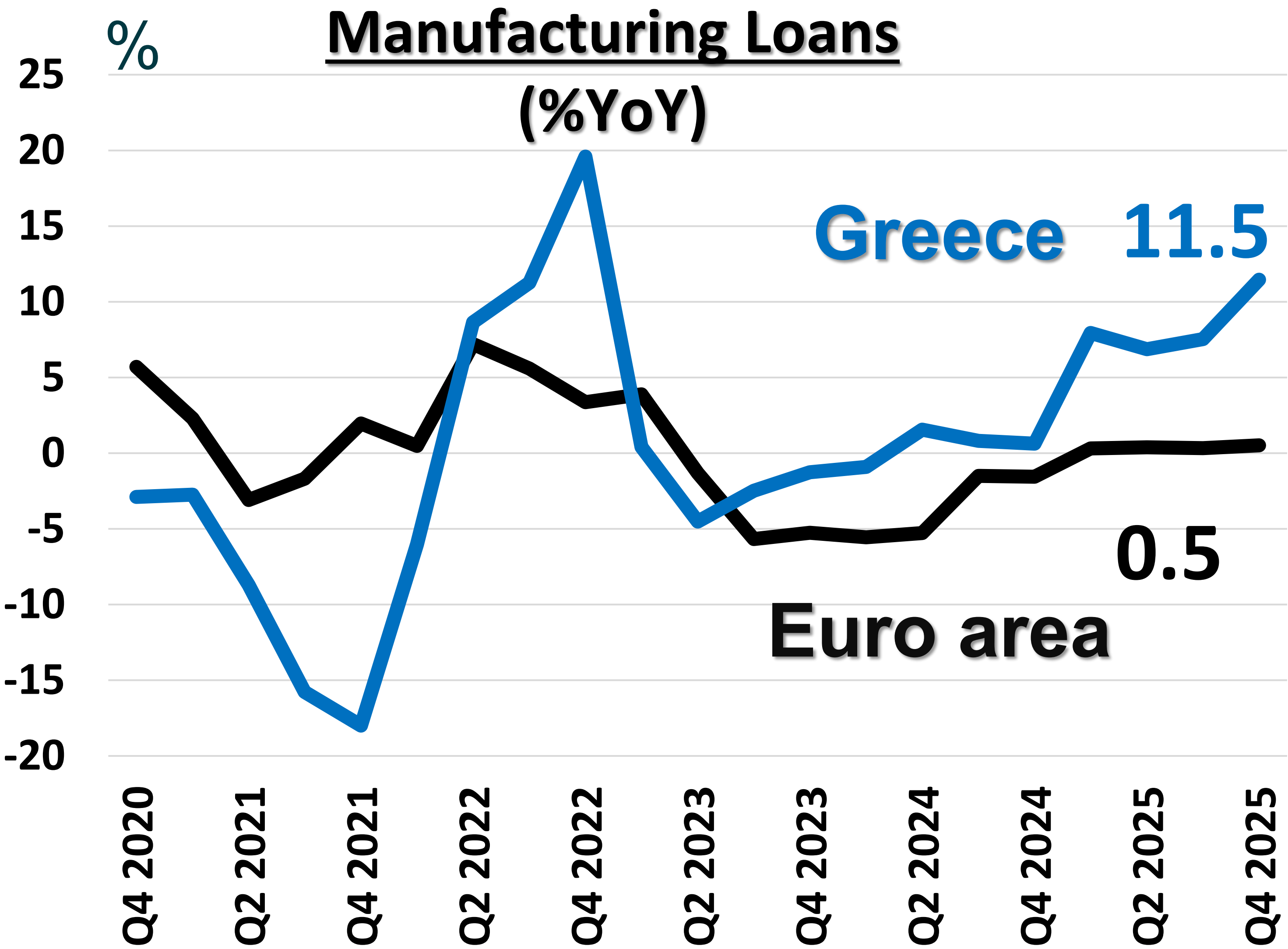
- Bank Financing of the much smaller manufacturing sector is more generous in Greece compared to the Euro Area.



Source: BoG, ECB

II. Growth of bank loans to the manufacturing sector

- Credit expansion is more volatile in Greece.
- Credit to Greek manufacturing picked up in 2025, underpinned by RRF loans.
- In the Euro area, credit expansion to manufacturing is almost flat.



Source: BoG, ECB

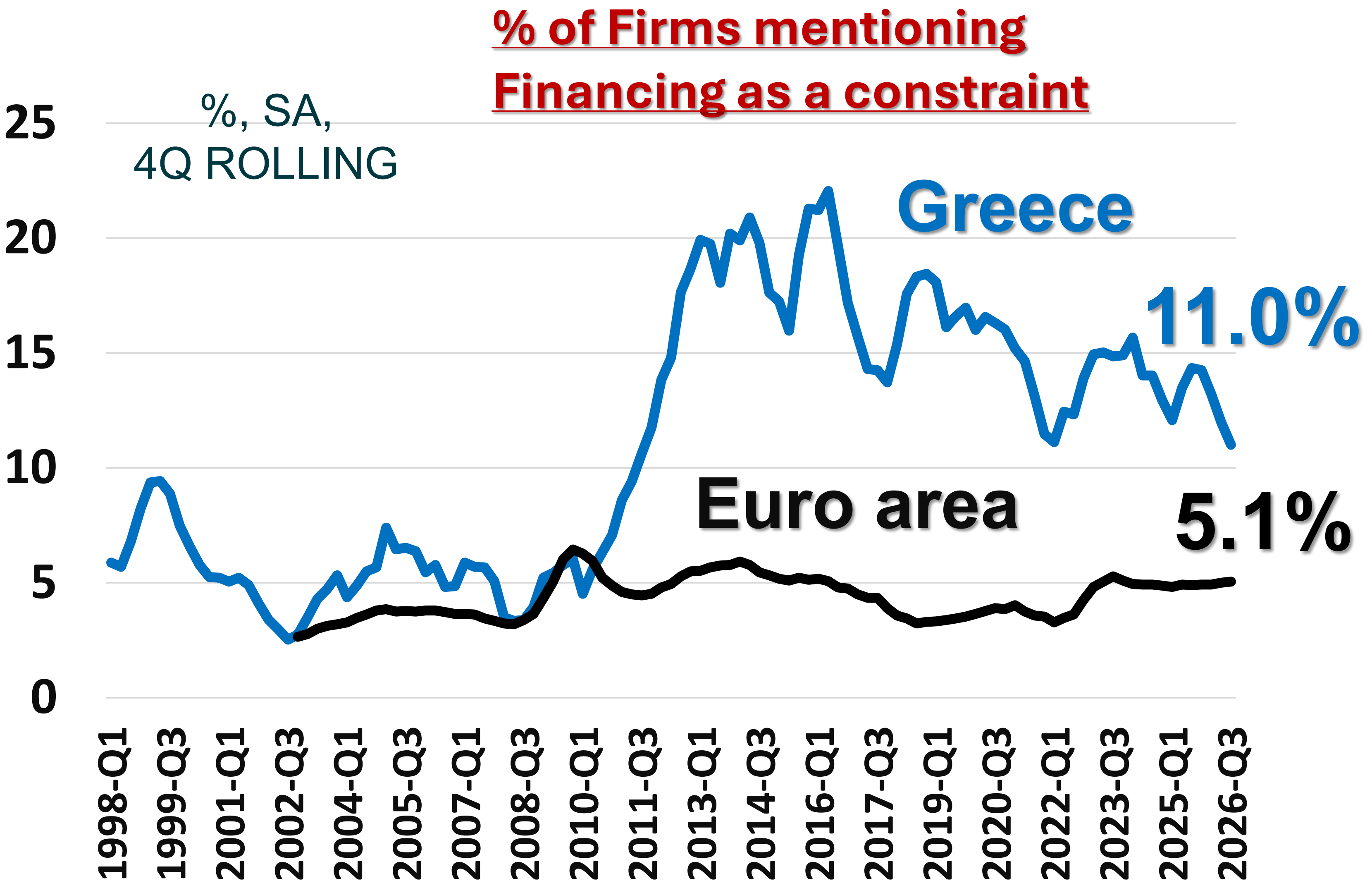
II. Loan volume to the manufacturing sector

- After a period of volatility in 2021–23, credit to the manufacturing sector has maintained a clear upward trajectory.
- In June 2026, stock of loans at €15.9bn, growing at 7.3%.

Source: BoG

III. Financial constraints as a binding factor limiting production

- Quarterly survey by the European Commission on factors constraining production.
- Compared to EA, more Greek firms are constrained.
- After the crisis, the number of constrained firms is declining in Greece.



Source: EC

III. Which Factors are limiting production in manufacturing ?

- **Quarterly survey by the European Commission on factors limiting production.**
- **Financial constraints are presently the factor with the lowest response rate (their peak % was in Q4-2015).**
- **Today**
  - **"None" is at 42%, close to the pre-crisis 53.9%.**
  - **Difficulty in finding employees (26.9%), plus customers (22%).**

FACTORS LIMITING PRODUCTION (% OF MANUFACTURING ENTERPRISES)			
Enterprise Responses	**Q3-2008**	**Q4-2015**	**Q3-2026**
None	53.9	21.6	42.0
Insufficient Demand	32.2	46.1	22.0
Labour Force	3.6	0.4	26.9
Shortage of Raw Materials/Equipment	2.2	10.4	13.2
Other Factors*	5.4	18.1	12.8
Financial	**2.8**	**26.8**	**11.6**

*Other Factors: A catch-all category for unlisted structural or external impediments (e.g. sudden geopolitical changes, force majeure events)

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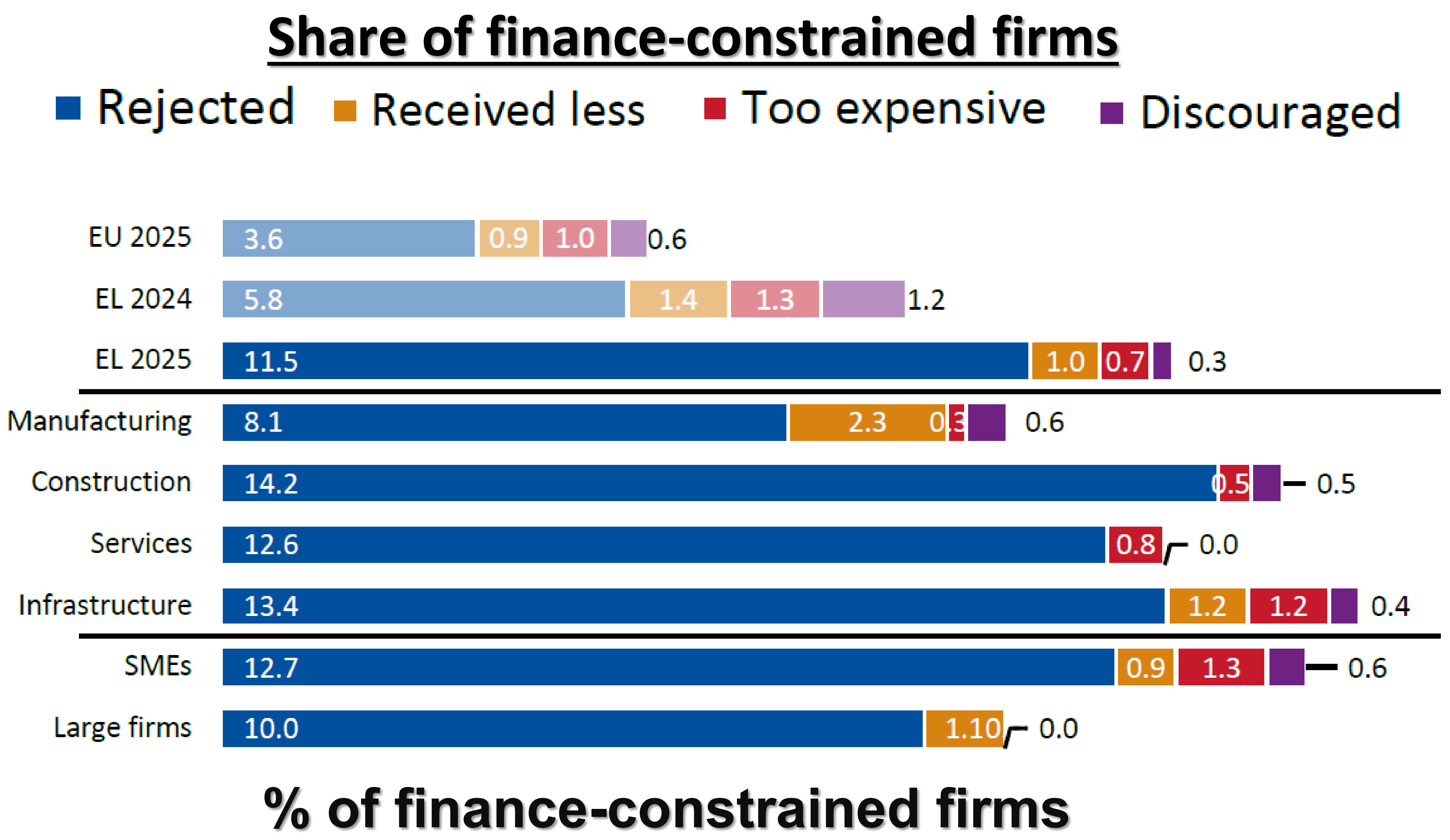
Source: EC

III. Access to finance – EIB survey in 2025

- Manufacturing firms claim to be less finance constrained compared to other sectors, plus they get significantly fewer rejections.



Source: EIB Investment Survey 2025, Greece Overview

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III. Access to finance – EIB survey 2025

Question: *Approximately, what proportion of your investment in the last financial year was financed by each of the following: External, Internal, Intra-group ?*

- 25% of financing of all firms is external both in Greece and in EA.
- 28% of financing in manufacturing is external in GR.
- 51%: More firms in manufacturing use external finance than firms of other sectors in Greece.

	Internal	External	Intra-group	% firms using external finance
EU 2025	66	25	9	42%
GR 2025	73	25	2	44%
Manufacturing	*71*	*28*	*1*	*51%*
Construction	*76*	*24*	*0*	*43%*
Services	*74*	*23*	*3*	*40%*
Infrastructure	*71*	*25*	*4*	*41%*
SMEs	*83*	*16*	*1*	*31%*
Large firms	*62*	*34*	*4*	*56%*

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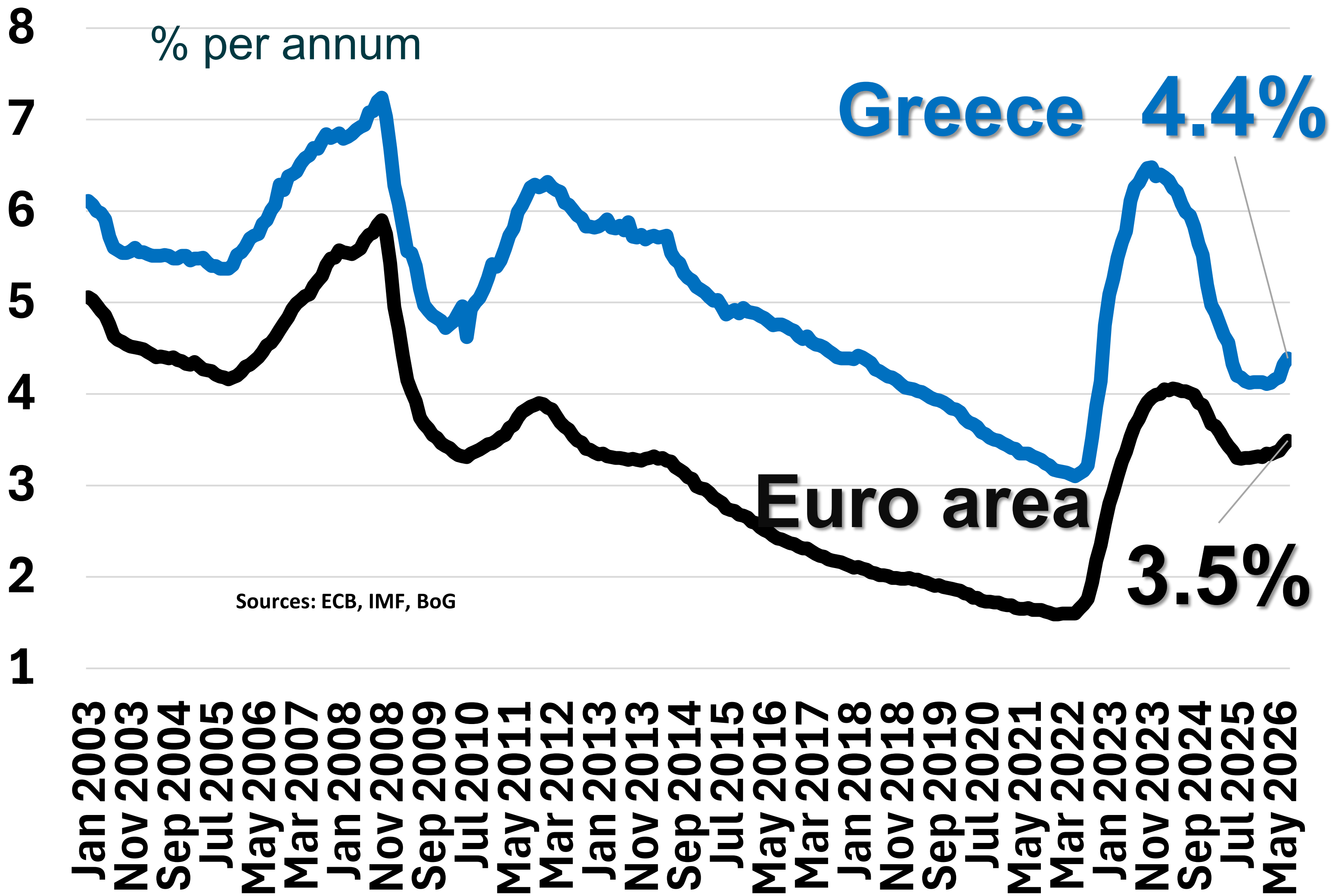
Source: EIB Iinvestment Survey 2025, Greece Overview

IV. The cost of enterprise borrowing in Greece

- Historically, borrowing costs in Greece are higher than in EA.
- Spread at 90 bps today,
  - as low as 76bps in February 2026
  - with historical peaks of 261bps in July 2023 & the Greek crisis

Bank interest rates on loans to corporations*



*weighted average of interest rates on outstanding loans

V. Summary and Conclusions

- Value Added in Manufacturing accounts for 9.1% of GDP.
- Manufacturing productivity is 29% higher than the economy-wide average.
- Manufacturing and the remaining industrial investment are pushing up the ratio of total investment to GDP.
- The manufacturing sector receives a large share of corporate credit: 19.5% of total in 2025 Q4, or €15.9bn in June 2026, +7.3%YoY.
- In production, financing constraints have eased yet remain above the euro-area level.
- In production, manufacturers’ concerns are now labor shortages and weak demand.
- In investment, manufacturing is less finance-constrained than other Greek sectors: 51% of firms use external finance, more than firms in other sectors in Greece.
- Borrowing costs for domestic corporates remain above euro-area levels, but the gap narrowed sharply to 90 bps today from 261 bps in July 2023.

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Thank you for your attention!

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