

Virginia Commonwealth University

Executive Summary

Greece

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4/20/2015

Facts

- The industrial production growth rate as of 2014 was 0% in 2014.
- The major industries are tourism, food and tobacco processing, textiles, chemicals, metal products; mining, petroleum
- 20% of the country is below the poverty line
- The public debt is 174.5% of GDP¹
- The GDP was 284.3 billion in 2014.
- 99% of the country speaks Greek.
- The population of Greece is 10,775,867.
- Typical business hours are 9am – 5pm.
- Business in Greece is conducted slowly
- Haggling is common practice in business²
- Greece was in an economic recession in 2008
- Greece is currently considered in an economic depression
- Greeks are often late, being 30 minutes late is considered punctual
- Imposing a deadline on negotiations is considered rude and will likely end negotiations.
- Typically by the third meeting business will begin, as the first two meetings Greeks will get to know you personally (Greece - Language, Culture and Doing Business Etiquette, 2015).

Executive Summary

ABC industries makes large kitchen appliances, ABC industries is looking to put a new factory in Greece, this executive summary will highlight the research obtained about Greece's economy and doing business in Greece. The factory would be making major household appliances, dishwashers and refrigerators are major household appliances.

¹ Estimated 2014 from the CIA World Factbook <https://www.cia.gov/library/publications/the-world-factbook/geos/gr.html>

² Business etiquette in Greece <http://www.kwintessential.co.uk/resources/global-etiquette/greece-country-profile.html>

Smaller household appliances are analyzed through a different market on a different scale.

While entering a country to do business it is important to consider that country's culture. Greece has had a problematic time bouncing back from the recession that hit in 2008, confidence is still low and Greece is still in a depression. A 240 billion euro bailout has been implemented and gradually the economy has been improving. The economic mood is still uncertain there will be elections in the near future that could decide the Greek economy's future. The anti-business opposition party, the Syriza party, if elected would reject the 240 billion euro bailout and increasingly slow down economic growth in Greece.³ With this radical political party on the rise a poll shows that 63% of Greek households expect the economic situation to get worse in the next year (Kolesidis "Political uncertainty sours Greek economic mood ahead of election").

Through examination it can be noted that it is expensive to export items out of Greece, even if ABC industries builds a factory in Greece solely to export back to the United States it cost 1153.0 United States dollars per container as of 2010. The cost to export has not been averagely stated since 2010, the container mentioned measures 20 feet, this would be a tremendous expense to export large kitchen appliances outside of Greece.⁴

Considering the high cost of exporting and the economic depression in Greece it is not likely that the factory would be viable. If the factory is only selling to Greek citizens it will not be returning a profit, but if the factory exports outside of Greece with the expensive exporting tax it will be difficult to return a profit.

³ <http://www.reuters.com/article/2015/01/12/us-greece-businesssentiment-idUSKBN0KLOZD20150112>

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