

Greece can improve its business climate by replicating local successes, World Bank Report Finds

ATHENS, November 13, 2019 – Greece has taken significant action to improve the business environment but entrepreneurs face different regulatory hurdles depending on where they establish their businesses, highlighting opportunities for cities to do better by learning from each other, the World Bank said in a new report, *Doing Business in the European Union 2020: Greece, Ireland and Italy*.

The report's findings on Greece, released today, show that Greek cities are already European Union best performers in the area of starting a business, requiring only three procedures. But significant disparities in regulatory performance remain in the other four areas benchmarked: Dealing with construction permits, getting electricity, registering property, and enforcing contracts.

For example, trial time for a commercial dispute at the local first instance court varies from a year and eight months in Thessaloniki to just under four years in Athens. Developers in Larissa can obtain all necessary approvals to build a warehouse and connect it to utilities in less than 5 months, while their counterparts in Heraklion need to wait almost twice as much, the report finds.

"The Greek government is making progress on reforms to get business regulations right. The uneven performance among cities shows that there is still great potential for yielding gains in competitiveness" said **Arup Banerji, World Bank Group Regional Director for the European Union**. *"We hope that this report will help policy makers and policy implementers coordinate their efforts at the national and municipal levels to create an environment for businesses to grow and function effectively."*

Of the six cities benchmarked in Greece--the capital Athens, along with Alexandroupoli, Heraklion, Larissa, Patra, Thessaloniki—none excels in all five areas measured. It is easier for entrepreneurs to start a business in Alexandroupoli and deal with construction permits in Larissa. Patra leads in the areas of getting electricity and registering property, but it lags behind in construction permitting and enforcing contracts. Thessaloniki stands out for its performance in enforcing contracts and is the runner-up in dealing with construction permits, but it ranks last in getting electricity.

"The six cities that we measured in the report have different strengths, which means Greece has an opportunity to make improvements overall if cities learn from each other and implement successful measures," said **Rita Ramalho, Senior Manager of the World Bank's Global Indicators Group**, which produces the report.

While rankings are relative, according to the global *Doing Business 2020* report, Greece would have ranked 61st out of 190 economies – 18 positions higher than its actual rank – if Athens had replicated the good practices of the best performing Greek city in each area measured.

Lessons can be learned from cities that face the most challenges. Registering the transfer of a property title at the local mortgage/cadaster office takes 12 days in Alexandroupoli and Patra and four months in Thessaloniki. Despite this delay, Thessaloniki stands out on the quality of land administration. Thessaloniki is the only city in which not only are the cadaster survey and property registration complete, but the entire territory of the municipality has been digitally mapped. The city has a state-of-the-art website providing both spatial data infrastructure and a geographic information system (GIS) portal. These apparently contradictory results—between the lag time to register and the high quality of the registration process—are perhaps expected. Thessaloniki has made the most progress in implementing the cadaster reform and in tackling the challenges it faces managing the transition.

Doing Business in the European Union is a series of subnational reports being produced by the World Bank Group at the request of and funded by the European Commission. This edition also benchmarks five cities in Ireland and 13 cities in Italy, besides the six cities in Greece. The report will be published in full in December 2019. A first edition, covering 22 cities in Bulgaria, Hungary and Romania, was released in 2017. A second edition, covering 25 cities in Croatia, the Czech Republic, Portugal and Slovakia, was released in 2018.

The work on Greece, carried out with the support of the Ministry of Development and Investment (formerly the Ministry of Economy and Development), is based on the same methodology as the global *Doing Business* report published annually by the World Bank Group.

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