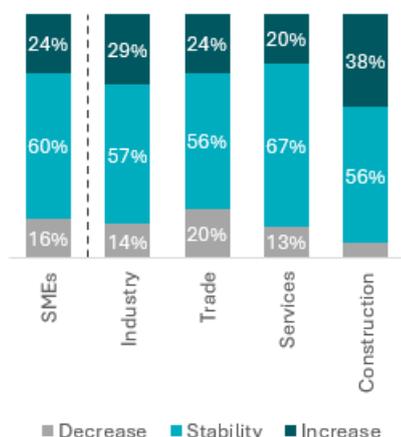


Greek enterprises invest in capital and skills to boost productivity

The geopolitical crisis in the Middle East finds Greek enterprises at a critical juncture in their investment trajectory, according to the latest survey of Greek SMEs conducted by the Economic Analysis Department of the National Bank of Greece. The increased willingness to invest is now accompanied by the recognition that investments in physical capital, must be combined with investments in human capital in order to yield results. The key challenge, therefore, is not only the volume of capital - which is expected to be mobilized more dynamically once tensions in the broader region ease - but also firms' ability to translate these investments into higher productivity through training and skills upgrading.

Investment appetite
(% of SME segment)

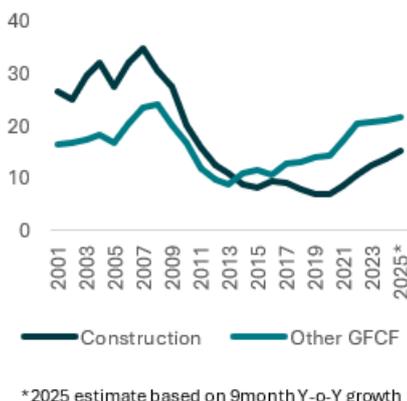


Stronger investment appetite, particularly in the construction sector which is recovering from low levels

Before the outbreak of the crisis in the Middle East, the investment environment for small and medium-sized enterprises had been improving, with about one quarter of the sector planning to increase investment activity compared to the previous semester. In particular, the construction sector stood out, with 38% of firms planning to increase investment, compared with 20-30% in the other sectors. This trend is consistent with the significant improvement in demand expectations in construction, with the relevant confidence indicator increasing by 21 points in the second half of 2025, compared with only 1 point for the SME sector overall.

The significantly stronger investment appetite in the construction sector - a sector of strategic importance for the economy - largely reflects efforts to recover after a prolonged period of subdued activity following the economic crisis. Over the past five years, demand for construction has increased noticeably, as confirmed by a range of indicators. In particular, during 2019–2025:

Gross fixed capital formation
(€bn, chain linked volumes, 2015 prices)



✓ Investments in construction projects across the economy increased at an average annual rate of 14% in volume terms (compared with 8% for other investments), reducing - but not eliminating - the gap from pre-crisis levels to 50% in 2025, from 77% in 2019.

✓ These investments translate into stronger demand in the construction sector, with an average annual growth rate of 8% in construction value added, compared with 2% for the rest of the business sector.

✓ The volume of outstanding projects has been increasing rapidly (23% annually), confirming the sustainability of strong demand.

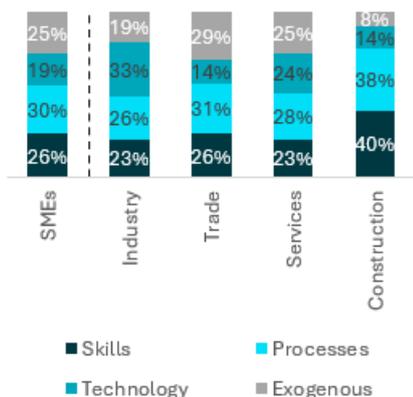
However, practical challenges remain that limit the sector's investment readiness, as more than half of firms planning investments are still at an early exploration stage, compared with less than one third in other sectors.

The rising willingness to invest in physical capital is accompanied by a parallel focus on human capital investment, supporting productivity gains

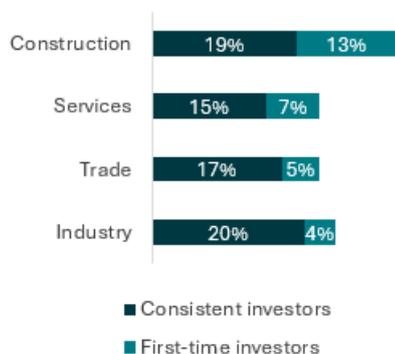
The main question is whether the stronger investment appetite can translate into meaningful improvements in productivity - an area where Greece continues to lag by around 40% compared with the EU average. The survey indicates that enterprises are moving in the right direction by simultaneously strengthening investments in

human capital. In particular, Greek SMEs:

Productivity enhancing strategies
(% of SME segment)



SMEs investing in training
(% of SME segment)



✓ Place strong emphasis on boosting productivity through workforce skills upgrading, combined with improvements in internal processes and technology so that new skills can be effectively utilized (56% of SMEs).

✓ Given the persistent difficulty in finding suitable personnel (60% of SMEs report difficulties filling vacancies in 2025, up from almost 50% in 2023), employee training has now moved high on firms' investment priorities ranking second after digital investments - with the aim of both developing existing staff and attracting new talent.

This trend is particularly pronounced in the construction sector, where skills development has now emerged as the top investment priority. Specifically, one third of construction firms plan training initiatives (compared with about one fifth in other sectors), while almost half of them are undertaking such initiatives for the first time — an indication of a gradual cultural shift within Greek enterprises, led by a sector of strategic importance for the economy.

The increased investment appetite among enterprises provides a strong foundation for the next phase of economic growth. The key challenge now is strengthening execution capacity, which requires consistent policy support along two complementary axes:

✓ Systematic skills upgrade, enabling the workforce to support projects of greater complexity.

✓ Faster investment completion, through the reduction of bureaucratic and administrative frictions, as well as stronger technical support for SMEs.

Under these conditions - and provided that the current crisis in the Middle East eases without prolonged uncertainty - today's investment momentum could gain depth and durability, making a meaningful contribution to strengthening the growth trajectory of the Greek economy.

The study can be found (in Greek) on the website of the National Bank of Greece Group, under the section Studies and Economic Analyses (Category: Greek Entrepreneurship): <https://www.nbg.gr/el/omilos/meletes-oikonomikes-analuseis/elliniki-epixeirimatikotita/mikromesaies-epixeiriseis>

Athens, March 16 2026