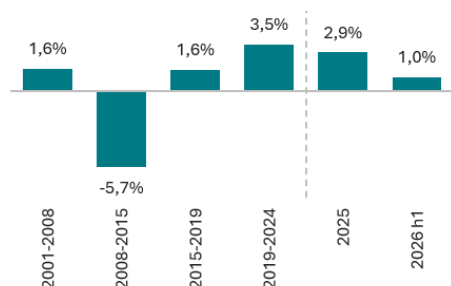


Amidst pressures, manufacturing stands out as a stable pillar of growth for Greece

Despite increased uncertainty, sales of the Greek business sector continue to move upwards, with momentum corresponding to the European one. The latest issue of the "Business Trends" series by [Economic Analysis Division of the National Bank of Greece](#), looks beyond cyclical pressures, examining the long-term trajectory of Greek business. Through this perspective, a less visible dynamic of manufacturing emerges, as it is the only sector that currently produces and invests at levels higher than the pre-crisis period. The next bet is for this progress to act as fuel to narrow the productivity gap with Europe. Time is of the essence, as technological acceleration (spearheaded by artificial intelligence) can either accelerate convergence or widen the distance.

Business sector sales performance

in deflated terms, for the periods the average annual growth rate is shown



Source: Elstat, Eurostat

Processing-Estimates: National Bank of Greece

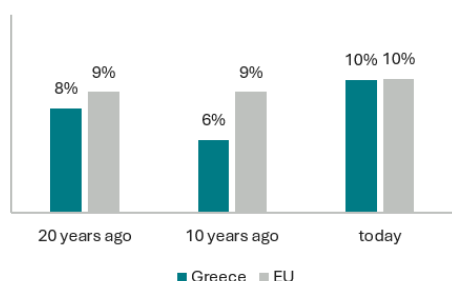
Business sector sales remained on a positive trajectory in the first half of 2026, recording an increase of approximately 1.0% in deflated terms, albeit with weaker momentum compared to the previous semester (+2.8%). Despite the slowdown, in an environment of geopolitical uncertainty and inflationary pressures, Greek businesses maintained a 1.1% share in European value added. Early indications for the 3rd quarter are encouraging, with the upward trend accelerating to growth rates of around 2-3%. At the sectoral level, in the current economic juncture, construction (+10%) and ICT (+8%) stand out, in line with the ongoing effort for the investment and digital upgrade of the economy with the support of European funds.

Beyond short-term fluctuations, however, the comparison with Europe highlights manufacturing as a long-term pillar of the Greek business sector. Specifically:

- **Recovery of production, investments, and European position:** Manufacturing is the only broad sector that currently produces and invests at levels higher than the pre-crisis period (by approximately 10-15% compared to 2008). In fact, it has managed to follow a similar trajectory to that of Europe, recovering its pre-crisis share of approximately 1% of European manufacturing (in terms of deflated value added), while the corresponding share of the rest of the business sector remains about 40% lower than in 2008. This trajectory is supported by export orientation, with exports covering $\frac{3}{4}$ of the sales growth in the first half of 2026 (and almost $\frac{1}{2}$ of this growth over the last decade).

Manufacturing Return on Assets (ROA)

operating profitability / total assets



The operating ROA indicator (EBITDA/Assets) is a composite indicator of i) asset turnover (Turnover/Assets) and ii) profit margin (EBITDA/Turnover)

Sources: Eurostat, ICAP, BACH

Processing-Estimates: National Bank of Greece

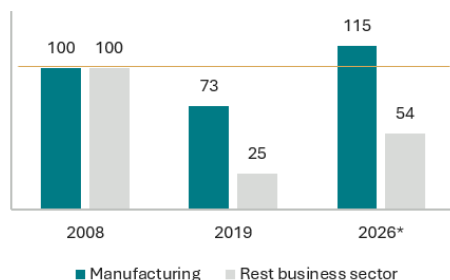
- **Convergence in return on capital:** The aforementioned progress is also reflected in the operating return on assets (ROA) of the sector's enterprises, which has now converged with the European average (around 10%), closing the 3.5 percentage point (pp) gap of the previous decade. The approximately 25% increase in labor productivity over the last decade (compared to a 3% decline in the rest of the business sector) contributed to this improvement.

It is important that the undoubtedly good performance of Greek manufacturing acts as fuel to intensify its pace, as it still has a significant way to go to fully align with European standards. Specifically, labor productivity, despite the increase, barely exceeds half of the European level (a lag of approximately 45%, compared to 51%

in the previous decade). Indeed, almost half of this gap remains even after adjusting for the different composition by sector and size. Consequently, the high presence of small enterprises and the low participation of high-tech sectors explain part of the lag, but not all of it.

Manufacturing investments

level index in deflated terms, 2008 = 100

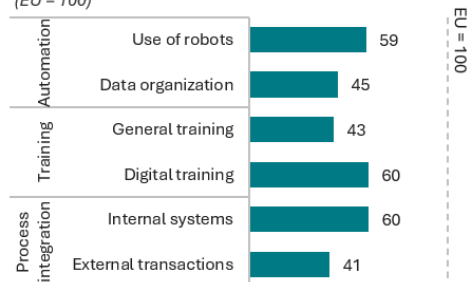


Sources: Eurostat, OECD, IMF

Processing-Estimates: National Bank of Greece

Digitalization, training and business organization

manufacturing performance against the European average (EU = 100)



Sources: Eurostat, OECD, IMF

Processing-Estimates: National Bank of Greece

versus 17% in the EU).

The full study can be found on the website of the National Bank of Greece Group, under the section "Economic Analysis and Research" (Category: Greek Entrepreneurship):

https://www.nbg.gr/el/omilos/meletes-oikonomikes-analuseis/reports/sales_2026h2

The next step for Greek manufacturing, therefore, is to transform its improved profitability into investments that will expand and upgrade the production base. Despite the recovery in the level of investments, investment intensity remains lower than the European average, covering 18% of the sector's value added compared with 23% in Europe. Alongside increasing their volume, it is also crucial to direct investments toward critical areas where Greek manufacturing lags by 40-60% compared to Europe:

- Automation and data utilization: enhancing the use of robots in production (10% of enterprises versus 16% in the EU) and the organization of business data.
- Employee training: developing digital as well as general skills (19% of employees compared to 46% in the EU), which the upgrading of production requires.
- Efficient processes: better integration of internal systems, such as ERP and CRM, and digitalization of transactions with clients and suppliers.

Artificial intelligence (AI) plays a pivotal role in the above transformation, as it is estimated to significantly enhance productivity (+0.6-0.9 pps annually in the EU over the next decade). However, at the same time, its exponential dynamics significantly increase the risk of widening divergences between countries, lending a sense of urgency to the effort of Greek manufacturing to cover the distance that separates it from European competitors (use of AI by 8% of enterprises,

Athens, October 19, 2026