

# TRADE IN VALUE ADDED: GREECE

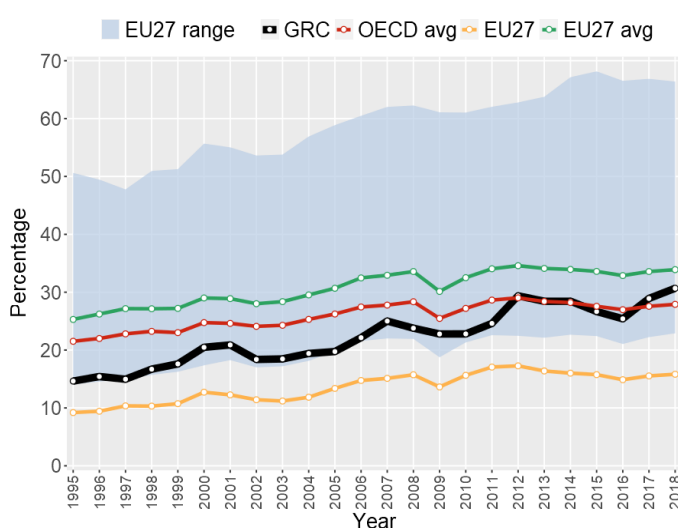
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Trade in Value Added (TiVA) indicators offer new insights into the commercial relations among economies and provide a broad view of where value is created along each stage of global value chains (GVCs). Painting a more complete picture than gross trade measures alone, the TiVA approach better reflects the significantly higher contribution made by services in GVCs, the role of imports in export performance, and the true nature of economic interdependencies. The 2021 version of the TiVA database covers 66 economies and 45 industrial sectors, for the years 1995 to 2018, and brings together indicators based on the value-added origins (both country and industry) of exports, imports and final demand. This note highlights the trade patterns in value-added terms for Greece, with a view to informing policy making for a range of areas including trade, innovation and investment.

## Key findings

- ▶ The foreign content of Greece's exports has increased steadily since the mid-1990s. By 2018 it had reached 30.7%, 6.9 percentage points (pp) higher than a decade earlier (Figure 1). This is in accordance with the 20pp increase in the total value of imported intermediate inputs used for exports to 50.7% in 2018 (Figure 4).
- ▶ Export orientation increased for most industries between 2008 and 2018. Overall, in 2018, 25.2% of Greece's domestic value added was driven by foreign final demand, up from 17.8% in 2008. *Basic metals* had the highest share (86%) of domestic value added in foreign final demand (Figure 2).
- ▶ The only industry with a high foreign content (above 50%) in its exports was the manufacture of *Coke and refined petroleum products* at 76% in 2018 (Figure 3a). At the same time, services, as a major contributor to Greece's economy, accounting for 60.1% of Greece's gross exports in 2018 (Figure 7) - above the OECD average of 55.7% and domestic services value added accounted for a large share, notably *Transport and storage* (15.8%), *Wholesale and retail trade* (9.1%) and *Accommodation and food services* (8.6%) (Figure 3b)
- ▶ The top three final destinations for Greece's value added were the United States (11.5%), Germany (9.2%) and Italy (6.8%). Regarding import partners, both in gross and value-added terms, the top three were Germany, Italy and Russian Federation (Figure 5).

**Figure 1. Foreign value-added content of gross exports**  
As a percent of total gross exports, 1995 to 2018



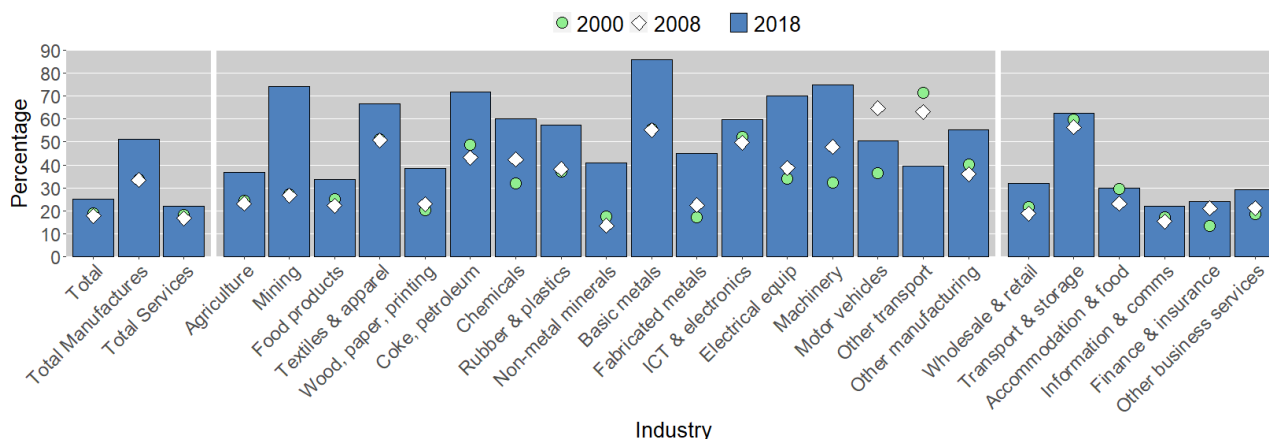
At the global level, the new TiVA indicators confirm that there has been a slowdown in GVC integration since the Financial Crisis in 2008-2009 (Figure 1). However, in general, foreign value added in trade increased between 2016 and 2018.

Between 2008 and 2018, the foreign content of Greece's exports is estimated to have increased from 23.8% to 30.7% - above the OECD average of 27.9%. Compared to 2008, the foreign content of exports in 2018 was 6.9 percentage points higher

## The role of foreign final demand in domestic production

Overall, in 2018, 25.2% of Greece's domestic value added was driven by foreign final demand, up from 17.8% in 2008. By industry, the shares ranged from *Basic metals* (86%) and *Machinery and equipment, nec* (74.9%) at the higher end to *Information and communication* (21.8%) at the lower end.

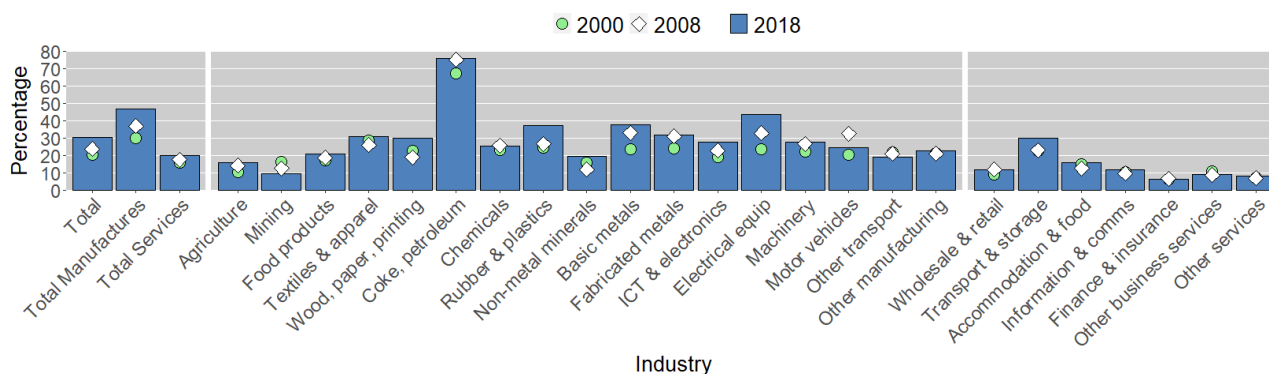
**Figure 2. Greece - domestic value added in foreign final demand**  
As a percent of value added, by industry, 2000, 2008 and 2018



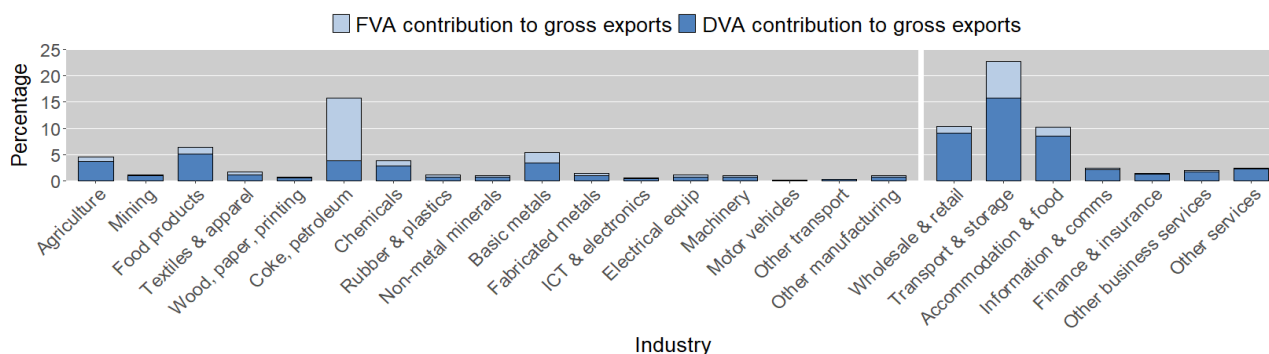
## The importance of imports for exports

The industries with the most foreign value-added contents in their exports (Figure 3a) were *Coke and refined petroleum products* (76%), *Electrical equipment* (43.5%) and *Basic metals* (37.9%). *Transport and storage* generated the greatest source of domestic value-added content of exports in 2018, accounting for 15.8% of gross exports (Figure 3b), followed by *Wholesale and retail trade* (9.1%) and *Accommodation and food services* (8.6%). The most foreign content in total exports came from *Coke and refined petroleum products* (12%).

**Figure 3a. Greece - foreign value-added content of gross exports**  
As a percent of gross exports, by industry, 2000, 2008 and 2018

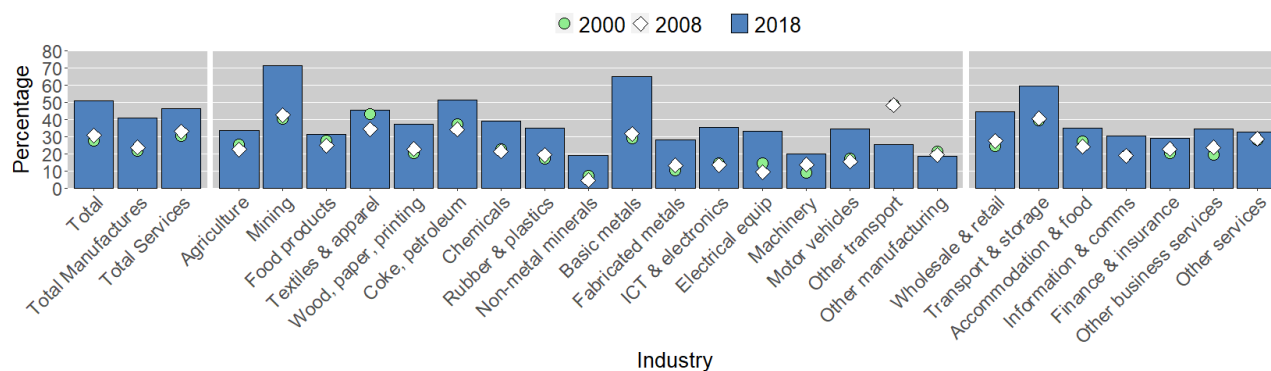


**Figure 3b. Greece - industry share of domestic and foreign value-added content of gross exports**  
As a percent of total gross exports, 2018



Of the total value of Greece's imports of intermediate goods and services in 2018, 50.7% was subsequently embodied in exports, above the OECD average of 47.9%, and significantly above the share in 2008 (30.8%). The originating industries with the highest shares of intermediate imports used in Greece's exports were *Mining and quarrying* (71.3%), *Basic metals* (65.2%) and *Transport and storage* (59.4%).

**Figure 4. Greece - imported intermediate inputs used for exports, by industry-origin of imports**  
As a percent of intermediate imports, 2000, 2008 and 2018

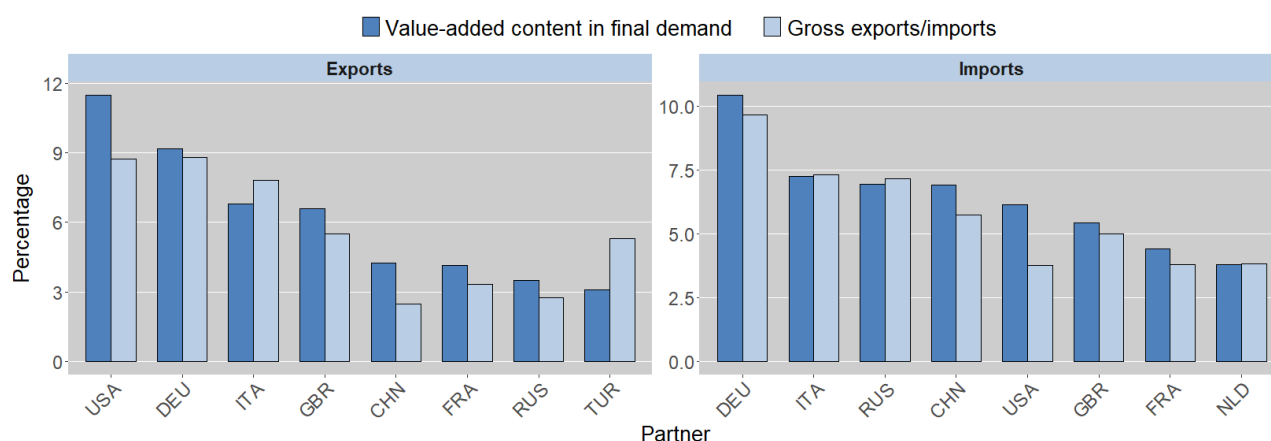


### Greece: international flows of goods and services, main players

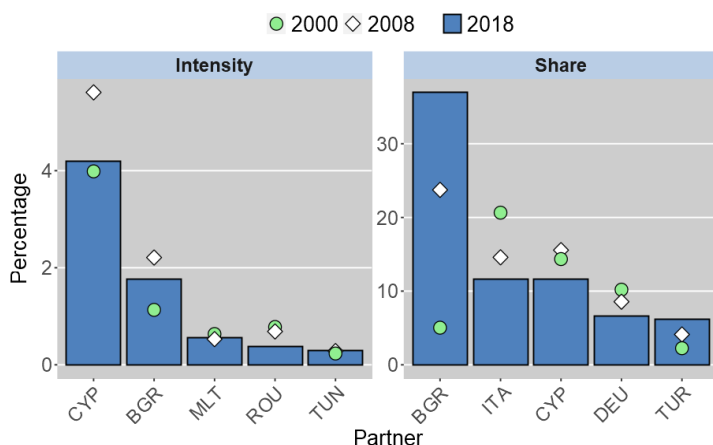
In gross terms, Germany (8.8%), the United States (8.7%) and Italy (7.8%) were the three most important Greek export market destinations in 2018. The top three final destinations for Greece's value added were the United States (11.5%), Germany (9.2%) and Italy (6.8%).

For imports in gross terms, Greece's top three partners in 2018 were Germany (9.6%), Italy (7.3%) and the Russian Federation (7.2%), while in value-added terms, the top three were Germany (10.4%), Italy (7.2%) and the Russian Federation (6.9%).

**Figure 5 Greece - exports and imports: main partners**  
As a percent of total gross and value-added exports and imports, 2018



**Figure 6. Greece's domestic value-added content of manufactured imports, top 5 partners**  
*As a share of total Greece's value added embodied in Greece's imports (right) and as a percent of total imports by partner (left)*



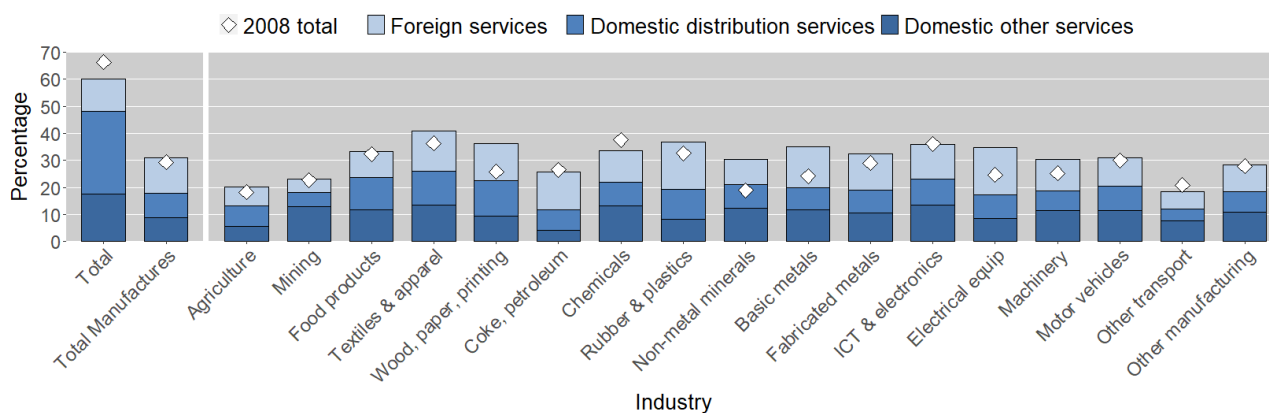
In 2018, the highest shares of Greece's domestic value added embodied in Greece's manufactured imports (Figure 6, right) came from Bulgaria (37%), Italy (11.7%) and Cyprus (11.6%).

The trading partners with the highest shares of Greece's value added in their exports of manufactures to Greece (Figure 6, left) in 2018 were Cyprus (4.2%), Bulgaria (1.8%) and Malta (0.6%).

## The importance of services in international trade

Services are a major contributor to Greece's economy, accounting for 60.1% of Greece's gross exports in 2018 (Figure 7) - above the OECD average of 55.7%. Foreign services contributed 12% to the value of total gross exports. For manufactures, services value-added content was 30.8% of gross exports, with the highest shares in Textiles and apparel (40.9%), Rubber and plastics products (36.8%) and Wood and paper products (36.3%).

**Figure 7. Greece - services content of gross exports**  
*As a percent of gross exports by industry, 2018*



## Further information is available to supplement this country note:

- ▶ Access the data at: <http://oe.cd/tiva>
- ▶ Guide to TiVA 2021 Country Notes: [www.oecd.org/sti/ind/tiva-2021-guide-to-country-notes.pdf](http://www.oecd.org/sti/ind/tiva-2021-guide-to-country-notes.pdf)
- ▶ TiVA indicators are based on the 2021 version of ICIO tables: <http://oe.cd/icio>
- ▶ Related indicators of Trade in Employment <http://oe.cd/io-emp> and Trade in Embodied CO2 <http://oe.cd/io-co2>
- ▶ Trade policy implications of global value chains: <http://www.oecd.org/trade/topics/global-value-chains-and-trade/documents/trade-in-value-added-2021.pdf>

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