

Greek businesses struggle to meet payments amid deep crisis: survey

ATHENS, Nov. 19 (Xinhua) -- Six out of ten Greek businesses struggle to meet payments this year due to the acute debt crisis facing Greece amid fears that worse lies ahead in 2013, the annual report of the sector's main nationwide association showed on Monday.

Greece's commerce sector shrank by some 12 percent throughout 2012, which represents 93,000 job losses, due to a dramatic decline in sales and profits, Vassilis Korkidis, president of the National Confederation of Greek Commerce's (ESEE), said when presenting the report.

Less than 700,000 people, a record low since 1998, are currently employed in commerce, which represents almost 18 percent of the total working force in Greece.

With six out of ten small, medium-sized and larger businesses already facing severe cash flow and liquidity issues due to the recession, higher taxation and lack of bank financing, the picture is expected to get bleaker in coming months, despite ongoing international efforts to address the crisis, according to ESEE.

Seven out of ten enterprises which participated in ESEE's survey forecast further slowdown in their revenues in 2013 and fear further closure, as Greece is about to enter the sixth year in deep recession, struggling to avoid a chaotic default and potential exit from the euro zone.

But Greek Development Minister Costis Hatzidakis expressed optimism that with the aid of European Union and International Monetary Fund creditors, the country will soon break the vicious circle of recession, returning to growth to the benefit of all sectors of the ailing economy.

"The first key step for the government is the agreement with troika which will pave the way for the recapitalization of Greek banks and eventually restore liquidity in the real economy," he said.

Greece's future hinges on Tuesday's Euro Group meeting in Brussels, which could decide whether to release the next multi-billion euro tranche to Greece and agree to ensure the sustainability of its sovereign debt under bailout deals clinched in exchange of painful austerity and structural reform measures.

The debt crisis has put Greek entrepreneurs and households under enormous strain, as rounds of cuts on salaries, wages and tax hikes introduced to slash deficits, have slashed Greek consumers' purchasing power by an average 30 percent in three years.

According to ESEE's data, some 60,000 small firms have closed down since the start of the crisis in late 2009 and further 60,000 are at high risk to follow, fuelling fears for further rise in jobless rates which already surpass 25 percent, a record high for the country.

"With the good cooperation of all sides we can face problems and ease the impact of the crisis," Korkidis stressed, appealing for urgent initiatives to boost banking financing towards the real economy, support employment and reverse the negative trend.

