

2007

BIC of Serres

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[REPORT OF 3RD ACTIVITY]

Assessment of cooperation potential



Presentation of the Prefecture and Municipality of Serres

The Prefecture of Serres represents one out of 52 Administrative divisions of Greece. This is a very old organization, a historical legacy, enforced because of the difficulties in communication, copying the French Administration. Prefectures used to be divided into Provinces, still in effect in some remote islands. There is still a division in Provinces, without a real use, other than tax collection. It may be useful to an entrepreneur, because he must be registered in the corresponding Tax Office.

The Provinces are:

1. Serres, capital of which is the town of Serres. A second important town is Heraclea.
2. Visaltia, capital of which is the town of Nigrita.
3. Sintiki, capital of which is the town of Sidirokastro.
4. Fyllida, capital of which is the town of Zichni

The Prefecture is organized in 22 Municipalities and 5 Communities (villages).

Most of the Municipalities are groups of former Communities, with a history of less than 15 years as Municipalities. The remaining Communities are remote villages, nearing the Bulgarian border.

Geographic Data

The Prefecture of Serres extends from the confining Bulgaria to The Aegean Sea, out of which owns only 7 Km of the coast line, on the delta of the Strymon river.



Image 1- Where is Serres

As the whole of the country, it is mostly mountains, yet it is the third biggest plain area in Greece, after Thessaly and Thessaloniki. The river, crossing the Prefecture of Serres, is irrigating most of the plain area, while the hills are arid.

Much of the territory is protected, either by the Ramsar Treaty (absolute protection of the Wetlands) or by Natura 2000 (mild protection of Flora and Fauna species).



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Image 2 - Protected areas

The Prefecture belongs to the Region of Central Macedonia, while it was a part of East Macedonia (a Region which has been partly added to the unified Region of East Macedonia and Thrace) until 15 years ago, together with Drama and Kavala.

Fertile ground, together with the European Agricultural Policy (now New Common Agricultural Policy), have kept agriculture as the main source of income and is still keeping the rural character evident.

Serres is a crossroad between East–West and North–South. This is given to the historically used crossing of Promahon – Kulata and also to the vicinity and smooth land driving to three ports: Thessaloniki, Kavala and Amphipolis; the last is not operating and would not be in effect again, because it is in a Natura 2000 area. Another port at a reasonable distance is being created in Stavros (30 km away) as a logical replacement, but it is in another Prefecture, the one of Chalkidiki, yet in the same Region.

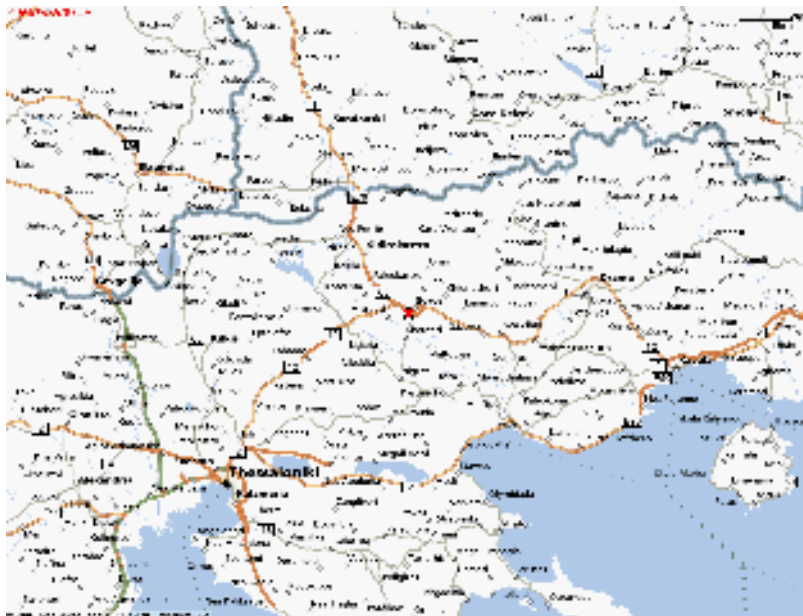


Image 3 - The Prefecture in the Region

Two airports are serving the Prefecture; the one in Thessaloniki and the other in Kavala, with almost the same travel time, which is less than 1 hour 30 minutes.



Image 4 - Airport Servicing (Source: The Ministry of Public Works 2003)

Under the same view, another crossing seems interesting; the one creating an intersection between the west coast (which under construction) with this fast Motorway.



The last, but not of least importance, is that the road connecting Kulata with Sofia, is connected with the fast Motorway trough different routes, under the selection of the transportation companies and businesses distributing goods or carrying people, alike:

- One of the roads is faster to reach the Thessaloniki Port and Airport.
- The other is faster to reach the Chrysoupoli Airport and the Kavala Port.
- Both are passing through the town of Serres, at a Motorway exit distance.
- FYROM is going to become a faster destination through the Greek territory than directly from Petrich, except when neighboring towns are the final destination.
- All the routes pass through the Petrich interesting area.



- A railway is connecting the same ends (Thessaloniki Port and Sofia) by railway, which is crossing both the Serres and the South Bulgarian territories. There is no railway connection with the Kavala port. The port to reach by rail is in Alexandroupolis on the East, at less than 250 km.
- Petrich and Serres are calculated to be within the range of less than 45 minutes of reaching time, of the fast Motorway.
- The use of the fast Motorway facilitates at the same rate the passengers and the goods transportation.
- More than one vertical connections are foreseen to connect Bulgaria with the Motorway. The precedence is given to the one driving to Sofia through Kulata and the surroundings of Petrich.

This kind of Infrastructure (fast Motorway, ports and airports) are meant to overcome the geographical barriers, but it also shows that this kind of social investment is only improving whatever has been attempted in the antiquities, given the technical abilities of these times, like the “via egnazia” and the ports.

The Prefecture of Serres represents 3.968 square km of land. This represents less than 2% of the total of Greece, but considering the mountains and the archipelago, it is taken to represent more than 4% of the inhabitable land. This is taking the Prefecture to the 9th rank position among the 52 Prefectures.

The town of Serres is in the center of the Prefecture in almost equal distance from Petrich and the coast line. It is said to be an ancient settlement, because of its position on the hills, thus protected from mosquitoes and the infections, while most of the plain area used to be a swamp, and away from the invaders from the sea. Having its back to the northern mountain Menikion, it is protected from very cold northern winds, having little snow and almost mild winters.

The town has developed during the occupation by Stephan Dusan and later by the Ottoman empire, liberated the same time as Petrich. Until 1912 there was no border between the two territories.

Demographic Data

The population of the Prefecture is around 200.000 inhabitants. This represents 1,7% of the total population of Greece. The population is declining, according to the census data, the last in 2001, it shows 186.000. The census data shows a decline in the residents of the town of Serres, which is reported to be 47.000.

Newer calculations of effective data, like the number of the electricity and water meters, permit a different conclusion about the town population, explainable by other kinds of development, as well as the local tradition.

The census is giving the following data:

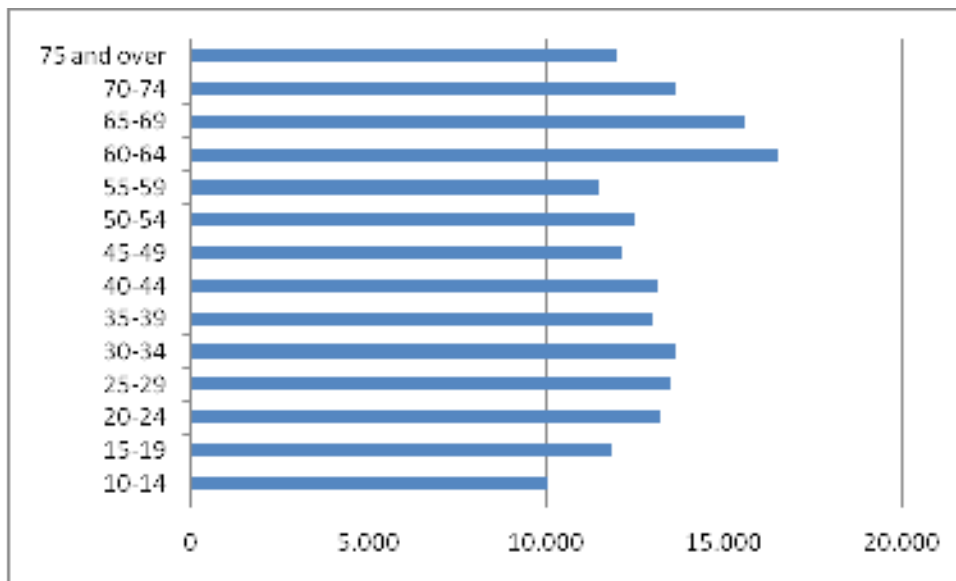
Ages	Economically Active				Economically Inactive
	Total	Employed	Unemployed		
			Total	Of Which Young	
Both Sexes Total	78.897	68.122	10.775	6.087	103.390
10-14	128	1	127	127	9.874
15-19	1.893	743	1.150	1.055	9.971



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20-24	7.615	4.946	2.669	2.189	5.625
25-29	10.253	8.032	2.221	1.467	3.224
30-34	10.642	9.181	1.461	708	2.983
35-39	10.104	9.164	940	367	2.863
40-44	9.882	9.239	643	101	3.267
45-49	8.660	8.114	546	45	3.471
50-54	8.107	7.568	539	28	4.414
55-59	5.690	5.341	349	0	5.796
60-64	4.644	4.514	130	0	11.897
65-69	908	908	0	0	14.711
70-74	336	336	0	0	13.312
75 and over	35	35	0	0	11.982

This is producing a rather distorted pyramid.



Graph 1 - Demographic pyramid (Source: National Statistics 2001)

It is evident that the population is aging and between 40 and 59 there is a significant decrement. This is the effect of migration, both internal (to the big cities of Athens and Thessaloniki) and external (mostly to Germany) for better working conditions and compensation. The increment in older ages is given to the repatriation of the migrated population, because of better and less expensive living conditions.

The population of the census data has to be corrected with the following:

- In 2001, when the census took place, the Technological Educational Institute (now an equivalent to the University) had only 4.000 students and now has 11.500.
- The repatriation of pensioned persons is continuing.
- The life expectancy is increasing (unfortunately there is no valid data available, due to the mobility of the population).
- Unemployment in the big cities and Germany (the most common destination of the migrating population), combined with the high living costs, are discouraging the migration of the 35 to 45 years age span.



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- There is an unknown number of immigrants from the former East European Countries, with a real or claimed Greek origin, who are settling in the Prefecture with documents obtained (proving their Nationality) at the Diplomatic Offices in the countries of their provenience. Once they have a Greek passport, they are considered Greek citizens and they cannot be registered.
- There is also a rough number of temporary residents immigrating from the neighboring countries, either as legal or illegal immigrants, ranging from 5.000 to 8.000, depending on the season¹.

The unemployment rate is rapidly falling, from 10,9% in 2004, it shows now a 6,5%, one of the lowest in Greece². The real numbers are different from what is documented. The unemployment rate is much lower, as it also was in the past. Although there is a difference in the methodology of data collection, which may justify the numeric difference without a real change, a qualitative study of the Chamber of Commerce³ in 2002 and 2004 has shown that the rate of unemployment increased, but never reached the officially reported 10,9% (it was calculated to be around 8%). There is no newer data, but a scarcity of available workforce is being reported randomly by the entrepreneurs.

- The number of the Serres town inhabitants has been calculated to exceed 100.000 people. This is contrary to the census numbers, but it is easily explainable:
- Many of the Serres inhabitants are still registered in their home Municipalities, because of their ownership of house and land, but also because they are asked by family members who run for an office in the local elections.
- Many of the Public Employees are registered in their Municipality of origin, outside of the Prefecture of Serres, during the census, for the same reasons.
- Students are registered in their place of origin, while local persons prefer to study in another town in a very extended rate⁴.

As an overview, it may be concluded that the real Demographic data show the Prefecture as hosting more than 200.000 people and the Serres town more than 100.000, representing roughly half of it. The population is aging and the unemployment rate is less than friction rate (said to be about 4%).

Sex distribution is normal in all ages.

Women occupation is still at a very low rate.

One of the most important indices, is the one referring to the car accidents, which is rapidly falling (by 14% in the last five years) representing 0,5%, while the county's average 1,4%.

Criminality is one of the lowest in Greece and is being kept steady, although there is not any official information.

Divorce rate, illiteracy and Education, do not represent relevant information, with an exception of the functional Illiteracy is dropping, because of the second chance schooling.

¹ Undocumented Police reports at the 2003 Conference of local development.

² Source: Economics "The Prefectures of Greece", June 2007 edition.

³ Studies executed by Dr. Dimitrios Kambouris, for the Chamber of Commerce. His team interviewed a sample of the apparently unemployed, who were receiving government aid.

⁴ We have seen in a survey of 2004 that only 2% of the students are from local origin (presented at the "New Horizons in Industry and Education" Conference, Corfou 2005)



Economic Data

The Serres Prefecture produces the 0,9% of the GDP of Greece. This proportion is stable in the last years, but it was 1.5% in the year 2000.

Looking at the data of the past years, the difference in proportion is given to the increment of the GDP of the country, because of the Olympic games and not the decline of the local one, which is remaining almost stable.

The Agricultural sector remains stably at the 17% of the local GDP, ranking Serres as 4th higher in Greece. Rice produced in Serres is the 2nd higher in Greece (14% of the country), cotton is 8% (4th in the country), milk is 4% (4th in the country), wheat is 6% (6th in the country), tobacco is 6% (6th in the country) and industrial tomatoes is 4% (7th in the country). There is a rapid decline in the volume of production of industrial tomato and tobacco in the past 7 years.

Manufacturing represents 3,7% of the local GDP in 2004 (it was 4,5% in 2000) and represents 0,4% of the country.

The number of enterprises is remaining relatively stable and are distributed as it is shown in a following table, as they derive from the census of 2001 (source National Statistics).

NACE	Sector	number	Sales	AVG
01	Agriculture, animal husbandry, hunting and related service activities	799	147,45	0,18
02	Forestry, logging and related service activities	48	2,41	0,05
05	Fishing, fish farming and related service activities	10	0,41	0,04
11	Extraction of crude petroleum and natural gas; service activities incidental to oil and gas extraction, excluding surveying Other mining and quarrying	1		0,00
14	11	2,35	0,21
15	Manufacture of food products and beverages	319	70,73	0,22
17	Manufacture of textiles	38	1,21	0,03
18	Manufacture of wearing apparel; dressing and dyeing of fur	317	14,67	0,05
19	Tanning and dressing of leather; manufacture of luggage, handbags, saddlery, harness and footwear	15	2,01	0,13
20	Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	147	12,40	0,08
21	Manufacture of pulp, paper and paper products	8	1,41	0,18
22	Publishing, printing and reproduction of recorded media	40	3,67	0,09
24	Manufacture of chemicals and chemical products	11	2,47	0,22
25	Manufacture of rubber and plastic products	14	3,20	0,23



26	Manufacture of other non-metallic mineral products	71	17,86	0,25
27	Manufacture of basic metals	9	1,37	0,15
28	Manufacture of fabricated metal products, except machinery and equipment	239	15,01	0,06
29	Manufacture of machinery and equipment n.e.c.	103	7,84	0,08
31	Manufacture of electrical machinery and apparatus n.e.c.	24	2,54	0,11
33	Manufacture of medical, precision and optical instruments, watches and clocks	3		0,00
34	Manufacture of motor vehicles, trailers and semi-trailers	5	0,73	0,15
36	Manufacture of furniture; manufacturing n.e.c.	244	19,19	0,08
37	Recycling	2		0,00
40	Electricity, gas, steam and hot water supply	10	0,26	0,03
41	Collection, purification and distribution of water	6	7,27	1,21
45	Construction	1.269	78,61	0,06
50	Sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel	767	121,52	0,16
51	Wholesale trade and commission trade, except of motor vehicles and motorcycles	1.033	356,03	0,34
52	Retail trade, except of motor vehicles and motorcycles; repair of personal and household goods	3.506	319,86	0,09
55	Hotels and restaurants	1.719	51,54	0,03
60	Land transport; transport via pipelines	421	34,29	0,08
63	Supporting and auxiliary transport activities; activities of travel agencies	81	5,20	0,06
64	Post and telecommunications	21	0,50	0,02
65	Financial intermediation, except insurance and pension funding	14	0,04	0,00
66	Insurance and pension funding, except compulsory social security	4	0,03	0,01
67	Activities auxiliary to financial intermediation	42	0,54	0,01
70	Real estate activities	23	0,86	0,04



71	Renting of machinery and equipment without operator and of personal and household goods	159	3,36	0,02
72	Computer and related activities	28	0,89	0,03
73	Research and development	16	0,11	0,01
74	Other business activities	992	27,33	0,03
75	Public administration and defence; compulsory social security	13	1,38	0,11
80	Education	56	2,58	0,05
85	Health and social work	30	0,86	0,03
90	Sewage and refuse disposal, sanitation and similar activities	6	1,32	0,22
91	Activities of membership organizations n.e.c.	34	15,70	0,46
92	Recreational, cultural and sporting activities ..	140	4,95	0,04
93	Other service activities	328	3,65	0,01
95	Activities of households as employers of domestic staff	2		0,00
XX	Unclassified	310	8,59	0,03
	TOTAL	13.508	1.376,20	0,10

MAX 1,21

The size of the enterprises is represented by the sales over the number of enterprises. This is giving a max of 1,21 mil € per year and it is produced by the water companies owned by the Municipalities. This amount is dropping to 0,46 (still of public interest) and 0,34 for wholesalers, followed by vehicle trade. There is no data for profits or profitability by sector.

The pro capita GDP is 10.000€, representing 52% of the country's average (43% of EU-25) and rating the Prefecture at the 50th position (while it was at 35th position in 2000).

Savings are 7.700€ per resident, rating the Prefecture at the 35th position (it was on the 22nd in 1998) and represents the 63% of the county's average.

Economic Environment

The economic environment is strongly affected by the social environment and the mindset, as well as by external events.

The main external event has been the introduction of Euro. This changed the overall environment, keeping the inflation rate near the EU Euro region average.

As a consequence, interest rates are following the Euro interest rates and inflation expectancy have lowered the stocked goods and increased the turnover, increasing the profitability of the engaged capital, according to a study ordered by the Cooperative bank of Serres in 2004.



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On the other hand, the introduction of Euro increased the Consumer Price Index, but this affected also the pro capita GDP, especially in Central Macedonia, whose part is Serres.

From 1998 to 2001, the savings decreased significantly, because of a rapid and uncontrollable increment of the Stock Exchange Index. Much of this amount has been lost, because in 2001 the Stock Exchange showed a rapid fall, almost a “crack”.

From 1998 to 2005, many consumers, mainly from Serres and the surrounding Prefectures were crossing the border with Bulgaria for shopping reasons. A survey by the Chamber of Commerce showed a 183 million of € spent in the Bulgarian market, especially in Sandanski and Petrich. From 2005 this behavior started decreasing steadily. No explanation presented yet. This phenomenon is under examination by the Chamber of Commerce and has been assigned to Euroconsultants S.A. Results are expected in September 2007.

Common Agricultural Policy (CAP) is becoming a driving force due to changes in the distribution of agricultural income, which is diminishing steadily but slowly. This is the effect of the aging farmers (they are reported unofficially to exceed 62 years of average age) and the concentration (again unofficially) in urban centers of the population. This is an explanation of the abandonment of the cultivation of industrial tomato (labor intensive) and the movement to land extensive (like wheat).

A table with selected economic indices is following:



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	YEARS									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
POPULATION										
Number of permanent residents		193.198	193.777	194.233	194.511	194.086	193.552	192.630,0	191.149	189.851
Unemployed		10.532						10.053,0	8.224	
PRODUCT-INCOME										
gross value added (in million Euros)				1.533	1.563	1.600	1.650	1.761,0		
GDP (in million Euros)				1.706	1.746	1.781	1.823	1.937,0	2.077	
Agriculture % GDP				20,8	19,1	19,3	20	16,8		
Industry % GDP				18,8	19,4	16,1	15,3	16,5		
Mining % GDP				0,3	0,1	0,3	0,2	0,2		
Manufacture % GDP				4,6	4,5	4,4	4,1	3,7		
Energy % GDP				1,7	1,9	1,9	2,3	2,0		
Construction % GDP				12,1	12,9	9,5	8,7	10,3		
INVESTMENTS										
Manufacture investments with more than 10 employees (in million Euros, million drachmas until 2001)	2.930	3.131	4.065	3.757	3.593	34	14			
TURISM										
Beds in hotels	881	896	954	984	1.111	1.464	1.189	1.295,0	1.323	1.244
Beds in hotels of 4 stars					17	17	17	17,0	17	17
Hotels		13	15	16	20	33	20	22,0	22	23
Foreigners' bookings	15.553	15.960	14.263	11.023	31.691	15.760	9.673	10.659,0	7.570	
Domestic bookings	91.072	96.431	110.254	121.185	117.336	113.105	112.100	98.197,0	95.891	
SAVINGS										
Saving accounts	175.855	185.715	192.204	206.827		797	839	934,0	986	
Fixed length	64.602	69	64	59		412	441	408,0	482	
Cash accounts	7.578	7.603	16.297	10.868		55	65	80,0	135	
Savings per resident (in drachmas, Euro)	1.246.964	1.317.691	1.318.463	1.369.648		6.224	6.608	6.967,0	7.680	

Table 1 - Source: Almedia Publications - June 2007

Eurostat data is not very helpful, while they are registered on a Regional and not Prefectural basis and even these information is not available, because of the differences of the National Statistics.

From other sources, like the Egnatia Study on the calculation of potential traffic and the impact, which has been officially accepted by the Ministry of Public Works, the public authorities reports at the 2nd Development Conference of the Serres Prefecture of 2003, studies ordered by the Chamber of Commerce and surveys on consumer behavior and entrepreneurship mindset, many differences occur.

Economic Trends

Looking at the statistical data it is needless to calculate correlation coefficients, while:

- Random disturbance occurrences are unpredictable, yet severely affecting the observations.
- There is an observed vast oscillation which is discouraging to examine a cause – effect (two variable) relation.
- Quantitative projection of the time lines are severely influenced by random (unique) changes of the overall environment, that make projections misleading.
- Qualitative examination is impossible to be put in data, because qualitative observations are still too young to produce reliable data.
- The observations themselves are biased, because of the registration system, which is only showing the officially registered data. It has been stated several times, on international level, that Greek economy is only partially registered, thus whatever



the accuracy of the statistical method, the primary data is representing the real facts at a variable rate.

Under these circumstances, combining the quantitative with the qualitative observations and taking into account the political changes (political, not governmental), the most probable trends are:

Further examination of the evolution framework shows that the skilled availability in the territory is exhausting its limits.

The accumulation of savings is indicating future investments. The entrepreneurship mindset and tendency is relatively low, as it is shown by the stable number of the enterprises at around 13.000, of which manufacturing represents about 540, in the last decade.

The construction sector is quite active and it is being served by many small enterprises, who are constructing houses, while public works are undertaken by a small number (6) of enterprises with more than 50 employees. House construction is reaching maturity, after a recent rapid expansion, given to the mortgage policy of the banks.

Trans-border activities

Almost the whole of the textile SMEs of the territory have been moved in Bulgaria and FYROM, in the past decade. Less than 400 enterprises are still operating in the sector, employing less than 1.200 persons. Less than 10 of them employ more than 20 persons.

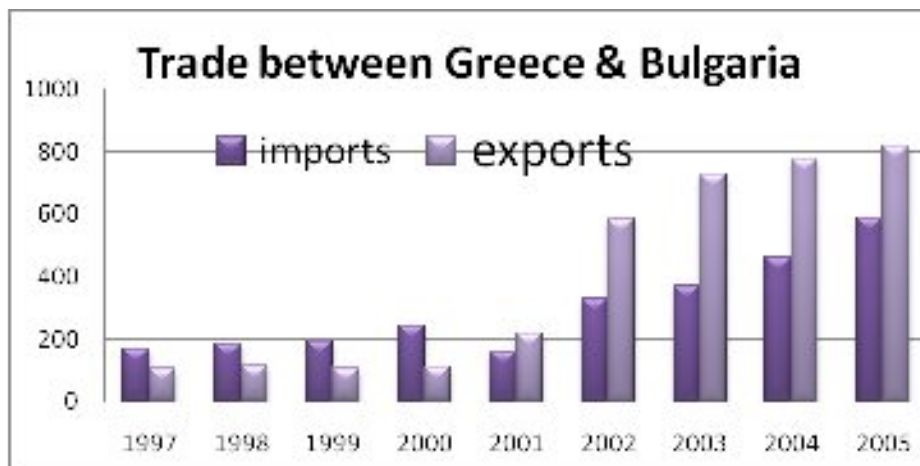
Their settlement in Bulgaria, the investments and the number of employees in Bulgaria are not registered, because most of the transactions have been in cash and the moved enterprises are not reporting their Bulgarian activities to the local authorities.

From the statistical data there is little to know about the movement of enterprises and the direct investments of the residents of Serres in the interested area of the Bulgarian bordering side.

The trade between Greece and Bulgaria is:

	1997	1998	1999	2000	2001	2002	2003	2004	2005
imports	169,3	183,6	192,9	243,8	161,112	328,94	369,4	462,09	589,03
exports	106	113,9	105,5	110,9	217,015	586	728,56	776,34	817,04
	63,3	69,7	87,4	132,9	-55,903	-257,06	-359,16	-314,25	-228,01

Source: Greek Economy in numbers, Almedia Publishing, 2007





In 2001 there is a radical change of the trade. The reasons may be found more on the political environment than in economic factors, such as stability of the political system, liberalization of trade, customs modernization and the prospective of joining the EU.

The main products exported from Greece to Bulgaria:

Items Exported to Bulgaria	Exports Mil.€
Blouses, shirts	79,9
iron or steel bars and rods	36,1
T-shirts and other vests	28,7
Aluminium and aluminium alloys, worked	26,98
Knitted fabrics	26,87
Trousers	23,94
Cars	22,86
Tights, stocking, stocks	19,35
Cigarettes	15,94
Kerosene and other medium oils	14,36

Source: NSSG-2007

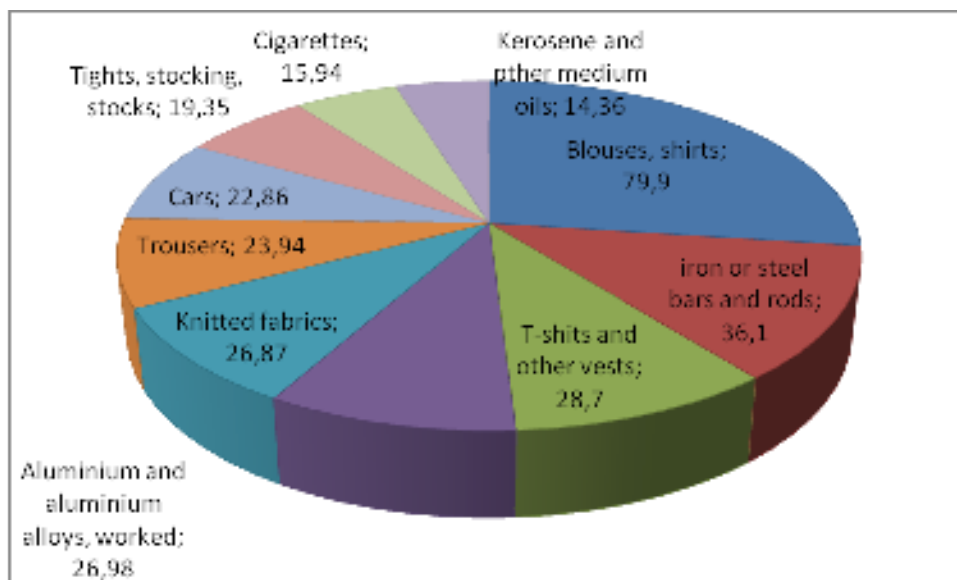


Image 5 - the main products Bulgaria Export to Greece (source: Almedia)

There is no data available about the final destination of such products. They probably are distributed in Greece with the same proportion as private consumption, but this is doubted by the observation of the people traveling in Bulgaria, something insinuating that the consumers may be evenly distributed in Greece, but the entrepreneurs importing and other kind of intermediaries, may well be concentrated in Central Macedonia.

A survey of the TEI of Serres in 2004, ordered by the Chamber of Commerce, on a sample of 1.018 persons crossing the border, indicated that some 10% of the visitors of Bulgaria by road were entrepreneurs (another 15% were self employed), while more than 70% of all the interviewed were residents of Serres and the surrounding area (Prefectures extending from Pieria to Kavala). This allowed us to presume that more than 500 different entrepreneurs were visiting Bulgaria, taking into account multiple journeys, and that their intention was doing business.



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What we can find is the import – export activity of the Region of Central Macedonia, which shows an orientation towards the non EU countries, where the exports are addressed, without further details. This includes Bulgaria, while the data is referring to 2001, when Bulgaria was not a Member of EU yet.



Image 6 - Import Export of Central Macedonia (source: Egnatia Odos)

There is a clear evidence of the extroverted character of the Region of Central Macedonia, which is looking to the North. This (other, as well) observation has driven to the decision of the heaviest investment of Greece and EU of the past 50 years, which is Egnatia road and the vertical connection, with a priority to the one connecting it to Promahon – Kulata.

Trans-border Cooperation

Entrepreneurs, their associations, private economic or non-profit associations and the public entities, after lifting the customs and almost the border with Bulgaria, are examining the following possibilities of cooperation:

Commonly exploit the road tourism (by car or bus), from either EU or non-EU countries.

For the first time Greece is connected by road with the rest of EU and crossing the borders has become a quick procedure. This is bringing back the road tourism, once crossing the former Republic of Yugoslavia. Many tourists from the former Eastern European Countries, non- member states, have their own reasons to travel by car.

Tour operators of both Bulgaria and Greece, especially in the bordering regions, are examining the possibility to act as organizers of such travelling.

Create joint enterprises of the Agricultural exploitations.

Aging farmers in Greece are leaving unexploited a significant amount of investments in equipment, while in the Bulgarian side there is lack of equipment and capital to intensify the cultivation of the land.

Joint enterprises are examined, as to cultivate both lands, especially in labor intensive farming.

Common Business Support services.

Interpretation, legal support, translation, business planning, financial control and auditing, are examined as business opportunities.



Multilingual Software production.

On either side business support software is being engineered, oriented to SME management, Total Quality Management, Lean Management and Logistics.

The Software companies are looking for a collaboration not only for widening their market, but also to facilitate business cooperation.

Common multilingual Portals.

Promotion of the products of all sorts of enterprises and local authorities have to be on a central point of reference, so that they can be easily identified.

Common Financial Services.

Cooperation between the Serres cooperative bank and the Municipal Bank of Petrich is already under study.

Other forms of Financial services, like Stock Exchange trading, Venture Capital representation, Private Equity Capital promotion and Mergers and Acquisitions intermediation, are being considered by Financial Services enterprises.

Joint Construction of Public Works (joint bids in Public Procurement).

All of the entrepreneurs who are contractors or subcontractors of bigger companies, in the sector of Public Works, seeing that their subject is reaching maturity, together with their experience in bidding and undertaking such works, as well as the equipment they have, are interested in bidding together with Bulgarian similar companies or Civil Engineers for the works expected to be financed by the Regional Development Funds and the Interreg.

Construction material.

Some of the enterprises in the field of public works, also deal with construction material, such as marble, tiles and bricks. Other enterprises produce wooden and metallic doors and windows, kitchen furniture and the alike. They are all interested in collaborating with the nearest possible enterprises, so that they exploit their competitive advantage, other than the difference in wages. For example a strong interest has been expressed for the stone mines or production of the hand - made wooden finishing etc.

Medical Services.

Many Medical Doctors of the region have obtained their degree in Bulgaria, so they speak the language fluently. The collaboration with the public hospital is quite difficult for the moment, because of legal restrictions, but private clinics are most interested in collaborating with doctors in the Region, so that they offer highly specialized medical services, or receive colleagues to assist them in special occasions.

Real Estate.

The house construction is reaching maturity, so many small such firms are interested in collaborating with similar firms, in order to continue their operations and keep on using their equipment.

As real estate agents report, there is an evident interest of the neighboring Bulgarians to buy or construct cottages by the shore, as well as hotels, in the nearing places (Thessaloniki, Kavala, Chalkidiki).

Food processing.

This is one of the main issues. Food is based on agriculture. The companies of this sector are suffering (especially in produces requiring manpower) shortages in raw material supply.



Municipality of Petrich -Phare CBC 2004/016-782.01.02

They are seeking collaboration with cultivation organizers in Bulgaria, so that they continue using their factories above break even.

There is also interest in commonly organize cultivations in the Greek territory, so they examine all the legal and fiscal implications.

Conclusions

After Bulgaria joined the EU and the border crossing has speeded up, the interest of collaboration and expansion of activities is rapidly increasing.

Transportation speed and safety are a very attractive sector, which is still under hesitation, because of the remainders of a mindset.

Real estate and Financial services are under studies about the form, while feasibility is considered secure.

The agricultural sector and the food processing sectors are in the center of the interest of the entrepreneurs.

Legal, managerial and financial services, are demanded by the local entrepreneurs, as a prerequisite for cooperation.

The textile sector does not represent interest any more.

Services to the enterprises, like Accounting, Fiscal consulting, Legal consulting, real estate intermediation and information dissemination, are considered to be the first step.

Language is not a strong obstacle. The Chamber of Commerce of Serres is offering free Bulgarian language courses to its members, showing the way of the expected future.