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Greece's only Ferrari dealership has had no sales for nearly two years

There was a time when there were allegedly more Porsche Cayennes in Greece than citizens declaring and paying taxes on incomes of more than €50,000 a year. Those days are gone

Helena Smith in Athens
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A man passes the closed Ferrari shop in central Athens' shopping area. Photograph: Louisa Gouliamaki/AFP/Getty Images

It is easy to see why Angeliki Karitsa shut up shop this month and announced she would not be back until September.

As marketing manager at Greece's sole outlet selling Ferraris – the super car for the super rich – Karitsa has experienced some recent frustration: she has not sold a vehicle for almost two years.

"In early 2012 we sold a 458 Spider but nothing since," she said, within hours of beginning her month-long summer break. "And, no, we don't keep stock. We bring in cars on order."

Karitsa is perhaps the loneliest saleswoman in Greece. In a country ravaged by six straight years of recession and record unemployment, car sales have taken a thrashing, with shipowners and other plutocrats uncharacteristically reluctant to be seen parading their wealth.

The collapse of the car market has become emblematic of hardship as Greeks endure some of the most biting austerity measures in modern times. Nearly four years into the nation's debt crisis, new vehicles registered with the transport ministry up to July this year dropped by more than 75% from the same seven months in 2008 according to the Greek Association of Motor Vehicle Importers Representatives (AMVIR).

Pre-crisis, state revenues from cars soared as Greece's car market accounted for 12% of GDP.

During those months in 2008, more than 187,000 passenger cars were registered (12 of them Ferraris, and more than 300 of them Porsches). That compares with a total for this year to July of just under 37,000 – none of them a Ferrari, although there were half a dozen Porsches.

"During the first six months of 2013, some 30,364 passenger cars were registered compared to an average of 125,340 over the past decade," said Dimitris Patsios, AMVIR's general manager. With GDP down by more than 20% since 2008 – the single biggest drop in an advanced western economy since the Great Depression of the 1930s – it was, he insisted, "more than apparent ... that luxury car sales have long since collapsed".

In the 1980s, cars became the ultimate status symbol for Greece's middle class, who had long been prevented from enjoying them by exorbitant levies. In the easy years when banks ensured that newly minted euro credit was plentiful and cheap, most families had at least two.

Dealing with them since the crisis has not been easy – either for owners or officials. Transport ministry officials say nearly half of the 5.5m cars currently in circulation (including around 700,000 vehicles owned by the state) have not been insured, or have failed to pass an MOT test in the past three years.

A growing number of Greeks, desperate to avoid increasingly expensive taxes and fuel costs – duties on high-end cars have risen dramatically since the country received its first rescue funds from the EU and IMF – have sought to offload their luxury cars by exporting them.

"Total exports, for all kinds of cars, have soared from 3,035 cars in 2010 to 22,053 in 2012," said Patsios, adding that runaway duties on super cars had effectively "eliminated demand" for them.

The vast majority of vehicles are believed to end up in neighbouring Albania, a buyer's delight for second hand and stolen cars, and Georgia.

"Those who thought they were rich and bought Porsche Cayennes for €60,000 [£51,000] are now selling them for around €16,000 through middlemen to countries like Georgia," said Christos Savvides, a self-confessed lover of cars who turned to driving a cab when his electronics job ended with the crisis. "They've discovered that they're just too expensive to run. Not even the banks want to repossess cars because they can no longer afford the space to keep them."

Patsios vehemently rejects the idea that before the crisis the Greeks outdid other eurozone nations in their zeal for luxury cars. Instead, he says, Greece's impoverished road network and limited public transport system ensured that Athens and Thessaloniki, its two major cities, suffered from major traffic congestion that perhaps gave the impression there were more luxury cars than there really were. "Luxury car sales were never at high levels in Greece and always below the European average," he said. But stories of tax-dodging Greeks buying top-of-the-range cars, often with EU subsidies, are legendary.

Shortly after the debt crisis erupted in Athens in late 2009, policy circles were abuzz with rumours that the town of Larissa (population 250,000) in the agricultural region of Thessaly had more Porsche Cayennes per capita than any city in any other EU country.

Professor Herakles Polemarchakis, a former prime ministerial adviser and economics lecturer at Warwick University even went so far as to say there were more German-made Porsche Cayennes in Greece than individuals who declared and paid taxes on an annual income of over €50,000.

When challenged he watered down the claim but insisted that the "per capita number of Cayennes in Larissa was twice that of Cayennes in the OECD countries". "It was an open secret that Larissa was the king of Porsche Cayennes," said Savvides.

Back at the Ferrari dealership, Karitsa refuses to be drawn on who snapped up the 458 Spider (top speed 198mph).

Speculation, however, is still rife that the buyer was a Briton eager to bypass much longer waiting lists in the UK, Ferrari's biggest market in Europe.

Karitsa was only willing to say that in Greece customers were usually kept waiting "not more than three months".

Tourists lift economy

Bargain breaks, updated hotels and the lure of the Grecian sun brought tourists flocking to the crisis-stricken country in June and the hope of a much-needed bumper summer season.

Tourism receipts in Greece – which largely relies on foreign holidaymakers – jumped 21% to €1.59bn (£1.35bn) in June compared with a year earlier, marking a strong start to the traditional summer holiday season. T ourism receipts in the first half of the year overall were up 18% at €3.32bn, according to the Bank of Greece.

Tourist money, as well as a smaller trade gap, helped to lift the country's current account balance to a surplus of €663m in June from €73.1m in the same month last year.

Tourist businesses in Greece, having cut prices and overhauled their offerings, said revenues have been helped by a jump in high-spending tourists from Russia and people taking longer breaks in the country.

Greece's tourism authorities have forecast receipts will jump 10% for this year as a whole to €11bn, from 17 million visitors when international tourists shunned the country at the heart of the eurozone debt crisis. **Katie Allen**