



## Economic Analysis Division

# Southeastern Europe & Mediterranean Emerging Market Economies



## Bi-Weekly Report

7 – 20 June 2022

Countries in Focus in this Issue:  
**Romania, Bulgaria & Cyprus**

### ROMANIA ..... 1

Massive build-up in inventories lifts GDP growth in Q1:22 (to 6.5% y-o-y from 2.4% in Q4:21)

Under the burden of record-high inflation, and given the limited policy space available, GDP growth is set to slow down markedly during the remainder of the year

### BULGARIA ..... 2

Political uncertainty on the rise, after ruling coalition loses no-confidence vote

Following a relatively strong start to the year (GDP, up 5.0% in Q1:22), economic growth is set to gradually lose momentum, reflecting the implications of the ongoing geopolitical tensions, especially in terms of high inflation, despite the looser fiscal policy

### CYPRUS ..... 3

Despite headwinds in the wake of the Russia-Ukraine crisis, real GDP growth held up well in Q1:22 (up 5.9% y-o-y against 6.4% in Q4:21)

Economic growth is set to weaken markedly in the remainder of the year, reflecting the economy's exposure to Russia and the impact of the spike in inflation

### APPENDIX:

#### DETAILED MACROECONOMIC DATA ..... 4

#### REGIONAL SNAPSHOT: MACROECONOMIC INDICATORS . . . 7

#### FINANCIAL MARKETS ..... 8

#### NBG - Economic Analysis Division

<https://www.nbg.gr/en/group/studies-and-economic-analysis>

#### Emerging Markets Analysis

##### Head:

**Konstantinos Romanos-Louizos**

☎ : +30 210 33 41 225

✉ : romanos.louizos.k@nbg.gr

##### Louiza Troupi

☎ : +30 210 33 41 696

✉ : troupi.louiza@nbg.gr

##### Georgios Ntinenis

✉ : ntinenis.georgios@nbg.gr



# Romania

BBB- / Baa3 / BBB- (S&P / Moody's / Fitch)

**Massive build-up in inventories lifts GDP growth in Q1:22 (to 6.5% y-o-y from 2.4% in Q4:21).** Amid heightened geopolitical uncertainty, due to the ongoing conflict in neighbouring Ukraine, and rapidly rising global commodity prices, inventories (including statistical discrepancies) surged (temporarily) in Q1:22, emerging as the main growth driver (see chart). At the same time, and despite the challenging backdrop, private consumption continued to expand at an unsustainably robust pace, largely reflecting a frontloading in consumer spending, in light of the sharp upward adjustment in inflation expectations (see also below). Unsurprisingly, stronger domestic demand fed into imports, with net exports deteriorating sharply in Q1:22.

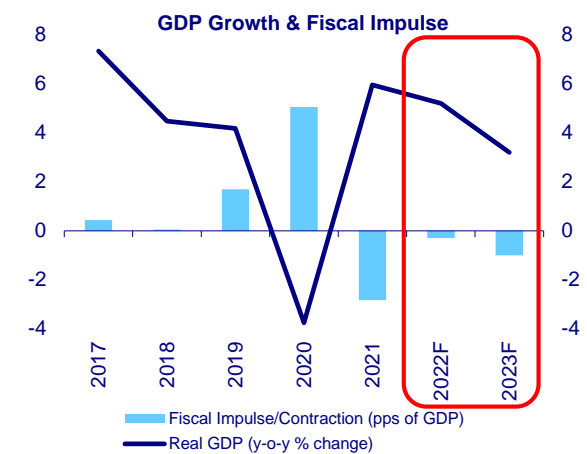
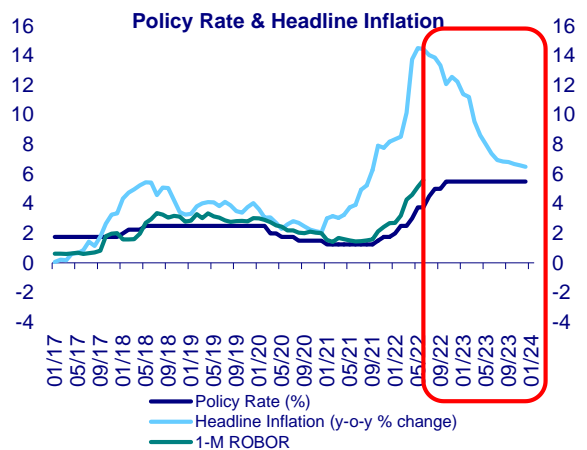
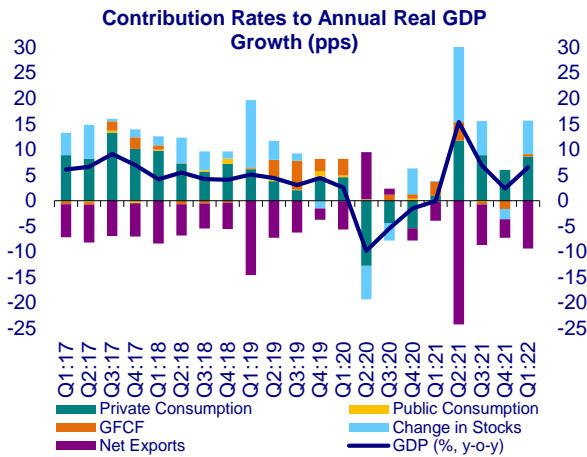
**Under the burden of record-high inflation, and given the limited policy space available, GDP growth is set to slow down markedly during the remainder of the year.** The jump in global commodity prices (especially energy and food) following the escalation of the Russia-Ukraine conflict, should keep inflation at record-high levels during most part of the year (see chart), biting seriously into households' (real) disposable income. This income effect and its adverse impact on consumer confidence cannot but weigh markedly on private consumption. On a positive note, record-high households' savings could provide some buffer against the inflation shock.

Importantly, despite poor business confidence, rising interest rates (see below) and construction costs, investment activity is set to gain momentum this year, bolstered by EU funding, providing a critical contribution to GDP growth. Note that Romania is eligible to receive grants and loans worth EUR 29.1bn or more than 12.0% of its FY:21 GDP under the EU RRF in 2021-26, with the historical low EU funds absorption rate posing, however, serious challenges in this regard.

Against the backdrop of slowing economic growth in the EU and persistent strains in global supply chains (especially those related to the automotive industry, which accounts for more than 15.0% of the country's total exports), net exports should remain a large drag on overall growth, despite weaker private consumption. In fact, the large import content of fixed investment, which is expected to overperform in the period ahead, means that imports would continue to expand at a relatively solid pace. Note that direct trade linkages with Russia and Ukraine are minimal, with combined exports to these countries accounting for less than 2.5% of total exports.

Worryingly, the scope for policies to support economic growth appears be limited this year. Indeed, with inflation at record-high levels and pressure on the RON building up, reflecting not only the impact of higher global commodity prices on external accounts but also that of surging global risk aversion, the NBR cannot but continue tightening its stance. As a result, we see the key rate at 5.5% at end-2022, up from 3.75% currently and 1.75% at end-2021, with the effecting tightening (i.e. in terms of money market rates) projected to be much larger. At the same time, the need to reduce the (already high) structural budget deficit is tying the Government's hands, despite the temporary suspension of EU fiscal discipline rules.

All said, we see GDP growth at a robust 5.2% in FY:22. Despite the envisaged moderation in inflationary pressures next year, we see GDP growth easing to 3.2%, mainly due to the negative base effect from Q1:22 GDP overperformance and the lagged impact of the ongoing monetary policy tightening. Risks to this forecast are clearly tilted to the downside, should the implications of the ongoing crisis turn out to be more severe or long-lasting than expected. An abrupt tightening in global financing conditions (including capital flow reversals) could also threaten GDP growth.



	20 June	3-M F	6-M F	12-M F
1-m ROBOR (%)	5.7	6.1	6.5	6.2
RON/EUR	4.94	4.96	4.98	5.01
Sov. Spread (2024, bps)	241	200	207	215

	20 June	1-W %	YTD %	2-Y %
BET-BK	2,278	-0.6	-9.4	35.2

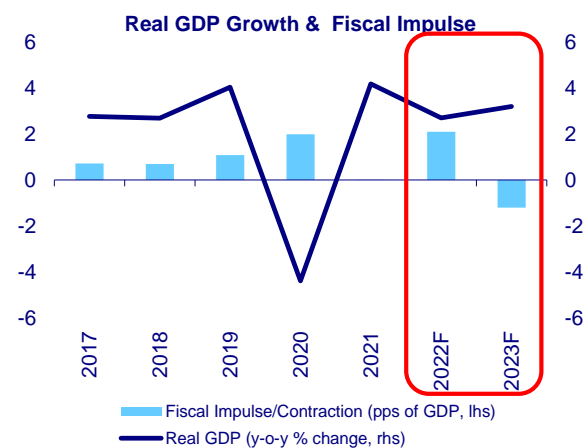
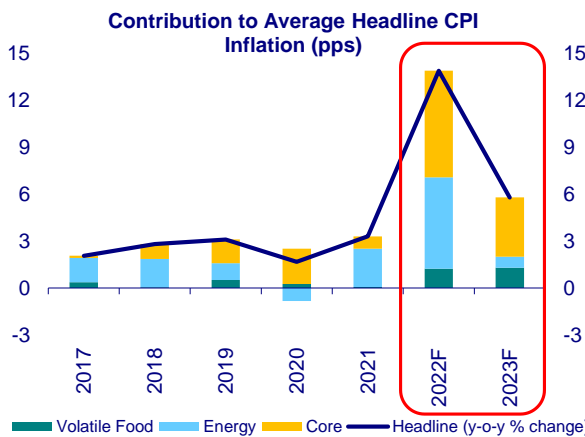
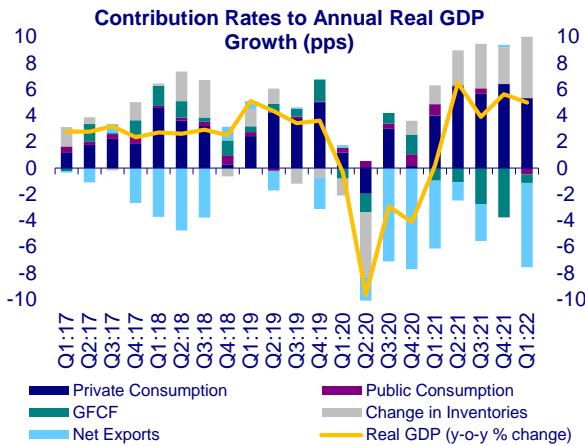
	2019	2020	2021	2022F	2023F
Real GDP Growth (%)	4.2	-3.7	5.9	5.2	3.2
Inflation (eop, %)	4.0	2.1	8.2	12.2	6.5
Cur. Acct. Bal. (% GDP)	-4.9	-5.0	-7.0	-7.7	-7.0
Fiscal Bal. (% GDP)	-4.6	-9.6	-6.8	-6.5	-5.5

Sources: Reuters, INSSE, NBR, Ministry of Finance & NBG estimates



# Bulgaria

BBB / Baa2 / BBB (S&P / Moody's / Fitch)



**Political uncertainty on the rise, after ruling coalition loses no-confidence vote.** The no-confidence motion was initiated by the main opposition party, the centre-right GERB, after the populist ITN party withdrew from the ruling coalition (led by the liberal PP party and also comprising the Socialist party and the right-wing Democratic Bulgaria alliance), depriving it of a majority in Parliament. According to the ITN's leader, disagreements with PM K. Petkov over budget allocations and alleged plans to lift Bulgaria's veto on the start of EU accession talks with North Macedonia were the main reasons behind this decision.

Now, with Petkov having rejected any coalition talks, the mandate to form a new Government is expected to pass to the opposition. Should the latter fail to muster a majority, snap elections would be then called (most likely in autumn), with an interim Government taking over until then. All said, just 6 months after the previous elections, and at a time of heightened uncertainty, the country enters a new period of political instability, which does not bode well for policy implementation (see also below). Importantly, however, the anchors provided by the long-standing currency board and the inclusion of the BGN into the ERM II, a precursor to the adoption of the euro, for all of which there is consensus among political parties, limit the risk of a serious disruption in policies.

**Following a relatively strong start to the year (GDP, up 5.0% in Q1:22), economic growth is set to gradually lose momentum, reflecting the implications of the ongoing geopolitical tensions, especially in terms of high inflation, despite the looser fiscal policy.** Given the economy's very high energy intensity and its reliance on imports to cover its energy needs, the spike in global oil and gas prices and associated second-round effects should push domestic inflation up to record-high levels (see chart), eroding households' (real) disposable income. This impact, together with deteriorating confidence, should hold back private consumption in the period ahead, despite increased state support (including tax cuts and a 20% hike in pensions).

Weaker private consumption should be partly offset by a rebound in (EU-funded) investment activity. Note that Bulgaria is entitled to receive grants worth c. 10.0% of FY:21 GDP under the EU RRF in 2021-26. Worryingly, ongoing political uncertainty and Bulgaria's historical low EU funds absorption rate raises challenges in this regard.

With economic growth in the EU weakening under the impact of the negative terms-of-trade shock from higher global commodity prices, net exports are due to remain a drag on overall growth during the remainder of the year, despite weakening private consumption. Note that direct trade linkages with Russia and Ukraine are small, with combined exports of goods to these countries accounting for less than 2.5% of total exports. That said, the tourist sector appears to be somewhat more exposed, with combined tourist arrivals from these countries representing c. 8.5% of Bulgaria's total tourist arrivals in FY:21.

Importantly, the expansionary fiscal policy should help alleviate the impact of the crisis. Indeed, in view of the ample fiscal space available (Bulgaria's gross public debt stands at c. 27.0% of GDP, among the lowest in the EU), we expect the authorities to push up the budget deficit further up to 5.0% of GDP in FY:22 from 2.9% in FY:21 (well above its long-term historical average of slightly over 1.0%).

All said, we expect GDP growth to moderate to 2.7% in FY:22. Assuming some easing of geopolitical tensions and price pressures next year, we see GDP growth firming to 3.2%, with improving growth dynamics more than compensating for the smaller carry-over effect. The ongoing energy supply diversification, in the aftermath of the cut-off of Russian gas supplies, poses a downside risk, especially in terms of even-higher-than- envisaged inflation. Bulgaria's 2-year exemption from an EU-wide ban on Russian oil imports could, however, offer some relief in this regard.

	20 June	3-M F	6-M F	12-M F
Base Interest Rate (%)	0.0	0.0	0.0	0.1
BGN/EUR	1.96	1.96	1.96	1.96
Sov. Spread (2022, bps)	105	108	110	115

	20 June	1-W %	YTD %	2-Y %
SOFIX	613	-0.4	-3.6	33.2

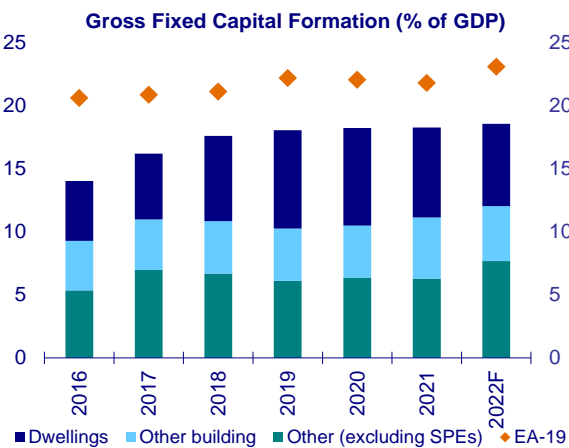
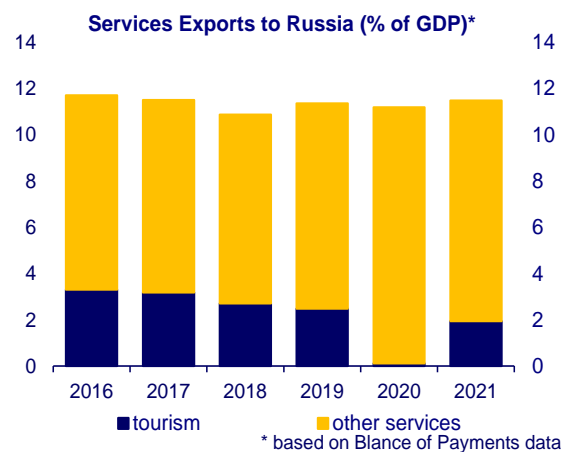
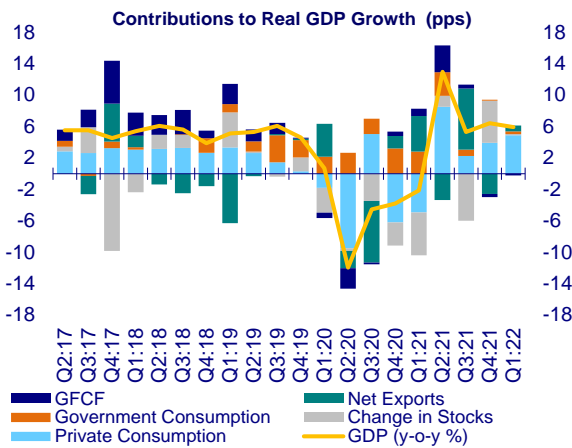
	2019	2020	2021	2022F	2023F
Real GDP Growth (%)	4.0	-4.4	4.2	2.7	3.2
Inflation (eop, %)	3.8	0.1	7.8	12.6	4.0
Cur. Acct. Bal. (% GDP)	1.9	-0.1	-0.4	-2.0	-1.2
Fiscal Bal. (% GDP)	-1.0	-2.9	-2.9	-5.0	-3.8

Sources: Reuters, NSI, Ministry of Finance & NBG estimates



# Cyprus

BBB- / Ba1 / BBB- (S&P / Moody's / Fitch)



	9 May	3-M F	6-M F	12-M F
1-m EURIBOR (%)	-0.50	0.30	1.10	1.90
EUR/USD	1.05	1.08	1.10	1.13
Sov. Spread (2025. bps)	125	125	128	130

	9 May	1-W %	YTD %	2-Y %
CSE Index	70	-1.6	1.7	42.5

	2019	2020	2021	2022F	2023F
Real GDP Growth (%)	5.3	-5.0	5.5	2.3	3.2
Inflation (eop. %)	0.7	-1.1	4.8	7.1	2.4
Cur. Acct. Bal. (% GDP)	-5.7	-10.1	-7.2	-9.4	-6.7
Fiscal Bal. (% GDP)	1.3	-5.6	-1.7	-2.0	-1.4

Sources: Reuters, Cystat & NBG estimates

**Despite headwinds in the wake of the Russia-Ukraine crisis, real GDP growth held up well in Q1:22 (up 5.9% y-o-y against 6.4% in Q4:21).** GDP growth in Q1:22 was underpinned by a surge in exports of services, especially in tourism-related services (with tourist arrivals recovering to 69% of their pre-COVID-19 level in Q1:22 against a mere 5.0% in Q1:21, following the relaxation of travel restrictions). Private consumption also strengthened in Q1:22 likely reflecting increased stockpiling of consumer goods, in light of heightened uncertainty. These factors nearly compensated for the slowdown in stock rebuilding (contributing 0.2 pps to growth in Q1:22 against 5.4 pps in Q4:21, with inventories still remaining well below their pre-COVID-19 level).

**Economic growth is set to weaken markedly in the remainder of the year, reflecting the economy's exposure to Russia and the impact of the spike in inflation.** With Russia being the largest source country for tourists to Cyprus and a key export market for business-related services (combined accounting for a sizeable c. 11.5% of GDP - the highest in the euro area), we expect net exports to bear the brunt of the economic fallout from the ongoing Russia-Ukraine conflict.

Indeed, in view of the EU-wide ban on Russian flights, tourist arrivals from Russia (accounting for 26.8% of total arrivals in FY:21) should be in effect annihilated this year, shaving c. 2.0 pps off GDP growth. A much smaller -- still non-negligible -- impact should come from the plunge in tourist arrivals from Ukraine (accounting for 4.4% of Cyprus' tourist arrivals in FY:21). These losses are set to be broadly compensated by the envisaged recovery in other tourist arrivals (mostly from the EU) to 63% of their pre-COVID-19 level (up from 43.0% in FY:21), reflecting further easing in COVID-19- related travel restrictions.

At the same time, activity in the business-related services sector (including the ICT, accounting & consulting as well as the shipping & transport industries) should be affected to some extent by sanctions on Russian companies and several Russian banks exclusion from the SWIFT. Note, however, that increasing demand by foreign (especially Russian, Ukrainian and Belarusian) ICT companies to relocate in Cyprus could partly compensate for these losses, especially in the long-run.

Private consumption should be also affected by the implications of the geopolitical tensions, albeit to a lesser extent than exports. Indeed, the negative impact of the steep hike in inflation (hitting a record high of 7.8% on average this year, well above the FY:21 outcome of 2.4% and the long-term historical average of 0.4%) on disposable income, together with weakening sentiment and the negative spill-overs from weaker activity in the tourism & related sector, should weigh on private consumption during the remainder of the year. On a positive note, high savings (with resident retail deposits having risen by 5.0 pps of GDP since end-2019, to 108.5%) should provide households some buffer against the inflation shock.

On a positive note, despite gradually tightening financing conditions, investment activity is set to strengthen in the period ahead, bolstered by EU funding, providing a critical contribution to economic growth. Note that Cyprus is due to receive EUR 1.2bn under the EU RRF in 2021-26, or 5.1% of the FY:21 GDP.

Against this challenging backdrop, we expect fiscal consolidation to pause this year, with the unwinding of COVID-related support broadly compensating for the cost of the measures aimed at containing the impact of higher energy prices.

All said, GDP growth is expected to moderate to 2.3% this year, close to its long-term potential. Assuming that geopolitical tensions ease, economic recovery should gain momentum in FY:23 (GDP, up 3.2%, outperforming the EA), with net exports emerging as the main driver.



## DETAILED MACROECONOMIC DATA

ROMANIA					
	2019	2020	2021	2022f	2023f
<b>Real Sector</b>					
Nominal GDP (EUR million)	223,269	219,004	240,279	281,941	310,634
GDP per capita (EUR)	11,500	11,330	12,432	14,589	16,075
GDP growth (real, %)	4.2	-3.7	5.9	5.2	3.2
Unemployment rate(ILO definition, %, aop)	4.9	6.1	5.6	5.5	5.3
<b>Prices and Banking</b>					
Inflation (% eop)	4.0	2.1	8.2	12.2	6.5
Inflation (% aop)	3.8	2.6	5.0	12.3	8.0
Loans to the Private Sector (% change, eop)	7.0	5.0	14.3		
Customer Deposits (% change, eop)	12.6	15.3	13.7		
Loans to the Private Sector (% of GDP)	24.6	25.9	26.5		
Retail Loans (% of GDP)	13.5	14.2	13.9		
Corporate Loans (% of GDP)	11.1	11.7	12.5		
Customer Deposits (% of GDP)	33.1	38.2	38.9		
Loans to Private Sector (% of Deposits)	74.5	67.8	68.1		
Foreign Currency Loans (% of Total Loans)	32.0	29.7	26.5		
<b>External Accounts</b>					
Merchandise exports (EUR million)	63,066	57,560	70,194	74,621	81,050
Merchandise imports (EUR million)	80,918	76,509	93,355	104,403	109,195
Trade balance (EUR million)	-17,852	-18,949	-23,161	-27,783	-28,146
Trade balance (% of GDP)	-8.0	-8.7	-9.6	-9.9	-9.1
Current account balance (EUR million)	-10,907	-10,900	-16,753	-21,604	-21,773
Current account balance (% of GDP)	-4.9	-5.0	-7.0	-7.7	-7.0
Net FDI (EUR million)	4,848	2,960	7,306	7,306	8,037
Net FDI (% of GDP)	2.2	1.4	3.0	2.6	2.6
International reserves (EUR million)	32,926	37,379	40,475	40,777	41,841
International reserves (Months <sup>a</sup> )	4.0	4.9	4.3	3.9	3.9
<b>Public Finance</b>					
Primary balance (% of GDP)	-3.4	-8.2	-5.2	-5.1	-4.1
Fiscal balance (% of GDP)	-4.6	-9.6	-6.8	-6.5	-5.5
Gross public debt <sup>b</sup> (% of GDP)	35.0	46.9	48.6	49.5	51.2
<b>External Debt</b>					
Gross external debt (EUR million)	109,783	126,750	134,617	146,609	155,317
Gross external debt (% of GDP)	49.2	57.9	56.0	52.0	50.0
External debt service (EUR million)	17,442	17,291	16,079	17,000	17,250
External debt service (% of reserves)	53.0	46.3	39.7	41.7	41.2
External debt service (% of exports)	19.4	21.3	16.4	16.0	15.3
<b>Financial Markets</b>					
Policy rate (1-w repo rate, %, eop)	2.5	1.5	1.8	5.5	5.5
Policy rate (1-w repo rate, %, aop)	2.5	1.8	1.4	4.0	5.5
10-Y Bond Yield (% eop)	4.5	3.1	5.1	8.0	7.0
Exchange rate: EUR (eop)	4,786	4,863	4,946	4,980	5,040
Exchange rate: EUR (aop)	4,743	4,835	4,919	4,953	5,010

f: NBG forecasts; a: months of imports of GNFS; b: ESA 2010

Sources: National Sources & NBG estimates



<b>BULGARIA</b>					
	<b>2019</b>	<b>2020</b>	<b>2021f</b>	<b>2022f</b>	<b>2023f</b>
<b>Real Sector</b>					
Nominal GDP (EUR million)	61,557	61,330	67,871	79,392	86,685
GDP per capita (EUR)	8,856	8,867	9,872	11,617	12,761
GDP growth (real, %)	4.0	-4.4	4.2	2.7	3.2
Unemployment rate(ILO definition, %, aop)	5.3	6.1	5.3	5.0	4.9
<b>Prices and Banking</b>					
Inflation (% eop)	3.8	0.1	7.8	12.6	4.0
Inflation (% aop)	3.1	1.7	3.3	13.9	5.8
Loans to the Private Sector (% change, eop)	7.4	4.5	8.3		
Customer Deposits (% change, eop)	10.7	10.2	9.0		
Loans to the Private Sector (% of GDP)	48.6	51.0	49.9		
Retail Loans (% of GDP)	19.4	20.9	21.5		
Corporate Loans (% of GDP)	29.2	30.0	28.4		
Customer Deposits (% of GDP)	66.4	73.5	72.3		
Loans to Private Sector (% of Deposits)	73.2	69.4	68.9		
Foreign Currency Loans (% of Total Loans)	32.4	31.1	27.7		
<b>External Accounts</b>					
Merchandise exports (EUR million)	29,119	27,272	34,278	38,570	39,864
Merchandise imports (EUR million)	32,028	29,213	37,573	43,460	44,716
Trade balance (EUR million)	-2,908	-1,941	-3,296	-4,890	-4,853
Trade balance (% of GDP)	-4.7	-3.2	-4.9	-6.2	-5.6
Current account balance (EUR million)	1,148	-0,041	-0,271	-1,575	-1,067
Current account balance (% of GDP)	1.9	-0.1	-0.4	-2.0	-1.2
Net FDI (EUR million)	1,238	2,785	1,139	1,423	1,637
Net FDI (% of GDP)	2.0	4.5	1.7	1.8	1.9
International reserves (EUR million)	24,836	30,848	34,597	33,496	33,965
International reserves (Months <sup>a</sup> )	8.0	11.1	9.8	8.3	8.1
<b>Public Finance</b>					
Primary balance (% of GDP)	-0.4	-2.4	-2.5	-4.5	-3.3
Fiscal balance (% of GDP)	-1.0	-2.9	-2.9	-5.0	-3.8
Gross public debt <sup>b</sup> (% of GDP)	20.0	24.7	25.1	26.6	28.2
<b>External Debt</b>					
Gross external debt (EUR million)	37,716	39,813	41,965	43,666	44,209
Gross external debt (% of GDP)	61.3	64.9	61.8	55.0	51.0
External debt service (EUR million)	6,957	7,041	7,000	8,200	7,100
External debt service (% of reserves)	28.0	22.8	20.2	24.5	20.9
External debt service (% of exports)	17.7	20.4	16.1	17.0	14.0
<b>Financial Markets</b>					
Base Interest Rate (% eop)	0.0	0.0	0.0	0.3	0.6
Base Interest Rate (% aop)	0.0	0.0	0.0	0.0	0.5
10-Y Bond Yield (% eop)	0.4	0.4	0.7	1.7	2.0
Exchange rate: EUR (eop)	1.956	1.956	1.956	1.956	1.956
Exchange rate: EUR (aop)	1.956	1.956	1.956	1.956	1.956

f: NBG forecasts; a: months of imports of GNFS; b: ESA 2010



<b>CYPRUS</b>					
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022f</b>	<b>2023f</b>
<b>Real Sector</b>					
Nominal GDP (EUR million)	23,010	21,618	23,437	25,848	27,461
GDP per capita (EUR)	26.090	24.235	26.031	28.397	29.841
GDP growth (real, %)	5.3	-5.0	5.5	2.3	3.2
Unemployment rate (% aop)	7.1	7.6	7.5	7.7	7.2
<b>Prices and Banking</b>					
Inflation (% eop)	0.7	-1.1	4.8	7.1	2.4
Inflation (% aop)	0.3	-0.6	2.4	7.8	3.0
Loans to the Private Sector (% change, eop)	-7.4	-5.6	-5.0		
Customer Deposits (% change, eop)	0.0	-0.6	5.4		
Loans to the Private Sector (% of GDP)	133.1	133.7	117.2		
Retail Loans (% of GDP)	61.3	61.9	52.1		
Corporate Loans (% of GDP)	71.7	71.7	65.0		
Customer Deposits (% of GDP)	180.0	190.4	185.2		
Loans to Private Sector (% of Deposits)	73.9	70.2	63.3		
Foreign Currency Loans (% of Total Loans)	---	---	---		
<b>External Accounts</b>					
Merchandise exports (EUR million)	3,080	2,967	3,587	3,896	3,932
Merchandise imports (EUR million)	7,711	7,118	7,879	8,534	8,492
Trade balance (EUR million)	-4,631	-4,151	-4,292	-4,637	-4,560
Trade balance (% of GDP)	-20.1	-19.2	-18.3	-17.9	-16.6
Current account balance (EUR million)	-1,308	-2,177	-1,696	-2,431	-1,843
Current account balance (% of GDP)	-5.7	-10.1	-7.2	-9.4	-6.7
Net FDI (EUR million)	-0,082	3,864	2,226	2,894	3,690
Net FDI (% of GDP)	-0.4	17.9	9.5	11.2	13.4
International reserves (EUR million)	---	---	---	---	---
International reserves (Months <sup>a</sup> )	---	---	---	---	---
<b>Public Finance</b>					
Primary balance <sup>b</sup> (% of GDP)	3.5	-3.5	0.1	-0.1	0.4
Fiscal balance <sup>b</sup> (% of GDP)	1.3	-5.6	-1.7	-2.0	-1.4
Gross public debt (% of GDP)	91.1	115.0	103.6	94.8	93.2
<b>External Debt</b>					
Gross external debt (EUR million)	194,036	190,427	192,715	188,500	186,500
Gross external debt (% of GDP)	843.3	880.9	822.3	729.3	679.1
External debt service (EUR million)	---	---	---	---	---
External debt service (% of reserves)	---	---	---	---	---
External debt service (% of exports)	---	---	---	---	---
<b>Financial Markets</b>					
Policy rate (ECB refinancing rate, % eop)	0,0	0,0	0,0	0,5	1,0
Policy rate (ECB refinancing rate, % aop)	0,0	0,0	0,0	0,3	0,8
3-Y T-bill rate (% eop)	-0,1	-0,1	-0,3	2,0	2,5
Exchange rate: USD (eop)	1,121	1,221	1,137	1,100	1,150
Exchange rate: USD (aop)	1,119	1,142	1,183	1,090	1,125

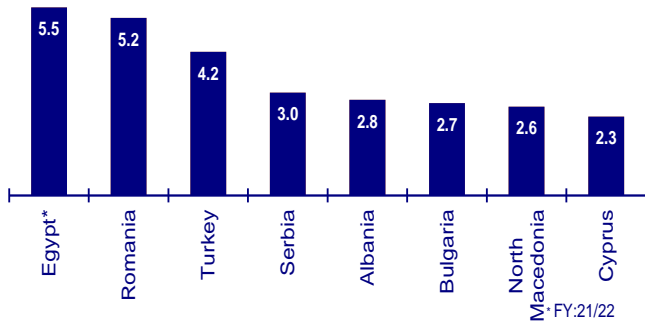
f: NBG forecasts; a: months of imports of GNFS; b: cash basis

Sources: National Sources & NBG estimates

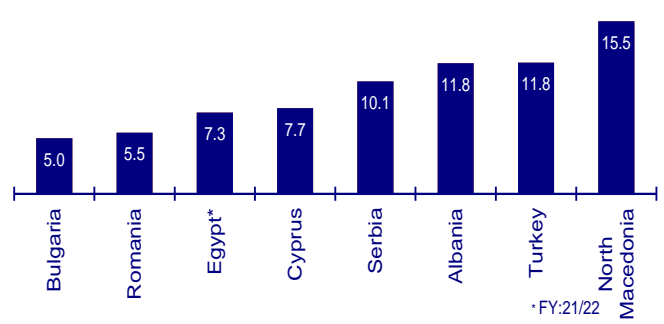


## REGIONAL SNAPSHOT: MACROECONOMIC INDICATORS

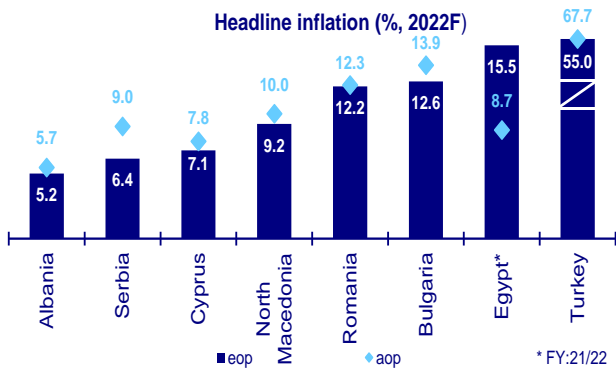
**Real GDP Growth (% , 2022F)**



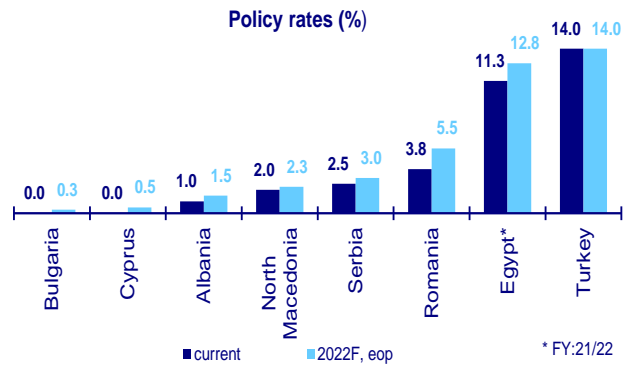
**Unemployment (% , 2022F, aop)**



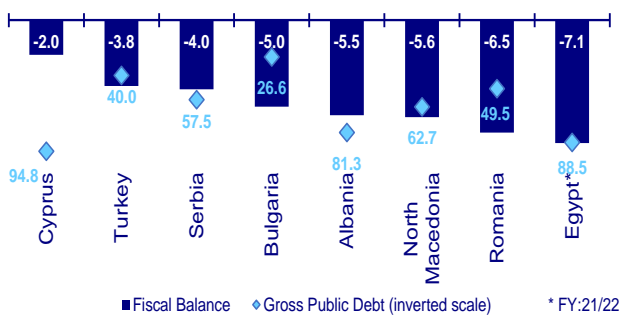
**Headline inflation (% , 2022F)**



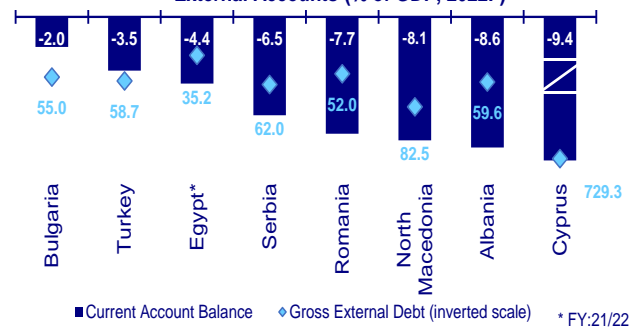
**Policy rates (%)**



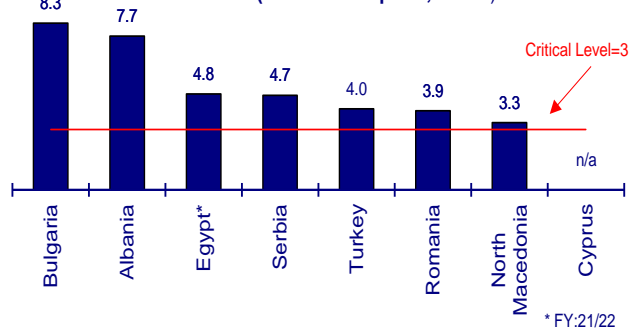
**Public Finance (% of GDP, 2022F)**



**External Accounts (% of GDP, 2022F)**



**FX Reserves (Months of Imports, 2022F)**

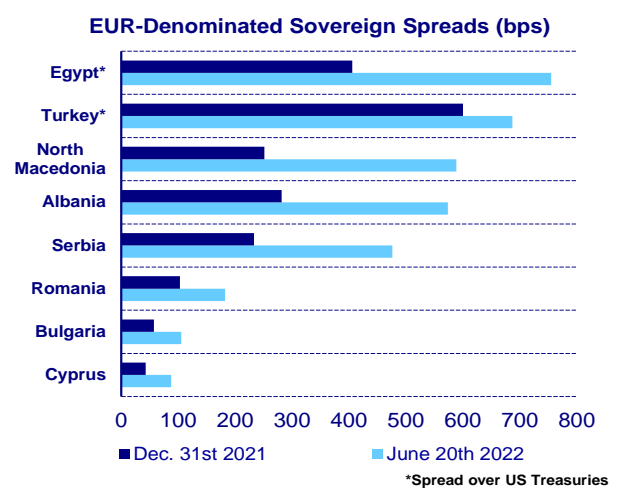
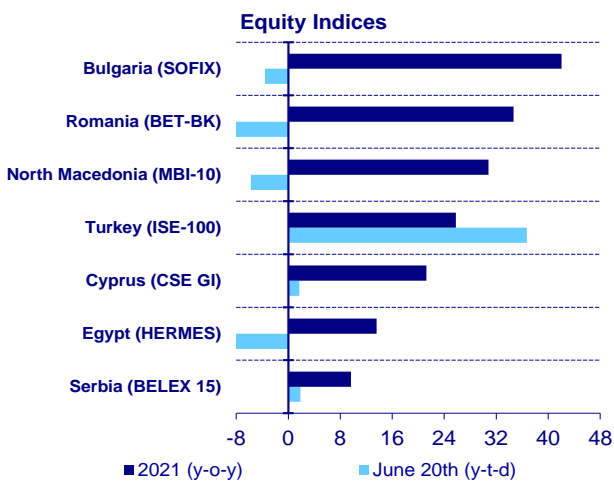
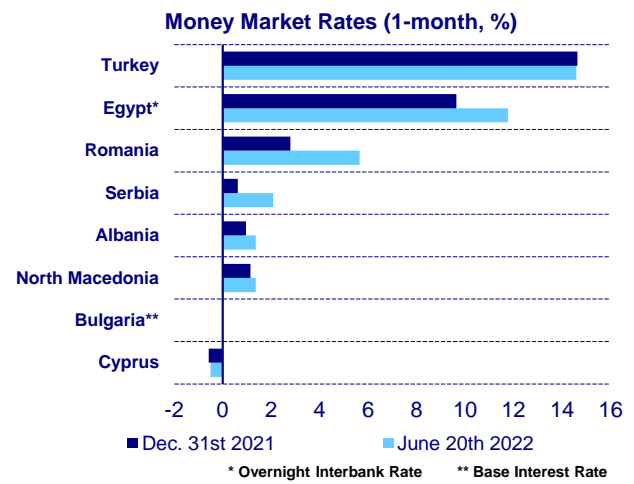
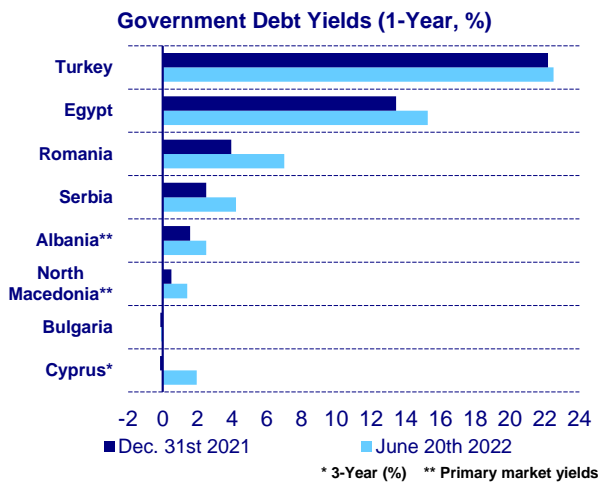
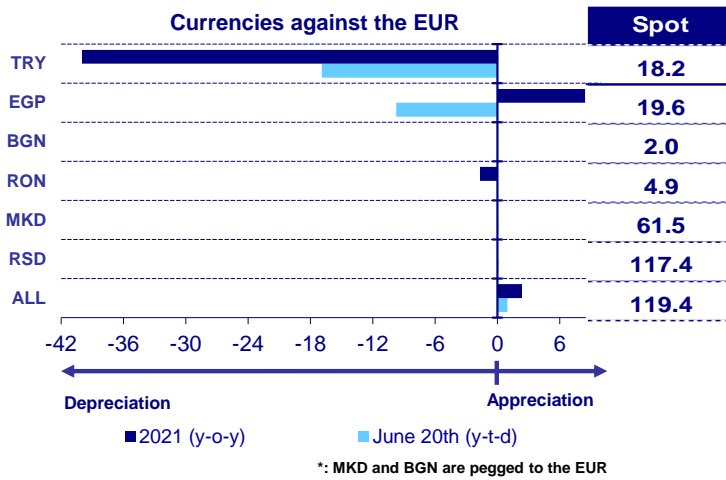


Sources: National Sources & NBG estimates





## REGIONAL SNAPSHOT: FINANCIAL MARKETS



Sources: Reuters & NBG estimates



**DISCLOSURES:** *This report has been produced by the Economic Analysis Division of the National Bank of Greece, which is regulated by the Bank of Greece, and is provided solely for the information of professional investors who are expected to make their own investment decisions without undue reliance on its contents, i.e. only after effecting their own independent enquiry from sources of the investors' sole choice. The information contained in this report does not constitute the provision of investment advice and under no circumstances is it to be used or considered as an offer or an invitation to buy or sell or a solicitation of an offer or invitation to buy or sell or enter into any agreement with respect to any financial asset, service or investment. Any data provided in this report has been obtained from sources believed to be reliable but have to be not been independently verified. In accordance with the Republic of Serbia's national sources, data related to AP Kosovo and Metohia are outside the scope of coverage this report. Because of the possibility of error on the part of such sources, National Bank of Greece does not guarantee the accuracy, timeliness or usefulness of any information. The National Bank of Greece and its affiliate companies, its representatives, its managers and/or its personnel or other persons related to it, accept no liability for any direct or consequential loss arising from any use of this report. The final investment decision must be made by the investor and the responsibility for the investment must be taken by the investor. This report is not directed to nor intended for distribution to use or used by any person or entity that is a citizen or resident of or located in any locality, state, country or other jurisdiction where such a distribution, publication, availability or use would be contrary to any law, regulation or rule. The report is protected under intellectual property laws and may not be altered, reproduced or redistributed, to any other party, in whole or in part, without the prior written consent of the National Bank of Greece.*