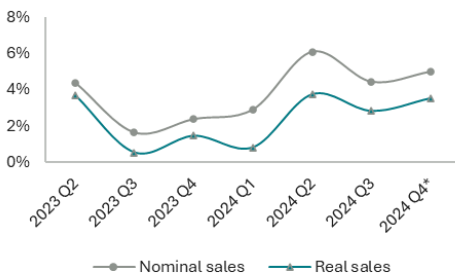


Demand from abroad is critical for Greek entrepreneurship in 2025

The Greek business sector ends 2024 with a 2.8% increase in sales (in real terms), which confirms the recovery momentum of the Greek economy and leading to a marginal increase in its share over EU economy value-added. Notably, Greece ranked in the 6th place among the EU countries as far is concerned the business activity within Q3, reaffirming its steady progress despite the international challenges. According to the latest issue of “Business Trends” by the [Economic Analysis Division of the National Bank of Greece](#), this growth was primarily driven by investments and exports, which accelerated significantly throughout the year, following a sluggish Q1. In 2025 we expect that these pillars will continue to play a decisive role, as they are still sensitive to fluctuations within an unstable international environment.

Quarterly business sector’s sales performance
annual growth in real terms

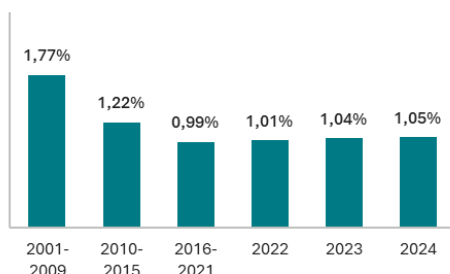


Sources: Eurostat, Elstat | Calculations: NBG

More specifically, business sector sales recorded a positive performance of c. +3% (in real terms) during Q2 and Q3:2024, leaving behind the low performance of the previous twelve months (+1.4%). However, the improvement was not uniform, as we could detect three distinct segments (all trends in the following analysis are in real terms):

- The drivers of the upward trend (½ of the sector): These are export-oriented sectors (i.e., manufacturing, transport and wholesale trade) that benefited from export recovery. They returned to growth (+3.4% in Q2 and Q3:2024) after twelve months of subdued performance (-1.2%).
- Consistently robust pillars: (a) sectors supporting entrepreneurship and investments (e.g. construction and IT), which have achieved an average growth rate of approximately 8% over the past 1½ years, and (b) tourism cluster, which continues to post strong performance, particularly during the low season, with growth rates of c. 5% over the same period.
- In contrast, retail trade has faced contractionary pressures of approximately -3% over the past 1½ years (particularly in durable goods), driven by consumer adjustments to the new, higher price levels.

Share of Greek business sector in EU economy
in real value-added terms



Source: Eurostat

In this context, we estimate that the business sector could achieve a sales growth of c.2.8% in 2024 (similar to 2023 performance), as Q4 continues the momentum of Q2 and Q3 (in line with preliminary data for October). This performance enables Greek business sector to continue their slow but steady increase of market share in the EU value added (rising to 1.05% in 2024 vs 1.01% in 2022), however, there is still room to recover its pre-crisis shares (c. 1.8% during the period 2001–2009).

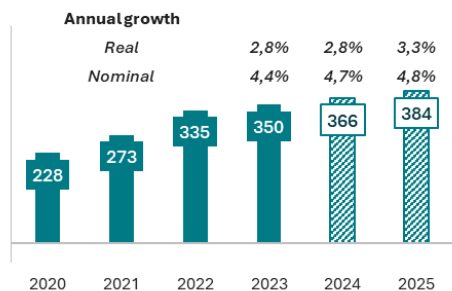
Looking ahead, we think that the Greek business sector is well-positioned to achieve healthy performance in 2025, with an expected growth of around 3%, as:

- Robust pillars supporting the upgrade of entrepreneurship and investments will strengthen further, benefiting from the EU Resilience & Recovery Fund, with a projected growth of +7% (vs +6% in 2024). Meanwhile, the broader tourism sector can capitalize on emerging opportunities from strong international demand, with an expected growth of +4% (vs +3% in 2024).

- The export-oriented sectors are expected to keep the upward trend of +2% achieved in 2024. However, this estimate is heavily influenced by uncertainty due to the fluid international economic context.

Business sector sales

in billion €



Sources: Eurostat, Elstat | Calculations-Estimates: NBG

- Stabilization is expected for the retail trade sector, as by 2025, consumers could fully adjust to new price levels.

However, it should be considered that next year's drivers – extroversion and investment – while offering significant growth potential, they also remain exposed to two main challenges. Firstly, the increasing uncertainty in the international environment (geopolitical instability, rising tariffs, economic pressure on key trade partners) poses risks to exports, tourism, and investments. Secondly, the digital and green transition set new competitiveness standards, making it more urgent than ever for businesses to quickly adapt to the new state of play.

The full report can be found on the National Bank of Greece Group's website, under the Economic Analysis and Research section (Category: Greek Entrepreneurship):

<https://www.nbg.gr/el/omilos/meletes-oikonomikes-analuseis/reports/sales-2024q4>.

Athens, December 19, 2024