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OF GREECE

**GREECE**

## **Special Focus Report: Building defenses against the inflation shock**

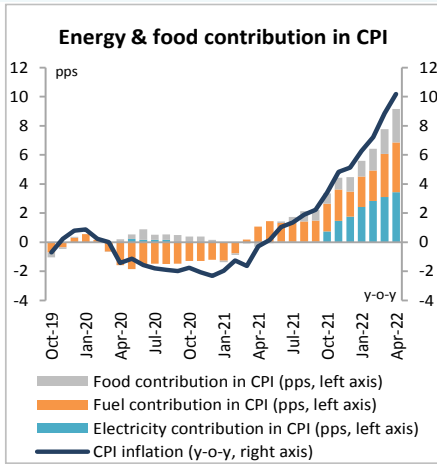
June 2022

### ***Buoyant labor market, new fiscal measures and revived tourism should cushion the impact of inflation on private disposable income***

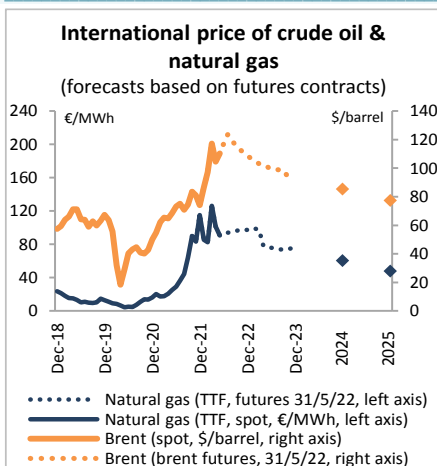
- CPI inflation accelerated further to 10.2% y-o-y in April, the highest pace on record since 1995, raising concerns of a larger-than-initially expected impact on the private sector's disposable income.
- Further increases in energy and food prices and a strengthened transmission of rising input costs to other categories of goods and services are expected to push inflation to new highs of c. 12% in May-June.
- CPI inflation is projected to peak in Q2, slowing modestly in Q3, and decelerating at a faster pace from Q4:2022 onwards, when supportive base effects on energy prices will kick in. The average inflation for the FY:2022 is estimated at 8.5%.
- Encouraging trends in the Greek labor market both in terms of employment creation as well as regards wage developments, will help offset the rising toll on household disposable income.
- Labor Force Survey data for Q1:2022 revealed a stronger-than-expected momentum in employment creation, which is expected to gain additional traction in Q2, leading to an annual employment growth in FY:2022 of 4.5%. Strong tourism activity will keep up the hiring momentum in Q2 and Q3 giving rise to further upside risks.
- Higher minimum wage (+9.7% y-o-y), strengthened labor productivity and strong labor demand bode well for a broader adjustment in private sector wages in Greece, following a long period of restraint.
- NBG estimates that the average wage in the private sector will increase by 2.5% and 1.5%, respectively, in 2022 and 2023 through the transmission of the minimum wage adjustment and supportive market conditions.
- Household mixed income – mostly reflecting proceeds from unincorporated business activity and rents – will increase by an average pace of 10% y-o-y in 2022 and 4.5% in 2023, typically showing a close correlation with inflation.
- Additional fiscal support to the private sector of about €5.5 bn (2.8% of GDP) has been activated to limit the impact of higher energy costs especially to low-income households and SMEs.
- All in all, the estimated combined support to households in 2022 from the labor market adjustment and new fiscal measures is estimated at 8.5-9.0% of their 2021 disposable income, broadly matching CPI inflation.
- The combined increase in business production costs in 2022 due to the deterioration in the terms of trade and higher wages is estimated in the vicinity of €8.5 bn (4.3% of GDP or around ¼ of the gross operating surplus of Greek corporate sector in 2021) and remains manageable in view of:
  - The resilience of demand reflected in the buoyancy of business turnover data (up by €20.2 bn y-o-y and €16.8 bn above their pre-Covid levels in Q1:2022)
  - The strong start to the tourism season and increasingly encouraging signs for the coming months with an upside potential of €7 bn to reach 2019 outcomes
  - The strong recovery in business profitability in 2021 to a 10-year high of €32.2 bn (+€8 bn y-o-y), combined with strong liquidity buffers (€42 bn in Q1:2022)
  - Increased pricing power and additional fiscal support to firms

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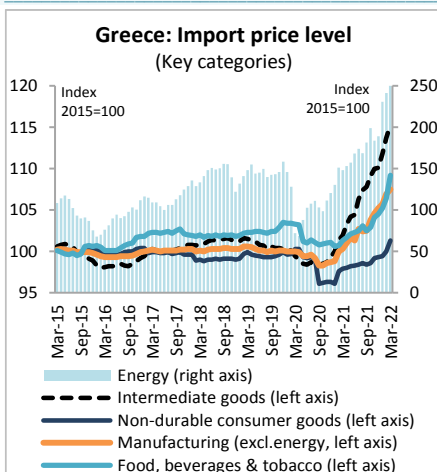
**Consumer price inflation accelerated to 10.2% y-o-y in April and will increase further in May-June raising concerns over a larger-than-initially-expected toll on private sector's disposable income**



**Markets envisage higher energy prices for longer, with the EU speeding up its energy transition plans**



**There are no signs of easing in imported inflation pressures yet**



**Buoyant labor market, new fiscal measures and revived tourism should cushion the impact of inflation on disposable income**

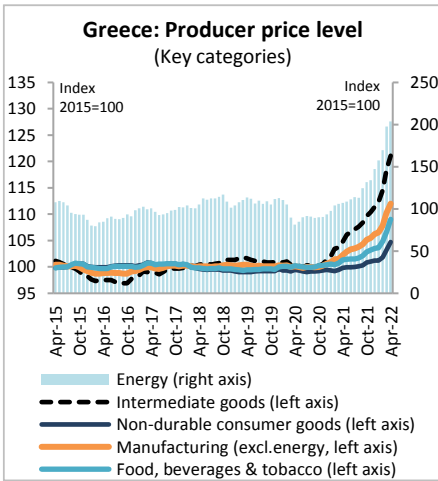
Consumer prices in Greece remained on a steep upward trajectory with CPI inflation accelerating to 10.2% y-o-y in April, the highest pace on record since 1995, from 8.9% y-o-y in March 2022 (7.4%, on average, in Q1), putting additional pressure on private sector's disposable income.

New increases in energy and food prices and a strengthened transmission of rising input costs to other categories of goods and services brought inflation to double digit levels in April. Specifically, further increases in energy prices (including electricity) added 6.8 pps to the annual change in CPI in April from 5.1 pps, on average, in Q1:2022. The new surge in international energy prices, following the crisis in Ukraine, and the concomitant rise in electricity prices in the domestic wholesale market have passed to retail prices, offsetting the benefit from increased State subsidies of electricity costs and transportation fuels in the same month. Similarly, food and non-alcoholic beverage prices soared by 10.9% y-o-y – posting the sharpest increase since 2002, when domestic prices had adjusted to the euro changeover – as rising agricultural commodity prices and production costs continued to trickle down to consumer prices. It should be noted that prices in other categories of goods and services (except fuels, electricity, and food) grew by 3.7% y-o-y in April from 2.3% in Q1 2022, indicating a broadening of inflation pressures through second-round effects.

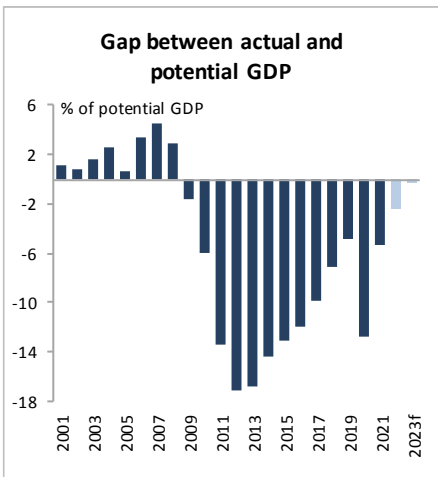
CPI inflation is expected to peak in Q2 at about 12%, slowing down modestly in Q3 and decelerating at a faster pace from Q4:2022 onwards, when supportive base effects on energy prices will kick in. However, this slowing will be more gradual than previously thought due to the sizeable lagged effects from the new hikes in imported input costs and the expectation of higher energy prices in 2023-24 as the EU speeds up its energy transition strategy in the face of increasing geopolitical risks.

Indeed, market expectations of energy prices, for the rest of the year, increased significantly compared with the respective estimates made in March, as regards Brent prices (+15% to 115 USD/barrel), whereas forecasts of natural gas prices decreased slightly. Most notably, market forecasts of energy prices for 2023 and 2024 have been revised upwards for both commodities, compared with the respective March estimates, as a permanent restructuring of the energy market has started to be priced in. Specifically, latest forecasts (end of May) of Brent oil and natural gas prices, derived from futures contracts, increased for 2023 (by c. 12% to 100 USD/barrel, on average, for Brent and by 29% to nearly 81€/MWh for natural gas), whereas available information for 2024 and

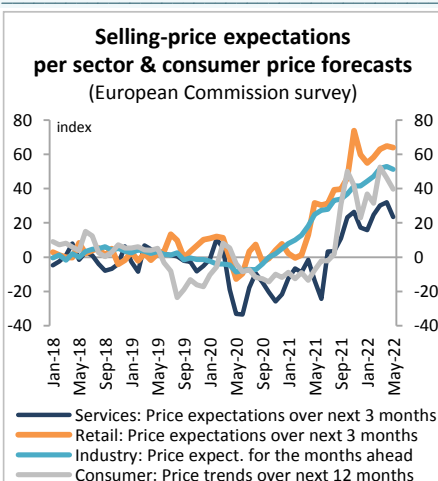
**Producer prices increased at the sharpest pace on record in the EMU era in March-April 2021**



**The output gap is heading towards a broadly balanced position, for the first time since 2009, underlying a revival in demand**



**Resilient demand and surging input costs bolster the perceived pricing power of Greek firms to all-time highs**



2025 suggests that prices will decline modestly, remaining 14% above their 10-year average as regards to crude oil and 111% concerning natural gas.

On the same note, there are yet no signs of a slowdown in non-energy import and producer price inflation, which spiked to 7.2% and 9.6%, respectively, in March and April. These increases are expected to feed into consumer prices in the coming months, deferring the prospective significant inflation slowdown to the last months of the year, when base effects will become more supportive.

Demand factors could be starting to play an increasing role in inflation developments, with the output gap returning in 2022 to a broadly balanced position, for the first time since 2009. The speed of recovery in demand is becoming stronger in the services sector which lagged behind during the turnaround in the previous year. In particular, in tourism-related service activities the increased buoyancy of demand following the full lifting of Covid-19 restrictions along with higher production costs, put upward pressure on prices (average inflation in the category “transportation by air and sea” of 16.2% and in accommodation services of 15.7% y-o-y in April). Notably, average inflation in the broader “services” category remained rather subdued (+1.3% y-o-y in April and 0.7% in Q1:2022) due to the relative price stability in basic services that carry a high weight in consumer spending such as health, education, telecommunications and food services. Nonetheless, resilient demand and increased input costs continue to push to all-time highs the perceived pricing power of firms in most of the business sectors, as indicated by further rises in selling price prospects in the latest EC business survey data for Greece.

**Buoyant labor market will play an important role in supporting household income**

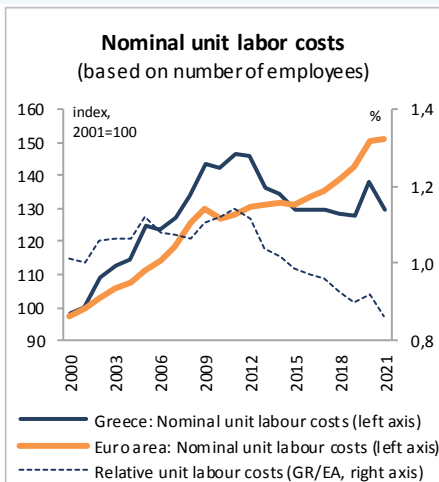
Encouraging trends in the Greek labor market both in terms of employment creation as well as regarding wage developments are expected to help offset the rising inflation toll on household disposable income. Greece’s labor market reacted strongly to the turnaround in economic activity in 2021 and has maintained its dynamism in the first months of 2022. Employment rose by 1.3% y-o-y in FY:2021 (+4.5% y-o-y in H2:2021) and the unemployment rate fell to an 11½-year low of 12.8% in December 2021. In Q1:2022, employment growth spiked to 12.0% y-o-y (boosted by favorable base effects, a strong carryover from 2021 and rapid new job creation in the services sector), exceeding its pre-pandemic level in the same period in 2019 by 9.6% (or by 256K employees).

Net hiring flows of wage earners (according to the Ergani Information System) increased further to 124K in April 2022 compared with 33K in

**The Greek labor market shows remarkable buoyancy which will be increasingly supported in the coming months by strong tourism activity**



**Sustainable gains in labor cost competitiveness backed the decision for a significant increase in the minimum wage...**



**...along with the strong turnaround in labor productivity in 2021**



April 2021 and are expected to pick up more steam in the coming months, as tourism activity inches closer to pre-pandemic levels.

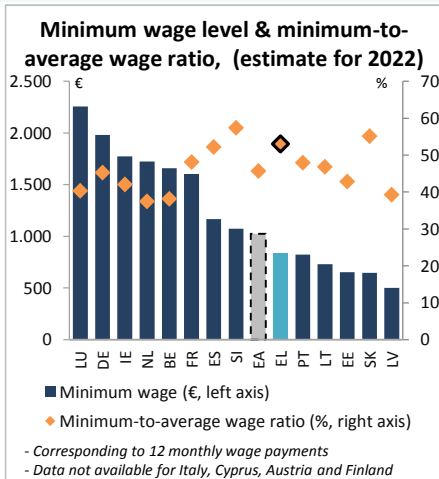
A further convergence of tourism activity to the all-time high of 2019 could directly add more than 60K employment positions – in annualized terms – contributing by itself c. 1.5 pps to annual employment growth in FY:2022. Labor Force Survey data for Q1:2022 revealed stronger-than-expected momentum in employment creation which is estimated to be translated to an annual employment growth in FY:2022 of 4.5%. It should be noted that the active population has also increased by c. 70K (+1.5%) in Q1:2022 compared to its pre-pandemic level in early 2020. Employment projections are based on rather conservative estimates regarding the pace of hiring in tourism-related services in Q2 and Q3 as well as in other key sectors such as manufacturing, retail trade, construction and transportation which have already shown increased dynamism in 2021 and are also going to benefit from positive spillover effects from tourism.

Moreover, household disposable income will be supported by an upward adjustment in wages. The Government’s decision to increase the economy-wide minimum wage by 9.7% in 2022 is backed by the significant improvement in Greece’s labor cost competitiveness with the ULC relatively to the euro area average exhibiting a continuous improvement during the past 10 years (a small deterioration in 2020 due to Covid-19 has been fully reversed in 2021). This trend is expected to continue in 2022 when Greece’s GDP growth is estimated to exceed the euro area average, for a second consecutive year, whereas the projected increase in nominal wages is going to be lower than in the euro area.

More specifically, the minimum wage in Greece increased to €663 per month in January 2022 and to €713 in May 2022 – still 20% below the euro area average – compared with €650 in December 2021. This adjustment follows similar trends in other EU countries in the past 4 years that led to a cumulative increase in the average minimum wage in the euro area by c. 20% over this period. The largest increases in minimum wage have been recorded in Lithuania, Czech Republic, Spain and Germany reaching 83%, 37%, 36% and 32% over the same period.

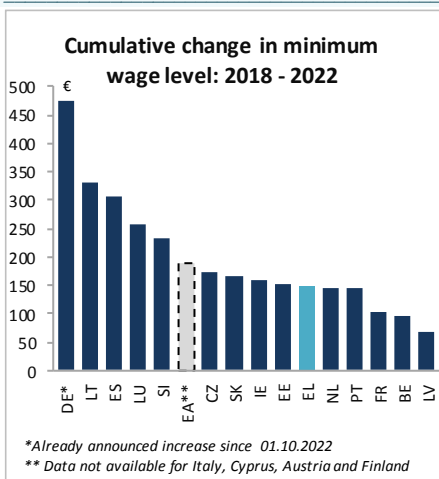
Higher minimum wage, strengthened productivity, and strong labor demand bode well for a broader adjustment in private sector wages in Greece following a long period of restraint. The estimated wage-increase in Greece in 2022 and 2023 is expected to remain significantly below the average inflation, preserving the gains in relative cost competitiveness during the previous decade and, thus, limiting the risk of a second-round impact on inflation.

**The minimum wage in Greece will increase by 9.7% y-o-y in 2022 being among the highest in the euro area as per cent of the average economy wage**



Specifically, the evolution of private sector wages will depend on the direct impact of the adjustment for those earning the minimum wage and the response of the rest of private sector wages to this increase and broader labor market conditions. On this note, the annualized increase in the minimum wage in Greece is estimated at 6.5% in 2022 and at 3.0% in 2023 – taking into account that the second increase of 7.5% has taken effect in May 2022, following a 2.0% increase in January 2022. The new minimum wage directly affects up to c. 700K employees, whereas the compensation of another 2.6 mn of private sector employees will be determined through the economy-wide wage setting process. There is no planned increase in Public sector wages concerning c. 700K employees. Provided that information on current wage-setting developments in the economy remains limited, we use historical data and empirical modeling to estimate the potential wage adjustment trends in 2022-23. Typically, the transmission of minimum wage changes to the average wage in Greece is stronger than in the euro area as the share in total employment of employees whose compensation is close or below the minimum wage in Greece is significantly higher (about 1.5x times higher than the euro area average). Indeed, the new minimum wage in Greece will amount to almost 55% of the estimated average economy wage (excluding the self-employed) compared with 45% for the euro area average.

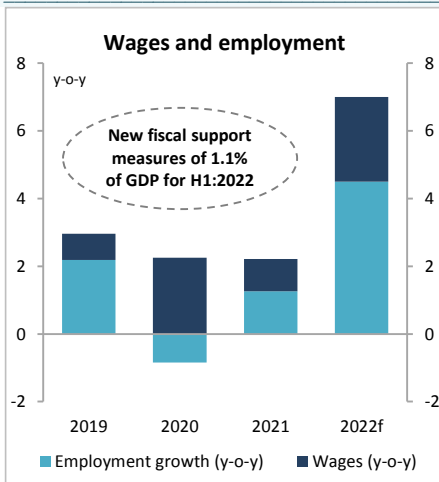
**Significant increases in the minimum wages in other euro area countries have been recorded in 2018-2022**



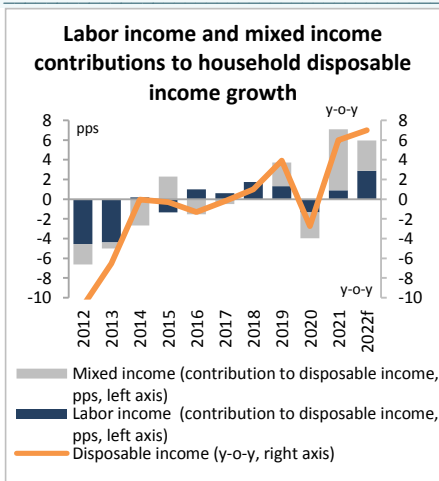
NBG research estimates an average elasticity of private sector wages to the minimum wage of nearly 0.3 compared to a euro area average of 0.1. Although the increased flexibility of the Greek labor market, following the painful multi-year macroeconomic crisis, would be expected to have reduced this elasticity in comparison to the historical average, current conditions support a relatively strong impact. Specifically, the wage setting outcomes are expected to be determined by the following factors:

- i) The steadily declining unemployment rate implies that the access to abundant low-cost personnel diminishes, whereas labor mobility increases, as indicated by a rising turnover rate in Ergani data, where voluntary departures of employees increased sharply by 81% y-o-y in 4M:2022;
- ii) The rise in the unemployment benefit, which is linked to the minimum wage, suggests that new entrants will be more prone to ask for a higher wage;
- iii) Reported shortages in labor supply in low-paid basic services activities, as well as, in highly specialized positions increase the negotiating power of employees for the first time since the beginning of the Greek crisis;
- iv) High inflation and its perceived persistence encourage employees to seek higher compensation to offset the persistent pressure on their purchasing power; and

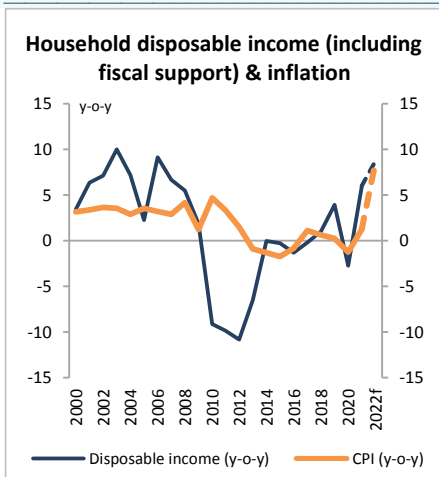
**The ongoing wage adjustment and strong employment growth will support dependent employment compensation...**



**... and combined with buoyant mixed income...**



**... should cushion the impact of inflation on household disposable income**



- v) The significant improvement in business performance and labor productivity in previous years, should encourage employers to concede larger wage increases.

Accordingly, the increase in the minimum wage is expected to directly add 1.0 pps and 0.6 pps, respectively, to average wage growth in 2022 and 2023. The impact on private sector wages increases to 2.0-2.5% and 1.5%, respectively, when the transmission to the rest of the economy's wages is taken into consideration, assuming an elasticity equal to the historical average. The effective increase in nominal labor compensation in the private sector is expected to reach 2.7%, including the 0.25-pp reduction in employees' social security contributions taking effect since June 2022.

The increase in total labor income in the economy will be determined by the estimated employment growth of 4.5% in 2022 and 1.5% in 2023, which is combined with the above referred wage hikes in the private sector leading to annual increases in total labor compensation in of c. 6.5% in 2022 and 3.0% in 2023 (assuming that employment and wages in the public sector remain constant).

Moreover, other sources of non-wage income are also expected to exhibit strong growth. Most importantly, mixed income earned by households recorded a remarkable 20.4% y-o-y increase in 2021, reversing the losses during the pandemic, and is heading towards another strong year. Indeed, the compensation of non-dependent employment and small business activity typically shows a stronger correlation with inflation and business turnover trends (see graph). In fact, a significant part of incomes generated from unincorporated business activity is highly dependent on services and especially tourism sector developments. Overall, our baseline estimate envisages that mixed income will increase by an average pace of 10% y-o-y in 2022 and 4.5% in 2023.

The combined value of the estimated increases in total labor income and mixed income in 2022 as per cent of household disposable income in 2021 is estimated at c. 7.0% compared with latest CPI inflation estimate by NBG of 8.5% for the current year.

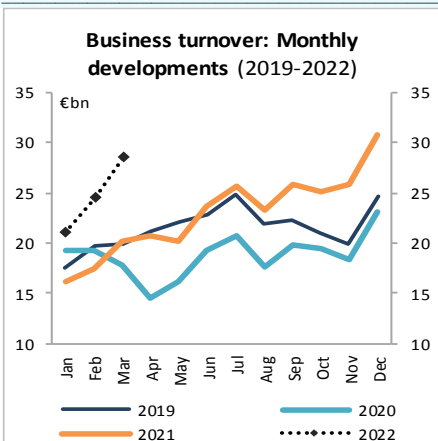
The inflation impact is expected to be offset by additional fiscal support to households of about €2.2 bn (1.1% of GDP or 1.7% of their disposable income in 2021) to absorb the hit from higher energy costs. This support has been mainly focused on low-income households that suffer the largest impact from the inflation shock. The new fiscal measures mainly comprise subsidies for electricity and natural gas costs (€1.3 bn), a retroactive compensation scheme for increases in electricity bills in

**New fiscal measures in 2022 (gross value)**

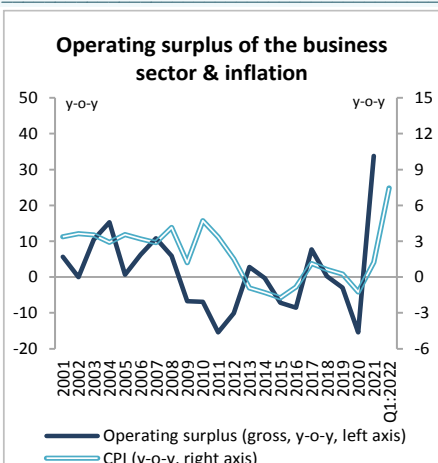
	€ bn	% GDP
<b>Firms</b>		
Subsidies for electricity & natural gas costs (H1:2022)	1.3	0.7%
<b>Households</b>		
Subsidies for electricity & natural gas bills (H1:2022)	1.3	0.6%
Retroactive increase in the subsidization of electricity bills for 5M:2022	0.3	0.1%
Increased allowances to vulnerable citizens	0.3	0.2%
Prepaid card for fuels	0.2	0.1%
Other (mainly support to farmers)	0.1	0.0%
<b>Total for Households</b>	<b>2.2</b>	<b>1.1%</b>
New mechanism for valuation at cost in wholesale electricity market & new subsidy scheme for retail electricity bills (for H2:2022) for both businesses and households	2.0	1.1%
<b>Total</b>	<b>5.5</b>	<b>2.8%</b>

Sources : Greek Ministry of Finance & NBG Economic Analysis estimates

**A strong start to 2022 with business turnover up 37.5% y-o-y (+€20 bn) in Q1:2022**



**The gross operating surplus generated by the Greek corporate sector surged by 33.8% y-o-y to a 10-year high of €32.2 bn in 2021 setting a strong starting point for 2022**



Sources: ELSTAT, Eurostat, NBG Economic Analysis estimates

5M:2022 (€0.3 bn), allowances to vulnerable citizens (€0.3 bn) and prepaid card for fuels (€0.2 bn).

All in all, the estimated combined support to household disposable income in 2022 from the above described labor market developments and new fiscal measures amounts to 8.7% of household disposable income in 2021.

*Resilient demand, increased pricing power and sizeable cash buffers will cushion the increase in business production costs*

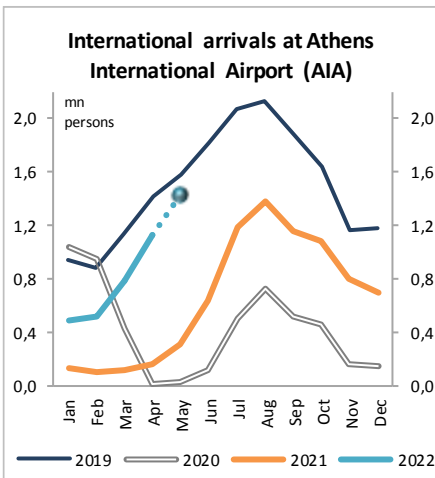
The healthy part of Greece’s business sector, hardened through several years of crisis fighting, has the capacity to accommodate the new challenge. Its rapid recovery from the severe Covid-19 hit demonstrates its adaptability and resilience.

Admittedly the current terms of the trade-shock are particularly severe and impact unevenly across different sectors and firm categories. The impact varies according to the dependence of each sector on imported energy products and commodities, as well as regards differences in the price elasticity of final demand for specific products and services that effectively determines the firm’s pricing power. According to NBG estimates, based on historical data of net imports of products for industry use and related import price and final energy trends in Q1:2022, the drag on profits from the deterioration in the terms of trade could reach €7 bn in nominal terms or 3.6% of GDP in FY:2022.

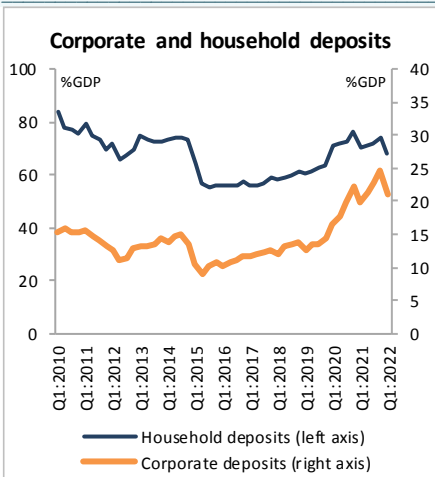
Moreover, the estimated wage adjustment is going to increase business production costs by nearly €1.5 bn. The combined increase in production costs in 2022 due the deterioration in the terms of trade and higher wage rates is estimated in the vicinity of €8.5 bn or 4.3% of GDP (or 26.4% of Greek corporates’ gross operating surplus in 2021). The above pressures remain manageable by the Greek business sector at an economy-wide level but could be significantly higher for firms with limited pricing power, high energy intensity and significant dependence on imported inputs affected by the crisis. The key factors that cushion the impact of the above factors on business activity are the following:

- The resilience of demand is reflected in the buoyancy of business turnover data, which continued to grow strongly throughout Q1:2022, spiking to 41% y-o-y in March 2022. Business turnover in Q1:2022 exceeded by €16.8 bn or 29.4% its pre-pandemic level in Q1:2019. In FY:2021 business turnover was up 22% y-o-y, €16.7 bn above the 2019 outcome. Most importantly, activity in key services sectors (such as accommodation and food services, transportation, storage, and manufacturing) that suffered the worst hit from Covid-19 and continued to underperform in 2021, now experience the strongest turnaround bolstered by tourism. The observed annual

**Tourism activity edges back to its pre-Covid high in 2019**



**Private sector liquidity holdings remain at very high levels**



increases in nominal turnover figures in Q1:2022 remain in double-digit territory in most sectors, even when deflating the data, confirming that the upward trend in real activity remains intact.

- In this vein, the strong start to the tourism season and increasingly encouraging signs for the coming months – reflected in high frequency information on arrivals in major Greek airports, flights planning data and demand through short-term rental platforms – represent a key upside risk to economic growth and business conditions. In fact, a convergence in Q2 and Q3:2022 to the revenue outcomes of the record year 2019 would contribute about €3.5 bn additional to the NBG’s baseline scenario, which could lead to an even larger increase in business turnover through indirect effects.
- The strong recovery in business profitability in 2021 – gross operating surplus up by 33.8% y-o-y to a 10-year high of €32.2 bn – exemplifies the efficiency of business restructurings in previous years, which also supported a further built-up of corporate cash buffers to a 21-year high of €45 bn in December 2021. Despite the small outflows in corporate deposits in Q1:2022, they remain at €41.7 bn in March 2022, c. €15 bn above their pre-pandemic level. NBG estimates that the gross operating surplus of the Greek business sector will increase further in Q1:2022, providing further cushion to inflation risks.
- Greek firms enjoy increased pricing power and their resilience is also reflected in business confidence, as well as on their hiring decisions. Indeed, accelerating CPI inflation reflects a rising pass-through from increasing costs to the consumer prices, whereas the continuing increase in “selling price” and “employment” expectations in business survey data suggests that firms remain confident both as regards their pricing power, but also with respect to the resilience of demand and production levels.
- Finally, new fiscal support of €1.3 bn (0.7% of GDP) to enterprises, comprising of subsidies to energy and natural gas bills, has already been activated for 2022, providing additional protection against production cost uncertainty.





## Greece - Indicators of Economic Activity in high frequency

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	
<b>PMI (index level)</b>	54.4	56.2	42.5	29.5	41.1	49.4	48.6	49.4	50.0	48.7	42.3	46.9	50.0	49.4	51.8	54.4	58.0	58.6	57.4	59.3	58.4	58.9	58.8	59.0	57.9	57.8	54.6	54.8		
<b>Industrial confidence (index level)</b>	3.2	5.3	2.5	-7.9	-20.5	-19.3	-13.2	-16.2	-17.2	-8.5	-11.8	-6.6	-5.1	-4.3	-4.5	-5.1	5.8	2.1	7.6	9.3	2.2	8.5	9.0	8.8	13.5	10.3	10.3	3.8	5.9	
<b>Manufacturing production (y-o-y)</b>	4.7	-1.0	1.4	-12.3	-9.3	-0.6	0.1	-0.9	-3.7	-2.4	7.1	0.8	1.6	2.7	3.5	23.1	14.5	7.2	5.7	6.2	12.1	14.7	9.6	6.0	2.1	8.0	4.3			
<b>Industrial production (y-o-y)</b>	-0.6	-2.9	0.0	-10.8	-8.2	-4.6	-0.1	-3.9	-2.1	-3.2	8.9	3.8	3.6	4.3	5.8	22.7	14.1	9.1	8.1	10.1	10.1	16.5	8.4	8.4	-0.5	4.8	7.9			
<b>Services confidence (index level)</b>	23.2	31.7	25.6	1.8	-47.6	-52.3	-36.2	-29.1	-27.3	-24.7	-27.3	-27.3	-24.8	-14.7	-8.0	-7.9	16.2	30.7	29.8	29.8	35.7	40.8	45.5	34.4	33.2	42.5	36.5	19.4	20.4	
<b>Consumer confidence (index level)</b>	-12	-8	-24	-42	-40	-33	-36	-34	-41	-39	-45	-37	-39	-43	-40	-38	-22	-25	-31	-32	-38	-40	-39	-38	-41	-39	-51	-55	-51	
<b>Retail confidence (index level)</b>	23.6	25.7	17.7	-1.3	-31.7	-13.6	-24.8	-21.8	-17.1	-9.7	-3.8	-12.0	-8.3	-6.4	-0.2	2.6	-0.8	2.5	9.1	9.4	3.7	20.7	13.2	21.3	15.2	9.6	6.6	1.1	2.2	
<b>Retail trade volume (y-o-y)</b>	6.2	2.5	-2.4	-24.6	-3.0	-3.8	-2.8	-0.6	-4.0	4.7	-7.4	-11.5	-2.5	-2.8	-0.7	39.8	15.0	11.3	11.3	5.3	9.6	8.4	16.7	19.6	8.5	10.8	12.3			
<b>Construction Permits (y-o-y)</b>	44	71	54	-18	5	11	18	-11	-14	-13	-15	14	4	22	33	116	100	51	20	57	39	61	76	14	24					
<b>House prices (y-o-y, quarterly series)</b>	6.7	6.7	6.7	4.3	4.3	4.3	3.9	3.9	3.9	3.2	3.2	3.2	4.5	4.5	4.5	6.5	6.5	6.5	8.3	8.3	8.3	8.3	9.1	9.1	9.1					
<b>Construction confidence (index level)</b>	-24	-28	-29	-88	-84	-58	-31	-44	-52	-46	-29	-38	-13	-8	-5	-4	-11	-11	2	-6	10	3	-1	-7	-9	-2	1	-7	-7	-27
<b>Employment (y-o-y)</b>	2.1	0.8	0.2	-0.9	-4.1	-2.7	-2.5	-1.5	0.4	0.0	-0.8	-0.7	-6.5	-5.1	-5.8	-4.8	5.1	5.3	4.9	5.5	3.9	2.6	5.3	4.7	8.7	13.1	14.3			
<b>Interest rate on new private sector loans (CPI deflated)</b>	3.5	4.1	4.1	5.6	5.4	5.6	5.9	6.0	5.9	5.9	6.2	6.1	5.8	5.1	5.7	4.1	3.8	2.9	2.7	2.3	1.6	0.5	-1.1	-1.4	-2.3	-3.5	-5.0			
<b>Credit to private sector (y-o-y)</b>	-0.6	-0.8	0.1	0.3	0.7	0.4	1.5	1.9	2.4	2.5	2.6	3.5	3.7	3.7	2.9	2.4	2.2	2.3	1.2	0.8	0.8	0.9	1.1	1.4	0.9	1.4	1.6			
<b>Deposits of domestic private sector (y-o-y)</b>	6.3	7.7	8.8	8.6	9.4	8.4	9.5	9.0	10.3	11.6	14.0	14.4	15.3	14.9	13.8	14.8	13.7	14.5	13.2	13.9	13.3	11.5	10.4	9.9	9.3	8.7	7.0			
<b>Interest rate on new time deposits (households, CPI deflated)</b>	-0.5	0.1	0.3	1.7	1.4	1.8	2.1	2.2	2.2	2.0	2.3	2.5	2.2	1.5	1.8	0.4	0.0	-0.9	-1.2	-1.7	-2.1	-3.3	-4.7	-5.0	-6.1	-7.1	-8.7			
<b>Economic sentiment index (EU Commission, Greece)</b>	110	113	108	97	84	86	90	90	90	93	92	95	94	96	100	99	108	109	112	113	109	113	114	111	115	115	113	105	108	
<b>Economic sentiment index (EU Commission, Euro area)</b>	105	105	95	61	66	77	84	91	95	95	92	97	96	98	104	106	111	116	118	117	117	117	116	114	113	114	107	105	105	
<b>Exports (excl. oil &amp; shipping, y-o-y, 6m mov. avg)</b>	5.6	6.3	4.2	1.3	-1.9	-3.8	-6.0	-8.7	-8.0	-6.2	-2.8	-1.5	-1.2	1.5	7.1	14.0	18.6	22.9	27.9	32.0	32.2	29.7	32.1	31.3	30.5	30.1	27.8			
<b>Imports (excl. oil &amp; shipping, y-o-y, 6m mov. avg)</b>	0.5	1.4	-1.7	-4.4	-9.2	-9.9	-12.0	-12.8	-10.9	-9.1	-4.5	-3.8	-3.7	-3.4	2.8	11.3	18.1	23.7	29.3	35.6	34.0	31.3	31.7	32.1	35.3	36.1	34.1			
<b>BOG - Tourist arrivals (y-o-y)</b>	19.7	24.6	-46.8	-96	-98	-93.8	-85.4	-73.3	-73.9	-65.6	-81.1	-86.0	-87.9	-87.8	-75.9	186	414	317	240	125	124	125	219	294	257	315	319			
<b>ALA - International passenger traffic development (y-o-y)</b>	10.2	6.4	-62.0	-99.2	-98.4	-93.4	-76.1	-66.2	-72.3	-72.2	-86.0	-87.7	-88.2	-89.8	-72.2	1292	1083	435	139	91	122	139	389	388	297	436	556	612		
<b>Estimation of total electricity demand in the network (y-o-y)</b>	-3.2	-1.5	0.3	-6.9	-4.5	-13.1	-0.8	-7.9	1.2	-0.6	4.4	-4.9	-10.6	-6.8	2.7	6.2	3.6	11.7	14.9	15.2	-3.8	3.1	3.2	9.1	8.8	3.4	10.4	-6.7		
<b>VAT on other goods &amp; services (y-o-y)</b>	-0.8	1.1	-23.7	9.1	-51.1	-17.1	-15.4	-10.0	-10.8	-15.1	-12.8	-7.5	-10.0	-8.6	28.6	-1.4	72.3	29.2	14.9	14.4	18.2	21.2	29.9	29.9	-4.2	58.9	27.7	20.9		
<b>Business Turnover (y-o-y, double-entry bookkeeping)</b>	9.8	-2.6	-10.5	-31.7	-26.7	-15.6	-16.6	-19.8	-11.1	-7.3	-7.2	-6.4	-16.0	-9.2	13.2	42.3	24.1	22.4	24.4	32.6	30.0	28.6	39.9	33.7	30.6	39.9	41.0			

Color map scale

Rapid contraction Moderate contraction Moderate contraction Slow contraction Slow contraction Stabilization Slow expansion Moderate expansion Rapid expansion

Sources: NBG, BOG, ELSTAT, Ministry of Finance, Ministry of Labor & Social Affairs, EU Commission, IHS Markit, IOBE, ALA, ADMIE



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