



NATIONAL BANK
OF GREECE

GREECE

Special Focus Report:

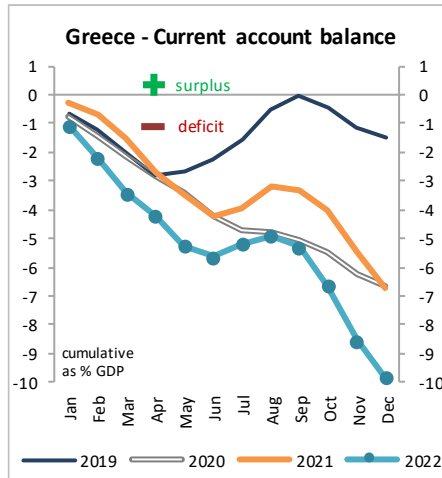
Current Account Deficit 2022 & Prospects

April 2023

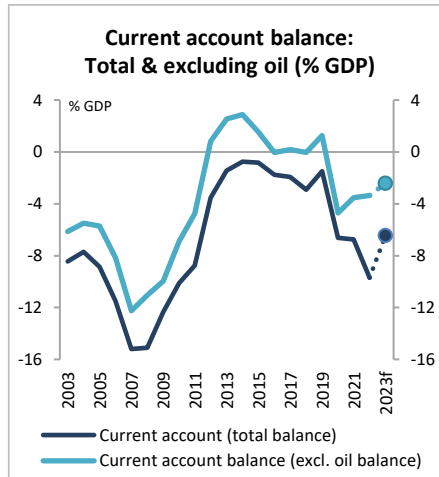
Greece's current account deficit spiked in 2022, due to surging import prices and pent-up household demand, but is expected to reverse course to 6.5% of GDP in 2023 and 4% by 2024

- The current account (CA) deficit increased by c. €8.0 bn in 2022, to 9.7% of GDP from 6.8% in 2021, mainly due to the surge in energy and other import prices, but also due to the transitory rebound in domestic demand following the end of the pandemic.
- The sharp deterioration primarily reflects the surge in the fuel deficit which has doubled, increasing by €7.3bn, to 6.3% of GDP from 3.2% of GDP in 2021, due to a 90% y-o-y rise in energy costs, with volumes remaining broadly flat.
- Due to a sharp increase in import prices, which led to a 24% y-o-y increase in non-oil imports, the non-oil trade deficit also widened by €5 bn y-o-y, to 12.4% of GDP from 11.5% in 2021, while import volumes rose by a mere +3.3% y-o-y.
- On the positive side, the strong rebound in tourism revenue by c. 70% y-o-y (up by €7.1 bn y-o-y), which reverted to the high of 2019, offset the non-energy trade balance deterioration.
- In 2023, the CA deficit is expected to decrease decisively to 6.5% of GDP, due to the partial reversal of adverse price effects; average decline in energy prices of c. 25% y-o-y. This will lead to a 2.3% of GDP drop in the oil deficit. Moreover, the decline in non-oil import prices of 6%, combined with the cooling-off of domestic demand, following 2 years of exceptionally high growth, will slow import volume growth and thus lead to a contraction in the non-oil trade deficit of 0.3% of GDP. Finally, increased tourism revenue, by an estimated 10% y-o-y, is expected to lower the 2023 deficit by another 0.3% of GDP.
- A further contraction of the CA deficit to 4.0% of GDP is anticipated in the period 2024-26, as strengthened external demand is expected to support goods exports and tourism revenue, while further RES capacity, energy efficiency gains and the transformation of Greece to a regional energy hub (especially as regards LNG supply) will limit net energy imports by an estimated 10-15%, compared with 2022 (in constant price terms), equivalent to approximately 1.0% of GDP.
- An analysis of the net saving position of the economy provides a complementary perspective on the CA deficit adjustment over the medium term. Specifically:
 - ✓ The significant widening of the domestic savings-investment/spending gap of the economy in 2022 mainly reflects the drop in household net savings by c. €12bn due to higher consumption, which has been amplified by increased prices, combined with pent-up spending from the pandemic years. As household consumption growth aligns with disposable income trends, imports will decelerate, and the CA deficit will decline by 2.3% of GDP compared to its 2022 level.
 - ✓ It is noteworthy that net savings of the non-financial corporate sector declined very modestly in 2022 (-€2.4 bn) despite significantly higher investment spending (estimated increase of €6.3 bn to 12.8% of GDP including inventories). This was the result of the impressive increase in business profits (business savings). Lower input costs and improving business performance are expected to lead to a sustained, 0.6% of GDP, net surplus in 2024-26, despite an increase in total fixed investment to 18% of GDP, reducing the CA deficit by c. 1.5% of GDP compared with 2022.
 - ✓ Net borrowing (negative savings) by general government is estimated to have contracted sharply by an estimated 5.0% of GDP in 2022, from a Covid-19 induced deficit surge to €15.0 bn, on average, in 2020-21 (-8.7% of GDP). Looking forward, the return to a primary surplus is expected to translate into a further current account improvement by c. 2% of GDP by 2024 compared to 2022.
- The increased deficit was financed by high quality FDI inflows (€6.4 bn) and RRF funds (€3.6 bn) in 2022 (c. 5.0% of GDP combined). Another €12.0 bn of non-debt creating inflows related to RRF grants, as well as additional FDI, are expected for the period 2023-26, which will finance new investment and growth enhancing reforms.

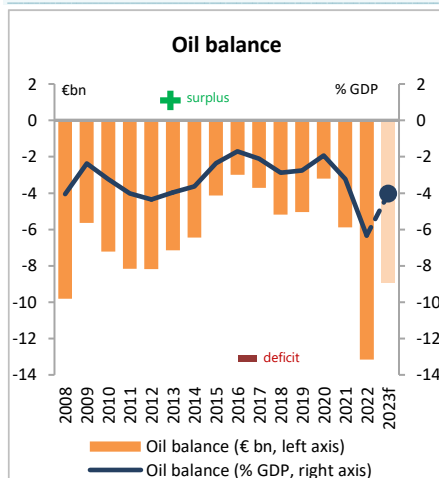
Greece's current account (CA) deficit widened to 9.7% of GDP but will reverse course in 2023



The deterioration, has been largely driven by the spike in energy prices



Oil deficit has doubled, explaining the major part of the deficit widening in 2022



Greece's current account deficit spiked in 2022, due to surging import prices and pent-up household demand, but is expected to reverse course to 6.5% of GDP in 2023 and 4% by 2024

The current account (CA) deficit of Greece increased by c. €8.0 bn y-o-y (+65% y-o-y), to €20 bn in 2022 (9.7% of GDP), reflecting higher energy and non-energy commodity prices. Most importantly, the main cause of the current deterioration appears to be exogenous and largely reversible in the coming years.

A price-driven deterioration in the trade deficit, amplified by the resilience of domestic demand

Indeed, the CA deficit widening was, primarily, driven by the spike in import prices of energy products and other industrial and food commodities during 2022. Despite the rising prices, resilient domestic demand, fueled by substantial cash buffers and deferred spending from the previous years, prevented a contraction in import volumes and led to a large negative saving rate in the household sector. A similar energy-led deterioration in the CA position occurred in the euro area, where a 0.7% of GDP deficit was recorded in 2022, compared with a surplus of 2.3% in 2021.

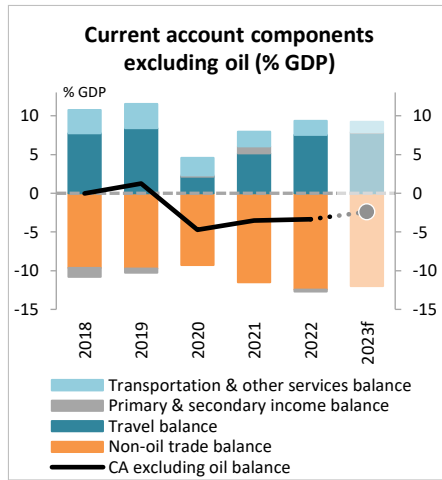
The deficit in the oil¹ balance doubled to an all-time high of €13.2 bn in 2022 (6.3% of GDP from 3.2% of GDP in 2021), accounting for most of the CA deficit widening. Fuel imports were up by c. 90% y-o-y in nominal terms, broadly on par with the increase in fuel import prices, whereas fuel import volume remained approximately constant compared with FY:2021.

International oil and natural gas (TTF) prices declined by -20% y-o-y and -45% y-o-y, respectively, in Q1:2023 and, despite a mild increase projected for the rest of the year, they will remain significantly below their average level in 2022. In fact, for FY:2023, oil prices are projected to drop by 20% y-o-y and natural gas prices by -60% (according to latest market-based estimates from the relevant energy futures contracts), leading to a 2.3% of GDP contraction of the oil deficit in 2023. Actually, the current account data for January 2023 already recorded a 36% reduction in the oil deficit on an annual basis (-€0.4 bn y-o-y).

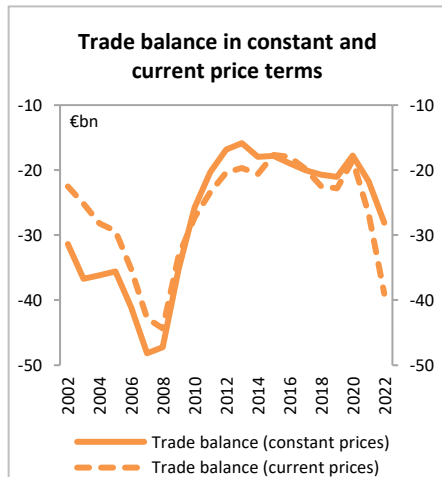
The non-oil trade deficit has also widened significantly in 2022, by €5.0 bn y-o-y, to a 14-year high of 12.4% of GDP, from 11.5% of GDP in 2021, again mainly due to the effect of rising import prices. Indeed, the average price of non-oil imports rose by 23% y-o-y, whereas non-oil import volume increased only modestly,

¹ The term "oil" in the Balance of Payments Statistics refers to all fuel-related trade transactions (including natural gas and other solid fuels)

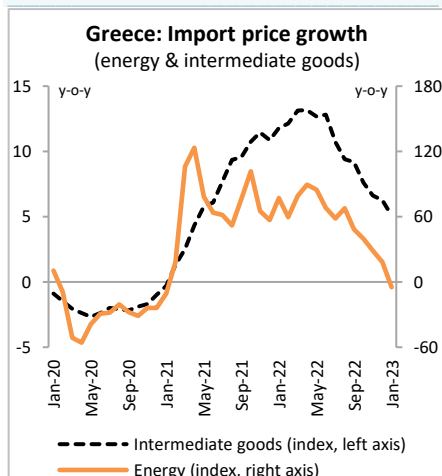
The non-oil trade deficit increased by c. 1.0% of GDP y-o-y, due to sharply rising import prices, but has been largely offset by increased tourism revenue



The widening of the trade deficit in 2022 mainly reflects adverse price developments



Import price inflation has started to decelerate for energy products...



by 3% y-o-y down from +11% y-o-y in 2021, with the increase mainly comprising of capital & intermediate goods imports (+6.4% and 3.0% y-o-y in 2022, respectively) linked to the higher total fixed investment (+11.6% y-o-y, in constant price terms in FY:2022).

Non-oil exports were up by 23.3% y-o-y, in value terms, at the same pace as non-oil export prices, with export volumes remaining broadly flat, due to weaker external demand. The significantly larger value of non-oil imports (c. 70% higher than exports in nominal terms) overshadowed the positive contribution of rising exports.

The non-oil trade deficit is also expected to contract, albeit, modestly in 2023, by 0.3% of GDP. Specifically, non-oil import spending growth is estimated to slow to 6% y-o-y, mainly on the back of a deceleration in import prices to 8% y-o-y and a decline in non-oil import volumes.

The easing of imported inflation pressures in non-energy goods has been evident since Q4:2022, as well as in early 2023. Specifically, the annual growth of the non-energy import price index for the Greek industry slowed to 5.0% y-o-y in January 2023, from 9.0% in Q4:2022 and a FY:2022 average of 12%.

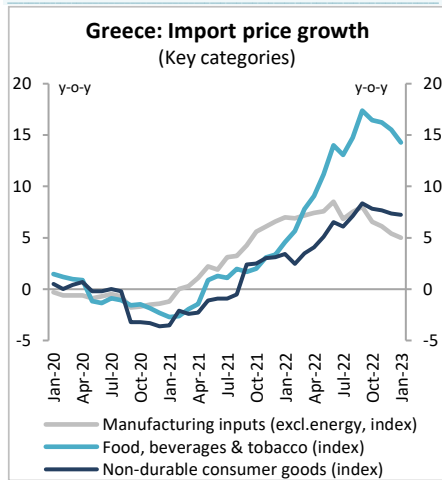
Non-oil import volumes will decline by an estimated 2.0% y-o-y in 2023 according to NBG estimates, based on a stylized import demand equation. This slowing is expected to reflect: i) a deceleration in private consumption growth, following two years of exceptionally high demand, which has been bolstered by deferred spending during the pandemic and ii) negative base effects related to the pre-emptive inventory built up by enterprises in 2022, arising from the high uncertainty regarding the adequacy of the supply of some goods and the fear of new price increases.

On the export side, the value of non-oil goods exports is expected to increase by 8.0% y-o-y, in 2023, on the back of a similar rise in export prices, with broadly stable volumes due to still weak external demand conditions, especially in the euro area.

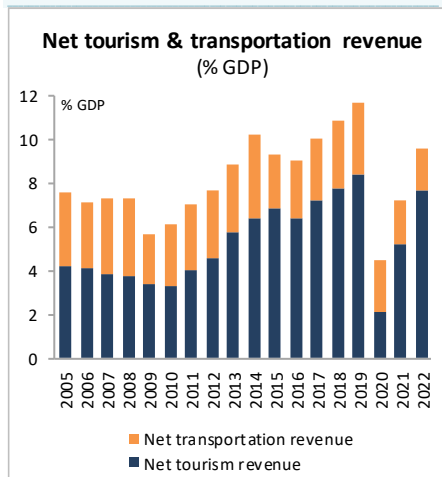
The tourism-led increase in the services surplus is expected to continue in 2023, while inflows of EU funding are expected to pick-up.

The substantial increase in the services surplus, compared with 2021, resulting from the €7.1 bn surge in tourism revenue (+67% y-o-y), sets a strong base for future services revenue growth. Although tourism revenue returned to 2019 levels, in nominal

...as well as, for other key import categories



Tourism revenue rebounded strongly in 2022 (+67% y-o-y) but remained 1% of GDP lower compared to their 2019 high



The CA deficit is expected to decline to 6.5% of GDP in 2023 and to c. 4.0% in the period 2024-26

Current Account Balance (as % GDP)				
	2021	2022	2023f	2024-26f avg.
Current Account	-6,8	-9,7	-6,5	-4,0
Non-oil Trade Balance	-11,5	-12,4	-12,1	-11,4
Non-oil Exports	16,0	17,3	17,5	18,1
Non-oil Imports	27,5	29,7	29,6	29,4
Oil Balance	-3,2	-6,3	-4,0	-2,5
Services Balance	7,1	9,4	9,5	9,8
Primary Income Balance	0,2	-0,1	-0,1	0,0
Secondary Income Balance	0,7	-0,1	0,2	0,1

Source: Bank of Greece & NBG Economic Analysis estimates

terms, its share in GDP remained 1 pp below 2019, as nominal GDP in 2022 surpassed its pre-pandemic level by more than 13%. The total services surplus increased by €6.6 bn y-o-y in 2022, to 9.3% of GDP from 7.1% of GDP in 2021 – as the surplus in non-tourism services (mainly shipping) increased only slightly by €0.3 bn, compared to the previous year, however still remaining 1.3% of GDP lower than in 2019.

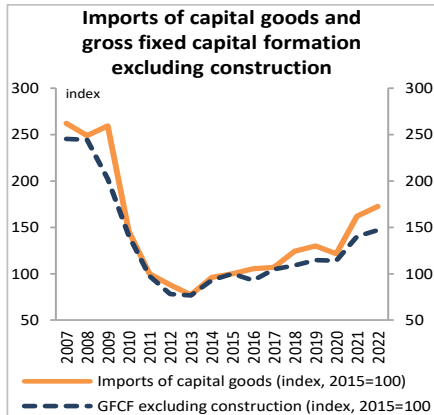
Early signs for 2023 presage an increase in tourism revenue of c. 10% y-o-y, through positive carryover effects on tourism services prices and a small increase in arrivals, which should bolster the services surplus by 0.3% of GDP in 2023. The net contribution of other services exports is expected to remain broadly unchanged, compared to 2022 due to the subdued shipping market conditions in key market segments and increased payments for shipping services – especially for energy imports.

The primary and secondary income balance recorded a combined deficit of 0.2% of GDP in 2022, compared with a surplus of 0.9% of GDP in 2021, due to higher payments of dividends and interest to non-resident holders of Greek financial assets and decreased EU funding, in y-o-y terms. A small improvement of 0.3% of GDP is expected in the secondary income balance in 2023, on the back of rising EU-related inflows.

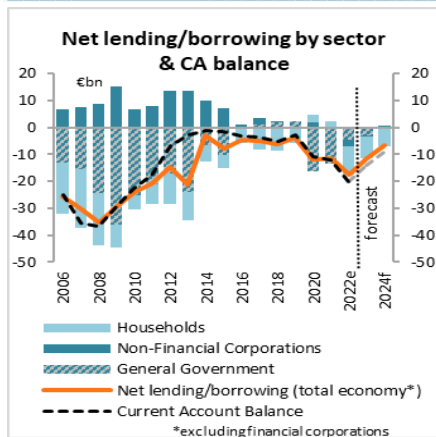
All in all, the above factors are projected to lower the CA deficit close to 6.5% of GDP in 2023. The CA deficit in 2023 could decline to 6.0%, if energy prices remain at their current low levels, which are 15% below the respective market-based estimates for FY:2023 (according to which energy prices will pick-up during the course of the year). A further decline of the deficit to c. 5.5% of GDP could occur in 2023, if the net increase in tourism revenue reaches 15-20% y-o-y, compared to 10% y-o-y assumed in the baseline scenario.

Looking forward, an average CA deficit of 4.0% of GDP is projected for the period 2024-26, as external demand is expected to gain traction, supporting goods exports growth and tourism activity. Moreover, the impact of the global inflation shock on energy and non-energy import prices is projected to dissipate further, leading to an improvement in the terms of trade. Increasing investments on energy efficiency will also help to reduce Greece’s dependency on imported energy products, lowering its energy deficit from the relatively high historical average levels, compared to the euro area average. Specifically, the installation of additional RES capacity and energy efficiency gains improvements along with the transformation of Greece to

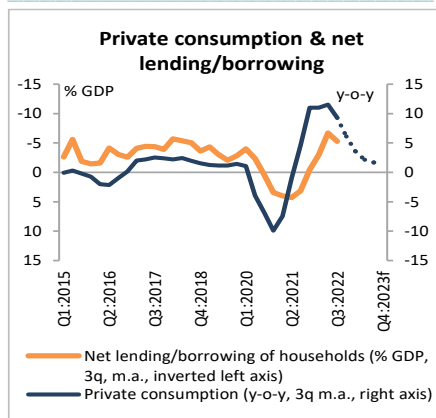
Investment-related import spending is picking up as the economic recovery gathers momentum



A sharp drop in net households' savings – bolstered by pent-up consumption, revived investment, and higher prices – offset the favorable impact on national savings from the fiscal tightening in 2022



Private consumption growth will align with disposable income trends in the coming years following a post-Covid 19 surge



a regional energy hub (especially as regards LNG supply) are expected to limit net energy imports for domestic use by an estimated 10-15%, compared with 2022 (in constant price terms), lowering the oil deficit by nearly 1.0% of GDP by 2026.

However, the pace of improvement will be slowed by the relatively strong investment growth – increase in GFCF’s share in GDP by c. 4.0 pps to 18% until 2026 – which is expected to underpin Greece’s economic overperformance vis-à-vis the euro area, fueling spending on procyclical import categories such as capital goods and intermediate inputs.

Since the drivers of medium-term adjustment are more difficult to quantify through the conventional trade flow analysis of the CA, we attempt to shed some additional light by using a complementary analysis focusing on the savings-investment balance of the economy.

The 2022 CA deficit reflects a temporary widening in the savings/investment gap of the economy, which is expected to reverse course in the coming years.

Under the savings/investment (S-I) perspective, the CA deficit corresponds to the difference between the economy-wide investment and national savings which, in turn, can be further decomposed into the net saving balances of the key sectors of economic activity i.e., households, corporates and general government.

The widening in 2022 deficit had been primarily driven by the sharp increase in household spending², in excess of household disposable income, that led to a deterioration in this sector’s saving balance by €12.5 bn y-o-y. This additional spending largely reflected the post Covid-19 rebound in private consumption, which has been combined with revived fixed capital formation by households (mainly residential construction), as well as higher prices of consumer and investment products. Households used the increased stock of their savings from previous years – in part arising from large fiscal support – in order to finance excess spending in 2022. Indeed, the household saving rate (flow concept) entered negative territory in 2022, following two extraordinary years of positive household saving balances. Specifically, 2020-21 net savings stood at +€2.5 bn, per year, on average (1.4% of GDP). To put this in context, during 2014-2019 the average net savings were -€6.6 bn per annum (-3.7% of GDP).

² The analysis of the savings/investment gap of the economy has been based on Quarterly Non-Financial Sector Accounts data published by the Hellenic Statistical Authority for 9M:2022 and NBG projection of Q4:2022 data, as well as NBG estimates of the potential impact on sector accounts of GDP data revision by ELSTAT on March 7, 2023

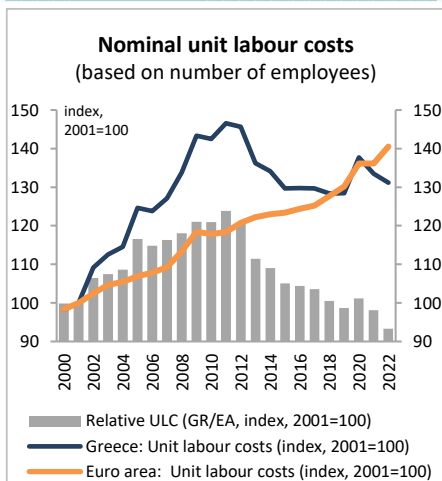
Changes in net sectoral savings as % of GDP and impact to the CA balance *			
	2022e	2023f	2024-26f avg vs 2022
Households	-6,5	1,5	2,3
Corporates (NFCs)	-1,1	0,8	1,4
Gen. Government	4,7	1,0	2,0
Impact to the y-o-y change in CA balance (+ stands for deficit reduction)	-2,9	3,3	5,7

** positive value denotes deficit reduction*

As mentioned above, in 2022, household expenditure skyrocketed after two years of pandemic-related spending constraints and households spent around €10 bn, or c.5.0% of GDP, more than their disposable income flows.

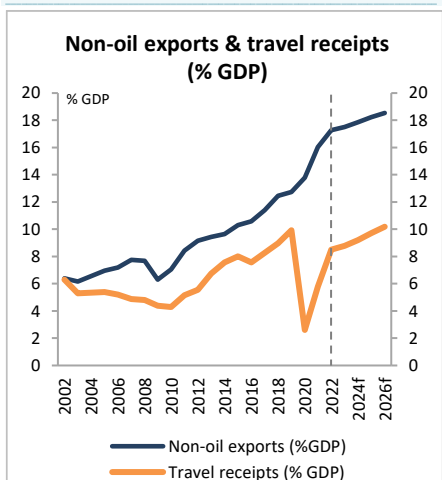
Looking forward, a rebalancing in the net savings position of Greek households is expected (improvement in the S-I gap by 1.5% of GDP in 2023 and by 2.3%, cumulatively, between 2022 and 2024-26) as private consumption is projected to track the real disposable income more closely. This moderation should be sufficient to offset the gradual increase in household investment spending (mainly related to housing). The rebalancing in household spending behavior will be the key driver of the slowing in import growth, in volume terms, as described previously.

Substantial improvements in cost competitiveness support investment and business transformation



It is important to note that in 2022, non-financial corporations exhibited a modest savings-investment gap of -€2.4 bn (1.2% of GDP) in 2022 – compared with an average savings surplus of +€3.5 bn (2.0% of GDP) in 2010-19 and +€1.0 bn in 2020-21 – as corporate profitability increased sharply. This occurred despite much higher investment spending (increase in fixed capital formation by NFCs of €6.3 bn y-o-y or c.2% of GDP). The surprising performance of the corporate sector reflects a boom in corporate profitability, which increased by an estimated €8.0 bn in FY:2022 (as depicted in the operating surplus in the national accounts). Looking forward, the negative impact on net sectoral savings of the projected increase in GFCF is expected to be cushioned by further improvements of business performance and the decline of input costs, compared with their 2021-22 highs. Accordingly, the corporate sector savings surplus is estimated at about 0.6%, on average, over the period 2024-26, corresponding to a 1.4% of GDP improvement vis-à-vis the estimated 2022 outcome.

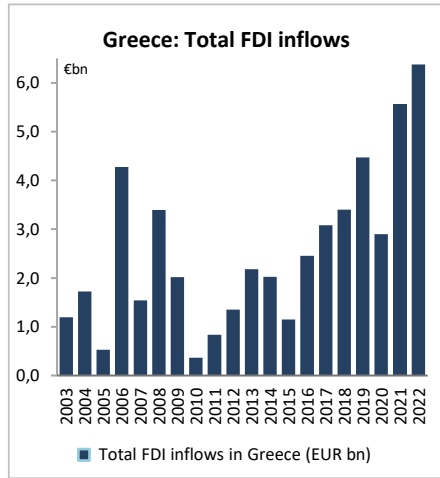
A sustained upward trend in goods exports and tourism



In sharp contrast to the 2007-08 spike in the CA deficit and the corresponding deterioration in the economy’s S-I balance in this period, which had been mainly driven by the government sector, the net borrowing of the general government sector declined significantly in 2022. Specifically, net borrowing (S-I gap) by the general government plummeted by an estimated -€9 bn in 2022 (or nearly -5% of GDP), from a Covid-19 induced deficit surge to €15 bn, on average, in 2020-21 (-7.7% of GDP). Looking forward, the return to a higher primary fiscal surplus from 2023 onwards is expected to be translated into a current account improvement by c. 2.0% of GDP.



FDI inflows at a record high of €6.4 bn, is an important and growth-enhancing source of CA deficit financing with further upside in the coming years



All in all, the combined improvement in the S-I balance of the main sectors of economic activity portends a decline in the CA deficit by 5.7% of GDP, in comparison with 2022, to an average level of 4.0% in 2024-26.

From a broader Balance-of-Payments perspective, the increased CA deficit has been financed by non-debt creating FDI inflows – which climbed to an all-time high of €6.4 bn in 2022 – and RRF funds (€3.6 bn) in 2022 (c. 5.0% of GDP combined). Another €12 bn of non-debt creating inflows related to RRF grants are expected for the period Q2:2023-Q4:2026 which will help financing increased fixed capital formation and other categories of growth enhancing domestic spending. FDI prospects remain favorable as the country improves its competitive position and remains attractive, in terms of relative asset valuations, especially when the prospect of a sovereign rating upgrade to investment grade is taken into consideration.



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	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	
PMI (index level)	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	53.8	51.1	49.1	48.8	49.7	48.1	48.4	47.2	49.2	51.7	52.8	
Industrial confidence (index level)	3.5	5.7	2.2	-8.0	-21.0	-19.3	-13.3	-14.8	-14.8	-8.0	-12.1	-7.5	-8.1	-6.6	-4.7	-4.6	5.0	1.8	8.3	11.2	4.4	9.3	8.3	6.6	12.1	10.6	10.3	3.5	7.0	1.2	-1.5	-2.9	-3.7	-5.6	-4.1	-0.5	3.7	5.2	2.4	
Manufacturing production (y-o-y)	4.7	-1.0	1.4	-12.3	-9.3	-0.6	0.1	-0.9	-3.7	-2.4	7.1	0.8	1.3	2.3	3.3	23.0	14.5	7.1	5.8	6.3	12.9	15.1	10.4	7.1	1.8	9.1	5.4	-0.8	6.2	8.8	6.2	5.0	1.5	1.9	2.4	5.6	9.1	7.1		
Industrial production (y-o-y)	-0.6	-2.9	0.0	-10.8	-8.2	-4.6	-0.1	-3.9	-2.1	-3.2	8.9	3.8	3.4	4.0	5.6	22.6	14.1	9.0	8.2	10.2	10.7	16.7	9.0	9.2	-0.8	5.8	8.8	-4.7	4.2	9.3	6.8	4.6	-1.3	-2.8	-1.1	-1.4	0.8	5.2		
Services confidence (index level)	21.7	29.8	23.9	-0.9	-8.0	-5.1	-35.9	-28.6	-26.0	-22.4	22.3	-24.8	-24.4	-15.5	-11.8	-12.5	12.2	28.2	30.6	33.8	39.3	42.6	48.0	34.4	31.4	39.4	31.9	16.3	18.1	17.6	19.0	23.3	42.9	14.3	20.8	25.0	15.9	15.5	16.4	
Consumer confidence (index level)	-1.2	-8	-2.4	-4.2	-4.0	-3.3	-3.6	-3.4	-4.1	-3.9	-4.5	-3.7	-3.9	-4.3	-4.0	-3.8	-2.2	-2.5	-3.1	-3.2	-3.8	-4.0	-3.9	-3.8	-4.1	-3.9	-5.1	-5.5	-5.1	-5.3	-5.5	-5.4	-5.1	-5.8	-5.2	-4.8	-4.1	-4.7	-4.1	
Retail confidence (index level)	24.1	24.5	16.2	1.6	-26.3	-7.3	-22.1	-20.6	-17.3	-11.6	-11.0	-19.4	-11.8	-3.9	1.4	6.9	2.5	2.5	8.5	9.6	4.3	21.3	13.1	22.7	13.8	10.3	3.8	-1.3	2.7	0.9	1.2	-7.0	-0.4	12.4	17.9	5.5	16.9	23.5	23.5	
Retail trade volume (y-o-y)	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	7.6	10.8	12.3	8.7	-4.6	1.2	2.1	5.2	1.2	-1.9	1.1	1.1	-1.2			
Construction Permits (y-o-y)	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	32	-6	2	-15	-19	-7	-17	-17	1	47					
House prices (y-o-y) quarterly series)	6.7	6.7	6.7	4.4	4.4	4.4	3.8	3.8	3.8	3.2	3.2	3.2	4.5	4.5	4.5	6.9	6.9	8.9	8.9	8.9	8.9	10.1	10.1	10.1	10.1	9.9	9.9	10.5	10.5	10.5	11.7	11.7	11.7	12.2	12.2	12.2				
Construction confidence (index level)	-2.3	-2.9	-3.1	-8.9	-8.5	-5.8	-2.9	-4.3	-5.1	-4.6	-2.9	-3.7	-12	-9	-7	-6	-12	-11	4	-5	11	3	-1	-6	-8	-5	-1	-9	-2.8	-1.5	-3.4	-3.2	-2.8	-2.4	-2.4	8	19			
Employment (y-o-y)	1.3	0.2	-3.9	-9.4	-13.9	-11.3	-4.2	-0.2	-0.7	-3.6	-6.1	-4.3	-4.0	-3.2	-1.0	5.3	17.2	15.0	7.1	4.2	4.8	6.8	11.2	9.8	7.8	12.0	13.3	10.3	5.1	4.3	3.3	1.7	2.7	2.5	1.1	2.2	2.9	-1.3		
Interest rate on new private sector loans (CPI deflated)	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	-6.0	-7.5	-8.1	-7.9	-7.4	-7.4	-4.2	-3.6	-2.2	-1.6	-0.6		
Credit to private sector (y-o-y)	-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	2.9	2.4	2.2	2.3	1.2	0.8	0.8	0.9	1.1	1.4	1.4	0.9	1.4	1.6	2.8	3.3	4.5	5.5	5.8	6.0	5.3	5.0	6.3	5.7	4.8		
Deposits of domestic private sector (y-o-y)	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	5.8	6.3	6.9	6.1	5.2	6.2	5.9	4.5	4.8	3.5	2.9		
Interest rate on new time deposits (households, CPI deflated)	-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	-10.0	-11.2	-12.0	-11.5	-11.3	-11.9	-8.9	-8.3	-6.9	-6.5	-5.1		
Economic sentiment index (EU Commission, Greece)	110	113	108	96	84	85	90	90	91	94	92	94	93	95	99	98	108	108	112	115	111	113	113	110	113	114	112	104	107	104	101	101	106	99	102	104	106	108	107	
Economic sentiment index (EU Commission, Euro area)	105	105	94	60	64	75	83	90	95	96	92	97	96	98	98	103	105	110	115	117	117	118	119	117	115	113	114	106	104	104	103	99	98	94	94	95	97	100	100	99
Exports (excl. oil & shipping, y-o-y, 6m mov avg)	5.6	6.3	4.2	1.3	-1.9	-3.8	-6.0	-8.7	-8.0	-6.2	-2.8	-1.5	-1.1	1.8	7.5	14.5	19.2	23.6	28.7	32.7	33.1	30.4	32.9	32.3	31.4	30.7	28.2	26.6	26.9	27.6	26.9	28.2	27.7	27.3	21.8	19.7	19.1			
Imports (excl. oil & shipping, y-o-y, 6m mov avg)	0.5	1.4	-1.7	-4.4	-9.2	-9.9	-12.0	-12.8	-10.9	-9.1	-4.5	-3.8	-3.6	-3.2	3.1	11.7	18.5	24.1	30.4	36.9	35.5	33.6	34.9	38.3	41.0	42.0	40.0	38.1	38.2	33.8	29.8	27.0	25.9	24.5	18.4	14.2	11.7			
BOG - Tourist arrivals (y-o-y)	19.7	24.6	-46.8	-9.6	-9.8	-93.8	-85.4	-73.3	-73.9	-65.6	-81.1	-86.0	-87.9	-87.8	-75.9	18.6	41.4	31.7	24.0	12.5	12.4	13.5	21.9	29.4	25.7	31.5	31.9	88.4	67.3	24.1	87	44	52	29	45	52	86			
AAA - International passenger traffic development (y-o-y)	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	12.92	10.83	4.55	1.39	9.1	12.2	13.9	38.9	38.8	29.7	43.6	55.6	61.6	35.5	15.7	6.3	4.2	5.2	4.6	3.5	5.5	10.3	7.8		
Estimation of total electricity demand in the network (y-o-y)	-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	-6.3	1.6	0.0	-11.8	-13.2	-3.3	-8.3	-11.6	-15.0	-14.8			
VAT on other goods & services (y-o-y)	-0.8	1.1	-23.7	9.1	-5.1	-17.1	-15.4	-10.0	-10.8	-15.1	-12.8	-7.5	-10.0	-8.6	28.6	-1.4	7.23	29.2	14.9	14.4	18.2	21.2	29.9	29.9	-4.2	58.9	27.7	20.9	25.6	15.0	22.4	23.8	20.7	27.9	16.0	5.7	58.4	-7.5		
Business Turnover (y-o-y, double-entry bookkeeping)	11.4	-2.0	-9.6	-29.1	-25.0	-13.4	-14.0	-18.9	-8.9	-3.9	-6.3	-5.3	-13.6	-8.5	13.3	39.4	24.4	22.4	23.4	32.2	28.0	23.9	38.1	30.5	28.9	43.1	44.4	47.1	49.2	44.8	38.4	50.0	47.5	32.3	21.1	33.5	24.3			

Color map scale



Sources: NBG, BOG, ELSTAT, Ministry of Finance, EU Commission, IHS Markit, IOBE, AUA, ADMM



Nikos S. Magginas, PhD | Chief Economist, Head of NBG Economic Analysis Division

e-mail: nimagi@nbg.gr

NBG GREECE MACRO ANALYSIS TEAM

Effrosyni Alevizopoulou, PhD

(+30210) 334 1620

e-mail: alevizopoulou.e@nbg.gr

Katerina Gouveli, MSc

(+30210) 334 2359

e-mail: gouveli.aikaterini@nbg.gr

Eleni Balikou, MSc

(+30210) 334 1198

e-mail: balikou.eleni@nbg.gr

Eleftherios Athanasiou, MSc

(+30210) 334 1453

e-mail: athanasiou.elftherios@nbg.gr

Sofia Tsaroucha, MSc

(+30210) 334 1626

e-mail: tsaroucha.sofia@nbg.gr

This report has been produced by the Economic Research Division of National Bank of Greece S.A., which is regulated by the Bank of Greece and the Hellenic Capital Market Commission, and is provided solely as a sheer reference for the information of experienced and sophisticated investors who are expected and considered to be fully able to make their own investment decisions without reliance on its contents, i.e. only after effecting their own independent enquiry from sources of the investors' sole choice. This report does not constitute investment research or a research recommendation, and as such, it has not been prepared under legal requirements designed to promote investment research independence. 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 security, product, service or investment. No information or opinion contained in this report is sufficient to support an investment decision – and should constitute any representation or warranty as to future performance of any financial instrument, credit, currency rate or other market or economic measure. Past performance is not necessarily a reliable guide to future performance. It is duly stated that investments products include investment risks, among which the risk of losing part of or the entire capital invested. National Bank of Greece S.A. and/or its affiliates shall not be liable in any matter whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance on or usage of this report and accepts no legal responsibility to any investor who directly or indirectly receives this report. The final investment decision must be made by the investor and the responsibility for the investment must be taken by the investor. Any data provided in this report has been obtained from sources believed to be reliable but has not been independently verified. Because of the possibility of error on the part of such sources, National Bank of Greece S.A. does not guarantee the accuracy, timeliness or usefulness of any information. Information and opinions contained in this report are subject to change without notice and there is no obligation to update the information and opinions contained in this report. The National Bank of Greece S.A. and its affiliate companies, its representatives, its managers and/or its personnel or other persons related to it, accept no responsibility, or liability as to the accuracy, or completeness of the information contained in this report, or for any loss in general arising from any use of this report including investment decisions based on this report. This report does not purport to contain all the information that a prospective investor may require. Recipients of this report should independently evaluate particular information and opinions and seek the advice of their own professional and financial advisers in relation to any investment, financial, legal, business, tax, accounting or regulatory issues before making any investment or entering into any transaction in relation to information and opinions discussed herein. National Bank of Greece S.A. has prepared and published this report wholly independently of any of its affiliates and thus any commitments, views, outlook, ratings or target prices expressed in these reports may differ substantially from any similar reports issued by affiliates which may be based upon different sources and methodologies. This report is not directed to, or intended for distribution to use or use by, any person or entity that is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to any law, regulation or rule. This report is protected under intellectual property laws and may not be altered, reproduced or redistributed, or passed on directly or indirectly, to any other party, in whole or in part, without the prior written consent of National Bank of Greece. All the views expressed in this report accurately reflect author's personal views solely, about any and all of the subject issues. Further, it is certified that no part of any of the report author's compensation was, is, or will be directly or indirectly related to the specific or views expressed in this report. All the views expressed in this report accurately reflect author's personal views solely, about any and all of the subject issues. Further, it is certified that no part of any of the report author's compensation was, is, or will be directly or indirectly related to the specific or views expressed in this report.

The analysis is based on data up to April 10, 2023, unless otherwise indicated