



NATIONAL BANK
OF GREECE

GREECE

Macro Outlook 2019

January 2019



***Domestic demand gains traction,
offsetting the risks from deteriorating
global conditions***

NBG Economic Analysis Division

Greece Macroeconomic Analysis

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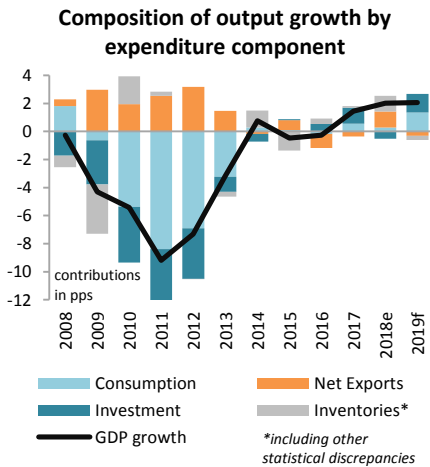
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- Economic activity was on an upward trend in 2018 (GDP grew by a healthy 2.1% y-o-y in 9M:2018), on the back of supportive domestic demand conditions and resilient export growth
- Greece's goods exports (in constant price terms) increased for a 9th consecutive year – a cumulative rise in export volumes of 73% between Q4:2009 and Q3:2018 – reaching a historical high of 18.7% of GDP in Q3:2018
- Forward-looking and coincident indicators of economic activity for Q4:2018 suggest that the annual GDP growth target of 2.0% for FY:2018 is likely to be exceeded
- Such development would correspond to a “positive carry” of over 0.4% to GDP growth in 2019, which – coupled with accelerated wage growth and the implementation of fiscal expansion measures of 0.5% of GDP in 2019 – is estimated to support average GDP growth in 2019 slightly higher than in 2018, offsetting negative impacts from the deterioration in the global environment and other exogenous or idiosyncratic sources of risk
- Private consumption is expected to accelerate to 1.6% y-o-y in 2019 from an estimated 0.9% y-o-y in 2018, reflecting higher households' disposable income (projected at 1.9% y-o-y in 2019, in constant prices terms), on the back of healthy employment growth and a pick-up in hourly wages
- Greek firms remained conservative in their decisions for new investment in 2018 – despite a continuing improvement in value added generation and business profitability – and most of them continued to prioritize a further compression in their costs, using mainly internally generated funding to finance new capital spending
- Accordingly, a prospective increase in investment in 2019 (by 10.9% y-o-y from an estimated -4.0% y-o-y in 2018) will remain highly dependent on the pace of improvement in domestic demand conditions and, thus, on the sectoral developments in capacity utilization, in conjunction with public investment activity, which remained lower-than-initially-envisaged in 2018
- Greece's commitment to fiscal soundness has been re-affirmed in 2018, with the primary surplus in General Government in FY:2018 estimated at 3.98% of GDP, exceeding the maximum target of the Enhanced Surveillance Framework for a surplus of 3.5% of GDP, for a third consecutive year
- A set of expansionary fiscal measures amounting to 0.5% of GDP will take effect in 2019, corresponding to the first loosening in fiscal policy since 2009. This expansion will be financed by the recurring part of the fiscal overperformance in the period 2016-2018 (0.5% of GDP, on average) and is expected to provide an analogous impulse to domestic demand
- Greece's public debt terms are already favourable prior to the implementation of a new set of medium-term debt relief measures: weighted average maturity of 18½ years; effective interest of c. 2.0%; 85% of debt at fixed rate; and 79% of debt held by the official sector
- Greek financial assets continue to underperform in a higher-volatility global environment and do not properly reflect the significant progress in macroeconomic adjustment
- Even in this challenging environment, the economy is gradually reappearing on the market radar, especially in sectors with competitive advantages and attractive valuations. The cumulative increase in inward FDI reached €8.6bn between 2016 and 10M:2018



Economic activity on an upward trend, on the back of supportive domestic demand conditions and resilient export growth



- GDP grew by a healthy 2.1% y-o-y in 9M:2018, reflecting a 1.6 pp boost from the increase in net exports, along with a 0.6 pp contribution from private consumption. Highly volatile investment spending had a negative contribution to growth of 0.8 pps in the same period.
- An annual increase of 8.4% in tourism revenue (+0.4% of GDP higher than in 9M:2017), along with the remarkable dynamism of Greek goods exports (8.6% y-o-y or 1.1% of GDP higher than in 9M:2017, in constant price terms), underpinned the solid export performance.
- Economic activity gained traction in Q3:2018, buoyed by domestic demand (mainly private consumption and inventory accumulation), with GDP increasing by 2.2% y-o-y (+1.0% s.a. q-o-q) from 1.7% y-o-y in Q2:2018. The overly positive contribution of inventories and the shrinkage of investment in Q3:2018 were amplified by a statistical adjustment in Q3:2017 (inclusion in investment expenditure of completed infrastructure projects, which prior to completion were recorded under inventories).
- Available data for forward-looking and coincident economic indicators for Q4:2018 suggest that the annual GDP growth target of 2.0% for FY:2018 is likely to be exceeded. Such a development would correspond to a “positive carry” of over 0.4% to estimated average GDP growth in 2019, which – coupled with accelerated wage growth (including the effect of an increase in the minimum wage) and the implementation of fiscal expansion measures of 0.5% of GDP in 2019 – is estimated to support average GDP growth in 2019 slightly higher than in 2018. The above trends are expected to offset potential negative impacts from a deterioration in the global environment and other exogenous or idiosyncratic factors.

Greece: Growth Outlook

	2017			2018e				2019f			
	2017	2018e	2019f	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4e
GDP (real, % y-o-y, s.a.)	1,4	2,0	2,1	0,0	1,8	2,0	2,1	2,5	1,7	2,2	1,7
GDP (real, % q-o-q, s.a.)	...	...	...	0,1	1,3	0,5	0,2	0,5	0,4	1,0	-0,3
Domestic Demand (y-o-y)	1,8	0,9	2,3	3,3	1,0	1,5	1,3	-2,7	-0,3	4,7	1,9
Final Consumption (y-o-y)	0,6	0,3	1,5	0,7	1,1	0,7	-0,1	0,1	0,6	-0,3	0,9
Private Consumption (y-o-y)	0,9	0,9	1,6	1,1	1,2	1,5	-0,2	0,5	1,3	0,7	1,2
Gross Fixed Cap. Formation (y-o-y)	9,4	-4,0	10,9	8,0	-8,5	26,1	12,2	-8,8	19,2	-23,2	1,6
Residential construction	-5,5	14,8	22,3	-8,5	-1,4	-3,8	-8,1	11,1	5,4	20,8	...
Total GFCF excluding residential	10,3	-5,0	10,2	9,1	-9,0	27,9	13,3	-9,8	20,0	-25,1	...
Inventories* (contribution to GDP)	0,1	1,1	-0,3	1,8	1,1	-2,2	-0,2	-1,9	-2,9	8,3	0,9
Net exports (contribution to GDP)	-0,4	1,1	-0,3	-3,4	0,7	0,5	0,8	5,3	2,0	-2,5	-0,2
Exports (y-o-y)	6,9	7,7	3,9	5,7	9,1	7,0	5,9	8,1	9,2	7,6	5,8
Imports (y-o-y)	7,4	3,8	4,6	15,7	5,8	5,3	3,2	-7,5	2,7	15,0	5,9

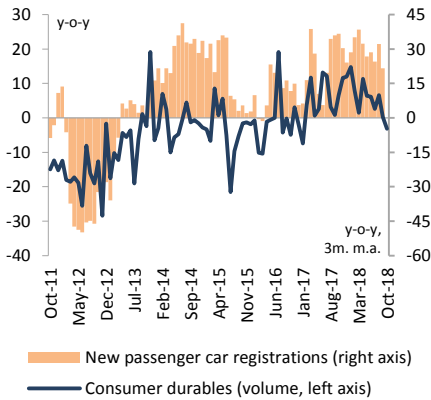
*also including other statistical discrepancies / Sources: EL.STAT. & NBG estimates

Sources: ELSTAT, EU Commission, NBG Economic Analysis estimates

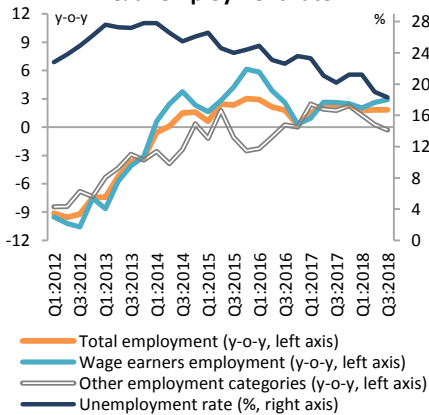


Greek households are more confident regarding their economic situation and, therefore, more willing to spend

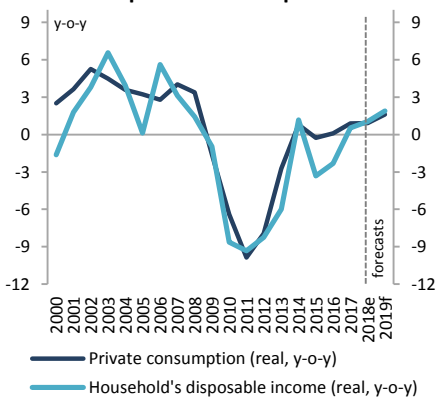
Sales of consumer durables & new car registrations



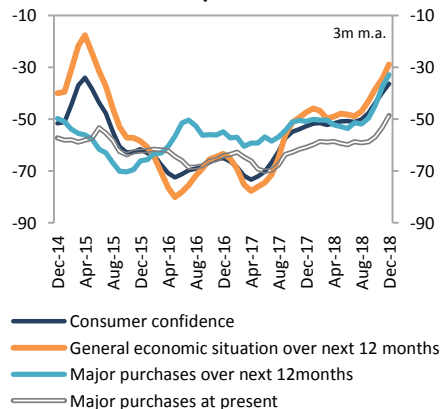
Employment growth & unemployment rate



Households' disposable income & private consumption



Consumer confidence & components

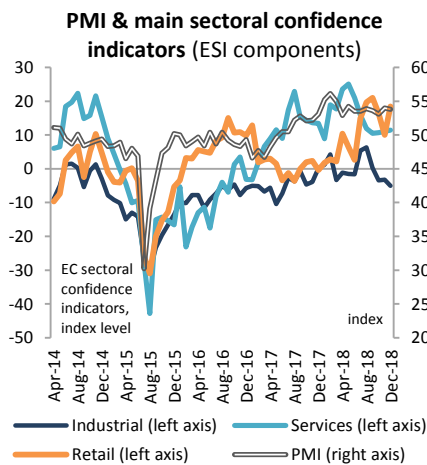
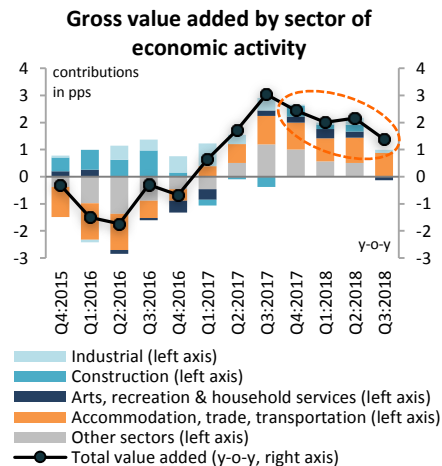
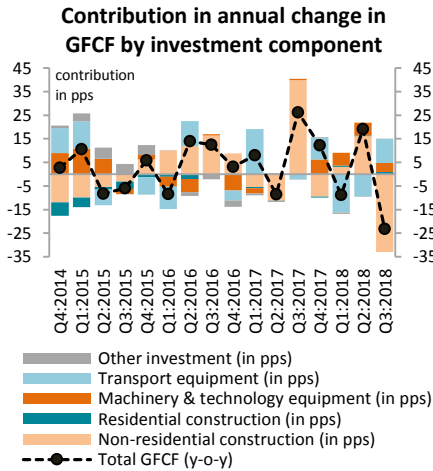


- Private consumption increased by 0.8% y-o-y in 9M:2018, contributing almost one third of GDP growth in this period (+0.6 pps). This revival was supported by positive labor market trends – employment increase of 1.8% y-o-y in 9M:2018, especially in the wage earners category (2.5% y-o-y), and a decline in the unemployment rate to a 7-year low of 18.6% in September 2018 – which were accompanied by a significant improvement in consumer confidence related to the successful completion of the 3rd Programme.
- On the same note, in Q3:2018, retail sales volumes increased by 3.0% y-o-y (from 1.5% y-o-y in H1:2018) and sales of consumer durables and cars increased by 3.1% y-o-y and 20.8% y-o-y, respectively. The temporary drop in retail sales volumes of -4.0% y-o-y in October 2018 mainly reflects a combined seasonal effect, due to the declining support from tourism and a deferral by residents of their spending plans for the November sales period. Moreover, higher oil prices led to a contraction in fuel sales volumes (-9.8% y-o-y in October 2018).
- The assessment by households of the general economic situation and their willingness to proceed with major purchases over the coming months showed an additional improvement in Q4:2018.
- Consumer spending is expected to be supported by increasing households' disposable income, on the back of healthy employment growth (an estimated 1.7% y-o-y in FY:2018 and 1.3% y-o-y in 2019), and a pick-up in hourly wages (0.7% y-o-y in FY:2018, according to NBG Economic Analysis estimates), which reflects improving market conditions, along with a reactivation of the sectoral wage bargaining in specific sectors of the economy in H2:2018 (e.g. a number of tourism and transportation services). Prospective legislation for an increase in the minimum wage in the range of 5%-10% by Q1:2019, proposed by the Government, would translate into a rise of about 1.0%-1.8% in average compensation, supporting consumer spending in conjunction with the 0.5% of GDP of expansionary measures included in the 2019 Budget (see page on fiscal developments). Overall, private consumption is expected to increase by 1.6% y-o-y in FY:2019 from an estimated 0.9% y-o-y in FY:2018.

Sources: ELSTAT, Bank of Greece, AMECO, EU Commission, NBG Economic Analysis estimates

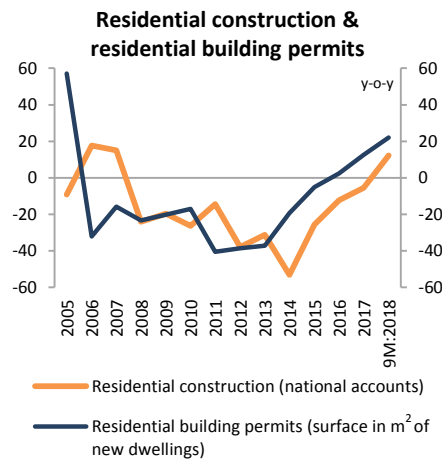
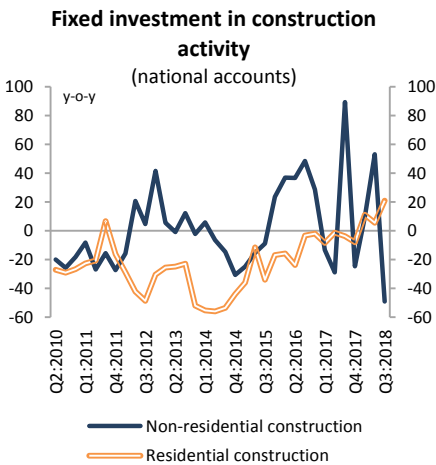
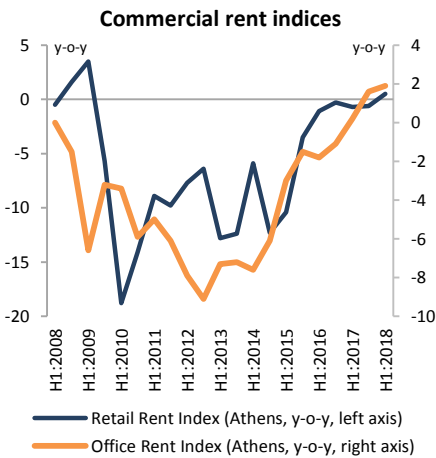
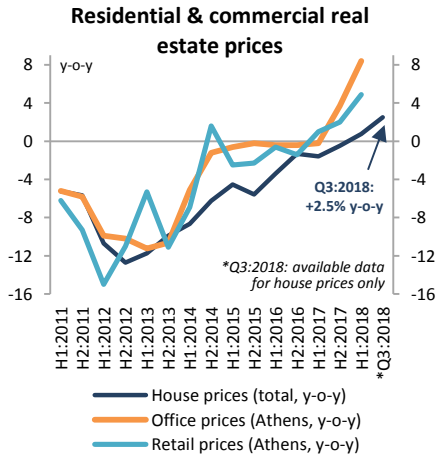


Business activity strengthens, however, investment spending responds slowly



Sources: ELSTAT, EU Commission, Markit Economics

- Gross fixed capital formation (GFCF) remains less buoyant than would be otherwise expected at this point of the economic cycle, despite a continuing improvement in key indicators of business activity. GFCF contracted by 6.2% y-o-y in 9M:2018, while investment, excluding non-residential construction, showed an anemic increase of 1.5% y-o-y. Investment spending remains relatively low, even when adjusting for an extraordinary negative base effect in non-residential construction in Q3:2018, due to a sizeable reclassification of spending from inventories to investment in Q3:2017 (about 1.4% of GDP annualized).
- In fact, Greek firms remain conservative in their decisions for new investment and most of them continue to prioritize a further compression in their operational cost, using mainly internally generated funding to finance new capital spending.
- GDP figures for the production and income sides of the economy point to a continuing increase in the value added generated by the Greek business sector (+1.8% y-o-y in 9M:2018, expanding for a 7th consecutive quarter), on the back of positive contributions in the sectors of wholesale and retail trade; transportation and storage; accommodation and food services; and professional, scientific and administrative services.
- Pre-tax profitability for Greek businesses increased at a relatively modest pace (increase in gross operating surplus of 1.1% y-o-y in 9M:2018 from 2.1% y-o-y in 2017), since the improving performance of larger, more competitive corporates continued to be counteracted by loss-making firms.
- The increase in the minimum wage is not expected to have a material impact on the activity of more competitive firms, following several years of intensive restructuring, while even less efficient firms could benefit from the increase in domestic demand. The increase in unit labor costs is estimated at around 1.3% y-o-y in 2019, following a cumulative drop of -15.5% y-o-y between Q3:2008 and Q3:2018.
- Notably, despite the increasing market power of larger, more competitive firms – exemplified by the fact that almost 50% of total business profits are generated by the 500 largest firms – their pricing policies remain conservative. Accordingly, core inflation remained subdued (0.1% y-o-y in FY:2018 and 0.2% y-o-y in Q4:2018), while CPI inflation increased by 0.6% y-o-y in FY:2018 and rose to 1.1% y-o-y in Q4:2018, mainly due to increasing oil prices (which added +1.1 pp in inflation in Q4).
- Overall, strengthened domestic demand, in conjunction with the buoyancy of forward-looking indicators of business activity in Q4:2018 – especially in services and retail trade sectors – bode well for an acceleration in GFCF in Q4:2018 and in early-2019. These trends are expected to offset the negative impact from deteriorating global conditions and, especially, a projected slowing in GDP growth in the euro area during 2019.



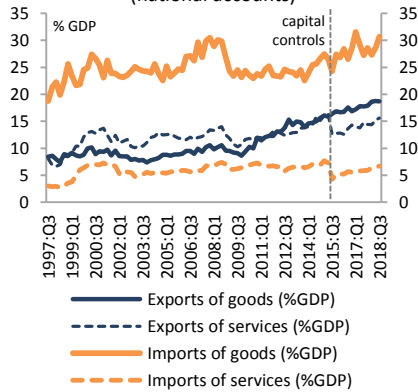
- The Greek real estate market shows consistent signs of revival, which is accompanied by an increase in market transactions (mostly self-financed) and a joint increase in rents and prices in both commercial and residential market segments. House prices in Greece increased by 2.5% y-o-y in Q3:2018 (1.0% q-o-q) – the strongest annual pace in 10½ years – and by 1.3% y-o-y in 9M:2018.
- Positive annual growth is recorded in all market segments (new and old apartments) and regions, with the Athens area outperforming the market average (3.7% y-o-y in Q3:2018 and 2.1% y-o-y in 9M:2018), supported by a pick-up in demand in the premium segment (which suffered a sharper price adjustment during the crisis) and tourism-related demand (mainly for renting).
- Commercial real estate valuations grew at a solid pace of 5.3% y-o-y in H1:2018 from 1.7% y-o-y in FY:2017 (average of prime office and retail prices), pointing to increasing activity in the higher quality segment of this market. Office and retail prices increased by 7.4% y-o-y and 3.1% y-o-y, respectively, in H1:2018 from 3.5% y-o-y and 2.1% y-o-y, respectively, in H2:2017. As in the case of the residential market, the Athens area outperformed the commercial real estate market average in H1:2018 (increase in office and retail prices of 8.4% y-o-y and 4.9% y-o-y, respectively). Nonetheless, Greece's commercial real estate market remains highly heterogeneous and, thus, the observed recovery in prime properties has not been transmitted to the rest of the property stock, with downward pressures on prices in specific (lower demand-lower quality) areas remaining significant.
- Residential investment increased by 12.3% y-o-y in 9M:2018 – for the first time in 10 years – contributing 0.1 pp in GDP growth. The increase by 22.0% y-o-y in the issuance of residential construction permits in the same period presages a further increase in building activity in the following quarters, which is also related to increasing renovation of houses and commercial properties in high demand areas.

Sources: ELSTAT, Bank of Greece

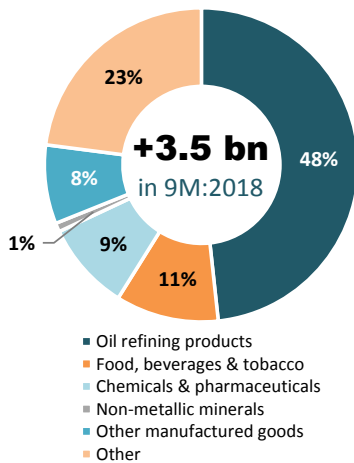


Greece's goods exports remain on an upward trend, despite the deteriorating conditions in major exporting markets

Imports & exports of goods and services
(national accounts)

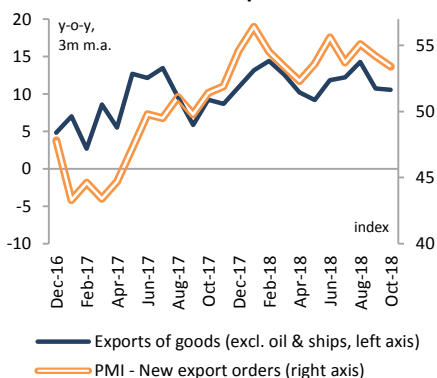


Contribution in annual export growth by product category 9M:2018



- Solid exports of goods were a key driver of economic activity in 9M:2018, posting an increase of 8.6% y-o-y in this period (in constant price terms). However, their positive contribution to GDP growth was offset by the increase in imports (3.1% y-o-y in 9M:2018), which reflected a rebound in import demand for production inputs, consumer durables and energy. Overall, the contribution of net exports to GDP growth in 9M:2018 reached +1.6 pps from -0.4 pps in FY:2017.
- Greece's goods exports (in constant price terms) remained on an upward trend for a 9th consecutive year – a cumulative increase in export volumes of 73% between Q4:2009 and Q3:2018 – reaching a historical high of 18.7% of GDP in Q3:2018 and a 20-year average of 11.6% of GDP, but still significantly lower than the euro area average of 33.3% of GDP in FY:2017.
- Germany, Italy and Turkey remained the main destinations of Greek goods exports in 9M:2018, which mainly comprise oil refining products; food, beverage and tobacco products; as well as pharmaceutical and chemical products. Exports of oil refining products corresponded to almost half of the annual increase in exports (in current price terms) in 9M:2018. Notably, demand from Turkey and Italy – which consistently rank in the top 5 destinations of Greek goods exports – remained resilient in Q3:2018, despite the increased uncertainty in these economies.
- Greek goods exports (in constant price terms) are estimated to remain on an upward trend in Q4:2018, with their annual growth rate decelerating to a still healthy 6.5% y-o-y, from 8.6% y-o-y in 9M:2018, and slowing to c. 4.0% y-o-y in FY:2019, due to a prospective slowdown in demand from the euro area – which could be more pronounced in major trading partners, such as Italy – in conjunction with increased price competition for Greek exports in the EU markets from other countries with devaluated currencies (mainly Turkey).

Manufacturing export orders & exports of goods excluding oil and ships



Top 5 destinations of Greek goods exports

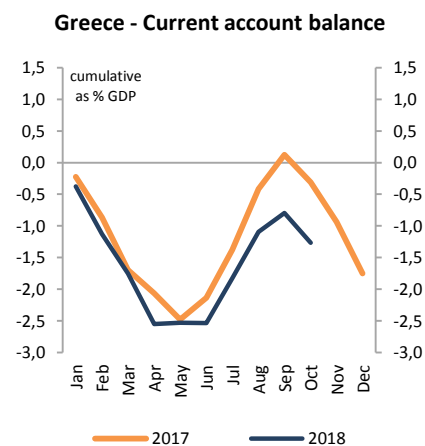
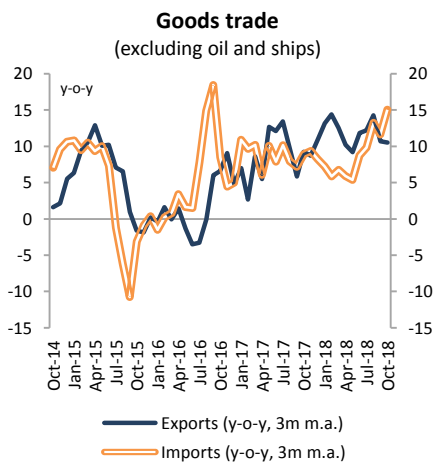
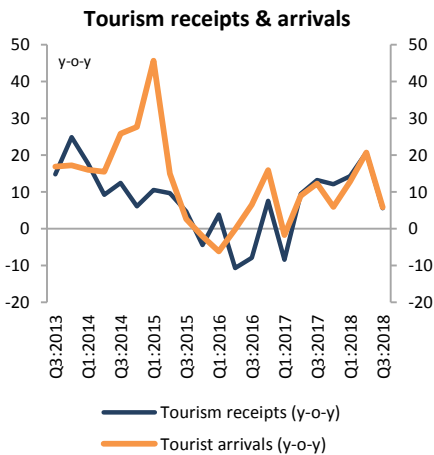
2016		2017		2018:9M	
Country	€ bn	Country	€ bn	Country	€ bn
Italy	2.8	Italy	3.1	Italy	2.5
Germany	2.0	Germany	2.1	Turkey	1.7
Cyprus	1.6	Turkey	2.0	Germany	1.6
Turkey	1.4	Cyprus	1.9	Cyprus	1.4
Bulgaria	1.3	Bulgaria	1.4	Lebanon	1.1

Sources: Eurostat, Panhellenic Exporters Association

Sources: ELSTAT, Panhellenic Exporters Association, Bank of Greece, Eurostat, NBG Economic Analysis calculations



The current account deficit widens, as increased import spending overshadows healthy export growth

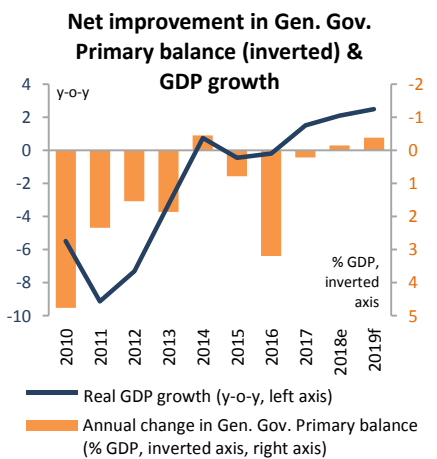
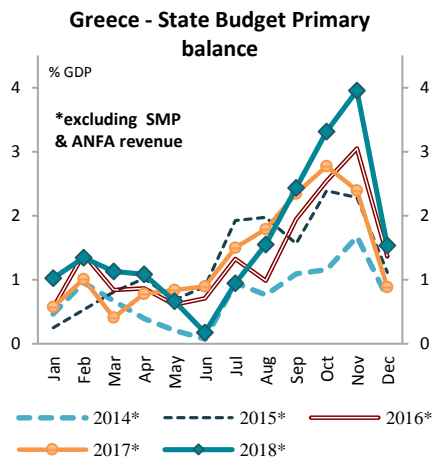
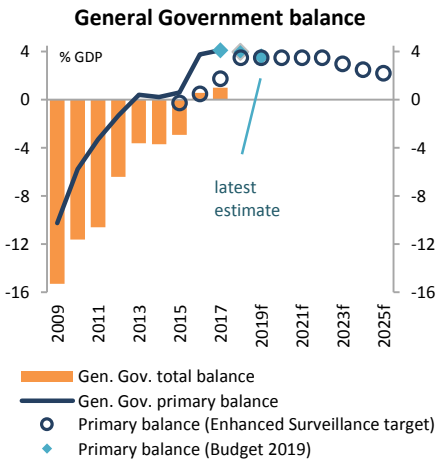


- The current account balance recorded a deficit of 1.3% of GDP in 10M:2018, against a deficit of 0.3% of GDP in 10M:2017, as the increase in imports of oil and non-oil products of 1.5% and 1.2% of GDP, respectively, compared with 10M:2017 (or by 31.2% y-o-y and 10.6% y-o-y, respectively, in current prices) offset the strong combined increase in exports of goods and services of 2.9% of GDP (or 13.0% y-o-y) in this period. In addition, the widening of the primary income deficit (by 0.4% of GDP), mainly due to higher net interest, dividend and profit payments, also contributed to the widening of the current account balance. The increase in imports reflects a still high import dependence of the economy, in a period of strengthened domestic spending on production inputs, fuels, capital and discretionary consumer products. Moreover, the increase in oil prices of 31.3% y-o-y in 10M:2018 contributed to the widening in the oil deficit by 0.5% of GDP.
- The services surplus increased by 0.3% of GDP compared with 10M:2017, reflecting higher net revenue from tourism and transportation services (net increases of 9.2% y-o-y or 0.4% of GDP higher than in 10M:2017 and 10.8% y-o-y or 0.2% of GDP higher than in 10M:2017, respectively). Tourist arrivals rose by 10.8% y-o-y in 10M:2018 – with the German market contributing about 25% of the increase in this period – but slowed to 6.8% y-o-y in the period August-October 2018 from 14.6% y-o-y in 7M:2018, due to non-supportive base effects and increased competition from Turkey. Preliminary data for early bookings for 2019 point to a further slowing in the prospective growth in tourist arrivals to c. 2%-5% y-o-y from double digit figures in FY:2018.
- Overall, the current account deficit is estimated to reach -2.3% of GDP in FY:2018 and widen further to -2.5% of GDP in 2019, due to the high responsiveness of import spending to increasing domestic demand, in a period of slowing demand in Greece's major exporting markets.

	Balance of Payments (as % GDP)									
	2017	2018e	2019f	2017				2018		
				Q1	Q2	Q3	Q4	Q1	Q2	Q3
Current Account	-1,8	-2,3	-2,5	-1,7	-0,4	2,3	-1,9	-1,7	-0,8	1,7
Non-oil Trade Balance	-8,9	-9,3	-9,7	-2,3	-2,2	-2,1	-2,3	-2,3	-2,2	-2,3
Non-oil Exports	11,2	11,8	11,7	2,6	2,9	2,7	3,0	2,9	3,1	2,9
Non-oil Imports	20,1	21,1	21,4	4,9	5,1	4,9	5,3	5,1	5,4	5,3
Oil Balance	-2,1	-2,5	-2,3	-0,7	-0,3	-0,6	-0,5	-0,6	-0,7	-0,8
Services Balance	10,0	10,5	10,4	0,7	2,5	5,5	1,3	0,6	2,6	5,6
Primary Income Balance	-0,4	-0,5	-0,5	0,4	-0,3	-0,4	-0,2	0,4	-0,4	-0,6
Secondary Income Balance	-0,3	-0,3	-0,3	0,2	-0,2	-0,2	-0,2	0,1	-0,1	-0,2
Capital account	0,5	0,5	0,4	0,1	0,1	0,0	0,3	0,1	0,0	0,0

Source: Bank of Greece & NBG estimates

Sources: Bank of Greece, NBG Economic Analysis estimates



- Greece's commitment to fiscal soundness has been re-affirmed in 2018, with the primary surplus in General Government in FY:2018 estimated at 3.98% of GDP, exceeding the maximum target of the Enhanced Surveillance Framework for a surplus of 3.5% of GDP, for a third consecutive year. A notable improvement in the State budget primary balance estimated at 1.8 pps is expected to be the key determinant of the fiscal outcome in 2018, according to the 2019 Budget. About two-thirds of the increase in the State budget primary surplus reflect a reduction in primary spending (-2.2% y-o-y or -1.3% of GDP).
- In fact, the State Budget overperformed the upwardly revised targets in 11M:2018, recording a primary surplus of 4.2% of GDP compared with an 11M target of 2.2% of GDP, mainly due to additional restraint in primary spending (0.7% of GDP lower than the respective target) and lower-than-planned disbursements by the Public Investment Budget (PIB, net savings of 0.9% of GDP). Ordinary budget net revenue contributed another 0.4% of GDP to the fiscal overperformance in 11M:2018, reflecting lower-than-budgeted tax refunds (-0.3% of GDP) and higher-than-expected revenue from corporate income tax (+0.1% of GDP higher than the 11M target). This overperformance, at a State budget level, is expected to outweigh the projected decline in the surplus of other General Government entities.
- Preliminary data on State Budget implementation in 12M:2018 indicate that the respective primary surplus was about 0.2% of GDP smaller than the annual Budget target, mainly, due to lower revenue from privatizations and EU funding to the PIB. This gap in cash data is expected to be reversed on a national accounts-adjusted basis, when proceeds from the extension of the Athens airport's concession agreement will be recorded (about 0.6% of GDP in Q1:2019).
- The modest set of expansionary measures, which will take effect in 2019, corresponds to the first loosening in fiscal policy since 2009. This expansion will be financed by the recurring part of the fiscal overperformance in the period 2016-2018 (0.5% of GDP, per annum on average), and is expected to support domestic demand. In fact, the estimated direct fiscal impulse of about 0.5% of GDP in 2019 follows an unprecedented fiscal contraction of about 14% of GDP between 2010 and 2018.

Fiscal expansion measures 2019 (net basis)		
- negative sign = increase in spending or decrease in revenue		
	Value (€ mn)	% GDP
A REVENUE	-437	-0,23%
1	10% weighted average reduction in property tax (ENFIA)	-260 -0,13%
2	1/3 reduction in social security contributions of the independent professionals, self-employed and farmers and implementation of the lowest entry-level salary for supplementary pension contributions	-177 -0,09%
3	Reduction of the dividends tax rate from 15% to 10% (fiscal impact from 2020 onwards)	0 0,00%
4	Reduction by 1pp per annum of the corporate tax rate from 29% to 25% over the next four years (fiscal impact from 2020 onwards)	0 0,00%
B EXPENDITURE	-473	-0,25%
5	Housing allowance	-400 -0,21%
6	Subsidy of young employees' (aged under 24) social security contributions	-51 -0,03%
7	Education & Help at Home programs	-22 -0,01%
New fiscal interventions (A+B)	-910	-0,5%

Sources: Ministry of Finance, IMF, EL.STAT., EU Commission, MTF 2019-2022



Progress and policy commitments in the post-programme era under the EC's Enhanced Surveillance framework

Greece is subject to an Enhanced Surveillance framework directed by the European Commission (EC). On 21 November 2018, the EC adopted the first enhanced surveillance report for Greece under the European Semester, following the country's successful completion of the ESM stability support programme in August 2018.

Greece's progress on specific commitments with a view to ensuring the continuity and completion of reforms

Fiscal soundness

- **Maintaining a primary surplus of 3.5% of GDP until 2022 and 2.2% of GDP, on average, in the period 2023-2060, ensuring that its overall fiscal performance remains in line with the EU fiscal framework:** The primary surplus is expected to exceed in 2018 the annual target for a 3rd consecutive year.
- **Avoiding the accumulation of new government arrears to the private sector:** Government arrears declined by €0.5bn between August (i.e. the benchmark for the first assessment for the non-accumulation of arrears in the 2nd Enhanced Surveillance report) and November 2018 to €2.6bn, their lowest level since records began (December 2010)

Financial stability

- **Restoring the health of the banking system, including the completion of NPE/NPL resolution efforts and increasing the effectiveness of the relevant legal framework:** Banks' NPE reduction targets were met in 9M:2018, with the support of increasing asset sales (i.e. household and corporate insolvency, out-of-court workout, NPL sales, e-auctions): while a modified legal framework for a more targeted protection of primary residences is planned to be introduced in Q1:2019.
- **Relaxing further capital controls** in line with the published roadmap published in May 2017 and prepared by the Greek Ministry of Finance in cooperation with the Bank of Greece: The latest round of relaxation measures in October 2018 lifted the limits on cash withdrawals from bank accounts.
- **The Hellenic Financial Stability Fund (HFSF) will develop an exit strategy** for the sale of its stakes in the systemic banks and the mandate of the Selection Panel of the HFSF is planned to be aligned with the mandate of the HFSF by early-2019.

Privatizations

- The transfer of the Olympic Athletic Center of Athens (OAKA) to the Hellenic Corporation of Assets and Participations (HCAP) and the restructuring of the Public Properties Company (ETAD) are in progress.
- The Asset Development Plan of the Hellenic Asset Development Fund (TAIPED) will be implemented on a continuous basis. The transactions on the Athens International Airport (AIA) concession, the development plan for the Hellinikon area, and the transfer of shares of the Hellenic Gas Transmission System Operator (DESFA) and Hellenic Petroleum (HELPE) are expected to be completed by mid-2019.

Other

- **Safeguarding Greece's labor market competitiveness, codifying an updated and efficient legal framework and introducing an annual update of the minimum wage,** in line with the provisions of Law 4172/2013: The authorities plan to complete the relevant process by February 2019.
- **Finalizing the investment licensing reform** by adopting all enabling licensing legislation by Q1:2019.
- **Implementing the Three-Year Action Plan on Justice** (phase I of the establishment of the e-justice system will be completed in early-2019).
- **Completing reforms to modernize human resource management** in the public sector and in particular the appointment of Administrative Secretaries and all Director Generals according to law 4369/2016.
- **Completing the agreed divestment of Public Power Corporation's (PPC) lignite-fired capacity** in Q1:2019.
- **Undertaking in two stages – by mid-2019 and mid-2020 – nationwide valuation exercises of property tax values** based on market values and completely aligning the values used for property tax calculation with the respective market values by mid-2020.

Sources: EU Commission, NBG Economic Analysis Division



Greece's sovereign debt servicing costs among the lowest in the EU for the next 14 years

The Eurogroup on 21 June 2018 agreed to the implementation of a new set of medium-term measures in order to reduce further Greece's medium-to-longer term debt servicing needs and maintain gross debt on a sustainable downward trend. The new measures comprise:

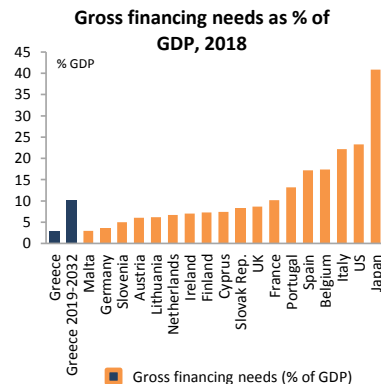
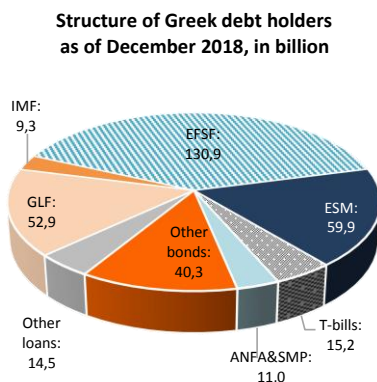
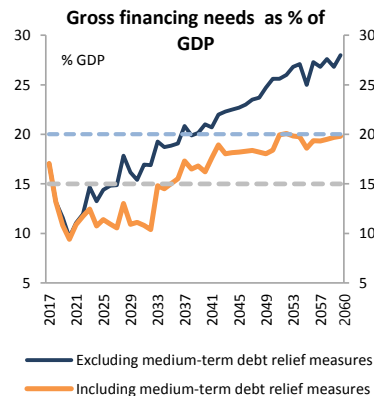
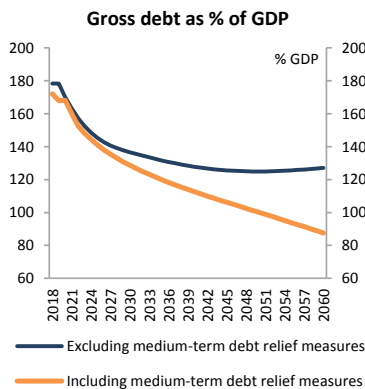
- A further deferral by 10 years applied to interest and amortization on €96.9bn of EFSF loans (until 2033) and an extension of their maximum weighted average maturity (WAM) by 10 years.
- Transfer of €5.8bn of profits from the GGB holdings by the ECB and Eurosystem central banks (SMP/ANFA) to Greece, on a semi-annual basis in 2019-2022.
- Permanently waiving the 2 pp step-up on the interest on the €11.3bn of loans used in the 2012 debt buyback.

The implementation of the latter two measures is subject to compliance to post-programme monitoring commitments

Impact on gross financing needs and gross debt dynamics

- Significant reduction in average gross financing needs (GFNs) of c. 4.0% of GDP p.a. in 2022-32, including gains from lower issuance of higher cost GGBs. Refinancing risk is very low for the next 10-15 years and GFNs remain below the agreed sustainability thresholds of 15% and 20% of GDP, respectively, in the medium and long term.
- Decline in gross debt to GDP ratio by c. 17%, on average, in 2019-2060 and by c. 40% of GDP in 2060.
- Debt dynamics will be reviewed in 2032, to assess whether additional debt measures are needed and a contingency mechanism – relating a potential lowering in Greece's debt servicing cost to its future macroeconomic performance – could be activated, following a Eurogroup decision in the case of an "unexpectedly more adverse scenario". This could entail measures such as a further re-profiling of EFSF loan maturities and capping and/or deferral of interest payments of the EFSF.

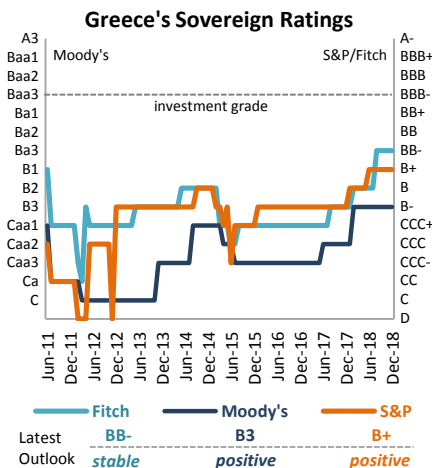
- **Greece's public debt terms are already favourable: Weighted average maturity of 18½ years; effective interest of c. 2.0%; 85% of debt at fixed rate; and 79% of debt held by the official sector**
- **Greek state cash buffer is conservatively estimated at €27bn by end-2018, which is sufficient to cover Greece's General Government financing needs until mid 2022 (NBG Economic Analysis estimates), assuming achievement of the medium-term fiscal targets, without new issuance of GGBs. This period could be extended further to 2023 or beyond, if we take into account estimated privatization revenue (of €1.8bn) and assume limited new GGB issuance of about €4bn per annum in 2019-22**



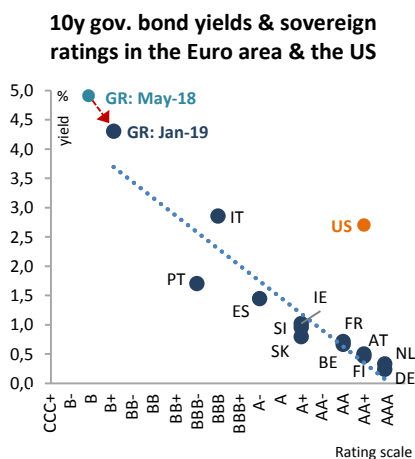
Sources: EU Commission, PDMA, ESM, IMF, Bloomberg, Ministry of Finance, NBG Economic Analysis Division estimates



Greek financial assets continue to underperform in a high volatility environment



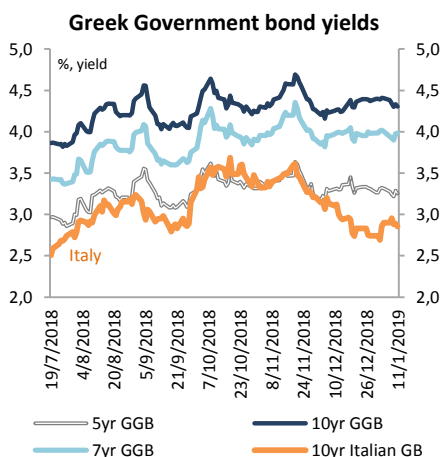
- Greek government bond (GGBs) valuations responded positively to credibility gains in the run-up to the 3rd Programme completion, and related upgrades in sovereign ratings until August 2018.
- Rating agency reports referred to: i) the substantially improved debt sustainability; ii) the large cash buffer accumulated by the Greek State; and iii) the increased fiscal credibility, as major drivers of their decisions. Key determinants for future upgrades are: a credible performance in structural reform implementation; continued fiscal efficiency; and the pace of economic recovery in the post-programme period.
- However, GGBs remained sensitive to external factors (Italy, emerging markets) in September-December 2018, exemplifying a sluggish transformation of macroeconomic improvements to lower country risk.
- The Greek equity market – especially banks – showed the highest sensitivity to the increase in market volatility internationally, which magnified the risk assessment of Greece's idiosyncratic factors.



Greece's sovereign ratings				
	Current rating	Rating outlook	Distance from inv. grade (in notches)	Date of next review
Fitch	BB-	=	3	8/2/2019
Moody's	B3	+	6	1/3/2019
S&P	B+	+	4	18/1/2019

Ratings of Greek systemic banks	
Current rating	
Short-term credit	B
Long-term credit	B+

Sources: Bloomberg, Fitch, Moody's, S&P Global Ratings



Financial markets				
Data as of January 15, 2019	level	y-t-d	annual	monthly
		change in percent		
ASE Index	623	2,9	-26,5	-1,5
FTSE Index	1.657	3,8	-23,8	-0,4
FTSE Banks index	412	-3,7	-57,1	-8,3
Eurostoxx	3.068	2,5	-15,1	0,1
S&P500	2.610	4,0	-6,3	2,5
10yr GGB (price)	96	0,9	-2,8	0,6
		change in pps		
10yr GGB (yield)	4,27	-0,1	0,4	-0,1
10yr GGB (spread over Bund)	4,07	-0,2	0,8	0,0
3m T-bill (rate)	0,67	0,0	-0,3	0,0

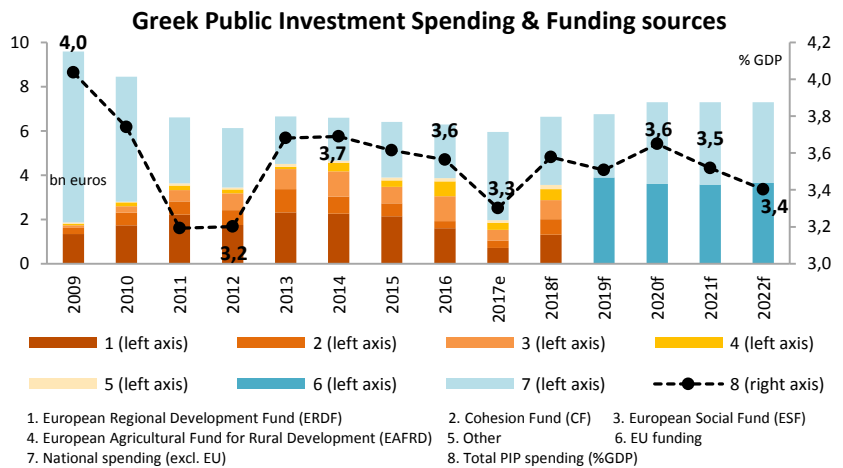
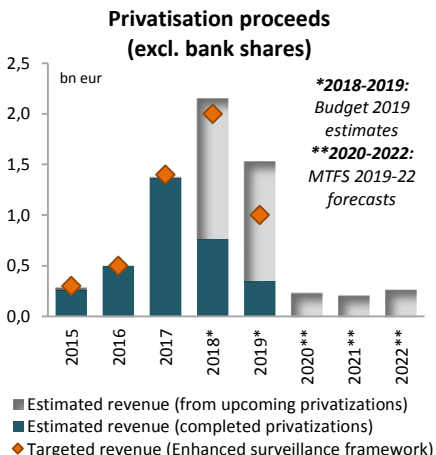
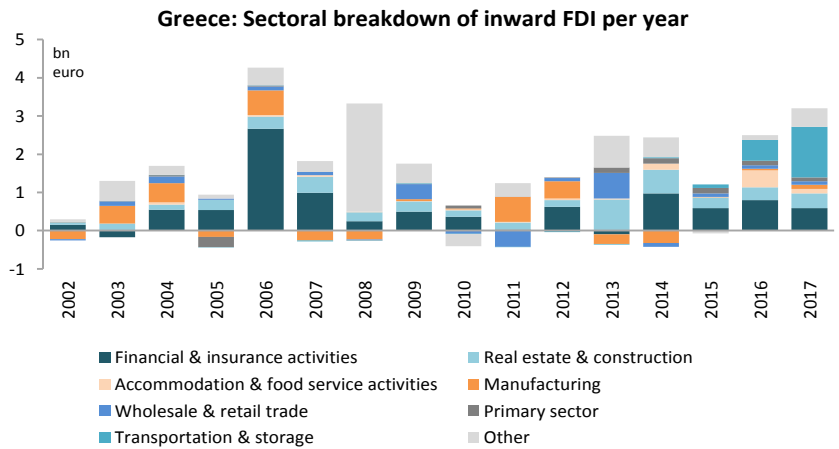
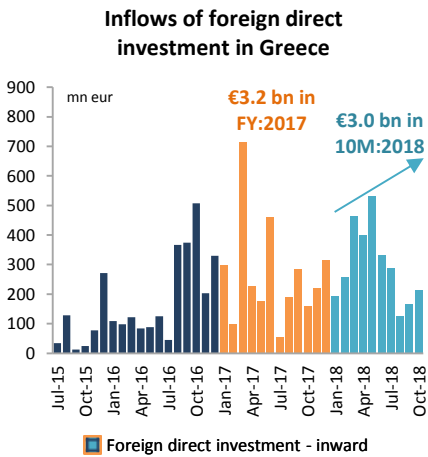
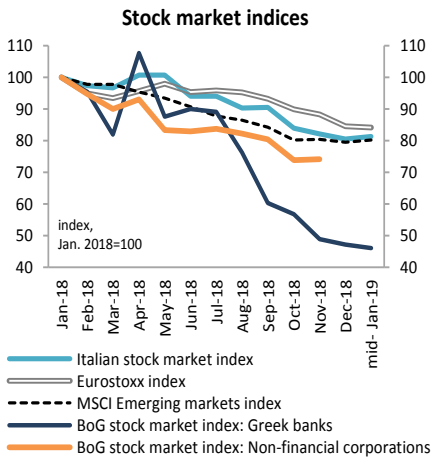
Source: Bloomberg

Sources: Bloomberg, NBG Economic Analysis estimates



The economy reappears gradually on the market radar, especially in sectors with competitive advantages and attractive valuations

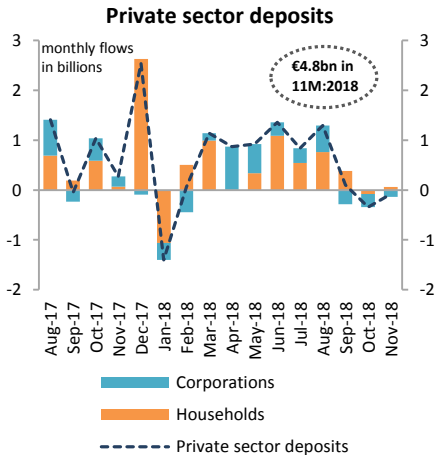
- Capital inflows from abroad are increasing, despite the deteriorating market conditions internationally.
- FDI inflows reached €3.0bn in 10M:2018 and €8.6bn, cumulatively, between January 2016 and October 2018, focusing especially in sectors such as transportation and storage, as well as financial and insurance activities.
- Greek financial asset prices have not yet incorporated the macroeconomic improvements, mainly due to a still conservative market assessment of the sovereign and business-specific risks in an environment of increasing risk aversion globally.
- Official funding in the form of EU structural funds, EIB financing and related synergies in the context of the “Juncker Plan” are estimated to provide a critical amount of financing to the economy, supporting investment and private sector activity. About €14.7bn of official funding is expected in 2019-2022 (or about 1.7% of GDP per annum), which could be compounded by another €7bn of related private investment (NBG Economic Analysis estimates), setting the stage for a broad-based investment boom, which will compensate for the sizeable disinvestment in the crisis years that destroyed almost one fifth of the economy’s stock of productive capital.



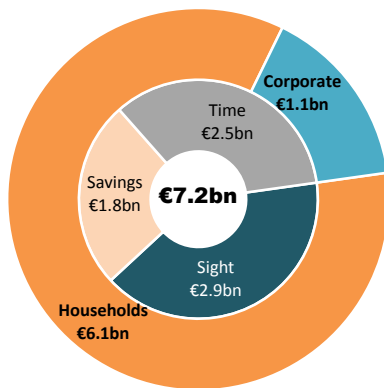
Sources: Bank of Greece, Bloomberg, HRADF, Ministry of Finance, MTF5 2019-2022, NBG Economic Analysis estimates



Greek banks: Liquidity conditions improve gradually, but credit demand remains weak



12-month change in private deposits by sector & type - November 2018

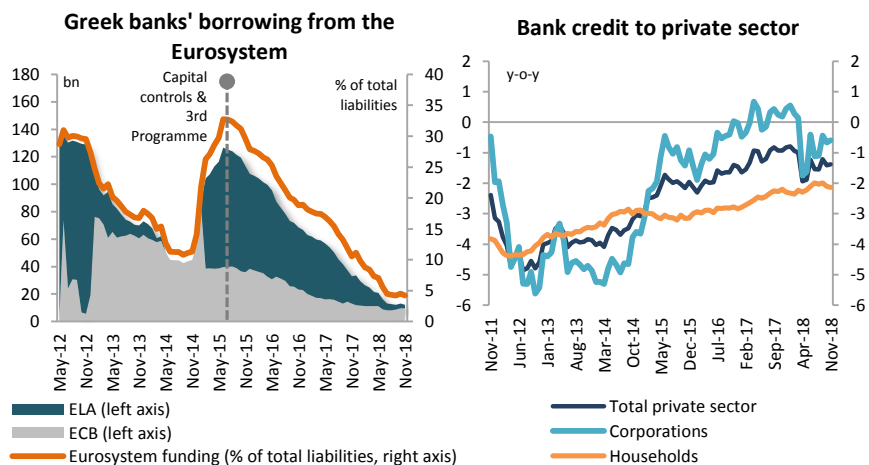


- Private sector deposits decreased by €0.4bn in October-November 2018 (following 8 consecutive monthly increases), due to a decline in corporate deposits. In 11M:2018, private sector deposits increased by 4.8bn, cumulatively, standing at €131.4bn, with inflows of €3.6bn recorded in household accounts and €1.2bn in corporate accounts. This improvement mainly reflects increasing economic activity, higher capital inflows from abroad (an estimated €4.2bn in 10M:2018), mainly in the form of portfolio and foreign direct investments, along with a further decline in cash hoarding by the private sector to the lowest point since 2008 (€3.9bn in 11M:2018), which was partly offset by the cumulative reduction in credit of €2.9bn in 11M:2018.
- Notably, euro note circulation, which followed a steady downward trend over the past 3 years, stabilized in October-November 2018, when restrictions on cash withdrawals were lifted. This development could also explain the relative stability of household deposits in this period and could be indicative of an increasing use of cash from households with above average financial savings.
- Credit to the private sector decreased by 1.4% y-o-y in November 2018, remaining in negative territory for an 8th consecutive year, with loans to households and corporates declining by 2.1% y-o-y and 0.6% y-o-y, respectively. A limited number of business sectors, such as agriculture, tourism and real estate recorded positive credit flows (annual increase in credit of 6.1% y-o-y, 4.6% y-o-y and 1.1% y-o-y, respectively). Survey data of credit conditions (BoG, ECB) suggest that credit demand remains sluggish, despite the increasing willingness of banks to provide new credit and the improving prospects for private spending.
- The Greek banking system's financing from the Eurosystem decreased significantly during 2019 to €12.2bn in November 2018 from €33.7bn in December 2017, with ELA declining to €2.7bn (from €21.6bn in December 2017). The improvement mainly reflects increasing access to interbank and wholesale markets, additional deleveraging and a gradual increase in deposits.

Private sector deposits - 11M:2018		
in € billion	y-t-d	November
Structure of deposits by sector		
Households	3,6	0,1
Non-financial corporations	0,6	-0,2
Insurance corporations & other financial intermediaries	0,6	0,1
Structure of deposits by type		
Sight	2,0	-0,1
Savings	0,3	0,0
Time	2,5	0,0

Source: Bank of Greece

Source: Bank of Greece





Greek Economy: Selected Indicators

Greek Economy: Selected Indicators																			
	2016					2017					2018					Most recent	2018e	2019f	
	Q1	Q2	Q3	Q4	year aver.	Q1	Q2	Q3	Q4	year aver.	Q1	Q2	Q3	Q4	year aver.				
Real economy (y-o-y period average, constant prices)																			
GDP	-0,7	-1,3	1,0	-0,1	-0,3	0,0	1,8	2,0	2,1	1,4	2,5	1,7	2,2	...	...	Q3:18	2,2	2,0	2,1
Domestic demand	-0,9	1,4	2,4	0,1	0,7	3,3	1,0	1,5	1,3	1,8	-2,7	-0,3	4,7	...	...	Q3:18	4,7	0,9	2,3
Final Consumption	-1,0	-1,9	1,8	0,3	-0,2	0,7	1,1	0,7	-0,1	0,6	0,1	0,6	-0,3	...	...	Q3:18	-0,3	0,3	1,5
Gross fixed capital formation	-8,5	14,0	12,4	3,2	4,6	8,0	-8,5	26,1	12,2	9,4	-8,8	19,2	-23,2	...	...	Q3:18	-23,2	-4,0	10,9
Exports of goods and services	-9,4	-10,2	8,9	4,9	-1,9	5,7	9,1	7,0	5,9	6,9	8,1	9,2	7,6	...	...	Q3:18	7,6	7,7	3,9
Imports of goods and services	-9,5	-1,9	14,0	5,2	1,3	15,7	5,8	5,3	3,2	7,4	-7,5	2,7	15,0	...	...	Q3:18	15,0	3,8	4,6
Coincident and leading indicators (period average)																			
Retail sales volume (y-o-y)	-3,3	-4,0	3,1	1,7	-0,6	2,8	2,1	0,8	-0,5	1,2	0,6	2,4	3,0	...	...	Oct	0,8	...	...
Retail confidence (15-yr. average: -2,8)	0,9	5,1	10,8	10,5	6,8	5,8	0,4	-1,6	1,3	1,5	2,3	6,5	18,5	14,9	10,6	Dec	18,4	...	...
Car registrations (y-o-y)	-0,3	19,5	16,8	4,0	10,7	37,8	3,4	35,8	24,5	22,2	37,6	28,3	20,8	...	...	Sep	0,2	...	...
Consumer confidence (15-yr. average: -51,3)	-67,5	-71,2	-68,4	-65,0	-68,0	-71,8	-70,2	-57,4	-52,7	-63,0	-52,3	-50,7	-47,5	-36,4	-46,7	Dec	-35,0	...	...
Industrial production (y-o-y)	-1,0	5,1	2,0	3,8	2,5	9,5	3,0	4,2	1,6	4,5	-0,6	1,6	1,6	...	...	Nov	3,1	...	...
Manufacturing production (y-o-y)	1,2	7,8	5,3	2,2	4,2	6,2	2,7	3,1	3,5	3,8	1,9	1,6	2,7	...	...	Nov	5,3	...	...
Capacity Utilization (15-yr. average: 70,7)	65,9	66,4	67,5	69,6	67,4	68,2	68,7	71,1	70,1	69,5	71,4	70,9	70,2	...	...	Oct	70,7	...	...
Industrial confidence (15-yr. average: -9,2)	-9,4	-9,5	-6,2	-6,1	-7,8	-5,6	-7,8	-2,4	-2,8	-4,6	0,7	-1,4	4,0	-3,9	-0,2	Dec	-5,0	...	...
PMI Manufacturing (base=50)	49,1	49,5	49,4	48,7	49,2	47,0	49,4	51,8	52,5	50,2	55,4	53,5	53,7	53,6	54,1	Dec	53,8	...	...
Construction permits (y-o-y)	-11,9	-30,9	38,2	-9,4	-6,9	16,1	32,0	5,7	26,7	19,3	1,0	24,2	20,3	...	...	Oct	38,9	...	...
Construction confidence (15-yr. average: -34,1)	-37,1	-41,6	-55,9	-55,0	-47,4	-51,6	-58,8	-41,9	-54,1	-51,6	-50,2	-47,2	-48,5	-49,2	-48,8	Dec	-53,1	...	...
PIP Disbursements (y-o-y)	7,0	18,0	35,8	-14,9	-1,8	-36,9	-24,9	-37,0	15,7	-5,4	-4,9	12,2	-17,6	...	...	Nov	-62,4	...	...
Stock of finished goods (15-yr. average: 12,6)	12,5	11,1	14,9	12,2	12,7	10,7	11,8	12,7	10,3	11,4	6,1	3,8	6,4	9,8	6,5	Dec	8,2	...	...
External sector (period average)																			
Current account balance (% of GDP)	-1,6	-0,5	2,0	-1,7	-1,7	-1,7	-0,4	2,3	-1,9	-1,8	-1,7	-0,8	1,7	...	...	Oct	-1,3	-2,3	-2,5
Current account balance (EUR mn)	-2749	-821	3565	-3044	-3050	-3059	-790	4077	-3387	-3159	-3245	-1457	3228	...	...	Oct	-871	...	...
Services balance, net (EUR mn)	937	4012	8945	2404	16298	1340	4425	9974	2305	18044	1083	4842	10472	...	...	Oct	1789	...	...
Primary Income Balance, net (EUR mn)	568	-379	-834	-153	-799	718	-469	-672	-388	-810	739	-756	-1134	...	...	Oct	-106	...	...
Merchandise exports – non-oil (y-o-y cum.)	-0,5	-1,8	0,6	1,6	1,6	9,1	10,1	8,7	9,2	9,2	12,2	13,0	10,5	...	...	Oct	12,1	...	...
Merchandise imports – non-oil (y-o-y cum.)	0,5	0,7	5,9	5,5	5,5	10,2	9,0	8,5	8,5	8,5	7,1	9,2	11,5	...	...	Oct	10,6	...	...
Gross tourism revenue (y-o-y)	3,8	-10,7	-7,9	7,5	-6,8	-8,4	9,4	13,2	12,1	11,1	14,3	20,7	5,6	...	...	Oct	19,4	...	...
International tourist arrivals (y-o-y)	-6,2	-0,2	6,5	15,9	5,1	-1,8	9,0	12,2	5,9	9,7	12,8	20,7	5,8	...	...	Oct	15,6	...	...
Employment																			
Unemployment rate	24,1	23,5	23,3	23,3	23,5	22,6	21,6	20,9	20,9	21,5	20,5	19,5	18,9	...	...	Oct	18,6	19,3	17,7
Employment growth (y-o-y)	2,9	2,2	1,9	0,4	1,9	1,5	2,4	2,4	2,4	2,2	1,7	1,8	1,9	...	...	Oct	2,1	1,7	1,3
Prices (y-o-y period average)																			
Headline inflation	-0,9	-0,9	-1,0	-0,4	-0,8	1,4	1,3	1,0	0,8	1,1	-0,1	0,5	1,0	1,1	0,6	Dec	0,6	...	0,7
Core inflation	0,2	0,3	-0,3	-0,7	-0,1	-0,4	0,2	0,4	0,4	0,2	0,2	0,1	-0,1	0,2	0,1	Dec	0,2	...	1,0
Producer prices excl.energy	-0,6	-0,8	-0,9	-0,6	-0,7	0,4	0,3	0,6	0,5	0,5	0,2	0,1	-0,1	...	...	Sep	-0,2	...	...
Fiscal policy																			
Gov. balance as % of GDP (Enhanced Surveillance Framework)	...	...	...	...	0,6	...	...	...	...	...	...	...	...	...	...	...	...	0,5*	0,3*
Government debt as % of GDP	...	...	...	...	178,5	...	...	...	...	...	...	...	...	...	...	...	...	180,4*	167,8*
Revenues – Ordinary budget (cum. % change)	4,3	6,9	9,7	7,6	7,6	0,4	-1,1	0,4	-0,2	-0,2	3,7	2,3	2,1	2,6	2,6	Dec	2,6	...	...
Expenditure – Ordinary budget (cum. % change)	-2,3	2,7	1,5	0,7	0,7	-0,8	-3,2	-4,7	-1,9	-1,9	-8,5	2,0	2,0	0,0	0,0	Dec	0,0	...	...
Monetary sector (y-o-y, end of period)																			
Deposits of domestic private sector	-12,0	0,5	1,6	3,4	3,4	3,1	3,4	4,6	4,7	4,7	6,3	7,5	7,4	...	...	Nov	5,9	...	...
Loans to private sector (incl. sec. & bond loans)	-2,1	-2,0	-1,6	-1,5	-1,5	-1,3	-1,3	-0,8	-0,8	-0,8	-1,0	-1,2	-1,2	...	...	Nov	-1,4	...	...
Mortgage loans (including securitized loans)	-3,4	-3,4	-3,4	-3,5	-3,5	-3,3	-3,2	-2,9	-3,0	-3,0	-3,0	-3,0	-2,9	...	...	Nov	-2,9	...	...
Consumer credit (including securitized loans)	-1,7	-1,5	-0,7	-0,8	-0,8	-0,7	-0,7	-0,5	-0,5	-0,5	-0,6	-0,6	-0,4	...	...	Nov	-0,5	...	...
Interest rates (period average)																			
10-year government bond yield	9,5	8,2	8,2	7,5	8,3	7,2	6,1	5,5	5,1	6,0	4,1	4,2	4,1	4,4	4,2	Dec	4,3	...	...
Spread between 10 year and bunds (bps)	919	805	823	733	820	689	577	502	469	559	346,1	376	370	400	373	Dec	405	...	...
Exchange rates (period average)																			
USD/euro	1,1	1,13	1,12	1,08	1,11	1,07	1,1	1,18	1,18	1,13	1,23	1,19	1,16	1,14	1,18	Dec	1,14	...	...

* according to Budget 2019

Sources: BoG, NSSG, MoF, ASE, Bloomberg and NBG estimates unless otherwise indicated



Greece: Macro indicators heatmap

	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
PMI (index level)	50.2	50.0	48.4	49.0	49.7	48.4	50.4	48.7	50.4	49.2	48.6	48.3	49.3	46.6	47.7	46.7	48.2	49.6	50.5	50.5	52.2	52.8	52.1	52.2	53.1	55.2	56.1	55.0	52.9	54.2	53.5	53.5	53.9	53.6	53.1	54.0	53.8
Industrial confidence (index level)	-13.6	-10.1	-10.2	-7.8	-7.8	-11.6	-9.1	-7.3	-5.1	-6.2	-4.7	-7.8	-5.7	-5.0	-5.1	-6.7	-5.6	-10.4	-7.3	-2.7	-3.7	-0.7	-4.7	-3.9	0.2	1.2	4.2	-3.3	-1.2	-1.5	-1.6	5.4	6.3	0.3	-3.4	-3.2	-5.0
Manufacturing production (y-o-y)	5.3	5.0	1.1	-1.7	7.2	7.2	8.9	10.8	3.2	1.9	7.3	1.3	-1.8	1.0	5.7	11.2	-0.9	5.9	3.2	3.1	2.8	3.5	1.1	1.7	7.9	6.9	0.3	-0.6	2.6	1.2	0.9	4.3	2.7	1.0	-0.7	5.3	
Industrial production (y-o-y)	6.9	4.1	-2.9	-3.6	3.7	3.5	8.1	5.5	0.5	-0.2	6.9	2.1	2.5	7.1	10.5	10.9	0.4	6.8	2.1	3.1	5.5	4.1	1.6	2.0	1.3	-1.2	-1.9	1.2	2.0	1.7	1.2	2.0	1.0	1.8	-0.7	3.1	
Services confidence (index level)	-16.6	-5.3	-23.1	-17.3	-13.0	-11.4	-17.5	-8.3	-4.0	-6.9	1.3	3.5	-3.1	-3.2	1.9	6.6	8.9	11.5	9.0	17.4	22.9	15.3	14.4	13.6	13.4	8.9	18.9	17.7	23.6	25.1	21.0	15.9	11.9	10.5	10.7	11.1	11.4
Consumer confidence (index level)	-61	-64	-67	-72	-74	-74	-72	-88	-69	-70	-66	-64	-67	-64	-68	-73	-74	-72	-70	-69	-62	-57	-54	-54	-50	-51	-53	-53	-49	-51	-52	-50	-48	-45	-38	-36	-35
Retail confidence (index level)	-5.3	-3.4	3.2	3.0	5.6	5.1	4.7	8.2	9.3	15.0	10.7	10.9	9.8	12.9	1.9	2.7	3.0	1.5	-3.4	-1.3	-3.6	0.0	2.0	2.3	-0.4	1.8	2.8	2.2	10.4	6.4	2.6	14.9	19.7	21.0	16.4	10.0	18.4
Retail trade volume (y-o-y)	0.2	-1.8	-6.8	-1.3	-2.0	-6.3	-3.6	9.7	-2.1	2.5	2.5	3.9	-1.0	-0.1	9.9	-1.1	2.2	0.4	3.7	2.4	0.8	-0.9	-0.9	-2.5	1.7	1.0	-0.5	1.5	4.1	1.7	2.4	3.6	2.9	-4.0			
Construction Permits (y-o-y)	67	5	8	-35	-27	-40	-26	38	64	19	5	9	-25	-15	-1	71	22	53	23	10	10	4	97	24	-14	42	-15	-4	38	14	23	18	13	33	39		
House prices (YoY, quarterly series)	-5.1	-4.4	-4.4	-4.4	-2.5	-2.5	-2.5	-1.8	-1.8	-1.8	-1.0	-1.0	-1.0	-1.9	-1.9	-1.1	-1.1	-1.1	-1.1	-0.7	-0.7	-0.4	-0.4	-0.4	0.3	0.3	0.3	1.2	1.2	1.2	2.5	2.5	2.5				
Construction confidence (index level)	-4.9	-3.8	-3.8	-3.6	-4.6	-3.9	-4.0	-5.6	-5.3	-6.0	-6.7	-5.4	-4.4	-4.5	-6.0	-5.0	-5.4	-6.7	-5.6	-4.0	-4.9	-3.7	-4.5	-5.9	-5.8	-5.0	-4.5	-5.5	-5.5	-3.9	-4.8	-4.6	-4.5	-5.5	-5.1	-4.3	-5.3
Employment (y-o-y)	4.8	1.5	2.2	5.1	2.4	1.2	3.1	2.3	1.4	2.1	1.1	1.2	-1.0	1.1	1.9	1.5	2.5	2.4	2.4	2.5	2.2	2.4	2.8	1.7	2.8	2.7	0.7	1.7	0.7	2.5	2.2	1.0	2.3	2.2	2.1		
Interest rate on new private sector loans (CPI deflated)	5.3	5.7	5.4	6.2	6.1	5.7	5.6	6.1	5.9	5.7	5.5	5.7	4.8	3.7	3.2	2.7	3.1	3.6	3.5	3.7	3.9	3.7	4.1	3.6	4.3	5.2	4.4	4.8	4.5	3.9	3.4	3.9	3.7	3.7	3.2	3.6	
Credit to private sector (y-o-y)	-2.0	-2.1	-2.3	-2.1	-1.9	-2.0	-2.0	-1.6	-1.7	-1.6	-1.4	-1.5	-1.6	-1.6	-1.3	-0.9	-1.0	-1.3	-1.2	-0.9	-0.8	-0.9	-0.8	-0.8	-0.8	-0.9	-1.0	-1.9	-1.9	-1.2	-1.5	-1.5	-1.2	-1.4	-1.4		
Deposits of domestic private sector (y-o-y)	-23.5	-17.5	-13.4	-12.0	-9.0	-6.1	0.5	1.7	2.4	1.6	3.0	3.4	3.4	3.1	2.9	3.1	3.1	3.4	3.4	4.3	4.3	4.6	4.6	4.7	4.9	5.6	6.3	7.2	7.4	7.5	7.4	7.3	7.4	6.2	5.9		
Interest rate on new time deposits (households, CPI deflated)	1.2	1.7	1.4	2.4	2.1	1.7	1.6	1.9	1.8	1.8	1.2	1.6	0.7	-0.5	-0.6	-1.1	-1.0	-0.5	-0.4	-0.4	-0.3	-0.4	-0.1	-0.5	0.0	0.8	0.5	0.6	0.0	-0.4	-0.2	-0.4	-0.5	-1.2	-0.4		
Economic sentiment index (EU Commission, Euro area)	106	105	103	102	103	104	104	104	103	104	106	106	107	107	108	107	109	109	111	111	112	113	113	114	115	115	114	113	113	113	112	112	112	111	110	110	107
Exports (other (excl.oil&shipping) y-o-y 6m mov avg)	0.6	-1.0	-0.2	0.1	0.5	0.1	-1.9	-1.0	-0.7	1.1	1.3	4.4	5.4	6.8	5.9	6.7	6.2	7.8	10.4	9.5	11.1	9.0	11.4	9.1	8.4	11.2	11.4	11.7	11.6	11.6	12.2	11.3	11.7	11.3	11.4		
Imports (other (excl.oil&shipping) y-o-y 6m mov avg)	-5.0	-2.3	-0.4	0.6	1.0	0.9	1.2	5.6	7.7	9.2	8.1	9.3	11.1	9.7	7.0	7.6	8.4	9.9	9.0	8.1	9.0	7.5	9.5	8.7	7.7	8.1	7.6	7.5	6.6	5.6	7.7	7.9	9.2	10.1	12.4		
NBG Composite Index of cyclical conditions >>>>>	-24.7	-24.9	-25.2	-25.5	-22.6	-22.0	-21.7	-20.3	-18.6	-19.8	-19.6	-21.3	-22.8	-19.3	-21.0	-17.3	-13.2	-10.3	-7.5	-7.1	-6.3	-2.1	-1.5	-1.9	-0.5	0.7	0.5	1.7	2.2	2.4	3.4	3.7	3.5	3.1			

Color map scale



Sources: NBG, BoG, ELSTAT, EU Commission, IOB



January

10	18	21	22	24	31
EuroWorking Group meeting	S&P credit rating review for Greece	Eurogroup meeting	ECOFIN meeting	ECB Governing Council: monetary policy meeting	EuroWorking Group meeting

February

6	8	11	12	20	end
ECB Governing Council: non-monetary policy meeting	Fitch's credit rating review for Greece	Eurogroup meeting	ECOFIN meeting	ECB Governing Council: non-monetary policy meeting	EU Commission: 2nd enhanced surveillance report on Greece

March

1	7	11	12	20	21-22
Moody's credit rating review for Greece	EL.STAT. release: Quarterly National Accounts (Q4:2018) / EL.STAT. release: Annual National Accounts (2018, estimates) / ECB Governing Council: monetary policy meeting	Eurogroup meeting	ECOFIN meeting	ECB Governing Council: non-monetary policy meeting	European Council meeting

April

10	12-14	23	26
ECB Governing Council: monetary policy meeting	IMF Spring Meeting & World Bank meetings	EL.STAT. release: General government deficit and debt 2018 – 1st notification	S&P credit rating review for Greece



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Note: The analysis is based on data up to January 15, 2019, unless otherwise indicated