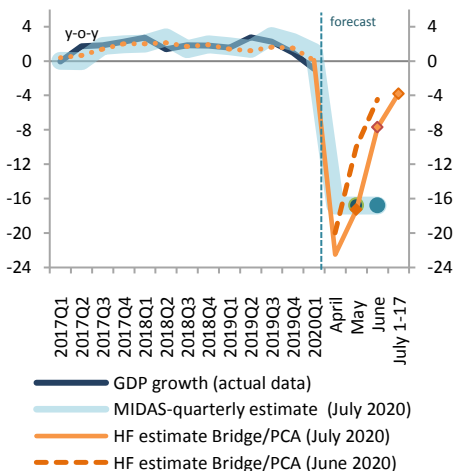




**NBG: GDP growth estimates based on high frequency data**

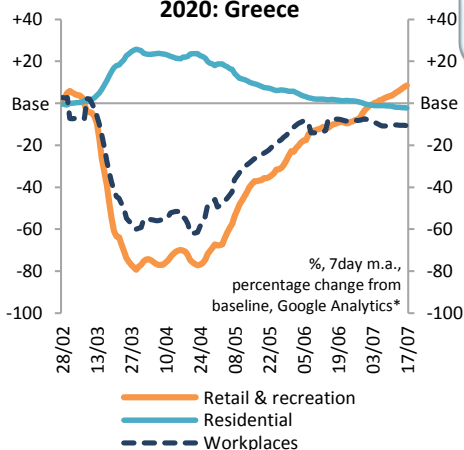


### Latest releases of conjunctural indicators for May-June weigh on high-frequency GDP estimates for Q2, but activity gains strength in July

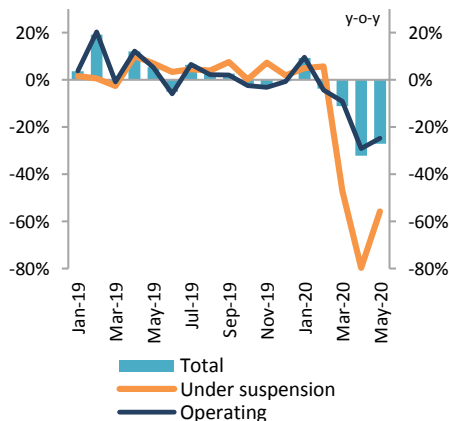
NBG's high frequency forecast\* of Greek GDP growth for Q2:2020 has been updated to include the most recent data that became available in late-June and July.

- The latest releases of conjunctural indicators (May-June 2020) pointed to a somewhat larger-than-previously-estimated decline in activity by leading indicators and other high frequency data.
- The revision mainly reflects: i) a weaker-than-initially- envisaged (on the basis of survey data) response of business turnover to the gradual easing of lockdown in May (a decline in the economy-wide turnover of -27.1% y-o-y from -32.2% y-o-y in April according to EL.STAT.); and ii) a new contraction of 93.4% y-o-y in arrivals at Athens International Airport in June – despite the partial lifting of restrictions on flights from specific EU countries in mid-June. With the bulk of the lifting of restrictions occurring in July, this month's data will be more informative.
- Other leading indicators provided mixed signals in June, with production side data (e.g. manufacturing PMI, electricity consumption) showing a notable improvement, whereas indicators related to services weakened further.
- GDP in Q2:2020 is currently estimated to decline by c. 16% y-o-y compared with a previous estimate of -13.5% y-o-y, albeit the monthly rate of activity continues to improve rapidly, with the June rate at -7.7% y-o-y (versus a previous estimate of -4.5% for the same month and an estimated -17.3% y-o-y in May).
- That being said, mobility trends related to retail and recreation gained additional traction in late June and in the first half of July, exceeding their starting level in February according to Google data. This development presages a further strengthening in domestic demand in July which bodes well for a low single digit contraction in GDP in July of <4%.

**Covid-19 Community Mobility 2020: Greece**



**Turnover of Greek enterprises (double-entry bookkeeping category)**



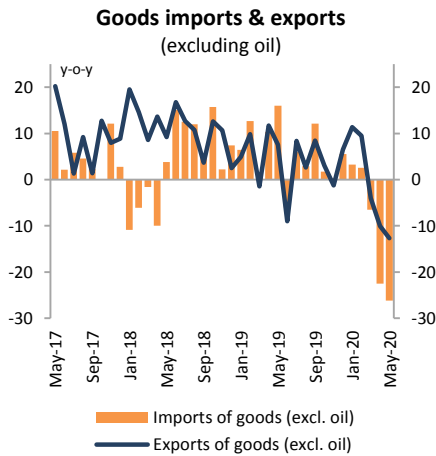
Sources: Google COVID-19 Community Mobility Reports, EL.STAT. & Economic Analysis Division estimates

\*See NBG Macro Flash: [Tracking Greek GDP in high frequency | June 2020](#)

# Key drivers of GDP estimates in high frequency (as of July 22 2020)



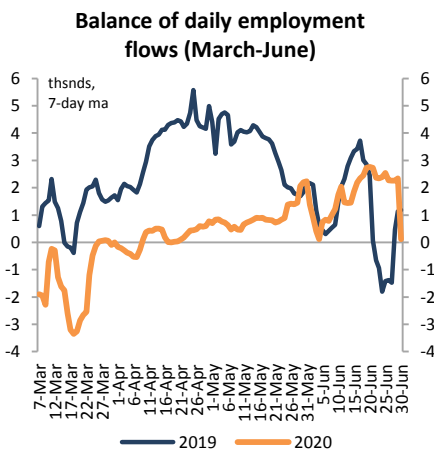
**Non-oil goods imports contracted by 26.2% y-o-y in May, offsetting the drag from lower non-oil exports (-12.7% y-o-y)**



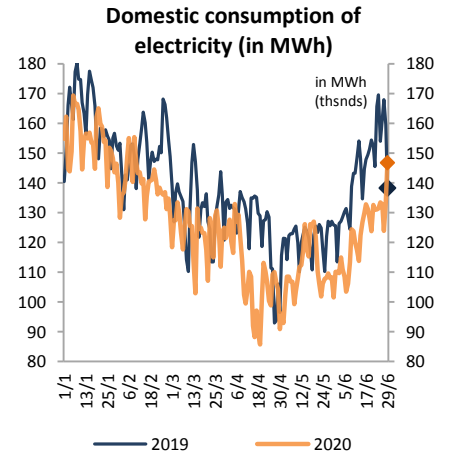
**International arrivals at Athens International Airport down by 93.4% y-o-y in June**



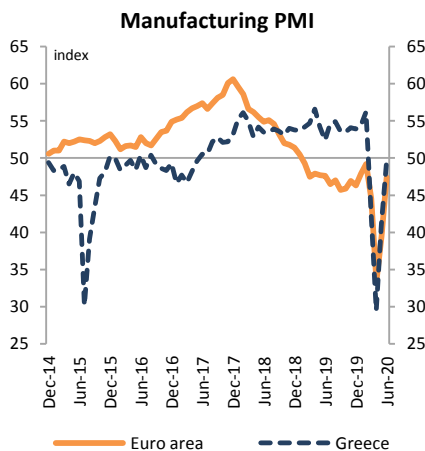
**Seasonal hiring picked up in June, following a freeze in April-May. However, 140k contracts were terminated on June 30**



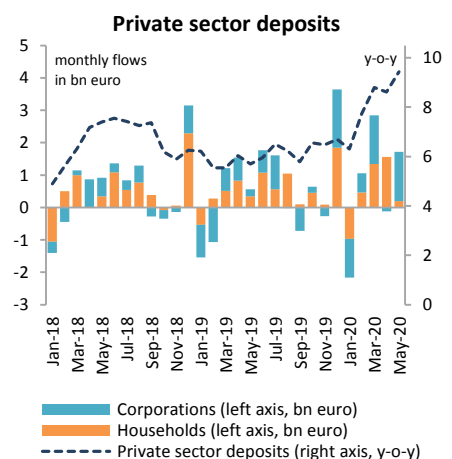
**Electricity consumption increased in late-June despite the limited demand from tourism-related activities**



**Manufacturing PMI rebounded strongly, reaching 49.4 in June from 41.1 in May and 29.5 in April 2020**



**Household deposits stabilized in May, following an increase in precautionary savings in March-April (+2.9 bn)**



Sources: EL.STAT., BoG, Ministry of Labor and Social Affairs, Athens International Airport, Energy Exchange Group & IHS Markit

## High frequency indicators used in estimating GDP growth

	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
PMI (index level)	55,2	56,1	55,0	52,9	54,2	53,5	53,5	53,9	53,6	53,1	54,0	53,8	53,7	54,2	54,7	56,6	54,2	52,4	54,6	54,9	53,6	53,5	54,1	53,9	54,4	56,2	42,5	29,5	41,1	49,4
Industrial confidence (index level)	1,2	4,2	-3,3	-1,2	-1,5	-1,6	5,4	6,3	0,3	-3,4	-3,2	-5,0	-4,6	-1,2	-2,3	-0,9	-0,2	-0,6	1,7	0,6	1,0	1,9	1,4	2,0	2,7	4,5	3,1	-5,6	-15,4	-18,1
Manufacturing production (y-o-y)	9,5	1,0	-1,8	3,4	0,6	1,5	7,2	1,5	1,8	0,1	8,5	1,4	-0,9	3,3	2,7	3,7	3,0	-0,2	-2,0	0,7	5,2	1,9	-7,0	1,1	4,8	-1,3	1,8	-11,7	-8,4	
Industrial production (y-o-y)	-0,4	-0,7	0,8	3,2	1,0	1,3	3,5	-0,3	3,3	0,0	5,2	2,3	4,1	1,9	-0,6	2,6	-0,4	-0,5	-2,0	0,0	1,9	-0,7	-9,6	-3,8	-0,6	-3,0	0,4	-10,2	-7,5	
Services confidence (index level)	8,9	18,9	17,7	23,6	25,1	21,0	15,9	11,9	10,5	10,7	11,1	11,4	-1,6	6,1	10,5	5,6	7,3	7,9	22,1	28,8	20,2	15,4	17,8	29,1	25,2	33,6	26,6	1,1	-40,3	-46,8
Consumer confidence (index level)	-48	-50	-52	-49	-49	-49	-47	-45	-43	-34	-33	-31	-28	-33	-32	-31	-30	-28	-20	-8	-7	-8	-7	-6	-10	-5	-17	-33	-33	-28
Retail confidence (index level)	1,8	2,8	2,2	10,4	6,4	2,6	14,9	19,7	21,0	16,4	10,0	18,4	23,0	13,3	7,4	1,4	-0,7	9,2	13,7	22,6	32,9	26,3	25,0	22,0	21,5	27,5	21,3	3,2	-22,4	-6,2
Retail trade volume (y-o-y)	1,0	-0,5	1,5	1,5	4,1	1,7	2,4	3,6	2,9	-4,1	3,0	-0,1	-3,2	-3,1	4,9	-2,5	-2,4	2,4	-2,2	2,2	5,0	7,2	3,7	-1,5	6,2	2,5	-2,4	-24,8		
Construction Permits (y-o-y)	46	-15	-4	38	14	23	17	13	33	38	51	18	-9	-25	-20	1	6	1	22	38	60	-10	7	47	44	70	54	-18		
House prices (yoy, quarterly series)	0,5	0,5	0,5	1,3	1,3	1,3	2,3	2,3	2,3	3,2	3,2	3,2	5,5	5,5	5,5	7,6	7,6	7,6	8,3	8,3	8,3	7,6	7,6	6,9	6,9	6,9				
Construction confidence (index level)	-50	-45	-55	-55	-39	-48	-46	-45	-55	-51	-43	-53	-51	-61	-48	-50	-54	-56	-48	-52	-56	-50	-52	-24	-32	-31	-31	-76	-76	-56
Employment (y-o-y)	3,2	0,8	1,8	1,6	2,0	2,0	2,0	2,0	1,7	2,0	2,4	2,4	2,6	2,0	2,8	2,3	2,8	2,5	2,3	1,8	2,3	2,0	1,4	1,9	1,3	1,4	0,8	0,0	-1,3	
Interest rate on new private sector loans (CPI deflated)	5,2	4,4	4,8	4,5	3,9	3,4	3,9	3,7	3,7	3,2	3,6	4,1	4,5	3,9	3,6	3,9	4,4	4,8	4,5	4,9	4,7	5,0	4,1	3,6	3,5	4,1	4,1	5,5	5,4	
Credit to private sector (y-o-y)	-0,8	-0,9	-1,0	-1,9	-1,9	-1,2	-1,5	-1,5	-1,2	-1,4	-1,4	-1,1	-1,1	-0,6	-0,6	-0,1	-0,2	-0,2	-0,1	-0,1	-0,5	-0,2	-0,2	-0,6	-0,6	-0,8	0,1	0,3	0,7	
Deposits of domestic private sector (y-o-y)	4,9	5,6	6,3	7,2	7,4	7,5	7,4	7,3	7,4	6,2	5,9	6,3	6,2	5,5	5,5	6,0	5,7	6,0	6,5	6,2	5,8	6,5	6,5	6,7	6,3	7,7	8,8	8,6	9,4	
Interest rate on new time deposits (households, CPI deflated)	0,8	0,5	0,9	0,6	0,0	-0,4	-0,2	-0,4	-0,5	-1,2	-0,4	0,0	0,2	0,0	-0,4	-0,4	0,3	0,8	0,5	0,7	0,5	1,1	0,1	-0,4	-0,5	0,1	0,3	1,7	1,4	
Economic sentiment index (EU Commission, Euro area)	114	114	112	113	112	112	112	111	111	110	110	108	106	106	105	104	105	103	102	103	101	100	101	101	103	103	94	65	68	76
Exports (excl. oil & shipping, y-o-y, 6m mov.avg)	11,2	11,4	11,7	11,6	11,6	12,2	11,3	11,7	11,3	11,4	11,9	9,6	7,9	7,4	6,3	6,0	5,6	4,7	5,2	3,9	5,5	4,2	2,4	4,7	5,6	6,3	4,2	1,3	-1,9	
Imports (excl. oil & shipping, y-o-y, 6m mov.avg)	8,1	7,6	7,5	6,6	5,6	7,7	7,9	9,2	10,1	12,4	12,2	10,8	9,5	8,9	7,8	5,6	7,5	5,6	6,0	3,7	4,4	2,1	-0,5	0,7	0,5	1,4	-1,7	-4,4	-9,2	
SETE - Arrivals at major Greek airports (y-o-y)	16,5	23,7	37,9	9,1	23,1	14,6	9,6	8,3	10,2	7,8	29,0	23,9	10,4	17,8	-0,2	18,7	-0,2	2,0	1,4	4,4	1,3	5,7	18,5	7,8	8,3	2,5				
AIA - International passenger traffic development (y-o-y)	11,8	15,7	18,2	15,7	18,1	14,4	12,4	14,0	11,9	12,7	13,5	8,7	8,7	11,6	9,3	9,3	8,4	10,2	6,9	8,2	8,6	7,2	6,6	10,9	10,2	6,4	-62,0	-99,2	-98,4	-93,4
Egani net flows (s.a. series, in thousands)	15,7	11,1	17,7	14,0	17,5	11,7	10,8	9,9	10,3	9,2	11,4	12,0	10,6	13,4	11,0	14,0	10,7	11,2	9,9	12,7	10,6	9,4	10,4	9,0	11,3	10,0	-72,9	-92,0	-61,5	17,5
Estimation of total electricity demand in the network (y-o-y)	-11,4	-2,1	-0,1	-1,1	2,2	-0,1	-3,7	-5,3	2,2	0,7	-1,5	6,0	10,2	6,7	1,3	8,1	-1,3	6,0	3,4	10,0	0,7	-0,1	-6,8	-6,2	-3,2	-1,5	0,3	-6,9	-4,5	
VAT on other goods & services (y-o-y)	-5,7	1,2	-8,7	-1,1	-21,9	0,2	7,1	-7,4	67,8	-4,0	-4,0	-6,9	4,4	9,7	14,2	-10,5	23,2	-2,1	3,6	1,1	1,3	-0,8	1,8	1,7	-0,8	1,1	-23,7	9,1	-51,1	
Business Turnover (y-o-y, double-entry bookkeeping)	...	...	...	...	...	...	...	...	...	...	...	...	3,7	19,1	-1,0	12,1	5,4	-5,1	6,4	2,4	2,6	-2,2	-2,6	-0,6	9,3	-3,8	-11,2	-32,2	-27,1	

Sources: NBG, BoG, ELSTAT, Ministry of Finance, Ministry of Labor & Social Affairs, EU Commission, IOBE, SETE, AIA, ADMIE

## Google mobility indicators for Greece

	February		March				April				May				June				July	
	Week 3	Week 4	Week 1	Week 2	Week 3	Week 4	Week 1	Week 2	Week 3	Week 4	Week 1	Week 2	Week 3	Week 4	Week 1	Week 2	Week 3	Week 4	Week 1	Week 2
Retail and recreation (percentage change from baseline)	2	5	-1	-26	-64	-79	-75	-71	-76	-68	-57	-39	-35	-27	-15	-12	-9	-4	2	6
Grocery and pharmacy (percentage change from baseline)	1	15	-4	11	-4	-33	-23	0	-17	-2	-3	12	13	13	17	8	11	12	15	16
Transit stations (percentage change from baseline)	-1	5	-3	-22	-58	-77	-73	-67	-69	-60	-49	-33	-27	-24	-15	-17	-16	-13	-6	-6
Workplaces (percentage change from baseline)	2	3	-7	-15	-45	-60	-56	-52	-61	-47	-42	-27	-22	-15	-9	-13	-8	-9	-11	-10
Residential (percentage change from baseline)	0	-1	1	7	18	26	24	22	24	19	16	10	7	6	3	2	1	0	-1	-2
Difference* from the baseline in per cent ▶▶▶▶	1	4	-4	-21	-56	-72	-68	-63	-69	-58	-49	-33	-28	-22	-13	-14	-11	-9	-5	-4

\*Aggregate indicator corresponds to the average of 3 main categories: retail & recreation, transit stations, and workplaces.

Sources: Google COVID-19 Community Mobility Reports, NBG estimates



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