NATIONAL BANK OF GREECE

# GREECE Macro Flash

## GDP Q3:2018

*December 2018*

## *Economic activity gained traction in Q3:2018, with the breakdown in GDP growth more encouraging than primary data suggest*

*Macro Indicators on pages 4-5*

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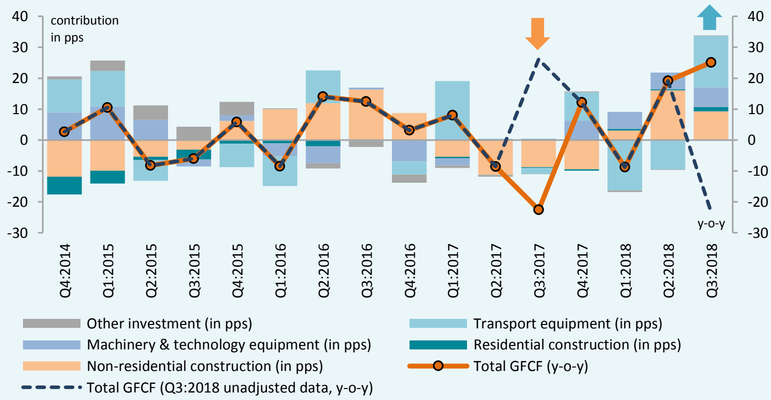
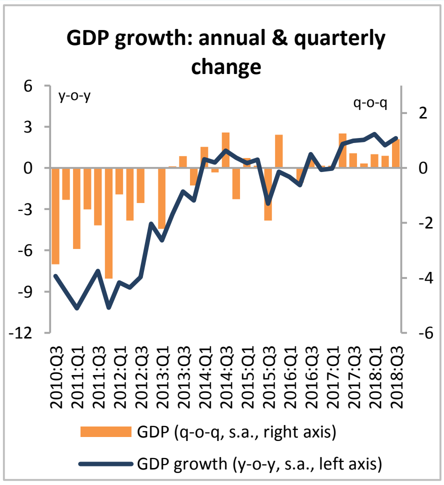
- Greek GDP data for Q3:2018 confirm that economic activity is on an upward trend. Indeed, GDP grew by 2.2% y-o-y from 1.7% in Q2:2018, and by 1.0% q-o-q (seasonally adjusted data), the strongest pace since Q2:2017
- A cursory look at the structure of GDP surprises at first, as the build-up of inventories appears to contribute 8.3 pps in Q3:2018 annual growth, while gross fixed capital formation has fallen sharply by 23.2% y-o-y
- However, a closer look at the data suggests that both the overly positive contribution of inventories and the collapse of investment, in Q3:2018, are mainly due to a statistical adjustment in Q3:2017 that creates a sizeable base effect. This adjustment, which affects the third quarter of 2017, stems from the inclusion in investment expenditure for non-residential construction of completed projects carried out by means of concession agreements, which prior to completion, were recorded under inventories
- If we adjust the data and thereby correct the impact of this reclassification, we see that gross fixed capital formation shows growth of 25.1% y-o-y in Q3:2018 in comparison to a decrease of 23.2% y-o-y for the primary data
- The positive underlying trends in investment outlined above, as well as domestic spending overall, are likely to strengthen further in Q4:2018, supported by the substantial acceleration in disbursements by the Public Investment Budget
- In light of the foregoing analysis and available data for forward-looking and coincident economic indicators for Q4:2018, it appears increasingly likely that the annual GDP growth target of 2.0% for FY:2018 will be outpaced

**Contribution in annual change in GFCF by component**

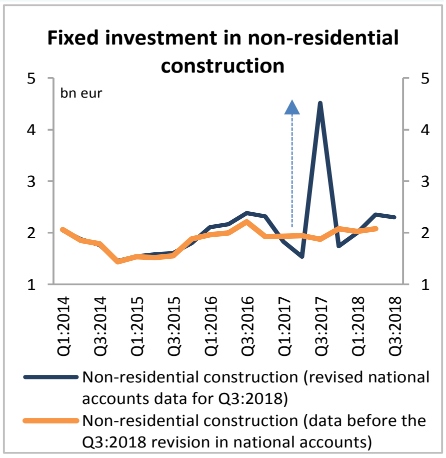
(incl. a reclassification andjustment by NBG Econ. Analysis Division and total GFCF with & without adjustment)



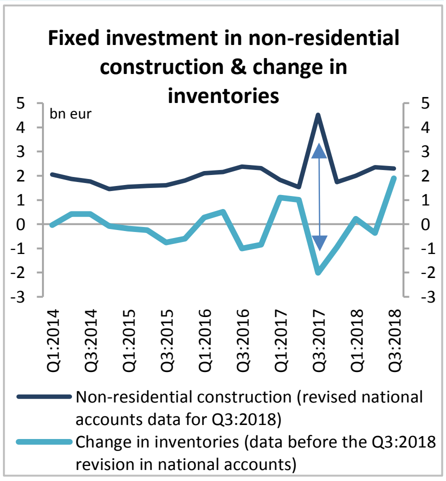
***Greek GDP data for Q3:2018 confirm that economic activity is on an upward trend***




***A sharp upward revision in non-residential construction in Q3:2017, due to the inclusion of completed projects, which were previously recorded under inventories…***




***…created a sizeable base effect that affects both investment and inventories in Q3:2018***




***Sources:** EL.STAT. & NBG estimates*

## Economic activity gained traction in Q3:2018, with the breakdown in GDP growth, more encouraging than primary data suggest

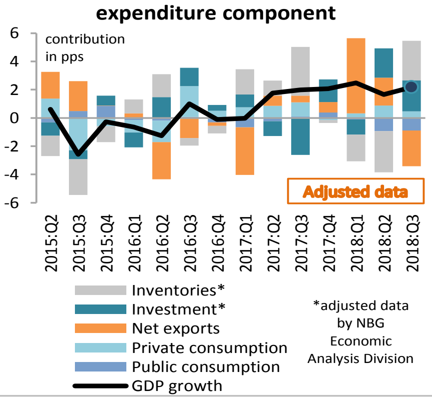
Greek GDP data for Q3:2018 confirm that economic activity is on an upward trend. In fact, GDP in this quarter grew by 2.2% y-o-y from 1.7% in Q2:2018, and by 1.0% q-o-q (seasonally adjusted data), the strongest pace since Q2:2017. A cursory look at the structure of GDP surprises at first, as the build-up of inventories appears to contribute 8.3 pps in Q3:2018 annual growth. This build-up, in conjunction with the contribution of 0.5 pps from the rise in private consumption (by 0.7% y-o-y), offset: i) the negative 3.3 pp impact of lower investment spending (down by 23.2% y-o-y); ii) the 2.5 pp drag from net exports (as imports grew at a rate double that of exports), and iii) the impact of lower public consumption (estimated at -0.8 pps in Q3:2018).

However, a closer look at the data suggests that both the overly positive contribution of inventories and the collapse of investment, in Q3:2018, are due mainly to statistical adjustment. This adjustment, which affects the third quarter of 2017, stems from the inclusion in investment expenditure for non-residential construction of completed projects carried out by means of concession agreements which, prior to completion, were recorded under inventories (according to clarifications by the Hellenic Statistical Authority, "EL.STAT."). In essence, this expenditure has been retroactively transferred from inventory items to realized investments in Q3:2017. This redeployment of figures translates to a significant €2.6 billion upward revision of investment spending on non-residential construction in Q3:2017, equivalent to 5.5% of GDP, which is offset by a roughly equivalent fall in inventories in the same quarter, thereby leaving the final impact on GDP at zero.

The aforesaid reclassification has a strong negative impact on the annual investment growth in Q3:2018, and artificially inflates the inventory growth over the same period, compressing the respective base for comparison in Q3:2017. If we adjust the data and thereby correct the impact of this reclassification (see chart on p.4), we see that gross fixed capital formation shows growth of 25.1% y-o-y in Q3:2018 vs an annual decrease of 23.2% shown by the primary data. In addition, according to the adjusted data, the contribution of inventories to annual GDP growth drops to 2.8 pps as compared with 8.3 pps on the

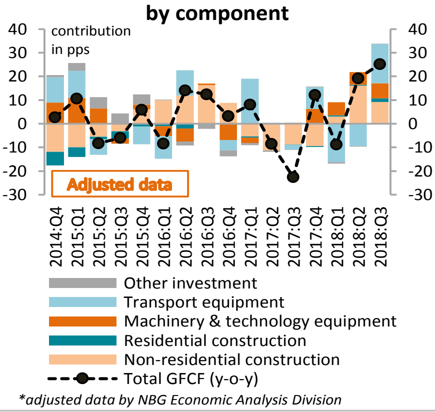
***Adjusting for the impact of this reclassification, gross fixed capital formation expands by 25.1% y-o-y in Q3:2018, contributing more than 1.4 pps in GDP growth in this quarter***

**Composition of output growth by expenditure component**



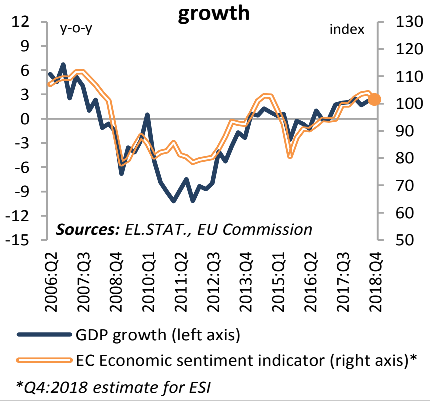

***The distortion created without the adjustment is obvious, especially since all other investment categories recorded a combined increase of 29.6% y-o-y***

**Contribution in annual change in GFCF by component**




***Available data for forward-looking indicators in Q4:2018 indicate that annual GDP growth in FY:2018 is likely to exceed 2.0%***

**Economic sentiment & real GDP growth**




*Sources: EL.STAT., EU Commission & NBG estimates*

basis of unadjusted data. The distortion created if we don't apply the said adjustment is obvious, especially since all other investment categories recorded a combined increase of 29.6% y-o-y, which corresponds to a positive contribution of 1.4 pps to the GDP growth rate in Q3:2018, which is eliminated by the dramatic contraction of construction activity (excluding residential investment) by 49.1% y-o-y (without the said adjustment).

However, it is worth noting that the €1.9 billion change (or 4.0% of GDP, following the adjustment by the NBG Economic Analysis Division) in inventories in Q3:2018 marks a 12-year high and reflects, according to our estimates, the positive expectations for a recovery in demand in Greek manufacturing, but also tactical moves to build up inventories, especially in the oil refining sector. As a result, the positive impact on GDP from the change in inventories translates into much less real support for GDP, due to the growth of the respective import categories over the same period (with the latter being included in our estimates for the negative contribution of net exports).

The positive underlying trends in investment outlined above, as well as domestic spending overall, are likely to strengthen further as the year draws to a close, supported by the substantial acceleration in disbursements by the Public Investment Budget scheduled under the revised planning included in the 2019 Budget (+21.7% y-o-y in Q4:2018 or 1.9% of quarterly GDP in Q4:2018).

A more limited revision was also made to private consumption data, which saw average growth of 0.9% y-o-y in 2017 versus a previous estimate of 0.2% and of 0.9% y-o-y in H1:2018 against an initial estimate of 0.5%. These changes indicate that initial estimates regarding the course of consumer spending are likely to be exceeded.

In light of the foregoing analysis and available data for forward-looking and coincident economic indicators for Q4:2018, it appears increasingly likely that the annual GDP growth target of 2.0% for FY:2018 will be outpaced. Such a development could provide an extra boost of over 0.4% to estimated average GDP growth in 2019, which coupled with the implementation of fiscal expansion measures of 0.5% of GDP in 2019, enhance the likelihood of further acceleration in the economic recovery in 2019. In any case, the trends outlined here provide a significant cushion in the face of potential negative impacts from deterioration in the international environment or other adverse exogenous and/or transitional idiosyncratic factors.

# Greece: Tracking the economy's cyclical position

## Greece: Growth Outlook - *Including adjustments by NBG Economic Analysis Division*

| | 2017 | 2018e | 2019f | 2017 | | | | 2018e | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | 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 | 2,4 | 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 | 1,3 | 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 | 0,9 | 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 | 12,6 | 8,0 | -8,5 | 26,1 | 12,2 | -8,8 | 19,2 | -23,2 | 1,6 |
| Gross Fixed Cap. Formation (y-o-y)[1] | -2,4 | 7,5 | 12,6 | 8,0 | -8,5 | -22,6 | 12,2 | -8,8 | 19,2 | 25,1 | 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 | 12,0 | 9,1 | -9,0 | 27,9 | 13,3 | -9,8 | 20,0 | -25,1 | ... |
| *Total GFCF excluding residential*[1] | -2,2 | 7,1 | 12,0 | 9,1 | -9,0 | -23,7 | 13,3 | -9,8 | 20,0 | 25,5 | ... |
| Inventories (contribution to GDP)[2] | 0,1 | 1,1 | -0,3 | 1,8 | 1,1 | -2,2 | -0,2 | -1,9 | -2,9 | 8,3 | 0,9 |
| Inventories (contribution to GDP)[1,2] | 1,5 | -0,3 | -0,3 | 1,8 | 1,1 | 3,5 | -0,2 | -1,9 | -2,9 | 2,8 | 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 | 4,6 | 5,7 | 9,1 | 7,0 | 5,9 | 8,1 | 9,2 | 7,6 | 5,8 |
| *Imports (y-o-y)* | 7,4 | 3,8 | 5,3 | 15,7 | 5,8 | 5,3 | 3,2 | -7,5 | 2,7 | 15,0 | 5,9 |

[1] *adjusted data for Q3:2017*
[2] *including other statistical discrepancies*

Sources: EL.STAT. & NBG estimates

| | 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 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 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 |
| 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 |
| 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 |
| 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 |
| 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 |
| Consumer confidence (index level) | -61 | -64 | -67 | -72 | -74 | -72 | -68 | -69 | -70 | -66 | -64 | -67 | -64 | -68 | -73 | -74 | -72 |
| 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 |
| 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 |
| Construction Permits (y-o-y) | 67 | -5 | 8 | -35 | -27 | -40 | -26 | 38 | 64 | 19 | 5 | 9 | -25 | -15 | -1 | 71 | 22 |
| 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 | -1,9 | -1,1 |
| Construction confidence (index level) | -49 | -38 | -38 | -36 | -46 | -39 | -40 | -56 | -53 | -60 | -67 | -54 | -44 | -45 | -60 | -50 | -54 |
| Employment (y-o-y) | 4,8 | 1,5 | 2,2 | 5,1 | 2,4 | 1,2 | 3,1 | 2,3 | 1,4 | 2,1 | 1,0 | 1,2 | -1,0 | 1,1 | 1,9 | 1,5 | 2,4 |
| 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 |
| 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 | -1,6 | -1,4 | -1,5 | -1,6 | -1,6 | -1,3 | -0,9 |
| 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 |
| 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 |
| Economic sentiment index (EU Commision, Euro area) | 106 | 105 | 103 | 102 | 103 | 104 | 104 | 104 | 103 | 104 | 106 | 106 | 107 | 107 | 108 | 107 | 109 |
| 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 |
| 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 |
| **NBG Composite Index of cyclical conditions ►►►►** | **-24,7** | **-24,9** | **-25,2** | **-23,5** | **-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** |

| | 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 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PMI (index level) | 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 |
| Industrial confidence (index level) | -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 |
| Manufacturing production (y-o-y) | 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 | -1,3 | |
| Industrial production (y-o-y) | 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 | -1,1 | |
| Services confidence (index level) | 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 |
| Consumer confidence (index level) | -70 | -69 | -62 | -57 | -54 | -54 | -54 | -50 | -51 | -53 | -53 | -49 | -51 | -52 | -50 | -48 | -45 | -38 | -36 |
| Retail confidence (index level) | 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 |
| Retail trade volume (y-o-y) | 0,4 | 3,7 | 2,4 | 0,8 | -0,9 | -0,9 | -2,5 | 1,7 | 1,0 | -0,5 | 1,5 | 1,5 | 4,1 | 1,7 | 2,4 | 3,6 | 3,4 | | |
| Construction Permits (y-o-y) | 53 | 23 | 10 | 10 | -4 | 97 | 24 | -14 | 42 | -15 | -4 | 38 | 14 | 23 | 18 | 13 | 33 | | |
| House prices (yoy, quarterly series) | -1,1 | -1,1 | -0,7 | -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) | -67 | -56 | -40 | -49 | -37 | -45 | -59 | -58 | -50 | -45 | -55 | -55 | -39 | -48 | -46 | -45 | -55 | -51 | -43 |
| Employment (y-o-y) | 2,4 | 2,4 | 2,5 | 2,2 | 2,4 | 2,8 | 1,6 | 2,9 | 2,8 | 0,2 | 2,2 | 0,6 | 2,3 | 2,4 | 1,1 | 2,3 | 2,3 | | |
| Interest rate on new private sector loans (CPI deflated) | 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 | |
| Credit to private sector (y-o-y) | -1,0 | -1,3 | -1,2 | -0,9 | -0,8 | -0,9 | -0,9 | -0,8 | -0,8 | -0,9 | -1,0 | -1,9 | -1,9 | -1,2 | -1,5 | -1,5 | -1,2 | -1,4 | |
| Deposits of domestic private sector (y-o-y) | 3,4 | 3,4 | 4,3 | 4,3 | 4,6 | 4,6 | 4,8 | 4,7 | 4,9 | 5,6 | 6,3 | 7,2 | 7,4 | 7,5 | 7,4 | 7,3 | 7,4 | 6,2 | |
| Interest rate on new time deposits (households, CPI deflated) | -0,5 | -0,4 | -0,4 | -0,3 | -0,4 | -0,1 | -0,5 | 0,0 | 0,8 | 0,5 | 0,9 | 0,6 | 0,0 | -0,4 | -0,2 | -0,4 | -0,5 | -1,2 | |
| Economic sentiment index (EU Commision, Euro area) | 109 | 111 | 111 | 112 | 113 | 113 | 114 | 115 | 115 | 114 | 113 | 113 | 113 | 112 | 112 | 112 | 111 | 110 | 110 |
| Exports (other (excl.oil&shipping) y-o-y 6m mov.avg | 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 | | |
| Imports (other (excl.oil&shipping) y-o-y 6m mov.avg | 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 | | |
| **NBG Composite Index of cyclical conditions ►►►►** | **-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: *Rapid contraction* | *Moderate contraction* | *Slow contraction* | *Stabilization* | *Slow expansion* | *Moderate expansion* | *Rapid expansion*

*Sources: NBG, BoG, ELSTAT, EU Commission, IOBE*

## Greek Economy: Selected Indicators

| | 2016 | | | | | 2017 | | | | | 2018 | | | | | 2018e | 2019f |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q1 | Q2 | Q3 | Q4 | year aver. | Q1 | Q2 | Q3 | Q4 | year aver. | Q1 | Q2 | Q3 | Most recent | | | |
| **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 | 2,4 |
| 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 | 1,3 |
| 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 | 12,6 |
| 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 | 4,6 |
| 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 | 5,3 |
| **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 | 3,1 | Sep | 3,4 | … | … |
| 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 | Nov | 10,0 | … | … |
| 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 | Nov | -35,8 | … | … |
| 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 | 1,7 | Oct | -1,1 | … | … |
| 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 | 2,8 | Oct | -1,3 | … | … |
| 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 | Nov | -3,2 | … | … |
| 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 | Nov | 54,0 | … | … |
| 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 | … | Aug | 13,0 | … | … |
| 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 | Nov | -43,1 | … | … |
| 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 | Oct | 106,4 | … | … |
| 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 | Nov | 9,8 | … | … |
| **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 | 1,9 | Sep | 0,3 | -2,3 | -2,5 |
| Current account balance (EUR mn) | -2749 | -821 | 3565 | -3044 | -3050 | -3059 | -790 | 4077 | -3387 | -3159 | -3245 | -1457 | 3446 | Sep | 551 | … | … |
| Services balance, net (EUR mn) | 937 | 4012 | 8945 | 2404 | 16298 | 1340 | 4425 | 9974 | 2305 | 18044 | 1083 | 4842 | 10590 | Sep | 2813 | … | … |
| Primary Income Balance, net (EUR mn) | 568 | -379 | -834 | -153 | -799 | 718 | -469 | -672 | -388 | -810 | 739 | -756 | -1041 | Sep | -90 | … | … |
| 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 | Sep | 11,9 | … | … |
| 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 | Sep | 9,3 | … | … |
| Gross tourism revenue (y-o-y) | 3,8 | -10,7 | -7,9 | 7,5 | -6,8 | -8,4 | 9,4 | 13,2 | 11,1 | 11,1 | 14,3 | 20,7 | 5,6 | Sep | 0,4 | … | … |
| 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 | Sep | 4,9 | … | … |
| **Employment** | | | | | | | | | | | | | | | | | |
| Unemployment rate | 24,1 | 23,5 | 23,3 | 23,3 | 23,5 | 22,6 | 21,6 | 20,9 | 21,0 | 21,5 | 20,5 | 19,4 | … | Aug | 18,9 | 19,4 | 18,0 |
| 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 | … | Aug | 2,3 | 1,6 | … |
| **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 | Nov | 1,0 | 0,8 | 1,5 |
| 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 | Nov | 0,1 | 0,1 | 1,1 |
| 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 | … | … | … | … | 1,0 | … | … | … | … | … | 0,5* | 0,3* |
| Government debt as % of GDP | … | … | … | … | 178,5 | … | … | … | … | 176,1 | … | … | … | … | … | 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 | Oct | 2,7 | … | … |
| 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 | Oct | 0,6 | … | … |
| **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 | Oct | 6,2 | … | … |
| 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 | Oct | -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 | Oct | -3,0 | … | … |
| 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 | Oct | -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 | Nov | 4,4 | … | … |
| Spread between 10 year and bunds (bps) | 919 | 805 | 823 | 733 | 820 | 689 | 577 | 502 | 469 | 559 | 346,1 | 376 | 370 | Nov | 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 | Nov | 1,14 | … | … |

** according to Budget 2019*

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

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*The analysis is based on data up to December 5, 2018, unless otherwise indicated*