



NATIONAL BANK
OF GREECE

GREECE Macro Flash

GDP Q4:2018

March 2019

Buoyant exports compensate for stubbornly weak investment

Macro Indicators on pages 5-7

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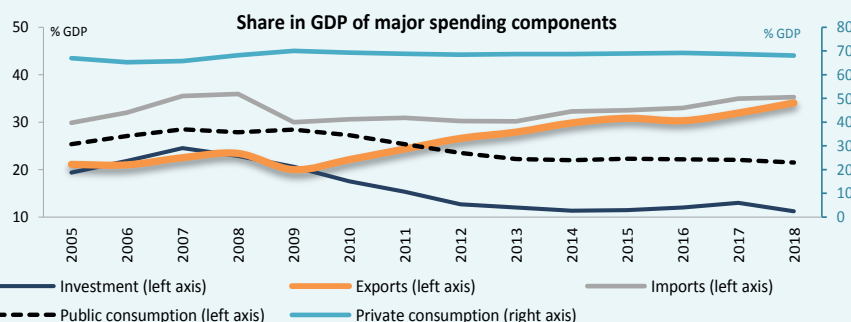
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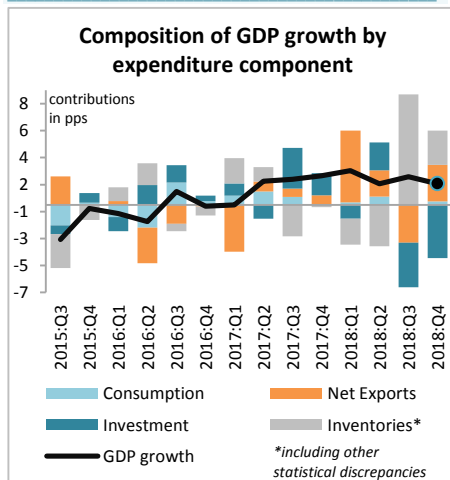
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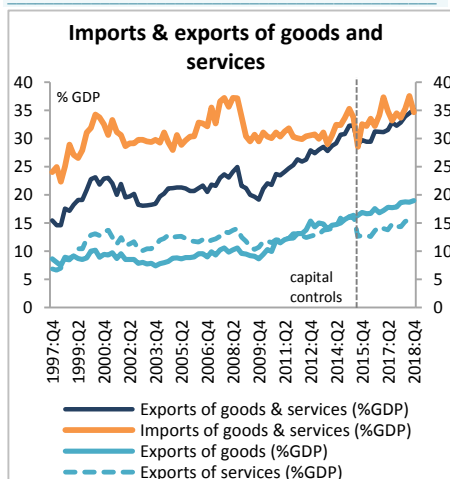
- Greece's GDP recorded a solid expansion of +1.6% y-o-y in Q4:2018 – a 7th consecutive quarter of positive growth – bringing annual growth in 2018 to 1.9%.
- Net exports were the main driver of economic activity, adding 2.7 pps to GDP growth in Q4:2018. Goods exports increased by a solid 8.4% y-o-y in FY:2018, remaining on a steady upward trend for a 9th consecutive year. Private consumption expanded steadily by 1.0%, on average, in 2018, reflecting the strong increase in employment of 2.0% y-o-y in 2018, leading the unemployment rate to 18.0% by year end.
- Gross fixed capital formation (GFCF) declined by 27.2% y-o-y in Q4:2018 (-12.0% y-o-y in FY:2018) due to the sharp contraction in non-residential construction (-36.5% y-o-y in Q4:2018) and a sizeable adverse base effect from an extraordinary increase in spending on transportation equipment in Q4:2017, which led to a compression of this investment category by 72.5% y-o-y in Q4:2018.
- The disappointing investment outcome is puzzling, and likely temporary, especially when taking into consideration the increased pre-tax profitability of Greek businesses (increase in gross operating surplus (GOS) and mixed income of 2.2% y-o-y in FY:2018 and of +4.5% y-o-y in Q4:2018 – the strongest pace in 11 years), rising capacity utilization levels and favorable business prospects.
- Weak investment figures reflect a two-tiered business structure in which investment by more competitive corporates, mostly larger and more extrovert, is offset by the continuing divestment of stressed/loss-making firms (smaller SBs and domestically oriented SMEs).
- The ratio of business investment to pre-tax corporate profits (GOS of the non-financial corporate sector) declined significantly below its long-term average of 0.55 in H2:2018 – due to the sharp contraction in investment spending, in conjunction with the rebound in profits in the same period – setting the stage for an acceleration in GFCF in 2019.
- Looking forward, broadly constant GDP growth is expected in 2019 (c. 2.0% y-o-y), with accelerating private consumption – on the back of increasing disposable income and declining unemployment – and higher investment offsetting the losses from slowing external demand.



Greece's GDP recorded a solid expansion of +1.6% y-o-y in Q4:2018 – a 7th consecutive quarter of positive growth



Exports of goods and services were the main driver of economic activity, reaching an all-time high of 35% of GDP (goods exports reached 18.8% of GDP)



Demand in Greece's major export markets remained resilient

Top 5 destinations of Greek goods exports				Top 5 tourism markets for Greece	
2017		2018		2018	
Country	€ bn	Country	€ bn	Country	€ bn
Italy	3.1	Italy	3.5	Germany	3.0
Germany	2.1	Germany	2.2	UK	1.9
Turkey	2.0	Turkey	2.0	US	1.0
Cyprus	1.9	Cyprus	1.9	France	1.0
Bulgaria	1.4	Lebanon	1.5	Italy*	0.9

*Data for Italy correspond to 9M:2018.

Sources: Eurostat, Panhell. Exporters Association, BoG

GDP growth at 1.9% y-o-y in 2018: Buoyant exports and increased private consumption compensate for stubbornly weak investment

Greece's GDP recorded a solid expansion of +1.6% y-o-y in Q4:2018 – a 7th consecutive quarter of positive growth – bringing GDP growth in FY:2018 to 1.9% y-o-y (broadly in line with initial consensus estimates a year ago).

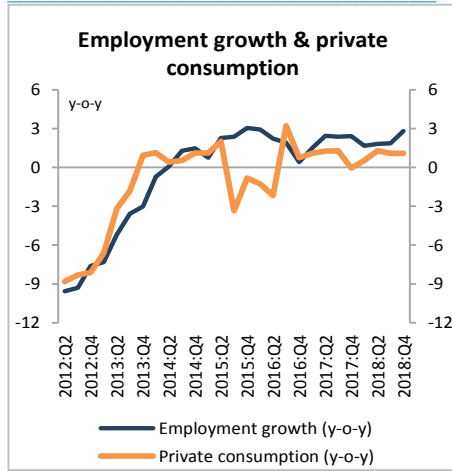
The small deceleration in GDP growth (to +1.6% y-o-y in Q4:2018 from +2.1% y-o-y in Q3:2018, corresponding to a quarterly decline of 0.1% s.a. q-o-q) mainly reflects the unwinding of an extraordinary seasonal effect from an overperformance in tourism in Q3:2018, along with the continued weakness in investment spending (-3.6% s.a. q-o-q).

Net exports were the main driver of economic activity, adding 2.7 pps and 1.8 pps to annual GDP growth in Q4:2018 and FY:2018, respectively. This contribution reflects a 2.8 pp boost to GDP growth in FY:2018, from the increase in exports of goods and services (+8.8% y-o-y in FY:2018), which outweighed a 1.0 pp drag on growth from the increase in total imports (+2.9% y-o-y in FY:2018). Notably, exports of goods and services accelerated further to 10.6% y-o-y in Q4:2018 (from 8.1% y-o-y in 9M:2018), increasing the contribution of net exports to GDP growth to 2.7 pps in Q4:2018, in conjunction with a slowdown in total import growth to 2.0% y-o-y in Q4:2018 (from 3.2% y-o-y in 9M:2018). This slowdown reflects a stabilization in goods imports in Q4:2018 (+0.2% y-o-y), which is mainly attributed to shrinking investment spending (-27.2% y-o-y in Q4:2018), as the latter usually has a high import content.

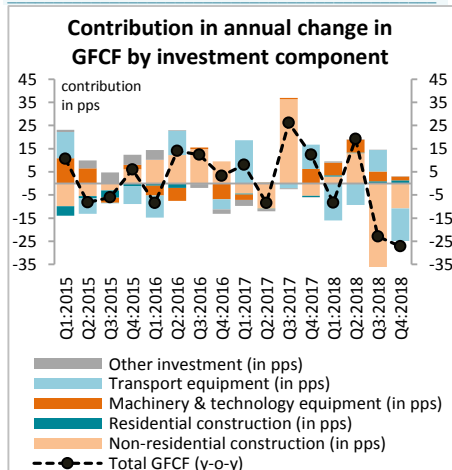
In particular, goods exports increased by a solid 8.4% y-o-y in FY:2018, remaining on a remarkably robust upward trend for a 9th consecutive year, with their share in GDP (in constant price terms) reaching an all-time high of 18.8% in 2018. Notably, demand from Turkey and Italy remained resilient until end-2018, with these two markets remaining among the top 3 destinations of Greek goods exports, despite the significant slowing in economic activity in these economies in H2:2018.

Similarly, services exports rose by 9.3% y-o-y, adding another 1.3 pps to annual GDP growth, buoyed by the dynamic tourism sector (increase in arrivals of 10.8% y-o-y in FY:2018 and in revenue of 10.5% or +0.6% of GDP on an annual basis). Germany contributed about 28% of the increase in tourism revenue in FY:2018 (16.1% y-o-y), followed by the US, rising by +28.1% y-o-y).

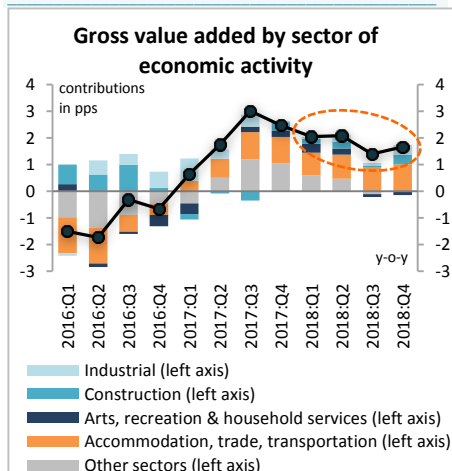
Private consumption showed steady growth on the back of supportive labor market conditions



Gross fixed capital formation remained the weakest component of economic activity, declining by 12.0% y-o-y in FY:2018



The disappointing investment outcome is puzzling in view of the steadily improving production trends...



Private consumption was the second pillar of growth, expanding steadily by 1.1% y-o-y in Q4:2018 and by 1.0%, on average, in 2018 adding +0.7 pps to annual GDP growth in this year. Positive trends in the labor market – an employment increase of 2.0% y-o-y in FY:2018 and 2.8% y-o-y in Q4:2018 and a decline in the unemployment rate to a 7½-year low of 18.0% in December 2018 – were accompanied by a slight pick-up in hourly wages and a significant improvement in confidence, which ultimately boosted consumer spending.

A rapid pace of inventory build-up added another 2.5 pps in GDP growth in Q4:2018, following an extraordinary 8.2 pp contribution in Q3:2018. This contribution is estimated to be related to a carry in Q4:2018 of an abnormally positive contribution of inventories in Q3:2018 GDP, resulting from a reclassification of national accounts data in Q3:2017. This reclassification reflected 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 (see NBG, Greece: Macro Flash, December 2018).

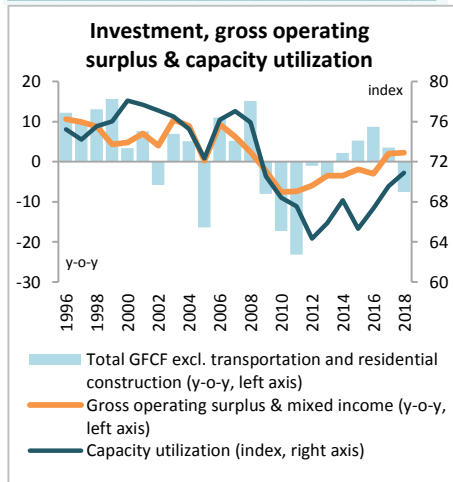
Gross fixed capital formation remained the weakest component of economic activity, declining by 27.2% y-o-y in Q4:2018 and by 12.0% y-o-y in FY:2018. This was mainly due to the sharp decline in non-residential construction (-36.5% y-o-y in Q4:2018, amplified by an under-execution of the public investment programme) and a sizeable adverse base effect from an extraordinary increase in spending on transportation and military equipment in Q4:2017 (i.e. mainly ships, vehicles and port machinery), which led to a compression of the respective investment category by 72.5% y-o-y in Q4:2018.

Nonetheless, the disappointing investment outcome is puzzling, and likely temporary, especially when taking into consideration the improved figures for the production and income decomposition of GDP, rising capacity utilization in industry and strong business survey data.

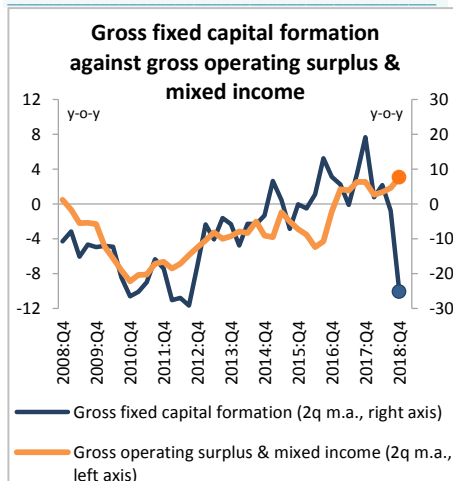
More specifically, the value added generated by the Greek business sector increased by a healthy 1.8% y-o-y in FY:2018 and by 1.7% in Q4:2018, on the back of positive contributions in the sectors of accommodation and food services; wholesale and retail trade; transportation-storage; industry and construction.

In this vein, pre-tax profitability of Greek businesses, approximated by the gross operating surplus and mixed income generated in the economy, increased by 2.2% y-o-y in FY:2018 – growing in Q4:2018 at its strongest pace in 11 years (+4.5% y-o-y) – pointing to a sustainable rebound in competitive business activity and increasing returns from an

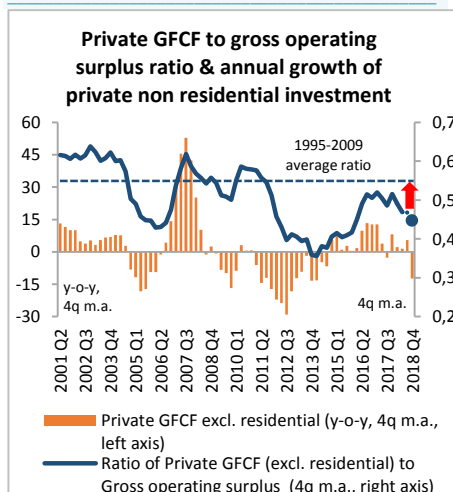
...increased profitability and high capacity utilization levels



Increased corporate profitability in H2:2018...



... sets the stage for an acceleration in business investment in 2019



intensive multi-year restructuring. Moreover, larger and more competitive listed corporates are reporting double-digit increases in their profitability in 9M:2018.

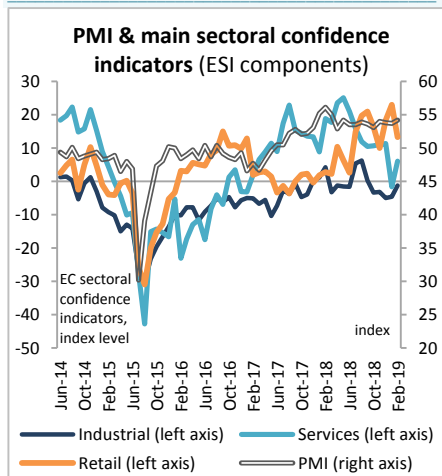
That being said, it appears that, aside from potential time lags in investment decisions, anemic investment outcomes exemplify the fragmentation of the Greek business sector and the emergence of a two-tiered business structure (see *NBG Report on Entrepreneurship, February 2019*): i) large and extrovert firms, which overperform the economy average and are capable of investing; and ii) a sizeable pool of smaller inward-looking firms, with weak profitability, which continue to divest. Weak investment figures effectively correspond to the combined outcome of these two cohorts, with the increased spending by more competitive corporates counteracted by the divestment of stressed/loss-making firms. Moreover, even profitable firms remain conservative in their decisions for new investment, and continue to prioritize a further compression in their operational costs, using mainly internally-generated funding to finance new capital spending.

Business investment appears to closely track the evolution of corporate profitability. In fact, the ratio of business investment to corporate profits (corresponding to the gross operating surplus of the non-financial corporate sector) reverted to its long-term average of 0.55 in 2017 and Q1:2018, on the back of an average annual increase in private investment of 8.9% in 2016-2017. However, the sharp contraction in investment in H2:2018 (-15.7% y-o-y), in conjunction with the rebound in profits (an estimated +3.1% y-o-y in H2:2018), led to a compression of this ratio to below 0.50 in the same period, setting the stage for an acceleration in GFCF in 2019.

Looking forward, the notable improvement in coincident and forward-looking indicators of business activity in H2:2018 and early 2019 (national accounts data, business and investment surveys, capacity utilization), compounded by a positive base effect from the sharp shrinkage in GFCF in 2018 and a positive carry of public investment activity from 2018 (55.4% of the 2018 PIB financing was disbursed in December 2018, while another 8% will be disbursed in early 2019), are conservatively estimated to support an annual growth of 10.6% y-o-y in GFCF in 2019. The above factors are expected to counteract the negative impact on goods exports and tourism from a prospective slowdown in the euro area economy and the typical sluggishness in investment decisions during an election year.

Private consumption is expected to remain a key driver of economic growth in 2019, buoyed by increasing real disposable income, which is based on healthy employment growth, mild inflation and rising hourly

Forward-looking indicators point to a broad-based improvement in business activity in early 2019, which bodes also well for a pick-up in investment



wages. The reactivation of the sectoral wage bargaining in specific sectors of the economy, along with the legislation of an increase in the minimum wage of 11% since February 2019, are estimated to be translated into a rise of about 2.0% in average hourly compensation, supporting an average growth in real disposable income of 2.3% y-o-y, or higher and thus bolstering private consumption.

Moreover, NBG’s baseline estimate for a GDP growth of c. 2.0% y-o-y in 2019 incorporates: i) a positive carry of 0.4 pps to GDP growth in 2019 from the GDP trajectory in 2018; and ii) a direct fiscal impulse of 0.5% of GDP from the implementation of the legislated fiscal expansion measures. The above factors provide a cushion in the event of a potential negative impact from the significant downward revision of economic growth projection for the euro area to 1.0%-1.3% in 2019 from previous estimates of 1.7%-1.9% y-o-y (Sources: OECD, ECB & EU Commission forecasts).

Greece: Growth Outlook											
	2017	2018	2019f	2018				2019f			
				Q1	Q2	Q3	Q4	Q1f	Q2f	Q3f	Q4f
GDP (real, % y-o-y, s.a.)	1,4	1,9	2,0	2,5	1,5	2,1	1,6	1,4	1,9	2,2	2,4
GDP (real, % q-o-q, s.a.)	...	...	...	0,4	0,3	1,0	-0,1	0,2	0,8	1,3	0,1
Domestic Demand (y-o-y)	1,8	0,2	2,3	-2,6	-0,4	4,9	-1,1	1,9	2,2	2,0	3,1
Final Consumption (y-o-y)	0,6	0,3	1,5	0,2	0,7	0,0	0,3	0,9	1,5	1,9	1,5
Private Consumption (y-o-y)	0,9	1,0	1,6	0,5	1,3	1,1	1,1	1,3	1,7	1,9	1,6
Gross Fixed Cap. Formation (y-o-y)	9,4	-12,0	10,6	-8,4	19,2	-23,0	-27,2	10,6	5,6	15,6	11,5
Residential construction	-5,5	17,4	22,3	11,1	5,6	21,3	32,3	...	...	...	...
Total GFCF excluding residential	10,3	-13,5	9,8	-9,5	20,1	-25,0	-29,8	...	...	...	...
Inventories* (contribution to GDP)	0,1	1,4	-0,2	-1,9	-3,1	8,2	2,5	-0,1	0,1	-1,3	0,6
Net exports (contribution to GDP)	-0,4	1,8	-0,3	5,3	1,9	-2,8	2,7	-0,5	-0,3	0,2	-0,7
Exports (y-o-y)	6,9	8,8	3,5	8,1	9,2	7,1	10,6	5,1	3,6	2,4	3,1
Imports (y-o-y)	7,4	2,9	4,4	-7,5	2,8	15,6	2,0	6,5	4,4	1,8	5,1

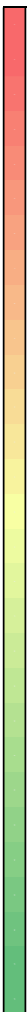
*also including other statistical discrepancies / Sources: EL.STAT. & NBG estimates



Greece: Tracking the economy's cyclical position

	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	Jan-19	
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	53.7	54.2
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	-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	-4.6	-1.2
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	7.0	0.0	0.2	
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	4.2	1.3	3.4	
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	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	-1.6	6.1
Consumer confidence (index level)	-56	-61	-64	-68	-67	-67	-61	-63	-64	-60	-59	-63	-60	-62	-68	-72	-64	-65	-66	-60	-53	-49	-50	-49	-48	-48	-50	-52	-49	-49	-49	-47	-45	-43	-34	-33	-31	-28	-33
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	23.0	13.3
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	-4.1	3.0	0.7			
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	51			
House prices (YoY quarterly series)	-5.1	-4.4	-4.4	-4.4	-2.5	-2.5	-1.5	-1.5	-1.5	-1.0	-1.0	-1.0	-1.9	-1.9	-1.9	-1.1	-1.1	-1.1	-1.1	-0.7	-0.7	-0.7	-0.4	-0.4	-0.4	0.3	0.3	0.3	1.0	1.0	1.0	2.1	2.1	2.1	2.5	2.5	2.5		
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	2.4	2.2	1.8	3.7	2.8		
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	3.2	3.6	4.1	4.5		
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	-1.6	-1.3	-0.9	-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	-1.2	-1.4	-1.4	-1.1	-1.1		
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	4.8	4.7	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	
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	0.9	0.6	0.0	-0.4	-0.2	-0.4	-0.5	-1.2	-0.4	0.0	0.2	
Economic sentiment index (EU Commission, Euro area)	106	105	104	102	103	104	104	104	108	104	105	106	107	107	107	107	108	108	110	111	111	112	113	115	114	114	114	112	112	112	111	111	110	110	110	107	106	106	
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	11.9	9.6		
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	12.2	10.8		
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	-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	3.0	3.3	3.6	3.5	3.4

Color map scale



Sources: NBG, BOG, ELSTAT, EU Commission, IORF



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	-0,6	-1,2	1,0	-0,1	-0,3	0,0	1,8	1,9	2,2	1,4	2,5	1,5	2,1	1,6	1,9	Q4:18	1,6	1,9	2,0
Domestic demand	-0,9	1,4	2,4	0,0	0,7	3,4	1,0	1,3	1,4	1,8	-2,6	-0,4	4,9	-1,1	0,2	Q4:18	-1,1	0,2	2,3
Final Consumption	-1,0	-1,9	1,8	0,3	-0,2	0,7	1,1	0,6	0,0	0,6	0,2	0,7	0,0	0,3	0,3	Q4:18	0,3	0,3	1,5
Gross fixed capital formation	-8,5	14,0	12,3	3,3	4,6	8,0	-8,6	26,1	12,3	9,4	-8,4	19,2	-23,0	-27,2	-12,0	Q4:18	-27,2	-12,0	10,6
Exports of goods and services	-9,4	-10,2	9,0	4,8	-1,9	5,7	9,1	7,1	5,8	6,9	8,1	9,2	7,1	10,6	8,8	Q4:18	10,6	8,8	3,5
Imports of goods and services	-9,4	-1,9	14,0	4,8	1,2	16,0	5,8	4,9	3,2	7,4	-7,5	2,8	15,6	2,0	2,9	Q4:18	2,0	2,9	4,4
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	-0,2	1,5	Dec	0,7	...	...
Retail confidence (15-yr. average: -2,9)	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	Feb	13,3	...	...
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	...	...	Nov	14,5	...	...
Consumer confidence (15-yr. average: -47,6)	-64,0	-65,1	-62,3	-60,2	-62,9	-67,1	-65,1	-54,1	-49,1	-58,9	-49,8	-48,7	-44,7	-32,6	-44,0	Feb	-33,3	...	...
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	1,5	1,1	Jan	3,4	...	...
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	2,1	2,1	Jan	0,2	...	...
Capacity Utilization (15-yr. average: 70,3)	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	71,0	70,9	Dec	71,5	...	...
Industrial confidence (15-yr. average: -9,1)	-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	Feb	-1,2	...	...
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	53,6	54,1	Feb	54,2	...	...
Construction permits (y-o-y)	-11,9	-30,9	38,2	-9,4	-6,9	16,2	31,2	5,9	26,8	19,2	1,0	24,2	20,3	...	...	Nov	50,6	...	...
Construction confidence (15-yr. average: -38,0)	-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	Feb	-61,3	...	...
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	9,4	4,8	Jan	34,9	...	...
Stock of finished goods (15-yr. average: 12,4)	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	Feb	7,2	...	...
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	-1,8	-0,8	1,7	-2,1	-2,9	Dec	-0,8	-2,9	-2,6
Current account balance (EUR mn)	-2749	-821	3565	-3044	-3050	-3059	-790	4077	-3387	-3159	-3245	-1457	3228	-3802	-5276	Dec	-1514	...	...
Services balance, net (EUR mn)	937	4012	8945	2404	16298	1340	4425	9974	2305	18044	1083	4842	10472	2956	19353	Dec	492	...	...
Primary Income Balance, net (EUR mn)	568	-379	-834	-153	-799	718	-469	-672	-388	-810	739	-756	-1134	-531	-1682	Dec	-136	...	...
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	12,6	11,9	10,9	10,9	Dec	10,9	...	...
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	8,2	9,3	9,4	9,4	Dec	9,4	...	...
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	25,5	10,5	Dec	40,4	...	...
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	13,8	10,8	Dec	16,8	...	...
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	19,5	18,9	18,3	19,3	Dec	18,0	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	2,8	2,0	Dec	2,8	2,0	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	Jan	0,4	...	0,8
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	Jan	0,1	...	0,6
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	...	...	Nov	0,3	...	...
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	...	...	...	...	...	...	...	181,4*	168,7*
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	6,3	6,3	Jan	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	-1,1	-1,1	Jan	-1,1	...	...
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	-2,8	-2,8	Jan	-2,8	...	...
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	-0,8	-0,8	Jan	-0,8	...	...
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	Feb	3,9	...	...
Spread between 10 year and bunds (bps)	919	805	823	733	820	689	577	502	469	559	346,1	376	370	400	373	Feb	372	...	...
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	Feb	1,13	...	...

* according to Budget 2019

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



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