



NATIONAL BANK  
OF GREECE

# GREECE Macro Flash

**GDP Q2:2018**

September 2018

## A pick-up in private consumption supplements an ongoing export-driven recovery

Macro Indicators on pages 6-7

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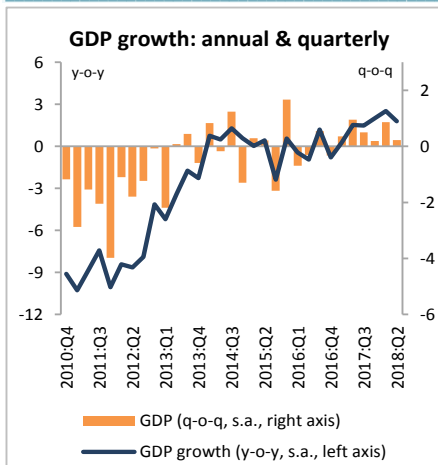
- GDP recorded a healthy expansion of +1.8% y-o-y (+0.2 q-o-q, s.a.) in Q2:2018 – a 6th consecutive quarter of positive growth – from an upwardly revised +2.5% y-o-y in Q1:2018
- Net exports were the main driver of economic activity in Q2:2018. They added 1.5 pps to GDP growth on an annual basis, reflecting a 3 pp boost from the increase in exports of goods and services by 7.2% y-o-y and 12.2% y-o-y, respectively, which outweighed a 1.5 pp drag from the increase in imports (mainly of productive inputs, fuels and consumer durables)
- Services exports – buoyed by tourism – increased by 12.2% y-o-y, adding 1.7 pps to GDP growth in Q2:2018. The tourism contribution in GDP growth is expected to reach 1.4 pps in Q3:2018
- Goods exports remained on an upward trend for a 9th consecutive year, reaching a historical high of 18.8% of GDP in Q2:2018 from 18.5% in Q1:2018 and a 20-year average of 11.2% of GDP
- Consumer spending increased by 1.0% y-o-y, for the first time since Q2:2017, led by increased spending by medium-to-high income households, as indicated by strong sales of consumer durables and cars of 7.6% y-o-y and 28.1% y-o-y, respectively, in Q2:2018 and increased spending by domestic residents for tourism services (+12% y-o-y in Q2:2018, the strongest in 10 years)
- The contraction in gross fixed capital formation exclusively reflects a further drop in spending on transportation equipment (i.e. mainly ships, vehicles and port machinery), with all other investment sub-categories recording positive growth (+4.9% y-o-y in Q2:2018)
- Gross value added increased by 2.5% y-o-y in Q2:2018, expanding for a 6th consecutive quarter, and business profitability, reflected in the annual change in gross operating surplus and mixed income, grew at the strongest pace in 10 years (+2.7% y-o-y), setting the stage for an acceleration in investment spending
- NBG Economic Analysis' "high frequency indicator" of economic activity presages an acceleration in GDP growth to 2.2% y-o-y in Q3:2018, suggesting that the economic recovery in Greece remains on track to achieve average GDP growth of 2.0% y-o-y, or slightly higher, in FY:2018

GDP growth decomposition by expenditure component

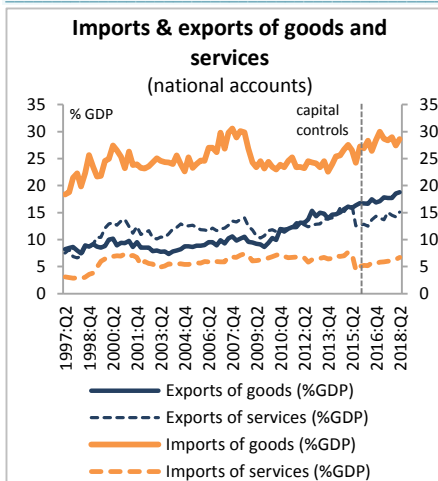


\*Including other statistical discrepancies

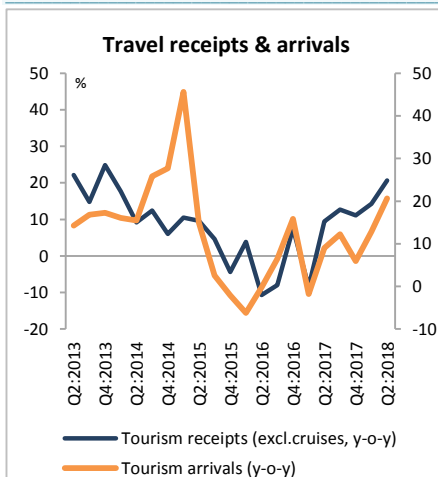
**GDP increased for a 6th consecutive quarter, indicating that the economic activity is on a sustainable upward trend**



**Solid export growth was the key driver of economic activity in Q2:2018**



**Strong tourism activity underpinned the buoyant export performance**



**A pick-up in private consumption supplements an ongoing export-driven recovery**

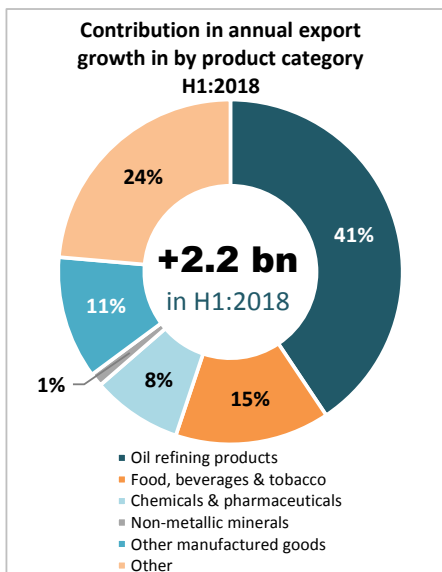
GDP recorded a healthy expansion of +1.8% y-o-y (+0.2 q-o-q, s.a.) in Q2:2018, from an upwardly revised +2.5% y-o-y in Q1:2018, suggesting that the economic recovery in Greece remains on track to achieve average GDP growth of 2.0% or higher in FY:2018. This was the 6th consecutive quarter of positive growth, indicating that the economic activity is on a sustainable upward trend. The small deceleration in annual GDP growth in Q2:2018 compared with Q1, mainly reflects the unwinding of a supportive base effect, along with a continuing weakness in investment spending.

Net exports were the main driver of GDP growth in Q2:2018, adding 1.5 pps on an annual basis. This contribution reflects a 3 pp boost to GDP growth from the increase in exports of goods and services by 7.2% y-o-y and 12.2% y-o-y, respectively, which outweighed a 1.5 pp drag on growth from the increase in imports by 4.3% y-o-y in this quarter. Increased imports in Q2:2018 primarily reflect business demand for imported production inputs and fuels (increases in import value of 13.4% y-o-y and 54.1% y-o-y, respectively), along with a pick-up in imports of consumer durables (+7.9% y-o-y, in value).

Clearly, the dynamism of the tourism sector underpins the buoyancy in services exports, which increased by 12.2% y-o-y contributing 1.7 pps to GDP growth in Q2:2018. In fact, tourism revenue increased by an outstanding 19.7% y-o-y in Q2:2018 (1.5% of quarterly GDP), primarily supported by EU markets, especially Germany, which contributed about 40% of the increase in Q2:2018 and corresponded to 38.4% of total tourism revenue in H1:2018. Available data from arrivals in major Greek airports and hotel bookings for Q3:2018 suggest that the momentum of the tourism sector will be maintained in Q3:2018, with its contribution to GDP growth reaching 1.4 pps in this quarter and an estimated 1.3 pps in H2:2018.

Solid goods exports, with a broadly balanced contribution of EU and non-EU markets, have also been a key driver of GDP growth. Goods exports remained on an upward trend for a 9th consecutive year – a cumulative increase in export volume of almost 72% between Q4:2009 and Q2:2018 – reaching a historical high of 18.8% of GDP

**Exports of oil products corresponded to one third of the annual increase in exports in H1:2018, with Turkey absorbing c. 15% of Greece's fuel exports**

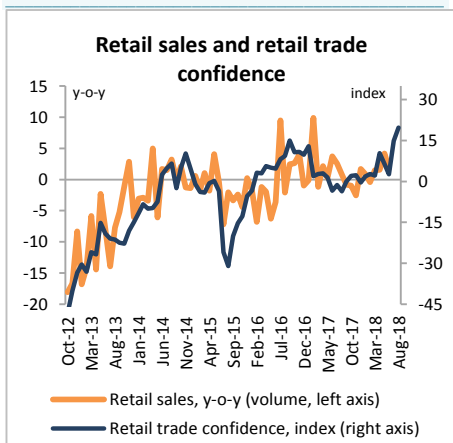


**Turkey and Italy consistently rank in the top 4 destinations for Greek goods exports**

Top 5 destinations of Greek goods exports					
2016		2017		2018:H1	
Country	€ bn	Country	€ bn	Country	€ bn
Italy	2.8	Italy	3.1	Italy	1.7
Germany	2.0	Germany	2.1	Turkey	1.2
Cyprus	1.6	Turkey	2.0	Germany	1.1
Turkey	1.4	Cyprus	1.9	Cyprus	1.0
Bulgaria	1.3	Bulgaria	1.4	Bulgaria	0.7

Sources: Eurostat, Panhellenic Exporters Association

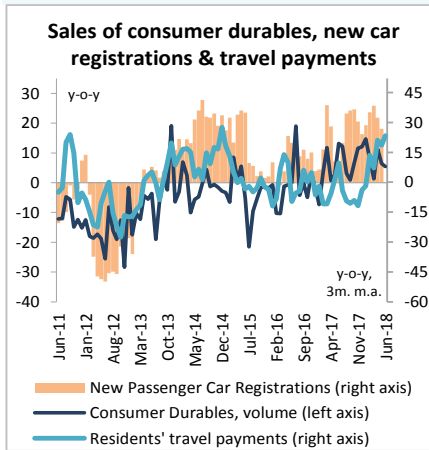
**A revival in private consumption contributed almost one third of GDP growth in Q2:2018**



in Q2:2018 from 18.5% in Q1:2018 and a 20-year average of 11.2% of GDP, but still significantly lower than the euro area average of 35.9% of GDP in FY:2017. Germany, Italy and Turkey were again the main destinations of Greek goods exports in Q2:2018, which mainly comprise olive oil, aluminum, pharmaceuticals, unprocessed food and chemicals products, while another 34.1% of Greek goods exports correspond to fuels (15.5% of which are directed to Turkey). Notably, demand from Turkey and Italy in Q2:2018 was not affected by the increased uncertainty in these economies – which consistently rank in the top 4 destinations for Greek goods exports – but this is likely to soften considerably in H2:2018, especially in Turkey. In fact, the buoyancy in demand from Turkey in Q2:2018 is likely to partially reflect a preemptive stockpiling in this market, in the face of increased exchange rate uncertainty, which will be followed by a contraction in Greek goods exports to this region in H2:2018. According to NBG Research estimates, based on historical income and price elasticities of Greek good exports in Turkey, the contraction in exports could reach 20% in constant price terms in H2:2018 (or 0.1% of GDP, annualized), assuming that the TK lira/EUR exchange rate stabilizes at its current low level, following a depreciation against the euro of 40.8% in July-August 2018, and a significant slowdown in Turkish GDP growth to below 2% y-o-y in H2:2018 – according to consensus estimates – from 5.2% y-o-y in Q2:2018. Overall, Greek goods exports are estimated to remain on an upward trend, with their annual growth rate decelerating to, a still healthy, 4.3% y-o-y in H2:2018 from 9.0% y-o-y in H1 (in constant price terms), on the back of a small slowdown in euro area GDP growth – which could be more pronounced in major trading partners such as Italy – continuing tensions in Turkey and less supportive base effects. The contribution of goods exports to GDP growth in H2:2018 is estimated at 0.8 pps, with the total contribution of goods and services exports in H2:2018 reaching 1.8 pps from 2.7 pps in H1.

A pick-up in private consumption was the second pillar of growth. Consumer spending increased by 1.0% y-o-y, for the first time since Q2:2017, contributing almost one third of GDP growth in Q2:2018. Private consumption eventually responded to the positive trends in the labor market – an employment increase of 2.2% y-o-y in Q2:2018 and a decline in the unemployment rate to a 7-year low of 19.1% in June 2018 – which were accompanied by a significant improvement in confidence in the run-up to the successful

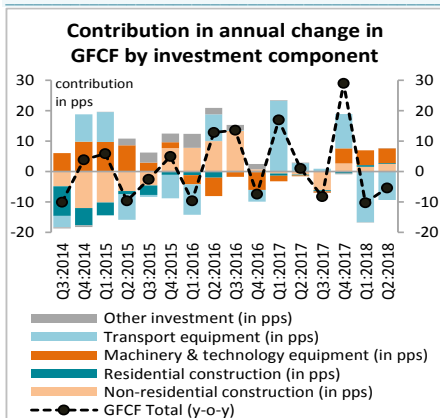
**Increased spending by domestic residents on discretionary goods and tourism services suggests that medium-to-high income households led the recovery in private consumption**



**Steadily improving conditions in the labor market will support consumer spending in the coming quarters**



**The new decline in gross fixed capital formation reflects lower spending on transportation equipment, with all other investment sub-categories recording positive growth Q2:2018**

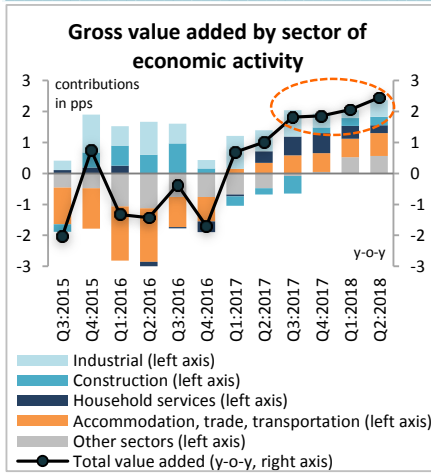


completion of the 3rd Programme. This improvement has been primarily led by increased spending by medium-to-high income households, as indicated by strong sales of consumer durables and cars of 7.6% y-o-y and 28.1% y-o-y, respectively, in Q2:2018 and increased spending by residents for tourism services domestically and abroad (increases of 10% y-o-y and 25% y-o-y, respectively, according to market sources and balance of payments data, the strongest in 10 years). In this respect, there is considerable scope for a more broad-based recovery in private consumption, which will also be supported by a prospective elimination of the effective fiscal drag on household income by 2019.

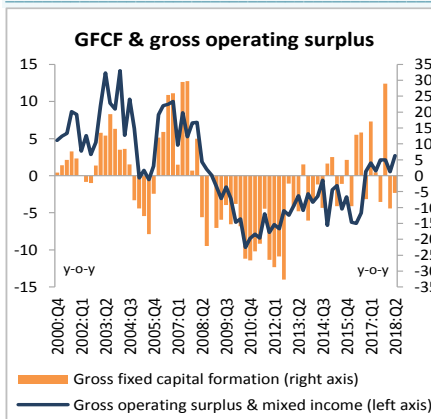
Accordingly, private consumption is expected to be a key driver of economic growth in the coming quarters, buoyed by an ongoing turnaround in real disposable income, which is based on healthy employment growth, mild inflation and rising hourly wages. The pick-up in hourly wages reflects increasing employment creation in sectors demanding skilled labor, such as manufacturing and business services, and is expected to be further supported by the effective reinstatement of collective bargaining by H2:2018. In fact, the first extensions of collective wage agreements in a limited number of sectors occurred in Q3:2018, implying an improvement in wages and employment conditions for some of the employees in these sectors who, until now, were not covered by the more favorable terms of a sectoral agreement.

Admittedly, gross fixed capital formation fell short of expectations again, contracting by 5.4% y-o-y in Q2:2018, following a 10.3% y-o-y drop in Q1:2018, and subtracted about 0.6 pps from GDP growth in Q2. However, as was the case in Q1:2018, this apparently disappointing outcome exclusively reflects a further drop in spending on transportation and military equipment (i.e. mainly ships, vehicles and port machinery), with all other investment sub-categories recording positive growth. Indeed, in Q2:2018 investment on equipment (excluding transportation) showed robust growth of 18.3% y-o-y, for a 3rd consecutive quarter. Similarly, non-residential construction increased by 6.9% y-o-y, despite the relatively small contribution of public investment spending (increase in disbursements of 12.2% y-o-y or 0.1% of quarterly GDP in Q2:2018), while residential construction posted positive growth for a second consecutive quarter (5.1% y-o-y from

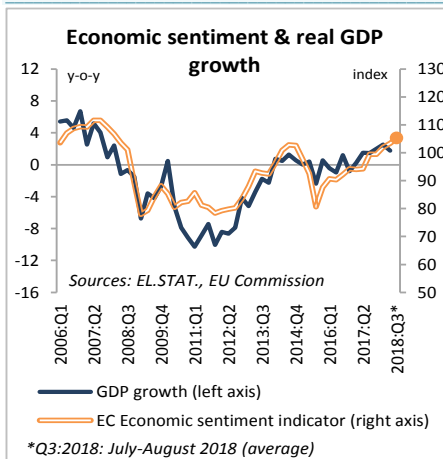
**Gross value added increased by 2.5% y-o-y in Q2:2018, expanding for a 6th consecutive quarter**



**Business profitability, reflected in the annual change in gross operating surplus and mixed income, grew at the strongest pace in 10 years and is expected to support investment decisions in the coming quarters**



**Forward looking indicators point to a further strengthening of GDP growth in Q3:2018**



10.9% y-o-y in Q1:2018), confirming the end of the longest adjustment cycle in this market.

It should be noted that GDP figures for the production and income sides point to a sustainable rebound in export-led business activity and an ongoing improvement in the value added of Greek production. Gross value added increased by 2.5% y-o-y in Q2:2018, expanding for a 6th consecutive quarter, on the back of strong expansion in the manufacturing, accommodation, transportation, retail trade and construction sectors. In the same vein, business profitability reflected in the annual change in gross operating surplus and mixed income, grew at the strongest pace in 10 years (2.7% y-o-y in Q2:2018 from 0.5% y-o-y in Q1:2018 and 1.7% y-o-y in FY:2017). These improvements, in conjunction with the strength in forward looking indicators of business activity in Q3:2018 – such as industrial, services confidence and the PMI – and improving rates of capacity utilization, bode well for an acceleration in gross fixed capital formation in H2:2018, despite the increase in risk internationally. However, a broadening of the investment recovery will require a further increase in business profitability, along with low uncertainty and higher visibility regarding future economic policy.

Looking forward, the above described trends bode well for the achievement of average GDP growth of around 2.0% y-o-y, in FY:2018. In fact, NBG Economic Analysis’ “high frequency indicator” of economic activity, incorporating the latest information from macroeconomic data releases including, manufacturing production, business surveys, fiscal and financial data, suggests an acceleration in GDP growth to 2.2% y-o-y in Q3:2018. Moreover, GDP growth will be supported by a prospective acceleration in public investment during H2:2018 – an estimated increase in public investment programme disbursements of 0.4% of annual GDP – following lower-than-planned disbursements in H1:2018 (0.4% of GDP lower than the respective MTF5 2019-2022 target for this period).

Confidence gains from the successful completion of the 3rd Programme, along with upgrades of Greece’s sovereign ratings in Q3:2018, are expected to gradually offset the risks from increasing volatility in the international financial markets, supporting activity and liquidity conditions in H2:2018 and beyond.



## Greece: Tracking the economy's cyclical position

	Nov-15	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
PMI (index level)	48,1	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
Industrial confidence (index level)	-16,6	-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
Manufacturing production (y-o-y)	2,2	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	4,1	
Industrial production (y-o-y)	2,6	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	1,9	
Services confidence (index level)	-15,4	-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
Consumer confidence (index level)	-6,4	-6,1	-6,4	-6,7	-7,2	-7,4	-7,2	-6,8	-6,9	-7,0	-6,6	-6,4	-6,7	-6,4	-6,8	-7,3	-7,4	-7,2	-7,0	-6,9	-6,2	-5,7	-5,4	-5,4	-5,4	-5,0	-5,1	-5,3	-5,3	-4,9	-5,1	-5,2	-5,0	-4,8
Retail confidence (index level)	-12,8	-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
Retail trade volume (y-o-y)	-4,4	0,2	-1,7	-6,8	-1,2	-2,0	-6,3	-3,6	9,5	-2,1	2,4	2,6	4,0	-1,0	-0,1	9,9	-1,2	2,1	0,3	3,7	2,5	0,8	-0,8	-1,0	-2,6	1,7	0,9	-0,4	1,5	1,5	4,2	1,8		
Construction Permits (y-o-y)	-4	67	-5	8	-35	-27	-40	-26	38	64	19	5	9	-25	-15	-1	71	22	53	25	10	9	-4	97	24	-14	42	-15	-4	38	14			
House prices (yoy, quarterly series)	-5,1	-5,1	-4,4	-4,4	-4,4	-2,5	-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	-0,8	-0,8	-0,8	-0,5	-0,5	-0,5	0,1	0,1	0,1	0,8	0,8	0,8		
Construction confidence (index level)	-47	-49	-38	-38	-36	-46	-39	-40	-56	-53	-60	-67	-54	-44	-45	-60	-50	-54	-67	-56	-40	-49	-37	-45	-59	-58	-50	-45	-55	-55	-39	-48	-46	-45
Employment (y-o-y)	2,4	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	2,5	2,5	2,4	2,5	2,2	2,4	2,8	1,7	2,8	2,7	0,7	1,7	0,7	2,4	2,2		
Interest rate on new private sector loans (CPI deflated)	5,7	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	
Credit to private sector (y-o-y)	-2,2	-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	-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	
Deposits of domestic private sector (y-o-y)	-27,1	-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	4,6	4,8	4,7	4,9	5,6	6,3	7,2	7,4	7,5	7,4
Interest rate on new time deposits (households, CPI deflated)	1,7	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	
Economic sentiment index (EU Commission, Euro area)	106	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
Exports (other [excl.oil&shipping] y-o-y 6m mov.avg)	1,3	-0,6	-1,9	-1,0	-0,6	-0,1	-0,3	-2,0	-1,4	-1,2	0,5	0,9	4,1	5,2	6,5	5,8	6,4	6,1	7,5	10,0	9,6	11,3	9,4	11,8	9,6	9,0	11,8	11,7	12,0	11,8	11,7	12,1		
Imports (other [excl.oil&shipping] y-o-y 6m mov.avg)	-8,1	-10,0	-6,7	-4,1	-2,8	-1,9	-1,5	-0,9	4,1	6,8	8,8	7,9	8,8	10,0	7,6	3,8	4,4	4,6	6,3	6,4	6,1	7,6	6,3	9,2	9,0	9,3	10,1	10,2	10,0	9,2	7,3	8,7		
NBG Composite Index of cyclical conditions ▶▶▶▶	-31,0	-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	2,9	3,2	



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

## Greece: Growth Outlook

	2016	2017	2018f	2019f	2017				2018f			
					Q1	Q2	Q3	Q4	Q1	Q2	Q3f	Q4f
GDP (real, % y-o-y, s.a.)	<b>-0,2</b>	<b>1,3</b>	<b>2,0</b>	<b>2,3</b>	<b>0,3</b>	<b>1,5</b>	<b>1,5</b>	<b>2,0</b>	<b>2,5</b>	<b>1,8</b>	<b>2,2</b>	<b>1,7</b>
GDP (real, % q-o-q, s.a.)	...	...	...	...	0,4	0,9	0,5	0,2	0,9	0,2	0,9	-0,4
Domestic Demand (y-o-y)	<b>0,7</b>	<b>1,7</b>	<b>1,0</b>	<b>2,6</b>	<b>2,2</b>	<b>0,4</b>	<b>2,0</b>	<b>1,9</b>	<b>-1,0</b>	<b>0,3</b>	<b>2,9</b>	<b>1,9</b>
Final Consumption (y-o-y)	<b>-0,4</b>	<b>-0,1</b>	<b>1,0</b>	<b>1,8</b>	<b>0,4</b>	<b>0,3</b>	<b>-0,9</b>	<b>-0,2</b>	<b>0,0</b>	<b>0,8</b>	<b>1,5</b>	<b>1,6</b>
Private Consumption (y-o-y)	0,1	0,2	1,1	2,3	0,8	0,6	-0,1	-0,6	0,0	1,0	1,3	1,9
Fixed Capital Formation (y-o-y)	<b>1,5</b>	<b>9,5</b>	<b>1,1</b>	<b>8,2</b>	<b>17,0</b>	<b>1,1</b>	<b>-8,3</b>	<b>29,0</b>	<b>-10,3</b>	<b>-5,4</b>	<b>20,0</b>	<b>1,6</b>
Residential construction	-12,3	-8,7	1,8	2,3	-11,1	-5,4	-7,2	-11,1	10,9	5,1	...	...
Total GFCF excluding residential	2,5	10,6	1,1	8,5	19,0	1,5	-8,3	31,4	-11,4	-6,0	...	...
Inventories* (contribution to GDP)	0,9	0,7	0,0	0,0	0,1	0,0	3,9	-1,3	0,3	0,2	-0,6	0,3
Net exports (contribution to GDP)	-1,0	-0,4	1,0	-0,3	-2,0	1,1	-0,6	0,0	3,6	1,5	-0,7	-0,3
Exports (y-o-y)	-1,9	6,9	7,1	5,5	5,4	9,3	7,6	5,5	8,0	9,4	6,1	5,2
Imports (y-o-y)	1,2	7,5	3,6	6,0	11,3	4,8	9,2	5,0	-3,1	4,3	7,8	5,5

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



### Greek Economy: Selected Indicators

	2015					2016					2017					2018		Most recent	2018f	
	Q1	Q2	Q3	Q4	year aver.	Q1	Q2	Q3	Q4	year aver.	Q1	Q2	Q3	Q4	year aver.	Q1	Q2			
<b>Real economy (y-o-y period average, constant prices)</b>																				
GDP	0,0	0,4	-2,4	0,6	-0,3	-0,4	-0,9	1,2	-0,8	-0,2	0,3	1,5	1,5	2,0	1,3	2,5	1,8	Q2:18	1,8	2,0
Domestic demand	1,1	-1,4	-4,4	0,5	-1,0	-0,7	1,8	2,5	-0,7	0,7	2,2	0,4	2,0	1,9	1,7	-1,0	0,3	Q2:18	0,3	1,0
Final Consumption	0,5	0,8	-2,1	0,1	-0,2	-1,3	-1,8	2,2	-0,5	-0,4	0,4	0,3	-0,9	-0,2	-0,1	0,0	0,8	Q2:18	0,8	1,0
Gross fixed capital formation	5,9	-9,6	-2,6	5,0	-0,2	-9,6	12,9	13,6	-7,4	1,5	17,0	1,1	-8,3	29,0	9,5	-10,3	-5,4	Q2:18	-5,4	1,1
Exports of goods and services	12,9	11,6	-8,1	-3,6	2,9	-9,4	-10,4	9,2	5,0	-1,9	5,4	9,3	7,6	5,5	6,9	8,0	9,4	Q2:18	9,4	7,1
Imports of goods and services	15,8	4,6	-14,2	-3,4	0,4	-9,4	-1,9	14,0	4,9	1,2	11,3	4,8	9,2	5,0	7,5	-3,1	4,3	Q2:18	4,3	3,6
<b>Coincident and leading indicators (period average)</b>																				
Retail sales volume (y-o-y)	0,0	0,6	-4,2	-2,1	-1,5	-3,3	-4,0	3,1	1,7	-0,6	2,8	2,1	0,9	-0,5	1,2	0,6	2,5	Jun	1,8	...
Retail confidence (15-yr. average: -2,8)	-3,0	-1,3	-25,6	-11,1	-10,3	0,9	5,1	10,8	10,5	6,8	5,8	0,4	-1,6	1,3	1,5	2,3	6,5	Aug	19,7	...
Car registrations (y-o-y)	19,2	33,2	-2,2	2,1	13,8	-0,3	19,5	16,8	4,0	10,7	37,8	3,4	35,8	24,5	22,2	37,6	...	May	21,7	...
Consumer confidence (15-yr. average: -51,3)	-37,0	-43,6	-60,6	-61,6	-50,7	-67,5	-71,2	-68,4	-65,0	-68,0	-71,8	-70,2	-57,4	-52,7	-63,0	-52,3	-50,7	Aug	-47,8	...
Industrial production (y-o-y)	3,0	-2,5	1,4	2,5	1,0	-1,0	5,1	2,0	3,8	2,5	9,5	3,0	4,2	1,6	4,5	-0,6	1,6	Jul	1,9	...
Manufacturing production (y-o-y)	6,7	-0,6	-0,5	2,1	1,8	1,2	7,8	5,3	2,2	4,2	6,2	2,7	3,1	3,5	3,8	1,9	1,6	Jul	4,1	...
Capacity Utilization (15-yr. average: 70,7)	67,1	67,0	62,0	65,2	65,3	65,9	66,4	67,5	69,6	67,4	68,2	68,7	71,1	70,1	69,5	71,4	70,9	Jun	69,8	...
Industrial confidence (15-yr. average: -9,2)	-9,1	-14,0	-26,6	-16,6	-16,6	-9,4	-9,5	-6,2	-6,1	-7,8	-5,6	-7,8	-2,4	-2,8	-4,6	0,7	-1,4	Aug	6,3	...
PMI Manufacturing (base=50)	48,5	47,1	37,5	48,5	45,4	49,1	49,5	49,4	48,7	49,2	47,0	49,4	51,8	52,5	50,2	55,4	53,5	Aug	53,9	...
Construction permits (y-o-y)	29,2	-5,6	-22,4	5,9	-0,3	-11,9	-30,9	38,2	-9,4	-6,9	16,1	32,0	5,7	26,7	19,3	1,0	...	May	13,8	...
Construction confidence (15-yr. average: -34,1)	-33,9	-44,8	-60,9	-48,5	-47,0	-37,1	-41,6	-55,9	-55,0	-47,4	-51,6	-58,8	-41,9	-54,1	-51,6	-50,2	-47,2	Aug	-45,1	...
PIP Disbursements (y-o-y)	-40,9	-57,6	-21,0	43,9	-2,8	7,0	18,0	35,8	-14,9	-1,8	-36,9	-24,9	-37,0	15,7	-5,4	-4,9	12,2	Jul	34,5	...
Stock of finished goods (15-yr. average: 12,6)	13,0	15,0	17,4	15,3	15,2	12,5	11,1	14,9	12,2	12,7	10,7	11,8	12,7	10,3	11,4	6,1	3,8	Aug	3,8	...
<b>External sector (period average)</b>																				
Current account balance (% of GDP)	-1,9	-0,4	3,1	-1,0	-0,2	-1,5	-0,3	2,2	-1,4	-1,1	-1,6	-0,2	2,6	-1,6	-0,8	-1,5	-0,5	Jun	-1,1	-1,2
Current account balance (EUR mn)	-3295	-750	5482	-1841	-404	-2560	-608	3822	-2526	-1872	-2783	-427	4575	-2780	-1414	-2822	-943	Jun	210	...
Services balance, net (EUR mn)	1297	4757	9062	1816	16932	716	3776	8641	2179	15311	1006	4212	9864	2351	17434	885	4748	Jun	2585	...
Primary Income Balance, net (EUR mn)	477	-575	-185	699	416	759	-184	-636	57	-3	951	-233	-450	-177	91	958	-545	Jun	-384	...
Merchandise exports – non-oil (y-o-y cum.)	10,0	7,5	4,2	1,9	1,9	-1,1	-2,5	0,1	1,4	1,4	8,5	9,5	8,7	9,6	9,6	14,4	13,1	Jun	13,7	...
Merchandise imports – non-oil (y-o-y cum.)	4,6	-1,6	-7,4	-7,8	-7,8	-3,3	-2,8	3,8	3,2	3,2	7,2	6,4	6,6	8,1	8,1	8,7	9,9	Jun	9,3	...
Gross tourism revenue (y-o-y)	10,5	9,6	4,7	-4,4	5,2	3,8	-10,7	-7,9	7,5	-6,8	-8,4	9,4	12,6	11,1	11,1	14,3	20,7	Jun	16,5	...
International tourist arrivals (y-o-y)	45,6	15,0	2,6	-2,1	7,1	-6,2	-0,2	6,5	15,9	5,1	-1,8	9,0	12,2	5,9	9,7	12,8	20,7	Jun	22,3	...
<b>Employment</b>																				
Unemployment rate	25,9	25,0	24,7	24,3	25,0	24,1	23,5	23,3	23,3	23,5	22,7	21,5	20,9	21,0	21,5	20,5	19,4	Jun	19,1	19,5
Employment growth (y-o-y)	0,7	2,3	2,4	3,0	2,1	2,9	2,2	1,9	0,4	1,9	1,5	2,4	2,4	2,4	2,2	1,7	1,8	Jun	2,2	1,8
<b>Prices (y-o-y period average)</b>																				
Headline inflation	-2,4	-2,1	-1,8	-0,6	-1,7	-0,9	-0,9	-1,0	-0,4	-0,8	1,4	1,3	1,0	0,8	1,1	-0,1	0,5	Aug	1,0	0,6
Core inflation	-0,7	-0,9	-0,5	0,3	-0,5	0,2	0,3	-0,3	-0,7	-0,1	-0,4	0,2	0,4	0,4	0,2	0,2	0,1	Aug	0,0	0,1
Producer prices excl.energy	-0,1	0,2	0,2	-0,2	0,0	-0,6	-0,8	-0,9	-0,6	-0,7	0,4	0,3	0,6	0,5	0,5	0,2	...	May	0,2	...
<b>Fiscal policy</b>																				
Gov. balance as % of GDP (Programme definition)	...	...	...	...	-3,0	...	...	...	...	0,7	...	...	...	...	1,1	...	...	...	...	0,2*
Government debt as % of GDP	...	...	...	...	176,8	...	...	...	...	180,8	...	...	...	...	178,6	...	...	...	...	183,1*
Revenues – Ordinary budget (cum. % change)	-1,8	-5,7	-6,7	-0,8	-0,8	4,3	6,9	9,7	7,6	7,6	0,4	-1,1	0,4	-0,2	-0,2	3,7	2,3	Jul	2,0	...
Expenditure – Ordinary budget (cum. % change)	-2,2	-6,7	-5,3	0,2	0,2	-2,3	2,7	1,5	0,7	0,7	-0,8	-3,2	-4,7	-1,9	-1,9	-8,5	2,0	Jul	0,7	...
<b>Monetary sector (y-o-y, end of period)</b>																				
Deposits of domestic private sector	-15,1	-26,0	-26,6	-23,5	-23,5	-12,0	0,5	1,6	3,4	3,4	3,1	3,4	4,6	4,7	4,7	6,3	7,5	Jul	7,4	...
Loans to private sector (incl. sec. & bond loans)	-2,5	-1,7	-1,5	-2,0	-2,0	-2,1	-2,0	-1,6	-1,5	-1,5	-1,3	-1,3	-0,8	-0,8	-0,8	-1,0	-1,2	Jul	-1,5	...
Mortgage loans (including securitized loans)	-3,3	-3,4	-3,5	-3,5	-3,5	-3,4	-3,4	-3,4	-3,5	-3,5	-3,3	-3,2	-2,9	-3,0	-3,0	-3,0	-3,0	Jul	-3,0	...
Consumer credit (including securitized loans)	-2,5	-2,3	-2,8	-2,3	-2,3	-1,7	-1,5	-0,7	-0,8	-0,8	-0,7	-0,7	-0,5	-0,5	-0,5	-0,6	-0,6	Jul	-1,0	...
<b>Interest rates (period average)</b>																				
10-year government bond yield	10,0	11,6	10,8	7,9	10,1	9,5	8,2	8,2	7,5	8,3	7,2	6,1	5,5	5,1	6,0	4,1	4,2	Aug	4,2	...
Spread between 10 year and bunds (bps)	967	1112	1011	730	955	919	805	823	733	820	689	577	502	469	559	346	376	Aug	384	...
<b>Exchange rates (period average)</b>																				
USD/Euro	1,13	1,11	1,11	1,10	1,11	1,1	1,13	1,12	1,08	1,11	1,07	1,1	1,18	1,18	1,13	1,23	1,19	Aug	1,15	...

\* according to Medium Term Fiscal Strategy 2019-2022. In 2018 public debt as % of GDP includes government cash buffer

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



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