



NOTE ON THE GREEK ECONOMY

June 14, 2024

Economic Analysis and Research Department

Recent Economic Developments: an overview

Economic activity continued to expand at a satisfactory pace in 2024:Q1 (2.1% y-o-y), outperforming the euro area average. Easing energy prices drove down **inflation** in late 2022 and in the course of 2023, to 3.1% in 2024:5M. In the **housing market**, residential prices continued to increase at an accelerating pace in 2022 and in 2023. **Labour market developments** remained positive, with employment rising, though at a decelerating rate. The **current account deficit** narrowed significantly in 2023, after the widening in 2022, but registered a deterioration in the first quarter of 2024. The 2023 primary fiscal outcome came in at a surplus of 1.9% of GDP, significantly larger than the 1.1% target, due to higher tax revenue as well as lower primary spending. The debt to GDP ratio decreased by 10.8 pp compared to 2022 to 161.9% of GDP on account of economic growth and elevated inflation. Since its peak in late 2022, **corporate bank credit growth** has moderated owing to lower loan demand but remains reasonably strong. The growth rate of **private sector deposits** continued to slow, under the negative impact of inflation, weaker corporate credit growth and substitution of deposits by other saving options. After rising notably since the second half of 2022, **bank lending rates** remain high. **Government bond yields** have retreated as the impact of higher interest rates was tempered by Greece's sovereign credit rating upgrades to the Investment Grade.

Looking ahead, according to the latest ECB staff macroeconomic projections (March 2024), growth is expected to accelerate marginally in 2024 and 2025 mainly driven by investment, supported by available European resources, and private consumption. Inflation is expected to further decelerate in 2024 to 2.8% on the back of further declines in the inflation rates of food, non-energy industrial goods and services. The **fiscal stance** in 2024 is expected to be slightly expansionary, on the back of increased investment expenditure financed by the RRF.

Risks: A deterioration of the geopolitical crisis in Ukraine and in the Middle East is a major downside risk to the growth outlook as it raises uncertainty and places upward pressure on energy prices.

Latest economic information - available in the last two weeks

Economic Activity

- **Real GDP** increased by 2.1% y-o-y (0.7% q-o-q) in 2024:Q1 mainly due to the positive contribution of private consumption (+1.6 pp), as well as gross fixed capital formation (+0.4 pp). By contrast, the contribution of the external sector to growth was negative due to the decline in exports of goods and the rise in imports of goods and services. Exports of services continued growing.
- The May 2024 **PMI** (54.9, from 55.2 in April) continued to signal a strong improvement in the manufacturing sector on the back of sustained demand growth, despite easing to the slowest for four months amidst supply chain disruptions weighing on the upturn and pushing input costs up. On the price front, inflationary pressures intensified, with both input costs and output prices rising due to greater raw material prices.
- **Industrial production** strongly increased in April 2024 (+10.8% y-o-y) mainly due to the rise in manufacturing production (10.3% y-o-y) and electricity supply (14.0% y-o-y). Industrial production increased by 5.3% y-o-y in 2024:4M.
- **The turnover of enterprises** of the economy as a whole, obliged to double-entry accounting bookkeeping, strongly increased by 16.1% y-o-y in April 2024, with the highest rise in turnover recorded from enterprises in the construction sector (+49.7% y-o-y). In the January-April 2024 period, the turnover of enterprises increased by 5.4% y-o-y.

Prices

- **HICP headline inflation** declined significantly to 2.4% in May 2024 from 3.2% in April as all its components posted lower annual rates.
- **In the commercial real estate sector, prime office prices** increased by 5.0% y-o-y in 2023:H2, while **prime retail prices** increased by 6.7%.

Labour market

- **Employment** increased by 1.8% y-o-y in 2024:Q1, while **the unemployment rate** increased to 12.1%.

Fiscal developments

- In January – April 2024, **the general government cash primary outcome** came in at a surplus of 0.9% of GDP, against a surplus of 0.7% of GDP in January-April 2023, mainly due to higher tax revenue.

Money and Credit

- In April 2024, **bank lending rates** declined for corporate loans but rose slightly for housing loans to households (to stand at 5.85% and 4.33% respectively).

Financial market developments

- **Yields on Greek government bonds** fluctuated broadly in line with other euro area sovereign bonds, as lower-than-expected incoming US inflation figures were offset by the outcome of EU elections and the prospects of fewer rate cuts by major central banks. **Yields on Greek corporate bonds** did not mark significant changes, in line with developments in yields of non-IG euro area corporate bonds. **Greek equity prices** were broadly unchanged, despite the price drop in shares in euro-area markets.

Banks

- On 13 June 2024, **Moody's upgraded the ratings it assigns to Eurobank's senior unsecured debt** by two notches to Baa2 (equiv. to BBB) from Ba1. This constitutes an upgrade of the ratings assigned to Eurobank's bonds to the Investment Grade.
- **Alpha Bank issued a new 10.25-year Subordinated Tier 2 note** callable in 5.25 years with a coupon rate of 6.0% (yield 6.125%), raising €500 mn.
- Yields on Greek senior bank bonds were broadly unchanged, and those of subordinated bonds declined, while yields of euro area peers rose somewhat.

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SUMMARY OF ECONOMIC DEVELOPMENTS AND OUTLOOK

	2021	2022	2023	2023				2024	2023								2024					
				Q1	Q2	Q3	Q4	Q1	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	
GDP, % y-o-y	8.4	5.6	2.0	1.9	2.7	2.1	1.3	2.1	-	-	-	-	-	-	-	-	-	-	-	-	-	
Exports, % y-o-y	24.2	6.2	3.7	9.1	1.4	2.8	1.6	-5.7	-	-	-	-	-	-	-	-	-	-	-	-	-	
Industrial production, % y-o-y	10.1	2.4	2.3	2.2	1.1	-0.1	6.0	3.5	-3.0	-1.7	-0.2	1.8	10.3	3.3	4.5	10.2	1.9	-0.6	10.8	...	...
Retail sales volume, % y-o-y	10.2	3.3	-3.3	-2.6	-4.4	-3.2	-3.1	-4.7	-7.8	-2.9	-3.3	-3.4	-6.1	-4.3	0.8	-9.3	-9.5	5.2	...	...	...
PMI (50=no change)	56.2	51.8	51.6	51.2	51.9	52.2	51.0	55.8	51.8	53.5	52.9	50.3	50.8	50.9	51.3	54.7	55.7	56.9	55.2	54.9	...	
ESI (average=100)	105.9	104.8	107.6	106.6	108.2	109.8	105.6	106.9	109.3	110.5	111.4	107.5	105.4	105.4	105.9	107.3	104.9	108.5	108.6	111.0	...	
HICP, % y-o-y	0.6	9.3	4.2	6.4	3.8	3.1	3.5	3.2	2.8	3.5	3.5	2.4	3.8	2.9	3.7	3.2	3.1	3.4	3.2	2.4	...	
Total employment, % y-o-y	1.4	5.4	1.3	1.3	1.7	1.0	1.2	1.8	0.6	3.1	1.7	1.7	3.7	1.2	2.7	4.2	4.9	3.8	4.2	...	...
Unemployment rate, %	14.7	12.4	11.1	11.8	11.2	10.8	10.5	12.1	11.2	11.1	11.1	10.9	10.8	11.0	10.7	11.3	11.6	10.8	10.8	...	...
Current Account, bn	-12.3	-21.2	-14.0	-3.9	-4.2	1.0	-6.8	-4.2	-0.7	0.8	0.5	-0.3	-1.3	-3.3	-2.3	1.7	-1.8	-2.7	...	...	...
(% of GDP)	-6.8%	-10.3%	-6.3%																	...	...
Gen. Gov. primary balance (% of GDP - Qcumulatively)	-4.5	0.0	1.9	-1.5	-0.3	1.2	1.9	...	-	-	-	-	-	-	-	-	-	-	-	...	...
Public Debt (% of GDP - Qcumulatively)	195.0	172.7	161.9	161.5	162.6	163.5	161.9	...	-	-	-	-	-	-	-	-	-	-	-	...	...
Bank deposits, private, % y-o-y	9.9	4.8	3.0	4.5	3.5	3.4	3.0	2.6	3.5	3.4	3.4	3.4	2.5	2.4	3.0	2.7	3.0	2.6	2.8	...	...
Bank credit to NFCs, % y-o-y	3.7	11.8	5.8	10.6	5.8	4.7	5.8	6.6	5.8	3.1	2.4	4.7	5.0	5.1	5.8	5.0	6.2	6.6	6.9	...	...
Bank credit to HHs, % y-o-y	-2.4	-2.5	-2.0	-2.5	-2.7	-2.3	-2.0	-1.4	-2.7	-2.6	-2.4	-2.3	-2.2	-2.3	-2.0	-1.9	-1.7	-1.4	-1.1	...	...
10y GR yield, %	1.31	4.59	3.08	4.26	3.72	4.36	3.08	3.29	3.72	3.78	3.79	4.36	4.16	3.71	3.08	3.24	3.39	3.29	3.47	3.66	3.66	

Economic Activity

- **The economy continued growing in 2024:Q1, at a stronger pace compared to 2023:Q4, mainly due to the rise in private consumption and gross fixed capital formation. By contrast, the contribution of the external sector to growth was negative.**
- **Soft data** (PMI, ESI) improved in 2024:5M; they remain at relatively high levels compared to the euro area.
- **Hard data** provide a mixed picture. Most indicators continue to move in positive territory (industrial production, construction, tourism, employment). Retail sales and goods exports show emerging signs of weakness.

Prices and real estate market

- **HICP inflation** followed a declining path in the first half of 2023 and oscillated in the second half, declining from 7.3% in January 2023 to 3.7% in December. In the first five months of 2024, average inflation declined further to 3.1%. In May 2024, headline inflation declined to 2.4%, from 3.2% in April. This development is attributed to lower annual rates of change for all its components.
- The positive trend of **real estate prices** continued in 2023, especially in the residential market, with apartment prices increasing by 13.8%, from 11.9% in 2022. In 2024:Q1, apartment prices continued to increase at a strong, though decelerating, rate (10.4% y-o-y).

Labour market and costs

- **Employment growth continued to improve in 2024:Q1, even though the unemployment rate increased by 0.3 percentage points compared to 2023:Q1.**
- **Total employment** growth remained positive in 2024:Q1 largely due to higher demand for labour in the tourist, financial, construction, and manufacturing sectors. LFS monthly data for April 2024 show that employment continued to increase at a moderate pace, while the unemployment rate (sa) remained constant compared to the previous month.
- **Net flows of dependent employment in the private sector** increased much more in 2023 compared to 2022. In the first four months of 2024, net flows of dependent employment in the private sector were positive and slightly higher compared to the corresponding period of 2023.

External Balances, Competitiveness

- The **current account** deficit registered a small increase in the first quarter of 2024 y-o-y, owing to a deterioration in the balance of goods and in the primary income account, which was partly offset by an improvement mainly in the secondary income account and, to a lesser extent, in the services account.

- The nominal effective exchange rate appreciated further in 2024:Q1 for the fifth consecutive quarter. Nevertheless, the unit labour cost competitiveness indicator recorded a marginal improvement during 2023:Q2 and deteriorated in 2023:H2 due to wage increases, while the price competitiveness indicator posted a further deterioration in 2024:Q1, despite the fact that price differentials remained favourable for Greece.

Fiscal developments

- The 2023 **general government primary outcome** recorded a surplus of 1.9% of GDP against a balanced primary outcome in 2022. It also outperformed the projection included in 2024 Budget (1.1% of GDP), mainly on account of higher than expected tax revenues as well as contained primary expenditure. The debt to GDP ratio decreased to 161.9% in 2023 from 172.7% of GDP in 2022 (lowest since 2010) due primarily to the denominator effect. In nominal terms public debt marginally decreased by €0.1bn for the first time since 2019.
- Both indicators are expected to further improve in 2024 primarily on the back of economic growth.

Money and Credit

- During 2023, **private sector deposit growth** continued to decelerate under the impact of decelerating bank corporate credit growth, high inflation and, more recently, high opportunity costs of bank deposits.
- **Corporate bank credit growth** slowed significantly during 2023 amid higher interest rates and weakening economic growth but in the last months it has rebounded. **Bank loans to households** continue to decline due to deleveraging in housing loans.
- **Bank lending rates** have recorded substantial increases in 2023, especially for corporate loans, following the tightening of the single monetary policy. Lending rates to firms seem to have stabilized lately at relatively high levels.

Financial markets

- In 2023, **the sovereign credit rating of Greece returned to Investment Grade**, thanks to the continuous fiscal and economic over-performance of the Greek economy.
- **Greek government bond yields** decreased in 2023 more than yields of other euro area sovereign bonds due to the credit rating upgrades of the sovereign; in 2024-to-date GGB yields have risen, as a result of the outlook of higher policy interest rates.
- **Greek shares** posted a strong positive return in 2023; in 2024-to date, share prices follow an upward trend.

Other information

- In August 2023 Greece submitted a request to the European Commission to modify its Recovery and Resilience Plan (RRP). At the core of the revision is the addition of a REPowerEU chapter including a new package of investments and reforms with European funding of €795 mn, as well as a request for additional loans of €5 bn. These additional funds make up the submitted modified plan worth €18.22 bn in grants and €17.73 bn in loans, that is €36 bn in total. The revised plan also incorporates a redistribution of funds to cover repairs in key infrastructure damaged by the recent natural disasters. The revised plan was approved by the European Commission in November 2023.

Latest published projections

Latest BoG projections¹

(year-on-year % changes)	2022	2023	2024 ^f	2025 ^f	2026 ^f
Real GDP	5.6	2.0	2.2	2.5	2.3
Private consumption	7.4	1.8	1.8	2.0	1.9
Government consumption	2.1	1.7	0.1	-0.4	0.1
Gross fixed capital formation	11.7	4.0	7.4	10.0	8.1
Exports (goods and services)	6.2	3.9	3.3	3.9	4.1
Imports (goods and services)	7.2	2.2	3.2	3.8	4.0
HICP (non-SA)	9.3	4.2	3.0	2.3	2.2
HICP excluding food & energy (non-SA)	4.6	5.3	3.3	2.4	2.4
Total employment	2.5	1.0	1.5	1.6	1.6
Unemployment rate (% of labour force)	12.5	11.1	10.5	9.6	8.7
Current account (% of nom.GDP)	-10.3	-6.3	-6.0	-5.3	-5.1

Source: ELSTAT and Bank of Greece.

1. June 2024 BMPE projections.

f:forecasts

According to our latest forecasts (June 2024 BMPE), the growth rate of the Greek economy in 2024 is expected to stand at 2.2%, to accelerate in 2025 to 2.5% and to decline slightly to 2.3% in 2026. Investment, private consumption and exports will continue to be the key drivers of the economy in the coming years. The contribution of public consumption is expected to be marginally negative, while the external sector will be marginally negative due to the high degree of dependence of the Greek economy on imports.

Private consumption will grow on average by 1.9% over the projection horizon supported by a strengthening of households' real disposable income, as employment continues to recover, wages are expected to grow and inflation declines.

Investment is expected to continue to increase at a high rate, on average by 8.5% over the projection horizon, largely supported by available European resources. These resources, combined with high liquidity in the banking sector, are expected to attract additional private capital. The high growth rates of investment also reflect an improvement in the economic climate, particularly after Greece's upgrade to the investment grade, and the significant underinvestment of the last decade.

Total exports of goods and services are expected to continue to grow on average by 3.8% in the coming years. Exports of goods are expected to increase by 4.8% throughout the projection, in line with external demand, while exports of services are also projected to continue to grow but at a slightly lower rate at 2.6%, supported by tourism and shipping. However, the contribution of the external sector to GDP will be marginally negative in the coming years due to the strong investment activity that is expected to increase imports.

The unemployment rate is projected to stand at 10.5% in 2024 and will continue to de-escalate rapidly and reach 8.7% in 2026. Compensation per employee will increase at a rate of around 5% per year, mainly due to the tightening of the labour market. Labour productivity is expected to grow at a lower rate than compensation per employee, putting upward pressure on ULC growth.

Inflation, based on the Harmonised Index of Consumer Prices (HICP), will decline significantly over the next two years. In 2024, it is expected to stand at 3.0%, down from 4.2% in 2023, reflecting the sharp decline in energy commodity prices and the de-escalation of food inflation. By the end of the projection horizon inflation will converge towards the European Central Bank's target but will remain above it.

The risks surrounding the growth projections are mainly downward and related with (a) any deterioration of the geopolitical crisis in Ukraine and the Middle East and the resulting impact on the international economic environment, (b) a lower than expected rate of absorption and utilisation of the Recovery and Resilience Facility funds, (c) potential natural disasters linked to the effects of the climate crisis, (d) the intensifying tightness in the labour market and (e) the delay in implementing reforms that would slow

down the process of enhancing the productivity of the economy and the competitiveness of enterprises. The Greek economy will be positively affected if tourism revenues again exceed expectations.

Supportive EU and ECB policies and measures

- Over the period 2021-2027, Greece is entitled to receive more than €70 bn of **EU funds**. About half of these funds (€36 bn) are related to the EU Recovery Plan (NGEU). The rest is structural funds from the EU budget 2021-2027.
- **NGEU funds** are targeted at growth-enhancing high value-added projects in the areas of energy saving, the transition to green energy, the digital transformation of the public and the private sector, employment, social cohesion, and private investment.
- According to BoG estimates, full execution of the **EU Recovery Plan** will contribute to a significant increase of 7% in real GDP by 2026, primarily due to the increase in total investment and total factor productivity. At the same time, it will contribute to the increase of employment, private investment, exports and tax revenue.
- **The implementation of the reforms associated with the NGEU** is projected to bring about a permanent increase of real GDP and total factor productivity (in the course of ten years).

Key Challenges

Short-term economic policy challenges:

- Controlling inflation.
- Accelerating investment, in part by mobilizing available European resources.
- Addressing emerging labour market shortages and skills mismatch.
- Designing climate adaptation strategies and disaster preventive measures.
- Ensuring energy security through investment in clean energy.
- Maintaining fiscal sustainability.
- Efficiently managing non-performing loans.

Medium to long-term economic policy challenges:

- Maintaining primary surpluses over an extended horizon to ensure public debt sustainability.
- Implementing structural reforms to support long-term growth.
- Addressing the current account deficit through the strengthening of the Greek economy's competitiveness.
- Stepping up the pace of the privatisation and reforms programme and continuing to improve the management of state assets in order to attract foreign direct investment.
- Promoting innovation, education and knowledge-based capital.

BACKGROUND INFORMATION

1. ECONOMIC ACTIVITY

Table 1.1: National accounts data

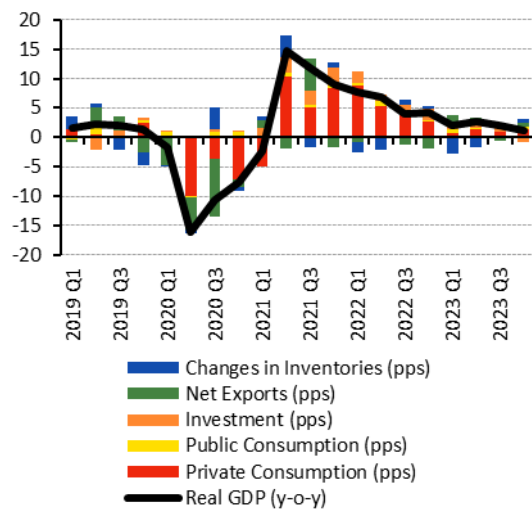
% y-o-y	2022	2023	2023			2024
			Q2	Q3	Q4	Q1
1. GDP	5.6	2.0	2.7	2.1	1.3	2.1
-Private consumption	7.4	1.8	2.1	1.4	2.0	2.2
-Gov. expenditure	2.1	1.7	0.8	-0.9	1.9	-4.0
-Gross fixed capital formation	11.7	4.0	9.3	5.1	-5.5	2.9
-Exports	6.2	3.7	1.4	2.8	1.6	-5.7
-Imports	7.2	2.1	0.1	4.1	0.0	3.1
2. Gross Value Added	4.7	1.2	1.5	0.1	0.4	1.0
-Services	6.0	1.6	2.2	0.5	1.1	0.8
3. Private sector savings*	10.1	8.4	9.8	8.8	8.4	...
4. Real disposable income	1.0	2.5	3.7	-2.3	3.9	...

* Savings of households and non-financial companies, as a % of GDP, annualized data.

Source: ELSTAT.

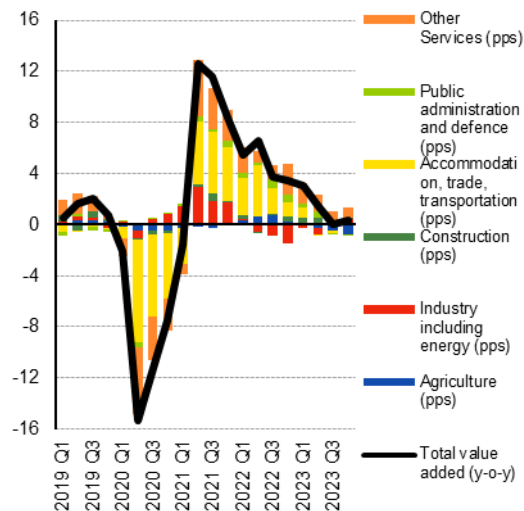
- **Economic activity** continued growing in 2024:Q1, at a higher pace compared to 2023:Q4, mainly due to private consumption and gross fixed capital formation.
- **Gross fixed capital formation** increased in 2024:Q1, largely on account of the rise in investment in other construction (10.6% y-o-y) and in machinery and equipment (6.8% y-o-y).
- **Output** (as measured by gross value added) increased in 2024:Q1 due to the good performance of industry, construction and services. By contrast, gross value added in agriculture declined sharply.
- **Savings of the non-financial private sector declined for a second consecutive year to reach 8.4% of GDP in 2023**, from 10.1% in 2022. Households' dissaving has moderated to some extent while NFCs' savings have lost momentum, remaining though much higher compared to their pre-pandemic levels (2017-2019: 8.3% of GDP). The good performance of the tourist and construction sectors, among other things, fuelled corporate profits lately. In addition, RRF grant disbursements further boosted business savings. By contrast, the withdrawal of the Covid-19 and of the energy support measures, the continued easing of pent-up demand, and the repayment of the debt/tax liabilities weighed heavily on household savings, keeping them in negative territory, albeit slightly better than the negative average of the pre-pandemic three-year period (2017-2019: -2.4% of GDP).
- In 2023, nominal **disposable income of households** increased by 7.3% mainly due to the positive contribution of labour income, i.e. compensation of employees and self-employed income, as well as property income, while real disposable income of households rose by much less, by 2.5% reflecting the effect of elevated inflation.

Chart 1: Real GDP growth decomposition
(percent contribution)



Source: ELSTAT, Quarterly National Accounts, March 2024.

Chart 2: Gross value added by sector of economic activity
(percent contribution)



Source: ELSTAT, Quarterly National Accounts, March 2024.

Table 1.2: Monthly Conjunctural Indicators

	2020	2021	2022	2023	2023								2024					2024
					June	July	Aug	Sept	Oct	Nov	Dec		Jan	Feb	Mar	Apr	May	y-t-d
1. ESI (average=100)	95.1	105.9	104.8	107.6	109.3	110.5	111.4	107.5	105.4	105.4	105.9	107.3	104.9	108.5	108.6	111.0	...	...
-Consumer confidence	-32.5	-35.4	-50.7	-40.0	-31.0	-28.6	-35.4	-45.0	-44.7	-45.6	-40.3	-46.3	-47.2	-44.7	-41.7	-43.8	...	...
2. PMI (50=no change)	46.6	56.2	51.8	51.6	51.8	53.5	52.9	50.3	50.8	50.9	51.3	54.7	55.7	56.9	55.2	54.9	...	...
3. Industrial Production, % y-o-y	-2.0	10.1	2.4	2.3	-3.0	-1.7	-0.2	1.8	10.3	3.3	4.5	10.2	1.9	-0.6	10.8	...	...	5.3
-Manufacturing Production, % y-o-y	-1.5	9.0	4.6	4.2	-0.1	1.0	1.8	-0.8	9.3	2.9	5.1	5.2	2.5	-2.3	10.3	...	...	3.8
4. Turnover of enterprises, % y-o-y	-9.9	21.6	36.0	-2.8	-8.7	-6.7	-10.5	-12.8	-3.8	2.2	-13.2	-1.5	9.7	-2.0	16.1	...	...	5.4
5. Building permits, % y-o-y	5.9	45.9	-2.2	15.9	26.7	18.5	17.4	27.6	37.8	25.9	-12.7	9.6	75.6	...	...	...	...	38.6
6. Retail sales volume, % y-o-y	-4.0	10.2	3.3	-3.3	-7.8	-2.9	-3.3	-3.4	-6.1	-4.3	0.8	-9.3	-9.5	5.2	...	...	...	-4.7
7. New car registrations, % y-o-y	-26.6	22.2	6.7	16.5	8.6	6.9	13.1	22.3	36.0	23.7	22.1	9.4	18.5	-7.0	28.9	-0.1	...	8.7
8. Tourist arrivals, % y-o-y	-78.2	105.9	96.0	17.6	17.9	15.8	10.4	12.7	14.0	27.5	32.0	16.0	26.0	31.2	...	...	...	24.5
9. Travel receipts, % y-o-y	-76.2	143.2	68.3	15.7	17.2	15.1	5.2	14.6	10.2	18.9	41.5	27.1	22.2	34.2	...	...	...	28.2

Sources: ESI, Consumer confidence (European Commission), PMI (Markit Economics), Industrial production, Manufacturing production, Turnover of Enterprises, Building permits, Retail sales, New car registrations (ELSTAT), Frontier Survey of the Bank of Greece (for tourist arrivals and travel receipts).

Soft data registered an improvement in 2024:5M; they remain at relatively high levels compared to the euro area.

- The **Economic Sentiment Indicator (ESI)** increased further in May due to an improvement in business expectations in all sectors, even though consumer confidence deteriorated slightly.
- The May 2024 **PMI** (54.9, from 55.2 in April) continued to signal a strong improvement in the manufacturing sector on the back of sustained demand growth, despite easing to the slowest for four months amidst supply chain disruptions weighing on the upturn and pushing input costs up. On the price front, inflationary pressures intensified, with both input costs and output prices rising due to greater raw material prices.

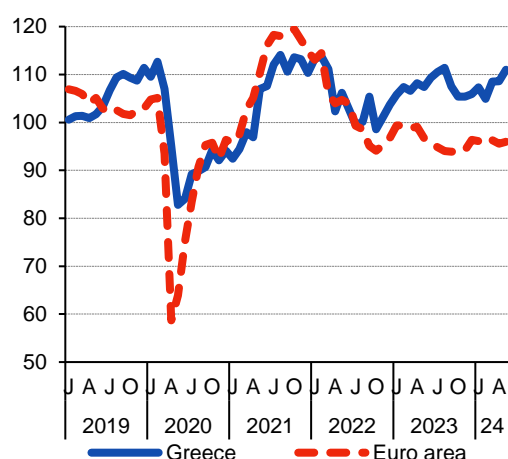
Hard data point to a mixed picture:

- A **recovery of the industrial sector** has been underway since November 2020. Industrial production strongly increased in April 2024 mainly due to the rise in manufacturing production.
- **Manufacturing production** sharply increased in April 2024 due to a broad based rise across most

sectors, and in particular in “food and beverages”, “coke and refined petroleum products”, “chemicals and chemical products”, “basic pharmaceutical products and pharmaceutical preparations”, “other non-metallic mineral products” and “fabricated metal products” sectors.

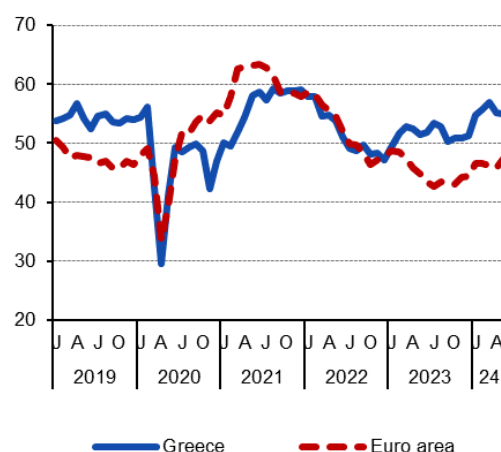
- **The turnover of enterprises** increased sharply in April 2024, with the highest rise registered in the construction sector.
- **The volume of building permits** strongly increased in February 2024 and in the first two months of the year suggesting rising building activity.
- **The retail sales volume index** increased in March 2024 after two months of sharp decline, mainly due to increased sales in food stores.
- **New private passenger car registrations** stabilised in May, but had increased in the January-May period largely reflecting a rise in corporate car sales.
- **Both tourist arrivals and receipts** increased in 2024:Q1 by 25% and 28% y-o-y, respectively. Tourism in Greece made a significant stride towards a complete recovery to pre-pandemic levels in 2023, while incoming tourist activity data for 2024 indicate a double-digit increase.
- **International arrivals at Greek airports** increased by 15% y-o-y in the period January-April 2024, while international arrivals at the Athens International Airport increased by 21% y-o-y in the period January-May 2024.

Chart 3: Economic Sentiment Indicator (average=100)



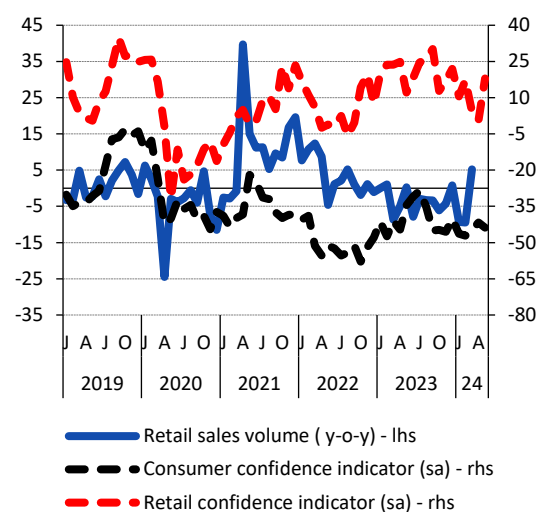
Source: European Commission.

Chart 4: Purchasing Managers Index (PMI; 50 = no change)



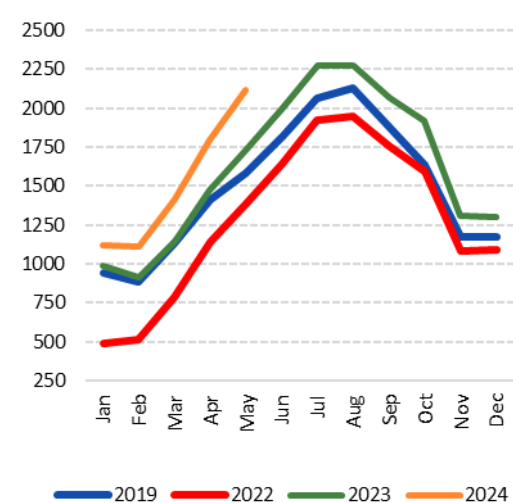
Source: S&P Global.

Chart 5: Retail sales, retail sales confidence and consumer confidence indicators
(annual percentage change and balances)



Sources: ELSTAT (for volume of retail sales) and European Commission (for retail confidence and consumer confidence indicators).

Chart 6: International arrivals at Athens International Airport
(in thousand travelers)



Source: Athens International Airport (AIA).

2. PRICES AND REAL ESTATE MARKET

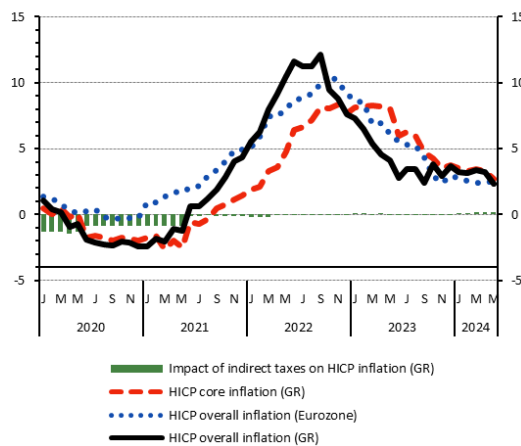
Table 2.1: Prices

% y-o-y, nsa data	2022	2023	2023				2024				
			Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
1. HICP Headline	9.3	4.2	2.4	3.8	2.9	3.7	3.2	3.1	3.4	3.2	2.4
- Energy	41.0	-13.4	-18.3	-6.8	-7.2	-4.0	-6.5	-2.8	-1.0	-1.4	-1.8
- Unprocessed food	10.1	11.1	12.8	14.2	11.1	12.3	11.5	8.3	7.2	6.9	2.2
2. HICP Core	5.7	6.2	4.7	4.2	3.5	3.8	3.5	3.3	3.5	3.3	2.7
- Processed food	9.5	9.3	6.3	6.5	6.1	5.6	5.3	4.7	3.7	3.9	2.5
- Non-energy industrial goods	5.0	6.4	4.4	3.6	3.4	2.6	2.6	1.7	2.1	1.8	1.5
- Services	4.5	4.5	3.8	3.4	2.4	3.6	3.3	3.5	4.0	3.7	3.3
3. PPI - Domestic market	33.5	-6.5	-4.8	-14.7	-9.0	-7.4	-7.9	-6.3	-1.3	-3.2	...
4. Imports Price Index	27.7	-12.3	-9.2	-13.4	-8.6	-8.7	-6.4	-2.8	1.3	2.0	...

Source: ELSTAT and Bank of Greece computations.

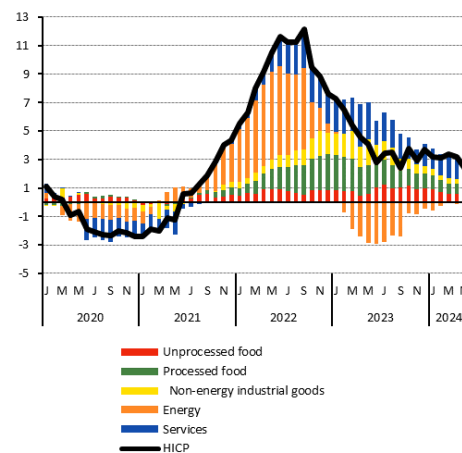
- **HICP headline inflation** steadily declined in the first half of 2023 and oscillated in the second half. In the first five months of 2024, average inflation declined further to 3.1%. In May 2024, it declined to 2.4% from 3.2% in April, due to lower annual rates of change in all its components.
- **Core inflation** (HICP excluding energy and unprocessed food) remains relatively high and persistent. In May 2024, core inflation declined to 2.7% from 3.3% in April, due to lower inflation rates in all its three components.
- **PPI inflation** for the domestic market has turned negative since March 2023 mainly because of deflationary rates in the energy sub-index.
- **Import prices** inflation had also been negative since February 2023, reflecting the reversal of energy prices. Nevertheless, in March 2024 import price inflation returned to positive territory being thus in line with the import prices energy sub-index which also turned positive after 14 consecutive months.

Chart 7: HICP Inflation
(percent, y-o-y)



Sources: ELSTAT and Bank of Greece calculations.

Chart 8: HICP inflation and main contributions



Source: ELSTAT and Bank of Greece calculations.

Real Estate Market

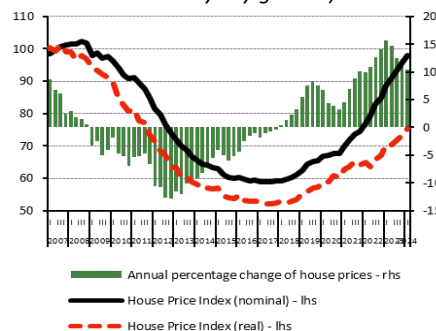
2.2 Real estate market

	2021	2022	2023	2022		2023		2023				2024
% y-o-y				H1	H2	H1	H2	Q1	Q2	Q3	Q4	Q1
1. Residential property												
- Apartment prices	7.6	11.9	13.8	10.4	13.4	15.2	12.4	15.6	14.8	12.5	12.4	10.4
- Residential Investment	27.3	33.7	20.7	14.8	52.4	47.2	0.2	48.4	45.9	27.5	-18.9	-14.0
2. Commercial property												
- Prime office prices	1.7	3.6	5.9	2.2	4.9	6.8	5.0	-	-	-	-	-
- Prime retail prices	2.5	6.2	6.9	5.7	6.7	7.2	6.7	-	-	-	-	-
- Office rents	3.9	3.0	6.2	2.3	3.7	6.5	6.0	-	-	-	-	-
- Retail rents	1.1	4.4	5.7	4.3	4.4	6.0	5.5	-	-	-	-	-

Source: Bank of Greece, ELSTAT.

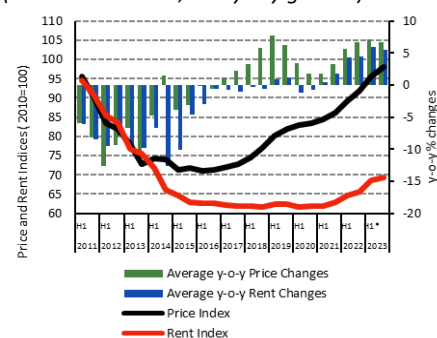
- In 2023, accelerated growth rates were recorded in both **housing and commercial property prices** (prime office and retail), with prime locations and investment property leading the market.
- **Apartment prices** further increased in 2024:Q1 by 10.4% y-o-y, following continuous growth over five consecutive years, registering a cumulative rise of 66.4% since 2017:Q3 (lowest level), although still 4.1% lower compared to their historical peak in 2008:Q3. On the contrary, residential investment (seasonally adjusted ELSTAT data at constant prices) decreased, on an annual basis, by 14.0% in 2024:Q1 and still remains at a low level as a percentage of GDP (1.7%).
- In 2023:H2, **prime office prices** increased by 5.0% y-o-y, and **prime retail prices** increased by 6.7% y-o-y. A notable increase was also recorded in both office and retail rents.

Chart 9: House price index
(index 2007=100 and y-o-y growth)



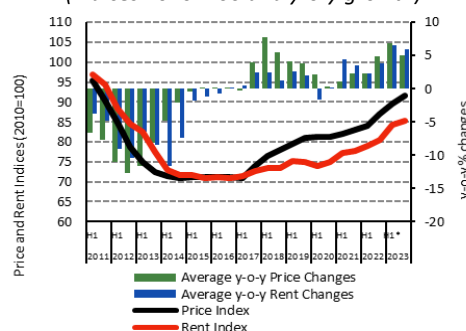
Source: Bank of Greece.

Chart 10: Prime Retail Price and Rent Indices
(indices 2010=100, and y-o-y growth)



Source: Bank of Greece.

Chart 11: Prime Office Price and Rent Indices
(indices 2010=100 and y-o-y growth)



Source: Bank of Greece.

3. LABOUR MARKET AND COSTS

Table 3: Labour market developments

	2023	2023			2024	2024				
		Q2	Q3	Q4	Q1	Feb	Mar	Apr	May	y-t-d
1. Labour Force Survey										
- Total employment (% y-o-y)	1.3	1.7	1.0	1.2	1.8	4.9	3.8	4.2	...	1.8
- Employees (% y-o-y)	0.4	1.3	-0.8	-0.3	1.2	...	...	...	...	1.2
- Self-employed (% y-o-y)	2.0	2.7	3.6	3.1	3.1	...	...	...	...	3.1
- Unemployment rate ¹	11.1	11.2	10.8	10.5	12.1	11.6	10.8	10.8	...	...
- Long-term unemployed (as % of unemployed)	56.0	59.9	60.3	50.8	52.0	...	...	...	...	...
2. ERGANI Information System										
		...								
- Net dependent employment flows in the private sector (thousands)	116.6	247.4	7.2	-195.5	56.2	24.5	63.7	132.4	...	180.6
- Share of part-time and intermittent jobs (% new hirings)	48.6	45.2	52.0	50.6	47.1	48.5	47.0	36.4	...	43.3
3. Registered unemployed (DYPA) (%y-o-y)										
	-4.5	-6.6	-4.8	-3.7	-5.0	-5.2	-5.6	-5.9	...	-5.2
4. Employment Expectations Index										
	110.3	120.4	113.2	115.8	116.3	116.1	117.3	122.6	122.6	...
5. Labour Costs										
- Compensation per employee (% y-o-y)	5.5	5.7	5.9	5.3	4.8	...	...	...	...	...
- Labour productivity (% y-o-y)	1.0	1.6	1.2	0.4	0.6	...	...	...	...	...
- Unit labour cost (% y-o-y)	4.5	4.1	4.7	4.9	4.2	...	...	...	...	...

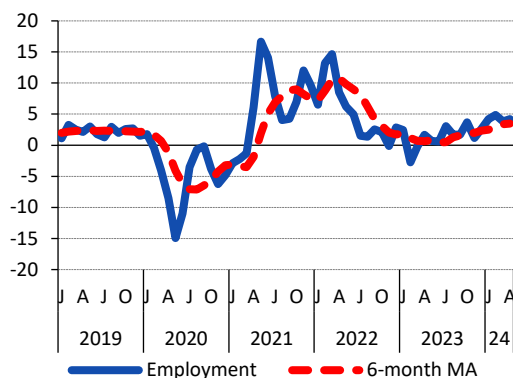
¹ Monthly and quarterly LFS data are not compatible due to the different survey samples.

² Unemployment rate on an annual and quarterly frequency is based on non seasonally-adjusted data, while monthly unemployment rate is based on seasonally-adjusted data.

- **Total employment** rose in 2024:Q1, mainly due to employment growth in construction, tourism, transport and storage sector and financial sector. Latest monthly LFS data suggest that employment growth continued to increase further in April 2024.
- The **unemployment rate** increased in 2024:Q1 by 0.3 percentage points compared to 2023:Q1. The share of long-term unemployed declined by 0.7 percentage points. In April 2024, the unemployment rate (sa) remained constant compared to the previous month.
- **Dependent employment flows in the private sector** (Ministry of Labour, ERGANI Information System) were positive in 2023 and much higher compared to 2022. In April 2024, dependent employment net flows in the private sector were positive due to hirings in hotels and restaurants. In addition, in the first four months of 2024, net flows of dependent employment in the private sector were slightly higher compared to the corresponding period of 2023.
- The **number of registered unemployed (DYPA data)** decreased in April 2024, due to a decline in the number of both long-term and short-term unemployed. The number of those receiving unemployment benefits decreased compared to the previous month.
- The **Employment Expectations Index** (European Commission) increased significantly in May 2024 compared to April 2024, mainly due to an improvement of expectations in retail and services sectors.
- **Unit Labour Costs (ULC)** increased in 2024:Q1, as labour productivity increased at a slower pace than compensation per employee.
- The **ELSTAT Index of Wages** for the total economy increased by 7.5% in 2024:Q1.
- **Outlays for the remuneration of employees in the general government** (incl. social security contributions) rose by 6.2% y-o-y in January-April 2024. They had risen by 3.1% in 2023.
- According to annual accounts data from the **ERGANI information system**, the average monthly earnings stood at €1,251 in 2023, increasing by 6.3% compared to 2022. Accordingly, the number of employees earning more than €900 per month increased. In particular, compared to 2022, the number of employees with salaries between €901-1200 per month increased by 33.3%. Also,

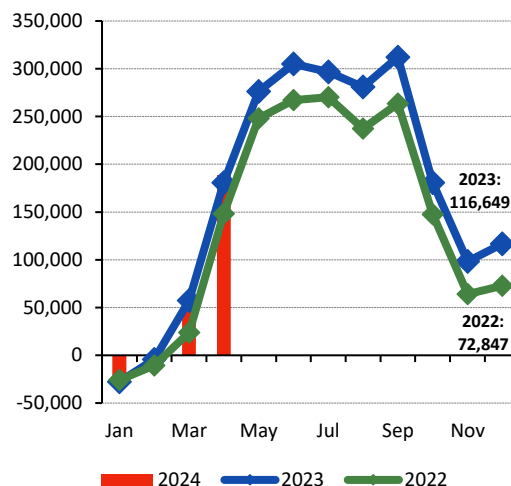
reflecting the rise of the minimum wage to €780, the share of employees earning less than €800 per month (gross) fell to 30.9%, from 37.3% in 2022.

Chart 12: Employment
(y-o-y change)



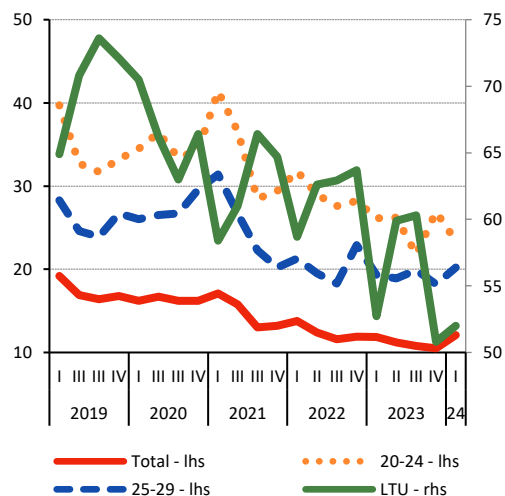
Source: ELSTAT, Labour Force Survey.

Chart 13: Private sector dependent employment flows
(cumulative net flows; in thousands)



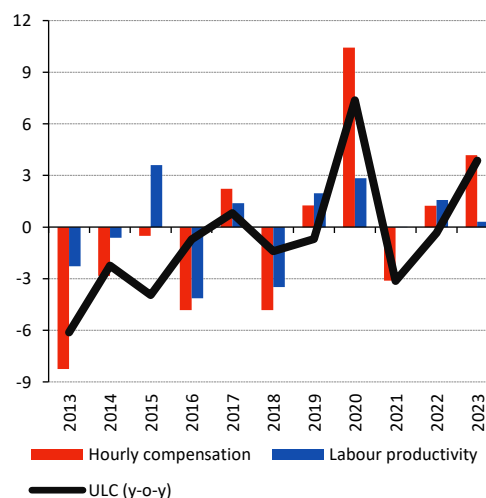
Source: ERGANI.

Chart 14: Total unemployment rate, youth unemployment rate and share of long-term unemployed
(in percent)



Source: ELSTAT, Labour Force Survey.

Chart 15: Nominal ULC growth and components



Source: ELSTAT, Annual National Accounts.
Note: Labour productivity is real GDP (2015 prices) per hour worked.
Hourly compensation is compensation of employees per hour.

Collective wage agreements

In January - April 2024, 87 new firm level agreements were signed, covering 57,396 employees; of these, 31 agreements provided for wage increases, whereas the rest did not provide for any wage changes. In 2023, 209 new firm-level agreements were signed, covering 137,179 employees; of these, 59 agreements provided for wage increases, whereas the rest did not provide for any wage changes.

In 2022, 217 new firm-level agreements had been signed, covering 168,472 employees; of these, 80 provided for wage increases, whereas the rest did not provide for any wage changes.

Recent selected wage agreements:

- According to a decision signed by the Minister of Labor on 29 April 2024, the coverage of the branch collective agreement in private insurance enterprises was extended to all employees in the sector.
- In December 2023, a two-year branch agreement for the cement industry provided for increases of 5% as of 1 Jan. 2023 and 5% as of 1 April 2023 (both retroactively), and of 4% as of 1 Jan. 2024; there had been no increases during 2021 and 2022.
- In June 2023, a two-year branch agreement for the food and beverage industry, covering approximately 400,000 employees, provides for increases of 5.5% as of 1 June 2023 and 5% as of 1 June 2024.
- In December 2022, a two-year agreement for hotel employees provided for a 5.5% wage increase as of 1 Jan. 2023 and an additional 5.0% as of 1 Jan. 2024.
- In April 2022, a three-year agreement for banks provided for increases of 2% as of 1 Oct. 2022, 1% as of 1 Dec. 2023 and 2.5% as of 1 Dec. 2024.
- In April 2023, a two-year branch collective agreement for the tobacco industry, provided for increases of 4% to 6.8% for 2023 and 2024.

Minimum wages

The statutory minimum wage rate increased by 9.4% as of 1 April 2023, bringing the minimum monthly salary to €780. Previous minimum wage increases: in 2022 (9.5%), in 2019 (11%). **As of 1 April 2024, the statutory minimum wage rises by 6.4%**, bringing the minimum monthly salary to €830. **Overall, since end-2018, the minimum wage increased by a total of 41.6%.**

Labour market policies

- The new labour law (L.5053/2023) establishes rules to simplify administrative procedures and protect the employees. In particular, it provides, inter alia: the possibility to work for more than one employer, new flexible employment contracts, six-day work with an increased daily wage, increased fines for violations of undeclared work, a probationary period of six months instead of one year for a hired employee, counting in-house training as paid work time, simplification of bureaucratic procedures for businesses that choose to implement the digital work card, criminalization of labour obstruction, creation of a digital job-finding platform. Also, the suspension of the seniority allowance is lifted from 1/1/2024 for employees in the private sector, without retroactivity (restoration of the three-year allowances, which have been suspended since 2012).

4. EXTERNAL BALANCES, COMPETITIVENESS

4.1 Current account

	2021	2022	2023	2024			
				Jan	Feb	Mar	y-t-d
Current Account , bn (%GDP)	-12.3 (-6.8%)	-21.2 (-10.3%)	-14.0 (-6.3%)	1.7	-3.2	-2.7	-4.2
Goods balance , bn (%GDP)	-26.7 (-14.7%)	-39.6 (-19.1%)	-32.4 (-14.7%)	-2.7	-3.1	-2.6	-8.4
Exports of goods (% y-o-y)	36.1	36.7	-8.0	-10.4	-10.3	-11.4	-10.7
- Exports of non-fuel goods (% y-o-y)	27.7	24.2	-2.7	-8.4	-0.7	-16.4	-9.0
Imports of goods (% y-o-y)	39.2	41.3	-12.3	-3.4	5.7	-7.4	-1.9
- Imports of non-fuel goods (% y-o-y)	31.0	25.0	-2.8	1.1	10.7	-2.0	3.0
Real trade in goods flows (% y-o-y)							
Real exports of goods (% y-o-y)	17.8	4.9	-4.0	-7.9	-10.7	-14.9	-11.4
- Real exports of non-fuel goods (% y-o-y)	21.0	7.7	-6.4	-9.5	-3.2	-18.8	-11.0
Real imports of goods (% y-o-y)	23.9	17.5	-4.6	1.6	9.4	-5.3	1.5
- Real imports of non-fuel goods (% y-o-y)	27.5	16.8	-4.0	1.9	11.8	-1.2	3.9
Services balance , bn (%GDP)	12.8 (7.1%)	19.4 (9.4%)	21.9 (9.9%)	0.4	0.4	0.4	1.2
Exports of services (% y-o-y)	54.4	36.2	2.8	6.3	11.5	0.1	5.7
- Travel receipts (% y-o-y)	143.2	68.3	16.5	27.1	22.2	34.2	28.2
- Transportation receipts (% y-o-y)	35.6	25.1	-10.4	-2.1	7.3	-2.9	0.5
Imports of services (% y-o-y)	43.9	27.7	-4.1	0.6	12.3	1.7	4.5
Non-residents' arrivals (% y-o-y)	99.4	89.3	17.6	16.0	26.0	31.2	24.5
Average expenditure per trip (% y-o-y)	20.2	-11.7	-2.7	9.7	-2.9	3.2	3.4
Income balance , bn (%GDP)	1.6 (0.9%)	-1.1 (-0.5%)	-3.5 (-1.6%)	4.0	-0.4	-0.5	3.0
FDI inflows, bn	5.6	7.5	4.6	0.4	0.5	0.3	1.2

Source: Bank of Greece

Current account: January-March 2024

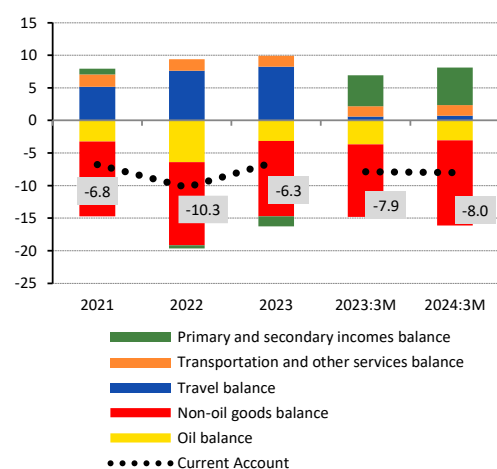
- The **current account deficit** rose, compared to the corresponding period of 2023, due to a deterioration in the balance of goods and in the primary income account, which was partly offset by an improvement mainly in the secondary income account and to a lesser degree in the services account.
- **Real exports of goods** decreased as both fuel and non-fuel goods exports declined. Excluding fuels, exports of food, pharmaceuticals and textiles contributed to the decrease.
- **Real imports of goods**, excluding fuels that recorded a decrease, increased mainly driven by imports of transportation equipment and non-durable consumer goods, as well as capital goods. On the other hand, imports of durable consumer goods decreased.
- The **services balance surplus** recorded an increase y-o-y, reflecting an improvement in travel and transport balances, while other services balance declined. Non-residents' arrivals and receipts increased by 24.5% and 28.2%, respectively and exceeded their respective levels in 2019 in nominal terms.
- The **transport surplus** increased partly due to an improvement in the sea transport balance. Freight rates (based on the ClarkSea Index) increased by 1.4% as dry bulk rates increased by 53%, while tanker rates decreased by 8%.
- **FDI inflows** were mainly directed to manufacturing, transportation and storage and real estate. The main countries of origin were Germany, France, Italy and Hong Kong.

Current account: March 2024

- The **current account** deficit increased y-o-y, mainly due to a deterioration in the secondary income account and, to a lesser extent, in the balance of goods and in the balance of services accounts, while the primary income account improved.
- The **goods balance deficit** posted a marginal increase as the decline in exports was almost fully offset by lower imports.
- In real terms, exports of non-oil goods decreased, more than the corresponding imports.
- The surplus of the **services balance** posted a small decrease due to a deterioration in the other services balance that was partly offset by an increase in the travel and transport balances. **Both non-**

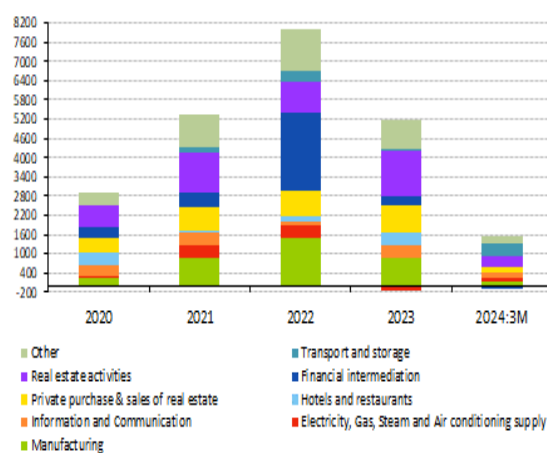
residents' arrivals and the relevant receipts increased by 31.2% and 34.2%, respectively, and exceeded their respective levels in 2019 in nominal terms.

Chart 16: Components of the current account as % of GDP



Source: Bank of Greece (for BoP statistics) and EL.STAT. (for GDP).

Chart 17: Non-residents' Direct Investment flows in Greece by sector of economic activity (mn euros)

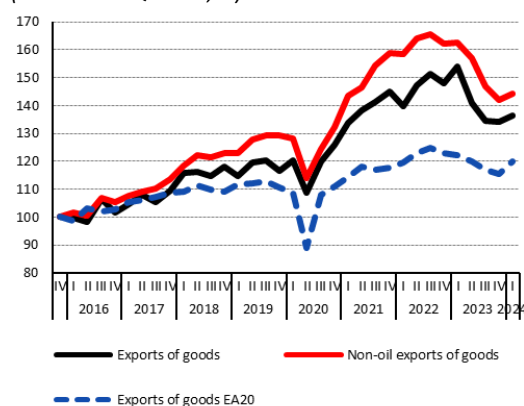


Source: Bank of Greece, Statistics Department.

Provisional data 2021 - 2024

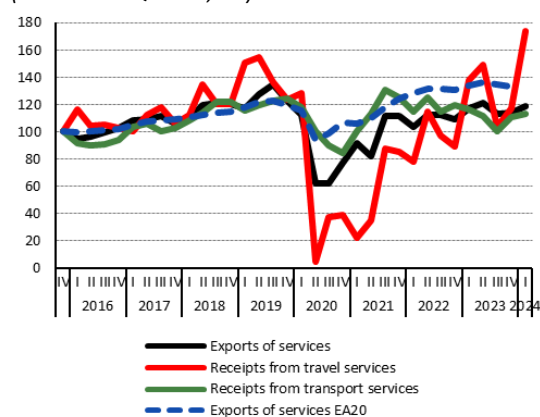
Note 1: The FDI components in the chart do not add up to the total amount of direct investment inflows reported in Table due to the different underlying methodologies.

Chart 18: Real exports of goods (Greece and EA20) (index 2015:Q4=100,sa)



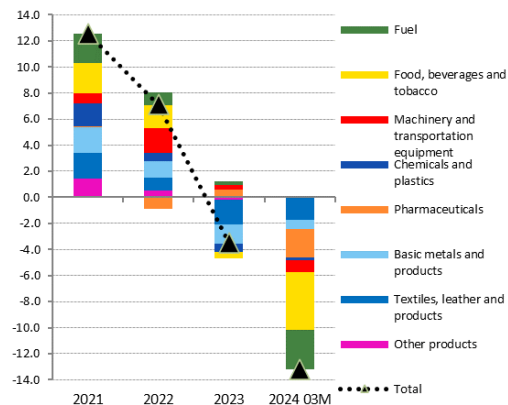
Sources: Bank of Greece (BoP statistics) and Eurostat (for EA 20). Bank of Greece calculations.

Chart 19: Real exports of services (Greece and EA20) (index 2015:Q4=100, sa)



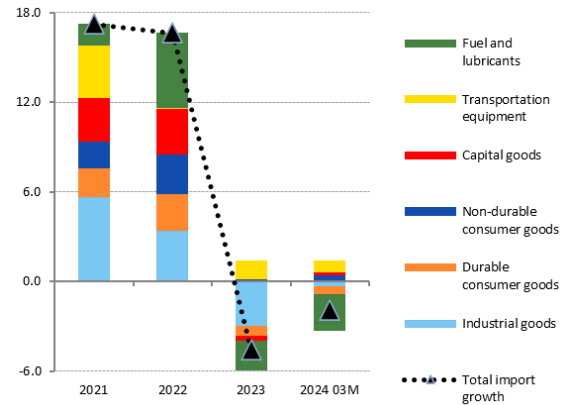
Sources: Bank of Greece (BoP statistics) and Eurostat (for EA 20). Bank of Greece calculations.

Chart 20: Contribution of each sector to total export growth (%) - constant prices



Source: Eurostat, Comext database. Bank of Greece calculations.

Chart 21: Contribution of each type of use to total import growth (%) - constant prices



Source: Eurostat, Comext database. Bank of Greece calculations.

EU funds

4.2 EU funds (mn euro)

	2021	2022	2023	2024			
				Jan	Feb	Mar	y-t-d
- Structural funds	2391	2318	1256	0.0	0.0	0.0	0.0
- Farmers' subsidies	2213	1963	2493	493.1	452.9	17.4	963.3
- NGEU							
° Recovery and Resilience Facility (RRF)-grants	2310	1718	3405	158.7	...	...	158.7
° Recovery and Resilience Facility (RRF)-loans	1655	1845	3793	...	...	...	...

Source: Bank of Greece

- In the first quarter of 2024, Greece received €1.0 bn from farmers' subsidies, following the receipt of €2.5 bn in 2023, whereas no significant disbursements were made regarding structural funds that reached €1.3 bn in the previous year. The implementation of the Multiannual Financial Framework (MFF) 2021-2027 has already started, though still at a slow pace – €1.4 bn have been disbursed since the beginning of the program, with Greece ranking above EU average and ninth among the rest of EU countries in terms of disbursements.
- Regarding the Recovery and Resilience Facility (RRF), two instalments were disbursed in 2023 amounting to €7.2 bn. On 25.01.2024 Greece received €158.7 mn as pre-financing under REPowerEU – €5.0 bn loans and €0.8 bn grants were made available for Greece under the specific plan – while on April 17 and on June 6, 2024 Greece submitted the 4th payment requests concerning €2.3 bn in loans and €1.0 bn in grants, in terms of the RRF, respectively. In total €7.6 bn in grants and €7.3 bn in loans have been disbursed since 2021 (NGEU including REPowerEU).
- Greece also received €6.2 bn loans within the SURE programme, which is the country's complete allocation.

Price competitiveness

4.3 Price competitiveness indices (% y-o-y)

	2022	2023	2023			2024
			Q2	Q3	Q4	Q1
HCI NEER ¹	-1.0	3.8	3.7	6.0	4.3	3.4
HCI REER-ULC based competitiveness ²	-5.8	0.4	-0.1	1.6	1.0	...
HCI REER-HICP based competitiveness ²	-1.2	1.5	0.9	3.0	3.1	1.8

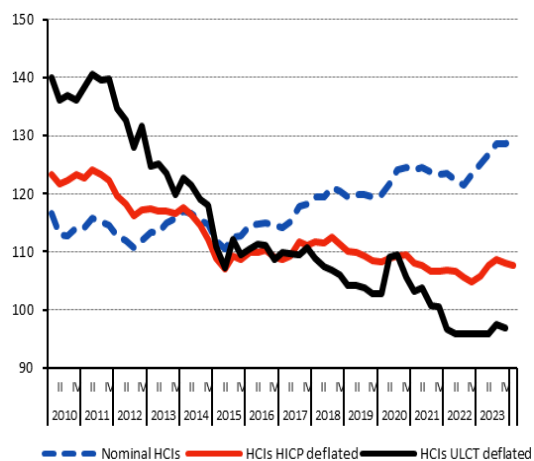
Source: ECB

1: + appreciation of euro

2: + deterioration of competitiveness

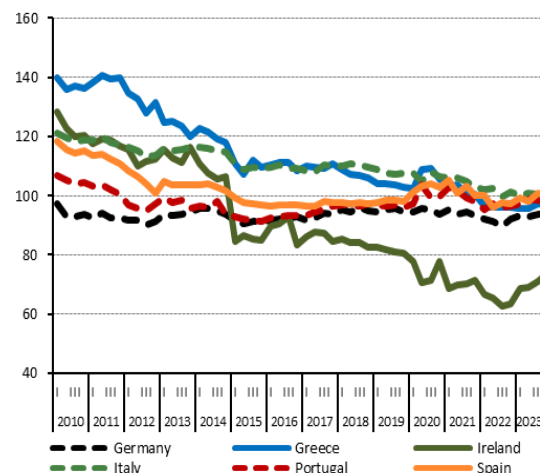
- **The nominal effective exchange rate:** Based on ECB Harmonised Competitiveness Indicators (HCIs), the nominal effective exchange rate appreciated further, although at a smaller extent, in 2024:Q1 for the fifth consecutive quarter due to the appreciation of the euro.
- **Labour cost competitiveness:** ULC-based competitiveness improved in 2021-22, mainly driven by strong gains in productivity relative to Greece's main trading partners. The positive trend came to a halt from 2023:H1 onwards as a result of stronger wage increases and lower productivity growth, on the top of the appreciation of the nominal effective exchange rate.
- **Price competitiveness:** Price competitiveness having improved in 2021-2022, deteriorated in Q2:2023-Q1:2024 as the impact of the significant nominal appreciation during these quarters was only partly offset since Greece's inflation was lower towards its main trading partners inside and outside eurozone.

Chart 22: Greece: Price and cost competitiveness indices (index 2000=100; quarterly, period averages)



Sources: ECB, Harmonised Competitiveness Indicators (effective exchange rates).

Chart 23: Euro area countries: Unit labour cost competitiveness indices (index 2000=100; quarterly, period averages)



Sources: ECB, Harmonised Competitiveness Indicators based on ULC in total economy.

Non-price or structural competitiveness

- Non price/structural competitiveness indices recently published provide a rather positive picture as progress in some areas is evident, namely in the tax wedge front, government performance, business efficiency and digital transformation of the economy.
- *Latest publications*

Indicator	International Organization	Date published	Latest Ranking (Total countries)	Previous Ranking (Total countries)	Positions Moved
World Competitiveness Ranking	IMD	20.06.2023	49 (64)	47 (64)	-2
	Improvement was recorded in the sub-index of government efficiency (up to 53rd from 55th) with best ranking in the area of institutional framework and the sub-index of infrastructure (up to 40th from 41st) with a large improvement in the area of basic infrastructure by 17 places, whereas the position in the other two sub-indices, which include economic performance (down to 58th from 51st) and business efficiency (down to 48th from 46th) deteriorated. According to IMD, the main challenges for Greece now include: continuing special measures to mitigate the effect of rising energy prices, leverage the employability of the workforce by introducing training programs, supporting the twin transformation of the Greek economy, attracting FDIs by capitalizing on the signaling effect of flagship investments and accelerating the implementation process, adapting the local industrial ecosystem to the principles of energy efficiency and circular economy and introducing a special programme for the transformation of the industrial ecosystem towards industry 4.0.				
Worldwide Governance Indicators (WGI)	The World Bank	11.05.2023	80 (212)	74 (210)	-6
	There is no composite indicator and average ranking is shown at this table. Greece lowered its average ranking by six positions. Specifically, deterioration occurred at all subcomponents, but more intense in the indicators of Control of Corruption (93rd from 81st) and Rule of Law (86th from 79th), while the least was recorded in Regulatory Quality (70th from 69th).				
Tax International Competitiveness Index	Tax Foundation	18.10.2023	25 (38)	25 (38)	-
	Greece's rank remained stagnant according to the new methodology used and its overall absolute score lowered by 1.5 points as its consumption taxes and cross-border tax rules scores deteriorated, while individual taxes and property taxes scores improved. Corporate tax score remained stable. Strengths: The net personal tax rate of 5 percent on dividends is significantly below the OECD average of 24.2 percent; corporate income tax rate of 22 percent is below the OECD average of 23.6 percent; and controlled foreign corporation rules in Greece are modest and only apply to passive income. Weaknesses: Companies are severely limited in the amount of net operating losses they can use to offset future profits; companies cannot use losses to reduce past taxable income; there is a relatively narrow tax treaty network (56 treaties compared to an OECD average of 74 treaties); and VAT rates at 24 percent, is one of the highest in the OECD on one of the narrowest bases, covering only 36 percent of final consumption.				

5. FISCAL DEVELOPMENTS

Table 5.1: General Government fiscal outlook (% of GDP)

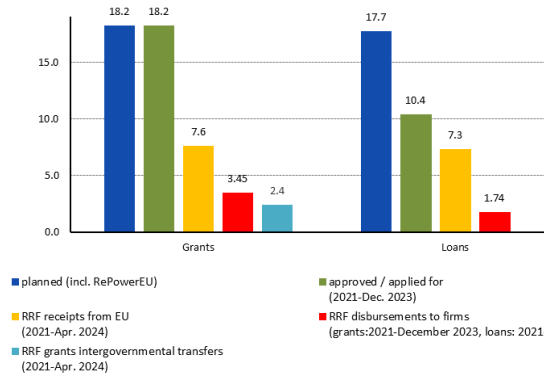
	2022	2023	2024f	2025f
Primary outcome	0.0	1.9	2.1	2.1
Public Debt	172.7	161.9	152.7	146.3
Memo items:				
One-off pandemic fiscal package (incl. guarantees without leverage)	1.6	0.1	0.1	
Of which: with effect on budget balance	2.1	0.0	0.0	
Energy measures	5.2	1.3	0.2	
Of which: with effect on budget balance	2.4	0.1	0.0	
RRF receipts (mn euros)	3,563	7,198	3,485	8,109
Of which: grants	1,718	3,405	1,158	3,455
loans	1,845	3,793	2,327	4,654

Source: ELSTAT (2022-23) and Ministry of Finance, Stability 2024 (2024-25)

- The 2023 **general government primary outcome**, as published in the context of the 1st EDP notification (22.04.2024), outperformed the projection included in 2024 Budget and recorded a surplus of 1.9% of GDP mainly on account of higher than expected tax revenues, as well as primary expenditure containment due to delays in the hiring process of public employees as well as lower energy prices.
- According to the **Stability Programme 2024**, the general government primary outcome is estimated at a primary surplus of 2.1% of GDP in 2024 and in 2025 (on the back of improved economic growth +2.5% in 2024 and +2.6% in 2025). Public debt as a share of GDP is projected at 152.7% of GDP, in 2024, and at 146.3% of GDP in 2025. The fiscal outlook is assessed to be in line with the provisions of the revised Stability and Growth Pact.
- **Energy measures** in 2024 largely unwind and are exclusively targeted to low income groups, fully financed by resources of the Green Transition Fund.
- **Fiscal measures:** Explicitly reported in the Budget 2024 fiscal measures amount to 1.1% of GDP in 2024 (i.e. unified payment reform for public employees, increased tax-free threshold for families, extension of the maternity leave for self-employed and farmers to 9 months, reduction of property tax by 10% for insured residencies and a permanent reduction of VAT rates in transport and tourism). Additionally, the 2024 Budget incorporates the cost of the financial support and repairs in key infrastructure and accommodation that was decided following the multiple natural disasters this summer (0.3% and 0.1% of GDP in 2023 and 2024 respectively). Finally, the 2024 budget contains fiscal interventions designed to combat tax evasion. Amongst them, the reform of the taxation of the self-employed is expected to secure additional revenues of at least €600 million, which will fund the reduction of the special levy on the self-employed (lump-sum tax of self-employed) as well as health and education costs. On top of the above measures, the Stability Programme 2024 incorporates new targeted measures, i.e. the increase of birth benefit, the increase of hospital doctors' compensation and the return of special diesel levy to farmers, as well as the increase of the nationally financed public investment budget expenditure. All these measures amount to 0.2% of GDP which is projected to be financed by the positive carry over effect of tax collections.
- **Recovery and Resilience Facility (RRF):**
 - **Absorption:** Greece is progressing well compared to peers regarding the **RRF receipts based** on the successfully completion of the respective **milestones and targets**. So far Greece has received €14.9 bn from the RRF (€7.6 for grants and €7.3 for loans), that is 41% out of the total envelop of €36 bn (being among the top 4 countries above EU average), having successfully completed 23% of the total landmarks and targets. In April 2024 Greece submitted the request for the fourth loan tranche (€2.3bn), while in June 2024 it submitted the request for the fourth grant tranche (€1bn).

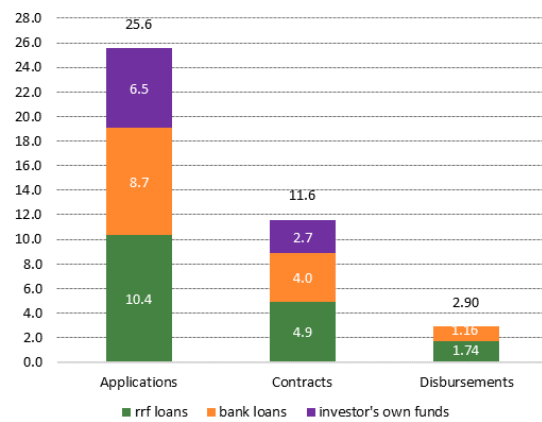
- **Execution:** The **loan component** (signing of contracts) is progressing in line with the original schedule. However, the **grant component** (payment execution) has become more backloaded than originally projected mainly due to administrative burden heavier than originally anticipated, as also witnessed in most EU countries.
- More specifically:
 - **Grants:** Out of a total envelope of €18.2 bn, cash receipts from the EU amount to €7.6 bn. Until March 2024, the entire project envelope has been approved, of which €3.45 bn have been disbursed to firms until end 2023. Another €2.4 bn have been transferred from the state to other general government entities until April 2024.
 - **Loans:** Out of a total envelope of €17.7 bn, cash receipts from the EU amount to €7.3 bn. Until April 2024 €1.7 bn had been disbursed to firms. The contracted projects amount €4.9 bn fully in line with the respective target.

Chart 24: RRF funds
(€ bn)



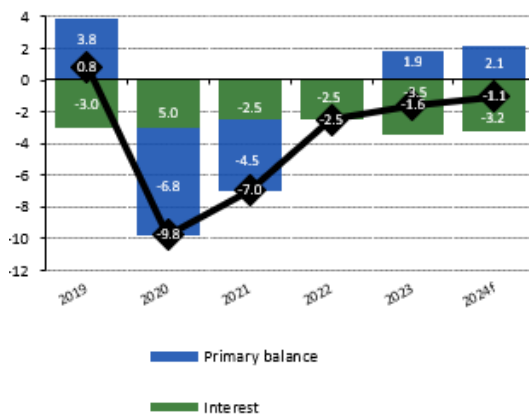
Source: Ministry of Finance

Chart 25: RRF loans with leverage
(€ bn – up to May 2024)



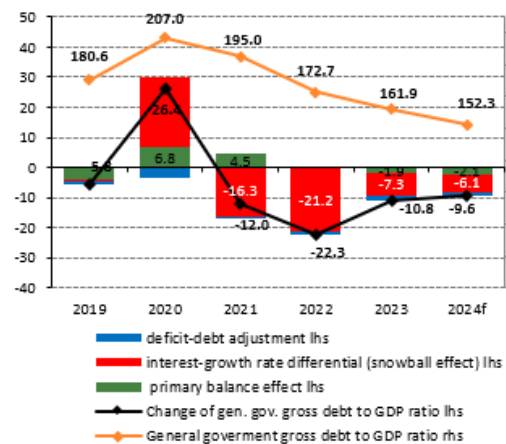
Source: Ministry of Finance, Bank of Greece

Chart 26: General Government deficit decomposition
(% of GDP)



Source: Ministry of Finance (Budget 2024), ELSTAT.

Chart 27: Gen. Government gross Debt to GDP ratio decomposition
(percentage points)



Source: Ministry of Finance (Budget 2024), ELSTAT.

Table 5.2: General Government (% GDP) - ESA 2010

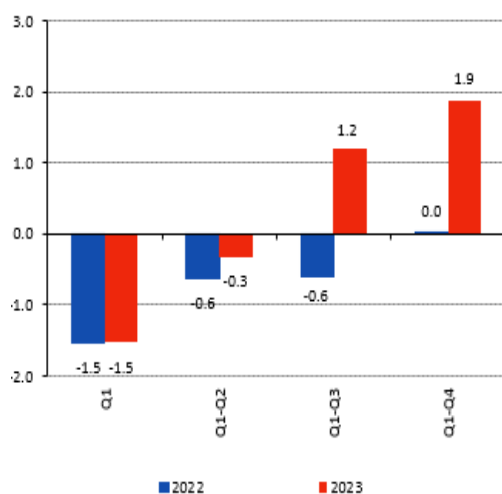
	Annual		
	2021	2022	2023
Balance	-7.0	-2.5	-1.6
Primary balance	-4.5	0.0	1.9
Revenue	50.7	50.6	48.9
Primary expenditure	55.2	50.6	47.1
Public Debt (stock)	195.0	172.7	161.9

Source: ELSTAT

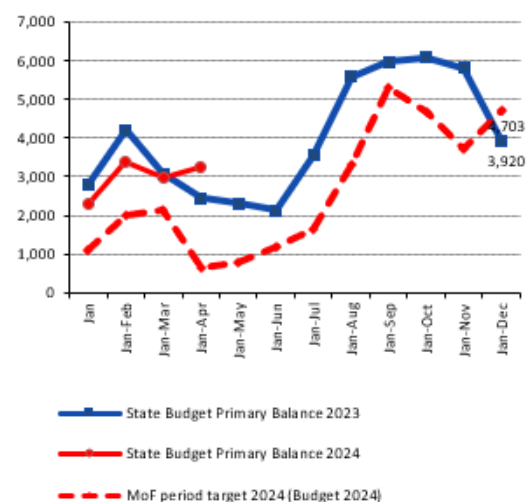
Annual General Government figures – ESA 2010 (2023)

According to the 1st EDP notification (22.04.2024), both the **general government balance and the primary balance** marked an improvement in 2023 relative to 2022, recording a smaller deficit and a significant primary surplus respectively as a share of GDP, largely as a result of growth in the economy as well as the inflation increase.

- The improvement in the primary balance mainly reflects a decrease in the share of primary expenditure as a % of GDP (by 3.5 p.p.) which overcompensated the decrease in the share of revenue (by 1.7 p.p.). Y-o-y, primary expenditure decreased by 0.8%, mainly driven by a decrease in subsidies (-65.2%), due to the unwinding of the pandemic and energy measures. On the opposite direction, there was an increase in social payments (+6.0%) due to the increase in pensions and the distribution of social benefits to low income groups, in compensation of public employees (+3.2%), in intermediate consumption (+4.0%) attributed to the price increases and an increase in public investment (+12.5%) related inter alia to increased RRF grants. Revenue also increased y-o-y (+3.1%) due to increased economic activity, and the overhaul of the tax and social insurance contribution deferral schemes.
- The **debt to GDP ratio** decreased to 161.9% in 2023 from 172.7% of GDP in 2022 (lowest since 2010) due primarily to the denominator effect. In nominal terms public debt marginally decreased by €0.1bn for the first time since 2019.

Chart 28: General government primary balance (quarterly, cumulative) (% of GDP)

Source: ELSTAT.

Chart 29: Evolution of State budget primary balance against MoF's period targets in 2023-2024 (EUR mn)

Source: Ministry of Finance.

General Government cash fiscal data

5.3 Cumulative cash fiscal data

(% GDP)	2023	2024
	April	
General Government primary balance	0.7	0.9
Stock of arrears (€ bn)	2.8	3.2
Central Government debt	183.1	175.5
State budget primary balance	1.1	1.4
State budget primary balance period target	-0.4	0.3

Source: Ministry of Finance

- In January-April 2024, **the primary general government cash outcome** recorded a marginally higher surplus than the surplus achieved in January-April 2023. The improvement is largely due to increased tax revenue, on account of direct taxes as a result of both higher business profits and increased civil servant wages, as well as indirect taxes as a result of earlier receipt of the first installment of property taxation. Expenditure increased mainly on account of higher social transfers related to increases in pensions through the indexation mechanism (+2.95%), higher compensation of employees due to the increases in wages, as well as higher investment expenditure.
- In January-April 2024, **the stock of arrears** (excluding pension claims) increased by €0.4bn (mainly in hospitals) compared to December 2023. About 50% of total arrears (excluding tax refunds) originate in hospitals due to their reporting pre-clawback¹.
- **Central Government Debt** at end-April 2024 was €405.6 bn (175.5% of GDP) compared to €406.5 bn (184.5% of GDP) at end-December 2023.
- The **State primary balance** in January-April 2024 recorded a surplus (1.4 % of GDP) compared to a lower surplus (1.1% of GDP) in the same period in 2023. Compared to the period target (according to the Budget 2024), the primary balance over-performed by €2.7 bn in 2024 mainly due to higher tax revenue (partly accrued back to 2023), higher public investment and other current revenue, and the time differentiation of transfers to social security funds as well as of RRF receipts. On the opposite direction, public investment expenditure (excluding RRF) overperformed the target.

Financing

In 2024, Greece has so far attracted €8.4 bn from the capital markets: In January 2024, Greece attracted €250 mn from the capital markets from the re-opening of a 5-year bond with a yield of 2.72%. In February, Greece further attracted another €4.0 bn from the issuance of a 10-year bond with a yield of 3.478% and €400 mn from the reopenings of the 5-yr and the 10-yr bonds of 2023 with yields of 2.85% and 3.32%, respectively. In March, Greece further attracted €250 mn from the re-opening of the 5-year bond of 2023 with a yield of 2.85%. In April Greece reopened an issue maturing in February 2035 to attract €0.2 bn, and issued a 30-year bond with a yield of 4.241% in order to attract €3bn. In May, Greece further attracted €250 mn from the re-opening of the 10-year bond with a yield of 3.51%.

Debt Sustainability Analysis

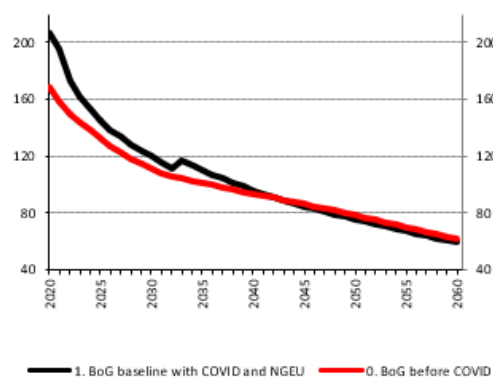
The projected effect of the COVID-19 pandemic, the energy crisis and the related fiscal expansion is a medium-term upward shift in the trajectories of debt-to GDP and, to a smaller extent, gross financing

¹ The clawback mechanism, introduced by the Greek legislator in 2012 as part of the effort to reduce excessive health expenditure weighing on public debt, safeguards the level of public expenditure relating to hospitalization and pharmaceuticals up to a certain pecuniary limit. Essentially, when the respective public spending exceeds the thresholds of the relevant closed budgets, any surplus is 'repaid' by hospitals and pharmaceutical companies to the National Organisation for Healthcare (EOPYY), on the basis of a specific formula. When hospital arrears are reported pre-clawback, they are inflated as they do not take into account the surplus repayment to EOPYY.

needs (GFN)-to-GDP (Charts 30-31, Scenarios 0 and 1). Under baseline assumptions for a timely withdrawal of the expansionary fiscal measures taken in the context of the pandemic and the energy crisis, and assuming the effective use of NGEU funds, the debt and GFN trajectories are projected to recover broadly in line with the pre-covid outlook in the long run.

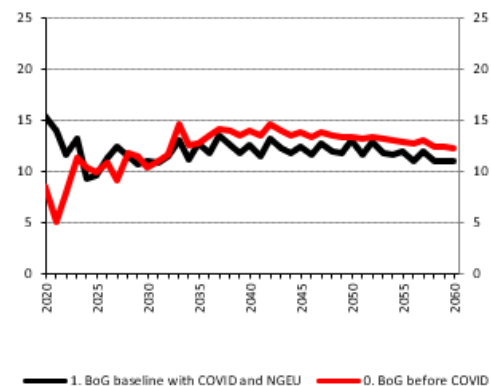
Despite higher market and policy rates, risks to debt sustainability remain contained in the medium term. This mainly reflects (i) the highly concessional terms of official sector loans (involving grace periods, long maturities and interest deferrals) comprising the bulk of the accumulated debt stock, (ii) a 100% share of fixed-rate debt of the central government (at end-September 2023) and (iii) a very sizeable cash buffer in excess of 15% of GDP (at end-September 2023). In the longer term, however, sustainability risks remain elevated. As concessional loans get rolled over on market terms, exposure to adverse shocks will increase, demanding firm commitment to fiscal vigilance.

Chart 30: General Government Maastricht debt (% of GDP)



Source: Bank of Greece.

Chart 31: General Government Gross Financing Needs (% of GDP)



Source: Bank of Greece.

6. MONEY AND CREDIT

Bank deposits

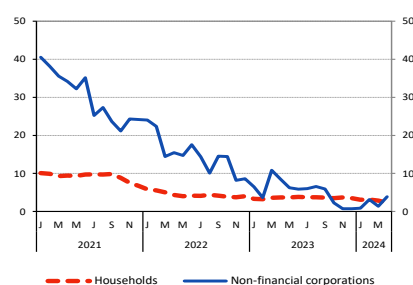
6.1 Bank deposits

	End-of-month stock	Cumulative net flow			Monthly net flow			Annual rate of change %					
EUR mn	2024 Apr	2021	2022	2023	2024 Feb Mar Apr			2021	2022	2023	2024 Feb Mar Apr		
Private sector	190,683	16,158	8,047	5,752	-1,067	1,678	384	9.9	4.5	3.0	3.0	2.6	2.8
-NFCs	41,455	7,822	3,469	324	-536	1,507	-154	24.2	8.6	0.7	3.2	1.4	3.9
-HHS	145,279	8,528	5,444	4,984	-156	400	348	6.8	4.0	3.5	3.1	2.9	2.3

Source: Bank of Greece.

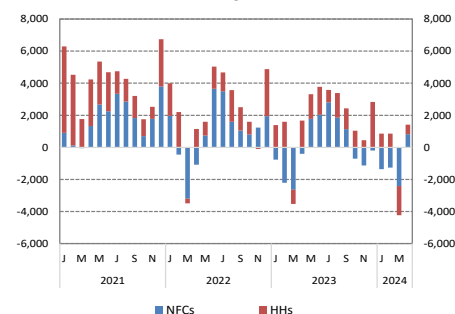
- During 2023, **private sector deposits** increased by €5.8 bn in total mainly owing to the deposits of households (€+5.0 bn) (NFCs: €+0.3 bn) (Charts 32 and 33). In the first four months of 2024, private deposits declined by almost €4 bn reflecting on top of the seasonal pattern for corporate deposits, a significant reduction in the deposits of households (€1.5 bn).
- In April 2024, **bank deposits** of non-financial corporations declined slightly by €0.2 bn while household deposits increased by €0.3 bn, partly due to a seasonal Easter effect.
- In April 2024, the annual rate of growth of household deposits with an agreed maturity (time deposits) decelerated further (to 17%) as the reallocation of funds from overnight deposits to time deposits that took place in 2023 following the tightening of monetary policy, seems to have reached completion.
- Significant inflows from households have also been recorded since 2023 in alternative saving options offering returns higher than deposits.

Chart 32: Bank deposits
(annual rate of change %)



Source: Bank of Greece.

Chart 33: Bank deposits
(net flow, 3-month moving sum, in EUR millions)



Source: Bank of Greece.

Bank credit and interest rates

6.2 Bank credit

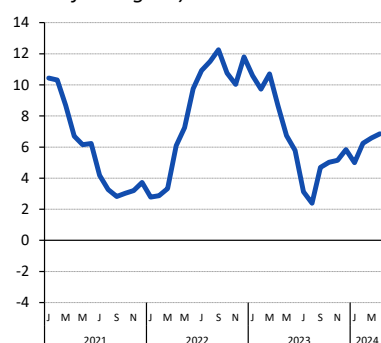
EUR mn	End-of-month stock	Cumulative net flow			Monthly net flow			Annual rate of change %					
								2021			2022		
		2021	2022	2023	2024	2024	2024	2021	2022	2023	2024	2024	2024
					Feb	Mar	Apr				Feb	Mar	Apr
NFCs	67,105	2,477	6,837	3,759	673	1,617	-298	3.7	11.8	5.9	6.2	6.6	6.9
Sole proprietors	4,495	155	-44	-60	1	48	-26	2	-0.9	-1.3	-0.6	-0.6	-0.1
HHs	36,438	-1,437	-1,008	-769	-20	17	-34	-2.4	-2.5	-2.0	-1.7	-1.4	-1.1
-Housing loans	27,502	-1,376	-1,113	-1,046	-72	-24	-85	-3.0	-3.6	-3.5	-3.4	-3.1	-2.9
-Consumer loans	8,694	-44	112	294	55	41	63	-0.3	1.2	3.4	4.4	4.5	5.4
New bank term loans to NFCs (gross flow)	-	11,851	22,200	16,957	971	3,315	1,175	-	-	-	-	-	-
New bank term loans to HHs (gross flow)	-	2,022	2,405	2,497	265	245	275	-	-	-	-	-	-

Source: Bank of Greece.

- Since the peak reached in September 2022 (12.3%) corporate bank credit expansion has eased considerably owing to higher interest rates and the weakening in economic growth underpinning lower loan demand. However, since September 2023 the annual growth in corporate loans has rebounded (Chart 34).
- In April 2024, **bank credit to NFCs** (based on net flows) declined by €0.3 bn; still, the annual rate of growth accelerated to 6.9%.
- The contraction of **bank loans to households** continues, reflecting shrinking housing loans, while consumer loans have been recording positive rates of growth since mid-2022 (Chart 35).
- In April 2024, the contraction rate of housing loans decelerated to -2.9%, a rate similar to that recorded before the start of the monetary policy tightening cycle.
- According to the AnaCredit data, new loan disbursements to non-financial corporations in 2023 reached around €9 bn, standing lower by one-third compared to 2022, consistent with monetary policy tightening, but still well above the corresponding amount in 2021 (€ 7.0 bn) (Chart 36). In January-April 2024, new corporate loan disbursements stood at € 3.3 bn compared to € 2.2 bn in the same period last year.

Chart 34: Bank credit to NFCs

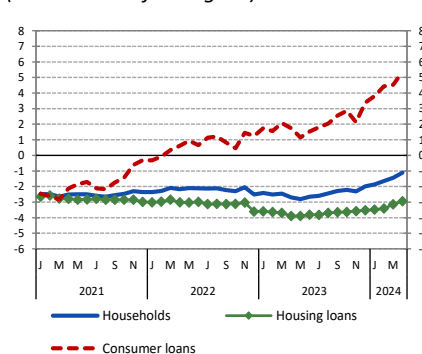
(annual rate of change %)



Source: Bank of Greece.

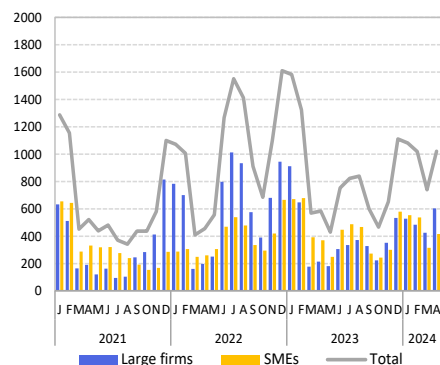
Chart 35: Bank credit to households

(annual rate of change %)



Source: Bank of Greece.

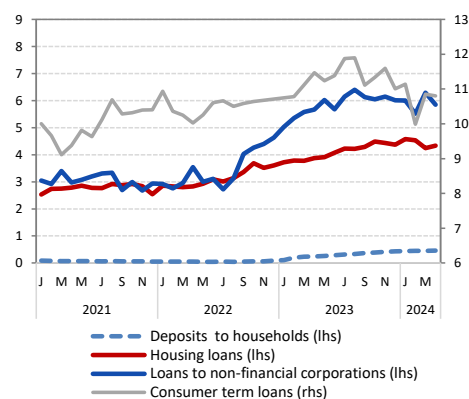
Chart 36: Amounts of new loans to large firms and to SMEs¹
(3-month moving average, EUR mn)



Source: Bank of Greece, AnaCredit.

Note: AnaCredit is a common dataset with detailed information on individual bank loans in the euro area. Data solely concern loans to legal persons (corporations).

Chart 37: Bank interest rates
(percentages per annum)



Source: Bank of Greece.

6.3 Bank interest rates on new loans and deposits

(end of period, percentages per annum)

	2021	2022	2023	Feb	2024	
					Mar	Apr
Bank lending rate	3.76	5.06	6.11	5.77	6.24	5.98
-to NFCs	2.94	4.63	6.01	5.52	6.29	5.85
-to HHS	4.67	5.57	6.27	6.21	6.18	6.23
-Housing loans	2.54	3.60	4.37	4.53	4.25	4.33
-Consumer term loans	10.40	10.71	11.00	9.99	10.85	10.80
Bank deposit rate for HHS	0.05	0.09	0.43	0.45	0.45	0.46

Source: Bank of Greece.

- After rising steeply since mid-2022, **the cost of new bank loans** to NFCs peaked in August 2023 and thereafter it has broadly stabilised around 6%. The average cost of new bank loans to HHS recorded a more contained rise during 2022-2023 compared to the case of firms. Bank interest rates on new housing loans peaked in January 2024 at 4.6% but declined somewhat in the last few months.
- In April 2024, **bank lending rates** declined for new corporate loans (to 5.85%) but rose for new housing loans (to 4.33%) (Chart 37).
- Data on gross flows of bank loans show that, in 2023, **new bank corporate term loan agreements** decreased overall compared to 2022 but remained at rather robust levels (Chart 38). Specifically, these loan agreements amounted to €17 bn in 2023 compared to €22 in 2022 and €12 bn in 2021. In January-April 2024, they € stood at 5.9 bn compared to €4.8 bn in the same period last year.

The chart displays the monthly number of new COVID-19 cases in the Netherlands from January 2021 to March 2024. The y-axis represents the number of cases, ranging from 0 to 2400 in increments of 200. The x-axis shows the months, with labels for January (J), March (M), May (M), July (J), September (S), and November (N) for each year. The data shows a sharp decline from a peak of approximately 1450 cases in January 2021 to a low of about 500 cases in July 2021. Cases then rose to a peak of nearly 2000 in June 2022, followed by a sharp drop to around 900 in September 2022. A second major peak occurred in November 2022, reaching approximately 2100 cases. This was followed by a period of relative stability around 1400-1500 cases through 2023, with a notable dip to about 1050 in November 2023. The data for 2024 shows a slight increase from around 1200 cases in January to about 1400 in March.

Year	Month	Number of new cases
2021	Jan	1450
2021	Feb	1400
2021	Mar	780
2021	Apr	750
2021	May	650
2021	Jun	600
2021	Jul	500
2021	Aug	550
2021	Sep	820
2021	Oct	950
2021	Nov	1350
2021	Dec	1380
2022	Jan	1250
2022	Feb	850
2022	Mar	900
2022	Apr	980
2022	May	1950
2022	Jun	2000
2022	Jul	1450
2022	Aug	920
2022	Sep	1250
2022	Oct	2050
2022	Nov	2100
2022	Dec	1900
2023	Jan	1020
2023	Feb	1250
2023	Mar	1150
2023	Apr	1450
2023	May	1480
2023	Jun	1450
2023	Jul	1400
2023	Aug	1050
2023	Sep	1250
2023	Oct	1600
2023	Nov	1550
2023	Dec	1200
2024	Jan	1180
2024	Feb	1350
2024	Mar	1400

Month	Consumer Loans (Bn €)	Housing Loans (Bn €)
Jan 2021	60	55
Feb 2021	65	50
Mar 2021	70	45
Apr 2021	75	50
May 2021	80	55
Jun 2021	85	60
Jul 2021	90	85
Aug 2021	95	80
Sep 2021	90	85
Oct 2021	85	90
Nov 2021	90	110
Dec 2021	85	105
Jan 2022	90	95
Feb 2022	95	100
Mar 2022	100	105
Apr 2022	105	100
May 2022	110	95
Jun 2022	105	100
Jul 2022	110	105
Aug 2022	105	110
Sep 2022	100	115
Oct 2022	95	105
Nov 2022	90	95
Dec 2022	95	90
Jan 2023	100	85
Feb 2023	105	90
Mar 2023	110	95
Apr 2023	115	100
May 2023	110	95
Jun 2023	115	100
Jul 2023	120	95
Aug 2023	125	100
Sep 2023	130	110
Oct 2023	135	105
Nov 2023	130	110
Dec 2023	135	105
Jan 2024	130	105
Feb 2024	135	105
Mar 2024	130	105

Source: Bank of Greece. MFI interest rate statistics.

- During 2022-2026, credit provision to the economy is expected to be buoyed by the resources provided through the Recovery and Resilience Facility (RRF) of the NGEU, and the implementation of the National Recovery and Resilience Plan (NRRP) "Greece 2.0". After the approval by the EC of the modified NRRP, total available investment resources reach up to €36 bn, comprising €18.3 bn in subsidies and €17.7 bn in loans. After the approval of the 3rd instalment of RRF funds toward Greece, the total inflow of RRF loan funds amounts to €7.3 bn.
- Greek banks and European financial institutions participate in the process of channelling to the economy the loan segment of the NRRP. They co-finance, with the State, investments in prioritized sectors of the economy (such as green and digital economy, exports, research and innovation). Investments financed through RRF loans are covered by RRF funds (up to a maximum of 50% of the investment plan), by financial institutions participation (commercial banks and/or European financial institutions, at least 30% of the investment plan) and investor's own funds (at least 20% of the investment plan).
- As far as RRF loans through Greek commercial banks are concerned, until May 2024, 312 loan agreements had been signed financing investments with a total budget of €11.6 bn (RRF loans: €4.9 bn, bank loans: €4.0 bn, investors' own participation: €2.7 bn). Since the start of the implementation of the NRRP in July 2022, the amount of bank loan agreements co-financing RRF projects represents around 12% of total bank term loan agreements over the same period.
- In addition, financial resources, partly intermediated through local banks, continue being directed to the economy through financial instruments offered in the context of various European and national initiatives. Specifically, the Hellenic Development Bank (HDB), the EIB and the EIF co-finance or guarantee loans extended by commercial banks, mostly to non-financial corporations and secondarily to households. EIB and EBRD also provide direct financing to businesses and export-guarantees to SMEs.
- During 2023, disbursements of bank loans to NFCs, backed up by the above-mentioned financial instruments, reached €2.0 bn, representing 11% of new bank loans to NFCs and sole proprietors (2022: €4.2 bn, approx. 20%) and mostly targeting SMEs. In the first four months of 2024, bank loan disbursements supported by these financial instruments amounted to almost €0.6 bn of which €0.4 bn concerned SMEs.

Survey evidence on financing

I. Bank Lending Survey results for Greece (2024:Q1 compared to 2023:Q4):

6.4 The euro area bank lending survey: Greek banks

(Changes over the past three months - average reply)

	Demand		Terms & conditions		Credit standards		Share of rejections	
	2023:Q4	2024:Q1	2023:Q4	2024:Q1	2023:Q4	2024:Q1	2023:Q4	2024:Q1
Loans to enterprises	3.00	3.50	3.00	3.75	3.00	3.00	3.00	3.00
Loans for house purchase	2.50	3.00	3.00	2.50	3.00	3.50	2.75	3.25
Consumer credit	3.00	3.50	3.00	2.75	3.00	3.50	3.00	3.00

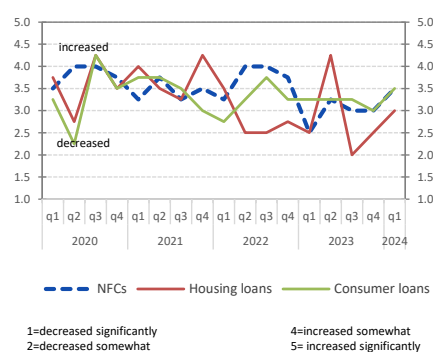
Source: Bank of Greece.

1 = decreased/tightened significantly 2 = decreased/tightened somewhat 3 = remained unchanged

4 = increased/loosened somewhat 5 = increased/loosened significantly

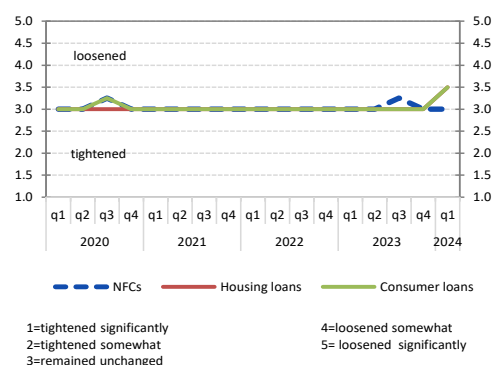
- In 2024:Q1, Greek banks kept **credit standards** (i.e. internal guidelines of banks regarding their overall lending policy) for loans to NFCs unchanged compared to the previous quarter. Nevertheless, **terms and conditions** agreed in loan contracts eased for both SMEs and large firms as a result of narrowing lending margins for average-risk loans. Regarding loans to households, credit standards became looser, whilst terms and conditions appear tightened due to increased non-interest rate charges.
- Greek banks reported that there was an increase in the **demand for corporate bank credit** during 2024:Q1 comparing with 2023:Q4. This rise concerned mainly loans with long-term maturity to bigger firms and, to a lesser extent, loans to SMEs and of a shorter maturity. According to survey responses, factors that contributed positively to loan demand included higher needs for NFCs to finance fixed investment as well as inventories and working capital, and a moderation in the level of interest rates. Increased internal financing had a dampening impact on corporate loan demand.
- According to Greek credit institutions, there was also a small rise in the **demand for consumer credit** from household borrowers during 2024Q1, while the **demand for housing loans** remained unchanged. Improved consumer confidence and higher spending on consumer durables exerted a positive influence on the demand for consumer credit.

Chart 40: Change in loan demand
(average response)



Source: Bank of Greece, ECB.

Chart 41: Change in banks credit standards
(average response)



Source: Bank of Greece, ECB.

II. SAFE results for Greece: October 2023-March 2024 compared to April-September 2023

6.5 Survey on the Access to Finance of Enterprises in the euro area: Greek SMEs

(net percentage of respondents)

	Needs			Availability			Approval rate ^{1 2}			Rejection rate ²		
	2023:H1	2023:H2	2024:Q1	2023:H1	2023:H2	2024:Q1	2023:H1	2023:H2	2024:Q1	2023:H1	2023:H2	2024:Q1
Bank loans	13	10	6	7	1	5	59	52	35	10	19	12
Credit lines	21	16	20	12	2	8	76	60	41	0	10	10

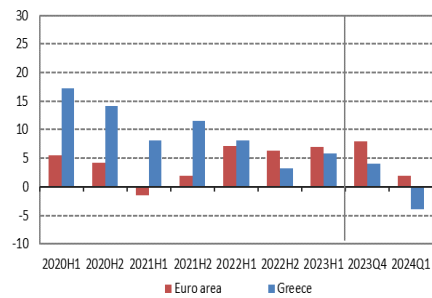
Source: EC/ECB, SAFE.

¹ Applications satisfied mostly or in full.

² As a percentage of firms which applied for bank loan/credit line.

- **The external financing gap faced SMEs** – i.e., the difference between the change in financing needs of firms and the change in the availability of external financing – was perceived to have turned negative in 2024:Q1, for the first time since the inception of the survey (Chart 42). Below, newly published quarterly results for 2024Q1 are given in parentheses alongside the available results on the usual semester basis.
- **Greek SMEs reported that during October 2023-March 2024, the lack of skilled labour continued to be their main concern.** In this round, access to finance is ranked as their second most important problem followed by the rise in costs of production, competition, regulation, and finding customers.
- The **availability (supply)** of bank loans and credit lines was seen to have risen, but to a lesser extent compared to the previous semi-annual round (net percentage: 1% from 7%; 2024:Q1: 5%). At the same time, SMEs' **needs (demand)** for bank credit increased, but stood at somehow lower net percentages, compared to the previous semi-annual results (to 10% from 13%; 2024:Q1: 6%) (Chart 43).
- Among the **factors affecting the supply of external financing**, the influence of the general economic outlook remained in negative territory during the past six-month period, while SMEs continued to report, for a third consecutive round, a strengthening positive impact of most factors related to their own creditworthiness (namely firms' specific outlook, capital, and credit history). The willingness of banks to provide credit was perceived to have improved further. SMEs reported, for a fourth time in a row, that their access to public financial support programmes deteriorated after the end of the pandemic-related public support programmes.
- **The percentage of firms which applied for a bank loan**, during the past six-month period, declined further compared to the previous survey round (14% down from 19%), standing at the lowest level recorded since the beginning of the survey in 2009 (2024Q1: 15%). The main reason provided for not applying for a bank loan was sufficiency of internal funds while firms' discouragement for fear of rejection by the bank remained low by historical standards. In another related question concerning the reasons for which bank loans are not relevant for the firm, 54% of respondents claim that there is no need for this type of financing while 29% mentioned the high interest rate cost of bank loans.
- As far as the **outcome of bank term loan applications** is concerned, during the past six-month period, the rejection rate increased (to 19% from 10%; 2024Q1: 12%), while the approval rate (percentage of applications satisfied mostly or in full) declined (to 52% from 59%; 2024Q1: 35%). As regards bank credit lines, the approval rate decreased (to 60% from 76%; 2024:Q1: 41%), while the rejection rate increased (to 10% from 0%; 2024:Q1: 10%). **Terms and conditions of bank financing**, during the past six-month period, were perceived to be less discouraging regarding the level of interest rates, as SMEs reported a sizeably lower net increase in bank loan interest rates (net percentage: 33% from 84%; 2024Q1: 20%). At the same time, SMEs reported a significantly lower net increase in charges, fees and commissions (net percentage: 46% from 64%; 2024Q1: 43%) along with improvements in the available size and maturity of loans, while they signalled a higher net increase in collateral requirements.

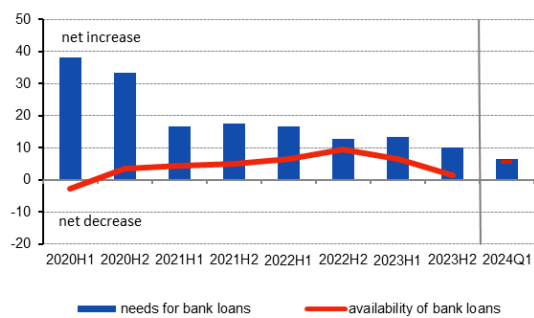
Chart 42: External financing gap faced by SMEs in Greece and the euro area (weighted net balances)



* The financing gap indicator of the SAFE combines both financing needs and availability of bank loans, credit lines, trade credit, and equity and debt securities issuance at firm level. The composite indicator is a weighted average of the financing gaps for the five instruments. A positive value for the indicator points to an increase in the financing gap.

Source: EC/ECB, SAFE.

Chart 43: Needs and availability of bank loans for SMEs in Greece (net percentage)



* Net percentage of firms is defined as the difference between the percentage of firms which replied that their needs/the availability of bank loans increased minus the percentage of firms which replied that their needs/the availability of bank loans decreased.

Source: EC/ECB, SAFE.

7. FINANCIAL MARKET DEVELOPMENTS

Table 7.1 Government bonds yields

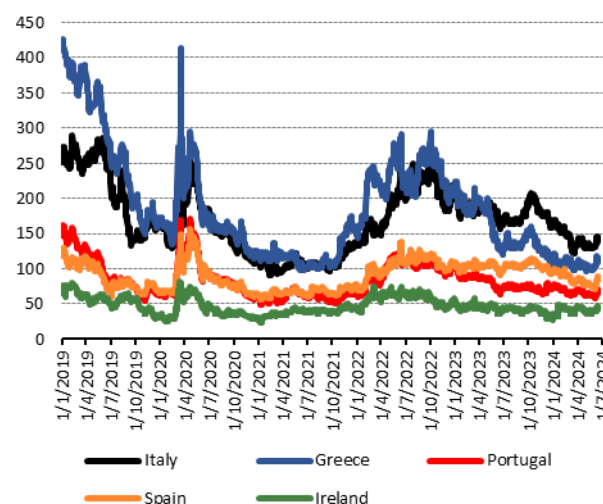
	Levels		Changes (bps)						
	Latest 13/6/2024	30/5/2024	2-weeks	y-t-d	3-months	6-months	12-months	2023	2022
GR 2y	2.93	3.01	-8	55	11	49	-40	-112	373
GR 5y	3.20	3.25	-5	60	22	59	-19	-115	315
GR 10y	3.66	3.68	-2	58	19	58	-11	-152	328
IT 10y	3.95	3.96	-1	25	24	35	-14	-101	352
ES 10y	3.38	3.39	-1	38	12	46	-3	-67	306
PT 10y	3.19	3.26	-7	40	11	51	5	-81	311
DE 10y	2.49	2.66	-17	46	4	51	5	-53	274
<i>Spreads</i>									
GR 10y – 2y (bps)	73	67	6	3	8	9	29	-39	-45
GR 10y - Bund (bps)	117	103	14	12	15	6	-16	-98	54
GR 10y - 10y Italian (bps)	-29	-28	-1	33	-4	23	3	-51	-24

Source: LSEG.

- **The tightening of monetary policy** pushed bond yields higher for most of 2022, with the increase being more pronounced for lower rated bonds. In **2023**, Greek government bond (GGB) yields and the spread vis-à-vis the German Bunds declined, **amid upgrades of Greece's sovereign credit ratings** (see Chart 44). GGB yields have risen since the beginning of 2024, in line with yields of other euro-area sovereigns.
- **Yields on GGBs** fluctuated in the last two weeks, in line with developments in other euro-area sovereign bond yields, as yields' reduction amid lower-than-expected US inflation data was offset on the back of the outcome of European elections and the prospects for fewer rate cuts by major central banks (see Table 7.1).
- Short-term bonds yields fell somewhat more than those of medium- and long-term ones, which resulted to a slight increase of the Greek yield curve slope (lower panel of Table 7.1, and Chart 45).

Chart 44: 10-year sovereign bond spreads

(yield differentials vis-à-vis the Bund in bps; daily data)

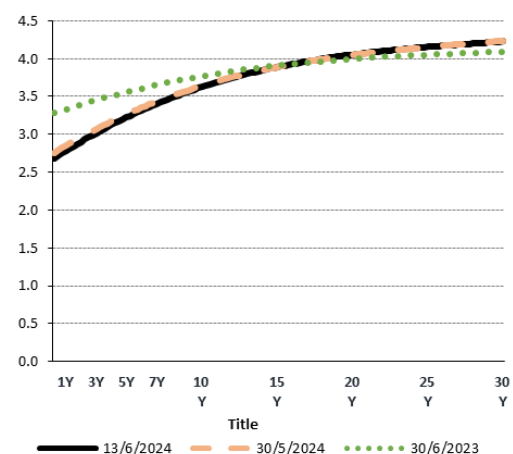


Source: LSEG.

Latest obs. 13/6/2024

Chart 45: Greek sovereign yield curve

(yields in % across maturities; BoG's cubic spline model)



Source: Bank of Greece.

Latest obs. 13/6/2024

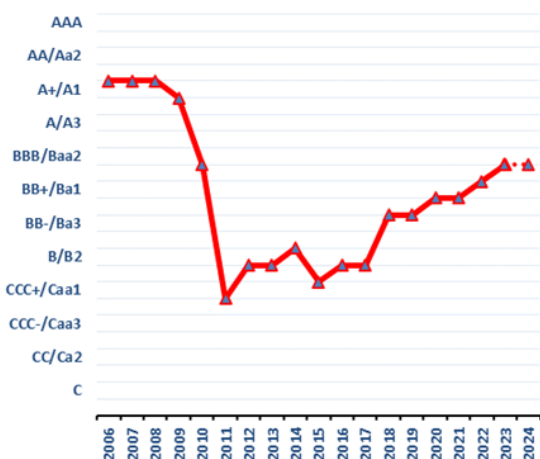
Table 7.2 Sovereign credit ratings

Sovereign credit ratings	Latest		1 January 2024		1 January 2023		1 January 2022	
	Rating	Outlook	Rating	Outlook	Rating	Outlook	Rating	Outlook
Fitch	BBB-	Stable	BBB-	Stable	BB	Positive	BB	Stable
Moody's	Ba1	Stable	Ba1	Stable	Ba3	Stable	Ba3	Positive
S&P	BBB-	Positive	BBB-	Stable	BB+	Stable	BB	Stable
M.DBRS	BBB (low)	Stable	BBB (low)	Stable	BB (high)	Stable	BB	Positive
Scope	BBB-	Stable	BBB-	Stable	BB+	Positive	BB+	Stable

Note: The abovementioned ratings correspond to the long-term issuer ratings for bonds. The sources for these data are the rating agencies referred to in the first column on the left.

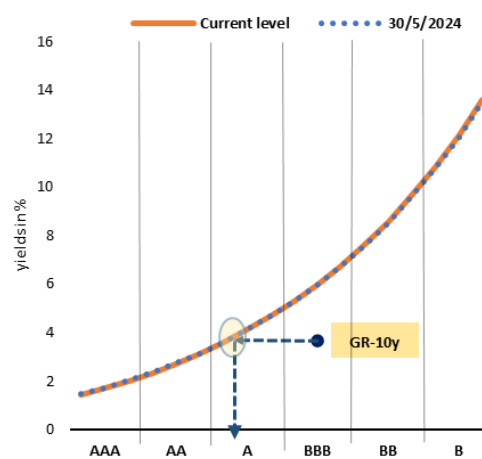
- The sovereign credit rating of Greece has followed an upward trend for a long period of time, almost uninterrupted since 2015, resulting to regaining the Investment Grade (IG) in 2023 (see Chart 46).
- After a series of rating upgrades, all rating agencies that are Eurosystem-eligible as ECAs assign Greece a sovereign credit rating of BBB-/BBB-low (an exception is Moody's that still rates Greece below IG, at Ba1); The rating agency S&P has also given a positive outlook for the Greek sovereign.
- According to the reports of rating agencies, further upgrades of the Greek sovereign may result from sustained strong economic performance, prudent fiscal policies, a continuation of structural reforms fostering the competitiveness of the Greek economy and a further reduction of banks' stock of NPLs, with the latter thus moving closer to the EU average.
- Markets price Greek sovereign bonds more favourably than the median of BBB-rated sovereign bonds; in particular, the market-implied rating for GGBs stands within the range of the single-A rating category (see Chart 47).

Chart 46: Greece's sovereign credit rating
(highest rating; alphanumeric scale harmonized)



Sources: Rating agencies & Bank of Greece.
Latest obs. 13/6/2024

Chart 47: Sovereign bond yields per rating categories
(yields in %; median per rating; model-implied)



Sources: LSEG; BoG's model.
Latest obs. 13/6/2024

Table 7.3 Corporate bonds

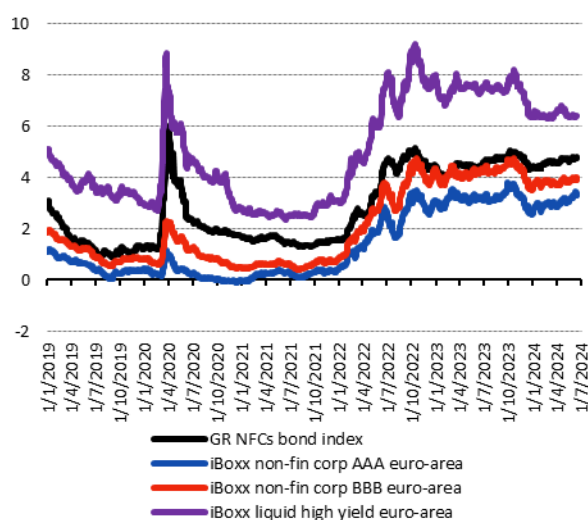
	Levels		Changes (bps)						
	Latest 13/6/2024	30/5/2024	2-weeks	y-t-d	3-months	6-months	12-months	2023	2022
GR NFC bonds	4.77	4.79	-2	36	16	44	35	0	287
EA BBB-rated NFC bonds	3.89	4.01	-12	33	6	34	-34	-79	353
EA liquid HY NFC bonds	6.38	6.43	-5	4	3	2	-86	-164	490
<i>Spreads</i>									
GR NFC - EA BBBs (bps)	88	78	10	3	10	10	69	79	-66
GR NFC - EA liquid HY (bps)	-161	-165	4	32	14	43	121	164	-203

Source: LSEG, Bank of Greece.

Note: Data on yields of the Greek corporate bonds refer to the yield of the GR NFC bond index of the Bank of Greece (Bloomberg ticker: BOGGRNFC). Data on other euro-area corporate bonds (namely EA NFC BBB-rate bonds and EA liquid HY NFC bonds) correspond to the yields of the indices iBoxx EA BBB NFC and iBoxx EA liquid HY NFC bonds, respectively.

- **Bonds issued by Greek non-financial corporations (NFCs) have largely followed the developments in other euro-area corporate bonds (Chart 48).** In 2023, Greek NFCs' bond issuance activity was low, reaching in total €600mn, in line with their low refinancing needs. In 2024, to date, Greek companies have issued new bonds for a total amount of €330mn.
- **Yields of GCBs** were broadly unchanged in the period under review, broadly in line with yields on euro-area non-IG corporate bonds (see Table 7.3).

Chart 48: GR NFCs bond index & iBoxx indices for EA non-financial corporates
(percentage points; daily data, 2019 to date)



Sources: Bank of Greece & LSEG.
Latest obs. 13/6/2024

Table 7.4 Stock market indices

	Levels		Returns (%)						
	13/6/2024	30/5/2024	2-weeks	y-t-d	3-months	6-months	12-months	2023	2022
ATHEX General Index	1,438	1,440	-0.1	11.2	2.5	10.8	13.3	39.1	4.1
Banks	1,285	1,258	2.2	21.1	6.9	19.6	25.4	65.7	11.4
Basic Materials	5,077	5,105	-0.5	4.3	2.2	3.1	-7.0	24.2	-11.6
Consumer Discretionary	5,045	5,088	-0.9	0.6	-4.0	0.5	-0.6	41.7	17.7
Consumer Staples	6,274	6,215	0.9	23.3	3.6	23.6	28.5	25.3	-24.5
Energy & Utilities	5,076	5,191	-2.2	1.8	-0.8	1.6	0.4	20.3	7.2
Industrials	6,230	6,280	-0.8	22.6	6.6	22.5	44.3	68.9	15.1
Real Estate	4,561	4,686	-2.7	-8.0	-7.0	-7.0	-9.3	-0.4	-18.0
Tech & telecommunications	5,362	5,438	-1.4	5.7	-0.7	5.9	13.0	27.5	-5.7
Transaction volume (monthly average, in mn €)	136.8	150.1	-8.9	27.4	-20.2	-24.0	-4.0	96.9	14.3
Euro Stoxx	509	516	-1.5	7.3	-0.5	7.3	10.5	15.7	-14.4
MSCI World	3,504	3,420	2.5	10.6	3.3	11.4	18.1	21.8	-19.5
GR volatility (%) ^a	0.8	0.8	-2.6	87.9	33.9	6.6	-45.2	-38.8	5.8
GR intraday volatility (%) ^b	1.1	0.9	16.1	46.3	19.6	55.8	-25.3	-14.3	3.1
MSCI World volatility (%) ^a	0.5	0.5	-12.1	-1.4	-23.5	-0.3	-31.2	-52.1	9.6
VIX	12.0	14.5	-16.8	-3.3	-12.9	-11.8	-17.0	-42.5	25.8

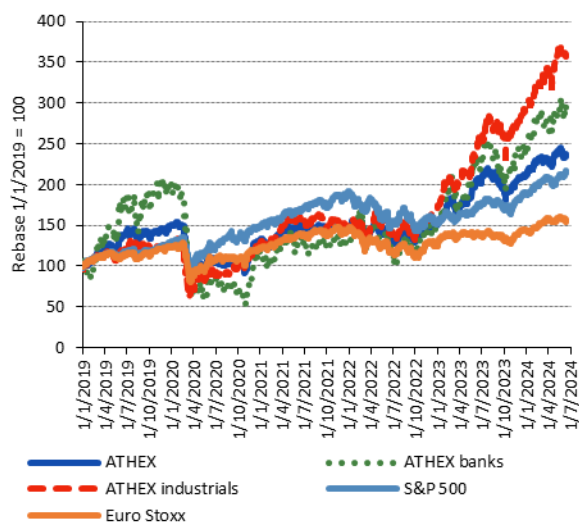
Source: LSEG, Bank of Greece.

a) Volatility measures are standard deviations of daily returns with a fixed monthly rolling window.

b) Intraday volatility is the range of intraday prices, relative to the closing price.

- **Share prices in the Athens Stock Exchange (ASE) recorded strong positive returns in 2023**, outperforming by a wide margin global stock markets; at the same time, market volatility in the ASE declined (Chart 49).
- **Share prices of Greek listed companies** were broadly unchanged, in the period under review, while those of euro area stock markets recorded negative returns. Share prices of Greek banks and consumer staples rose, while the other sectors recorded losses (see Table 7.4).

Chart 49: Stock exchange indices



Source: LSEG.

Latest obs. 13/6/2024

8. BANKING SECTOR

Table 8: Banking sector income statement items, ratios and funding

Income statement items (in bn euros)												
Net profits			Net Interest Income		Net Fees & Commissions		Net Trading & other income		Total Operating Expenses		Pre-Provision Income	
2024:Q1	2023:Q1		2024:Q1	2023:Q1	2024:Q1	2023:Q1	2024:Q1	2023:Q1	2024:Q1	2023:Q1	2024:Q1	2023:Q1
GR banks (SIs & LSIs)*	3.8	3.4	8.5	5.6	1.8	1.7	0.7	2.8	3.9	3.8	6.3	7.1
GR banks (SIs)	1.1	0.8	2.1	1.9	0.5	0.4	0.1	0.1	0.8	0.9	1.9	1.5
Ratios (in %)						Funding (in bn euros)						
NPE		CET1		MREL		Range of ratings		Eurosystem		Bond issuances		
2024:Q1	2023:Q1	2024:Q1	2023:Q1	2024:Q1	2023:Q1	Latest	2023:H1	2024:Q1	2023:Q1	2024 y-t-d	2023	
GR banks (SIs & LSIs)*	6.6	8.7	15.4	13.4	-	BB- to BBB-	B to BB-	17.0	51.0	4.0	3.0	
GR banks (SIs)	4.0	5.9	16.1	14.3	26.0	BB- to BBB-	B to BB-	10.5	27.8	4.0	3.0	

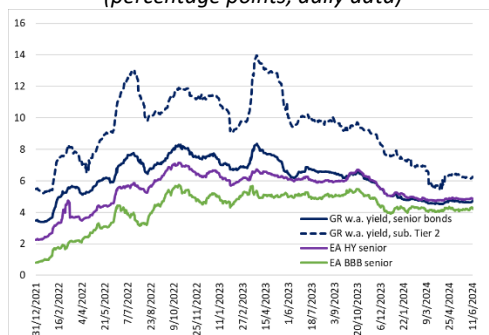
* These data are for 2023 because LSIs have not yet published results for 2024:Q1.

Sources: 1) income statement items, NPE ratio and CET1 ratio: a) significant institutions (SIs; consolidated data); 2024:Q1 from banks' financial statements and presentations; 2023:Q1 from ECB, b) SIs + LSIs (consolidated data; NPE ratio: solo data); Bank of Greece, 2) MREL ratio: SRB and banks' financial statements, 3) Eurosystem funding: Bank of Greece and banks' financial statements, 4) Ratings: rating agencies (S&P, Moody's, Fitch, M.DBRs), 5) Bond issuances: LSEG.

Notes: CET1 ratio: fully loaded CET1 regulatory capital divided by total risk weighted assets. Range of ratings: range of SI's highest long-term issuer rating across rating agencies (group level).

- According to banks' Q1 2024 published financial results, the net profits of the four Greek systemic banks rose substantially (up by 38% y-o-y). This came as a result of a continued rise in net interest income, reflecting higher net interest margins, and, to a lesser extent, higher net fees & commissions income and net trading & other income. Total operating expenses were broadly unchanged while impairment losses on loans & advances to customers retreated, in line with further progress in asset clean-up.
- The aggregate NPE ratio of Greek systemic banks stood in March 2024 at 4.0% from 5.9% in March 2023.
- The aggregate capital buffer of Greek systemic banks rose in Q1 2024 compared to end-2023, as CET1 capital increased whereas total assets decreased, i.e. capital accelerated relatively to risks.
- The systemic banks in 2023 have met their interim MREL targets; for this purpose, they have been issuing bonds and are expected to continue doing so until their final MREL targets are met.²
- Yields on senior and subordinated bonds issued by Greek banks were broadly unchanged in the period under review, as were bank bond yields of euro area peers (change in weighted average yield since 30.5.2024: senior bonds: +4 bps; subordinated Tier 2 bonds: +5 bps).

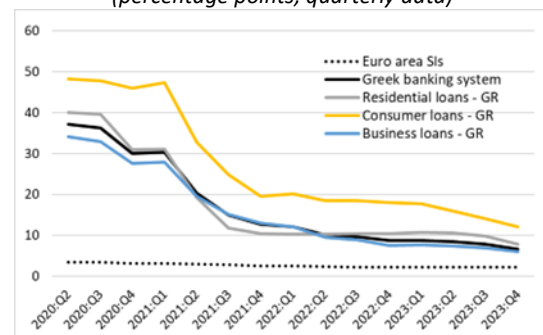
Chart 50: GR and EA bank bond yields
(percentage points; daily data)



Sources: Bank of Greece & LSEG.

Note: Blue lines: the weighted average yield of senior & subordinated Tier 2 bonds issued by Greek systemic banks (solid & dashed lines, respectively). Purple line: the iBoxx EUR High Yield Banks Senior (solid line). Green line: iBoxx EUR Banks BBB. Latest obs. 13/6/2024

Chart 51: GR and EA NPE ratios
(percentage points; quarterly data)



Sources: Bank of Greece & ECB.

² Interim MREL targets: Eurobank: 23.2%, Piraeus: 24.9%, NBG: 25.3%, Alpha: 22.5%; final MREL targets: Eurobank: 27.8%, NBG: 27.8%, Alpha: 28.0%, Piraeus: 27.3% (source: bank's results and disclosures). Both the interim and the final target include the combined buffer requirement; the final MREL target is applicable on 1-Jan 2016 and is updated annually by the Single Resolution Board.

9. PRIVATISATIONS AND STRUCTURAL REFORMS

Privatisations

- **The implementation of the revised Asset Development Plan of the Hellenic Republic Asset Development Fund (HRADF)** (as last revised on 29 December 2023) is the keystone for the privatisation strategy. It includes 34 on-going projects, with some of them at an advanced stage (Attiki Odos, Egnatia Odos, ports of Alexandroupolis, Igoumenitsa, Heraklio and Volos), some marinas, properties, and healing springs.
- According to the State Budget 2024, **public revenues from privatisations** amounted to €660.4 mn in 2021 and €586.6 mn in 2022, mainly due to revenues from Hellinikon, 5G frequency bands and DEPA Infrastructure. For 2023, public revenues from privatizations are estimated at €406.4 mn. The forecast for 2024 according to the State Budget 2024 is €5,770.7 mn and will arise mainly from the concession contracts for the operation and exploitation of Attiki Odos motorway (3,270.0 mn) and Egnatia Odos motorway (€1,350.0 mn). The forecast for 2025 and 2026 is €173.3 mn and €171.5 mn, respectively.
- The HRADF announced that 8 interested parties had submitted an expression of interest for the acquisition of a majority stake of at least 50% plus one share of the Lavrion Port Authority.

Structural reforms

- On 11 April 2023, the Ministry of Labour and Social Affairs announced the completion of the codification of labour legislation. Thus, the provisions for individual and collective labour law, as well as for the administrative supervision of the labour market, are now included in a single text.
- The new labour law (L.5053/2023) incorporated Directive (EU) 2019/1152 "on transparent and predictable working conditions in the European Union", while rules were established to simplify administrative procedures and protect the employees. In particular, it provides, inter alia:
 - Legalization of work for more than one employer, provided that the upper limit of employment will not exceed 13 hours of work per day for all employers.
 - New flexible employment contracts. The employer will be able to call the employee for employment whenever they need them and utilize them at the hours they wish and the remuneration will be made according to the time of employment with the legal daily wage or hourly wage.
 - Possibility of six-day work with an increased daily wage by 40% over the weekend.
 - Increase in the fine for violations of undeclared work.
 - Counting in-house training as paid work time.
 - Instituting a probationary period of six months instead of one year for a hired employee.
 - Simplification of bureaucratic procedures for businesses that choose to implement the Digital Work Card faster than it becomes mandatory in their industry.
 - Provision that the employee's unjustified absence from work, for a period longer than five consecutive working days, may be considered as termination of the contract by the employee.
 - Criminal responsibilities, to strikers who prevent the attendance at work, of other workers.
 - Creation of a digital platform for finding work in private sector companies operating in Greece, under the brand name "REBRAIN GREECE". The platform will be for highly skilled and specialized occupations.
 - Also, in the new labour law, an amendment was voted to lift the suspension of the seniority allowance from 1/1/2024 for employees in the private sector, without retroactivity (restoration of the three-years allowances, which were suspended since 2012).
- According to the **third post-programme surveillance report** (December 2023):
 - Tax debt: The re-opening of highly *concessional* settlement schemes has attracted limited interest.
 - Arrears: There has been satisfactory progress in the clearance of lump-sum pension arrears but it is unlikely that the target has been met. Arrears in hospitals raise concerns as they remain high and actions undertaken to clear them might not be sufficient.
 - Labour legislation: Codification of the labour legislation is underway and expected to be completed in the coming months.

- **Financial sector:** There is a delay in the implementation of planned improvements in the policies aiming to clear various obstacles in tackling legacy non-performing loans. However, the policies perform in a satisfactory manner.

Moreover, the staff report takes note of **planned reforms, which are currently underway:**

- **Tax evasion:** A number of measures aiming to fight tax evasion are to be adopted. Some of these measures aim to increase the share of electronic payments: interconnection of the point of sale (POS) terminals with the cash registers and the digital submission of this data to the tax administration and mandatory acceptance of direct electronic payments to sectors where this was not obligatory before (e.g., taxis, parking lots, kiosks) and real estate transactions.
 - **Pensions:** The 30% reduction of the pension for the pensioners who are employed is going to be replaced by a 10% levy on their labour income in order to reduce the disincentive to work or declare labour income.
 - **Health:** Full rollout of the reform of the National Centralised Health Procurement Authority, to purchase an increasing number of pharmaceutical supplies centrally, and a centralised Digital System for the calculation and issuance of hospitals' clawback.
- Reform and Investment projects relating to all four pillars of the **National Recovery and Resilience Plan** are in progress. Most notably major projects that have been funded so far concern: household energy upgrades, electrical interconnection of islands, electric energy storage facilities, telecommunications (microsatellites network), upskilling and reskilling of unemployed, digitalization of education and construction of central Greece highway.
 - According to the 2024 Ageing Report (2024 AR), public pension expenditure as % of GDP in Greece is expected to decline by 2.5p.p. over the projection horizon (from 14.5% of GDP in 2022 to 12.0% of GDP in 2070). This represents the largest fall amongst EU member states, for whom public pension expenditure as % of GDP is on average projected to marginally increase by 0.4 p.p. by 2070. The projections are in line with the pension system sustainability clause, which requires that 2060 public pension expenditure may rise by up to 2.5 percentage points of GDP when compared to 2009 expenditure (according to the 2024 AR, in 2060 pension expenditure in Greece will be lower by 1.6 p.p. when compared to 2009). Age retirement thresholds have been revised upwards (from 67) to reflect the increases marked in the life expectancy at 65 years of age (by one year in 2027, 2036, 2045, 2054 and 2066).

ANNEX 1: ADDITIONAL CHARTS AND TABLES

ECONOMIC ACTIVITY

Table 1: GDP and main components, seasonally adjusted

Percentage changes (chain linked volumes, reference year 2015)

	2020					2021					2022					2023					2024
	2020	Q1	Q2	Q3	Q4	2021	Q1	Q2	Q3	Q4	2022	Q1	Q2	Q3	Q4	2023	Q1	Q2	Q3	Q4	Q1
Private consumption	-7.4	0.4	-14.5	-5.4	-10.1	6.4	-6.9	14.9	7.0	12.3	7.6	13.1	7.8	6.1	3.8	1.6	1.0	2.1	1.4	2.0	2.2
Public consumption	2.8	3.1	-1.1	4.9	4.5	2.1	1.8	2.6	2.6	1.4	2.2	2.6	3.4	1.9	0.9	1.4	3.8	0.8	-0.9	1.9	-4.0
Gross fixed capital formation	2.0	3.3	-0.7	4.7	0.4	19.1	10.7	21.1	17.6	27.6	11.7	15.3	8.7	7.4	15.4	4.0	8.2	9.3	5.1	-5.5	2.9
Dwellings	18.3	25.6	40.3	7.5	3.9	28.0	31.4	12.9	70.8	4.7	33.9	15.6	14.0	7.3	115.6	20.0	48.4	45.9	27.5	-18.9	-14.0
Other construction	-1.9	-10.8	7.1	-4.9	3.4	11.6	3.3	16.0	14.2	13.3	9.2	16.3	4.5	10.1	6.6	9.6	5.4	14.0	4.9	14.3	10.6
Equipment	-5.1	-1.2	-10.6	-3.6	-5.0	23.5	-0.8	21.0	16.8	59.7	18.4	37.1	16.5	14.0	11.2	2.0	0.9	4.8	15.4	-11.2	7.1
Domestic demand	-4.4	1.2	-10.3	-2.3	-6.1	6.9	-3.2	12.9	7.4	11.7	7.0	11.2	7.0	5.5	4.7	1.9	2.5	2.8	1.4	0.9	1.1
Exports of goods and services	-21.5	-10.1	-29.0	-32.4	-12.7	24.2	-0.8	25.2	48.2	29.4	6.2	15.3	13.2	-1.2	0.0	3.7	9.1	1.4	2.8	1.6	-5.7
Exports of goods	4.3	4.8	-3.0	2.8	13.1	14.4	11.4	21.2	15.3	10.1	3.7	5.5	4.1	2.9	2.6	2.8	10.6	0.7	1.6	-1.1	-8.8
Exports of services	-42.6	-16.4	-56.1	-56.2	-41.3	37.5	-19.1	58.2	93.6	62.1	9.3	22.8	24.9	-1.6	-3.0	4.2	6.3	1.2	4.6	4.9	1.5
Imports of goods and services	-7.5	2.4	-15.8	-8.1	-8.3	18.1	-3.9	27.1	22.2	30.2	7.7	15.3	11.4	1.6	4.0	2.1	4.6	0.1	4.1	0.0	3.1
Imports of goods	-3.8	1.8	-14.2	-3.6	0.8	17.0	-0.6	26.9	17.0	26.7	8.5	15.6	13.2	4.7	2.1	1.9	2.6	-1.6	5.1	1.6	2.5
Imports of services	-17.2	4.7	-20.2	-20.3	-30.8	20.6	-14.0	26.9	37.7	41.4	3.3	12.3	4.1	-8.4	8.0	2.9	10.9	5.5	0.5	-4.0	4.8
Real GDP at market prices	-9.0	-1.6	-16.0	-10.7	-7.6	8.1	-2.2	14.7	11.9	9.2	5.7	7.7	6.8	4.0	4.3	2.0	1.9	2.7	2.1	1.3	2.1

Source: ELSTAT (quarterly national accounts June 2024, provisional data).

Table 2: Value added decomposition, seasonally adjusted

Percentage changes (chain linked volumes, reference year 2015)

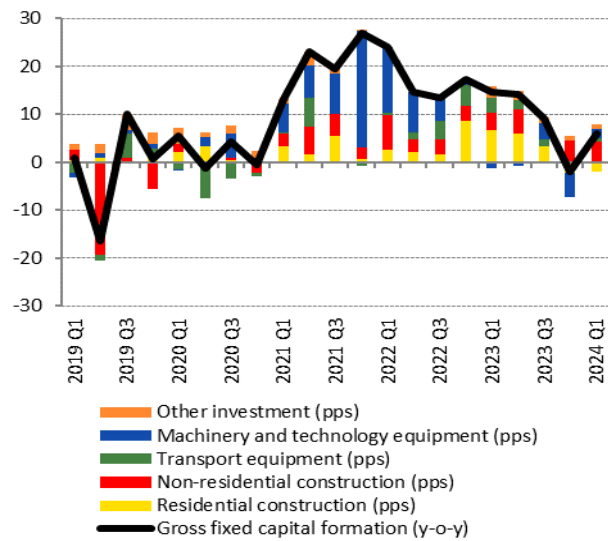
	2020					2021					2022					2023					2024
	2020	Q1	Q2	Q3	Q4	2021	Q1	Q2	Q3	Q4	2022	Q1	Q2	Q3	Q4	2023	Q1	Q2	Q3	Q4	Q1
Agricultural sector	-8.4	-2.9	-9.8	-10.7	-10.0	-3.7	-6.3	-3.4	-5.3	0.2	12.0	8.4	14.6	19.3	6.2	-7.6	2.1	-5.6	-9.6	-17.3	-12.9
Industry and construction	0.3	1.1	-4.1	1.0	3.5	12.0	8.5	16.8	12.8	10.0	-2.8	1.8	-2.8	-4.5	-5.6	1.4	0.2	-0.2	2.0	3.8	3.1
Industry	1.5	1.5	-4.0	3.2	5.5	11.9	9.4	17.2	10.8	10.5	-4.2	0.4	-3.1	-5.5	-8.6	-0.3	-2.1	-3.4	1.1	3.5	3.3
Construction	-8.4	-2.1	-4.9	-15.9	-10.6	12.7	2.2	13.6	31.4	5.9	8.7	13.1	-0.5	2.6	21.1	13.9	17.2	25.8	8.5	5.5	1.5
Services	-10.6	-2.8	-17.4	-12.5	-9.7	6.7	-4.4	12.6	10.7	9.3	6.0	7.0	6.6	5.0	5.4	1.8	3.4	2.2	0.5	1.1	0.8
Trade, hotels and restaurants, transport	-20.6	-3.7	-32.5	-25.9	-20.3	12.1	-11.4	24.4	23.2	19.7	11.1	13.2	18.5	9.0	4.7	0.7	3.5	-0.5	-0.6	0.5	0.8
Information & communication	9.2	13.8	1.6	5.7	16.0	11.5	15.5	20.1	13.8	-1.5	3.9	-0.9	1.5	3.8	11.6	5.7	7.3	9.2	1.0	5.7	4.6
Financial services	-2.4	-2.1	-4.9	-2.3	-0.2	-2.0	0.5	1.3	-3.1	-6.6	1.8	-8.9	-9.2	0.4	27.2	3.1	3.6	4.7	2.1	2.3	2.2
Real estate related services	-11.9	-10.2	-13.9	-13.8	-9.8	5.6	-0.9	5.6	9.0	8.9	2.3	5.2	2.7	1.0	0.3	0.4	0.4	0.4	0.4	0.4	0.4
Professional services	-7.2	5.5	-18.1	-11.3	-4.8	9.6	-2.1	24.3	14.5	5.2	10.3	5.0	8.2	11.3	16.4	7.3	14.2	9.4	5.0	1.6	0.9
Public admin	-0.4	0.4	-2.1	0.1	0.1	1.6	0.9	1.9	1.2	2.3	2.4	2.2	1.1	3.5	2.8	0.7	1.2	2.6	-0.8	-0.2	-0.1
Arts and recreation	-21.3	-2.0	-43.9	-10.0	-28.0	14.1	-29.5	59.6	15.3	35.6	13.3	50.6	10.0	5.0	-1.6	7.6	8.7	6.2	6.5	9.1	1.3
Value added at basic prices	-9.1	-2.1	-15.4	-11.2	-7.5	7.5	-1.6	12.6	11.6	8.4	4.8	5.5	6.5	3.8	3.5	1.2	2.9	1.5	0.1	0.4	1.0
Taxes on products	-8.2	1.4	-19.4	-7.0	-7.5	10.0	-3.9	26.8	10.2	10.3	10.3	20.3	8.9	4.2	8.2	1.6	-8.3	-2.2	13.2	4.7	11.2
Subsidies on products	-2.1	8.5	8.6	-5.8	-18.0	-13.1	18.9	1.8	-38.3	-39.7	4.6	-31.6	-21.0	30.9	111.2	-17.3	-20.5	-46.5	15.3	-15.9	-3.7
GDP at market prices	-9.0	-1.6	-16.0	-10.7	-7.6	8.1	-2.2	14.7	11.9	9.2	5.7	7.7	6.8	4.0	4.3	2.0	1.9	2.7	2.1	1.3	2.1

Source: ELSTAT (quarterly national accounts June 2024, provisional data).

Table 3: Projections for Greek GDP by international organizations				
Percentage changes compared to a year earlier	Release date	2023	2024f	2025f
OECD	May 2024	2.0	2.0	2.5
European Commission	May 2024	2.0	2.2	2.3
IMF	April 2024	2.0	2.0	1.9
Consensus	June 2024	2.0	1.9	2.2

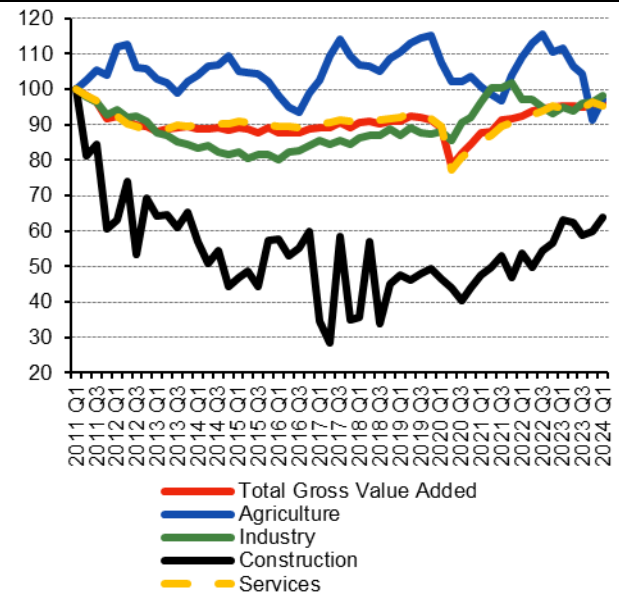
Sources: OECD (OECD Economic Outlook, May 2024), European Commission (European Commission, Spring 2024 Economic Forecasts, May 2024), IMF (World Economic Outlook, April 2024), Consensus Economics (Consensus Forecasts, June 2024).

Chart 1: Decomposition of gross fixed capital formation by investment component (contribution)



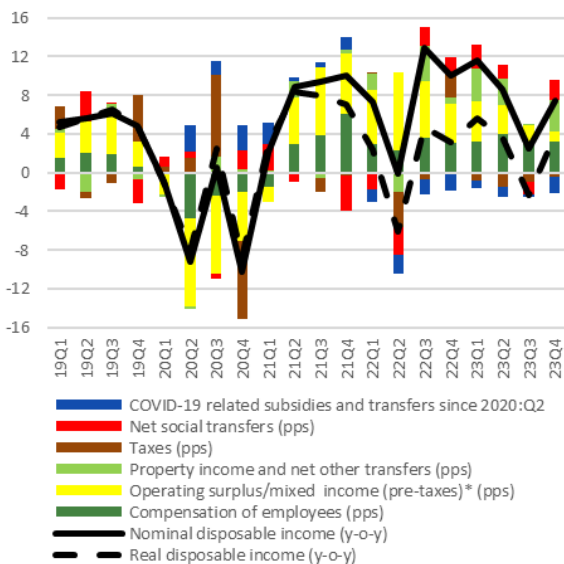
Source: ELSTAT, National Accounts (provisional, nsa data, at current prices), June 2024.

Chart 2: Real gross value added by economic activity (index: 2011:Q1=100)



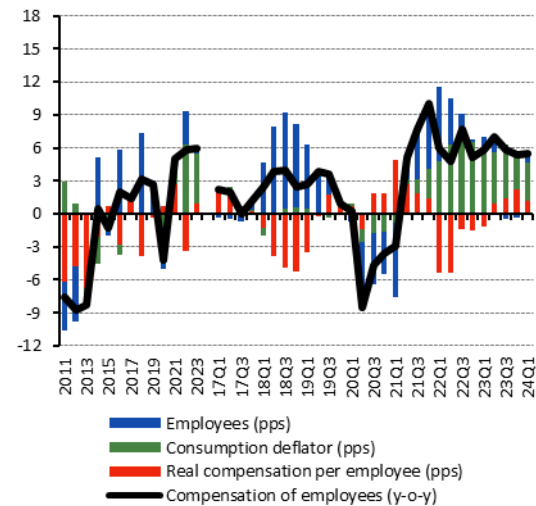
Source: ELSTAT, National Accounts, June 2024.

Chart 3: Household disposable income growth and components (percent contributions)



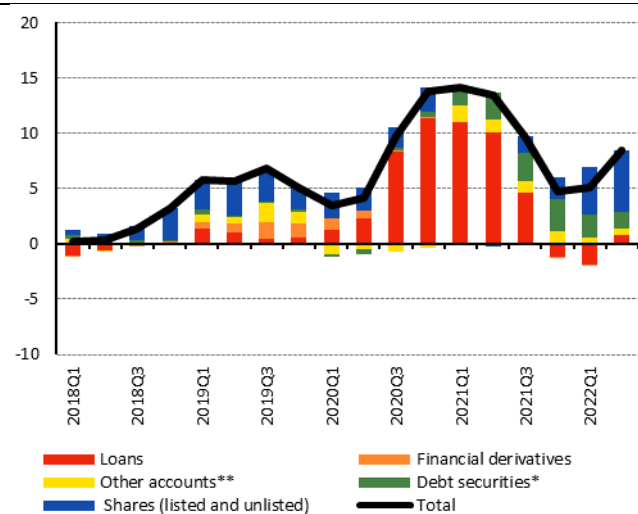
Source: ELSTAT, quarterly non-financial accounts of institutional sectors and Bank of Greece calculations.
Note: Taxes = Current taxes on income, wealth + Taxes on production and imports (including ENFIA).
*Excluding exceptional subsidies and transfers from general government to deal with COVID-19 since 2020:Q2.

Chart 4: Compensation of employees growth and components (percent contributions)



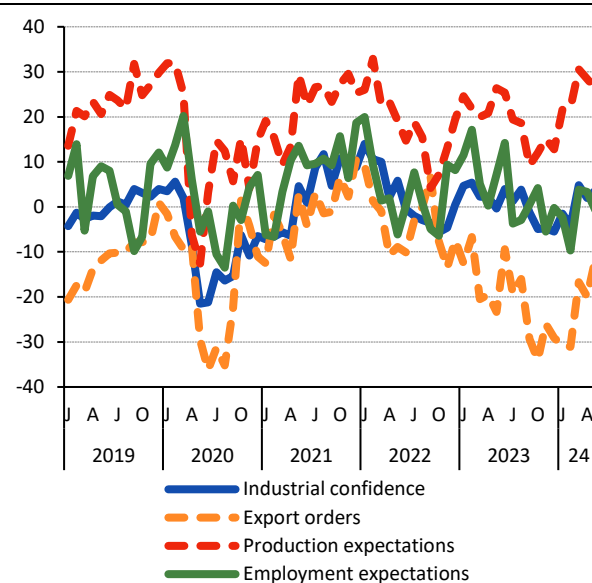
Source: ELSTAT, National Accounts, March 2024.

Chart 5: External financing of Non-Financial Corporations by instrument
(flows, 4 quarter moving sum, EUR bn)



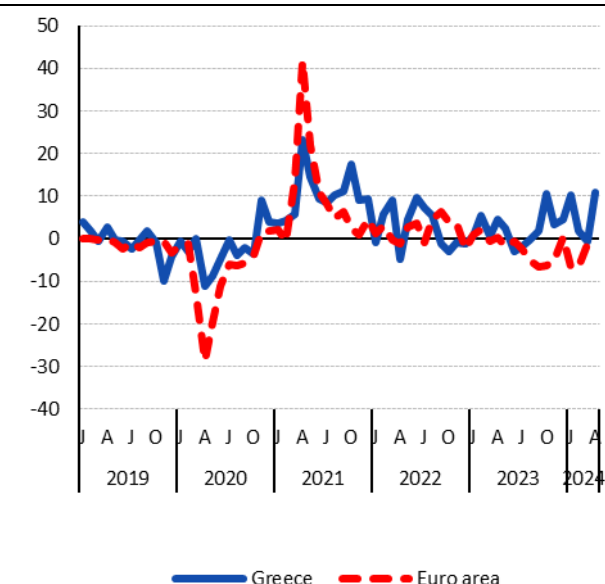
Sources: ECB (SDW), Bank of Greece, Financial Accounts.
 *Does not include corporate bonds issued by Greek companies' subsidiaries residing abroad. In the period Dec. 2012-Oct. 2020 the gross (net) amount of these bond issues stood at around €10.8 (5.5) bn.
 **Includes trade credit and advances and other accounts receivable/payable.

Chart 6: Industrial confidence, production, employment and export orders
(balances; sa data)



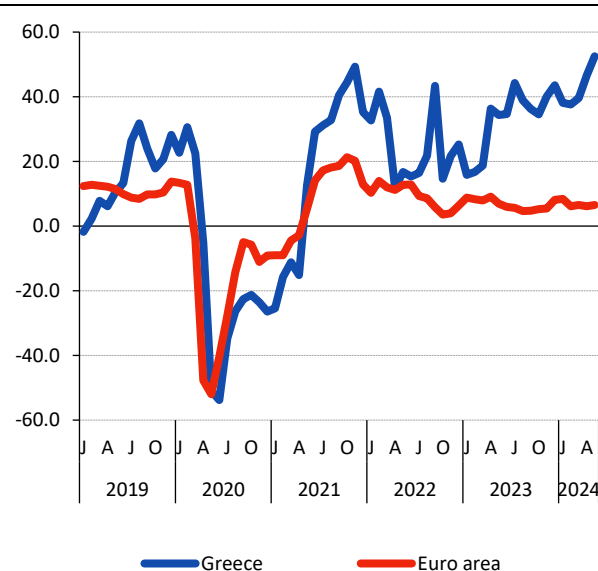
Source: European Commission (business and consumer surveys).

Chart 7: Industrial production
(annual percentage change of industrial production index)



Source: Eurostat.

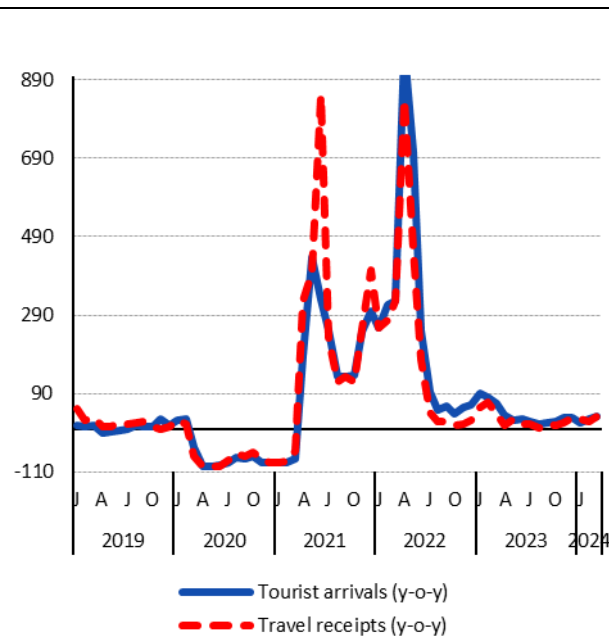
Chart 8: Greek and Euro Area Services Confidence Indicator (balance)



Source: European Commission (business and consumer surveys).

Chart 9: Tourist activity indicators

(annual percentage changes)

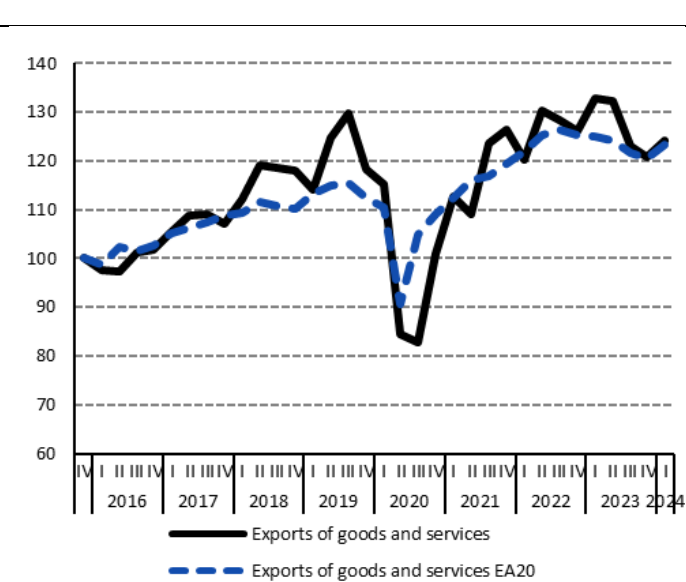


Sources: Frontier Survey of the Bank of Greece (for tourist arrivals and travel receipts)

EXTERNAL BALANCES, COMPETITIVENESS

Chart 10: Real exports of goods and services (Greece and EA20)

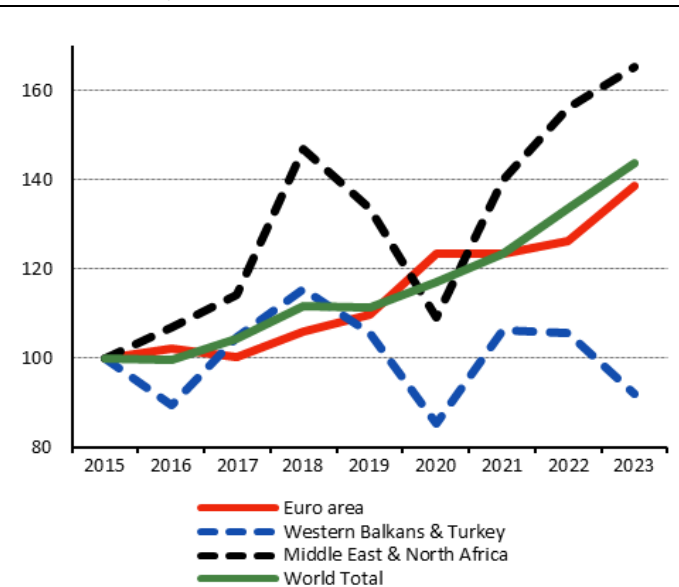
(index 2015:Q4=100, sa)



Sources: Bank of Greece (BoP statistics) and Eurostat (for EA 20). Bank of Greece calculations.

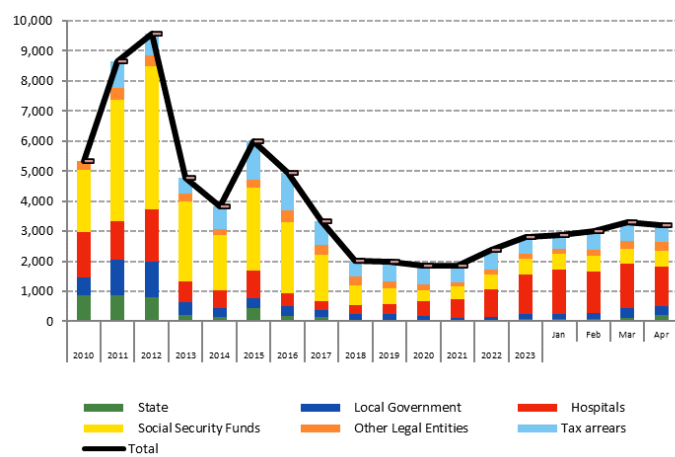
Chart 11: Greek goods export market shares

(Imports from Greece as percentage of world imports; Index 2015=100)



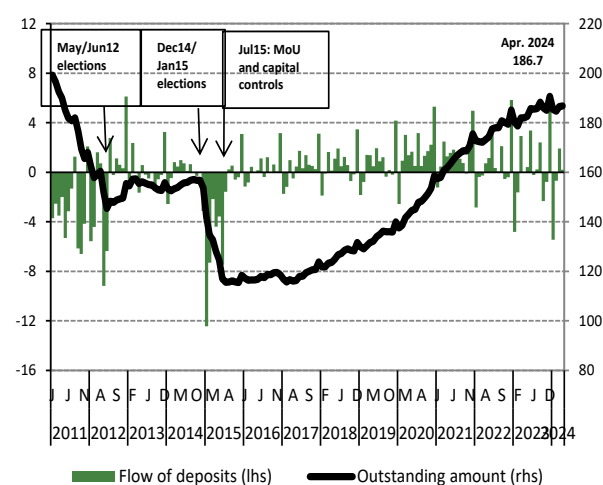
Source: IMF - Direction of trade statistics database. Bank of Greece calculations.

Chart 12: General Government stock of arrears (incl. tax arrears)
(EUR mn)



Source: Ministry of Finance.

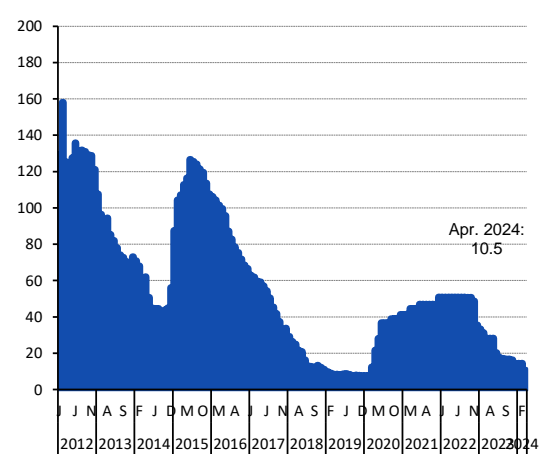
Chart 13: Bank deposits* of non-financial corporations and households (in EUR bn)



*As of December 2016, deposits held in the Consignment Deposits and Loan Fund by the private sector (€4.2 bn) were excluded from the outstanding amount of bank deposits, as the institution has been reclassified from the financial sector to the general government sector. The net flows of deposits are not affected by such reclassifications.

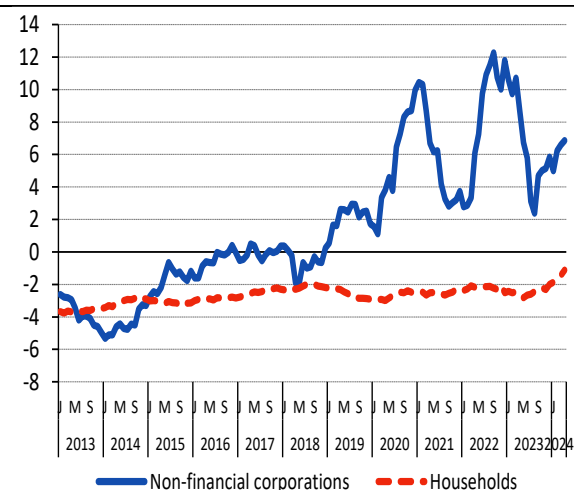
Source: Bank of Greece.

Chart 14: Central bank financing to Greek commercial banks (in EUR bn, end of month)



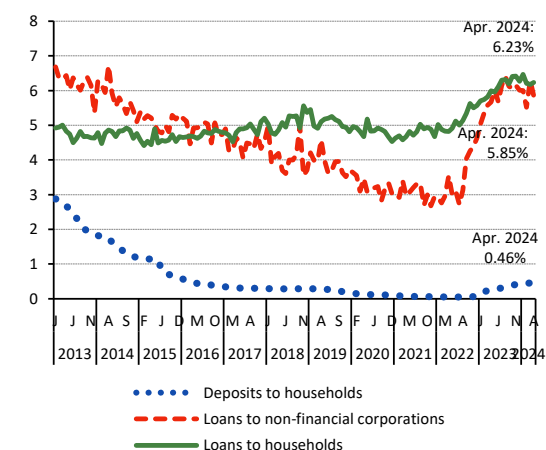
Source: Bank of Greece.

Chart 15: Bank credit to non-financial corporations and households (annual percentage change %)



Source: Bank of Greece.

Chart 16: Bank interest rates of new loans and deposits to euro area residents (annual percentages, weighted averages of interest rates on the various loan and deposit categories)



*Before June 2014 interest rates agreed in the context of most loan modifications were recorded as interest rates on new lending. As of June 2014, interest rates in the context of loan modifications, if set below market conditions in response to financial distress of the borrower, are no longer reflected in the series for the bank lending rate.

Source: Bank of Greece.

STRUCTURAL REFORM INDICATORS

Chart 17: Number of procedures to start a business

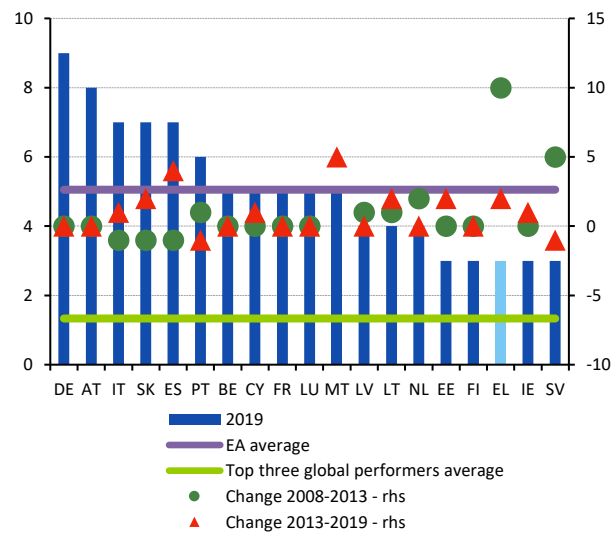
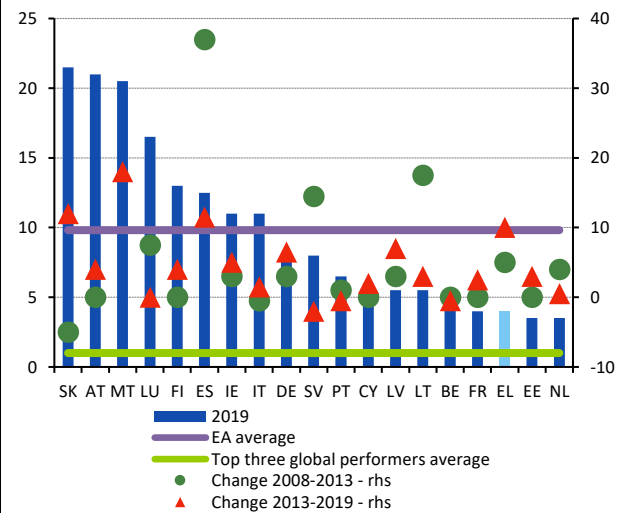


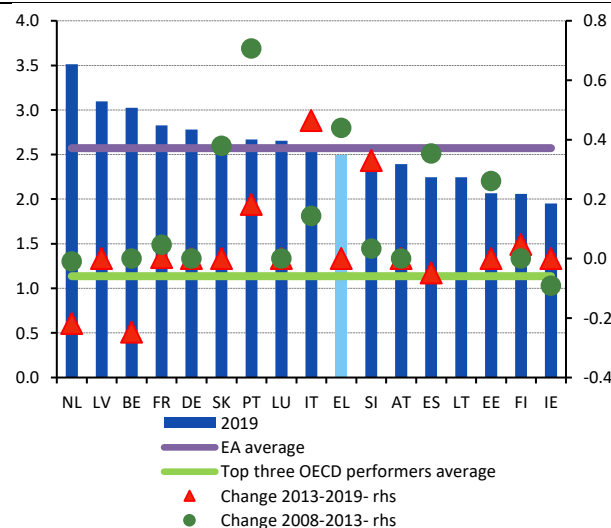
Chart 18: Number of days to start a business



Sources: Doing Business Reports 2020, 2014, 2009, World Bank and BoG calculations.

Notes: On the left-hand scale, the higher the value, the more costly it is to start a business as measured by the number of procedures (Chart 14) / the time needed (Chart 15) to open a business. As a measure of the reforms implemented, the right-hand scale shows the change in the number of days to open a business for two sub-periods. A change greater (less) than zero means the country moves closer to (further away from) best practice. No value is available for MT for 2008.

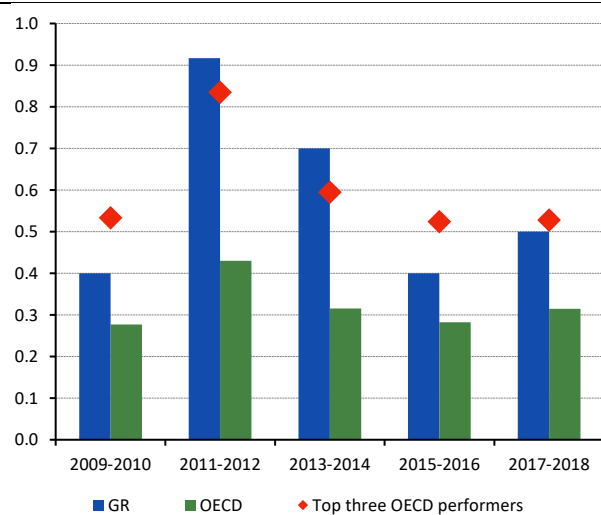
Chart 19: OECD Employment Protection Legislation Index



Sources: OECD, EPL index (version 3, 2020 edition) and BoG calculations.

Notes: EPL index varies from 0 to 6, where lower values indicate a lower degree of employment protection through legislation. The right-hand scale shows the change in the index for two sub-periods. A change greater (less) than zero means the country moves closer to (further away from) best practice.

Chart 20: Responsiveness to OECD Going for Growth recommendations



Source: OECD Going for Growth 2010, 2013, 2017 and 2019.

Table 1: Main macroeconomic indicators for Greece															
This update: 14 June 2024, Next update: 28 June 2024															
			2021	2022	2023	23Q2	23Q3	23Q4	24Q1	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24
1. Economic activity															
Real GDP	ELSTAT	%y-o-y	8.4	5.6	2.0	2.7	2.1	1.3	2.1	...	...	...	...	...	...
Real government consumption	ELSTAT	%y-o-y	1.8	2.1	1.7	0.8	-0.9	1.9	-4.0	...	...	...	...	...	...
Real private consumption	ELSTAT	%y-o-y	5.8	7.4	1.8	2.1	1.4	2.0	2.2	...	...	...	...	...	...
Real gross fixed capital formation	ELSTAT	%y-o-y	19.3	11.7	4.0	9.3	5.1	-5.5	2.9	...	...	...	...	...	...
Real exports of goods and services	ELSTAT	%y-o-y	24.2	6.2	3.7	1.4	2.8	1.6	-5.7	...	...	...	...	...	...
Real exports of goods		%y-o-y	14.1	3.5	3.2	0.7	1.6	-1.1	-8.8	...	...	...	...	...	...
Real exports of services		%y-o-y	37.5	9.3	4.2	1.2	4.6	4.9	1.5	...	...	...	...	...	...
Real imports of goods and services	ELSTAT	%y-o-y	17.9	7.2	2.1	0.1	4.1	0.0	3.1	...	...	...	...	...	...
Real imports of goods		%y-o-y	17.0	8.5	1.9	-1.6	5.1	1.6	2.5	...	...	...	...	...	...
Real imports of services		%y-o-y	20.6	3.3	2.8	5.5	0.5	-4.0	4.8	...	...	...	...	...	...
Contribution to GDP growth (in GDP pts)	ELSTAT														
Domestic demand (excl. inventories)			6.8	7.4	2.3	2.9	1.5	0.9	1.2	...	...	...	...	...	...
Net exports			0.7	-0.8	0.5	0.5	-0.7	0.6	-3.6	...	...	...	...	...	...
Changes in inventories			1.0	-0.8	-0.7	-1.5	0.7	0.6	2.7	...	...	...	...	...	...
Economic Sentiment Indicator	EC		105.9	104.8	107.6	108.3	109.8	105.6	106.9	105.9	107.3	104.9	108.5	108.6	111.0
Consumer confidence indicator (% balance)	IOBE/EC		-35.4	-50.7	-40.0	-36.7	-36.3	-43.5	-46.1	-40.3	-46.3	-47.2	-44.7	-41.7	-43.8
Industrial confidence indicator (% balance)	IOBE/EC		2.8	2.0	0.6	1.9	1.3	-5.1	-0.3	-5.5	-1.5	-4.2	4.8	2.0	3.6
Industrial production (total industry)	ELSTAT	%y-o-y	10.1	2.4	2.3	1.1	-0.1	6.0	3.5	4.5	10.2	1.9	-0.6	10.8	...
Retail sales (total including fuel)	ELSTAT	%y-o-y	10.2	3.3	-3.3	-4.4	-3.2	-3.1	-4.7	0.8	-9.3	-9.5	5.2	...	...
2. Prices and costs (annual % changes)															
HICP	ELSTAT	%y-o-y	0.6	9.3	4.2	3.8	3.1	3.5	3.2	3.7	3.2	3.1	3.4	3.2	2.4
GDP deflator	ELSTAT	%y-o-y	1.5	7.8	4.5	5.4	4.3	3.7	...	...	...	...	...	...	...
Profits (gross operating surplus)	ELSTAT	%y-o-y	14.9	16.4	3.4	5.2	2.2	-0.7	...	...	...	...	...	...	...
Real compensation per employee*	ELSTAT	%y-o-y	2.7	-3.4	0.9	0.7	1.3	1.7	...	...	...	...	...	...	...
Unit labour costs, whole economy**	ELSTAT	%y-o-y	-3.1	-0.2	4.5	4.1	4.7	4.9	...	...	...	...	...	...	...
Compensation per employee		%y-o-y	3.8	2.8	5.5	5.7	5.9	5.3	...	...	...	...	...	...	...
Labour productivity		%y-o-y	7.1	3.0	1.0	1.6	1.2	0.4	...	...	...	...	...	...	...
Import price index (ind.goods)	ELSTAT	%y-o-y	20.0	27.7	-12.3	-19.2	-12.7	-10.3	-2.7	-8.7	-6.4	-2.8	1.3	2.0	...
Export producer prices index (ind. goods)	ELSTAT	%y-o-y	20.0	39.8	-9.0	-19.0	-9.2	-7.6	-0.4	-4.0	-4.1	2.1	3.3	5.8	...
Industrial producer prices (total excl.constr.)	ELSTAT	%y-o-y	11.9	33.5	-6.5	-10.4	-6.3	-10.4	-5.3	-7.4	-7.9	-6.3	-1.3	-3.2	...
Residential property prices	BOG	%y-o-y	7.6	11.9	13.8	14.8	12.5	12.4	10.4	...	...	...	...	...	...
Commercial property prices: Retail	BOG	%y-o-y	2.5	6.2	6.9	...	...	...	...	...	...	...	...	...	...
Commercial property prices: Office	BOG	%y-o-y	1.7	3.6	5.9	...	...	...	...	...	...	...	...	...	...
3. Labour market developments															
Unemployment rate (% of labour force)(nsa)	ELSTAT	%y-o-y	14.7	12.4	11.1	11.2	10.8	10.5	12.1	8.9	11.2	11.3	10.5	10.9	...
Total employment (nsa)	ELSTAT	%y-o-y	1.4	5.4	1.3	1.7	1.0	1.2	1.8	2.7	4.2	4.9	3.8	4.2	...
Employees	ELSTAT	%y-o-y	1.4	7.7	0.4	1.3	-0.8	-0.3	1.2	...	...	...	...	...	...
Hourly labour earnings (nsa)***	ELSTAT	%y-o-y	0.5	5.5	5.9	4.8	7.3	5.8	7.5	...	...	...	...	...	...
4. Balance of payments (BOG-Current Prices)															
Exports of goods and services	BOG	%y-o-y	44.1	36.5	-2.9	-7.9	-4.6	-8.5	-4.8	-12.6	-4.2	-2.7	-7.2	...	...
Exports of goods		%y-o-y	36.1	36.7	-8.0	-15.4	-16.5	-13.0	-10.7	-19.6	-10.4	-10.3	-11.4	...	...
Exports of services		%y-o-y	54.4	36.2	2.8	0.9	4.8	-2.3	5.7	-1.4	6.3	11.5	0.1	...	...
Exports of G&S as a percentage of GDP	BOG	%y-o-y	41.0	49.1	44.7	44.4	51.5	39.6	38.7	...	...	...	...	...	...
Imports of goods and services	BOG	%y-o-y	40.4	37.9	-10.4	-13.6	-13.5	-14.8	-0.4	-12.2	-2.4	7.2	-5.2	...	...
Imports of goods		%y-o-y	39.2	41.3	-12.3	-15.9	-15.8	-16.4	-1.9	-14.9	-3.4	5.7	-7.4	...	...
Imports of services		%y-o-y	43.9	27.7	-4.1	-6.2	-5.6	-9.8	4.5	-4.0	0.6	12.3	1.7	...	...
Imports of G&S as a percentage of GDP	BOG	%y-o-y	48.6	58.9	49.5	48.8	45.0	49.9	52.5	...	...	...	...	...	...
Current account balance (eur bn)	BOG	%y-o-y	-12.3	-21.2	-14.0	-4.2	1.0	-6.8	-4.2	-2.3	1.7	-3.2	-2.7	...	...
as a percentage of GDP		%y-o-y	-6.8	-10.3	-6.3	-7.7	1.6	-12.3	-8.0	...	...	...	...	...	...
5. Credit and financial indicators															
M3 (broad money, without currency in circulation)	BOG	%y-o-y	9.9	4.1	2.6	2.0	2.1	2.6	3.0	2.6	2.0	3.3	3.0	2.8	...
Credit to the private sector	BOG	%y-o-y	1.4	6.3	3.6	2.8	2.1	3.6	4.5	3.6	3.0	3.8	4.5	4.5	...
Euro short-term rate €STR	ECB	%y-o-y	-0.6	1.6	3.2	3.1	3.6	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9
10-year government bond yield (%)	Reuters	%y-o-y	1.3	4.6	3.3	3.7	4.1	3.3	3.4	3.3	3.3	3.5	3.4	3.5	3.5
Stock prices: ATHEX Composite Index	ASE	%y-o-y	10.4	4.1	39.1	57.4	52.5	39.1	34.9	39.1	33.7	24.7	34.9	33.5	17.5
6. General government finances (% of GDP)															
Surplus (+) / Deficit (-)	ELSTAT	cumulative	-7.0	-2.5	-1.6	-1.9	-1.3	-1.6	...	...	...	...	...	...	...
Primary balance (surplus +), deficit (-)	ELSTAT	cumulative	-4.5	0.0	1.9	-0.3	1.2	1.9	...	...	...	...	...	...	...
Consolidated gross debt	ELSTAT	cumulative	195.0	172.7	161.9	162.6	163.5	161.9	...	...	...	...	...	...	...
National Accounts variables on an annual frequency are based on non-adjusted annual data. National Accounts variables on a quarterly frequency are seasonally adjusted by ELSTAT. National Accounts based definitions for employment. Confidence indicators are net percentage balances of positive and negative replies to each situation described by the variable.															
* Deflated with private consumption deflator.															
** Eurostat definition.															
*** ELSTAT "Index of Wages" for the total economy excluding agriculture and private households.															

Table 2: Key indicators for Consumption in Greece											This update: 14 June 2024, Next update: 28 June 2024					
			LTA	2021	2022	2023	23Q2	23Q3	23Q4	24Q1	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24
1. Private consumption			2001-2008													
1.1 Private consumption	ELSTAT	% y-o-y	4.2	5.8	7.4	3.2	2.1	1.4	2.0	2.2	...	...	...	...	...	...
2. Disposable income of households and NPISH			2001-2008													
2.1 Disposable income of households and NPISH (current prices)	ELSTAT	% y-o-y	6.8	7.6	7.6	7.3	8.6	2.4	7.5	...	...	...	...	...	...	...
2.2 Real disposable income of households and NPISH	ELSTAT	% y-o-y	3.5	6.6	1.0	2.5	3.7	-2.3	3.9	...	...	...	...	...	...	...
3. Retail sales sub-indices			2005-2008													
3.1 General index	ELSTAT	% y-o-y	4.3	10.2	3.3	-3.3	-4.4	-3.2	-3.1	-4.7	0.8	-9.3	-9.5	5.2	...	...
3.1.1 General index (excluding automotive fuel)	ELSTAT	% y-o-y	3.0	10.5	1.9	-2.1	-3.5	-2.3	-1.4	-4.3	2.1	-10.4	-7.8	5.9	...	...
3.1.2 Food-beverages-tobacco	ELSTAT	% y-o-y	3.8	3.4	-1.4	-1.3	-2.4	0.2	1.4	-0.4	5.4	-6.4	-5.8	10.9	...	...
3.1.3 Clothing-footwear	ELSTAT	% y-o-y	-0.6	28.4	2.5	0.9	-4.3	-0.5	-1.1	-0.2	7.4	-6.2	-0.3	9.4	...	...
3.1.4 Furniture, elct and household eqpt.	ELSTAT	% y-o-y	5.2	21.9	10.8	2.4	-2.0	-4.8	0.1	-13.7	1.0	-23.2	-6.2	-12.0	...	...
3.1.5 Books, stationery, other goods	ELSTAT	% y-o-y	2.0	20.2	13.0	-0.6	-0.7	-4.1	-2.6	-10.9	0.7	-11.7	-15.2	-5.5	...	...
3.2 New private passenger cars	ELSTAT	% y-o-y	-1.3	22.2	6.7	16.5	6.1	13.4	27.6	5.8	22.1	9.4	18.5	-7.0	28.9	...
4. Bank credit			2003-2008													
4.1 Loans to househds for consumption purposes (nsa)	BOG	% y-o-y	24.2	-0.3	1.2	3.4	1.6	2.6	3.4	4.6	3.4	3.8	4.4	4.6	5.4	...
5. VAT Receipts*			2003-2008													
5.1 In current prices	MoF	% y-o-y	7.3	16.1	22.9	9.2	9.6	7.1	6.3	4.7	8.0	6.5	10.3	-4.7	16.9	...
5.2 In constant prices	MoF	% y-o-y	3.9	14.6	12.2	5.5	6.9	4.7	2.9	1.6	4.4	3.2	7.2	-7.6	13.4	...
6.Confidence indicators			2003-2008													
6.1 Consumer confidence	IOBE/EC	ind	-26.8	-35.4	-50.7	-40.0	-36.7	-36.3	-43.5	-46.1	-40.3	-46.3	-47.2	-44.7	-41.7	-43.8
Present conditions																
6.2 Major purchases at present	IOBE/EC	ind	-45.0	-35.7	-54.7	-52.9	-47.5	-51.3	-53.7	-53.6	-51.1	-49.8	-59.7	-51.2	-45.9	-58.5
6.3 Savings at present	IOBE/EC	ind	-57.8	-43.5	-57.9	-57.5	-57.6	-53.6	-58.9	-61.5	-57.6	-61.8	-63.1	-59.6	-53.4	-57.7
6.4 Statement on fin. situation of hsh.	IOBE/EC	ind	-1.2	2.5	-2.8	-3.6	-4.3	-2.2	-4.3	-3.1	-1.4	0.1	-6.1	-3.2	-4.3	1.2
Past 12 months																
6.5 Financial situation over last 12 months	IOBE/EC	ind	-30.1	-32.5	-50.4	-45.5	-44.5	-41.6	-48.6	-52.7	-45.6	-52.7	-52.3	-53.1	-43.2	-43.3
6.6 General economic situation over last 12 months	IOBE/EC	ind	-37.8	-58.8	-60.2	-45.5	-42.3	-39.6	-49.8	-52.5	-44.2	-51.1	-52.3	-54.0	-49.1	-54.5
6.7 Price trends over last 12 months	IOBE/EC	ind	68.9	19.9	82.8	85.3	83.9	85.4	86.7	88.4	85.4	86.6	90.6	88.0	83.1	82.6
Next 12 months																
6.8 Financial situation over next 12 months	IOBE/EC	ind	-20.8	-26.9	-49.4	-35.6	-32.4	-30.3	-41.7	-44.4	-38.6	-45.2	-45.6	-42.3	-36.7	-41.0
6.9 General economic situation over next 12 months	IOBE/EC	ind	-28.3	-42.0	-56.8	-35.4	-29.5	-29.9	-42.3	-43.9	-35.4	-44.8	-44.6	-42.3	-41.0	-46.7
6.10 Price trends over next 12 months	IOBE/EC	ind	30.2	7.6	42.5	27.2	20.8	24.0	35.0	29.0	24.8	31.9	32.1	23.0	28.6	32.0
6.11 Unemployment expectations over next 12 months	IOBE/EC	ind	43.0	45.0	35.6	13.7	11.5	10.7	15.5	15.7	9.1	12.4	15.9	18.9	9.8	18.5
6.12 Major purchases over next 12 mn.	IOBE/EC	ind	-28.0	-40.2	-46.0	-43.4	-40.5	-43.5	-41.5	-43.3	-41.7	-42.6	-46.3	-40.9	-46.0	-44.2
6.13 Savings over next 12 months	IOBE/EC	ind	-45.9	-59.8	-67.3	-64.3	-64.0	-61.6	-63.6	-68.0	-61.6	-65.2	-72.3	-66.6	-65.3	-62.5
Confidence indicators are net percentage balances of positive and negative replies to each situation described by the variable. For all indices except for those referring to the unemployment rate and prices, a higher value suggests an improvement.																
*VAT receipts follow new chart of accounts in central government as of January 2019.																

Table 3: Key indicators for Investment in Greece																
											This update: 14 June 2024, Next update: 28 June 2024					
			LTA	2021	2022	2023	23Q2	23Q3	23Q4	24Q1	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24
1. Gross fixed capital formation	ELSTAT	%y-o-y	3.8	19.3	11.7	4.0	9.3	5.1	-5.5	2.9	...	...	...	...	...	...
1.1 Equipment			7.8	28.6	15.1	-2.3	-1.1	6.8	-12.9	4.8	...	...	...	...	...	...
1.2 Construction			1.2	16.7	16.6	13.6	23.8	12.0	0.9	1.4	...	...	...	...	...	...
2. Public Investment Programmme (nsa)																
	BOG	%y-o-y	...	-15.5	22.5	1.6	0.0	-24.3	16.2	38.6	18.8	51.9	59.6	6.6	20.1	...
3. Capital goods production index (nsa)																
	ELSTAT	%y-o-y	-3.5	13.8	5.5	6.0	3.5	-3.4	10.7	-0.5	15.2	-0.3	-1.5	0.2	13.1	...
4. Capacity utilization-capital goods industry (nsa)																
	IOBE/EC	Ind	77.0	74.7	68.7	71.0	65.2	75.3	73.1	74.8	...	...	...	...	...	...
5. Cement Production (nsa)																
	ELSTAT	%y-o-y	-1.8	19.4	2.5	0.5	0.2	-3.5	1.3	14.4	1.0	2.1	43.1	5.3	3.7	...
6. Construction production index (nsa)																
	ELSTAT	%y-o-y	-5.9	6.9	24.2	12.8	11.5	8.2	11.6	5.0	...	...	...	...	...	...
7. Construction conficence indicator (sa)	IOBE/EC	bln	-19.3	-4.2	-19.1	0.5	3.9	-9.6	7.3	12.4	15.2	20.7	8.0	8.4	-2.0	5.9
7.1 Evolution of current overall order books			-37.9	-25.6	-51.2	-38.7	-34.8	-53.9	-21.5	-1.9	-9.7	7.1	-6.9	-5.8	-25.8	-14.8
7.2 Employment expectations over the next 3 months			-0.7	17.2	13.0	39.7	42.6	34.6	36.1	26.6	40.0	34.2	22.9	22.6	21.8	26.5
8. New construction permits (nsa)																
	ELSTAT	%y-o-y	-1.9	45.9	-2.2	15.9	8.3	20.8	12.1	...	-12.7	9.6	75.6	...	...	...
9. Housing loans (nsa)																
	BOG	%y-o-y	22.2	-3.0	-3.6	-3.5	-3.9	-3.7	-3.5	-3.1	-3.5	-3.5	-3.6	-3.1	-2.9	...
10. Credit to non-financial corporations over 1 year (nsa)																
	BOG	%y-o-y	25.8	4.5	10.7	6.4	5.6	5.3	6.4	6.6	6.3	5.5	7.0	6.6	6.8	...
*LTA over the period 2004-2008																
Confidence indicators are net percentage balances of positive and negative replies to each situation described by the variable.																

Table 4: Key indicators for Industry in Greece										This update: 14 June 2024, Next update: 28 June 2024						
			LTA	2021	2022	2023	23Q2	23Q3	23Q4	24Q1	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24
1. Gross value added (at 2010 prices)			2001-08													
1.1 Industry (Mining-Manufacturing-Electricity)	ELSTAT	%y-o-y	1.5	12.5	-4.9	0.0	-3.4	1.1	3.5	3.3	...	...	...	...	...	...
2. Industrial production			2001-08													
2.1 General index	ELSTAT	%y-o-y	-0.5	10.1	2.4	2.3	1.1	-0.1	6.0	3.5	4.5	10.2	1.9	-0.6	10.8	...
2.1.1 Manufacturing			-0.9	9.0	4.6	4.2	2.4	0.6	5.8	1.6	5.1	5.2	2.5	-2.3	10.3	...
2.1.2 Mining-quarrying			-0.6	4.7	-7.9	9.0	2.4	6.8	10.7	3.4	17.9	7.6	7.2	-2.9	4.4	...
2.1.3 Electricity			1.0	16.4	-3.7	-5.5	-4.3	-3.3	7.3	12.5	1.3	34.0	-1.4	8.2	14.0	...
2.1.4 Water supply			1.4	1.0	-2.2	0.1	-2.6	2.0	1.6	2.6	1.0	3.0	3.3	1.6	8.8	...
2.1.a Energy			0.8	12.0	-2.5	-1.9	-4.5	-1.3	5.7	6.0	1.4	19.2	-1.7	1.7	12.7	...
2.1.b Intermediate goods			-0.6	7.8	1.8	0.3	-0.7	-3.7	5.2	4.4	5.7	4.5	10.2	-0.8	7.2	...
2.1.c Capital goods			-4.3	13.8	5.5	6.0	3.5	-3.4	10.7	-0.5	15.2	-0.3	-1.5	0.2	13.1	...
2.1.d Durable consumer goods			-3.2	17.3	22.9	7.1	4.8	4.4	8.3	18.6	4.8	30.0	9.8	19.3	19.8	...
2.1.e Non-durable consumer goods			0.0	8.5	6.4	6.6	6.7	4.4	5.2	1.0	2.6	7.0	0.4	-3.5	10.5	...
3. Industrial turnover (at current prices)			2001-08													
3.1 Total market	ELSTAT	%y-o-y	5.2	25.9	33.1	-4.1	-12.4	-7.4	-3.8	-0.3	-7.1	3.2	3.0	-6.0	...	...
3.1.1 Domestic market			5.0	19.0	35.8	-2.4	-7.4	-5.6	-1.5	3.7	-5.4	6.1	9.5	-3.1	...	...
3.1.2 Non-domestic market			7.0	38.3	29.0	-7.0	-20.2	-10.5	-7.8	-6.1	-10.1	-0.8	-6.5	-10.4	...	...
3.1.2.1 Euro area			5.3	30.9	32.3	1.8	-5.9	2.0	-6.3	-10.5	-11.9	9.4	-20.1	-17.1	...	...
3.1.2.2 Non-euro area			11.1	42.7	27.2	-12.0	-28.1	-16.9	-8.6	-3.1	-9.2	-6.9	3.8	-5.6	...	...
4. Industrial confidence indicator			2003-08													
4.1 Industrial confidence	IOBE/EC	ind	-0.4	2.8	2.0	0.6	1.9	1.3	-5.1	-0.3	-5.5	-1.5	-4.2	4.8	2.0	3.6
4.1.1 Production expectations			22.6	22.4	18.1	18.8	24.2	15.7	13.3	24.7	12.8	21.6	22.0	30.6	28.4	26.4
4.1.2 Order books			-11.7	-4.4	-5.1	-10.7	-8.9	-9.2	-18.9	-15.9	-14.6	-19.9	-22.2	-5.5	-11.1	-7.8
4.1.3 Stocks of finished products			12.2	9.4	7.0	6.4	9.4	2.8	9.6	9.7	14.8	6.1	12.4	10.7	11.4	7.8
4.2 Employment expectations	IOBE/EC	ind	-3.6	7.8	3.5	4.0	7.2	-2.0	-0.5	-2.7	-0.2	-2.3	-9.7	3.8	3.3	-0.7
4.3 Export order books	IOBE/EC	ind	-15.0	-1.1	-3.8	-20.5	-17.4	-21.5	-29.7	-26.2	-29.1	-30.8	-31.1	-16.7	-19.9	-11.7
4.4 Factors limiting the production (% of firms answering "none")	IOBE/EC	bln	57.3	45.7	45.6	41.5	38.9	46.8	34.5	36.7	...	...	...	...	...	...
5. Capacity utilization			1990-08													
5.1 Capacity utilization	IOBE/EC	ind	76.1	76.2	75.5	74.8	73.4	75.2	76.3	72.9	...	...	...	...	...	...
6. Purchasing managers index (PMI)			1999-08													
6.1. PMI	S&P Globc	Ind	52.6	56.2	51.8	51.6	51.9	52.2	51.0	55.8	51.3	54.7	55.7	56.9	55.2	54.9
6.1.1 Output			54.9	54.8	49.4	53.4	54.0	53.1	53.7	57.2	53.3	55.4	57.2	58.9	57.5	55.4
6.1.2 New Orders			53.7	55.2	47.7	51.9	52.5	53.0	51.1	56.6	51.8	54.5	57.1	58.2	55.1	55.0
6.1.3 Stocks of finished goods			47.8	45.9	45.6	46.9	47.5	45.2	46.4	46.2	48.1	46.2	45.8	46.6	45.9	46.7
6.1.4 Employment			50.6	54.3	52.4	52.2	53.2	53.1	50.8	54.0	51.9	53.6	53.8	54.8	56.0	55.5
6.1.5 Suppliers' delivery times			48.4	30.9	32.5	48.9	50.6	48.3	49.6	40.7	48.4	39.7	41.2	41.1	45.3	44.3
6.2 New Export Orders			53.5	52.3	48.2	50.5	51.1	51.4	50.0	53.3	50.5	51.9	53.4	54.5	55.2	52.6
6.3 Future Output			...	68.1	59.9	63.9	67.6	61.2	62.4	69.4	62.6	73.2	70.2	64.8	65.2	69.9

Table 5: Key indicators for Services in Greece										This update: 14 June 2024, Next update: 28 June 2024						
			LTA	2021	2022	2023	23Q2	23Q3	23Q4	24Q1	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	Apr-24
1. Gross value added (2010 prices)			2001-2008													
1.1 Tertiary sector	ELSTAT	% y-o-y	4.1	7.3	6.0	1.6	2.2	0.5	1.1	0.8	...	...	...	...	...	...
2. Turnover indices (curr.prices)			2005-2008													
2.1 Wholesale trade	ELSTAT	% y-o-y	10.8	4.7	21.4	-2.2	-1.7	-6.0	-6.2	-11.5	-10.8	-12.9	-2.5	-17.6	...	...
2.2 Tourism (accmd & food serv.activities)	ELSTAT	% y-o-y	...	79.9	54.6	8.4	14.3	5.6	4.9	8.4	...	...	...	...	...	...
2.3 Transport	ELSTAT	% y-o-y														
2.3.a Water transport		% y-o-y	6.3	6.3	32.9	1.7	0.5	-2.2	-2.5	-13.5	...	...	...	...	...	...
2.3.b Land transport		% y-o-y	16.4	10.6	21.3	15.8	14.4	6.1	13.8	2.3	...	...	...	...	...	...
2.3.c Air transport		% y-o-y	7.0	64.1	94.3	22.6	30.1	13.5	9.0	63.5	...	...	...	...	...	...
2.4 Telecommunication	ELSTAT	% y-o-y	2.5	7.3	5.8	5.5	9.5	7.2	2.8	3.6	...	...	...	...	...	...
2.5 Legal-accounting activities and management consultancy services	ELSTAT	% y-o-y	10.1	12.2	23.9	6.9	2.9	2.7	8.8	3.0	...	...	...	...	...	...
2.6 Travel agencies and other activities	ELSTAT	% y-o-y	12.7	102.3	96.6	24.1	33.5	15.8	13.2	24.1	...	...	...	...	...	...
3. Bank credit			2003-2008													
3.1 Loans to sole proprietors	BOG	% y-o-y	...	2.0	-0.9	-1.3	-2.4	-3.3	-1.3	-0.6	-1.3	-1.1	-0.6	-0.6	-0.1	...
4. Confidence indicators			2003-2008													
4.1 Retail trade confidence indicator	IOBE/EC	ind	17.1	6.5	5.5	21.2	18.4	26.9	17.3	10.6	22.0	10.5	17.2	4.1	0.6	17.9
4.1.1 Present business situation		ind	25.6	4.1	-4.2	47.4	54.6	52.8	43.9	42.3	58.3	49.3	53.3	24.2	0.3	27.8
4.1.2 Volume of stocks		ind	14.4	3.6	-6.6	10.3	13.4	2.7	23.7	26.9	19.9	22.7	25.3	32.8	28.0	17.1
4.1.3 Expected business situation		ind	40.0	18.8	14.1	26.7	14.1	30.8	31.6	16.5	27.6	4.9	23.7	21.0	29.6	43.0
4.2 Services confidence indicator	IOBE/EC	ind	18.4	17.3	24.6	32.8	35.1	39.8	39.4	38.4	43.6	38.1	37.6	39.6	46.6	52.5
4.2.1 Assessment of business situation over the past 3 months		ind	17.5	12.9	28.3	28.2	29.2	34.8	34.5	31.8	33.6	32.1	30.8	32.5	44.9	44.1
4.2.2 Evolution of demand over the past 3 months		ind	17.2	12.8	21.3	31.5	30.6	47.8	47.8	31.5	48.8	32.1	32.8	29.5	35.6	49.0
4.2.3 Evolution of demand expected over the next 3 months		ind	20.4	26.2	24.1	38.9	45.3	36.9	35.9	51.9	48.5	50.0	49.1	56.7	59.4	64.5

Table 6: Business and consumer surveys (balances, seasonally adjusted data)																
											This update: 14 June 2024, Next update: 28 June 2024					
			LTA	2021	2022	2023	23Q2	23Q3	23Q4	24Q1	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24
1. Economic sentiment indicator		2003-08														
Economic sentiment indicator	IOBE/EC		105.3	105.9	104.8	107.6	108.3	109.8	105.6	106.9	105.9	107.3	104.9	108.5	108.6	111.0
Industrial confidence indicator	IOBE/EC		-0.4	2.8	2.0	0.6	1.9	1.3	-5.1	-0.3	-5.5	-1.5	-4.2	4.8	2.0	3.6
Retail confidence indicator	IOBE/EC		17.1	6.5	5.5	21.2	18.4	26.9	17.3	10.6	22.0	10.5	17.2	4.1	0.6	17.9
Services confidence indicator	IOBE/EC		18.4	17.3	24.6	32.8	35.1	39.8	39.4	38.4	43.6	38.1	37.6	39.6	46.6	52.5
Construction confidence indicator	IOBE/EC		-14.5	-4.2	-19.1	0.5	3.9	-9.6	7.3	12.4	15.2	20.7	8.0	8.4	-2.0	5.9
Consumer confidence indicator	IOBE/EC		-26.8	-35.4	-50.7	-40.0	-36.7	-36.3	-43.5	-46.1	-40.3	-46.3	-47.2	-44.7	-41.7	-43.8
Employment expectations index	IOBE/EC		104.1	110.3	106.7	116.0	120.4	113.2	115.8	116.3	115.8	115.4	116.1	117.3	122.6	122.6
2. Industrial confidence indicator																
Production expectations	IOBE/EC		22.6	22.4	18.1	18.8	24.2	15.7	13.3	24.7	12.8	21.6	22.0	30.6	28.4	26.4
Order books	IOBE/EC		-11.7	-4.4	-5.1	-10.7	-8.9	-9.2	-18.9	-15.9	-14.6	-19.9	-22.2	-5.5	-11.1	-7.8
Stocks of finished products	IOBE/EC		12.2	9.4	7.0	6.4	9.4	2.8	9.6	9.7	14.8	6.1	12.4	10.7	11.4	7.8
Purchasing managers index (PMI)	MARKIT		52.1	56.2	56.2	51.8	51.9	52.2	51.0	55.8	51.3	54.7	55.7	56.9	55.2	54.9
3. Retail confidence indicator																
Present business situation	IOBE/EC		25.6	4.1	-4.2	47.4	54.6	52.8	43.9	42.3	58.3	49.3	53.3	24.2	0.3	27.8
Volume of stocks	IOBE/EC		14.4	3.6	-6.6	10.3	13.4	2.7	23.7	26.9	19.9	22.7	25.3	32.8	28.0	17.1
Expected business situation	IOBE/EC		40.0	18.8	14.1	26.7	14.1	30.8	31.6	16.5	27.6	4.9	23.7	21.0	29.6	43.0
4. Services indicator																
Business situation over the past 3m.	IOBE/EC		17.5	12.9	28.3	28.2	29.2	34.8	34.5	31.8	33.6	32.1	30.8	32.5	44.9	44.1
Demand over the past 3m.	IOBE/EC		17.2	12.8	21.3	31.5	30.6	47.8	47.8	31.5	48.8	32.1	32.8	29.5	35.6	49.0
Expected demand over the next 3m.	IOBE/EC		20.4	26.2	24.1	38.9	45.3	36.9	35.9	51.9	48.5	50.0	49.1	56.7	59.4	64.5
5. Construction confidence indicator																
Order books	IOBE/EC		-33.4	-25.6	-51.2	-38.7	-34.8	-53.9	-21.5	-1.9	-9.7	7.1	-6.9	-5.8	-25.8	-14.8
Employment expectations	IOBE/EC		4.5	17.2	13.0	39.7	42.6	34.6	36.1	26.6	40.0	34.2	22.9	22.6	21.8	26.5
6. Consumer confidence indices																
Financial situation over next 12 mnths	IOBE/EC		-20.8	-26.9	-49.4	-35.6	-32.4	-30.3	-41.7	-44.4	-38.6	-45.2	-45.6	-42.3	-36.7	-41.0
Gen. econ. sit. over next 12 mnths	IOBE/EC		-28.3	-42.0	-56.8	-35.4	-29.5	-29.9	-42.3	-43.9	-35.4	-44.8	-44.6	-42.3	-41.0	-46.7
Savings over next 12 months	IOBE/EC		-45.9	-59.8	-67.3	-64.3	-64.0	-61.6	-63.6	-68.0	-61.6	-65.2	-72.3	-66.6	-65.3	-62.5
Unemployment over next 12 months	IOBE/EC		43.0	45.0	35.6	13.7	11.5	10.7	15.5	15.7	9.1	12.4	15.9	18.9	9.8	18.5

ANNEX 2: DATA RELEASES

LAST TWO WEEKS' NEWS AND DATA RELEASES (03 – 14 June 2024)

Real Economy

- 03/06/2024: S&P Global released PMI for May 2024.
- 06/06/2024: ELSTAT released Labour Force Survey for 2024:Q1.
- 07/06/2024: ELSTAT released Quarterly National Accounts data for 2024:Q1.
- 10/06/2024: ELSTAT released Industrial Production Index for April 2024.
- 10/06/2024: ELSTAT released HICP for May 2024.
- 10/06/2024: ELSTAT released Monthly Turnover Indices in the Services Sector (of the quarterly period) for 2024:Q1.
- 13/06/2024: BoG released Commercial Property Indices for 2023:H2.
- 13/06/2024: ELSTAT released the Evolution of Turnover of Enterprises for April 2024.
- 13/06/2024: ELSTAT released Issuing of Motor Vehicle Licences for May 2024.
- 14/06/2024: ELSTAT released Import Price Index in Industry for April 2024.
- 14/06/2024: ELSTAT released Index of Wages Cost for 2024:Q1.
- 14/06/2024: ELSTAT released Production Index in Construction for 2024:Q1.

External Sector

- 7/06/2024: ELSTAT released merchandise trade for April 2024.

Fiscal

- 5/06/2024: MoF, general government cash data for January-April 2024.

Monetary & Financial

- 05/06/2024: ECB released data on MFI interest rate statistics in the euro area for April 2024.
- 13/06/2024: Moody's upgraded the ratings it assigns to Eurobank: The Baseline Credit Assessment (BCA) rating has been upgraded to Ba1 (equiv. to BB+), from Ba2 (equiv. to BB). The drivers have been the improvement in the bank's main ratios (CET1: 17.2%; NPE to gross loans ratio: 3%), its robust earnings and the acquisition of the Cyprus-based Hellenic Bank. The rating assigned to Eurobank's senior unsecured debt has been upgraded by two notches to Baa2 (equiv. to BBB) from Ba1. This constitutes an upgrade of the ratings assigned to Eurobank's bonds to the Investment Grade. Finally, the deposit ratings of the bank have been upgraded to Baa2 from Baa3.
- 13/06/2024: Alpha Bank issued a new 10.25-year Subordinated Tier 2 note callable in 5.25 years with a coupon rate of 6.0% (yield 6.125%), raising €500 mn.

NEXT TWO WEEKS' NEWS AND DATA RELEASES (17 – 28 June 2024)

Real Economy

- 18/06/2024: ELSTAT releases the Evolution of Turnover of Enterprises in Accommodation and Food Service Activities for April 2024.
- 18/06/2024: ELSTAT releases Food Insecurity for 2023.
- 20/06/2024: ELSTAT releases Turnover Index in Industry for April 2024.
- 21/06/2024: ELSTAT releases Evolution of Turnover of Enterprises in Retail Trade for April 2024.
- 27/06/2024: ELSTAT releases Building Activity Survey for March 2024.

- 27/06/2024: European Commission releases Economic Sentiment Indicator for June 2024.
- 28/06/2024: ELSTAT releases Services Producer Price Indices for 2024:Q1.
- 28/06/2024: ELSTAT releases Turnover Index in Retail Trade for April 2024.
- 28/06/2024: ELSTAT releases Producer Price Index in Industry for May 2024.

External Sector

- 20/06/2024: BoG releases BoP data for April 2024.
- 21/06/2024: BoG releases travel services data for April 2024.

Fiscal

- 17/06/2024: MoF, state budget execution for January-May 2024 (preliminary data).
- 18/06/2024: BoG, central government net borrowing requirements on a cash basis for January –May 2024
- 25/06/2024: MoF, state budget execution for January-May 2024 (final data).

Monetary & Financial

- 27/06/2024: ECB releases data on monetary developments in the euro area for May 2024.

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