



# NOTE ON THE GREEK ECONOMY

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## Recent Economic Developments: an overview

After very robust growth in 2022, **economic activity** slowed in 2023 but remained strong (2.2% in 2023:9M). Easing energy prices drove down **inflation** in late 2022 and in the course of 2023, after record high rates in 2022; HICP further declined to 3.2% in January 2024. In the **housing market**, residential prices continued to increase at an accelerating pace. **Labour market developments** remained positive, with unemployment declining and employment rising, though at a decelerating rate. The **current account deficit** narrowed significantly after the widening in 2022.

Since its peak in late 2022, **corporate bank credit growth** has moderated significantly owing to lower loan demand. The growth rate of **private sector deposits** continued to slow, under the negative impact of inflation and weaker corporate credit growth. **Bank lending rates** have risen notably since the second half of 2022 consistent with the tightening of monetary policy. **Government bond yields** have retreated as the upward effects of higher interest rates were moderated by Greece's sovereign credit rating upgrades to the Investment Grade.

**Looking ahead**, according to the latest published projections in December, 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 3.0% on the back of further declines in the inflation rates of food components, 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.

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## New economic information made available in the last two weeks

### Economic Activity

- The **Economic Sentiment Indicator (ESI)** receded in February 2024 to 104.8, from 107.2 in January, due to a deterioration in business expectations across all sectors, except for the retail trade sector, and a fall in consumer confidence. Nevertheless, the ESI in Greece remained above the euro area ESI.
- **The February 2024 PMI suggested a stronger improvement in operating conditions** (55.7, from 54.7 in January 2024), due to the steepest rise in new orders since the end of 2021. On the price front, inflationary pressures intensified, with input costs and output prices rising at steeper rates due to elevated transportation costs and raw material prices.
- **Retail sales volumes** slightly increased by 0.7% y-o-y in December 2023, but declined by 3.3% in 2023 as a whole, reflecting a normalisation of private consumption following its strong growth rates registered in the post-pandemic period.
- **HICP** headline inflation declined to 3.2% in January 2024, from 3.7% in December 2023 as almost all its components posted lower annual rates of change. For February 2024, according to a flash estimate by Eurostat, HICP headline inflation remained unchanged at 3.2%.

### Labour market

- **Employment** increased by 4.2% y-o-y in January 2024, while **the unemployment rate (sa)** dropped to 10.4%.
- **Net flows of dependent employment in the private sector** decreased by 31,997 jobs in January 2024 compared to a decrease of 27,611 jobs in January 2023.

### External Balances

- **In December 2023, the current account deficit** decreased y-o-y, mainly due to an improvement in the balance of goods and the secondary income account and, to a lesser extent, in the balance of services, while the primary income account deteriorated.
- **In 2023, the current account deficit** shrank, owing to an improvement in the balance of goods, the balance of services and the secondary income account, which was partly offset by a worsening of the primary income account.

### Fiscal developments

- In January 2024, the **State primary balance** over-performed by €1.2 bn mainly due to higher tax revenues (i.e. VAT, CIT) and the time differentiation between cash payments for military procurements and for RRF receipts. The overperformance of tax revenues (€0.4 bn) will accrue to the largest extent to the 2023 fiscal outcome in ESA terms.
- 2023 general government debt is estimated at 160.1% of GDP (PDMA Public Debt bulletin Dec 2023), compared to 160.3% according to the Budget 2024.

### Money and Credit

- In January 2024, **bank deposits** of the private sector declined by €5.2 bn to stand at €190 bn, mainly reflecting seasonal factors. The growth rate of **bank credit** to non-financial corporations decelerated to 5.0% y-o-y, while the contraction of bank loans to households continued at a slower pace (-1.9%).

### Financial market developments

- **Yields on Greek government bonds** rose somewhat, more so at the short-to-medium term maturity segments, as did yields on other euro area bonds, as investors revised upwards their expectations for policy rates. **Yields on Greek corporate bonds** were broadly unchanged, as were the yields on other euro-area corporate bonds. **Greek equity prices** rose slightly, with share prices of industrial and consumer discretionary firms rising more than the wider market.

### Banks

- **Yields on senior bonds, issued by Greek banks, remained broadly unchanged.**

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## SUMMARY OF ECONOMIC DEVELOPMENTS AND OUTLOOK

	2021	2022	2023	2023				2023												2023 y-t-d	2024						
				Q1	Q2	Q3	Q4	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec		Jan	Feb					
GDP, % y-o-y	8.4	5.6	...	1.9	2.6	2.1	...	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.2	-	-	
Exports, % y-o-y	24.2	6.2	...	6.7	-0.5	1.0	...	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.3	-	-	
Industrial production, % y-o-y	10.1	2.4	2.2	2.2	1.1	-0.1	5.9	0.6	5.2	0.7	4.4	2.3	-3.0	-1.7	-0.2	1.8	10.3	3.2	4.3	2.0	...	...	...	...	...	...	
Retail sales volume, % y-o-y	10.3	3.3	-3.3	-2.6	-4.4	-3.2	-3.1	0.0	1.1	-8.7	-5.0	0.2	-7.9	-2.9	-3.3	-3.4	-6.1	-4.2	0.7	-3.3	...	...	...	...	...	...	
PMI (50=no change)	56.2	51.8	51.6	51.2	51.9	52.2	51.0	49.2	51.7	52.8	52.4	51.5	51.8	53.5	52.9	50.3	50.8	50.9	51.3	51.6	54.7	55.7	...	...	...	...	
ESI (average=100)	105.8	104.8	107.6	106.6	108.4	109.8	105.5	105.7	107.3	106.7	108.3	107.5	109.3	110.5	111.4	107.5	105.4	105.4	105.8	107.6	107.2	104.8	...	...	...	...	
HICP, % y-o-y	0.6	9.3	4.2	6.4	3.8	3.1	3.5	7.3	6.5	5.4	4.5	4.1	2.8	3.5	3.5	2.4	3.8	2.9	3.7	4.2	3.2	...	...	...	...	...	
Total employment, % y-o-y	1.4	5.4	...	1.3	1.7	1.0	...	2.5	-2.8	-0.2	1.7	0.7	0.6	3.1	1.7	1.7	3.7	1.2	2.7	1.4	4.2	...	...	...	...	...	
Unemployment rate, %	14.7	12.4	...	11.8	11.2	10.8	...	11.3	11.3	11.3	11.6	11.1	11.2	11.0	11.0	10.6	10.6	10.8	10.4	11.0	10.4	...	...	...	...	...	
Current Account, bn	-12.3	-21.2	-14.1	-3.9	-4.2	0.9	-6.9	-0.1	-1.3	-2.4	-1.9	-1.6	-0.7	0.8	0.5	-0.3	-1.4	-3.3	-2.2	-14.1	...	...	...	...	...	...	
(% of GDP)	-6.8%	-10.3%	...	-1.4	-0.1	1.4	...	-	-	-	-	-	-	-	-	-	-	-	-	...	-	-	...	...	...	...	
Gen. Gov. primary balance (% of GDP - Q cumulative)	-4.5	0.1	...	-1.4	-0.1	1.4	...	-	-	-	-	-	-	-	-	-	-	-	-	...	-	-	...	...	...	...	
Public Debt (% of GDP - Q cumulative)	195.0	172.6	...	159.6	160.7	161.7	160.1	-	-	-	-	-	-	-	-	-	-	-	-	...	-	-	...	...	...	...	
Bank deposits, private, % y-o-y	9.9	4.8	3.0	4.5	3.5	3.4	3.0	3.2	2.6	4.5	3.7	3.3	3.5	3.4	3.4	3.4	2.5	2.4	3.0	-	2.7	...	...	...	...	...	
Bank credit to NFCs, % y-o-y	3.7	11.8	5.8	10.6	5.8	4.7	5.8	10.6	9.7	10.7	8.7	6.7	5.8	3.1	2.4	4.7	5.0	5.1	5.8	-	5.0	...	...	...	...	...	...
Bank credit to HHs, % y-o-y	-2.4	-2.5	-2.0	-2.5	-2.7	-2.3	-2.0	-2.4	-2.5	-2.5	-2.7	-2.8	-2.7	-2.6	-2.4	-2.3	-2.2	-2.3	-2.0	-	-1.9	...	...	...	...	...	
10y GR yield, %	1.31	4.59	3.08	4.26	3.72	4.36	3.08	4.32	4.42	4.26	4.21	3.78	3.72	3.78	3.79	4.36	4.16	3.71	3.08	-	3.24	3.39	...	...	...	...	...

### Economic Activity

- **The economy continued growing in 2023:Q3, at a slower pace compared to 2023:Q2, largely due to a deceleration in private consumption growth. Private consumption, investment and exports of services were the main drivers of growth.**
- **Exports of goods** declined y-o-y in 2023:Q3. Nevertheless, between 2015:Q4 and 2023:Q3, exports of goods increased by 34% in real terms (EA: 17%).
- **Soft data** (PMI, ESI) have pointed to a rebound in confidence over the last two months, with both indicators remaining at relatively high levels compared to the euro area.
- **Hard data** provide a mixed picture. Most indicators continue to move in positive territory (investment, 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 January 2024, headline inflation declined further to 3.2% as both food components, energy and services posted lower annual rates of change. According to a flash estimate by Eurostat, HICP headline inflation remained unchanged at 3.2% in February 2024.
- The positive trend of **real estate prices** continued in the January-September 2023 period, especially in the residential market.

### Labour market and costs

- **Labour market conditions continued to improve in the last months, with the unemployment rate (sa) remained constant at 10.4% in January 2024.**
- **Total employment** growth picked up in 2023:Q3 largely due to higher demand for labour in administrative and support service activities, agriculture, construction, and health services. LFS monthly data for January 2024 show that employment growth continues to increase at a moderate pace.
- **Net flows of dependent employment in the private sector** increased much more in 2023 compared to 2022, but less compared to 2021.

### External Balances, Competitiveness

- After a significant increase in the current account deficit in 2022, **the current account deficit decreased** to €14.1 bn in 2023 (from €21.2 bn in 2022), due to an improvement in the balance of goods, the balance of services and the secondary income account, which was partly offset by a

worsening in the primary income account.

- The nominal effective exchange rate appreciated further in 2023:Q4 for the fourth consecutive quarter. Nevertheless, the unit labour cost competitiveness indicator recorded a marginal improvement during 2023:Q1-2023:Q3 regardless of wages increases and the price competitiveness indicator posted a further deterioration in 2023:Q4, despite the fact that price differentials remained favourable for Greece.

### **Fiscal developments**

- ***The general government primary outcome in 2022 improved compared to 2021, and turned into a surplus, mainly due to the rebound in economic activity and higher inflation. The improvement, by 4.6 pp, was the largest amongst EU member states.*** The public debt as a share of GDP, after peaking in 2020, started declining in 2021 and marked a sizeable fall in 2022, by 22.4 p.p., the largest drop amongst EU member states.
- Both indicators are expected to further improve in 2023 and 2024 on the back of economic growth and the unwinding of energy measures. The primary outcome in 2023 is expected to overperform the target set in the 2024 Budget.

### **Money and Credit**

- Since the fourth quarter of 2021, **private sector deposit growth** has decelerated overall. NFCs have been using their liquidity buffers in view of higher interest rates. Household deposits have been negatively affected by increased consumer spending, high inflation and, more recently, high opportunity costs of bank deposits.
- **Corporate bank credit growth** has slowed down since the last quarter of 2022 amid higher interest rates and weakening economic growth. **Bank loans to households** continue to decline due to deleveraging in housing loans.
- **Bank lending rates** have recorded substantial increases, especially for corporate loans, following the tightening of the single monetary policy.

### **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.
- **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 projections<sup>1</sup>**

<b>(year-on-year % changes)</b>	<b>2021</b>	<b>2022</b>	<b>2023f</b>	<b>2024f</b>	<b>2025f</b>	<b>2026f</b>
Real GDP	8.4	5.6	2.4	2.5	2.5	2.3
Private consumption	5.8	7.4	2.2	2.0	2.0	1.7
Government consumption	1.8	2.1	-0.6	-1.4	-0.6	0.0
Gross fixed capital formation	19.3	11.7	7.0	11.9	9.1	8.0
Exports (goods and services)	24.2	6.2	3.4	3.6	3.8	4.1
Imports (goods and services)	17.9	7.2	2.5	3.7	3.6	3.9
HICP (non-SA)	0.6	9.3	4.1	3.0	2.4	2.1
HICP excluding food & energy (non-SA)	-1.1	4.6	5.3	2.9	2.6	2.3
Total employment	1.4	5.4	1.7	1.5	1.7	1.6
Unemployment rate (% of labour force)	14.7	12.5	11.1	10.2	9.1	8.2
Current account (% of nom.GDP)	-6.8	-10.3	-7.5	-6.7	-6.1	-5.7

Source: ELSTAT and Bank of Greece.

1. December 2023 BMPE projections.

f:forecasts

- The growth rate of the Greek economy in 2023 is expected at 2.4%, accelerating marginally to 2.5% in 2024 and 2025, and decreasing to 2.3% in 2026. The main driving forces of activity in the coming years will continue to be investment and private consumption, while the contribution of the external sector will be marginally negative. Monetary policy will continue to be restrictive for some time while public investment will contribute positively to growth thanks to the funds of the Recovery and Resilience Facility (RRF).
- More specifically, private consumption will increase by 2.0% on average during the projection period. It will be supported by strong real household disposable income as employment continues to recover and inflation eases. Public consumption will have a marginally negative effect.
- Investment will continue to grow at a high rate throughout the projection period, supported by available European resources. These resources, combined with the high liquidity in the banking sector, will crowd in private capital. The high investment growth rates reflect the improvement in the economic climate, particularly after the economy has been upgraded to the investment grade, and following the significant disinvestment during the last decade.
- Exports will continue to grow notably over the coming years but at a softer pace compared to 2022, due to an expected weakening of economic activity in the euro area and the related competitiveness losses as a result of higher ULCs. The contribution of the trade sector to real GDP will be marginally positive in 2023, while in the following years it will be slightly negative. This is largely due to the intense investment activity, which will strongly increase imports.
- The rate of unemployment is expected to be 11.1% in 2023 (year average), gradually deescalating to 8.2% in 2026. This trend reflects the continued recovery of economic activity.
- Headline inflation averaged 4.2% in 2023, from 9.3% in 2022, mainly reflecting the large reduction in energy prices (-13.5%). For 2024 both measures of inflation are anticipated to decelerate further posting 3.0% and 2.9%, respectively. This development is expected on the back of further declines in the annual rates of change of food components, non-energy industrial goods and services, while energy prices are projected to remain unchanged. Inflation is projected to gradually decelerate further in 2025 and 2026, with muted energy inflation and decelerating rates in food, NEIG, and services, within the context of lower profits and robust wage growth.
- The risks surrounding the growth forecasts are mainly on the downside. Negative risks are: (a) a deterioration of the geopolitical crisis in Ukraine and the Middle East, and the related negative consequences for the international economic environment, (b) a lower than expected rate of absorption of the RRF funds and (c) a delay in the implementation of the reforms. Upside risks are related to an improvement in the global economic outlook.

### **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.
- Restoring 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

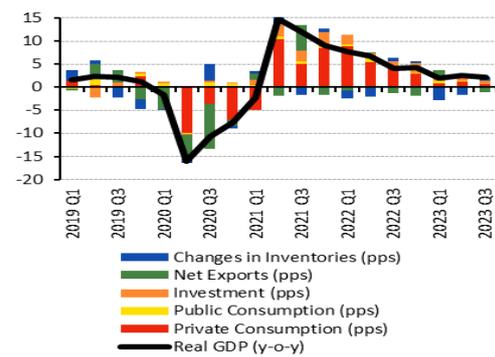
% y-o-y	2021	2022	2022	2023		
			Q4	Q1	Q2	Q3
<b>1. GDP</b>	8.4	5.6	4.2	1.9	2.6	2.1
-Private consumption	5.8	7.4	4.2	1.1	1.7	0.9
-Gov. expenditure	1.8	2.1	1.2	2.9	1.2	-0.7
-Gross fixed capital formation	19.3	11.7	15.1	8.2	9.2	4.9
-Exports	24.2	6.2	-0.3	6.7	-0.5	1.0
-Imports	17.9	7.2	3.9	3.3	-0.6	2.9
<b>2. Gross Value Added</b>	7.7	4.7	3.4	2.9	1.2	0.1
-Services	7.3	6.0	5.4	3.4	1.7	0.3
<b>3. Private sector savings*</b>	13.8	10.1	10.1	10.6	9.9	8.8
<b>4. Real disposable income</b>	6.6	1.1	4.3	7.0	3.7	-3.0

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

Source: ELSTAT.

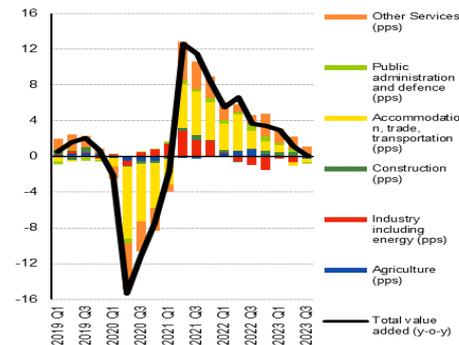
- **Economic activity** continued growing in 2023:Q3, though at a decelerating rate vs 2023:Q2, mainly due to slower private consumption growth. The drivers of growth were private consumption, gross fixed capital formation and exports of services. By contrast, the decline in government consumption and exports of goods and the rise in imports of goods and services weighed on growth.
- **Gross fixed capital formation** increased moderately in 2023:Q3, largely on account of housing investment (28.2% y-o-y) and the rebound of investment in machinery and transport equipment (16.4% and 11.6% y-o-y, respectively).
- **Output** (as measured by gross value added) marginally increased in 2023:Q3 due to the good performance of the business services, construction and the industry sector. By contrast, gross value added in agriculture, as well as accommodation, trade and transportation sectors declined.
- **Savings of the non-financial private sector declined for a second consecutive quarter to reach 8.8% of GDP in 2023:Q3**, from 9.9% in 2023:Q2. Households' dissaving has intensified while NFCs' savings have gradually 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 energy support measures, the continued easing of pent-up demand, and the repayment of the debt/tax liabilities weighed heavily on household savings, pushing them close to the negative average of the pre-pandemic three-year period (2017-2019: -2.4% of GDP).
- Nominal **disposable income of households** increased by 7.4% y-o-y in 2023:9M mainly due to the positive contribution of self-employed income and compensation of employees, while real disposable income of households rose by 2.2% y-o-y reflecting the effect of elevated inflation.

**Chart 1: Real GDP growth decomposition (percent contribution)**



Source: ELSTAT, Quarterly National Accounts, December 2023.

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



Source: ELSTAT, Quarterly National Accounts, December 2023.

**Table 1.2: Monthly Conjunctural Indicators**

	2020	2021	2022	2023	2023												2023	2024	
					Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	y-t-d	Jan	Feb			
<b>1.ESI (average=100)</b>	95.1	105.8	104.8	107.6	108.3	107.5	109.3	110.5	111.4	107.5	105.4	105.4	105.8	107.6	107.2	104.8			
-Consumer confidence	-32.5	-35.4	-50.7	-40.0	-44.6	-34.5	-31.0	-28.6	-35.4	-45.0	-44.7	-45.6	-40.3	-40.0	-46.3	-47.2			
<b>2.PMI (50=no change)</b>	46.6	56.2	51.8	51.6	52.4	51.5	51.8	53.5	52.9	50.3	50.8	50.9	51.3	51.6	54.7	55.7			
<b>3.Industrial Production, % y-o-y</b>	-2.0	10.1	2.4	2.2	4.4	2.3	-3.0	-1.7	-0.2	1.8	10.3	3.2	4.3	2.2	...	...			
-Manufacturing Production, % y-o-y	-1.5	9.0	4.6	4.1	3.4	3.9	-0.1	1.0	1.8	-0.8	9.3	2.9	4.9	4.1	...	...			
<b>4. Turnover of enterprises, % y-o-y</b>	-10.3	19.7	34.6	-2.9	-2.0	-1.0	-6.0	-7.2	-10.9	-13.2	-4.2	1.0	-13.4	-2.9	...	...			
<b>5. Building permits, % y-o-y</b>	5.9	45.9	-2.2	...	-4.9	5.5	26.7	18.5	17.4	27.6	37.8	25.9	...	20.3	...	...			
<b>6. Retail sales volume, % y-o-y</b>	-4.0	10.3	3.3	-3.3	-5.0	0.2	-7.9	-2.9	-3.3	-3.4	-6.1	-4.2	0.7	-3.3	...	...			
<b>7. New car registrations, % y-o-y</b>	-26.6	22.2	6.7	16.5	3.7	5.6	8.6	6.9	13.1	22.3	36.0	23.7	22.1	16.5	9.4	...			
<b>8. Tourist arrivals, % y-o-y</b>	-78.2	105.9	96.0	17.6	30.0	13.9	17.9	15.8	10.4	12.7	14.0	27.5	32.0	17.6	...	...			
<b>9. Travel receipts, % y-o-y</b>	-76.2	143.2	68.3	15.7	19.9	24.8	17.2	15.1	5.2	14.6	10.2	18.9	41.5	15.7	...	...			

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** have pointed to a rebound in confidence over the last two months, with confidence indicators remaining at relatively high levels compared to the euro area.

- The **Economic Sentiment Indicator (ESI)** slightly declined in February due to a deterioration in business expectations across all sectors, except for the retail trade sector, and a fall in consumer confidence.
- The **February 2024 PMI suggested a stronger improvement in operating conditions** (55.7, from 54.7 in January 2024), due to the steepest rise in new orders since the end of 2021. On the price front, inflationary pressures intensified, with input costs and output prices rising at steeper rates due to greater transportation costs and raw material prices.

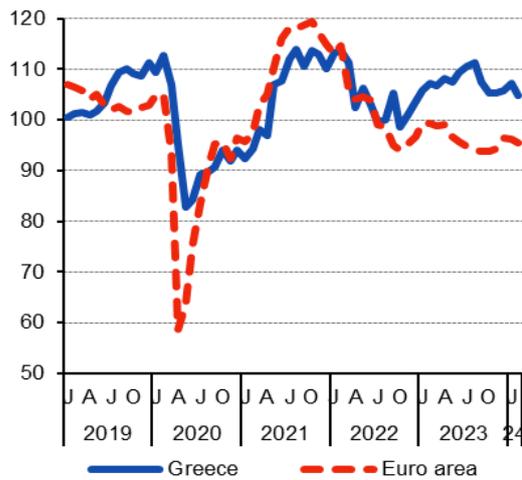
**Hard data point to a mixed picture:**

- A **recovery of the industrial sector** has been underway since November 2020. Industrial production remained positive in 2023 largely due to the growth in manufacturing production.
- **Manufacturing production** continued rising in 2023 largely due to a rise in production in food, pharmaceutical and coke and refined petroleum products.
- **The turnover of enterprises** declined in December 2023 and in 2023 as a whole largely due to the fall in turnover in electricity and manufacturing sectors, which can be attributed, to a great extent, to a base effect.
- **The volume of building permits** strongly increased in November 2023 and in the January-November 2023 period.
- **Retail sales volumes** slightly increased in December 2023, following six consecutive months of

decline, but declined for 2023 as a whole.

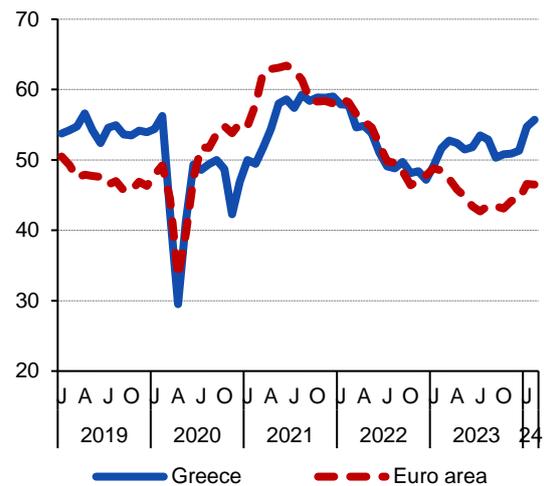
- **New private passenger car registrations** continued rising in January 2024, following a strong increase in 2023.
- **Both tourist arrivals and receipts** increased in 2023 (by 17.6% and 15.7%, respectively) despite the decrease of Russian tourists' revenues by 21%. Specifically, the number of travelers reached 32.7 mn, generating €20.5 bn in travel receipts. Travelers from outside the EU drove tourism-related revenues up by 18.5%, while the highest spenders were travelers from the USA. In 2023, tourist arrivals and receipts reached 104% and 113% of their respective 2019 figures.
- **Arrivals at Greek airports** increased by 9% in January 2024, while international arrivals at the Athens International Airport increased by 13% y-o-y.

**Chart 3: Economic Sentiment Indicator** (average=100)



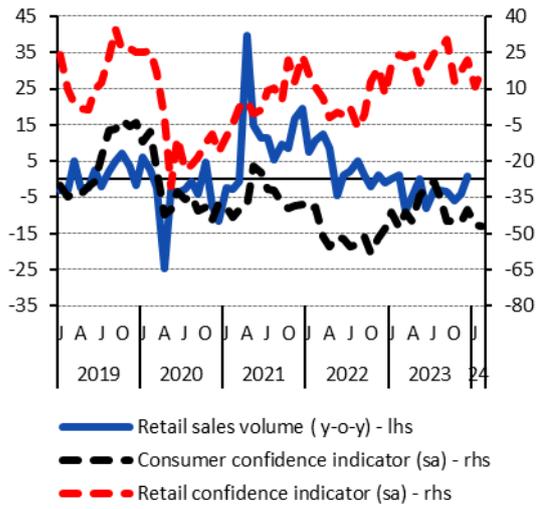
Source: European Commission.

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

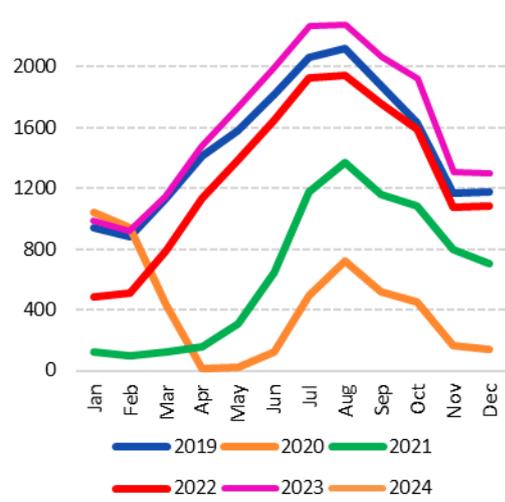


Source: S&P Global.

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



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



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

**Source:** Athens International Airport (AIA).

## 2. PRICES AND REAL ESTATE MARKET

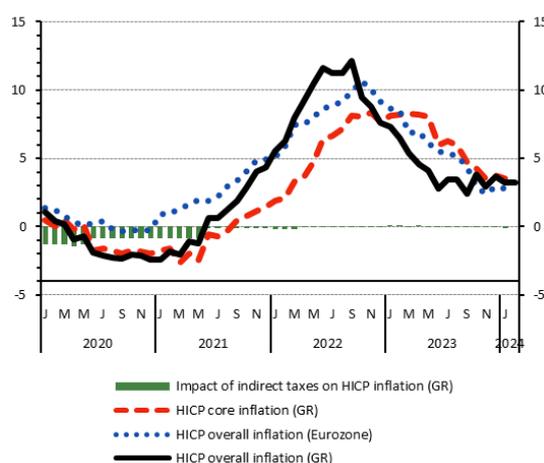
Table 2.1: Prices

% y-o-y, nsa data	2022	2023	2023								2024	
			Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	
1. HICP Headline	9.3	4.2	2.8	3.5	3.5	2.4	3.8	2.9	3.7	3.2	3.2*	
-Energy	41.0	-13.4	-22.0	-20.4	-17.3	-18.3	-6.8	-7.2	-4.0	-6.4	...	
-Unprocessed food	10.1	11.1	12.4	15.1	11.9	12.8	14.2	11.1	12.3	11.5	...	
2. HICP Core	5.7	6.2	6.0	6.3	6.0	4.7	4.2	3.5	3.8	3.5	...	
-Processed food	9.5	9.3	9.9	9.2	8.1	6.3	6.5	6.1	5.6	5.3	...	
-Non-energy industrial goods	5.0	6.4	6.4	6.6	6.5	4.4	3.6	3.4	2.6	2.6	...	
-Services	4.5	4.5	3.8	4.2	4.2	3.8	3.4	2.4	3.6	3.3	...	
3. PPI - Domestic market	33.5	-6.5	-7.3	-5.9	-8.3	-4.8	-14.7	-9.0	-7.4	-7.9	...	
4. Imports Price Index	27.7	-12.3	-19.4	-14.4	-14.6	-9.2	-13.4	-8.6	-8.7	...	...	

Source: ELSTAT and Bank of Greece computations.

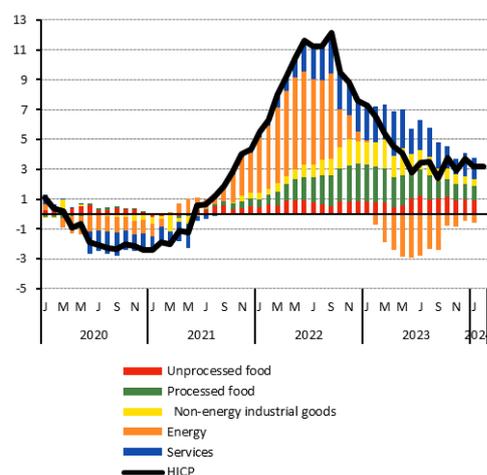
- \*flash estimate
- **HICP headline inflation** steadily declined in the first half of 2023 and oscillated in the second half. In January 2024, it declined to 3.2% from 3.7% in December 2023 due to lower annual rates of change in services, food, and energy. According to a flash estimate by Eurostat, headline inflation remained unchanged at 3.2% in February 2024.
- **Core inflation** (HICP excluding energy and unprocessed food) remains high and persistent, though decelerating. In January 2024, core inflation declined to 3.5% from 3.8% in December, due to a fall in services and in processed food prices.
- **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 has also turned negative since February 2023, reflecting the reversal of energy prices.

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

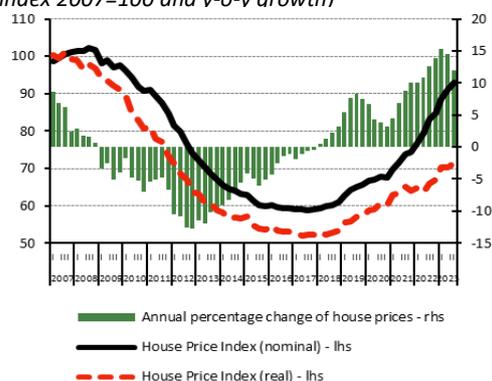
% y-o-y	2021	2022	2022		2023	2022				2023		
			H1	H2	H1	Q1	Q2	Q3	Q4	Q1	Q2	Q3
<b>1. Residential property</b>												
- Apartment prices	7.6	11.9	10.4	13.3	14.9	10.0	10.8	12.6	13.9	15.3	14.5	11.9
- Residential Investment	27.3	33.7	14.7	52.0	47.0	15.3	14.1	7.8	115.0	47.9	46.2	28.2
<b>2. Commercial property</b>												
- Prime office prices	1.7	3.5	2.2	4.7	6.6	-	-	-	-	-	-	-
- Prime retail prices	2.5	6.1	5.7	6.4	6.9	-	-	-	-	-	-	-
- Office rents	3.9	2.9	2.3	3.5	5.6	-	-	-	-	-	-	-
- Retail rents	1.1	4.4	4.3	4.5	5.6	-	-	-	-	-	-	-

Source: Bank of Greece, ELSTAT.

- In 2022, 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 2023:Q3 by 11.9% y-o-y, following continuous growth over five consecutive years, having registered a cumulative rise of 57.8% since 2017:Q3 (lowest level), although still 9.1% lower compared to their historical peak in 2008:Q3. Residential investment (at constant prices) increased substantially in 2022, although it remained low as a percentage of GDP (1.6%). In 2023:Q3, **residential investment** grew further, accounting for 2.0% of GDP.
- In 2023:H1, **prime office prices** increased by 6.6% y-o-y, and **prime retail prices** increased by 6.9% y-o-y. An increase was also recorded in both office and retail rents.

Chart 9: House price index

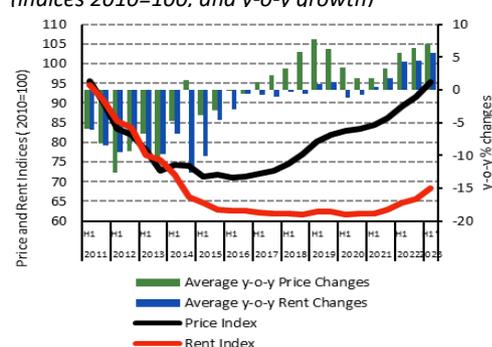
(index 2007=100 and v-o-v growth)



Source: Bank of Greece.

Chart 10: Prime Retail Price and Rent Indices

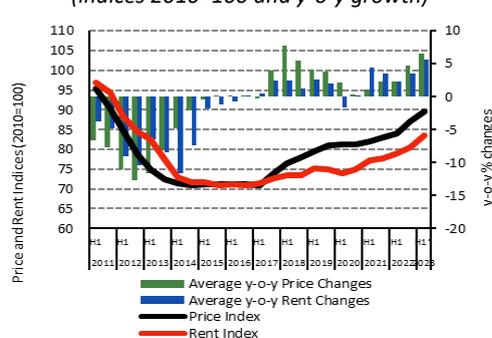
(indices 2010=100, and v-o-v growth)



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

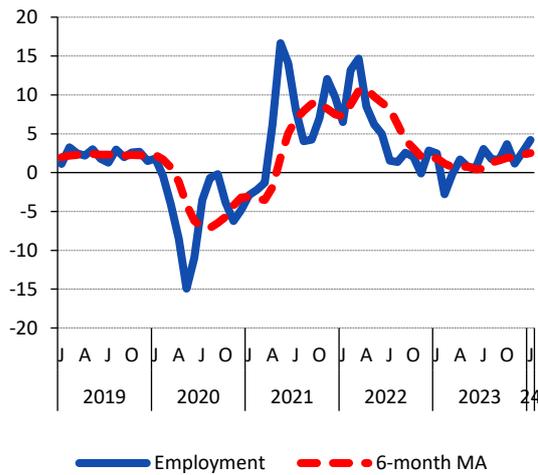
	2022	2023				2023			y-t-d	2024	
		Q1	Q2	Q3	Q4	Oct	Nov	Dec		Jan	Feb
<b>1. Labour Force Survey</b>											
- Total employment (% y-o-y)	5.4	1.3	1.7	1.0	...	3.7	1.2	2.7	1.3	4.2	...
- Employees (% y-o-y)	7.7	1.3	1.3	-0.8	...	...	...	...	1.3	...	...
- Self-employed (% y-o-y)	-0.2	-1.3	2.7	3.6	...	...	...	...	1.6	...	...
- Unemployment rate <sup>1</sup>	12.4	11.8	11.2	10.8	...	10.6	10.8	10.4	10.6	10.4	...
- Long-term unemployed (as % of unemployed)	61.9	52.7	59.9	60.3	...	...	...	...	...	...	...
<b>2. ERGANI Information System</b>											
- Net dependent employment flows in the private sector (thousands)	72.8	57.5	247.4	7.2	-195.5	-131.5	-82.5	18.5	116.6	-32.0	...
- Share of part-time and intermittent jobs (% new hirings)	48.9	47.3	45.2	52.0	50.6	51.9	50.3	49.3	48.6	45.8	...
<b>3. Registered unemployed (DYPA) (%y-o-y)</b>											
	-2.8	-3.1	-6.6	-4.8	-3.7	-4.2	-3.0	-4.0	-4.5	-4.3	...
<b>4. Employment Expectations Index</b>											
	110.4	114.6	120.5	113.1	115.7	115.2	116.2	115.7	...	115.3	116.0
<b>5. Labour Costs</b>											
- Compensation per employee (% y-o-y)	2.8	5.2	5.2	4.1	...	...	...	...	4.4	...	...
- Labour productivity (% y-o-y)	3.0	0.8	1.6	1.2	...	...	...	...	1.8	...	...
- Unit labour cost (% y-o-y)	-0.2	4.3	3.6	2.9	...	...	...	...	2.6	...	...

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

<sup>2</sup> 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.

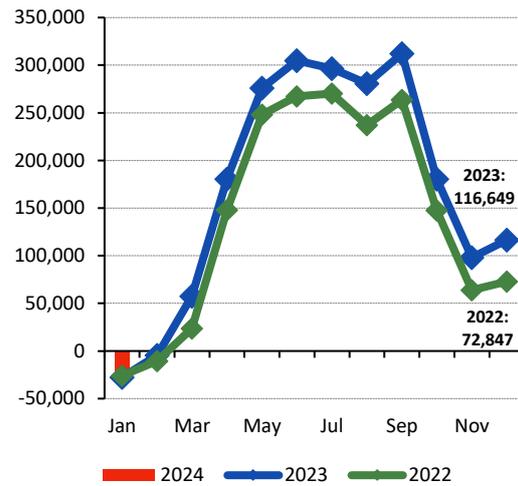
- **Total employment** rose in 2023:Q3, mainly due to employment growth in construction, administrative and support service activities, health activities, and transport and storage sectors. Latest monthly LFS data suggest that employment growth continued to increase further in January 2024.
- The **unemployment rate** fell in 2023:Q3 by 0.8 percentage points compared to 2022:Q3. In addition, the share of long-term unemployed declined by 2.6 percentage points. In January 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 January 2024, dependent employment net flows in the private sector were negative due to dismissals in the retail sector and restaurants.
- **The number of registered unemployed (DYPA data)** decreased in January 2024, due to a decline in the number of both long-term and short-term unemployed. The number of those receiving unemployment benefits declined compared to the previous month.
- The **Employment Expectations Index** (European Commission) increased slightly in February 2024 compared to January 2024, mainly due to an improvement of expectations in the retail sector.
- **Unit Labour Costs (ULC)** increased in 2023:Q3, as labour productivity increased at a slower pace than compensation per employee, but at a decelerating rate compared to the first two quarters of 2023.
- **The ELSTAT Index of Wages** for the total economy increased by 7.3% in 2023:Q3. Additionally, according to ERGANI data released by the Ministry of Labour, gross monthly earnings of employees rose by 7.2% between end-May 2022 and end-May 2023.
- **Outlays for the remuneration of employees in the general government** (incl. social security contributions) rose by 3.1% y-o-y in January-December 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)



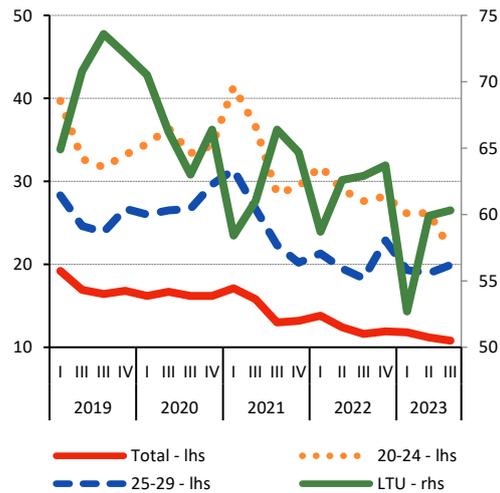
Source: ELSTAT, Labour Force Survey.

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



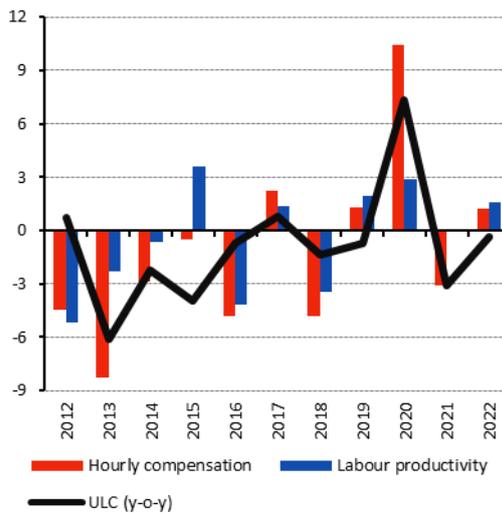
Source: ERGANI.

**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-December 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 January-December 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:**

- 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, provides 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%). Article 26 of Law 5085 (adopted in early February) stipulates that the consultation procedure for determining the minimum wage in 2024 will be speeded up, so that a new increase can be granted as of 1 April.

### **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*	2023		
				Oct	Nov	Dec
<b>Current Account</b> , bn (%GDP)	-12.3 (-6.8%)	-21.2 (-10.3%)	-14.1 (-6.4%)	-1.4	-3.3	-2.2
<b>Goods balance</b> , bn (%GDP)	-26.7 (-14.7%)	-39.6 (-19.1%)	-32.4 (-14.7%)	-3.0	-2.9	-2.8
Exports of goods (% y-o-y)	36.1	36.7	-8.0	-8.7	-11.4	-19.6
- Exports of non-fuel goods (% y-o-y)	27.7	24.2	-2.7	-5.8	-8.5	-18.9
Imports of goods (% y-o-y)	39.2	41.3	-12.3	-17.2	-16.8	-14.9
- Imports of non-fuel goods (% y-o-y)	31.0	25.0	-2.8	-3.4	0.3	-10.2
<b>Real trade in goods flows</b> (% y-o-y)						
Real exports of goods (% y-o-y)	17.8	4.9	-4.1	-3.9	-7.3	-17.9
- Real exports of non-fuel goods (% y-o-y)	21.0	7.7	-6.5	-7.6	-10.4	-20.3
Real imports of goods (% y-o-y)	23.9	17.5	-4.6	-6.1	-6.6	-9.5
- Real imports of non-fuel goods (% y-o-y)	27.5	16.8	-4.0	-3.1	1.0	-9.7
<b>Services balance</b> , bn (%GDP)	12.8 (7.1%)	19.4 (9.4%)	21.7 (9.9%)	1.8	0.4	0.4
Exports of services (% y-o-y)	54.4	36.2	2.5	-2.8	-7.4	-0.8
- Travel receipts (% y-o-y)	143.2	68.3	15.7	10.2	18.9	41.5
- Transportation receipts (% y-o-y)	35.6	25.1	-10.4	-14.1	-12.1	-9.4
Imports of services (% y-o-y)	43.9	27.7	-4.0	-13.8	-10.4	-4.0
Non-residents' arrivals (% y-o-y)	99.4	89.3	17.6	14.0	27.5	32.0
Average expenditure per trip (% y-o-y)	20.2	-11.7	-2.7	-3.5	-6.4	6.3
<b>Income balance</b> , bn (%GDP)	1.6 (0.9%)	-1.1 (-0.5%)	-3.5 (-1.6%)	-0.3	-0.8	0.1
FDI inflows, bn	5.6	7.5	4.5	0.3	0.5	-0.1

Source: Bank of Greece

\* based on Bank of Greece's estimate for GDP.

### Current account: January-December 2023

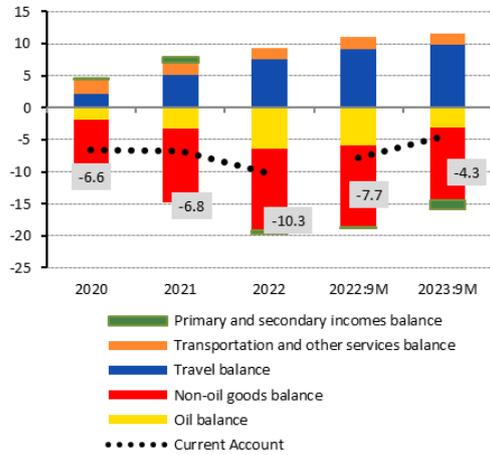
- The **current account deficit** decreased due to an improvement in the balance of goods, the balance of services and the secondary income account, which was partly offset by a worsening in the primary income account.
- **Real exports of goods** decreased as non-fuel goods exports declined, despite the increase in fuel exports. Exports of textiles and basic metals contributed to the decrease, while exports of pharmaceuticals and machinery increased.
- **Real imports of goods** decreased as both fuel and non-fuel imports declined. The decline in non-fuel imports was mainly attributed to industrial goods and – to a lesser extent – to durable consumer goods, while transportation equipment increased.
- The **services balance surplus** recorded an increase y-o-y, reflecting an improvement in the travel and, secondarily, in the other services balance which was partly offset by a deterioration in the transport balance. Non-residents' arrivals and receipts increased by 17.6% and 15.7, respectively and exceeded their respective levels in 2019 in nominal terms.
- The **transport surplus** decreased mainly due to the deterioration in the sea transport balance. Freight rates (based on the ClarkSea Index) decreased by 37% as dry bulk rates declined by 41%, while tanker rates increased by 2%.
- **FDI inflows**, which amounted to €4.5bn, were mainly directed towards real estate and manufacturing. The main countries of origin were Hong Kong (China), Germany and United States.

### Current account: December 2023

- The **current account** deficit decreased, due to an improvement in the balance of goods and the secondary income and, to a lesser extent, to the balance of services, while the primary income balance deteriorated.
- **The goods balance deficit** decreased as imports fell more than exports in absolute terms.
- In real terms, the decline in exports of non-oil goods was larger compared to the decrease in corresponding imports.

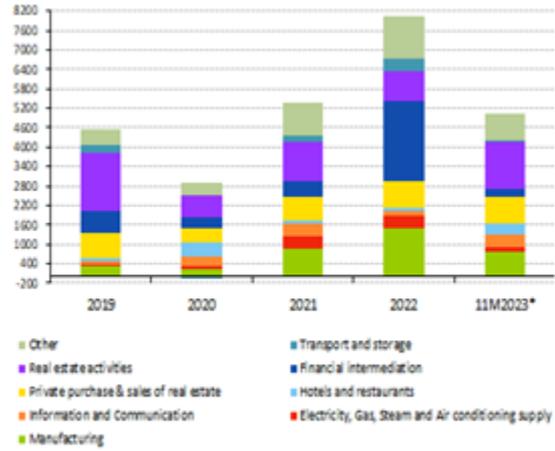
- The surplus of the **services balance** increased mainly due to an improvement in the other services balance and, to a lesser extent, in the travel services balance, while transport services surplus decreased. **Both non-residents' arrivals and the relevant receipts** increased by 32.0% and 41.5%, 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)**

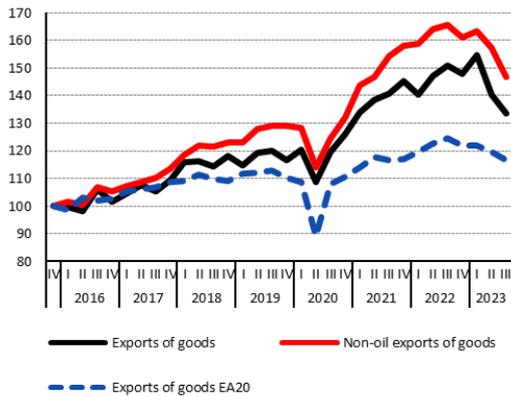


**Source:** Bank of Greece, Statistics Department.

*\*Provisional data*

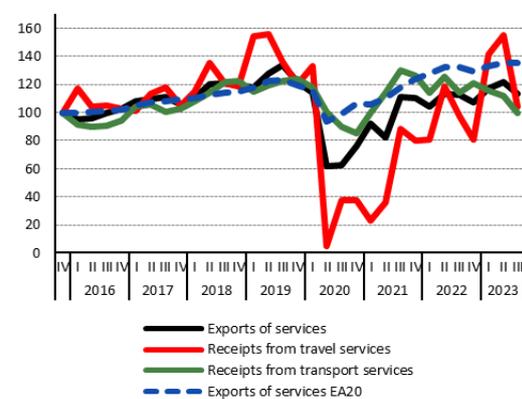
Note 1: The FDI components in the chart do not add up to the total amount of direct investment inflows reported in Table due to the different underlying

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



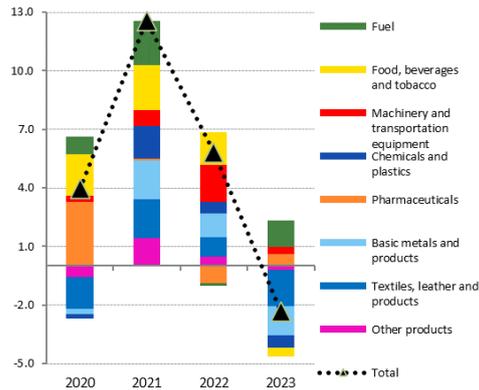
**Sources:** Bank of Greece (BoP statistics) and Eurostat (for EA 20). Bank of Greece calculations.

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



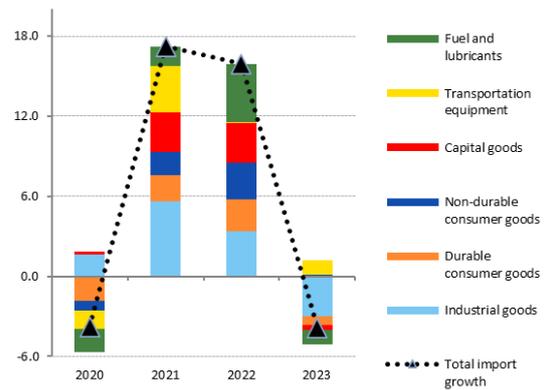
**Sources:** Bank of Greece (BoP statistics) and Eurostat (for EA 20). Bank of Greece calculations

**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	2023			
				Sep	Oct	Nov	Dec
- Structural funds	2391	2318	1256	112,4	52,9	0,0	0,0
- Farmers' subsidies	2213	1963	2493	21,3	4,3	10,6	44,9
- NGEU							
° Recovery and Resilience Facility (RRF)-grants	2310	1718	3405				1687
° Recovery and Resilience Facility (RRF)-loans	1655	1845	3793				1948

Source: Bank of Greece

- In 2023, Greece received €1.3 bn and €2.5 bn from structural funds and farmers' subsidies, respectively – the latter remaining unchanged at around €2.5 bn per year, also within the recent CAP. The implementation of the Multiannual Financial Framework (MFF) 2021-2027 has started, though, at a slow pace.
- Regarding the Recovery and Resilience Facility (RRF), two instalments were disbursed in 2023; on 19.01.2023 (€1.7 bn grants and €1.8 bn loans) and on 28.12.2023 (€1.7 bn grants and €1.9 bn loans).
- On 31.08.2023, Greece submitted the changes of NGEU, including actions related to REPowerEU. The revised programme includes additional €5.0 bn loans and €0.8 bn grants. The prefinancing for REPowerEU (€158.7 mn) was disbursed on 25.01.2024. In total €7.6 bn in grants and €7.3 bn in loans have been disbursed since 2021.
- 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			
			Q1	Q2	Q3	Q4
HCI NEER <sup>1</sup>	-1.0	3.8	1.3	3.7	6.0	4.3
HCI REER-ULC based competitiveness <sup>2</sup>	-5.8		-0.8	-0.6	-0.3	
HCI REER-HICP based competitiveness <sup>2</sup>	-1.2	1.4	-1.0	0.8	3.0	3.0

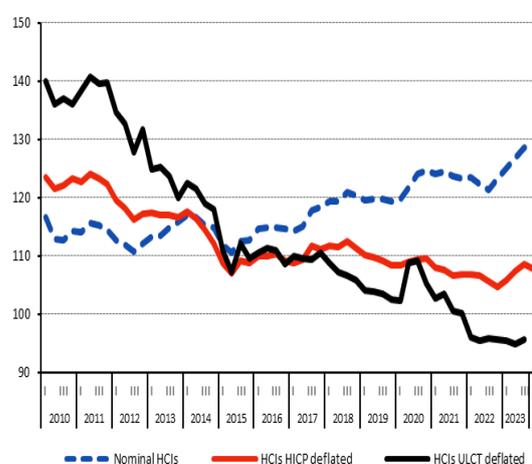
Source: ECB

1: + appreciation of euro

2: + deterioration of competitiveness

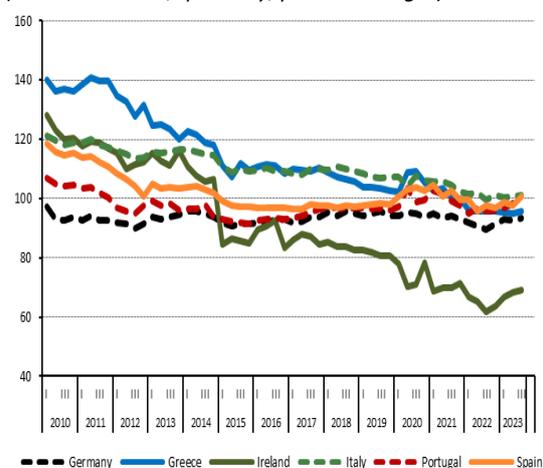
- **The nominal effective exchange rate:** Based on ECB Harmonised Competitiveness Indicators (HCIs), the nominal effective exchange rate appreciated further, although at a smaller extent, in 2023:Q4 for the fourth consecutive quarter due to the appreciation of the euro.
- **Labour cost competitiveness:** 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-Q4:2023 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**
  - According to the latest Democracy Index of Economist (published on 15 February 2024), Greece is placed again among the group of countries experiencing “full democracy” and ranks 20th (among 187 countries), five positions higher towards the previous report.

Indicator	International Organization	Date published	Latest Ranking (Total countries)	Previous Ranking (Total countries)	Positions Moved
<b>World Competitiveness Ranking</b>	<i>IMD</i>	<i>20.06.2023</i>	<i>49 (64)</i>	<i>47 (64)</i>	<i>-2</i>
	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, <b>the main challenges for Greece</b> 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.				
<b>Worldwide Governance Indicators (WGI)</b>	<i>The World Bank</i>	<i>11.05.2023</i>	<i>80 (212)</i>	<i>74 (210)</i>	<i>-6</i>
	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).				
<b>Tax International Competitiveness Index</b>	<i>Tax Foundation</i>	<i>18.10.2023</i>	<i>25 (38)</i>	<i>25 (38)</i>	<i>-</i>
	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. <b>Strengths:</b> 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. <b>Weaknesses:</b> 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

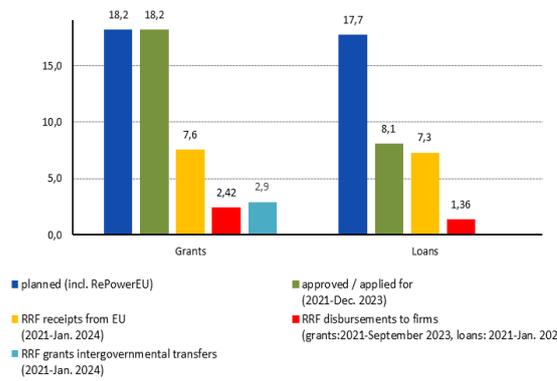
Table 5.1: General Government fiscal outlook (% of GDP)

	2021	2022	2023f	2024f
Primary outcome	-4.5	0.1	1.1	2.1
Public Debt	195.0	172.6	160.3	152.3
<b>Memo items:</b>				
One-off pandemic fiscal package (incl. guarantees without leverage)	8.6	1.6	0.1	0.1
Of which: with effect on budget balance	8.2	2.1	0.0	0.0
Energy measures	0.5	5.0	1.2	0.5
Of which: with effect on budget balance	0.1	2.2	0.0	0.0
RRF receipts (mn euros)	3,965	3,563	3,563	7,922
Of which: grants	2,310	1,718	1,718	3,727
loans	1,655	1,845	1,845	4,195

Source: ELSTAT (2021-22) and Ministry of Finance, Budget 2024 (2023-24)

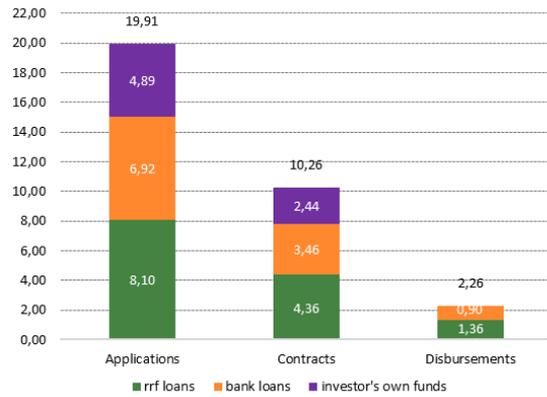
- The 2022 **general government primary outcome**, as published in the context of the 2nd EDP notification (23.10.2023), outperformed the projection included in 2023 Budget and recorded a surplus of 0.1% of GDP mainly on account of higher than expected tax revenues due to higher inflation, higher economic growth as well as increased electronic transactions that led to improved tax compliance.
- According to the **Budget 2024**, the general government primary outcome is estimated at a primary surplus of 1.1% of GDP in 2023 and 2.1% of GDP in 2024 (on the back of improved economic growth +2.4% in 2023 and +2.9% in 2024). Public debt as a share of GDP is projected to decline by 12.3 pp, to 160.3% of GDP, in 2023 and further by 8.0 pp, to 152.3% of GDP, in 2024, due primarily to the snowball effect and, to a smaller extent, to primary surpluses. The fiscal outlook is assessed to be in line with the provisions of the existing Stability and Growth Pact, reactivated as of 2024.
- **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 fiscal measures amount to 1.1% of GDP in 2024. Specifically, measures for 2024 include inter alia the unified payment reform for public employees, the increased tax-free threshold for families, the extension of the maternity leave for self-employed and farmers to 9 months, a 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.
- **Recovery and Resilience Facility (RRF):**
  - **Absorption:** So far Greece has received €14.9 bn from the RRF (€7.6 for grants and €7.3 for loans) out of the total envelop of €36 bn.
  - **Disbursements:** Greece is progressing with approving eligible projects while disbursements to firms are advancing at a slower pace. More specifically:
    - **Grants:** Out of a total envelope of €18.2 bn, cash receipts from the EU amount to €7.6 bn. Until January 2024, the entire project envelope has been approved, of which €2.42 bn have been disbursed to firms until September 2023. Another €2.8 bn have been transferred from the state to other general government entities until January 2024.
    - **Loans:** Out of a total envelope of €17.7 bn, cash receipts from the EU amount to €7.3 bn. Until the January 2024 €1.4 bn had been disbursed to firms. The contracted projects amount €4.36 bn fully in line with the respective target.

**Chart 24: RRF funds**  
(€ bn)



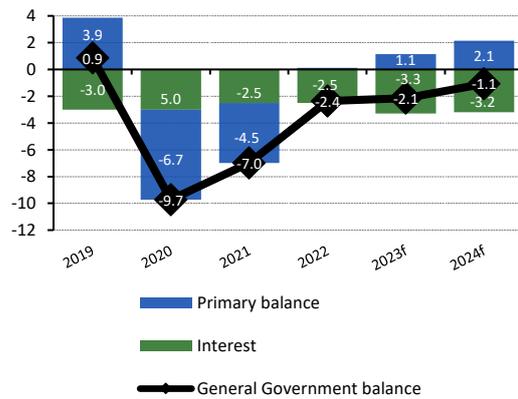
Source: Ministry of Finance

**Chart 25: RRF loans with leverage**  
(€ bn – up to Dec. 23)



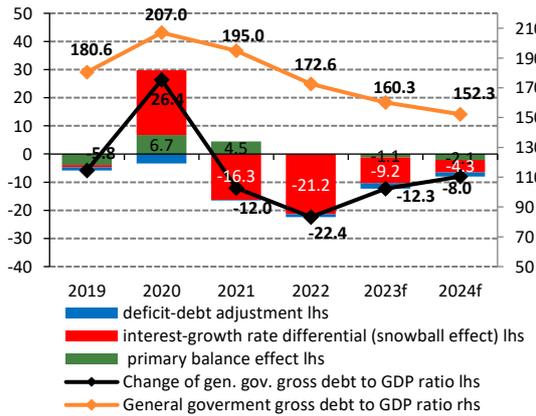
Source: Ministry of Finance, Bank of Greece

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



Source: Ministry of Finance, ELSTAT.

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



Source: Ministry of Finance, ELSTAT.

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

	Annual		Quarterly		
	2021	2022	2022 Q1-Q3	2023 Q1-Q3	2023 Q1-Q4
Balance	-7.0	-2.4	-2.3	-1.1	
Primary balance	-4.5	0.1	-0.5	1.4	
Revenue	50.7	50.5	35.0	34.1	
Primary expenditure	55.2	50.4	35.5	32.8	
Public Debt (stock)	195.0	172.6	173.2	161.7	160.1*

Source: ELSTAT, PDMA

\*PDMA estimates (Public Debt Bulletin Dec. 2023)

### Annual General Government figures – ESA 2010 (2022)

According to the 2nd EDP notification (23.10.2023), both the **general government balance and the primary balance** marked an improvement in 2022 relative to 2021, recording a smaller deficit and a marginal 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 4.8 p.p.). Y-o-y, primary expenditure increased by 3.9%, mainly driven by an increase in subsidies (+29.4%), predominantly related to the energy crisis, an increase in intermediate consumption (+10.0%) attributed to the price increases and an increase in public investment (+11.1%) related inter alia to increased RRF grants. The y-o-y increase in revenue (+13.4%) is due to increased economic activity, higher indirect tax revenue arising from receipts of the Green Transition Fund and the overhaul of the tax and social insurance contribution deferral schemes.
- The **debt to GDP ratio** decreased to 172.6% in 2022 from 195.0% of GDP in 2021, due to the denominator effect.

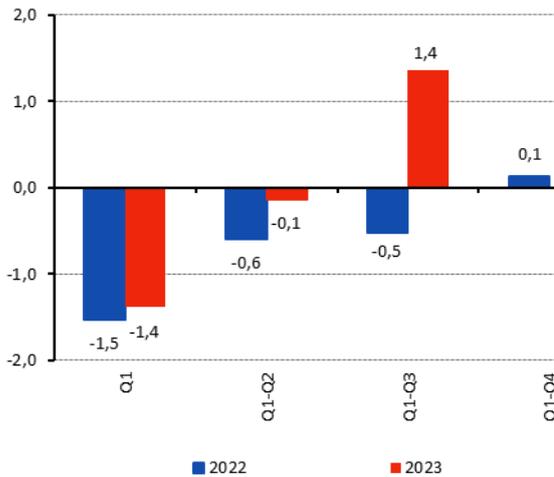
### Quarterly General Government figures – ESA 2010 (2023)

**2023 Q1-Q3:** The general government primary balance improved as a % of GDP (by 1.9 pp) in the first three quarters of 2023 against the same period in 2022 due to increased revenues and marginally lower primary spending.

- In nominal terms, revenues increased y-o-y (+5.0%) due to increased tax and EU revenues. Primary expenditure fell (-0.6%) due to the withdrawal of subsidies related to the pandemic and the energy crisis, despite increased social transfers, mainly pensions but also the market pass, as well as increased capital transfers due to increased RRF expenditure and the recapitalization of Attica bank.
- Public debt decreased by 10.9 pp of GDP compared to 2022:Q4, due to the denominator effect as, in nominal terms, public debt increased by €3.5 bn, reflecting amortization payments that exceeded bond issuances and RRF loan receipts.

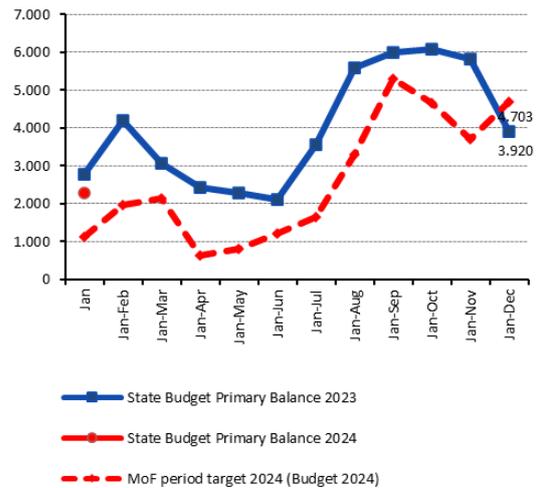
**2023 Q1-Q4:** The general government debt is estimated (by PDMA as of February 2023) to be 160.1% of GDP, compared to 160.3% according to the Budget 2024.

**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)	2022 January - Dec.	2023 January - Dec.	2023 January	2024 January
General Government primary balance	0.0	2.4		
Stock of arrears (€ bn)	2.4	2.8		
Central Government debt	193.7	182.5		
State budget primary balance	-3.2	1.7	1.2	1.0
State budget primary balance period target	-4.1	0.4	1.0	0.5

Source: Ministry of Finance

In January-December 2023, **the primary general government cash outcome** improved to a surplus compared to a balanced outcome in January-December 2022. The improvement is attributed to higher tax revenue and social security contributions. Expenditure increased on account of higher intermediate consumption due to higher prices and increased social transfers related to transfers paid to low income groups for food supplies (“market pass”), the one-off payment to pensioners with “personal difference”, pension increases and pension arrears clearance.

- In January-December 2023, **the stock of arrears** (excluding pension claims) increased by €0.4 bn (mainly in hospitals) compared to December 2022. About 59% of total arrears (excluding tax refunds) originate in hospitals due to their reporting pre-clawback.
- **Central Government Debt** at end-December 2023 was €406.5 bn (182.5% of GDP) compared to €400.3 bn (193.7% of GDP) at end-December 2022.
- The **State primary balance** in January 2024 recorded a surplus (1.0 % of GDP) compared to a marginally higher surplus (1.2% of GDP) in 2023. Compared to the period target (according to the Budget 2024), the primary balance over-performed by €1.2 bn in 2024 mainly due to higher tax revenue, the time differentiation of the cash payments for military procurements as well as of RRF receipts. This overperformance in cash terms is not expected to affect the outcome in ESA terms.

## Financing

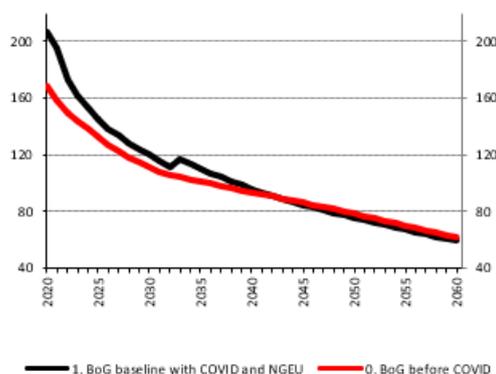
In 2024, Greece has so far attracted €4.65 bn from the capital markets: In January 2024, Greece attracted €250 mn from the capital markets from the re-opening of a 5-year bond with a yield of 2.72%. In February, Greece further attracted another €4.0 bn from the issuance of a 10-year bond with a yield 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.

## 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 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.

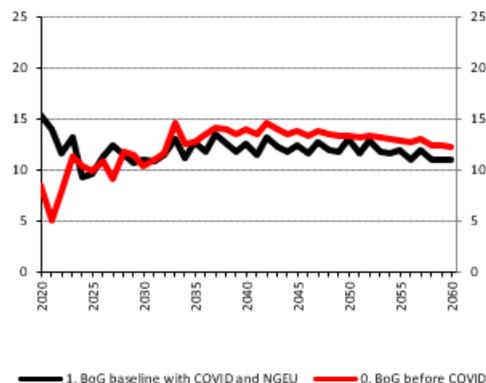
Despite higher market and policy rates, risks to debt sustainability remain contained in the medium term. This mainly reflects (i) the highly concessional terms of official sector loans (involving grace periods, long maturities and interest deferrals) comprising the bulk of the accumulated debt stock, (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

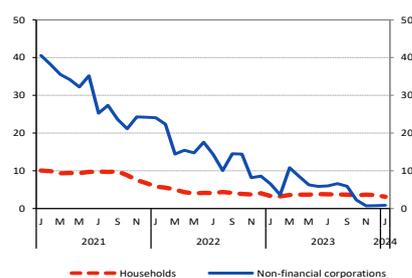
#### 6.1 Bank deposits

EUR mn	End-of-month stock	Cumulative net flow			Monthly net flow			Annual rate of change %					
		2021	2022	2023	2023		2024	2021	2022	2023	2023		2024
	2024 Jan				Nov	Dec	Jan				Nov	Dec	Jan
Private sector	189679	16158	8047	5752	-904	6374	-5238	9.9	4.5	3.0	2.4	3.0	2.7
-NFCs	40666	7822	3469	324	-626	2650	-3382	24.2	8.6	0.7	0.7	0.7	0.8
-HHS	144657	8528	5444	4984	-156	3083	-2070	6.8	4.0	3.5	3.7	3.5	3.1

Source: Bank of Greece.

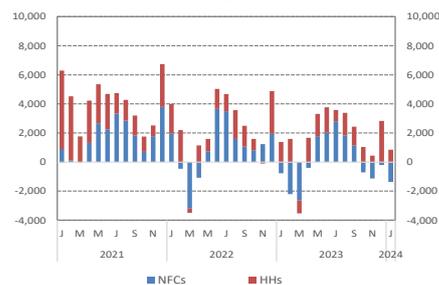
- During 2023, **private sector deposits** increased by €5.8 bn in total mainly owing to the deposits of households (€+5.0 bn) (NFCs: €+0.3 bn). The annual growth rate of deposits, which has decelerated since end-2021, ranged around 3% during the year.
- In January 2024, **bank deposits of non-financial corporations and households** fell substantially by €3.4 bn and €2.1 bn respectively, mostly reflecting the seasonal pattern at the beginning of the year.
- In January 2024, the annual rate of growth of household deposits with an agreed maturity (time deposits) decelerated -for a second month in a row- to 44.6%; since end-2022 households have been partly substituting overnight deposits with time deposits due to a gradually higher remuneration of less liquid types of deposit accounts relative to overnight, following the tightening of monetary policy.
- Significant inflows from households have also been recorded during 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 %					
		2024	2021	2022	2023	2023		2024	2021	2022	2023	2023	
	Jan				Nov	Dec	Jan				Nov	Dec	Jan
NFCs	65416	2477	6837	3759	85	2860	-2008	3.7	11.8	5.9	5.1	5.8	5.0
Sole proprietors	4546	155	-44	-60	8	94	-79	2	-0.9	-1.3	-2.8	-1.3	-1.1
HHs	37230	-1437	-1008	-769	7	-2	-150	-2.4	-2.5	-2.0	-2.3	-2.0	-1.9
-Housing loans	28248	-1376	-1113	-1046	-65	-23	-145	-3.0	-3.6	-3.5	-3.6	-3.5	-3.5
-Consumer loans	8696	-44	112	294	74	20	0	-0.3	1.2	3.4	2.1	3.4	3.8
New bank term loans to NFCs (gross flow)	-	11851	22200	16957	1837	2446	-	-	-	-	-	-	-
New bank term loans to HHs (gross flow)	-	2022	2405	2487	264	248	-	-	-	-	-	-	-

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, in the last four months of 2023, the annual growth in corporate loans rebounded.
- The contraction of **bank loans to households** continues overall reflecting shrinking housing loans, while consumer loans have been recording positive rates of growth since mid-2022 (Charts 34 and 35).
- In January 2024, **bank credit to NFCs** declined considerably by €2.0 bn and the annual rate of growth decelerated to 5.0%.
- According to the AnaCredit data, during 2023, new loan disbursements to non-financial corporations reached around €9 bn, standing lower by almost one-third compared to 2022, consistent with monetary policy tightening, but still well above the corresponding amount in 2021 (€ 7.0 bn) (Chart 36).

**Chart 34: Bank credit to NFCs**

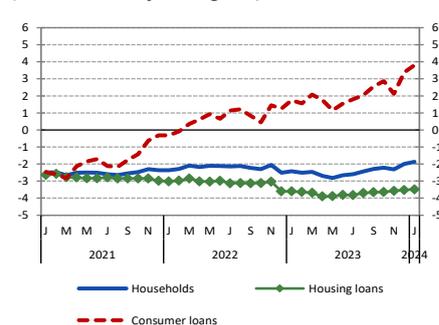
(annual rate of change %)



Source: Bank of Greece.

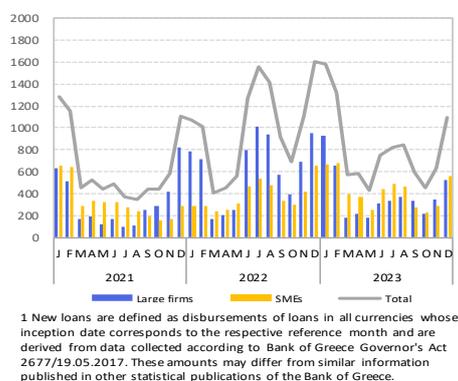
**Chart 35: Bank credit to households**

(annual rate of change %)



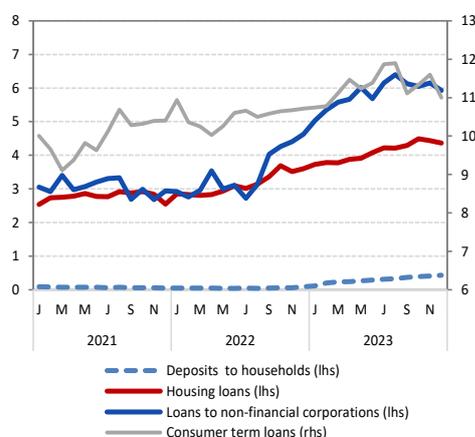
Source: Bank of Greece.

**Chart 36: Amounts of new loans to large firms and to SMEs<sup>1</sup>**  
(3-month moving average, EUR mn)



Source: Bank of Greece, AnaCredit.

**Chart 37: Bank interest rates**  
(percentages per annum)



Source: Bank of Greece.

### 6.3 Bank interest rates on new loans and deposits

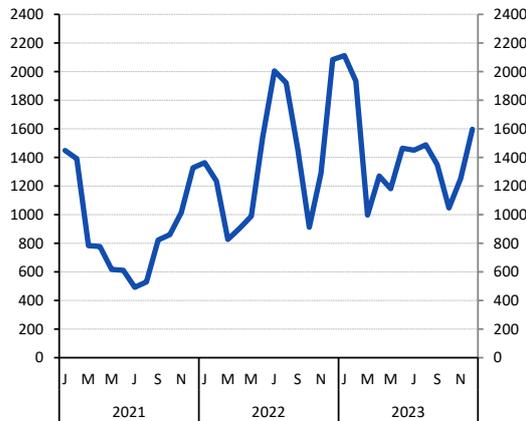
(end of period, percentages per annum)

	2021	2022	2023	2023		
				Oct	Nov	Dec
Bank lending rate	3.76	5.06	6.06	6.17	6.25	6.06
-to NFCs	2.94	4.63	5.93	6.05	6.15	5.93
-to HHS	4.67	5.57	6.27	6.41	6.42	6.27
-Housing loans	2.54	3.60	4.37	4.49	4.44	4.37
-Consumer term loans	10.40	10.71	11.00	11.34	11.60	11.00
Bank deposit rate for HHS	0.05	0.09	0.43	0.39	0.41	0.43

Source: Bank of Greece.

- After reaching historically low levels during 2020-2021, **the cost of bank lending** to NFCs has risen steeply since mid-2022 reflecting policy rate pass-through. The average cost of bank lending to HHS has also increased but the rise in lending rates has been significantly greater for firms than for households. **Real lending rates** have turned positive since 2023:Q1 and are currently standing above 2% both for NFCs and households.
- In December 2023, **bank interest rates** declined both for corporate loans (by 22 bps to 5.93%) and for loans to households (by 15 bps to 6.27%) (Chart 37).
- Data on gross flows of bank loans show that, in 2023, despite a decrease by one quarter compared to the previous year, **new bank corporate term loan agreements** 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.

**Chart 38: New bank corporate term loan agreements**  
(Gross flow, 3-month moving average, EUR mn)



Source: Bank of Greece, MFI interest rate statistics.

**Chart 39: New household term loan agreements**  
(Gross flow, 3-month moving average, EUR mn)



Source: Bank of Greece, MFI interest rate statistics.

### Measures supporting bank loan provision

- 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 3<sup>rd</sup> 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 early January 2024, 296 loan agreements had been signed financing investments with a total budget of €10.3 bn (RRF loans: €4.4 bn, bank loans: €3.5 bn, investors' own participation: €2.4 bn). Concluded loan agreements thus stand for 50% of the total budget of submitted projects. Since the start of the implementation of the NRRP, the amount of bank loan agreements co-financing RRF projects represents around 10% 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%). As regards SME financing, financial instruments backed up more than one quarter of all new bank loans to SMEs and sole proprietors (2023: €1.4 bn, 2022: €2.9 bn, approx. 60%).

## Survey evidence on financing

### I. Bank Lending Survey results for Greece (2023:Q4 compared to 2023:Q3):

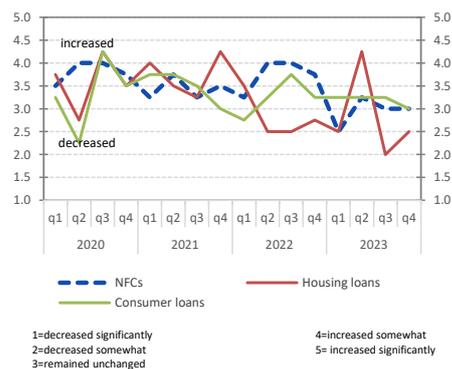
#### 6.4 The euro area bank lending survey: Greek banks (Changes over the past three months - average reply)

	Demand			Terms & conditions			Credit standards			Share of rejections		
	2023:Q3	2023:Q4		2023:Q3	2023:Q4		2023:Q3	2023:Q4		2023:Q3	2023:Q4	
Loans to enterprises	3.00	3.00	-	3.25	3.00	↓	3.25	3.00	↓	3.00	3.00	-
Loans for house purchase	2.00	2.50	↑	3.00	3.00	-	3.00	3.00	-	2.75	2.75	-
Consumer credit	3.25	3.00	↓	3.00	3.00	-	3.00	3.00	-	3.00	3.00	-

Source: Bank of Greece.

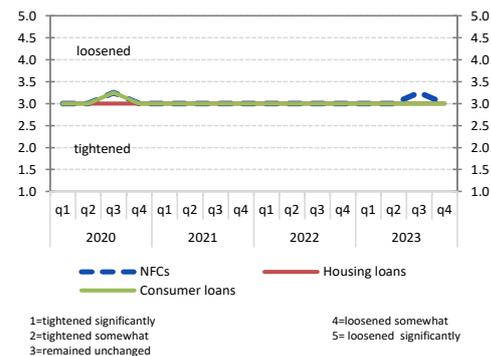
- In 2023:Q4, Greek banks kept **credit standards** as well as overall **terms and conditions** unchanged compared to the previous quarter for all loan categories. With respect to lending margins for average-risk loans in particular, banks reported a narrowing for consumer loans and a marginal narrowing for loans to NFCs.
- Banks also assessed that overall there was no change in the **demand for corporate bank credit** during 2023:Q4 comparing with 2023:Q3, notwithstanding a slight contraction in the demand for loans by SMEs. Factors that contributed negatively to demand included reduced needs for NFCs to finance inventories and working capital, increased internal financing and higher interest rates.
- There was no change in the **demand for consumer credit** from households during 2023:Q4; however, the **demand for housing loans** contracted for a second consecutive quarter. The higher level of interest rates continued to exert a negative influence on the demand for housing loans as did the households' drawings from their own savings, loans from other banks and the access of households to other sources of finance. By contrast, the current regulatory and fiscal regime in the housing market constituted a positive demand factor.

**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: April-September 2023 compared to October 2022-March 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 <sup>1 2</sup>			Rejection rate <sup>2</sup>			
	2022:H2	2023:H1	2022:H2	2023:H1		2022:H2	2023:H1		2022:H2	2023:H1		
Bank loans	13	13	-	10	7	↓	61	59	↓	15	10	↓
Credit lines	21	21	-	12	12	-	49	76	↑	17	0	↓

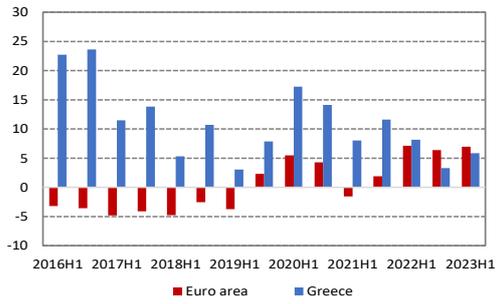
Source: EC/ECB, SAFE.

<sup>1</sup> Applications satisfied mostly or in full.

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

- **The external financing gap faced by SMEs in Greece** – i.e., the difference between the change in demand for credit (financing needs) and the change in the availability of external financing – was perceived to have widened somewhat in this survey round (Chart 42). Still, this is the second consecutive wave in which it stands at a lower level than the corresponding indicator for SMEs in the euro area.
- **Greek SMEs reported that during April-September 2023, the lack of skilled labour and the rise in costs of production or labour continued to be their main concerns.** This is the sixth consecutive round in which access to finance is not reported as the primary concern of SMEs, in contrast to all years before 2020.
- The **availability (supply)** of bank loans in Greece was seen to have been reduced somewhat compared to the previous round, while it remained stable for credit lines. At the same time, SMEs' **needs (demand)** for bank credit remained unchanged, and at very low levels by historical standards in the survey (Chart 43).
- Among the **factors affecting the supply of external financing**, the influence of the general economic outlook remained in negative territory, 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 third 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** declined, standing around the levels recorded in 2015-2016 (19% down from 23%). 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 very low by historical standards. In another related question concerning the reasons for which bank loans are not relevant for the firm, almost 55% of respondents claim that there is no need for this type of financing while almost 30% mentioned the high interest rate cost of bank loans.
- As far as the **outcome of bank loan applications** is concerned, the rejection rate decreased (to 10% from 15%). The approval rate (percentage of applications satisfied mostly or in full) declined somewhat (59% from 61%) remaining though at one of the highest levels since the inception of the survey. It is worth mentioning that with regard to bank credit lines, the approval rate stood at very high levels (76%) while no rejection of application has been reported during this survey round.
- **Terms and conditions of bank financing** were perceived to have deteriorated significantly regarding the level of interest rates, as SMEs reported the highest-ever net increase in bank loan interest rates (net percentage: 84% from 75%). In this round, SMEs reported significant net increases close to historical highs in charges, fees and commissions (net percentage: 64% from 43%), while they signalled a lower net increase in collateral requirements along with some improvement in the available size of loans and a slight deterioration in their maturity.

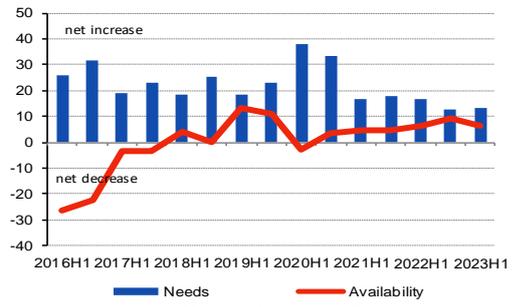
**Chart 42: External financing gap faced by SMEs in Greece and the euro area (weighted net balances)**



\* 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

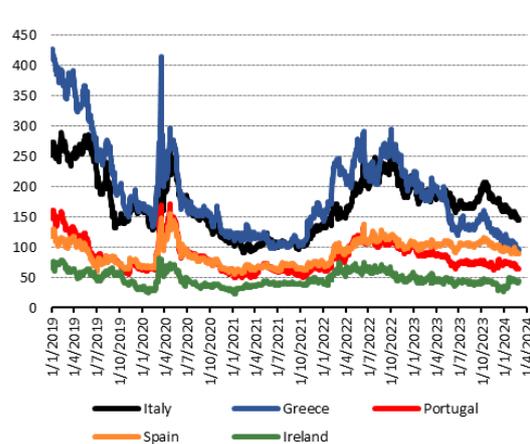
	Levels		Changes (bps)						
	Latest 29/2/2024	15/2/2024	2-weeks	y-t-d	3-months	6-months	12-months	2023	2022
GR 2y	2.85	2.75	10	47	3	-61	-59	-112	373
GR 5y	3.03	2.89	14	43	3	-59	-89	-115	315
GR 10y	3.39	3.34	5	31	-15	-61	-109	-152	328
IT 10y	3.84	3.86	-2	14	-28	-57	-74	-101	352
ES 10y	3.28	3.27	1	29	-8	-42	-47	-67	306
PT 10y	3.04	3.03	1	25	1	-37	-55	-81	311
DE 10y	2.40	2.35	5	38	5	-25	-31	-53	274
<i>Spreads</i>									
GR 10y – 2y (bps)	54	59	-5	-16	-17	0	-50	-39	-45
GR 10y - Bund (bps)	98	99	-1	-6	-20	-36	-78	-98	54
GR 10y - 10y Italian (bps)	-45	-52	7	17	13	-4	-35	-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 Bund 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 rose somewhat** in the last two weeks, in line with yields in other euro-area sovereign bonds, as investor expectations for policy rates were revised upwards.
- **This rise was more pronounced in the short-to-medium term maturity segments**, resulting in a slight flattening of the Greek yield curve in the period under review (Chart 45).

Chart 44: 10-year sovereign bond spreads

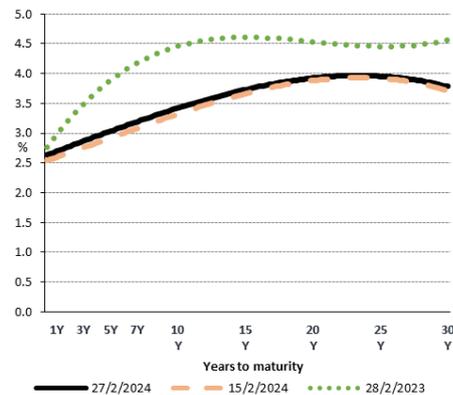
(yield differentials vis-à-vis the Bund in bps; daily data)



Source: LSEG.

Chart 45: Greek sovereign yield curve

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



Source: Bank of Greece.

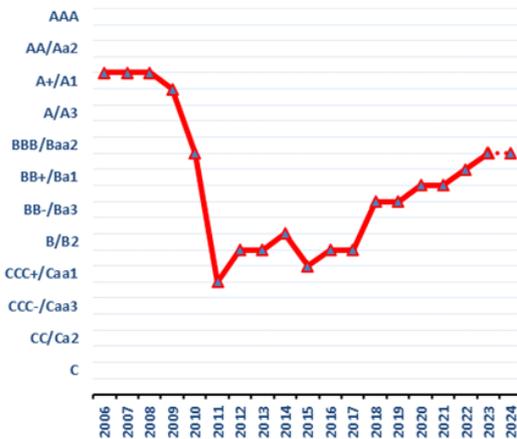
**Table 7.2 Sovereign credit ratings**

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-	Stable	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.

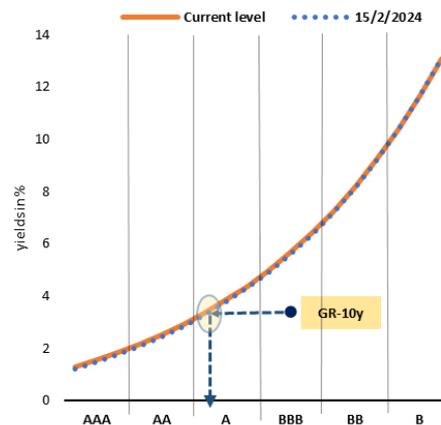
- The sovereign credit rating of Greece has followed an upward trend for a long period of time, resulting in its return to the Investment Grade (IG) in 2023 (see Chart 46).
- After a series of rating upgrades, all rating agencies that are Eurosystem-eligible as ECAs assign Greece a sovereign credit rating of BBB-/BBB-low. An exception is Moody's that still rates Greece below IG (at Ba1).
- 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.

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



Sources: LSEG; BoG's model.

**Table 7.3 Corporate bonds**

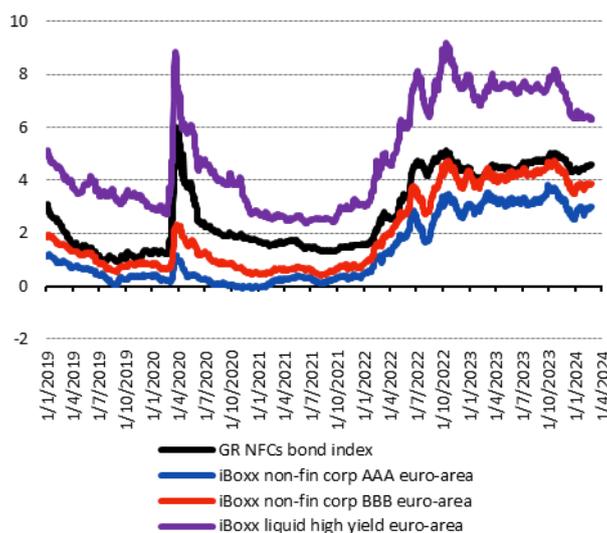
	Levels		Changes (bps)						
	Latest 29/2/2024	15/2/2024	2-weeks	y-t-d	3-months	6-months	12-months	2023	2022
GR NFC int'l bonds	4.61	4.53	8	20	1	-10	31	0	287
GR NFC domestic bonds	4.96	4.89	7	-9	-47	-9	-4	5	186
EA BBB-rated NFC bonds	3.90	3.82	8	33	1	-50	-55	-79	353
EA liquid HY NFC bonds	6.39	6.38	1	5	-56	-101	-106	-164	490
<i>Spreads</i>									
GCBs int'l - EA BBBs (bps)	72	71	1	-13	0	40	85	79	-66
GCBs int'l - EA liquid HY (bps)	-178	-184	6	16	57	91	137	164	-203

Source: LSEG, Bank of Greece.

Note: Data on yields of the Greek corporate bonds (i.e. 'GR NFC int'l bonds') refer to the yield of the GR NFC bond index of the Bank of Greece (Bloomberg ticker: BOGGRNFC), and data on yields of the 'GR NFC domestic bonds' refer to the yields of an index with domestic bond issues calculated using the same methodology as the GR NFCs bond index which includes issues abroad. 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 in line with their low refinancing needs.
- **Yields of GCBs** did not mark significant changes in the period under review, moving in tandem with other euro-area corporate bonds (Chart 48).

**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.

Table 7.4 Stock market indices

	Levels		Returns (%)						
	29/2/2024	15/2/2024	2-weeks	y-t-d	3-months	6-months	12-months	2023	2022
<b>ATHEX General Index</b>	1,425	1,404	1.5	10.2	12.2	14.2	27.3	39.1	4.1
Banks	1,248	1,233	1.2	17.5	18.8	28.4	36.3	65.7	11.4
Basic Materials	5,501	5,602	-1.8	13.0	11.3	0.0	24.8	24.2	-11.6
Consumer Discretionary	5,465	5,324	2.7	9.0	11.5	2.1	29.0	41.7	17.7
Consumer Staples	5,608	5,565	0.8	10.2	13.9	17.7	28.3	25.3	-24.5
Energy & Utilities	5,195	5,204	-0.2	4.2	5.5	10.5	11.2	20.3	7.2
Industrials	5,674	5,556	2.1	11.7	17.0	22.7	58.0	68.9	15.1
Real Estate	4,869	4,940	-1.4	-1.8	-3.2	-0.1	-3.9	-0.4	-18.0
Tech & telecommunications	5,443	5,282	3.1	7.3	10.0	10.9	29.7	27.5	-5.7
<b>Transaction volume</b> <i>(monthly average, in mn €)</i>	125.6	124.7	0.7	16.9	-30.1	24.6	-5.7	96.9	14.3
<b>Euro Stoxx</b>	498	488	2.0	5.1	6.9	11.4	9.4	15.7	-14.4
<b>MSCI World</b>	3,337	3,290	1.4	5.3	10.4	13.2	22.7	21.8	-19.5
<b>GR volatility (%)<sup>a</sup></b>	0.6	0.6	-0.7	42.6	-31.3	-40.2	-42.7	-38.8	5.8
<b>GR intraday volatility (%)<sup>b</sup></b>	1.0	1.0	-4.5	34.3	-7.0	-29.5	-34.0	-14.3	3.1
<b>MSCI World volatility (%)<sup>a</sup></b>	0.6	0.6	6.1	26.2	17.1	-6.3	-18.6	-52.1	9.6
<b>VIX</b>	13.4	14.0	-4.4	7.6	4.3	-6.9	-31.6	-42.5	25.8

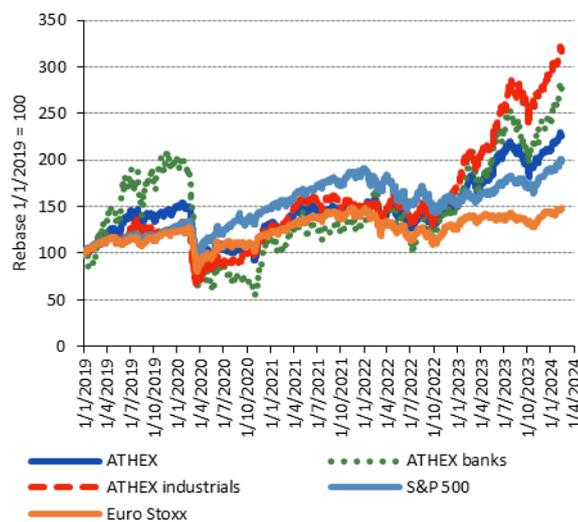
Source: LSEG, Bank of Greece.

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.
- **Share prices of listed Greek companies rose slightly**, in the past two weeks, posting lower returns than those of their euro-area stock peers. Share prices of industrials and consumer discretionary firms outperformed the market (Chart 49).

Chart 49: Stock exchange indices



Source: LSEG.

## 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	
	2023:9M	2022:9M	2023:9M	2022:9M	2023:9M	2022:9M	2023:9M	2022:9M	2023:9M	2022:9M	2023:9M	2022:9M
GR banks (SIs & LSIs)	3.0	2.9	6.3	4.0	1.3	1.2	0.5	2.3	2.9	2.8	5.3	4.7
GR banks (SIs)	2.8	2.9	6.0	3.9	1.2	1.2	0.3	2.3	2.7	2.7	4.9	4.7

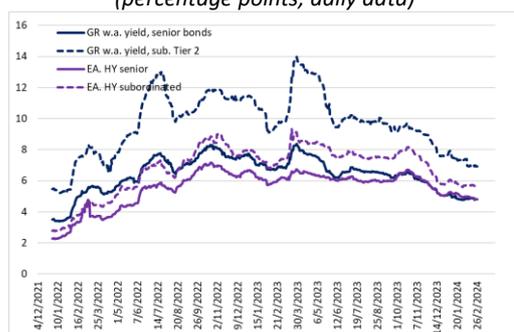
	Ratios (in %)						Funding (in bn euros)					
	NPE		CET1		MREL		Range of ratings		TLTRO III		Bond issuances	
	2023:9M	2022:9M	2023:9M	2022:9M	2023:9M	2022:9M	Latest	2022	2023:9M	2022:9M	2024 y-t-d	2023:2M
GR banks (SIs & LSIs)	7.9	9.7	14.3	13.5	22.7	19.2	-	-	17.0	51.0	1.8	1.0
GR banks (SIs)	5.2	6.8	14.3	13.7	23.6	19.9	(BB-, BB)	(B, BB-)	16.6	50.4	1.8	1.0

Sources: a) Income statement items, NPE ratio and CET1 ratio: ECB for significant institutions (SIs; consolidated data) and Bank of Greece for SIs + LSIs (less significant institutions; consolidated data); NPE ratio: solo data, b) MREL ratio: SRB and banks' financial statements, c) TLTRO III: Bank of Greece and banks' financial statements, d) Ratings: rating agencies (S&P, Moody's, Fitch), e) Bond issuances: LSEG.

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

- According to announced financial results for 2023:9M, the net profits of the four systemic Greek banks rose on a y-o-y basis, as the rise in net interest income, related to higher interest rates, and in net fees and commissions income have offset the fall in trading & other income, due to non-recurring gains in 2022:9M. Total operating expenses were broadly unchanged, while impairment losses on loans and advances to customers retreated somewhat.
- The aggregate NPE ratio of systemic Greek banks further retreated in 2023:9M to 5.2% from 6.0% at end-2022 and 6.8% in 2022:9M.
- The aggregate capital buffer of systemic Greek banks rose in 2023:9M compared to end-2022 and 2022:9M, as CET1 capital increased relatively more than risk-weighted assets.
- Greek systemic banks have issued bonds in order to gradually fulfil their MREL requirements. The systemic banks' MREL ratios in 2023:9M have met the interim MREL targets, which are applicable from 1 January 2023 thus making further progress towards meeting the final MREL targets (applicable: 2025-end).<sup>1</sup> During the period under review, yields on bonds issued by Greek banks remained broadly unchanged (change in weighted average yield since 15.2.2024: senior bonds -8 bps; subordinated Tier 2 bonds: -4 bps).

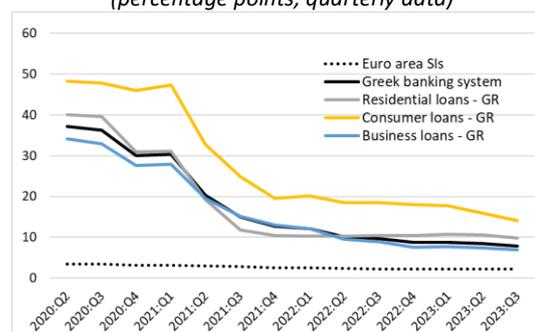
**Chart 50: GR and EA bank bond yields**  
(percentage points; daily data)



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 lines: the iBoxx EUR High Yield Banks Senior (solid line) & iBoxx EUR High Yield Banks Subordinated (dashed line).

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



Sources: Bank of Greece & ECB.

<sup>1</sup> Interim MREL targets: Eurobank: 20.5%, Piraeus: 19.1%, NBG: 18.3%, Alpha: 19.9%; final MREL targets: Eurobank: 27.5%, NBG: 27.1%, Alpha: 27.2%, 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 updated by the Single Resolution Board on an annual basis.

## 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 26 June 2023) is the keystone for the privatisation strategy. It includes 33 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.

### 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<sup>2</sup>.
- 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.

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<sup>2</sup> 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 (EOPPY), on the basis of a specific formula.

## ANNEX 1: ADDITIONAL CHARTS AND TABLES

### ECONOMIC ACTIVITY

Table 1: GDP and main components, seasonally adjusted

Percentage changes (chain linked volumes, reference year 2015)

	2019					2020					2021					2022					2023		
	2019	Q1	Q2	Q3	Q4	2020	Q1	Q2	Q3	Q4	2021	Q1	Q2	Q3	Q4	2022	Q1	Q2	Q3	Q4	Q1	Q2	Q3
<b>Private consumption</b>	1.5	1.9	0.7	0.1	3.5	-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	5.9	4.2	1.1	1.7	0.9
<b>Public consumption</b>	2.0	-1.3	7.0	-0.4	3.0	2.8	3.1	-1.1	4.9	4.5	2.1	1.8	2.6	2.6	1.4	2.3	2.4	3.4	2.2	1.2	2.9	1.2	-0.7
Gross fixed capital formation	-2.3	-0.8	-16.6	10.0	2.4	2.0	3.4	-0.6	4.7	0.2	19.1	10.7	21.1	17.7	27.5	11.6	15.4	8.8	7.4	15.1	8.2	9.2	4.9
Dwellings	12.5	7.0	18.8	4.7	19.5	18.3	25.5	40.4	7.8	3.7	28.2	31.2	13.0	71.4	4.5	33.7	15.3	14.1	7.8	115.0	47.9	46.2	28.2
Other construction	-19.9	-5.4	-42.8	-9.1	-14.5	-1.9	-10.8	7.1	-4.9	3.4	11.6	3.3	16.0	14.2	13.3	9.7	16.3	4.5	9.4	9.2	5.4	10.8	0.6
Equipment	5.6	-5.8	0.5	18.2	11.5	-5.1	-1.2	-10.6	-3.6	-5.0	23.4	-0.8	21.0	16.8	59.5	18.5	37.1	16.5	14.0	11.5	0.4	4.6	15.1
<b>Domestic demand</b>	1.2	1.0	-0.4	1.0	3.3	-4.4	1.2	-10.3	-2.3	-6.2	6.9	-3.2	12.9	7.4	11.7	7.1	11.2	7.0	5.4	5.0	2.4	2.6	1.2
Exports of goods and services	4.9	5.3	11.9	10.4	-7.4	-21.5	1.0	-29.0	-32.4	-12.7	24.2	-0.9	25.2	48.2	29.4	6.2	15.6	13.3	-1.2	-0.3	6.7	-0.5	1.0
Exports of goods	2.1	-0.3	3.6	6.9	-1.8	4.2	4.9	-4.5	3.2	13.7	14.1	11.2	22.0	14.9	9.2	3.6	6.2	4.7	2.9	0.8	10.9	-0.7	-1.1
Exports of services	7.4	14.5	11.5	10.0	-5.3	-42.6	-16.4	-56.1	-56.2	-41.3	37.5	-19.2	58.1	93.6	62.2	9.3	23.1	25.2	-1.5	-3.6	5.2	-0.2	2.9
Imports of goods and services	2.9	6.2	2.9	3.4	-0.6	-7.4	2.5	-15.9	-8.1	-8.2	18.1	-3.9	27.1	22.2	30.2	7.7	15.3	11.4	1.6	3.9	3.3	-0.6	2.9
Imports of goods	1.8	6.8	2.9	2.2	-4.4	-3.8	1.9	-14.2	-3.6	0.8	17.0	-0.6	26.9	17.0	26.7	8.5	15.7	13.2	4.7	2.0	0.8	-2.6	3.4
Imports of services	6.2	4.0	2.8	7.4	10.3	-17.2	4.7	-20.2	-20.3	-30.8	20.6	-13.9	26.9	37.8	41.4	3.3	12.3	4.1	-8.5	8.0	10.9	5.5	0.8
<b>Real GDP at market prices</b>	1.8	1.5	2.3	2.1	1.3	-9.0	-1.6	-16.0	-10.7	-7.7	8.1	-2.2	14.7	11.9	9.1	5.7	7.7	6.9	4.1	4.2	1.9	2.6	2.1

Source: ELSTAT (quarterly national accounts December 2023, provisional data).

Table 2: Value added decomposition, seasonally adjusted

Percentage changes (chain linked volumes, reference year 2015)

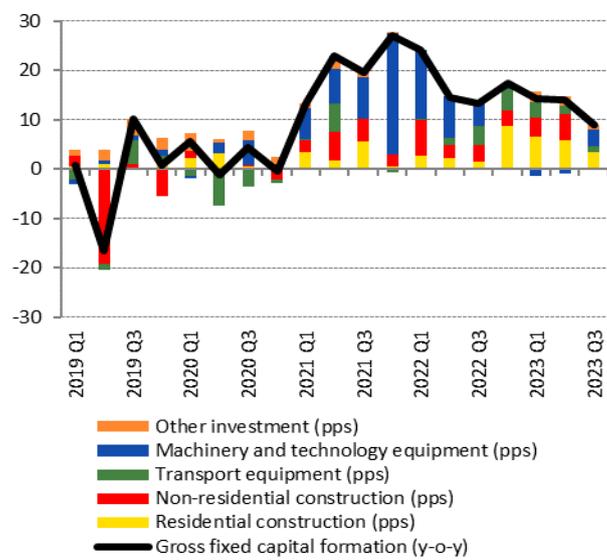
	2019					2020					2021					2022					2023		
	2019	Q1	Q2	Q3	Q4	2020	Q1	Q2	Q3	Q4	2021	Q1	Q2	Q3	Q4	2022	Q1	Q2	Q3	Q4	Q1	Q2	Q3
<b>Agricultural sector</b>	6.2	3.6	6.4	8.8	5.8	-8.4	-2.8	-9.7	-10.5	-10.4	-3.8	-6.3	-3.3	-5.0	-0.4	12.0	8.5	14.8	19.7	5.4	2.2	-2.2	-4.5
<b>Industry and construction</b>	1.7	3.7	-0.5	4.2	-0.3	0.3	1.1	-4.1	1.0	3.5	12.0	8.6	16.8	12.8	10.0	-2.9	1.8	-2.8	-4.5	-5.9	0.7	-0.1	1.8
Industry	0.6	0.7	2.4	0.7	-1.6	1.5	1.5	-4.0	3.2	5.5	11.9	9.4	17.2	10.8	10.5	-4.3	0.4	-3.1	-5.5	-8.8	-1.7	-3.3	0.9
Construction	11.2	32.6	-18.7	40.7	9.5	-8.4	-2.0	-4.9	-15.9	-10.8	12.7	2.4	13.7	31.4	5.6	8.6	13.5	-0.5	2.6	20.3	18.0	25.8	8.5
<b>Services</b>	0.9	0.4	2.2	1.0	0.1	-10.6	-2.8	-17.4	-12.5	-9.7	6.7	-4.4	12.6	10.6	9.3	6.0	7.0	6.7	5.0	5.4	3.4	1.7	0.3
Trade, hotels and restaurants, transport	-1.0	-2.2	-0.6	-0.7	-0.7	-20.6	-3.7	-32.5	-25.9	-20.3	12.1	-11.4	24.4	23.2	19.6	11.1	13.2	18.8	8.8	4.5	3.2	-1.8	-1.7
Information & communication	3.2	-6.3	2.5	8.3	8.8	9.2	13.8	1.6	5.6	16.2	11.5	15.4	20.0	13.6	-1.3	4.0	-0.9	1.5	3.5	12.1	7.3	9.1	2.0
Financial services	-1.7	-5.2	-1.0	0.2	-0.7	-2.4	-2.1	-4.9	-2.3	-0.1	-2.0	0.5	1.3	-3.1	-6.6	2.0	-8.9	-9.2	0.3	27.3	3.6	4.7	2.0
Real estate related services	3.1	6.3	5.9	2.9	-2.5	-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
Professional services	8.1	6.4	8.3	9.0	8.4	-7.2	5.5	-18.0	-11.3	-4.8	9.6	-2.1	24.3	14.5	5.2	10.2	5.1	8.3	11.1	16.2	14.4	10.0	6.6
Public admin	-0.7	-1.5	0.8	-1.4	-0.6	-0.4	0.4	-2.1	0.1	0.1	1.6	0.9	1.9	1.2	2.4	2.4	2.1	1.1	3.5	2.9	1.2	2.1	-1.0
Arts and recreation	5.6	7.7	7.2	0.6	6.7	-21.3	-2.0	-43.9	-10.1	-28.0	14.0	-29.5	59.6	15.2	35.5	13.3	51.0	10.0	4.9	-1.8	9.2	6.3	5.7
<b>Value added at basic prices</b>	1.2	0.6	1.6	2.0	0.7	-9.1	-2.1	-15.4	-11.2	-7.5	7.5	-1.6	12.6	11.5	8.3	4.8	5.5	6.6	3.7	3.4	2.9	1.2	0.1
Taxes on products	6.9	5.8	9.4	5.7	6.6	-8.2	1.5	-19.5	-7.0	-7.5	10.1	-4.0	26.9	10.7	10.2	10.6	19.3	7.8	7.2	8.8	-10.8	-5.1	-4.4
Subsidies on products	35.9	17.5	30.1	50.1	47.2	-2.1	7.2	7.1	-3.6	-17.0	-14.3	16.4	-0.5	-36.0	-38.5	7.8	-34.0	-23.8	38.2	117.8	-25.0	-58.7	-61.7
<b>GDP at market prices</b>	1.8	1.5	2.3	2.1	1.3	-9.0	-1.6	-16.0	-10.7	-7.7	8.1	-2.2	14.7	11.9	9.1	5.7	7.7	6.9	4.1	4.2	1.9	2.6	2.1

Source: ELSTAT (quarterly national accounts December 2023, provisional data).

Percentage changes compared to a year earlier	Release date	<b>2022</b>	<b>2023f</b>	<b>2024f</b>	<b>2025f</b>
<b>OECD</b>	Nov. 2023	6.0	2.4	2.0	2.4
<b>European Commission</b>	Nov. 2023	5.6	2.4	2.3	2.2
<b>IMF</b>	Jan. 2024	5.6	2.3	2.1	1.6
<b>Consensus</b>	Feb. 2024	6.0	2.2	2.0	2.3

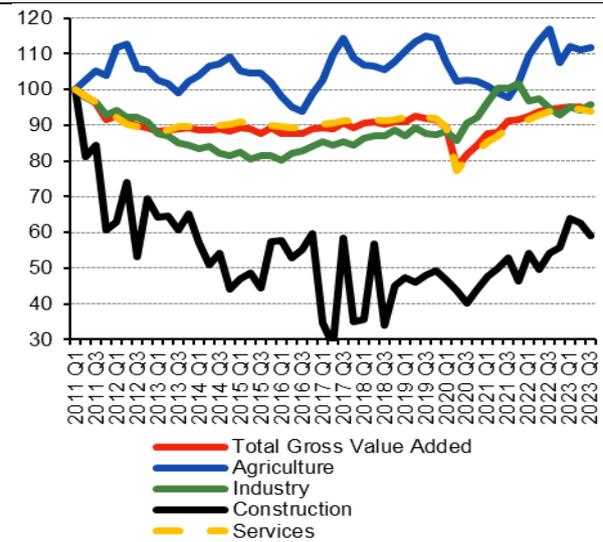
Sources: OECD (OECD Economic Outlook, November 2023), European Commission (European Commission, Autumn 2023 Economic Forecasts, November 2023), IMF (World Economic Outlook Update, January 2024), Consensus Economics (Consensus Forecasts, February 2024).

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



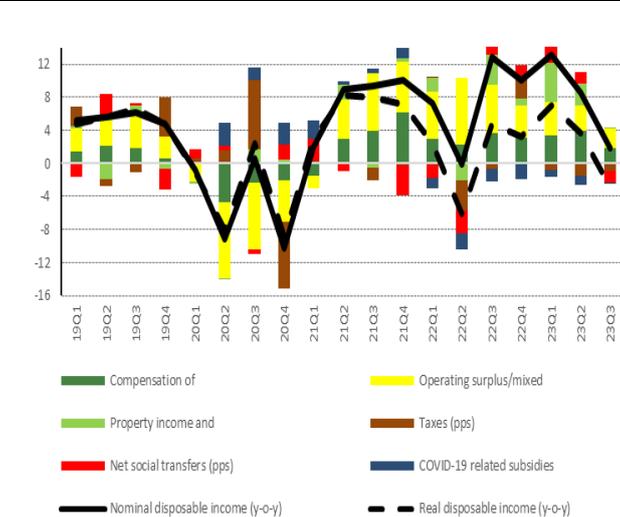
**Source:** ELSTAT, National Accounts (provisional, nsa data, at current prices), December 2023.

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



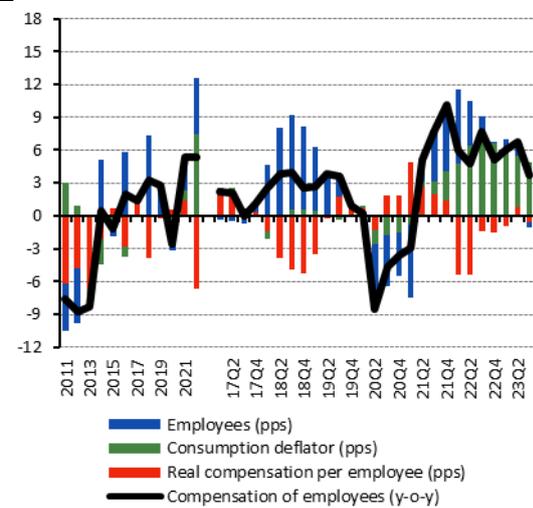
**Source:** ELSTAT, National Accounts, December 2023.

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



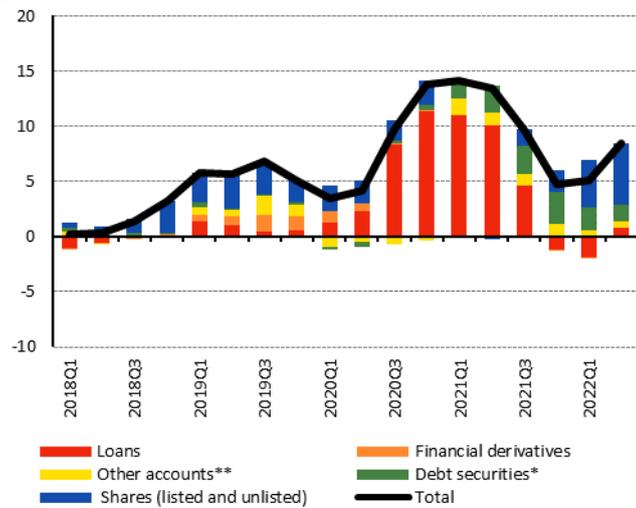
**Source:** ELSTAT, quarterly non-financial accounts of institutional sectors and Bank of Greece calculations.  
 Note: Taxes = Current taxes on income, wealth + Taxes on production and imports (including ENFIA).  
 \*Excluding exceptional subsidies and transfers from general government to deal with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

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



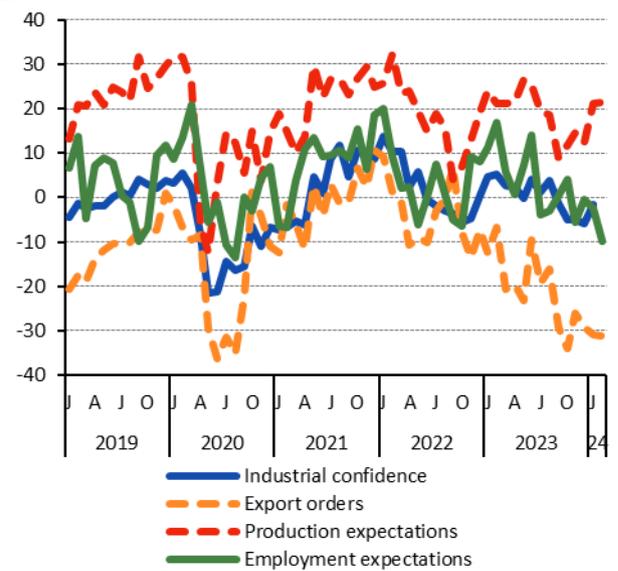
**Source:** ELSTAT, National Accounts, December 2023.

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



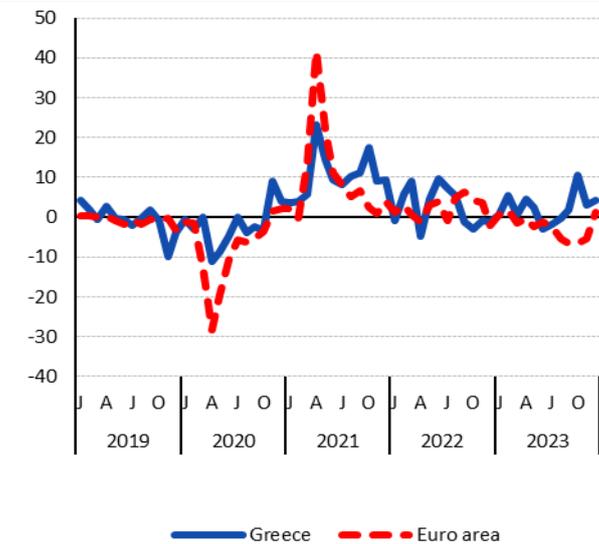
**Sources:** ECB (SDW), Bank of Greece, Financial Accounts.  
\*Does not include corporate bonds issued by Greek companies' subsidiaries residing abroad. In the period Dec. 2012-Oct. 2020 the gross (net) amount of these bond issues stood at around €10.8 (5.5) bn.  
\*\*Includes trade credit and advances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

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



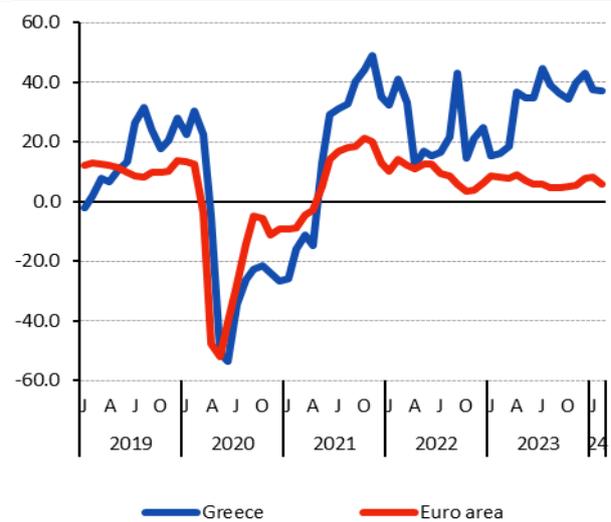
**Source:** European Commission (business and consumer surveys).

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



**Source:** Eurostat.

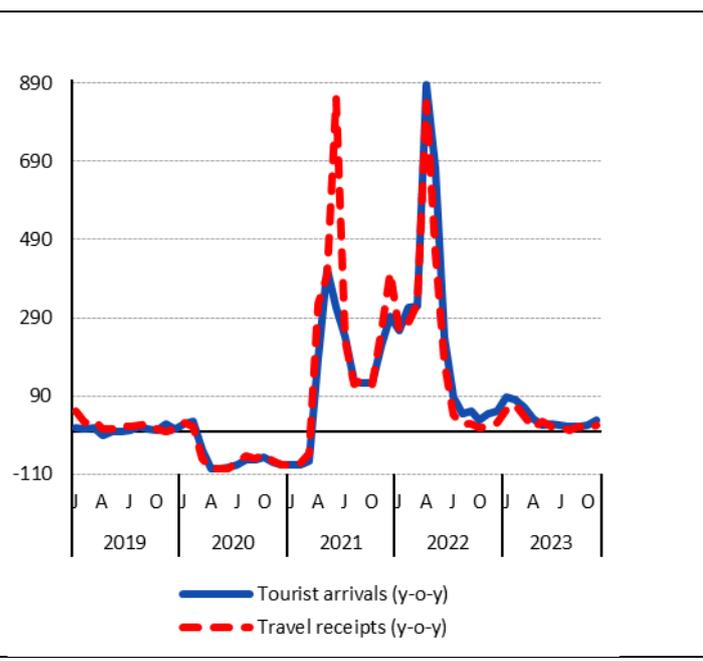
**Chart 8: Greek and Euro Area Services Confidence Indicator** (balance)



**Source:** European Commission (business and consumer surveys).

**Chart 9: Tourist activity indicators**

(annual percentage changes)

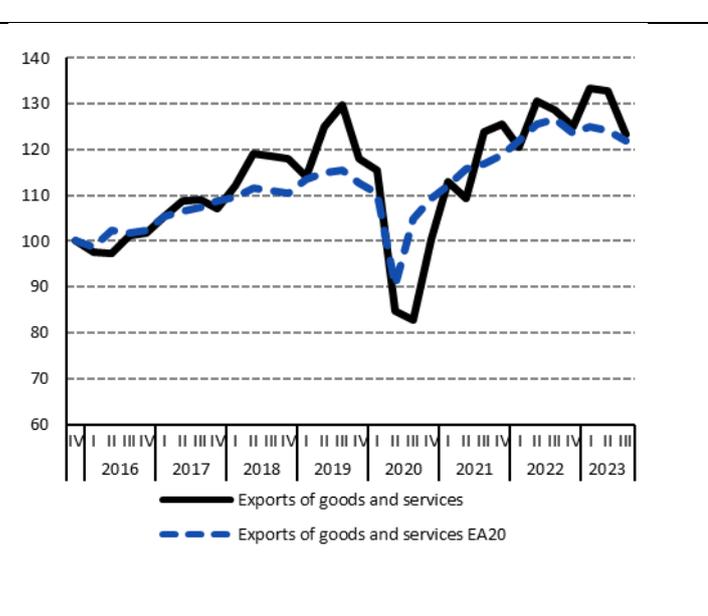


**Sources:** Frontier Survey of the Bank of Greece (for tourist arrivals and travel receipts)

**EXTERNAL BALANCES, COMPETITIVENESS**

**Chart 10: Real exports of goods and services**

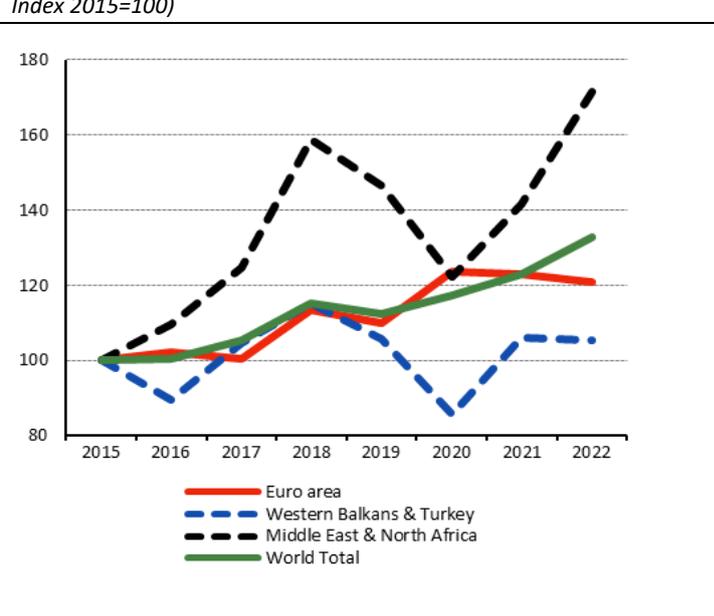
(index 2015:Q4=100, sa)



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

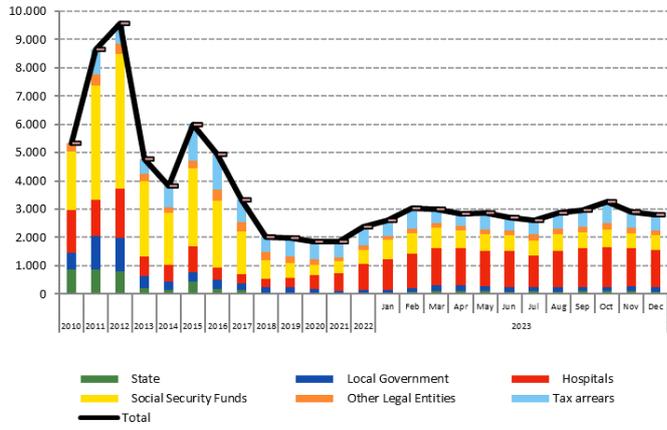
**Chart 11: Greek goods export market shares**

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



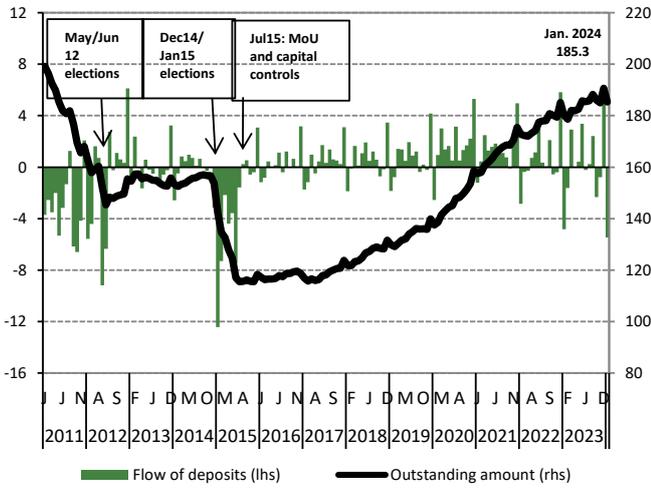
**Source:** IMF - Direction of trade statistics database. Bank of Greece calculations.

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



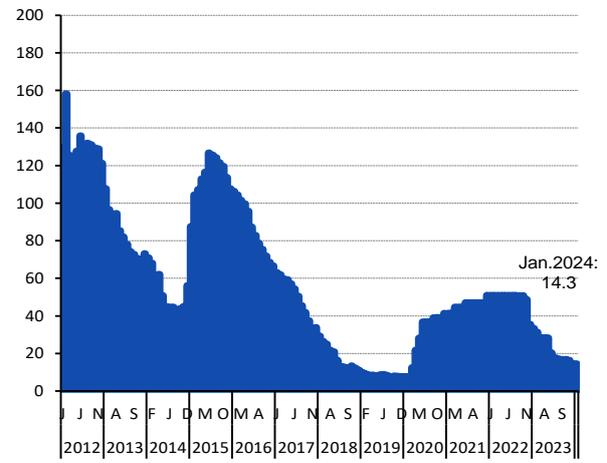
Source: Ministry of Finance.

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



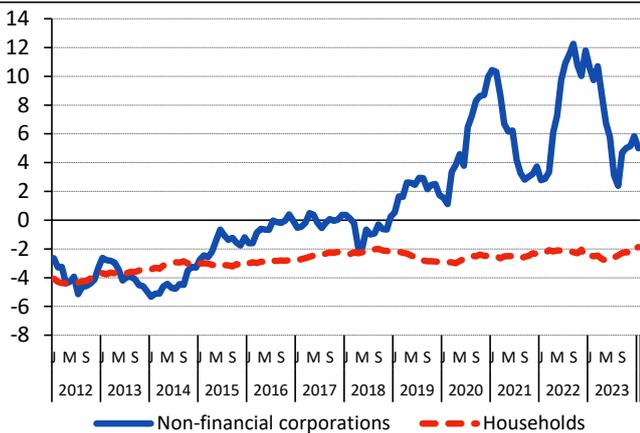
\*As of December 2016, deposits held in the Consignment Deposits and Loan Fund by the private sector (€4.2 bn) were excluded from the outstanding amount of bank deposits, as the institution has been reclassified from the financial sector to the general government sector. The net flows of deposits are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

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



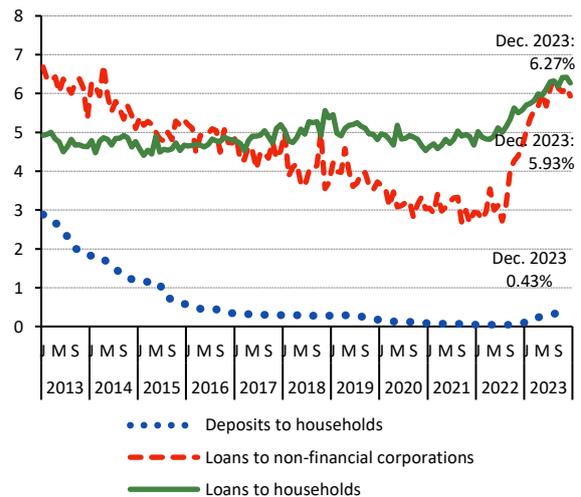
**Source:** Bank of Greece.

**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.

Chart 17: Number of procedures to start a business

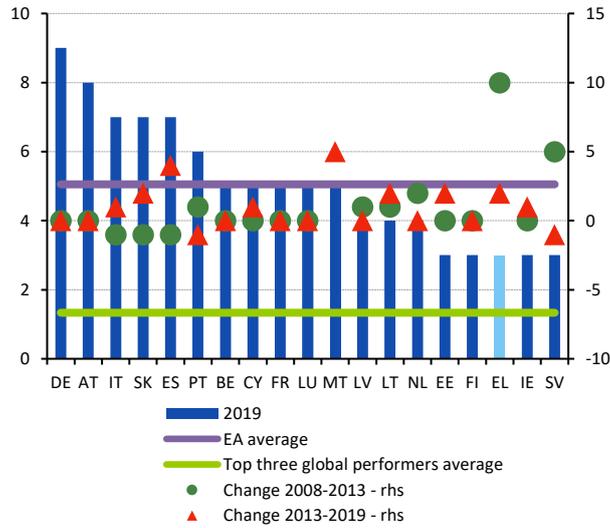
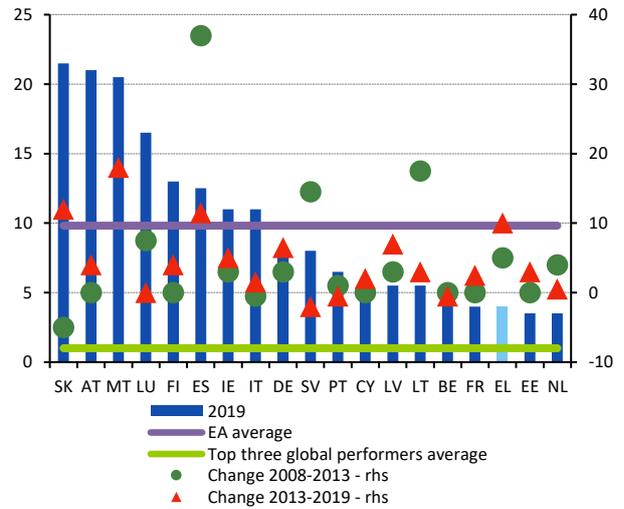


Chart 18: Number of days to start a business



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

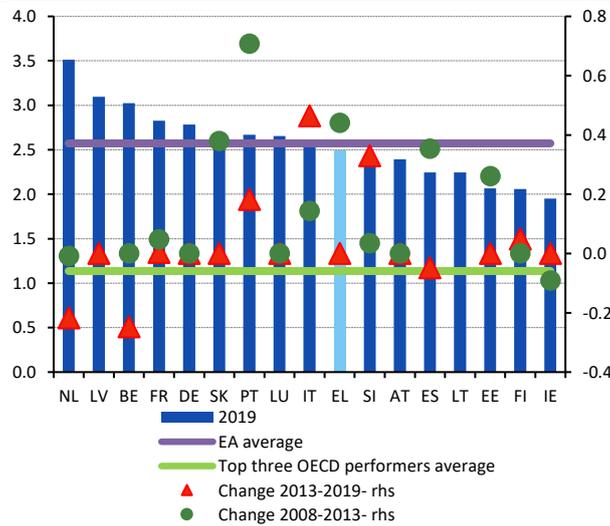
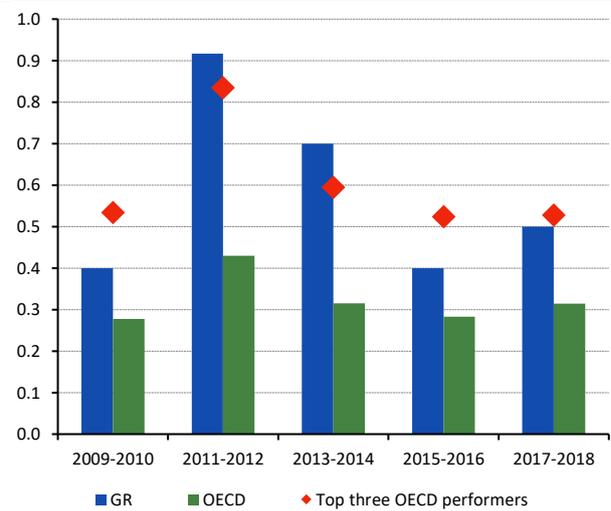


Chart 20: Responsiveness to OECD Going for Growth recommendations



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.

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

Table 1: Main macroeconomic indicators for Greece															
This update: 1 March 2024, Next update: 15 March 2024															
			2021	2022	2023	23Q1	23Q2	23Q3	23Q4	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24
<b>1. Economic activity</b>															
Real GDP	ELSTAT	%y-o-y	8.4	5.6	...	1.9	2.6	2.1	...	...	...	...	...	...	...
Real government consumption	ELSTAT	%y-o-y	1.8	2.1	...	2.9	1.2	-0.7	...	...	...	...	...	...	...
Real private consumption	ELSTAT	%y-o-y	5.8	7.4	...	1.1	1.7	0.9	...	...	...	...	...	...	...
Real gross fixed capital formation	ELSTAT	%y-o-y	19.3	11.7	...	8.2	9.2	4.9	...	...	...	...	...	...	...
Real exports of goods and services	ELSTAT	%y-o-y	24.2	6.2	...	6.7	-0.5	1.0	...	...	...	...	...	...	...
<i>Real exports of goods</i>		%y-o-y	14.1	3.5	...	10.9	-0.7	-1.1	...	...	...	...	...	...	...
<i>Real exports of services</i>		%y-o-y	37.5	9.3	...	5.2	-0.2	2.9	...	...	...	...	...	...	...
Real imports of goods and services	ELSTAT	%y-o-y	17.9	7.2	...	3.3	-0.6	2.9	...	...	...	...	...	...	...
<i>Real imports of goods</i>		%y-o-y	17.0	8.5	...	0.8	-2.6	3.4	...	...	...	...	...	...	...
<i>Real imports of services</i>		%y-o-y	20.6	3.3	...	10.9	5.5	0.8	...	...	...	...	...	...	...
Contribution to GDP growth (in GDP pts)	ELSTAT														
Domestic demand (excl. inventories)			6.8	7.4	...	2.5	2.7	1.2	...	...	...	...	...	...	...
Net exports			0.7	-0.8	...	1.1	0.1	-0.9	...	...	...	...	...	...	...
Changes in inventories			1.0	-0.8	...	-2.7	-1.7	0.8	...	...	...	...	...	...	...
Economic Sentiment Indicator	EC		105.8	104.8	107.6	106.6	108.4	109.8	105.5	107.5	105.4	105.4	105.8	107.2	104.8
Consumer confidence indicator (% balance)	IOBE/EC		-35.4	-50.7	-40.0	-43.3	-36.7	-36.3	-43.5	-45.0	-44.7	-45.6	-40.3	-46.3	-47.2
Industrial confidence indicator (% balance)	IOBE/EC		2.8	2.0	0.6	4.2	2.1	1.2	-5.2	-1.3	-5.0	-4.9	-5.7	-1.6	-4.4
Industrial production (total industry)	ELSTAT	%y-o-y	10.1	2.4	2.2	2.2	1.1	-0.1	5.9	1.8	10.3	3.2	4.3	...	...
Retail sales (total including fuel)	ELSTAT	%y-o-y	10.3	3.3	-3.3	-2.6	-4.4	-3.2	-3.1	-3.4	-6.1	-4.2	0.7	...	...
<b>2. Prices and costs (annual % changes)</b>															
HICP	ELSTAT	%y-o-y	0.6	9.3	4.2	6.4	3.8	3.1	3.5	2.4	3.8	2.9	3.7	3.2	...
GDP deflator	ELSTAT	%y-o-y	1.5	7.8	...	5.9	5.5	4.3	...	...	...	...	...	...	...
Profits (gross operating surplus)	ELSTAT	%y-o-y	14.9	16.4	...	9.5	5.7	3.8	...	...	...	...	...	...	...
Real compensation per employee*	ELSTAT	%y-o-y	2.7	-3.4	...	-0.8	0.2	-0.2	...	...	...	...	...	...	...
Unit labour costs, whole economy**	ELSTAT	%y-o-y	-3.1	-0.2	...	4.3	3.6	2.9	...	...	...	...	...	...	...
Compensation per employee		%y-o-y	3.8	2.8	...	5.2	5.2	4.1	...	...	...	...	...	...	...
Labour productivity		%y-o-y	7.1	3.0	...	0.8	1.6	1.2	...	...	...	...	...	...	...
Import price index (ind.goods)	ELSTAT	%y-o-y	20.0	27.7	-12.3	-6.2	-19.2	-12.7	-10.3	-9.2	-13.4	-8.6	-8.7	...	...
Export producer prices index (ind. goods)	ELSTAT	%y-o-y	20.0	39.8	-9.0	1.7	-19.0	-9.2	-7.6	-2.9	-9.7	-8.6	-4.0	-4.1	...
Industrial producer prices (total excl.constr.)	ELSTAT	%y-o-y	11.9	33.5	-6.5	1.9	-10.4	-6.3	-10.4	-4.8	-14.7	-9.0	-7.4	-7.9	...
Residential property prices	BOG	%y-o-y	7.6	11.9	...	15.3	14.5	11.9	...	...	...	...	...	...	...
Commercial property prices: Retail	BOG	%y-o-y	2.5	6.1	...	...	...	...	...	...	...	...	...	...	...
Commercial property prices: Office	BOG	%y-o-y	1.7	3.5	...	...	...	...	...	...	...	...	...	...	...
<b>3. Labour market developments</b>															
Unemployment rate (% of labour force)(nsa)	ELSTAT		14.7	12.4	...	11.8	11.2	10.8	...	8.6	8.7	9.1	8.9	11.2	...
Total employment (nsa)	ELSTAT	%y-o-y	1.4	5.4	...	1.3	1.7	1.0	...	1.7	3.7	1.2	2.7	4.2	...
Employees	ELSTAT	%y-o-y	1.4	7.7	...	1.3	1.3	-0.8	...	...	...	...	...	...	...
Hourly labour earnings (nsa)***	ELSTAT	%y-o-y	0.5	5.5	...	6.1	4.8	7.3	...	...	...	...	...	...	...
<b>4. Balance of payments (BOG-Current Prices)</b>															
Exports of goods and services	BOG	%y-o-y	44.1	36.5	-3.1	14.3	-7.9	-4.6	-9.1	-0.5	-5.9	-9.8	-12.3	...	...
<i>Exports of goods</i>		%y-o-y	36.1	36.7	-8.0	17.9	-15.4	-16.5	-13.1	-10.3	-8.7	-11.4	-19.6	...	...
<i>Exports of services</i>		%y-o-y	54.4	36.2	2.5	8.3	0.9	4.8	-3.6	8.0	-2.8	-7.4	-0.8	...	...
Exports of G&S as a percentage of GDP	BOG	%y-o-y	41.0	49.1	...	42.6	44.4	51.5	...	...	...	...	...	...	...
Imports of goods and services	BOG	%y-o-y	40.4	37.9	-10.4	2.4	-13.6	-13.5	-14.7	-13.6	-16.4	-15.3	-12.2	...	...
<i>Imports of goods</i>		%y-o-y	39.2	41.3	-12.3	0.8	-15.9	-15.8	-16.4	-16.3	-17.2	-16.8	-14.9	...	...
<i>Imports of services</i>		%y-o-y	43.9	27.7	-4.0	7.6	-6.2	-5.6	-9.6	-4.7	-13.8	-10.4	-4.0	...	...
Imports of G&S as a percentage of GDP	BOG	%y-o-y	48.6	58.9	...	55.2	48.8	45.1	...	...	...	...	...	...	...
Current account balance (eur bn)	BOG		-12.3	-21.2	-14.1	-3.9	-4.2	1.0	-7.0	-0.3	-1.4	-3.3	-2.2	...	...
as a percentage of GDP			-6.8	-10.3	...	-7.9	-7.7	1.7	...	...	...	...	...	...	...
<b>5. Credit and financial indicators</b>															
M3 (broad money, without currency in circulation)	BOG	%y-o-y	9.9	4.1	2.6	4.2	2.0	2.1	2.6	2.1	1.7	2.1	2.6	2.0	...
Credit to the private sector	BOG	%y-o-y	1.4	6.3	3.6	5.1	2.8	2.1	3.6	2.1	2.1	2.8	3.6	3.0	...
Euro short-term rate €STR	ECB		-0.6	1.6	3.2	2.3	3.1	3.6	3.9	3.8	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	4.3	3.7	4.1	3.3	4.1	4.3	3.9	3.3	3.4	3.4
Stock prices: ATHEX Composite Index	ASE	%y-o-y	10.4	4.1	39.1	19.9	57.4	52.5	39.1	52.5	36.5	39.8	39.1	33.7	24.7
<b>6. General government finances (% of GDP)</b>															
Surplus (+) / Deficit (-)	ELSTAT	cumulative	-7.0	-2.4	...	-2.1	-1.7	-1.1	...	...	...	...	...	...	...
Primary balance (surplus +), deficit (-)	ELSTAT	cumulative	-4.5	0.1	...	-1.4	-0.1	1.4	...	...	...	...	...	...	...
Consolidated gross debt	ELSTAT	cumulative	195.0	172.6	...	159.6	160.7	161.7	...	...	...	...	...	...	...
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.															

Table 2: Key indicators for Consumption in Greece											This update: 1 March 2024, Next update: 15 March 2024					
			LTA	2021	2022	2023	23Q1	23Q2	23Q3	23Q4	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24
<b>1. Private consumption</b>			2001-2008													
1.1 Private consumption	ELSTAT	% y-o-y	4.2	5.8	7.4	...	1.1	1.7	0.9	...	...	...	...	...	...	...
<b>2. Disposable income of households and NPISH</b>			2001-2008													
2.1 Disposable income of households and NPISH (current prices)	ELSTAT	% y-o-y	6.8	7.6	7.6	...	13.1	8.5	1.8	...	...	...	...	...	...	...
2.2 Real disposable income of households and NPISH	ELSTAT	% y-o-y	3.5	6.6	1.0	...	7.0	3.7	-3.0	...	...	...	...	...	...	...
<b>3. Retail sales sub-indices</b>			2005-2008													
3.1 General index	ELSTAT	% y-o-y	4.3	10.3	3.3	-3.3	-2.6	-4.4	-3.2	-3.1	-3.4	-6.1	-4.2	0.7	...	...
3.1.1 General index (excluding automotive fuel)	ELSTAT	% y-o-y	3.0	10.5	1.9	-2.1	-1.1	-3.5	-2.3	-1.5	-2.0	-4.8	-1.9	2.0	...	...
3.1.2 Food-beverages-tobacco	ELSTAT	% y-o-y	3.8	3.4	-1.3	-1.3	-4.6	-2.4	0.2	1.4	3.4	-1.9	0.5	5.4	...	...
3.1.3 Clothing-footwear	ELSTAT	% y-o-y	-0.6	28.3	2.5	0.9	11.2	-4.3	-0.5	-1.2	3.4	-9.5	-2.5	7.1	...	...
3.1.4 Furniture, elct and household eqpt.	ELSTAT	% y-o-y	5.2	21.9	10.8	2.4	21.3	-2.0	-4.8	0.2	-13.7	-3.7	2.7	1.3	...	...
3.1.5 Books, stationery, other goods	ELSTAT	% y-o-y	2.0	20.2	13.0	-0.5	6.3	-0.7	-4.1	-2.3	-6.6	-3.8	-5.1	1.4	...	...
3.2 New private passenger cars	ELSTAT	% y-o-y	-1.3	22.2	6.7	16.5	23.6	6.1	13.4	27.6	22.3	36.0	23.7	22.1	9.4	...
<b>4. Bank credit</b>			2003-2008													
4.1 Loans to househds for consumption purposes (nsa)	BOG	% y-o-y	24.2	-0.3	1.2	3.4	2.1	1.6	2.6	3.4	2.6	2.9	2.1	3.4	3.8	...
<b>5. VAT Receipts*</b>			2003-2008													
5.1 In current prices	MoF	% y-o-y	7.3	16.1	22.9	9.2	14.5	9.6	7.1	6.3	2.0	3.0	8.8	8.0	6.5	...
5.2 In constant prices	MoF	% y-o-y	3.9	14.6	12.2	5.5	8.2	6.9	4.7	2.9	0.3	-0.4	5.6	4.4	3.2	...
<b>6. Confidence indicators</b>			2003-2008													
6.1 Consumer confidence	IOBE/EC	ind	-26.8	-35.4	-50.7	-40.0	-43.3	-36.7	-36.3	-43.5	-45.0	-44.7	-45.6	-40.3	-46.3	-47.2
<b>Present conditions</b>																
6.2 Major purchases at present	IOBE/EC	ind	-45.0	-35.8	-54.7	-52.9	-58.9	-47.5	-51.3	-53.7	-54.2	-54.1	-56.0	-51.1	-49.8	-59.8
6.3 Savings at present	IOBE/EC	ind	-57.8	-43.5	-57.9	-57.5	-60.1	-57.6	-53.6	-58.9	-55.5	-57.0	-62.0	-57.6	-61.8	-63.1
6.4 Statement on fin. situation of hsh.	IOBE/EC	ind	-1.2	2.5	-2.8	-3.6	-3.7	-4.3	-2.2	-4.3	-5.6	-4.1	-7.5	-1.4	0.1	-6.1
<b>Past 12 months</b>																
6.5 Financial situation over last 12 months	IOBE/EC	ind	-30.1	-32.5	-50.4	-45.5	-47.3	-44.5	-41.6	-48.6	-47.1	-49.9	-50.3	-45.6	-52.7	-52.3
6.6 General economic situation over last 12 months	IOBE/EC	ind	-37.8	-58.8	-60.2	-45.5	-50.1	-42.3	-39.6	-49.8	-45.6	-53.4	-51.7	-44.2	-51.1	-52.3
6.7 Price trends over last 12 months	IOBE/EC	ind	68.9	19.9	82.8	85.3	85.0	83.9	85.4	86.7	87.0	86.7	88.0	85.4	86.6	90.6
<b>Next 12 months</b>																
6.8 Financial situation over next 12 months	IOBE/EC	ind	-20.8	-26.9	-49.4	-35.6	-38.1	-32.4	-30.3	-41.7	-42.4	-42.9	-43.7	-38.6	-45.2	-45.6
6.9 General economic situation over next 12 months	IOBE/EC	ind	-28.3	-42.0	-56.8	-35.4	-39.9	-29.5	-29.9	-42.3	-42.8	-47.0	-44.6	-35.4	-44.8	-44.6
6.10 Price trends over next 12 months	IOBE/EC	ind	30.2	7.6	42.5	27.2	28.8	20.8	24.0	35.0	33.6	42.1	38.1	24.8	31.9	32.1
6.11 Unemployment expectations over next 12 months	IOBE/EC	ind	43.0	45.0	35.6	13.7	17.2	11.5	10.7	15.5	19.5	22.7	14.6	9.1	12.4	15.9
6.12 Major purchases over next 12 mn.	IOBE/EC	ind	-28.0	-40.2	-46.0	-43.4	-48.0	-40.5	-43.5	-41.5	-47.6	-39.0	-43.8	-41.7	-42.6	-46.3
6.13 Savings over next 12 months	IOBE/EC	ind	-45.9	-59.8	-67.3	-64.3	-67.9	-64.0	-61.6	-63.6	-64.2	-61.8	-67.4	-61.6	-65.2	-72.3
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: 1 March 2024, Next update: 15 March 2024					
			LTA	2021	2022	2023	23Q1	23Q2	23Q3	23Q4	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24
<b>1. Gross fixed capital formation</b>	ELSTAT	%y-o-y	3.8	19.3	11.7	...	8.2	9.2	4.9	...	...	...	...	...	...	...
1.1 Equipment			7.8	28.6	15.1	...	1.4	-1.2	6.6	...	...	...	...	...	...	...
1.2 Construction			1.2	16.7	16.6	...	18.0	21.7	9.5	...	...	...	...	...	...	...
<b>2. Public Investment Programme (nsa)</b>	BOG	%y-o-y	...	-15.5	22.5	1.6	6.7	0.0	-24.3	16.2	-14.0	96.9	-28.4	18.8	51.9	...
<b>3. Capital goods production index (nsa)</b>	ELSTAT	%y-o-y	-3.5	13.8	5.5	5.9	12.8	3.5	-3.4	10.7	-3.0	6.2	9.2	15.1	...	...
<b>4. Capacity utilization-capital goods industry (nsa)</b>	IOBE/EC	Ind	77.0	74.7	68.7	71.0	70.3	65.2	75.3	73.1	...	...	...	...	...	...
<b>5. Cement Production (nsa)</b>	ELSTAT	%y-o-y	-1.8	19.4	2.5	0.5	4.5	0.2	-3.5	1.3	-4.3	-6.6	12.6	1.0	...	...
<b>6. Construction production index (nsa)</b>	ELSTAT	%y-o-y	-5.9	6.9	24.2	...	24.2	11.5	8.0	...	...	...	...	...	...	...
<b>7. Construction confidence indicator (sa)</b>	IOBE/EC	bln	-19.3	-4.2	-19.1	0.5	1.4	2.4	-10.1	8.3	-15.3	4.0	4.8	16.1	21.7	9.2
7.1 Evolution of current overall order books			-37.9	-25.6	-51.2	-38.7	-42.8	-37.4	-54.9	-19.6	-57.4	-25.1	-25.8	-8.0	9.1	-4.8
7.2 Employment expectations over the next 3 months			-0.7	17.2	13.0	39.7	45.6	42.3	34.7	36.3	26.8	33.2	35.4	40.2	34.4	23.1
<b>8. New construction permits (nsa)</b>	ELSTAT	%y-o-y	-1.9	45.9	-2.2	...	25.2	8.3	20.8	...	27.6	37.8	25.9	...	...	...
<b>9. Housing loans (nsa)</b>	BOG	%y-o-y	22.2	-3.0	-3.6	-3.5	-3.7	-3.9	-3.7	-3.5	-3.7	-3.6	-3.6	-3.5	-3.5	...
<b>10. Credit to non-financial corporations over 1 year (nsa)</b>	BOG	%y-o-y	25.8	4.5	10.7	6.4	9.0	5.6	5.3	6.4	5.3	5.3	5.5	6.3	5.5	...
*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: 1 March 2024, Next update: 15 March 2024						
			LTA	2021	2022	2023	23Q1	23Q2	23Q3	23Q4	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24
<b>1. Gross value added (at 2010 prices)</b>			2001-08													
1.1 Industry (Mining-Manufacturing-Electricity)	ELSTAT	%y-o-y	1.5	12.5	-4.9	...	-1.7	-3.3	0.9	...	...	...	...	...	...	...
<b>2. Industrial production</b>			2001-08													
2.1 General index	ELSTAT	%y-o-y	-0.5	10.1	2.4	2.2	2.2	1.1	-0.1	5.9	1.8	10.3	3.2	4.3	...	...
2.1.1 Manufacturing			-0.9	9.0	4.6	4.1	8.3	2.4	0.6	5.7	-0.8	9.3	2.9	4.9	...	...
2.1.2 Mining-quarrying			-0.6	4.7	-7.9	8.7	19.2	2.4	7.1	9.2	-2.8	5.1	9.8	14.4	...	...
2.1.3 Electricity			1.0	16.4	-3.7	-5.5	-19.4	-4.3	-3.3	7.3	13.8	17.7	4.0	1.3	...	...
2.1.4 Water supply			1.4	1.0	-2.2	0.0	-0.8	-2.6	2.0	1.5	1.1	0.7	2.7	1.1	...	...
2.1.a Energy			0.8	12.0	-2.5	-1.9	-7.2	-4.5	-1.3	5.7	10.5	12.8	3.5	1.4	...	...
2.1.b Intermediate goods			-0.6	7.8	1.8	0.3	0.8	-0.7	-3.7	5.1	-5.9	6.4	3.3	5.5	...	...
2.1.c Capital goods			-4.3	13.8	5.5	5.9	12.8	3.5	-3.4	10.7	-3.0	6.2	9.2	15.1	...	...
2.1.d Durable consumer goods			-3.2	17.3	22.9	7.1	11.8	4.8	4.4	8.3	13.1	4.9	16.3	4.7	...	...
2.1.e Non-durable consumer goods			0.0	8.5	6.4	6.5	10.5	6.6	4.3	4.9	0.1	12.5	0.2	1.9	...	...
<b>3. Industrial turnover (at current prices)</b>			2001-08													
3.1 Total market	ELSTAT	%y-o-y	5.2	25.9	33.1	-4.1	10.4	-12.4	-7.4	-3.9	-5.2	-1.9	-2.5	-7.2	...	...
3.1.1 Domestic market			5.0	19.0	35.8	-2.3	7.6	-7.4	-5.7	-1.5	-8.6	3.5	-2.5	-5.5	...	...
3.1.2 Non-domestic market			7.0	38.3	29.0	-7.0	14.7	-20.2	-10.4	-7.8	1.1	-10.7	-2.6	-10.3	...	...
3.1.2.1 Euro area			5.3	30.9	32.3	1.8	19.0	-5.9	2.0	-6.4	4.9	-6.3	-1.5	-12.1	...	...
3.1.2.2 Non-euro area			11.1	42.7	27.2	-12.0	12.0	-28.1	-16.9	-8.7	-0.9	-13.3	-3.2	-9.4	...	...
<b>4. Industrial confidence indicator</b>			2003-08													
4.1 Industrial confidence	IOBE/EC	ind	-0.4	2.8	2.0	0.6	4.2	2.1	1.2	-5.2	-1.3	-5.0	-4.9	-5.7	-1.6	-4.4
4.1.1 Production expectations			22.6	22.4	18.1	18.8	22.2	24.6	15.7	12.9	9.0	11.7	14.7	12.3	21.1	21.4
4.1.2 Order books			-11.7	-4.4	-5.1	-10.7	-5.9	-8.9	-9.2	-18.9	-11.9	-22.7	-19.4	-14.6	-19.9	-22.2
4.1.3 Stocks of finished products			12.2	9.4	7.0	6.4	3.8	9.4	2.8	9.6	1.0	4.1	10.0	14.8	6.1	12.4
4.2 Employment expectations	IOBE/EC	ind	-3.6	7.8	3.5	4.0	11.4	7.4	-2.1	-0.6	0.4	4.0	-5.6	-0.3	-2.5	-9.8
4.3 Export order books	IOBE/EC	ind	-15.0	-1.1	-3.8	-20.5	-13.2	-17.4	-21.5	-29.7	-29.3	-34.0	-26.0	-29.1	-30.8	-31.1
4.4 Factors limiting the production (% of firms answering "none")	IOBE/EC	bin	57.3	45.7	45.6	41.5	45.6	38.9	46.8	34.5	...	...	...	...	...	...
<b>5. Capacity utilization</b>			1990-08													
5.1 Capacity utilization	IOBE/EC	ind	76.1	76.2	75.5	74.8	74.2	73.4	75.2	76.3	...	...	...	...	...	...
<b>6. Purchasing managers index (PMI)</b>			1999-08													
6.1. PMI	S&P Globc	ind	52.6	56.2	51.8	51.6	51.2	51.9	52.2	51.0	50.3	50.8	50.9	51.3	54.7	55.7
6.1.1 Output			54.9	54.8	49.4	53.4	52.8	54.0	53.1	53.7	51.4	54.3	53.6	53.3	55.4	57.2
6.1.2 New Orders			53.7	55.2	47.7	51.9	51.1	52.5	53.0	51.1	50.2	51.4	50.1	51.8	54.5	57.1
6.1.3 Stocks of finished goods			47.8	45.9	45.6	46.9	48.5	47.5	45.2	46.4	43.8	44.0	47.0	48.1	46.2	45.8
6.1.4 Employment			50.6	54.3	52.4	52.2	51.6	53.2	53.1	50.8	51.5	49.0	51.6	51.9	53.6	53.8
6.1.5 Suppliers' delivery times			48.4	30.9	32.5	48.9	47.1	50.6	48.3	49.6	49.5	50.3	50.1	48.4	39.7	41.2
6.2 New Export Orders			53.5	52.3	48.2	50.5	49.5	51.1	51.4	50.0	49.7	49.8	49.6	50.5	51.9	53.4
6.3 Future Output			...	68.1	59.9	63.9	64.5	67.6	61.2	62.4	59.4	61.9	62.6	62.6	73.2	70.2

Table 5: Key indicators for Services in Greece											This update: 1 March 2024, Next update: 15 March 2024					
			LTA	2021	2022	2023	23Q1	23Q2	23Q3	23Q4	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24
<b>1. Gross value added (2010 prices)</b>			2001-2008													
1.1 Tertiary sector	ELSTAT	% y-o-y	4.1	7.3	6.0	...	3.4	1.7	0.3	...	...	...	...	...	...	...
<b>2. Turnover indices (curr.prices)</b>			2005-2008													
2.1 Wholesale trade	ELSTAT	% y-o-y	10.8	22.1	21.4	-2.2	6.9	-1.7	-6.0	-6.2	-4.5	-2.0	-5.4	-10.9	...	...
2.2 Tourism (accmd & food serv.activities )	ELSTAT	% y-o-y	...	79.9	54.6	...	14.9	14.3	5.7	...	...	...	...	...	...	...
2.3 Transport	ELSTAT	% y-o-y														
2.3.a Water transport		% y-o-y	6.3	6.3	32.9	...	16.2	0.5	-2.2	...	...	...	...	...	...	...
2.3.b Land transport		% y-o-y	16.4	10.6	21.3	...	34.5	14.4	5.1	...	...	...	...	...	...	...
2.3.c Air transport		% y-o-y	7.0	64.1	94.3	...	66.2	30.1	13.5	...	...	...	...	...	...	...
2.4 Telecommunication	ELSTAT	% y-o-y	2.5	7.3	5.8	...	3.2	9.5	8.7	...	...	...	...	...	...	...
2.5 Legal-accounting activities and management consultancy services	ELSTAT	% y-o-y	10.1	12.2	23.9	...	13.4	2.9	2.7	...	...	...	...	...	...	...
2.6 Travel agencies and other activities	ELSTAT	% y-o-y	12.7	102.3	96.6	...	103.2	33.5	15.8	...	...	...	...	...	...	...
<b>3. Bank credit</b>			2003-2008													
3.1 Loans to sole proprietors	BOG	% y-o-y	...	2.0	-0.9	-1.3	-1.2	-2.4	-3.3	-1.3	-3.3	-3.0	-2.8	-1.3	-1.1	...
<b>4. Confidence indicators</b>			2003-2008													
4.1 Retail trade confidence indicator	IOBE/EC	ind	17.1	6.5	5.5	21.3	22.3	18.2	27.1	17.5	30.3	13.0	17.2	22.2	10.7	17.5
4.1.1 Present business situation		ind	25.6	4.1	-4.2	47.4	38.4	53.8	52.9	44.3	63.6	38.2	35.9	58.9	50.0	54.1
4.1.2 Volume of stocks		ind	14.4	3.6	-6.6	10.3	1.5	13.8	2.6	23.5	4.8	29.1	21.6	19.7	22.5	25.0
4.1.3 Expected business situation		ind	40.0	18.8	14.1	26.7	30.1	14.4	31.0	31.5	32.1	29.8	37.3	27.4	4.6	23.4
4.2 Services confidence indicator	IOBE/EC	ind	18.4	17.3	24.6	32.8	16.7	35.5	39.9	39.2	36.2	34.4	39.8	43.3	37.7	37.1
4.2.1 Assessment of business situation over the past 3 months		ind	17.5	12.9	28.3	28.2	13.7	29.8	34.9	34.3	30.6	34.3	35.4	33.3	31.6	30.2
4.2.2 Evolution of demand over the past 3 months		ind	17.2	12.8	21.3	31.5	-0.3	30.6	47.8	47.8	57.1	47.2	47.3	48.8	32.1	32.8
4.2.3 Evolution of demand expected over the next 3 months		ind	20.4	26.2	24.1	38.9	36.9	46.1	37.0	35.5	21.0	21.6	36.9	47.9	49.3	48.3

Table 5: Key indicators for Services in Greece										This update: 1 March 2024, Next update: 15 March 2024						
			LTA	2021	2022	2023	23Q1	23Q2	23Q3	23Q4	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24
<b>1. Gross value added (2010 prices)</b>			2001-2008													
1.1 Tertiary sector	ELSTAT	% y-o-y	4.1	7.3	6.0	...	3.4	1.7	0.3	...	...	...	...	...	...	...
<b>2. Turnover indices (curr.prices)</b>			2005-2008													
2.1 Wholesale trade	ELSTAT	% y-o-y	10.8	22.1	21.4	-2.2	6.9	-1.7	-6.0	-6.2	-4.5	-2.0	-5.4	-10.9	...	...
2.2 Tourism (accmd & food serv.activities )	ELSTAT	% y-o-y	...	79.9	54.6	...	14.9	14.3	5.7	...	...	...	...	...	...	...
2.3 Transport	ELSTAT	% y-o-y														
2.3.a Water transport		% y-o-y	6.3	6.3	32.9	...	16.2	0.5	-2.2	...	...	...	...	...	...	...
2.3.b Land transport		% y-o-y	16.4	10.6	21.3	...	34.5	14.4	5.1	...	...	...	...	...	...	...
2.3.c Air transport		% y-o-y	7.0	64.1	94.3	...	66.2	30.1	13.5	...	...	...	...	...	...	...
2.4 Telecommunication	ELSTAT	% y-o-y	2.5	7.3	5.8	...	3.2	9.5	8.7	...	...	...	...	...	...	...
2.5 Legal-accounting activities and management consultancy services	ELSTAT	% y-o-y	10.1	12.2	23.9	...	13.4	2.9	2.7	...	...	...	...	...	...	...
2.6 Travel agencies and other activities	ELSTAT	% y-o-y	12.7	102.3	96.6	...	103.2	33.5	15.8	...	...	...	...	...	...	...
<b>3. Bank credit</b>			2003-2008													
3.1 Loans to sole proprietors	BOG	% y-o-y	...	2.0	-0.9	-1.3	-1.2	-2.4	-3.3	-1.3	-3.3	-3.0	-2.8	-1.3	-1.1	...
<b>4. Confidence indicators</b>			2003-2008													
4.1 Retail trade confidence indicator	IOBE/EC	ind	17.1	6.5	5.5	21.3	22.3	18.2	27.1	17.5	30.3	13.0	17.2	22.2	10.7	17.5
4.1.1 Present business situation		ind	25.6	4.1	-4.2	47.4	38.4	53.8	52.9	44.3	63.6	38.2	35.9	58.9	50.0	54.1
4.1.2 Volume of stocks		ind	14.4	3.6	-6.6	10.3	1.5	13.8	2.6	23.5	4.8	29.1	21.6	19.7	22.5	25.0
4.1.3 Expected business situation		ind	40.0	18.8	14.1	26.7	30.1	14.4	31.0	31.5	32.1	29.8	37.3	27.4	4.6	23.4
4.2 Services confidence indicator	IOBE/EC	ind	18.4	17.3	24.6	32.8	16.7	35.5	39.9	39.2	36.2	34.4	39.8	43.3	37.7	37.1
4.2.1 Assessment of business situation over the past 3 months		ind	17.5	12.9	28.3	28.2	13.7	29.8	34.9	34.3	30.6	34.3	35.4	33.3	31.6	30.2
4.2.2 Evolution of demand over the past 3 months		ind	17.2	12.8	21.3	31.5	-0.3	30.6	47.8	47.8	57.1	47.2	47.3	48.8	32.1	32.8
4.2.3 Evolution of demand expected over the next 3 months		ind	20.4	26.2	24.1	38.9	36.9	46.1	37.0	35.5	21.0	21.6	36.9	47.9	49.3	48.3

## ANNEX 2: DATA RELEASES

### LAST TWO WEEKS' NEWS AND DATA RELEASES (19 February – 01 March 2024)

#### Real Economy

- 20/02/2024: ELSTAT released the Turnover Index in Industry for December 2023.
- 20/02/2024: ELSTAT released the Evolution of Turnover of Enterprises in Accommodation and Food Service Activities for December 2023 and 2023:Q4.
- 23/02/2024: ELSTAT released the Evolution of Turnover of Enterprises in Retail Trade for December 2023 and 2023:Q4.
- 23/02/2024: the bill with changes in the Penal Code and the Code of Penal Procedure on (a) speeding up and upgrading penal-law trials and (b) modernizing the legislation on preventing and fighting violence within the family, after being adopted by Parliament, was published in the Government Gazette as Law 5090.
- 23/02/2024: the government submitted a draft bill to Parliament on (a) strengthening public higher education and (b) a framework of operation of non-profit branches of foreign universities.
- 27/02/2024: ELSTAT released the Monthly Turnover Index for Motor Trade (of the quarterly period) and the Monthly Turnover Index in Wholesale Trade (of the quarterly period) for 2023:Q4.
- 28/02/2024: ELSTAT released Building Activity Survey for November 2023.
- 28/02/2024: ELSTAT released Quarterly Business Demography for 2023:Q4.
- 28/02/2024: European Commission released Economic Sentiment Indicator for February 2024.
- 28/02/2024: the draft bill on the utilization of public property in coastal areas was voted into law.
- 29/02/2024: ELSTAT released Turnover Index in Retail Trade for December 2023.
- 29/02/2024: ELSTAT released Producer Price Index in Industry for January 2023.
- 01/03/2024: ELSTAT released Labour Force Survey (monthly estimates) for January 2024.
- 01/03/2024: S&P Global released PMI for February 2024.
- 01/03/2024: Eurostat released HICP flash estimate for February 2024.

#### External Sector

- 20/02/2024: BoG released BoP data for December 2023.
- 21/02/2024: BoG released travel services data for December 2023.

#### Fiscal

- 26/02/2024: MoF, state budget execution for January 2024 (final data).
- 21/02/2024: PDMA, Public Debt Bulletin (gen. gov.), December 2023

#### Monetary & Financial

- 23/2/2024: Intralot S.A. issued in the domestic market a 5-year €130 mn bond with a coupon rate of 6% (at par).
- 27/02/2024: ECB released data on monetary developments in the euro area for January 2024.

## NEXT TWO WEEKS' NEWS AND DATA RELEASES (04 – 15 March 2024)

### Real Economy

- 05/03/2024: BoG releases Indices of Residential Property Prices for 2023:Q4
- 07/03/2024: ELSTAT releases Labour Force Survey for 2023:Q4.
- 07/03/2024: ELSTAT releases Quarterly National Accounts (provisional data) for 2023:Q4 and Annual National Accounts (estimates) for 2023.
- 08/03/2024: ELSTAT releases Industrial Production Index for January 2024.
- 08/03/2024: ELSTAT releases Harmonised Index of Consumer Prices for February 2024.
- 11/03/2024: ELSTAT releases Turnover Indices in the Services Sector for 2023:Q4.
- 13/03/2024: ELSTAT releases the Evolution of Turnover of Enterprises for January 2024.
- 13/03/2024: ELSTAT releases the Issuing of Motor Vehicle Licences for February 2024.
- 14/03/2024: ELSTAT releases Import Price Index in Industry for January 2024.
- 15/03/2024: ELSTAT releases Index of Wages Cost for 2023:Q4.
- 15/03/2024: ELSTAT releases Production Index in Construction for 2023:Q4.

### External Sector

- 08/03/2024: ELSTAT releases merchandise trade for January 2024.

### Fiscal

- 04/03/2024: MoF, general government cash balance for January 2024.
- 15/03/2024: MoF, state budget execution for January-February 2024 (preliminary data).

### Monetary & Financial

- 04/03/2024: ECB releases data on MFI interest rate statistics in the euro area for January 2024.

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