

NOTE ON THE GREEK ECONOMY

April 05, 2024

Economic Analysis and Research Department

Recent Economic Developments: an overview

After very robust growth in 2022, **economic activity** continued to expand at a satisfactory, albeit slower, pace, in 2023 (2.0%), outperforming the euro area average. 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 3.1% in February 2024. In the **housing market**, residential prices continued to increase at an accelerating pace in 2022 and in 2023. **Labour market developments** remained positive, with unemployment declining and employment rising, though at a decelerating rate. The **current account deficit** narrowed significantly in 2023, 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 increasing effect coming from higher interest rates was tempered by Greece's sovereign credit rating upgrades to the Investment Grade.

Looking ahead, according to ECB staff macroeconomic projections for the euro area, March 2024, growth is expected to accelerate marginally in 2024 and 2025 mainly driven by investment, supported by available European resources, and private consumption. Inflation is expected to further decelerate in 2024 to 2.8% on the back of further declines in the inflation rates of food 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.

New economic information made available in the last three weeks

Economic Activity

- The **ESI** increased significantly in March (108.4, from 104.9 in February) mainly due to an improvement in business expectations in manufacturing and in the services sector; consumer confidence also improved following the deterioration of the previous two months.
- The March 2024 **PMI** came up to 56.9 (from 55.7 in February) signalling the fastest improvement in the manufacturing sector since February 2022 supported by strengthening domestic and foreign demand. On the price front, inflationary pressures intensified, with input costs and output prices rising due to elevated transportation costs and raw material prices.
- The **retail sales volume index** fell sharply by 8.9% y-o-y in January 2024 due to a broad based decline across all its sub-indices.

Prices

- **HICP headline inflation** declined to 3.1% in February 2024 from 3.2% in January, mainly due to lower annual rates in non-energy industrial goods and in the two food components, processed and unprocessed. According to a flash estimate by Eurostat, headline inflation increased to 3.4% in March 2024.

Labour market

- **Employment** increased by 3.0% y-o-y in February 2024, while **the unemployment rate (sa)** also increased to 11.0% from 10.6% in January.
- **Net flows of dependent employment in the private sector** increased by 24,543 jobs in February 2024 compared to an increase of 23,186 jobs in February 2023.
- **As of 1 April 2024, the statutory minimum wage rises by 6.4%**, bringing the minimum monthly salary to €830. Overall, since end-2018, the minimum wage increased by a total of 41.6%.

External Balances, Competitiveness

- The **current account** registered a surplus in January 2024, against a deficit in January 2023, mainly due to an improvement in the secondary income account and, to a lesser extent, in the balance of services, while the balance of goods and the primary income account deteriorated.
- The **nominal effective exchange rate** appreciated further in 2024:Q1 for the fifth consecutive quarter. Nevertheless, the **unit labour cost competitiveness** indicator recorded a marginal improvement during 2023:Q2 and deteriorated in 2023:H2 due to wages increases, while the **price competitiveness** indicator posted a further deterioration in 2024:Q1, despite the fact that price differentials remained favourable for Greece.

Fiscal developments

- In January-February 2024, **the general government cash primary outcome** came in at a surplus of 1.5% of GDP, against a surplus of 1.9% of GDP in January-February 2023, mainly due to higher RRF receipts in January 2023.

Money and Credit

- In February 2024, **bank deposits** of the private sector decreased by around €1 bn to stand at €188.6 bn. The growth rate of **bank credit** to non-financial corporations accelerated to 6.1% y-o-y, while the contraction of bank credit to households became somewhat milder (-1.8%). **Bank lending rates** decreased on average for corporate loans (to 5.5%) and, to a lesser extent, for housing loans (to 4.5%).

Financial market developments

- **Yields on Greek government bonds** rose, broadly in line with low-rated investment grade euro area sovereign bond yields. **Yields on Greek corporate bonds** remained broadly unchanged. **Greek equity prices** fell in the period under review, mainly driven by shares of banks and basic materials' companies, while their euro area stock peers recorded gains.

Banks

- The National Bank of Greece issued a new 11-year Subordinated Tier 2 note callable in 6 years with a coupon rate of 5.875% (yield 5.881%), raising €500 mn. The bank also proceeded with a tender offer on its 8.250% €400mn Subordinated Tier 2 notes due 2029, with notes repurchased amounting to €320.1mn.

Table of Contents

SUMMARY OF ECONOMIC DEVELOPMENTS AND OUTLOOK.....	4
BACKGROUND INFORMATION	8
1. ECONOMIC ACTIVITY	8
2. PRICES AND REAL ESTATE MARKET	12
3. LABOUR MARKET AND COSTS	14
4. EXTERNAL BALANCES, COMPETITIVENESS.....	17
5. FISCAL DEVELOPMENTS	22
6. MONEY AND CREDIT	27
7. FINANCIAL MARKET DEVELOPMENTS	34
8. BANKING SECTOR.....	38
9. PRIVATISATIONS AND STRUCTURAL REFORMS	39
ANNEX 1: ADDITIONAL CHARTS AND TABLES.....	41
ANNEX 2: DATA RELEASES	55

SUMMARY OF ECONOMIC DEVELOPMENTS AND OUTLOOK

	2021	2022	2023	2023				2024	2023								2024			
				Q1	Q2	Q3	Q4	Q1	June	July	Aug	Sep	Oct	Nov	Dec		Jan	Feb	Mar	Apr
GDP, % y-o-y	8.4	5.6	2.0	2.0	2.7	2.1	1.2	...	-	-	-	-	-	-	-	-	-	-	-	-
Exports, % y-o-y	24.2	6.2	3.7	7.2	0.3	1.9	2.1	...	-	-	-	-	-	-	-	-	-	-	-	-
Industrial production, % y-o-y	10.1	2.4	2.3	2.2	1.1	-0.1	6.0	...	-3.0	-1.7	-0.2	1.8	10.3	3.3	4.5	10.3	...	...	...	...
Retail sales volume, % y-o-y	10.3	3.3	-3.3	-2.6	-4.4	-3.2	-3.1	...	-7.9	-2.9	-3.3	-3.4	-6.1	-4.2	0.8	-8.9	...	...	...	...
PMI (50=no change)	56.2	51.8	51.6	51.2	51.9	52.2	51.0	55.8	51.8	53.5	52.9	50.3	50.8	50.9	51.3	54.7	55.7	56.9	...	...
ESI (average=100)	105.9	104.8	107.6	106.6	108.2	109.8	105.6	106.9	109.2	110.5	111.4	107.5	105.5	105.9	105.9	107.3	104.9	108.4	...	...
HICP, % y-o-y	0.6	9.3	4.2	6.4	3.8	3.1	3.5	...	2.8	3.5	3.5	2.4	3.8	2.9	3.7	3.2	3.1	3.4*	...	...
Total employment, % y-o-y	1.4	5.4	1.3	1.3	1.7	1.0	1.2	...	0.6	3.1	1.7	1.7	3.7	1.2	2.7	4.2	3.0	...	...	...
Unemployment rate, %	14.7	12.4	11.1	11.8	11.2	10.8	10.5	...	11.1	11.0	11.0	10.7	10.6	10.8	10.5	10.6	11.0	...	...	...
Current Account, bn	-12.3	-21.2	-14.0	-3.9	-4.2	1.0	-6.8	...	-0.7	0.8	0.5	-0.3	-1.3	-3.3	-2.3	1.7	...	...	...	...
(% of GDP)	-6.8%	-10.3%	-6.3%																	
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	...	161.4	162.5	163.5	161.9	...	-	-	-	-	-	-	-	-	-	-	-	-
Bank deposits, private, % y-o-y	9.9	4.8	3.0	4.5	3.5	3.4	3.0	...	3.5	3.4	3.4	3.4	2.5	2.4	3.0	2.7	3.0	...	...	...
Bank credit to NFCs, % y-o-y	3.7	11.8	5.8	10.6	5.8	4.7	5.8	...	5.8	3.1	2.4	4.7	5.0	5.1	5.8	5.0	6.1	...	...	...
Bank credit to HHs, % y-o-y	-2.4	-2.5	-2.0	-2.5	-2.7	-2.3	-2.0	...	-2.7	-2.6	-2.4	-2.3	-2.2	-2.3	-2.0	-1.9	-1.8	...	...	...
10y GR yield, %	1.31	4.59	3.08	4.26	3.72	4.36	3.08	...	3.72	3.78	3.79	4.36	4.16	3.71	3.08	3.24	3.39	3.29	3.31	...

*flash estimate.

Economic Activity

- **The economy continued growing in 2023:Q4, at a slower pace compared to 2023:Q3, due to the decline in gross fixed capital formation. Private consumption, exports of goods and services as well as public consumption were the main drivers of growth.**
- **Soft data** (PMI, ESI) improved in 2024:Q1; they remain at relatively high levels compared to the euro area.
- **Hard data** provide a mixed picture. Most indicators continue to move in positive territory (industrial production, construction, tourism, employment). Retail sales and goods exports show emerging signs of weakness.

Prices and real estate market

- **HICP inflation followed** a declining path in the first half of 2023 and oscillated in the second half, declining from 7.3% in January 2023 to 3.7% in December. In January 2024, headline inflation fell to 3.2% and in February it declined further to 3.1% as both food components and non-energy industrial goods posted lower annual rates of change. According to a flash estimate by Eurostat, headline inflation increased to 3.4% in March.
- The positive trend of **real estate prices** continued in 2023, especially in the residential market.

Labour market and costs

- **Labour market conditions continued to improve in 2023:Q4, with the unemployment rate declining by 1.4 percentage points compared to 2022:Q4.**
- **Total employment** growth remained positive in 2023:Q4 largely due to higher demand for labour in the tourist, agricultural, construction, and health services sectors. LFS monthly data for February 2024 show that employment continues to increase at a moderate pace, while the unemployment rate increased slightly.
- **Net flows of dependent employment in the private sector** increased much more in 2023 compared to 2022, but less compared to 2021. In the first two months of 2024, net flows of dependent employment in the private sector were negative.

External Balances, Competitiveness

- The **current account** registered a surplus in January 2024, against a deficit in January 2023, mainly due to an improvement in the secondary income account and, to a lesser extent, in the balance of services, while the balance of goods and the primary income account deteriorated.
- The nominal effective exchange rate appreciated further in 2024:Q1 for the fifth consecutive quarter.

Nevertheless, the unit labour cost competitiveness indicator recorded a marginal improvement during 2023:Q2 and deteriorated in 2023:H2 due to wages increases, while the price competitiveness indicator posted a further deterioration in 2024:Q1, despite the fact that price differentials remained favourable for Greece.

Fiscal developments

- According to available fiscal data for 2023, the general government primary outcome as well as the public debt are expected to improve significantly compared to 2022, while the primary outcome is expected to overperform the target set in the 2024 Budget primarily due to tax revenue overperformance.
- Both indicators are expected to further improve in 2024 primarily on the back of economic growth.

Money and Credit

- During 2023, **private sector deposit growth** continued to decelerate under the impact of decelerating bank corporate credit growth and household disposable income, high inflation and, more recently, high opportunity costs of bank deposits.
- **Corporate bank credit growth** has slowed in 2023 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 in 2023, especially for corporate loans, following the tightening of the single monetary policy. Lending rates to firms seem to have stabilized lately at relatively high levels.

Financial markets

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

Other information

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

Latest published projections

Latest BoG projections¹

(year-on-year % changes)	2021	2022	2023	2024 ^f	2025 ^f	2026 ^f
Real GDP	8.4	5.6	2.0	2.3	2.5	2.3
Private consumption	5.8	7.4	1.8	1.7	1.9	1.7
Government consumption	1.8	2.1	1.7	-1.2	-0.8	0.3
Gross fixed capital formation	19.3	11.7	4.0	11.1	8.5	8.0
Exports (goods and services)	24.2	6.2	3.7	3.7	3.9	4.1
Imports (goods and services)	17.9	7.2	2.1	3.5	3.5	3.9
HICP (non-SA)	0.6	9.3	4.2	2.8	2.2	2.1
HICP excluding food & energy (non-SA)	-1.1	4.6	5.3	3.0	2.3	2.2
Total employment	1.4	5.4	1.3	1.3	1.6	1.6
Unemployment rate (% of labour force)	14.7	12.5	11.1	10.4	9.3	8.4

Source: ELSTAT and Bank of Greece.

1. ECB staff macroeconomic projections for the euro area, March 2024.

f:forecasts

- **The economy continued to expand at a satisfactory, albeit slower pace, in 2023**, outperforming the euro area average. The real GDP growth rate of the Greek economy in 2023 is estimated at 2.0%, accelerating marginally to 2.3% in 2024 and 2.5% in 2025, and decreasing to 2.3% in 2026. The main driving forces of activity in the coming years will continue to be investment, private consumption, while the contribution of the external sector will be marginally negative. Monetary policy will continue to be restrictive, while public investment will contribute positively to growth thanks to the funds of the Recovery and Resilience Facility (RRF). Economic growth in Greece is expected to be considerably higher than the average eurozone growth rate in the medium term.
- **Private consumption** growth is projected to be close but below 2.0 % during the projection period. It will be supported by strong real household disposable income as employment continues to recover and inflation eases. By contrast, public consumption is anticipated to have a negative contribution to growth over the projection period because of a prudent fiscal policy.
- **Investment** will continue to grow at a high rate throughout the projection period, supported by available European resources. In particular, NGEU funds and EU Structural Funds account for €65 bn in the next five years (2024-2028). 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 upgrade of the economy to the investment grade, and the significant disinvestment during the last decade.
- **Exports**, both of goods and services, will continue to grow notably over the coming years, in line with a strong recovery of the euro area activity. However, the contribution of net exports to real GDP will be marginally negative on average over the projection horizon, mainly due to the intense investment activity, which will strongly increase imports.
- **Unemployment** declined to 11.1% in 2023 and it is expected to gradually deescalate to 8.4% in 2026. This trend reflects the continued recovery of economic activity.
- **HICP inflation** will continue its downward trend. In 2024, it is expected to be 2.8%, from 4.2% in 2023, reflecting the large reduction in energy commodity prices. By the end of the projection period, inflation will converge towards the ECB's target (2.0%) with all its components contributing to its downward path. Core inflation (HICP excluding energy and food) is projected at 3.0% in 2024, declining sharply in 2025.
- **Risks to the growth forecast** are tilted to the downside. Downside risks to the outlook include: (i) an aggravation of the geopolitical crisis in Ukraine and the Middle East and the ensuing implications for the global economic environment; (ii) a lower-than-expected rate of absorption and utilisation of RRF and EU Structural funds; (iii) delays in the implementation of reforms, which would hold back the process of improving the economy's productivity and the competitiveness of businesses; and (iv) extreme weather events (floods and wildfires, as was the case in 2023). Upside risks are associated with stronger-than-expected positive effects from Greece's credit rating upgrade or, once again, higher-than-expected tourism receipts.

Supportive EU and ECB policies and measures

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

Key Challenges

Short-term economic policy challenges:

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

Medium to long-term economic policy challenges:

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

BACKGROUND INFORMATION

1. ECONOMIC ACTIVITY

Table 1.1: National accounts data

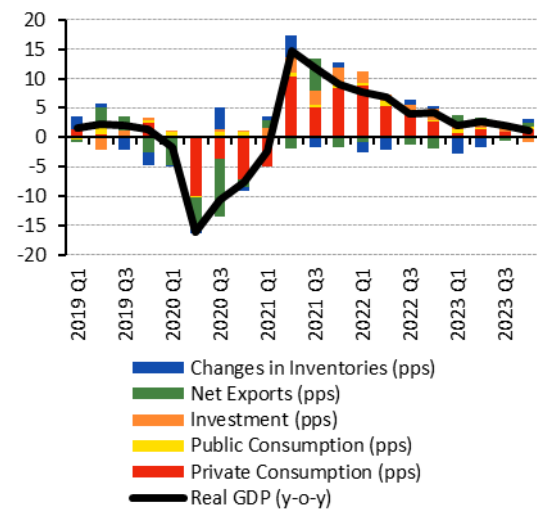
% y-o-y	2022	2023	2023			
			Q1	Q2	Q3	Q4
1. GDP	5.6	2.0	2.0	2.7	2.1	1.2
-Private consumption	7.4	1.8	1.1	2.1	1.2	1.8
-Gov. expenditure	2.1	1.7	2.8	1.1	-0.4	2.7
-Gross fixed capital formation	11.7	4.0	8.2	9.2	4.8	-5.7
-Exports	6.2	3.7	7.2	0.3	1.9	2.1
-Imports	7.2	2.1	3.3	-0.6	2.9	0.0
2. Gross Value Added	4.7	1.2	3.0	1.6	0.1	0.3
-Services	6.0	1.6	3.5	2.2	0.5	1.0
3. Private sector savings*	10.1	...	10.6	9.9	8.8	...
4. Real disposable income	1.1	...	7.0	3.7	-3.0	...

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

Source: ELSTAT.

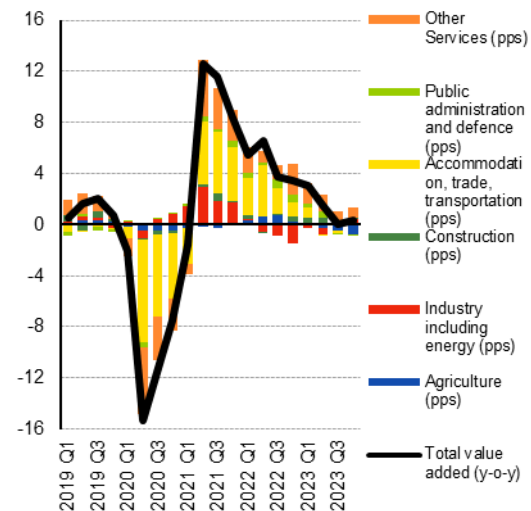
- **Economic activity** continued growing in 2023:Q4, though at a decelerating rate vs 2023:Q3, due to the decline in gross fixed capital formation. The drivers of growth were private consumption, exports of services and government consumption.
- **Gross fixed capital formation** declined in 2023:Q4, largely on account of the fall in investment in machinery and equipment (-14.7% y-o-y), Information Communication and Technology (-19.0% y-o-y) and housing (-18.7% y-o-y). By contrast, investment in other construction increased by 13.1% y-o-y.
- **Output** (as measured by gross value added) marginally increased in 2023:Q4 due to the good performance of the business services, construction and the industry sector. By contrast, gross value added in agriculture declined reflecting the impact of natural disasters on production.
- **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).
- In 2023:9M, nominal **disposable income of households** increased by 7.4% y-o-y 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, March 2024.

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



Source: ELSTAT, Quarterly National Accounts, March 2024.

Table 1.2: Monthly Conjunctural Indicators

	2020	2021	2022	2023	2023												2024			2024
					Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	y-t-d			
1. ESI (average=100)	95.1	105.9	104.8	107.6	108.2	107.3	109.2	110.5	111.4	107.5	105.5	105.5	105.9	107.3	104.9	108.4	...			
-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	-46.3	-47.2	-44.7	...			
2. PMI (50=no change)	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	54.7	55.7	56.9	...			
3. Industrial Production, % y-o-y	-2.0	10.1	2.4	2.3	4.4	2.3	-3.0	-1.7	-0.2	1.8	10.3	3.3	4.5	10.3	...	...	...
-Manufacturing Production, % y-o-y	-1.5	9.0	4.6	4.2	3.4	3.9	-0.1	1.0	1.8	-0.8	9.3	2.9	5.1	5.4	...	...	...
4. Turnover of enterprises, % y-o-y	-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	-1.5	...	...	...
5. Building permits, % y-o-y	5.9	45.9	-2.2	15.9	-4.9	5.5	26.7	18.5	17.4	27.6	37.8	25.9	-12.7	...	...	...	...
6. Retail sales volume, % y-o-y	-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	...	...	...	...
7. New car registrations, % y-o-y	-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	9.4	18.5	...	13.5			
8. Tourist arrivals, % y-o-y	-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	16.0	...	...	16.0			
9. Travel receipts, % y-o-y	-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	27.1	...	...	27.1			

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

Soft data registered an improvement in 2024:Q1; they remain at relatively high levels compared to the euro area.

- The **Economic Sentiment Indicator (ESI)** increased significantly in March due to an improvement in business expectations in manufacturing and in the services sector; consumer confidence also improved following the deterioration of the previous two months.
- The **March 2024 PMI** continued to strengthen amid sharper expansion in output and new orders in manufacturing. Greater investment in productive processes and a sustained increase in domestic and foreign demand supported the improvement in the sector's performance. On the price front, inflationary pressures intensified, with input costs and output prices rising due to elevated transportation costs and raw material prices.

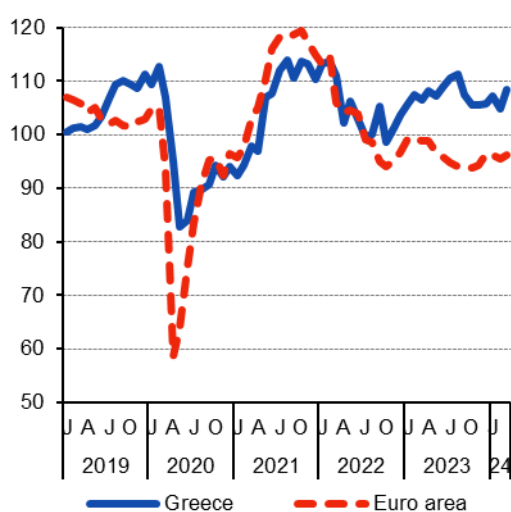
Hard data point to a mixed picture:

- A **recovery of the industrial sector** has been underway since November 2020. Industrial production remained positive in 2023; it strongly increased in January 2024 largely due to the

growth in electricity supply and manufacturing production.

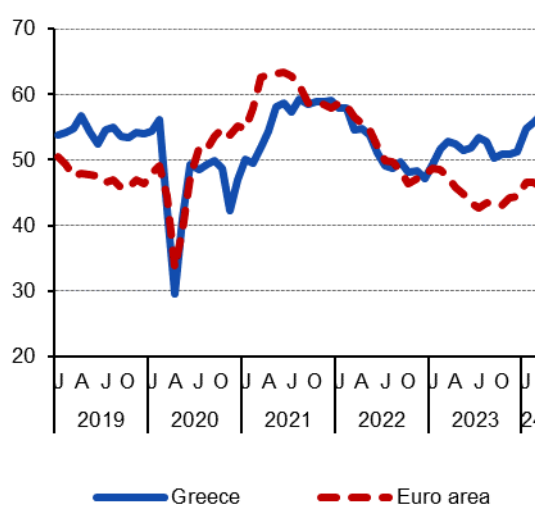
- **Manufacturing production** continued rising in 2023; in January 2024, manufacturing production strongly increased due to a broad based rise in production across sectors and in particular in food, other non-metallic mineral products, fabricated metal products, basic pharmaceutical and chemical products.
- **The turnover of enterprises** declined in 2023 and January 2024 largely due to the fall in turnover in the electricity supply sector.
- **The volume of building permits**, despite their decline in December 2023 attributed to a base effect, increased strongly in 2023.
- **The retail sales volume index** fell sharply by 8.9% y-o-y in January 2024 due to a broad based decline across all its sub-indices.
- **New private passenger car registrations** strongly increased in February and in the first two months of 2024.
- **Both tourist arrivals and receipts** increased in January 2024 by 16% and 27% y-o-y, respectively. In 2023, tourist figures exceeded (in nominal terms) the respective 2019 ones, 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.
- **International arrivals at Greek airports** increased by 16% y-o-y in the period January-February 2024, while international arrivals at the Athens International Airport increased by 19% y-o-y in 2024:Q1.

Chart 3: Economic Sentiment Indicator (average=100)



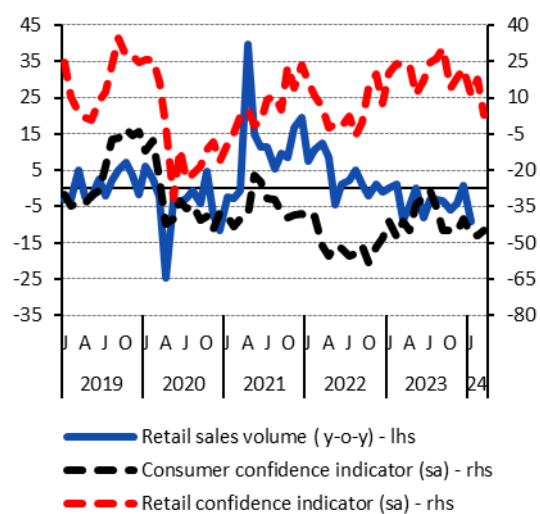
Source: European Commission.

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



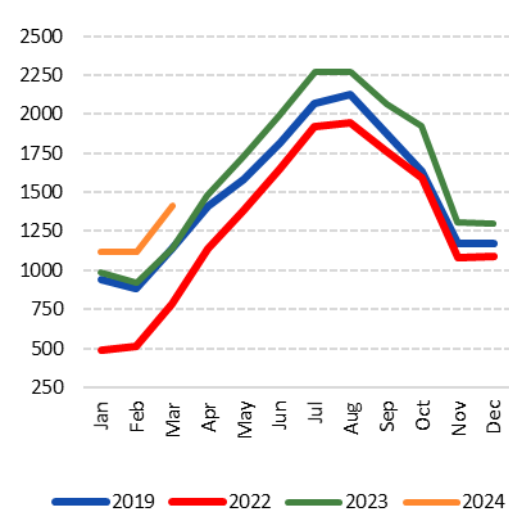
Source: S&P Global.

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



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

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



Source: Athens International Airport (AIA).

2. PRICES AND REAL ESTATE MARKET

Table 2.1: Prices

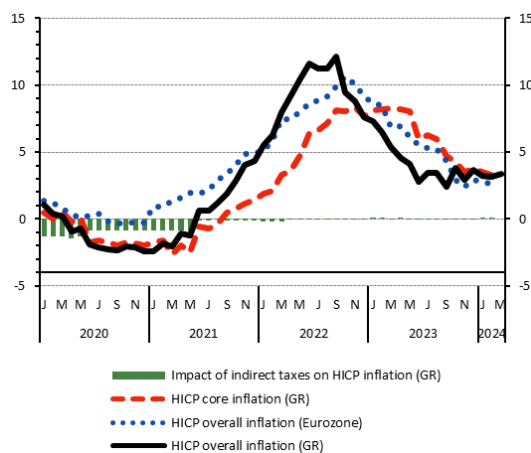
% y-o-y, nsa data	2022	2023	Jul	Aug	Sep	Oct	Nov	Dec	2024		
									Jan	Feb	Mar
1. HICP Headline	9.3	4.2	3.5	3.5	2.4	3.8	2.9	3.7	3.2	3.1	3.4*
- Energy	41.0	-13.4	-20.4	-17.3	-18.3	-6.8	-7.2	-4.0	-6.4	-2.8	...
- Unprocessed food	10.1	11.1	15.1	11.9	12.8	14.2	11.1	12.3	11.5	8.3	...
2. HICP Core	5.7	6.2	6.3	6.0	4.7	4.2	3.5	3.8	3.5	3.3	...
- Processed food	9.5	9.3	9.2	8.1	6.3	6.5	6.1	5.6	5.3	4.7	...
- Non-energy industrial goods	5.0	6.4	6.6	6.5	4.4	3.6	3.4	2.6	2.6	1.7	...
- Services	4.5	4.5	4.2	4.2	3.8	3.4	2.4	3.6	3.3	3.5	...
3. PPI - Domestic market	33.5	-6.5	-5.9	-8.3	-4.8	-14.7	-9.0	-7.4	-7.9	-6.3	...
4. Imports Price Index	27.7	-12.3	-14.4	-14.6	-9.2	-13.4	-8.6	-8.7	-6.4	...	...

Source: ELSTAT and Bank of Greece computations.

*flash estimate

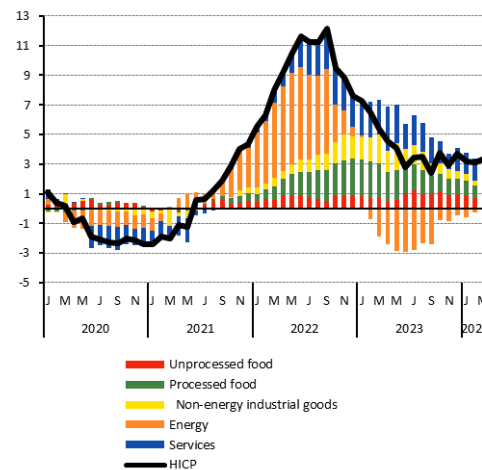
- **HICP headline inflation** steadily declined in the first half of 2023 and oscillated in the second half. In February 2024, it declined to 3.1% from 3.2% in January due to lower annual rates of change in services, processed food and unprocessed food. According to a flash estimate by Eurostat, headline inflation increased to 3.4% in March 2024.
- **Core inflation** (HICP excluding energy and unprocessed food) remains high and persistent, though decelerating. In February 2024, core inflation declined to 3.3% from 3.5% in January, due to lower inflation rates in non-energy industrial goods and in processed food.
- **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

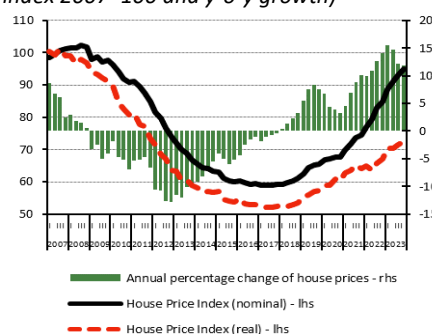
2.2 Real estate market

	2021	2022	2023	2022		2023		2022		2023			
% y-o-y				H1	H2	H1	H2	Q3	Q4	Q1	Q2	Q3	Q4
1. Residential property													
- Apartment prices	7.6	11.9	13.4	10.4	13.4	15.0	12.0	12.6	14.1	15.4	14.7	12.1	11.8
- Residential Investment	27.3	33.7	20.7	14.6	52.8	46.9	0.3	7.4	116.1	47.9	45.9	27.7	-18.7
2. Commercial property													
- 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.

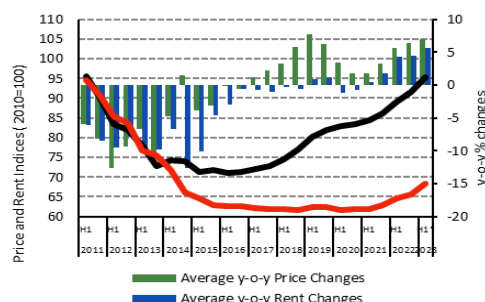
- In 2023, accelerated growth rates were recorded in both **housing and commercial property prices** (prime office and retail), with prime locations and investment property leading the market.
- **Apartment prices** further increased in 2023:Q4 by 11.8% y-o-y, following continuous growth over five consecutive years, registering a cumulative rise of 61.4% since 2017:Q3 (lowest level), although still 7.0% lower compared to their historical peak in 2008:Q3. In 2023, the average growth rate of residential investment (at constant prices) decelerated at 20.7%, (against 33.7% in 2022), still representing a low share of the GDP (1.9%).
- In 2023:H1, **prime office prices** increased by 6.6% y-o-y, and **prime retail prices** increased by 6.9% y-o-y. A notable increase was also recorded in both office and retail rents.

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



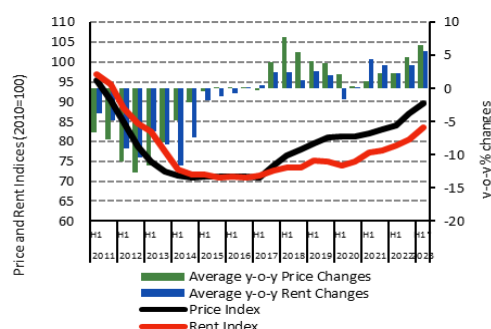
Source: Bank of Greece.

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



Source: Bank of Greece.

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



Source: Bank of Greece.

3. LABOUR MARKET AND COSTS

Table 3: Labour market developments

	2023	2023			2024	2023		2024			
		Q2	Q3	Q4	Q1	Nov	Dec	Jan	Feb	Mar	y-t-d
1. Labour Force Survey											
- Total employment (% y-o-y)	1.3	1.7	1.0	1.2	...	1.2	2.7	4.2	3.0	...	3.6
- Employees (% y-o-y)	0.4	1.3	-0.8	-0.3	...	...	...	...	...	...	...
- Self-employed (% y-o-y)	2.0	2.7	3.6	3.1	...	...	...	...	...	...	...
- Unemployment rate ¹	11.1	11.2	10.8	10.5	...	10.8	10.5	10.6	11.0	...	...
- Long-term unemployed (as % of unemployed)	56.0	59.9	60.3	50.8	...	...	...	...	...	...	...
2. ERGANI Information System											
- Net dependent employment flows in the private sector (thousands)	116.6	57.5	247.4	7.2	...	-82.5	18.5	-32.0	24.5	...	-7.5
- Share of part-time and intermittent jobs (% new hirings)	48.6	45.2	52.0	50.6	...	50.3	49.3	45.8	48.5	...	47.2
3. Registered unemployed (DYPA) (%y-o-y)	-4.5	-6.6	-4.8	-3.7	...	-3.0	-4.0	-4.3	-5.2	...	-4.7
4. Employment Expectations Index	110.3	120.5	113.1	115.8	115.8	116.3	115.8	115.4	116.0	117.3	...
5. Labour Costs											
- Compensation per employee (% y-o-y)	5.5	5.7	5.8	5.3	...	...	...	...	...	...	...
- Labour productivity (% y-o-y)	1.0	1.6	1.1	0.3	...	...	...	...	...	...	...
- Unit labour cost (% y-o-y)	4.5	4.0	4.6	5.0	...	...	...	...	...	...	...

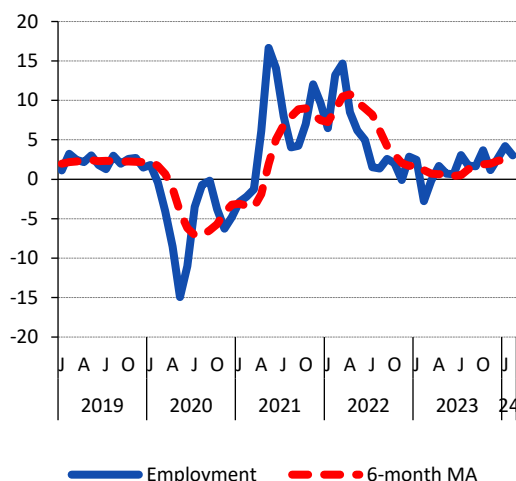
1 Monthly and quarterly LFS data are not compatible due to the different survey samples.

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

- **Total employment** rose in 2023:Q4, mainly due to employment growth in construction, tourism, health activities, and transport and storage sectors. Latest monthly LFS data suggest that employment growth continued to increase further in February 2024.
- The **unemployment rate** fell in 2023:Q4 by 1.4 percentage points compared to 2022:Q4. In addition, the share of long-term unemployed declined by 12.9 percentage points. In February 2024, the unemployment rate (sa) increased 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 February 2024, dependent employment net flows in the private sector were positive due to hirings in hotels and restaurants. However, in the first two months of 2024, net flows of dependent employment in the private sector were negative.
- **The number of registered unemployed (DYPA data)** decreased in February 2024, due to a decline in the number of both long-term and short-term unemployed. The number of those receiving unemployment benefits increased compared to the previous month.
- The **Employment Expectations Index** (European Commission) increased slightly in March 2024 compared to February 2024, mainly due to an improvement of expectations in manufacturing.
- **Unit Labour Costs (ULC)** increased in 2023:Q4, as labour productivity increased at a slower pace than compensation per employee.
- **The ELSTAT Index of Wages** for the total economy increased by 5.5% in 2023:Q4.
- **Outlays for the remuneration of employees in the general government** (incl. social security contributions) rose by 4.7% y-o-y in January 2024. They had risen 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

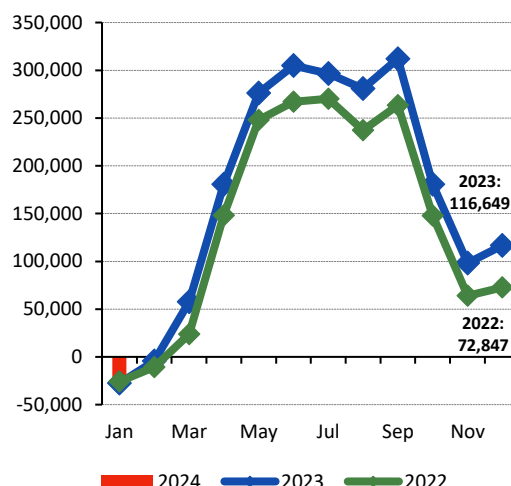
number of employees with salaries between €901-1200 per month increased by 33.3%. Also, reflecting the rise of the minimum wage to €780, the share of employees earning less than €800 per month (gross) fell to 30.9%, from 37.3% in 2022.

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



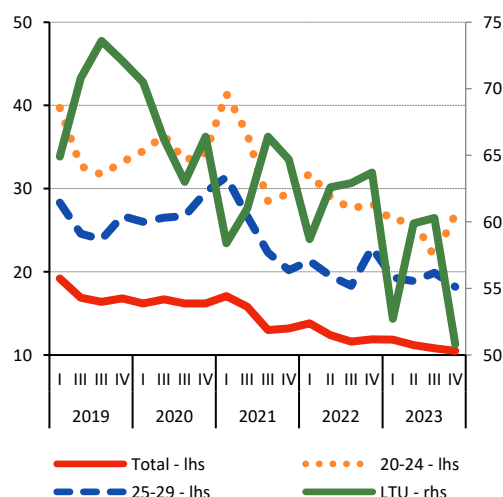
Source: ELSTAT, Labour Force Survey.

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



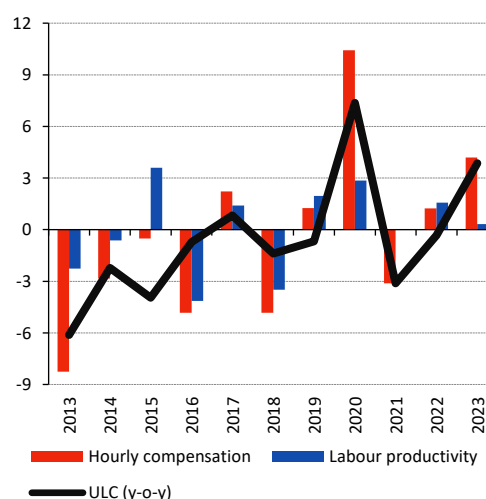
Source: ERGANI.

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-February 2024, 37 new firm level agreements were signed, covering 31,862 employees; of these, 16 agreements provided for wage increases, whereas the rest did not provide for any wage changes.

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, provided for increases of 4% to 6.8% for 2023 and 2024.

Minimum wages

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

Labour market policies

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

4. EXTERNAL BALANCES, COMPETITIVENESS

4.1 Current account

	2021	2022	2023	2023				2024
				Oct	Nov	Dec	Jan	
Current Account , bn (%GDP)	-12.3 (-6.8%)	-21.2 (-10.3%)	-14.0 (-6.3%)	-1.3	-3.3	-2.3	1.7	
Goods balance , bn (%GDP)	-26.7 (-14.7%)	-39.6 (-19.1%)	-32.4 (-14.7%)	-3.0	-2.9	-2.8	-2.7	
Exports of goods (% y-o-y)	36.1	36.7	-8.0	-8.4	-11.4	-19.6	-10.4	
- Exports of non-fuel goods (% y-o-y)	27.7	24.2	-2.7	-5.3	-8.5	-18.9	-8.4	
Imports of goods (% y-o-y)	39.2	41.3	-12.3	-17.2	-16.8	-14.9	-3.4	
- Imports of non-fuel goods (% y-o-y)	31.0	25.0	-2.8	-3.4	0.3	-10.2	1.1	
Real trade in goods flows (% y-o-y)								
Real exports of goods (% y-o-y)	17.8	4.9	-4.0	-3.4	-7.3	-17.9	-7.9	
- Real exports of non-fuel goods (% y-o-y)	21.0	7.7	-6.4	-7.1	-10.4	-20.3	-9.5	
Real imports of goods (% y-o-y)	23.9	17.5	-4.6	-6.1	-6.6	-9.5	1.6	
- Real imports of non-fuel goods (% y-o-y)	27.5	16.8	-4.0	-3.1	1.0	-9.7	1.9	
Services balance , bn (%GDP)	12.8 (7.1%)	19.4 (9.4%)	21.9 (9.9%)	2.0	0.4	0.4	0.4	
Exports of services (% y-o-y)	54.4	36.2	2.8	0.1	-6.6	-1.4	6.3	
- Travel receipts (% y-o-y)	143.2	68.3	16.5	18.4	26.6	34.2	27.1	
- Transportation receipts (% y-o-y)	35.6	25.1	-10.4	-14.1	-12.1	-9.4	-2.1	
Imports of services (% y-o-y)	43.9	27.7	-4.1	-14.3	-10.3	-4.0	0.6	
Non-residents' arrivals (% y-o-y)	99.4	89.3	17.6	14.0	27.5	32.0	16.0	
Average expenditure per trip (% y-o-y)	20.2	-11.7	-2.7	-3.5	-6.4	6.3	9.7	
Income balance , bn (%GDP)	1.6 (0.9%)	-1.1 (-0.5%)	-3.5 (-1.6%)	-0.3	-0.9	0.1	4.0	
FDI inflows, bn	5.6	7.5	4.6	0.3	0.5	0.0	0.4	

Source: Bank of Greece

Current account: January-December 2023

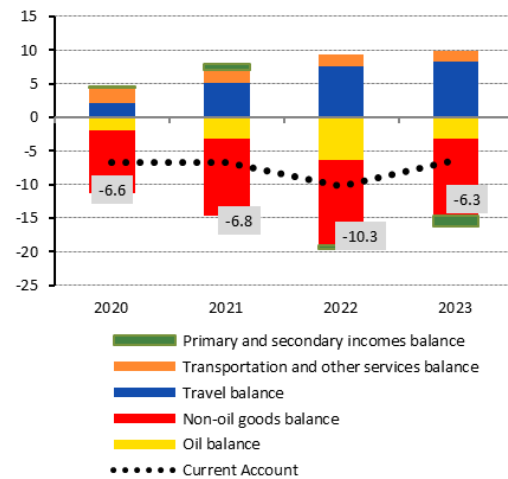
- The **current account deficit** decreased due to an improvement in the balance of goods, the balance of services and the secondary income account, which was partly offset by a worsening in the primary income account.
- **Real exports of goods** decreased as non-fuel goods exports declined, despite 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, whereas 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 16.5%, 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 €4.6bn, were mainly directed towards real estate and manufacturing. The main countries of origin were Hong Kong (China), Germany and the United States.

Current account: January 2024

- The **current account** registered a surplus in January 2024, against a deficit in January 2023, mainly due to an improvement in the secondary income account and, to a lesser extent, in the balance of services, while the balance of goods and the primary income account deteriorated.
- **The goods balance deficit** increased as exports fell more than imports.
- In real terms, exports of non-oil goods decreased, while the corresponding imports posted a small increase.

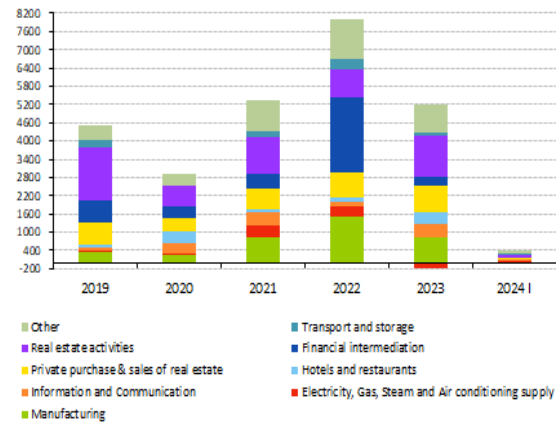
- The surplus of the **services balance** increased due to an improvement in all of its main components and mainly in the other services balance. **Both non-residents' arrivals and the relevant receipts** increased by 16.0% and 27.1%, respectively, and exceeded their respective levels in 2019 in nominal terms.

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



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

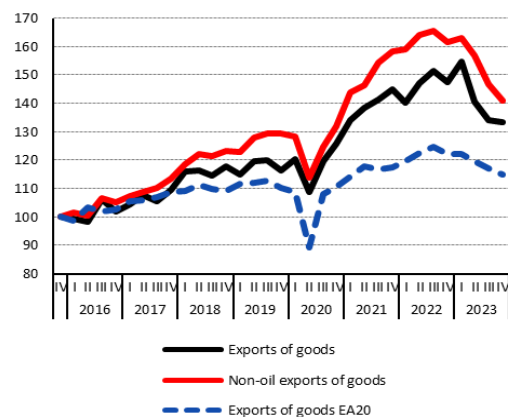
Chart 17: Non-residents' Direct Investment flows in Greece by sector of economic activity (mn euros)



Source: Bank of Greece, Statistics Department. *Provisional data 2021 - 2024*

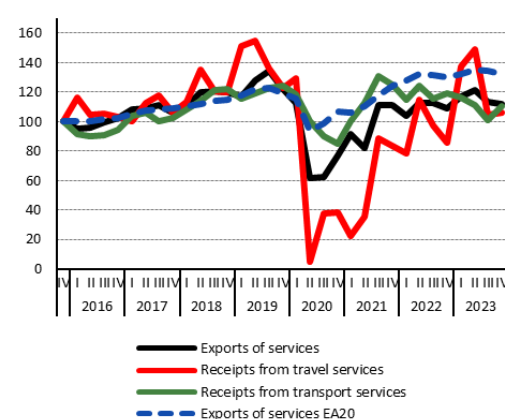
Note 1: The FDI components in the chart do not add up to the total amount of direct investment inflows reported in Table due to the different underlying methodologies.

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



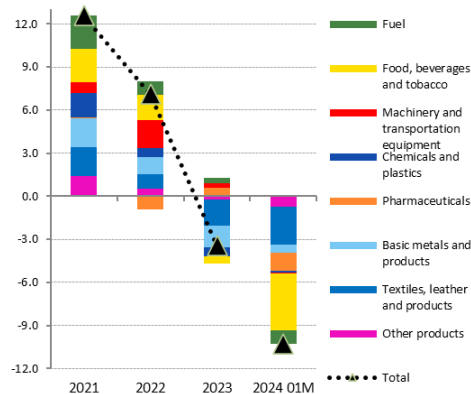
Sources: Bank of Greece (BoP statistics) and Eurostat (for EA 20). Bank of Greece calculations.

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



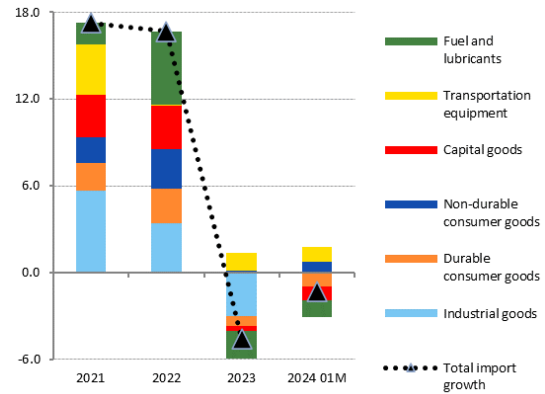
Sources: Bank of Greece (BoP statistics) and Eurostat (for EA 20). Bank of Greece calculations.

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	2024
				Oct	Nov	Dec
- Structural funds	2391	2318	1256	52.9	0.0	0.0
- Farmers' subsidies	2213	1963	2493	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 – €630 mn have been disbursed since the beginning of the program until end of 2023.
- 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			2024
			Q2	Q3	Q4	Q1
HCI NEER ¹	-1.0	3.8	3.7	6.0	4.3	3.4
HCI REER-ULC based competitiveness ²	-5.8	0.4	-0.1	1.6	1.0	
HCI REER-HICP based competitiveness ²	-1.2	1.5	0.9	3.0	3.1	1.8

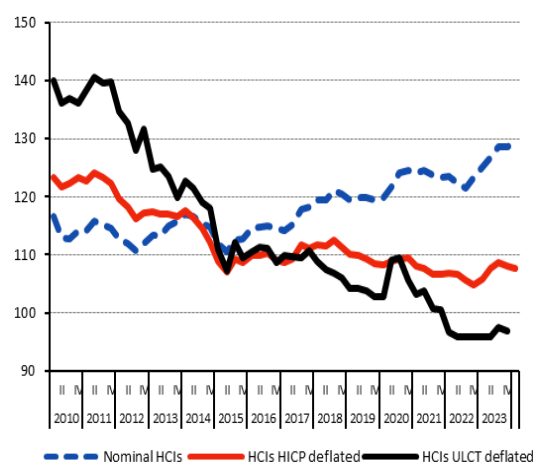
Source: ECB

1: + appreciation of euro

2: + deterioration of competitiveness

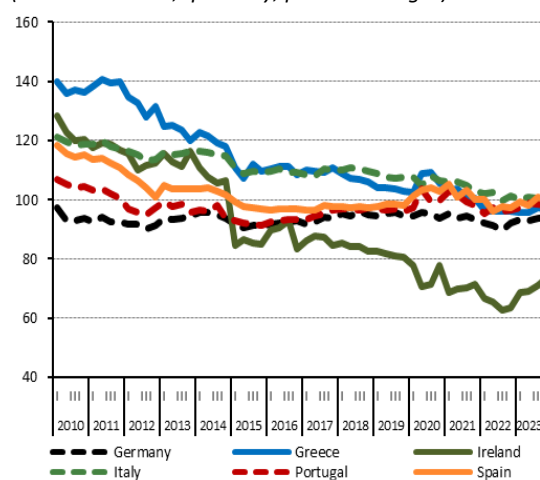
- **The nominal effective exchange rate:** Based on ECB Harmonised Competitiveness Indicators (HCIs), the nominal effective exchange rate appreciated further, although at a smaller extent, in 2024:Q1 for the fifth consecutive quarter due to the appreciation of the euro.
- **Labour cost competitiveness:**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

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



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

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



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

Non-price or structural competitiveness

- Non price/structural competitiveness indices recently published provide a rather positive picture as progress in some areas is evident, namely in the tax wedge front, government performance, business efficiency and digital transformation of the economy.
- **Latest publications**
 - According to the latest Business Environment Rankings of the Economist Intelligence Unit (published on 21 March 2024), Greece is placed 1st for its positive change in score and 34th overall (among 82 countries) with the most positive improvement in the category of financing relative to the previous report.

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

5. FISCAL DEVELOPMENTS

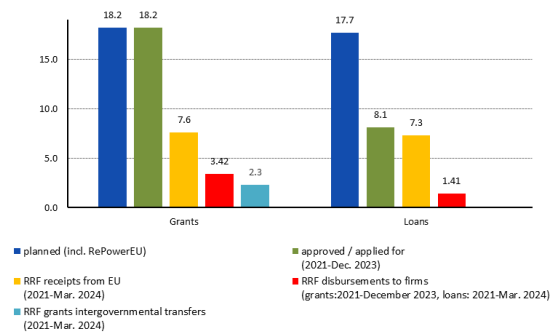
Table 5.1: General Government fiscal outlook (% of GDP)

	2021	2022	2023f	2024f
Primary outcome	-4.5	0.1	1.1	2.1
Public Debt	195.0	172.6	160.3	152.3
Memo items:				
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)

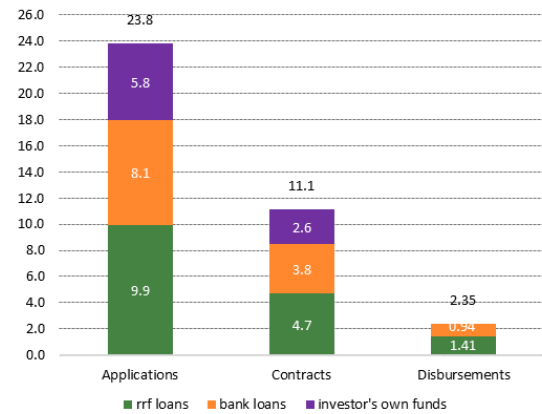
- The 2022 **general government primary outcome**, as published in the context of the 2nd EDP notification (23.10.2023), outperformed the projection included in 2023 Budget and recorded a surplus of 0.1% of GDP mainly on account of higher than expected tax revenues due to higher inflation, higher economic 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 March 2024, the entire project envelope has been approved, of which €3.42 bn have been disbursed to firms until end 2023. Another €2.3 bn have been transferred from the state to other general government entities until March 2024.
 - **Loans:** Out of a total envelope of €17.7 bn, cash receipts from the EU amount to €7.3 bn. Until March 2024 €1.5 bn had been disbursed to firms. The contracted projects amount €4.7 bn fully in line with the respective target.

Chart 24: RRF funds
(€ bn)



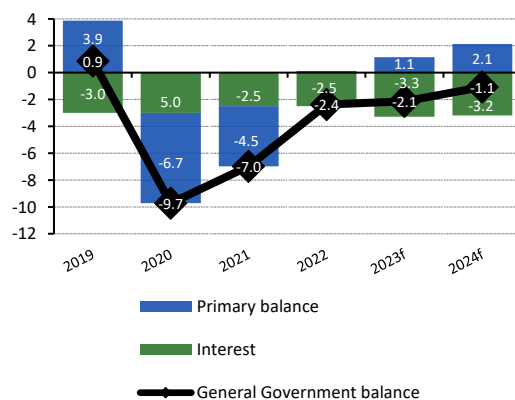
Source: Ministry of Finance

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



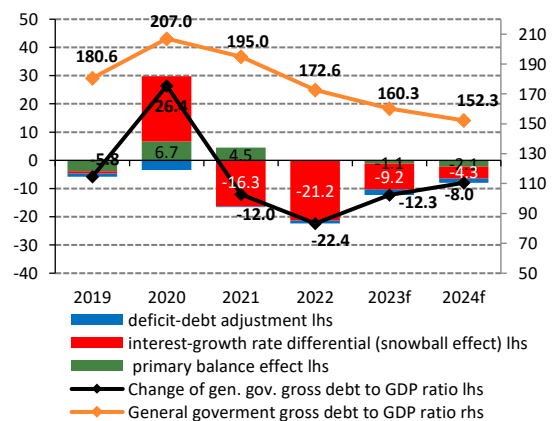
Source: Ministry of Finance, Bank of Greece

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



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

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



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

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

	Annual		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	34.5	
Primary expenditure	55.2	50.4	35.5	33.1	
Public Debt (stock)	195.0	172.6	173.2	163.5	161.9*

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.

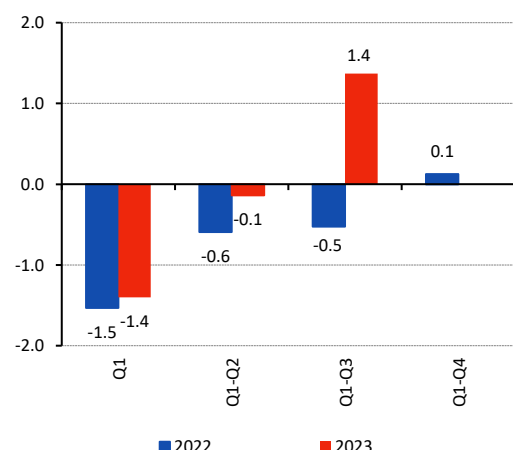
Quarterly General Government figures – ESA 2010 (2023)

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.

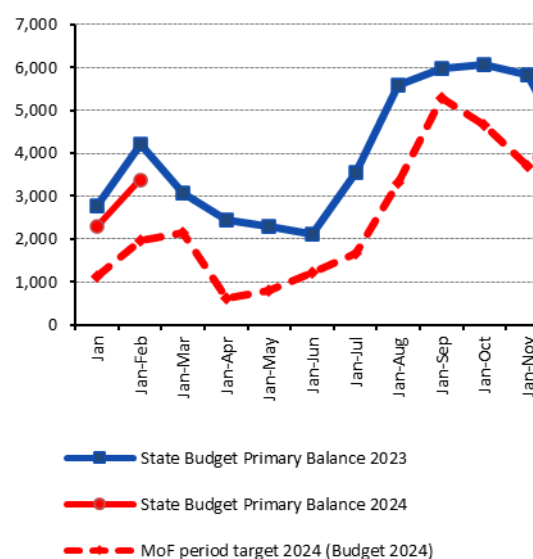
2023 Q1-Q4: The general government debt is estimated (by PDMA as of February 2023) to be 161.9% of GDP, compared to 160.3% according to the Budget 2024.

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)	2023	2024	2023	2024
	January		February	
General Government primary balance	1.5	0.9		
Stock of arrears (€ bn)	2.6	2.9		
Central Government debt	181.7	175.3		
State budget primary balance	1.3	1.0	1.9	1.5
State budget primary balance period target	1.0	0.5	0.8	0.9

Source: Ministry of Finance

- In January 2024, **the primary general government cash outcome** turned into a surplus, albeit lower when compared to the surplus achieved in January 2023. The deterioration is largely attributed to a base effect, as last year RRF grant receipts amounted to €1.718 bn compared to €0.2 bn in 2024. Revenue, nonetheless, increased mainly on account of direct taxes as a result of both higher business profits and increased civil servant wages. Expenditure increased mainly on account of higher social transfers related to increases in pensions through the indexation mechanism (+2.95%) as well as higher investment expenditure.
- In January 2024, **the stock of arrears** (excluding pension claims) increased by €0.06 bn (mainly in hospitals) compared to December 2023. About 60% of total arrears (excluding tax refunds) originate in hospitals due to their reporting pre-clawback¹.
- **Central Government Debt** at end-January 2024 was €405.1 bn (175.3% of GDP) compared to €406.5

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

bn (184.5% of GDP) at end-December 2023.

- The **State primary balance** in January-February 2024 recorded a surplus (1.5 % of GDP) compared to a higher surplus (1.9% of GDP) in the same period in 2023. Compared to the period target (according to the Budget 2024), the primary balance over-performed by €1.4 bn in 2024 mainly due to higher tax revenue, the time differentiation of transfers to social security funds as well as of RRF receipts. This overperformance in cash terms is not expected to affect the outcome in ESA terms.

Financing

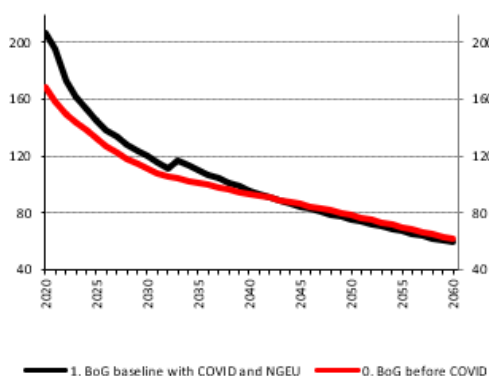
In 2024, Greece has so far attracted €4.9 bn from the capital markets: In January 2024, Greece attracted €250 mn from the capital markets from the re-opening of a 5-year bond with a yield of 2.72%. In February, Greece further attracted another €4.0 bn from the issuance of a 10-year bond with a yield 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. Finally, in March, Greece further attracted €250 mn from the re-opening of the 5-year bond of 2023 with a yield of 2.85%.

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.

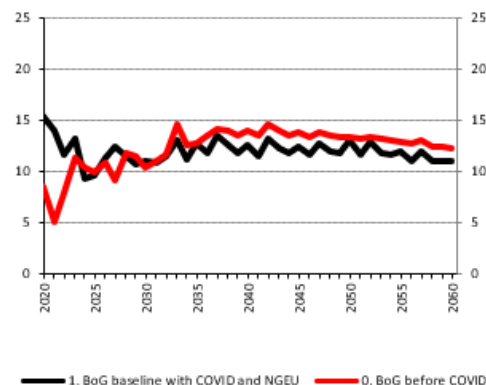
Despite higher market and policy rates, risks to debt sustainability remain contained in the medium term. This mainly reflects (i) the highly concessional terms of official sector loans (involving grace periods, long maturities and interest deferrals) comprising the bulk of the accumulated debt stock,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

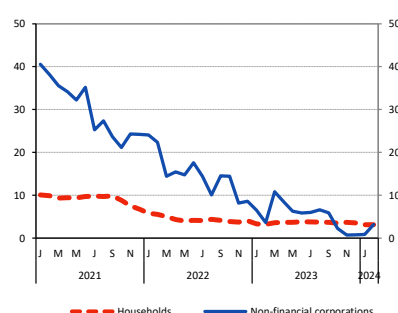
6.1 Bank deposits

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
					2023 Dec	2024 Jan	2024 Feb				2023 Dec	2024 Jan	2024 Feb
Private sector	188,610	16,158	8,047	5,752	6,374	-5,238	-1,068	9.9	4.5	3.0	3.0	2.7	3.0
-NFCs	40,126	7,822	3,469	324	2,650	-3,377	-537	24.2	8.6	0.7	0.7	0.8	3.2
-HHs	144,501	8,528	5,444	4,984	3,083	-2,070	-156	6.8	4.0	3.5	3.5	3.1	3.1

Source: Bank of Greece.

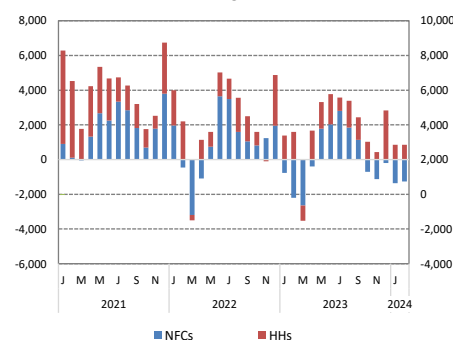
- During 2023, **private sector deposits** increased by €5.8 bn in total mainly owing to the deposits of households (€+5.0 bn) (NFCs: €+0.3 bn). The annual growth rate of deposits, which has decelerated since end-2021, ranged around 3% during the year (Charts 32 and 33).
- In February 2024, **bank deposits of non-financial corporations and households** declined by €0.5 bn and €0.2 bn respectively..
- In February 2024, the annual rate of growth of household deposits with an agreed maturity (time deposits) continued to decelerate for a third consecutive month (to 34.2%); since end-2022 households partly substituted 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 %					
		2021	2022	2023	2023	2024		2021	2022	2023	2023	2024	
	2024 Feb				2023 Dec	2024 Jan	2024 Feb				2023 Dec	2024 Jan	2024 Feb
NFCs	65,748	2,477	6,837	3,759	2,860	-2,008	599	3.7	11.8	5.9	5.8	5.0	6.1
Sole proprietors	4,466	155	-44	-60	94	-79	-2	2	-0.9	-1.3	-1.3	-1.1	-0.7
HHs	36,558	-1,437	-1,008	-769	-2	-150	-73	-2.4	-2.5	-2.0	-2.0	-1.9	-1.8
-Housing loans	27,691	-1,376	-1,113	-1,046	-23	-145	-124	-3.0	-3.6	-3.5	-3.5	-3.5	-3.6
-Consumer loans	8,602	-44	112	294	20	0	55	-0.3	1.2	3.4	3.4	3.8	4.4
New bank term loans to NFCs (gross flow)	-	11,851	22,200	16,957	2,446	530	910	-	-	-	-	-	-
New bank term loans to HHs (gross flow)	-	2,022	2,405	2,497	249	211	265	-	-	-	-	-	-

Source: Bank of Greece.

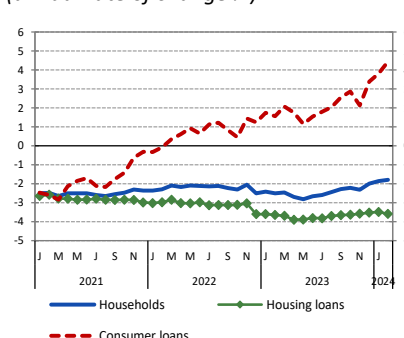
- Since the peak reached in September 2022 (12.3%) corporate bank credit expansion has eased considerably owing to higher interest rates and the weakening in economic growth underpinning lower loan demand. However, since September 2023 the annual growth in corporate loans rebounded (Chart 34).
- The contraction of **bank loans to households** continues, reflecting shrinking housing loans, while consumer loans have been recording positive rates of growth since mid-2022 (Chart 35).
- In February 2024, **bank credit to NFCs** (based on net flows) rose by €0.6 bn and the annual rate of growth accelerated to 6.1%.
- 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.

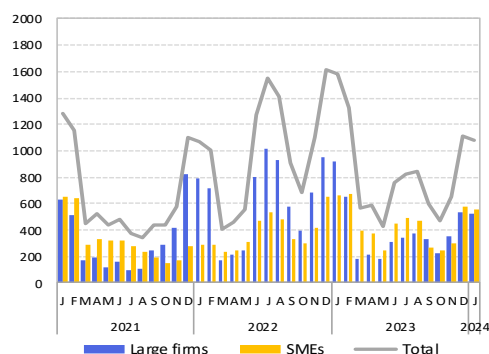
Chart 35: Bank credit to households
(annual rate of change %)



Source: Bank of Greece.

Chart 36: Amounts of new loans to large firms and to SMEs¹

(3-month moving average, EUR mn)



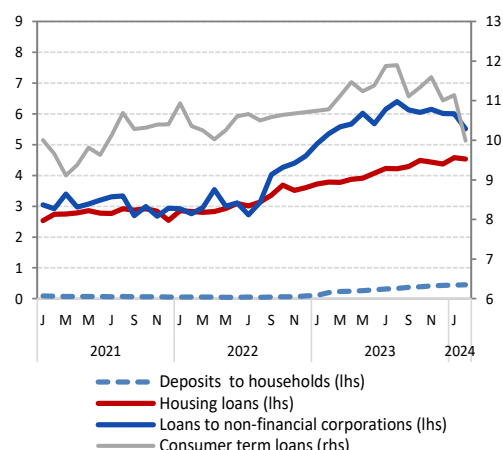
¹ New loans are defined as disbursements of loans in all currencies whose inception date corresponds to the respective reference month and are derived from data collected according to Bank of Greece Governor's Act 2677/19.05.2017. These amounts may differ from similar information published in other statistical publications of the Bank of Greece.

Source: Bank of Greece, AnaCredit.

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

Chart 37: Bank interest rates

(percentages per annum)



Source: Bank of Greece.

6.3 Bank interest rates on new loans and deposits

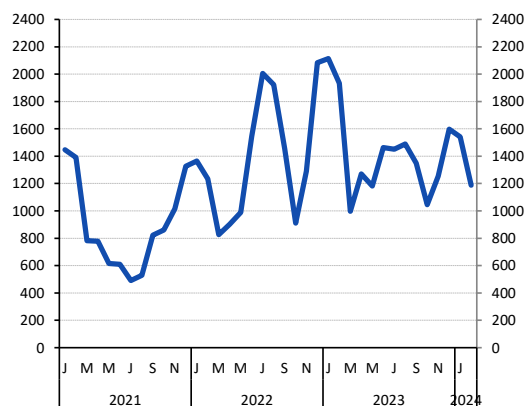
(end of period, percentages per annum)

	2021	2022	2023	2023	2024	
				Dec	Jan	Feb
Bank lending rate	3.76	5.06	6.11	6.11	6.15	5.77
-to NFCs	2.94	4.63	6.01	6.01	6.00	5.52
-to HHHs	4.67	5.57	6.27	6.27	6.47	6.21
-Housing loans	2.54	3.60	4.37	4.37	4.58	4.53
-Consumer term loans	10.40	10.71	11.00	11.00	11.14	10.0
Bank deposit rate for HHHs	0.05	0.09	0.43	0.43	0.44	0.45

Source: Bank of Greece.

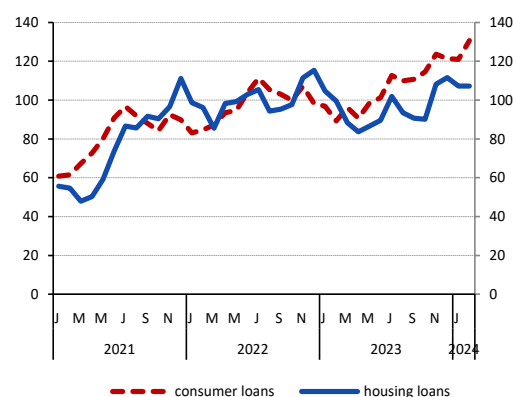
- **The cost of new bank loans** to NFCs has risen steeply since mid-2022 reflecting the policy rate pass-through, but since late-2023 it has shown signs of stabilising at relatively high levels. The average cost of new bank loans to HHHs has also increased but the rise in lending rates has been significantly greater for firms than for households. **Real lending rates** have turned positive since 2023:Q1 but remain relatively low compared to the past.
- In February 2024, **bank interest rates** declined for new corporate loans (at 5.52%) and to a lesser extent for new housing loans (to 4.53%) (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. In January-February 2024, they stood at €1.5 bn, against €2.2 bn in the same period last year and €1.4 bn in 2022 respectively.

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 3rd instalment of RRF funds toward Greece, the total inflow of RRF loan funds amounts to €7.3 bn.
- Greek banks and European financial institutions participate in the process of channelling to the economy the loan segment of the NRRP. They co-finance, with the State, investments in prioritized sectors of the economy (such as green and digital economy, exports, research and innovation). Investments financed through RRF loans are covered by RRF funds (up to a maximum of 50% of the investment plan), by financial institutions participation (commercial banks and/or European financial institutions, at least 30% of the investment plan) and investor's own funds (at least 20% of the investment plan).
- As far as RRF loans through Greek commercial banks are concerned, until February 2024, 283 loan agreements had been signed financing investments with a total budget of €11.1 bn (RRF loans: €4.7 bn, bank loans: €3.8 bn, investors' own participation: €2.6 bn). Concluded loan agreements thus stand for 56% of the total budget of submitted projects. Since the start of the implementation of the NRRP in July 2022, the amount of bank loan agreements co-financing RRF projects represents around 12% of total bank term loan agreements over the same period.
- In addition, financial resources, partly intermediated through local banks, continue being directed to the economy through financial instruments offered in the context of various European and national initiatives. Specifically, the Hellenic Development Bank (HDB), the EIB and the EIF co-finance or guarantee loans extended by commercial banks, mostly to non-financial corporations and secondarily to households. EIB and EBRD also provide direct financing to businesses and export-guarantees to SMEs.
- During 2023, disbursements of bank loans to NFCs, backed up by the above-mentioned financial instruments, reached €2.0 bn, representing 11% of new bank loans to NFCs and sole proprietors (2022: €4.2 bn, approx. 20%) and mostly targeting SMEs. In the first two months of 2024, bank loan disbursements supported by these financial instruments amounted to almost €0.16 bn (around 9% of new business loans).

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)

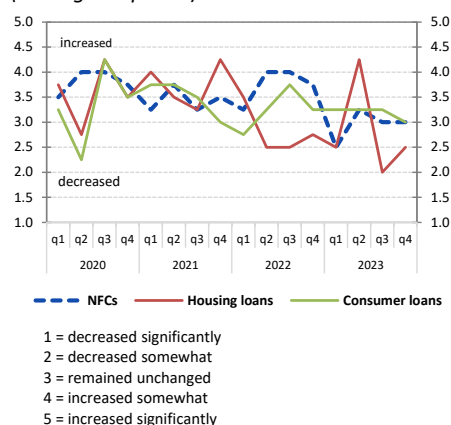
	Demand		Terms & conditions		Credit standards		Share of rejections	
	2023:Q3	2023:Q4	2023:Q3	2023:Q4	2023:Q3	2023:Q4	2023:Q3	2023:Q4
Loans to enterprises	3.00	3.00	3.25	3.00	3.25	3.00	3.00	3.00
Loans for house purchase	2.00	2.50	3.00	3.00	3.00	3.00	2.75	2.75
Consumer credit	3.25	3.00	3.00	3.00	3.00	3.00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

Source: Bank of Greece.

1 = decreased/tightened significantly 2 = decreased/tightened somewhat 3 = remained unchanged
4 = increased/loosened somewhat 5 = increased/loosened significantly

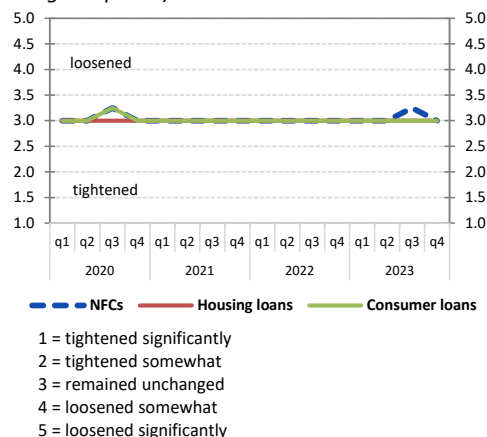
- In 2023:Q4, Greek banks kept **credit standards** as well as overall **terms and conditions** unchanged compared to the previous quarter for all loan categories. With respect to lending margins for average-risk loans in particular, banks reported a narrowing for consumer loans and a marginal narrowing 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 ^{1 2}			Rejection rate ²		
	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	↓

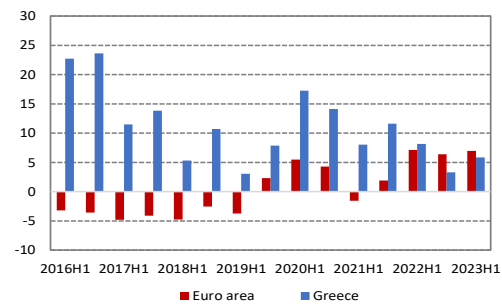
Source: EC/ECB, SAFE.

¹ Applications satisfied mostly or in full.

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

- **The external financing gap faced 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.

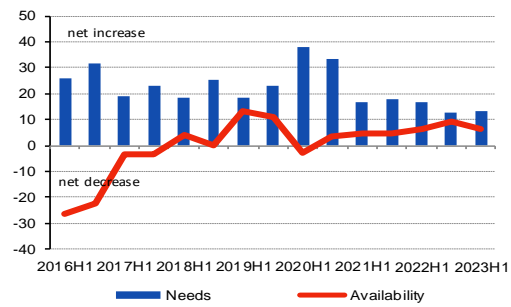
Chart 42: External financing gap faced by SMEs in Greece and the euro area (weighted net balances)



* 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

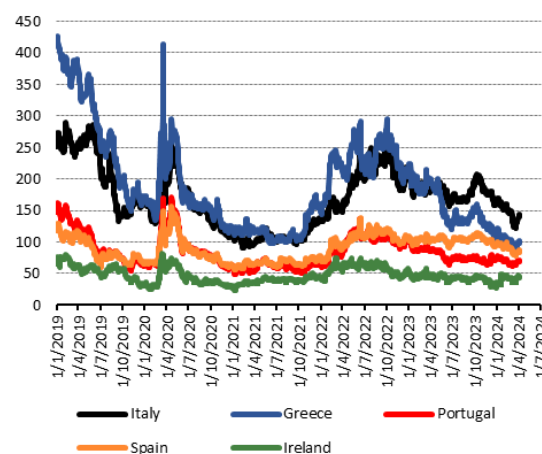
	Levels		Changes (bps)						
	Latest 4/4/2024	13/3/2024	3-weeks	y-t-d	3-months	6-months	12-months	2023	2022
GR 2y	2.76	2.74	2	38	17	-78	-50	-112	373
GR 5y	2.95	2.84	11	34	17	-81	-51	-115	315
GR 10y	3.31	3.19	12	24	0	-92	-82	-152	328
IT 10y	3.72	3.59	13	2	-14	-95	-30	-101	352
ES 10y	3.19	3.15	4	20	3	-62	-2	-67	306
PT 10y	3.04	2.99	5	25	9	-39	-1	-81	311
DE 10y	2.36	2.36	0	33	17	-36	18	-53	274
<i>Spreads</i>									
GR 10y – 2y (bps)	55	45	10	-14	-17	-14	-33	-39	-45
GR 10y - Bund (bps)	96	83	13	-9	-17	-56	-100	-98	54
GR 10y - 10y Italian (bps)	-40	-40	0	22	14	3	-53	-51	-24

Source: LSEG.

- **The tightening of monetary policy** pushed bond yields higher for most of 2022, with the increase being more pronounced for lower rated bonds. **In 2023**, Greek government bond (GGB) yields and the spread vis-à-vis the German Bunds declined, **amid upgrades of Greece's sovereign credit ratings** (see Chart 44). GGB yields have risen since the beginning of 2024, in line with yields of other euro-area sovereigns.
- **Yields on GGBs rose** in the last three weeks, following the yields on other low-rated investment grade euro area sovereign bonds (see Table 7.1). The rise in yields came as a result of spill-over effects from US Treasury bonds, reinforced by investor concerns about the fiscal policy stance in large euro-area economies.
- **The fall in yields was more pronounced in the medium to long-term maturity segments**, resulting in a steepening of the Greek yield curve (Chart 45).

Chart 44: 10-year sovereign bond spreads

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

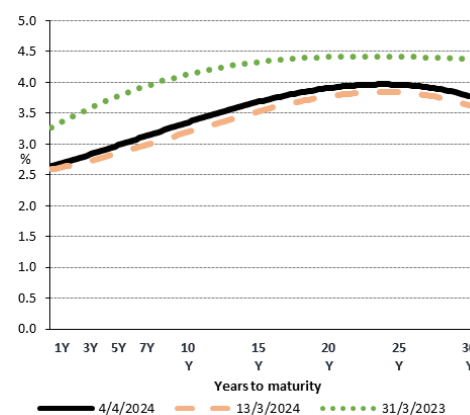


Source: LSEG.

Latest obs. 4/4/2024

Chart 45: Greek sovereign yield curve

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



Source: Bank of Greece.

Latest obs. 4/4/2024

Table 7.2 Sovereign credit ratings

Sovereign credit ratings	Latest		1 January 2024		1 January 2023		1 January 2022	
	Rating	Outlook	Rating	Outlook	Rating	Outlook	Rating	Outlook
Fitch	BBB-	Stable	BBB-	Stable	BB	Positive	BB	Stable
Moody's	Ba1	Stable	Ba1	Stable	Ba3	Stable	Ba3	Positive
S&P	BBB-	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.

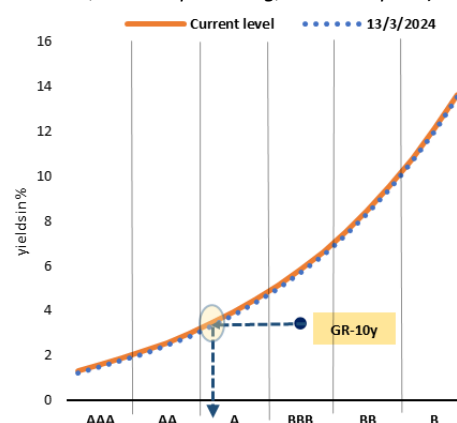
- The sovereign credit rating of Greece has followed an upward trend for a long period of time, almost uninterruptedly since 2015, resulting to regaining the Investment Grade (IG) in 2023 (see Chart 46).
- After a series of rating upgrades, all rating agencies that are Eurosystem-eligible as ECAs assign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

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



Sources: Rating agencies & Bank of Greece.
Latest obs. 4/4/2024

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



Sources: LSEG; BoG's model.
Latest obs. 4/4/2024

Table 7.3 Corporate bonds

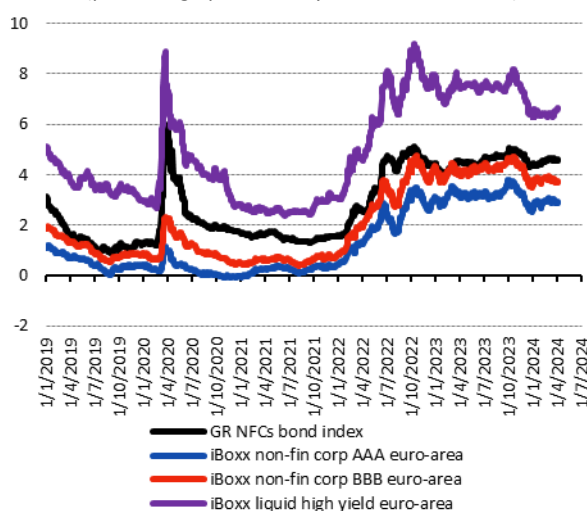
	Levels		Changes (bps)						
	Latest 4/4/2024	13/3/2024	3-weeks	y-t-d	3-months	6-months	12-months	2023	2022
GR NFC bonds	4.60	4.57	3	19	19	-33	9	0	287
EA BBB-rated NFC bonds	3.69	3.77	-8	12	-13	-86	-25	-79	353
EA liquid HY NFC bonds	6.60	6.29	31	26	3	-116	-87	-164	490
<i>Spreads</i>									
GR NFC - EA BBBs (bps)	92	80	12	7	32	53	34	79	-66
GR NFC - EA liquid HY (bps)	-200	-172	-28	-6	16	83	96	164	-203

Source: LSEG, Bank of Greece.

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

- **Bonds issued by Greek non-financial corporations (NFCs) have largely followed the developments in other euro-area corporate bonds (Chart 48).** In 2023 Greek NFCs' bond issuance activity was low, reaching in total €600mn, in line with their low refinancing needs. In 2024, to date, Greek companies have issued new bonds for a total amount of €330mn.
- **Yields of GCBs** did not change significantly in the period under review, as did yields on other euro-area low-rated investment grade corporate bonds (see Table 7.3).

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



Sources: Bank of Greece & LSEG.
Latest obs. 3/4/2024

Table 7.4 Stock market indices

	Levels		Returns (%)						
	4/4/2024	13/3/2024	3-weeks	y-t-d	3-months	6-months	12-months	2023	2022
ATHEX General Index	1,386	1,400	-1.0	7.2	3.4	17.3	29.1	39.1	4.1
Banks	1,168	1,198	-2.5	10.0	4.5	26.0	49.6	65.7	11.4
Basic Materials	4,757	5,016	-5.2	-2.3	-15.0	4.9	14.1	24.2	-11.6
Consumer Discretionary	5,274	5,359	-1.6	5.2	3.7	5.8	24.8	41.7	17.7
Consumer Staples	6,188	5,932	4.3	21.6	17.7	32.6	41.0	25.3	-24.5
Energy & Utilities	5,056	5,072	-0.3	1.4	-2.6	14.2	10.5	20.3	7.2
Industrials	5,851	5,695	2.7	15.2	11.8	29.2	60.2	68.9	15.1
Real Estate	4,789	4,912	-2.5	-3.5	-4.4	1.0	4.8	-0.4	-18.0
Tech & telecommunications	5,259	5,390	-2.4	3.7	3.5	16.8	28.7	27.5	-5.7
Transaction volume (monthly average, in mn €)	152.8	128.8	18.6	42.3	57.9	53.8	53.9	96.9	14.3
Euro Stoxx	519	510	1.8	9.5	10.6	17.7	13.8	15.7	-14.4
MSCI World	3,386	3,396	-0.3	6.9	7.6	17.4	21.4	21.8	-19.5
GR volatility (%) ^a	0.9	0.8	16.2	118.0	90.5	-26.0	-45.4	-38.8	5.8
GR intraday volatility (%) ^b	1.1	1.0	17.0	50.1	30.5	-47.0	-42.9	-14.3	3.1
MSCI World volatility (%) ^a	0.5	0.6	-15.1	7.2	-12.3	-31.4	-43.7	-52.1	9.6
VIX	16.4	13.8	18.9	31.3	28.1	-2.0	-11.1	-42.5	25.8

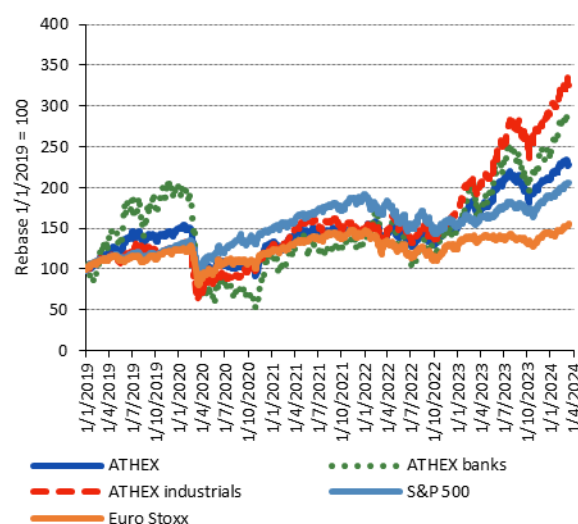
Source: LSEG, Bank of Greece.

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

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

- **Share prices in the Athens Stock Exchange (ASE) recorded strong positive returns in 2023**, outperforming by a wide margin global stock markets; at the same time, market volatility in the ASE declined (Chart 49).
- **Share prices of listed Greek companies fell somewhat**, correcting from previous highs, amid an upward move in other euro area equity markets. Share prices of banks and basic materials' companies fell by more (see Table 7.4).

Chart 49: Stock exchange indices



Source: LSEG.

Latest obs. 3/4/2024

8. BANKING SECTOR

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

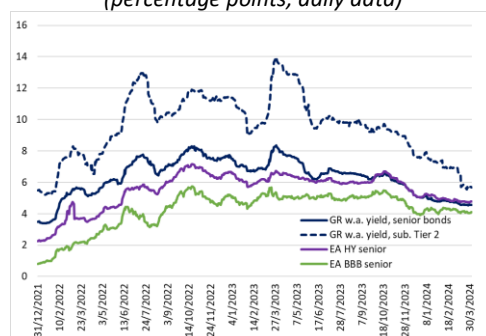
Income statement items (in bn euros)												
Net profits			Net Interest Income		Net Fees & Commissions		Net Trading & other income		Total Operating Expenses		Pre-Provision Income	
2023	2022		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
GR banks (SIs & LSIs)*	3.0	2.9	6.3	4.0	1.3	1.2	0.5	2.3	2.9	2.8	5.3	4.7
GR banks (SI's)	3.6	3.8	8.1	5.6	1.7	1.6	0.6	2.8	3.5	3.7	6.9	6.3
Ratios (in %)							Funding (in bn euros)					
NPE			CET1		MREL		Range of ratings		Eurosystem		Bond issuances	
2023	2022		2023	2022	2023	2022	Latest	2023:Q1	2023	2022	2024:Q1	2023:Q1
GR banks (SIs & LSIs)*	7.9	9.7	14.3	13.5	22.7	19.2	-		17.0	51.0	2.3	1.0
GR banks (SI's)	4.2	6.0	15.7	14.9	24.7	21.7	(BB-, BB) (B, BB-)		14.3	35.2	2.3	1.0

* These data are for 2023:9M because LSIs have not yet published results for fiscal year 2023.

Sources: 1) income statement items, NPE ratio and CET1 ratio: a) significant institutions (SIs; consolidated data): 2023 from banks' financial statements and presentations; 2022 from ECB, b) SIs + LSI's (less significant institutions; consolidated data; NPE ratio: solo data): Bank of Greece, 2) MREL ratio: SRB and banks' financial statements, 3) Eurosystem: Bank of Greece and banks' financial statements, 4) Ratings: rating agencies (S&P, Moody's, Fitch), 5) Bond issuances: LSEG. Notes: CET1 ratio: fully loaded CET1 regulatory capital divided by total risk weighted assets. Range of ratings: range of SI's highest long-term issuer rating across rating agencies (group level).

- According to announced financial results for 2023, net profits of the four systemic Greek banks dropped moderately. This came as a result of a rise in net interest income, that was more than offset by a fall in net trading & other income, due to non-recurring gains in 2022. Total operating expenses fell somewhat, while impairment losses on loans and advances to customers retreated, in line with further progress in asset clean-up.
- The aggregate NPE ratio of systemic Greek banks further retreated at end-2023 to 4.2% from 6.0% at end-2022.
- The aggregate capital buffer of systemic Greek banks rose at end-2023 compared to end-2022, as CET1 capital increased relatively more than risk-weighted assets.
- The systemic banks in 2023 have met their interim MREL targets; for this purpose they have been issuing bonds and are expected to continue doing so until their final MREL targets are met.²
- Yields on senior bonds issued by Greek banks were broadly unchanged, in the period under review, while those of subordinated Tier 2 bond fell significantly (change in weighted average yield since 13.3.2024: senior bonds: -4 bps; subordinated Tier 2 bonds: -91 bps).

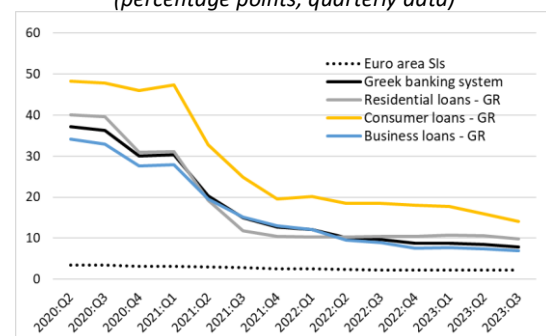
Chart 50: GR and EA bank bond yields
(percentage points; daily data)



Sources: Bank of Greece & LSEG.

Note: Blue lines: the weighted average yield of senior & subordinated Tier 2 bonds issued by Greek systemic banks (solid & dashed lines, respectively). Purple line: the iBoxx EUR High Yield Banks Senior (solid line). Green line: iBoxx EUR Banks BBB. Latest obs. 4/4/2024

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



Sources: Bank of Greece & ECB.

² Interim MREL targets: Eurobank: 23.2%, Piraeus: 21.9%, NBG: 25.3%, Alpha: 22.5%; final MREL targets: Eurobank: 27.8%, NBG: 27.1%, Alpha: 27.3%, Piraeus: 27.3% (source: bank's results and disclosures). Both the interim and the final target include the combined buffer requirement; the final MREL target is applicable on 1-Jan 2016 and is updated annually by the Single Resolution Board.

9. PRIVATISATIONS AND STRUCTURAL REFORMS

Privatisations

- **The implementation of the revised Asset Development Plan of the Hellenic Republic Asset Development Fund (HRADF)** (as last revised on 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.
- The agreement for the concession of Egnatia Odos Motorway was signed between the Greek State and the HRADF, on the one hand, and NEA EGNATIA ODOS S.A. (as the Concessionaire and the initial shareholders), GEK TERNA S.A. and EGIS PROJECTS S.A., on the other hand, for an offer of €1,496,100,000, which will be recalculated at the concession commencement date, on the basis of the provisions of the concession agreement.
- The HRADF announced the launch of the international tender for the acquisition of a majority stake (at least 50% plus one share) in the share capital of Lavrion Port Authority.
- The HRADF announced the launch of the international tender for the development of the property, located in Agia Triada, Municipality of Thermaikos in the Prefecture of Thessaloniki.

Structural reforms

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

- Tax debt: The re-opening of highly *concessional* settlement schemes has attracted limited interest.
- Arrears: There has been satisfactory progress in the clearance of lump-sum pension arrears but it is unlikely that the target has been met. Arrears in hospitals raise concerns as they remain high and actions undertaken to clear them might not be sufficient.
- Labour legislation: Codification of the labour legislation is underway and expected to be completed in the coming months.
- Financial sector: There is a delay in the implementation of planned improvements in the policies aiming to clear various obstacles in tackling legacy non-performing loans. However, the policies perform in a satisfactory manner.

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

- Tax evasion: A number of measures aiming to fight tax evasion are to be adopted. Some of these measures aim to increase the share of electronic payments: interconnection of the point of sale (POS) terminals with the cash registers and the digital submission of this data to the tax administration and mandatory acceptance of direct electronic payments to sectors where this was not obligatory before (e.g., taxis, parking lots, kiosks) and real estate transactions.
 - Pensions: The 30% reduction of the pension for the pensioners who are employed is going to be replaced by a 10% levy on their labour income in order to reduce the disincentive to work or declare labour income.
 - Health: Full rollout of the reform of the National Centralised Health Procurement Authority, to purchase an increasing number of pharmaceutical supplies centrally, and a centralised Digital System for the calculation and issuance of hospitals' clawback.
- Reform and Investment projects relating to all four pillars of the **National Recovery and Resilience Plan** are in progress. Most notably major projects that have been funded so far concern: household energy upgrades, electrical interconnection of islands, electric energy storage facilities, telecommunications (microsatellites network), upskilling and reskilling of unemployed, digitalization of education and construction of central Greece highway.

ANNEX 1: ADDITIONAL CHARTS AND TABLES

ECONOMIC ACTIVITY

Table 1: GDP and main components, seasonally adjusted

Percentage changes (chain linked volumes, reference year 2015)

	2020					2021					2022					2023				
	2020	Q1	Q2	Q3	Q4	2021	Q1	Q2	Q3	Q4	2022	Q1	Q2	Q3	Q4	2023	Q1	Q2	Q3	Q4
Private consumption	-7.4	0.4	-14.5	-5.4	-10.1	6.4	-6.9	14.9	7.0	12.3	7.6	13.1	7.8	6.1	3.7	1.6	1.1	2.1	1.2	1.8
Public consumption	2.8	3.1	-1.1	4.9	4.5	2.1	1.8	2.6	2.6	1.4	2.3	2.5	3.4	2.1	1.2	1.6	2.8	1.1	-0.4	2.7
Gross fixed capital formation	2.0	3.4	-0.6	4.7	0.3	19.1	10.8	21.1	17.6	27.6	11.6	15.4	8.7	7.3	15.2	3.9	8.2	9.2	4.8	-5.7
Dwellings	18.3	25.5	40.3	7.6	4.0	28.0	31.2	12.9	70.9	4.8	34.1	15.4	13.9	7.4	116.1	19.9	47.9	45.9	27.7	-18.7
Other construction	-1.9	-10.8	7.1	-4.9	3.4	11.6	3.3	16.0	14.2	13.3	9.2	16.3	4.5	10.1	6.4	9.2	6.3	13.7	4.0	13.1
Equipment	-5.1	-1.2	-10.6	-3.6	-5.0	23.5	-0.8	21.0	16.8	59.6	18.5	37.2	16.5	14.1	11.4	2.0	0.8	4.8	15.4	-11.1
Domestic demand	-4.4	1.2	-10.3	-2.3	-6.2	6.9	-3.2	12.9	7.4	11.7	7.0	11.2	7.0	5.5	4.7	1.9	2.4	2.8	1.4	0.9
Exports of goods and services	-21.5	-10.1	-29.0	-32.4	-12.7	24.2	-0.8	25.2	48.2	29.4	6.2	15.5	13.2	-1.1	-0.2	2.8	7.2	0.3	1.9	2.1
Exports of goods	4.2	4.8	-4.5	3.2	13.9	14.1	11.1	21.9	14.8	9.5	3.6	6.1	4.6	2.7	1.1	1.7	10.8	-0.9	-1.3	-1.6
Exports of services	-42.6	-16.4	-56.1	-56.2	-41.3	37.5	-19.1	58.1	93.6	62.1	9.3	22.8	24.9	-1.5	-3.1	4.0	6.2	1.1	4.2	4.7
Imports of goods and services	-7.4	2.5	-15.9	-8.1	-8.3	18.1	-3.9	27.1	22.2	30.2	7.7	15.3	11.4	1.6	3.9	1.4	3.3	-0.6	2.9	0.0
Imports of goods	-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	0.9	0.9	-2.5	3.5	1.6
Imports of services	-17.2	4.7	-20.1	-20.3	-30.8	20.6	-13.9	26.9	37.7	41.4	3.3	12.3	4.1	-8.4	8.0	2.9	10.9	5.5	0.8	-4.0
Real GDP at market prices	-9.0	-1.6	-16.0	-10.7	-7.6	8.1	-2.2	14.7	11.9	9.2	5.7	7.7	6.8	4.0	4.3	2.0	2.0	2.7	2.1	1.2

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

Table 2: Value added decomposition, seasonally adjusted

Percentage changes (chain linked volumes, reference year 2015)

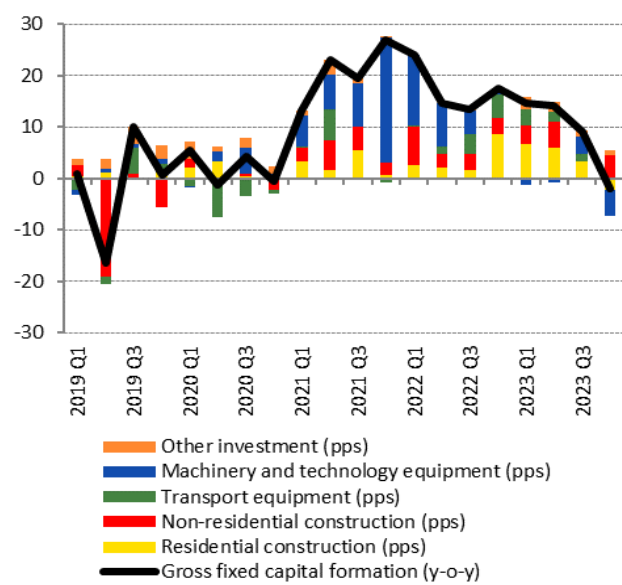
	2020					2021					2022					2023				
	2020	Q1	Q2	Q3	Q4	2021	Q1	Q2	Q3	Q4	2022	Q1	Q2	Q3	Q4	2023	Q1	Q2	Q3	Q4
Agricultural sector	-8.4	-2.8	-9.8	-10.7	-10.2	-3.7	-6.2	-3.3	-5.3	-0.1	12.0	8.6	14.8	19.2	5.8	-7.6	2.3	-5.4	-9.7	-17.6
Industry and construction	0.3	1.1	-4.1	1.0	3.5	12.0	8.6	16.8	12.8	10.0	-2.9	1.8	-2.8	-4.6	-5.8	1.3	0.7	-0.2	1.6	3.2
Industry	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	-0.4	-1.7	-3.4	0.7	2.9
Construction	-8.4	-2.0	-4.9	-15.9	-10.7	12.7	2.3	13.6	31.3	5.8	8.7	13.4	-0.6	2.5	20.9	13.8	17.9	25.5	8.2	5.1
Services	-10.6	-2.8	-17.4	-12.5	-9.7	6.7	-4.4	12.6	10.7	9.3	6.0	7.1	6.6	5.0	5.4	1.8	3.5	2.2	0.5	1.0
Trade, hotels and restaurants, transport	-20.6	-3.7	-32.5	-25.9	-20.3	12.1	-11.4	24.4	23.2	19.6	11.1	13.2	18.5	9.0	4.6	0.6	3.7	-0.5	-0.8	0.1
Information & communication	9.2	13.8	1.6	5.7	16.1	11.5	15.4	20.1	13.8	-1.4	3.9	-1.0	1.5	3.8	11.8	5.8	7.2	9.2	1.0	5.9
Financial services	-2.4	-2.1	-4.9	-2.3	-0.1	-2.0	0.5	1.3	-3.1	-6.6	1.9	-8.9	-9.2	0.4	27.2	3.1	3.6	4.7	2.1	2.3
Real estate related services	-11.9	-10.2	-13.9	-13.8	-9.8	5.6	-0.9	5.6	9.0	8.9	2.3	5.2	2.7	1.0	0.3	0.4	0.4	0.4	0.4	0.4
Professional services	-7.2	5.5	-18.1	-11.3	-4.8	9.6	-2.1	24.3	14.5	5.2	10.3	5.0	8.2	11.3	16.4	7.3	14.3	9.4	4.9	1.5
Public admin	-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	2.8	0.7	1.2	2.6	-0.7	-0.1
Arts and recreation	-21.3	-2.0	-43.9	-10.1	-28.1	14.0	-29.5	59.7	15.2	35.4	13.3	51.0	10.0	4.9	-1.9	7.6	9.2	6.4	6.2	8.6
Value added at basic prices	-9.1	-2.0	-15.4	-11.2	-7.5	7.5	-1.6	12.6	11.6	8.3	4.8	5.5	6.5	3.8	3.4	1.2	3.0	1.6	0.1	0.3
Taxes on products	-8.2	1.4	-19.4	-7.0	-7.5	10.0	-3.9	26.8	10.2	10.3	10.4	20.1	8.9	4.5	8.8	1.8	-9.4	-2.1	13.8	5.9
Subsidies on products	-2.1	8.0	8.4	-5.6	-17.4	-13.4	17.9	1.6	-38.1	-39.0	5.8	-32.6	-21.3	31.7	115.3	-16.6	-22.4	-46.9	16.5	-13.8
GDP at market prices	-9.0	-1.6	-16.0	-10.7	-7.6	8.1	-2.2	14.7	11.9	9.2	5.7	7.7	6.8	4.0	4.3	2.0	2.0	2.7	2.1	1.2

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

Table 3: Projections for Greek GDP by international organizations				
Percentage changes compared to a year earlier	Release date	2023	2024f	2025f
OECD	Nov. 2023	2.0	2.0	2.4
European Commission	Feb. 2024	2.0	2.3	2.3
IMF	Jan. 2024	2.0	2.1	1.6
Consensus	Mar. 2024	2.0	2.1	2.4

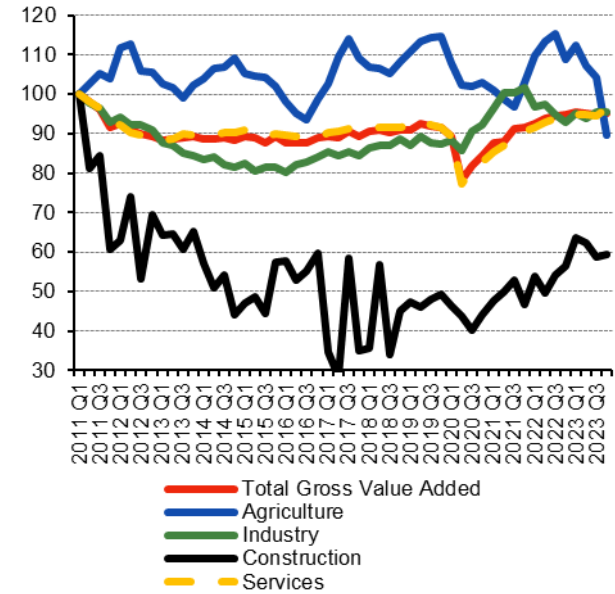
Sources: OECD (OECD Economic Outlook, November 2023), European Commission (European Commission, Winter 2024 Economic Forecasts, February 2024), IMF (World Economic Outlook Update, January 2024), Consensus Economics (Consensus Forecasts, March 2024).

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



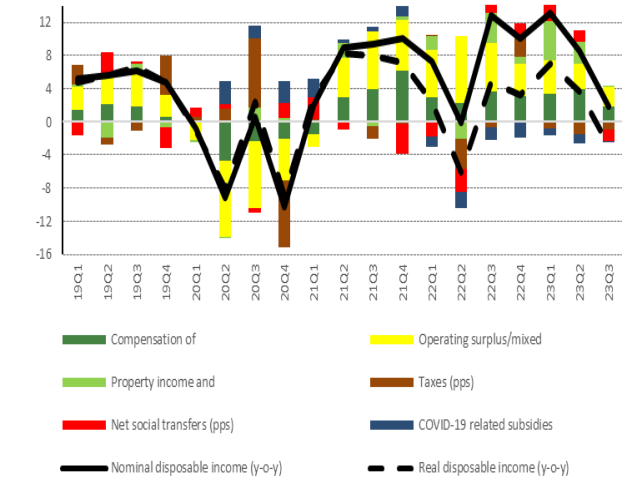
Source: ELSTAT, National Accounts (provisional, nsa data, at current prices), March 2024.

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



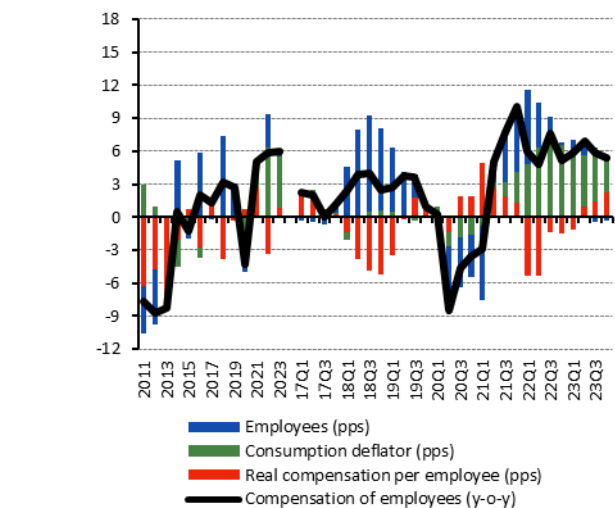
Source: ELSTAT, National Accounts, March 2024.

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



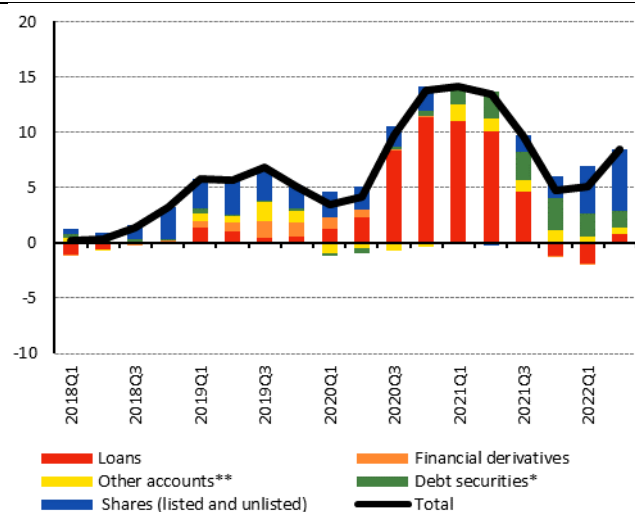
Source: ELSTAT, quarterly non-financial accounts of institutional sectors and Bank of Greece calculations.
Note: Taxes = Current taxes on income, wealth + Taxes on production and imports (including ENFIA).
*Excluding exceptional subsidies and transfers from general government to deal with COVID-19 since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

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



Source: ELSTAT, National Accounts, March 2024.

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

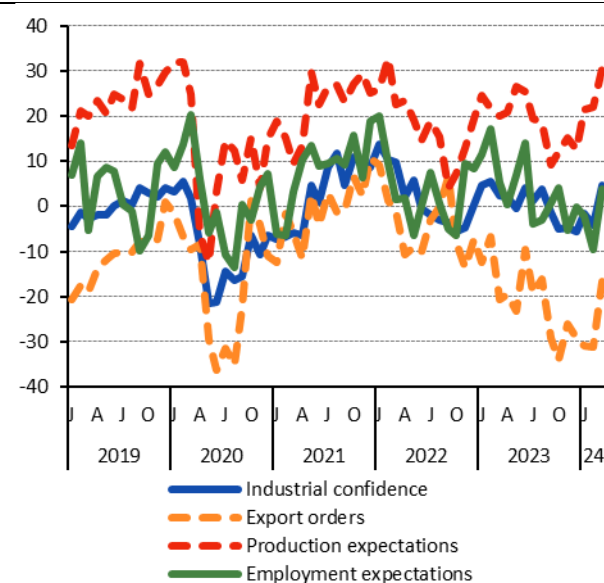


Sources: ECB (SDW), Bank of Greece, Financial Accounts.

*Does not include corporate bonds issued by Greek companies' subsidiaries residing abroad. In the period Dec. 2012-Oct. 2020 the gross (net) amount of these bond issues stood at around €10.8 (5.5) bn.

**Includes trade credit and advances and other accounts receivable/payable.

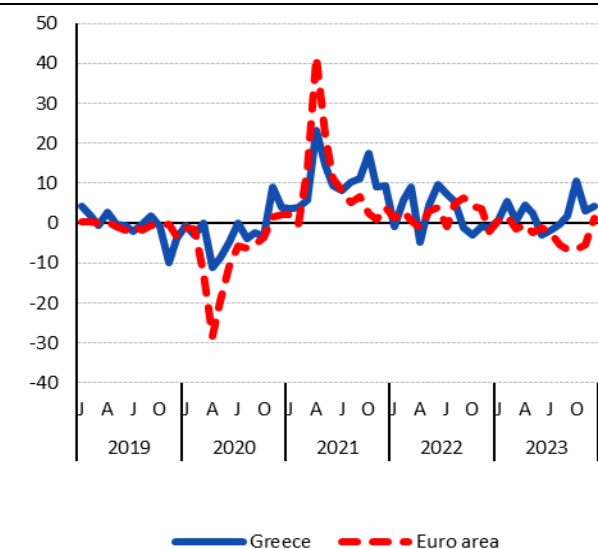
Chart 6: Industrial confidence, production, employment and export orders
(balances; sa data)



Source: European Commission (business and consumer surveys).

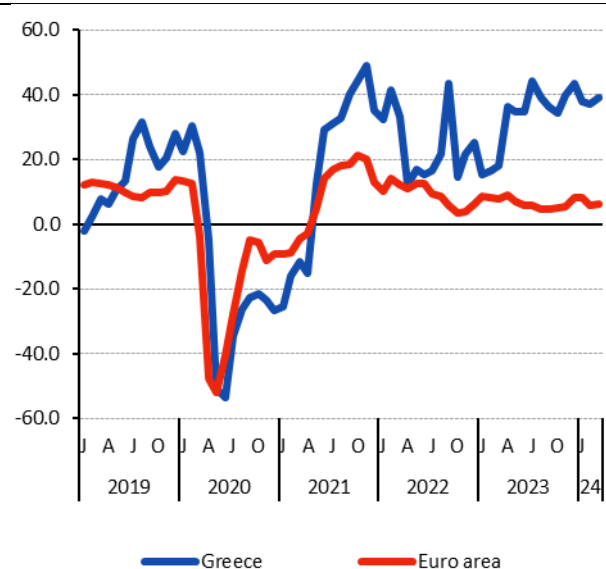
Chart 7: Industrial production

(annual percentage change of industrial production index)



Source: Eurostat.

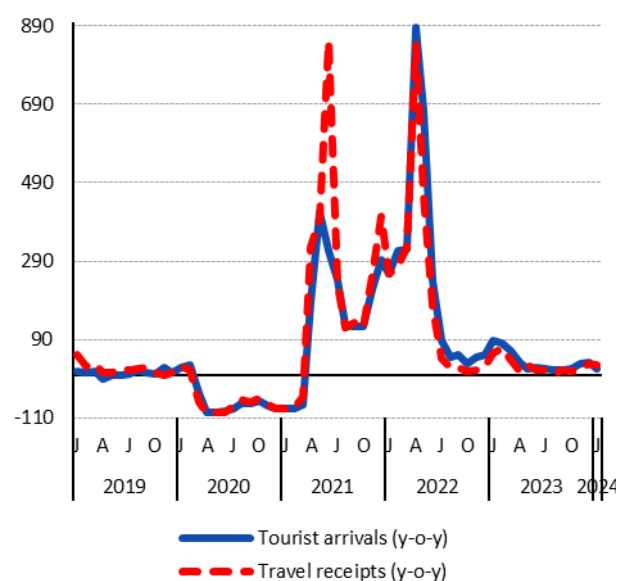
Chart 8: Greek and Euro Area Services Confidence Indicator (balance)



Source: European Commission (business and consumer surveys).

Chart 9: Tourist activity indicators

(annual percentage changes)

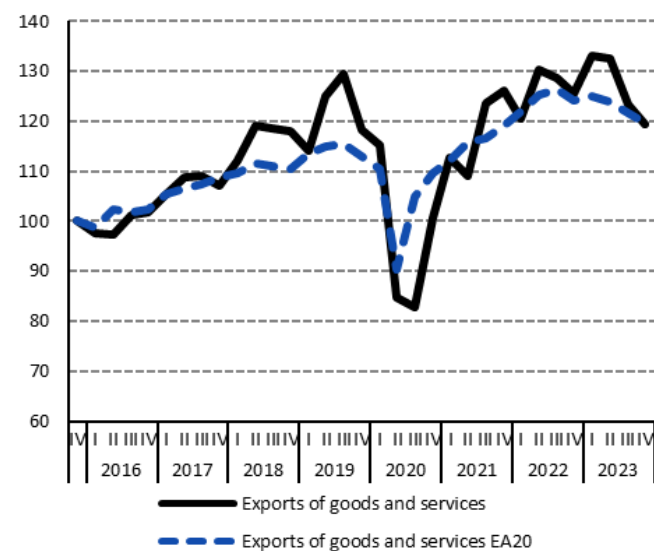


Sources: Frontier Survey of the Bank of Greece (for tourist arrivals and travel receipts)

EXTERNAL BALANCES, COMPETITIVENESS

Chart 10: Real exports of goods and services

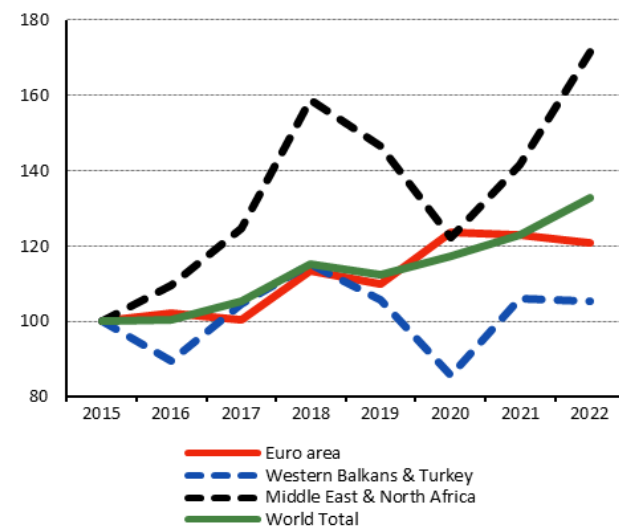
(index 2015:Q4=100, sa)



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

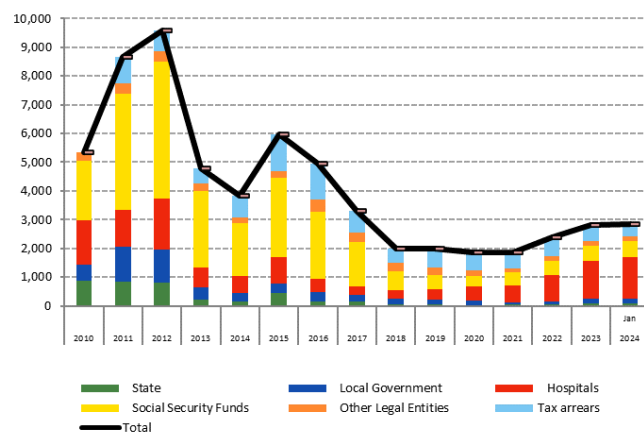
Chart 11: Greek goods export market shares

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



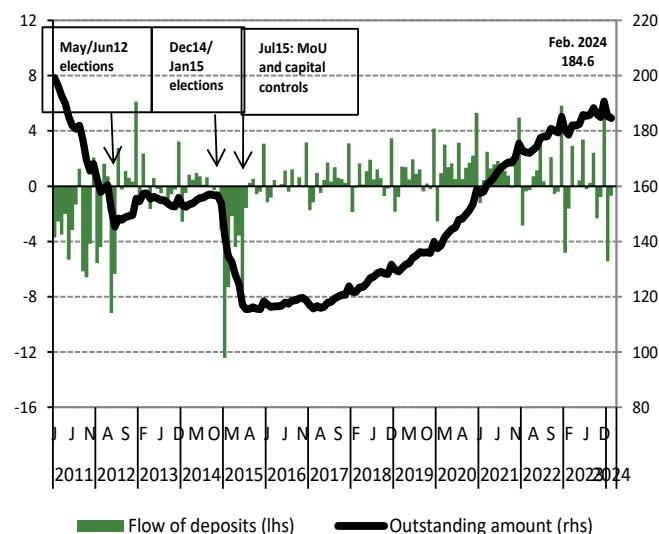
Source: IMF - Direction of trade statistics database. Bank of Greece calculations.

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



Source: Ministry of Finance.

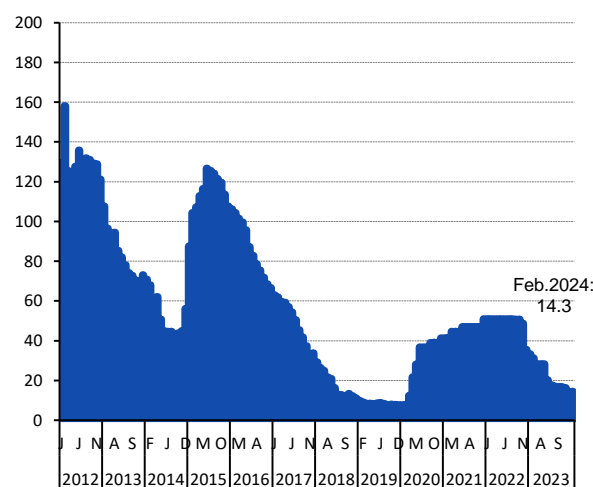
Chart 13: Bank deposits* of non-financial corporations and households (in EUR bn)



*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.

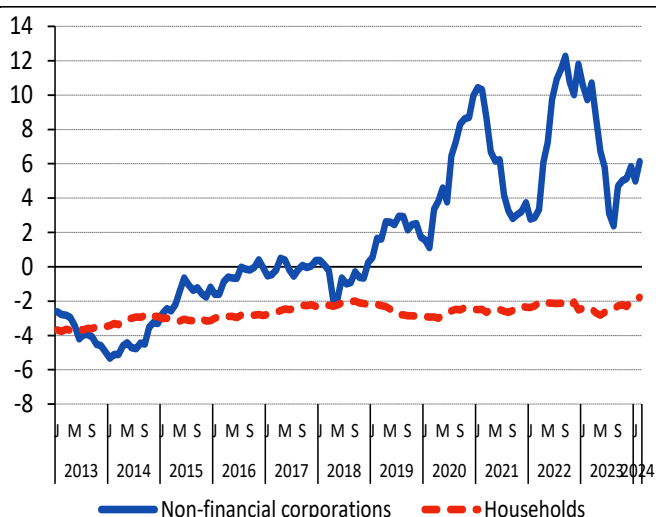
Source: Bank of Greece.

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



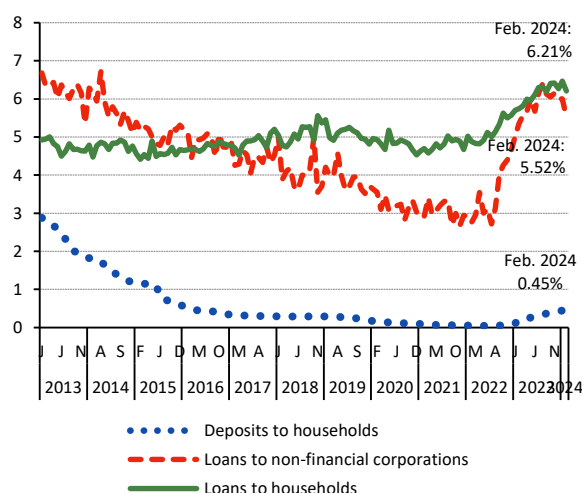
Source: Bank of Greece.

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

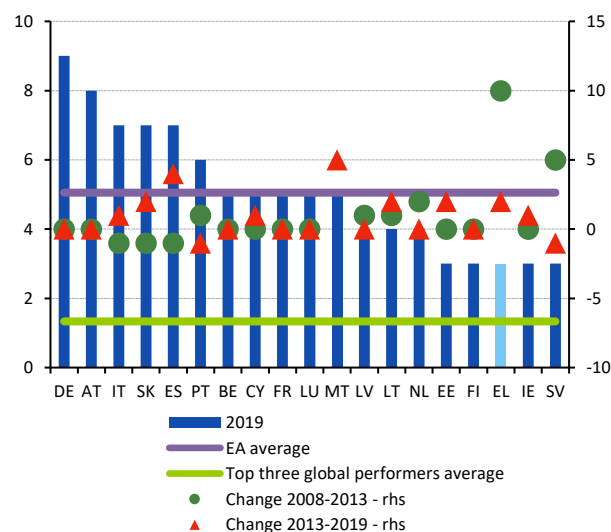
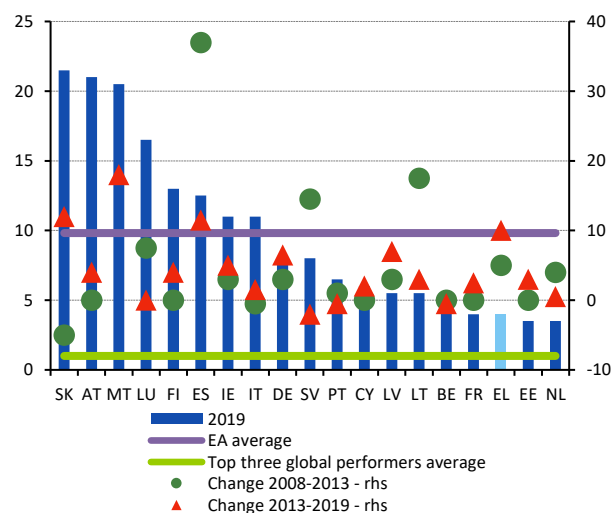


Chart 18: Number of days to start a business



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

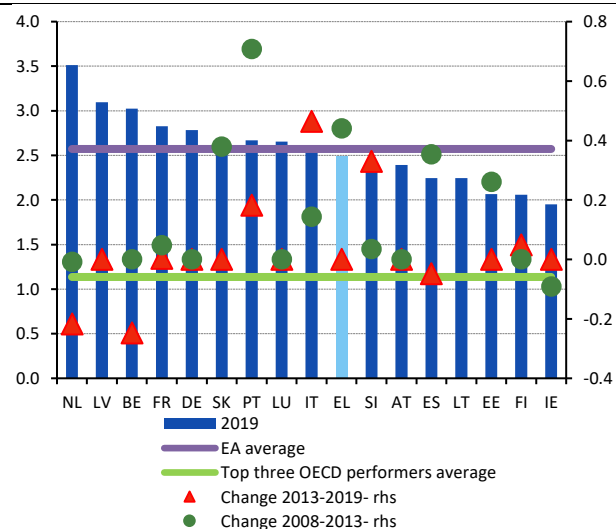
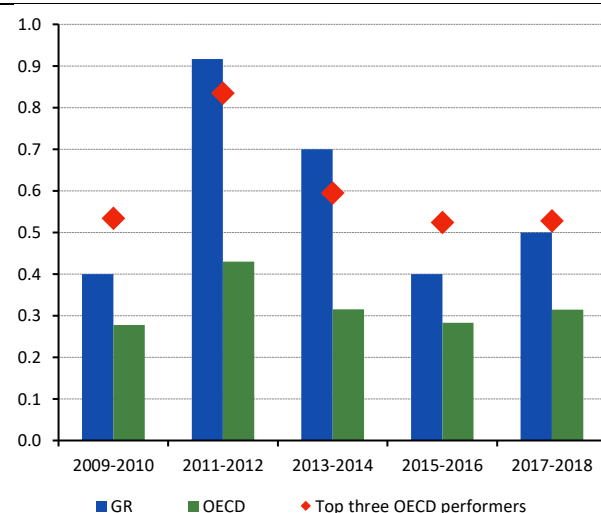


Chart 20: Responsiveness to OECD Going for Growth recommendations



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: 5 April 2024, Next update: 30 April 2024															
			2021	2022	2023	23Q2	23Q3	23Q4	24Q1	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
1. Economic activity															
Real GDP	ELSTAT	%y-o-y	8.4	5.6	2.0	2.7	2.1	1.2	...	...	...	...	...	...	...
Real government consumption	ELSTAT	%y-o-y	1.8	2.1	1.7	1.1	-0.4	2.7	...	...	...	...	...	...	...
Real private consumption	ELSTAT	%y-o-y	5.8	7.4	1.8	2.1	1.2	1.8	...	...	...	...	...	...	...
Real gross fixed capital formation	ELSTAT	%y-o-y	19.3	11.7	4.0	9.2	4.8	-5.7	...	...	...	...	...	...	...
Real exports of goods and services	ELSTAT	%y-o-y	24.2	6.2	3.7	0.3	1.9	2.1	...	...	...	...	...	...	...
Real exports of goods		%y-o-y	14.1	3.5	3.2	-0.9	-1.3	-1.6	...	...	...	...	...	...	...
Real exports of services		%y-o-y	37.5	9.3	4.2	1.1	4.2	4.7	...	...	...	...	...	...	...
Real imports of goods and services	ELSTAT	%y-o-y	17.9	7.2	2.1	-0.6	2.9	0.0	...	...	...	...	...	...	...
Real imports of goods		%y-o-y	17.0	8.5	1.9	-2.5	3.5	1.6	...	...	...	...	...	...	...
Real imports of services		%y-o-y	20.6	3.3	2.8	5.5	0.8	-4.0	...	...	...	...	...	...	...
Contribution to GDP growth (in GDP pts)	ELSTAT														
Domestic demand (excl. inventories)			6.8	7.4	2.3	2.9	1.5	1.0	...	...	...	...	...	...	...
Net exports			0.7	-0.8	0.5	0.4	-0.6	0.8	...	...	...	...	...	...	...
Changes in inventories			1.0	-0.8	-0.7	-1.7	0.8	0.6	...	...	...	...	...	...	...
Economic Sentiment Indicator	EC		105.9	104.8	107.6	108.2	109.8	105.6	106.9	105.5	105.5	105.9	107.3	104.9	108.4
Consumer confidence indicator (% balance)	IOBE/EC		-35.4	-50.7	-40.0	-36.7	-36.3	-43.5	-46.1	-44.7	-45.6	-40.3	-46.3	-47.2	-44.7
Industrial confidence indicator (% balance)	IOBE/EC		2.8	2.0	0.6	2.0	1.3	-5.1	-0.3	-5.0	-4.8	-5.6	-1.5	-4.2	4.8
Industrial production (total industry)	ELSTAT	%y-o-y	10.1	2.4	2.3	1.1	-0.1	6.0	...	10.3	3.3	4.5	10.3	...	...
Retail sales (total including fuel)	ELSTAT	%y-o-y	10.3	3.3	-3.3	-4.4	-3.2	-3.1	...	-6.1	-4.2	0.8	-8.9	...	...
2. Prices and costs (annual % changes)															
HICP	ELSTAT	%y-o-y	0.6	9.3	4.2	3.8	3.1	3.5	...	3.8	2.9	3.7	3.2	3.1	...
GDP deflator	ELSTAT	%y-o-y	1.5	7.8	4.5	5.4	4.4	4.0	...	...	...	...	...	...	...
Profits (gross operating surplus)	ELSTAT	%y-o-y	14.9	16.4	3.4	5.4	2.4	-0.4	...	...	...	...	...	...	...
Real compensation per employee*	ELSTAT	%y-o-y	2.7	-3.4	0.9	0.7	1.4	1.9	...	...	...	...	...	...	...
Unit labour costs, whole economy**	ELSTAT	%y-o-y	-3.1	-0.2	4.5	4.0	4.6	5.0	...	...	...	...	...	...	...
Compensation per employee		%y-o-y	3.8	2.8	5.5	5.7	5.8	5.3	...	...	...	...	...	...	...
Labour productivity		%y-o-y	7.1	3.0	1.0	1.6	1.1	0.3	...	...	...	...	...	...	...
Import price index (ind. goods)	ELSTAT	%y-o-y	20.0	27.7	-12.3	-19.2	-12.7	-10.3	...	-13.4	-8.6	-8.7	-6.4	...	...
Export producer prices index (ind. goods)	ELSTAT	%y-o-y	20.0	39.8	-9.0	-19.0	-9.2	-7.6	...	-9.7	-8.6	-4.0	-4.1	2.1	...
Industrial producer prices (total excl. constr.)	ELSTAT	%y-o-y	11.9	33.5	-6.5	-10.4	-6.3	-10.4	...	-14.7	-9.0	-7.4	-7.9	-6.3	...
Residential property prices	BOG	%y-o-y	7.6	11.9	13.4	14.7	12.1	11.8	...	...	...	...	...	...	...
Commercial property prices: Retail	BOG	%y-o-y	2.5	6.1	...	...	...	...	...	...	...	...	...	...	...
Commercial property prices: Office	BOG	%y-o-y	1.7	3.5	...	...	...	...	...	...	...	...	...	...	...
3. Labour market developments															
Unemployment rate (% of labour force)(nsa)	ELSTAT	%y-o-y	14.7	12.4	11.1	11.2	10.8	10.5	...	8.7	9.1	8.9	11.2	11.7	...
Total employment (nsa)	ELSTAT	%y-o-y	1.4	5.4	1.3	1.7	1.0	1.2	...	3.7	1.2	2.7	4.2	3.0	...
Employees	ELSTAT	%y-o-y	1.4	7.7	0.4	1.3	-0.8	-0.3	...	...	...	...	...	...	...
Hourly labour earnings (nsa)***	ELSTAT	%y-o-y	0.5	5.5	5.9	4.8	7.3	5.5	...	...	...	...	...	...	...
4. Balance of payments (BOG-Current Prices)															
Exports of goods and services	BOG	%y-o-y	44.1	36.5	-2.9	14.3	-7.9	-4.6	-8.5	-4.3	-9.5	-12.6	-4.2	...	...
Exports of goods		%y-o-y	36.1	36.7	-8.0	17.9	-15.4	-16.5	-13.0	-8.4	-11.4	-19.6	-10.4	...	...
Exports of services		%y-o-y	54.4	36.2	2.8	8.3	0.9	4.8	-2.3	0.1	-6.6	-1.4	6.3	...	...
Exports of G&S as a percentage of GDP	BOG	%y-o-y	41.0	49.1	44.7	42.6	44.4	51.5	39.6	...	...	...	...	...	...
Imports of goods and services	BOG	%y-o-y	40.4	37.9	-10.4	2.4	-13.6	-13.5	-14.8	-16.5	-15.3	-12.2	-2.4	...	...
Imports of goods		%y-o-y	39.2	41.3	-12.3	0.8	-15.9	-15.8	-16.4	-17.2	-16.8	-14.9	-3.4	...	...
Imports of services		%y-o-y	43.9	27.7	-4.1	7.6	-6.2	-5.6	-9.8	-14.3	-10.3	-4.0	0.6	...	...
Imports of G&S as a percentage of GDP	BOG	%y-o-y	48.6	58.9	49.5	55.3	48.8	45.0	49.9	...	...	...	...	...	...
Current account balance (eur bn)	BOG	%y-o-y	-12.3	-21.2	-14.0	-3.9	-4.2	1.0	-6.8	-1.3	-3.3	-2.3	1.7	...	...
as a percentage of GDP		%y-o-y	-6.8	-10.3	-6.3	-7.9	-7.7	1.6	-12.3	...	...	...	...	...	...
5. Credit and financial indicators															
M3 (broad money, without currency in circulation)	BOG	%y-o-y	9.9	4.1	2.6	2.0	2.1	2.6	...	1.7	2.1	2.6	2.0	3.2	...
Credit to the private sector	BOG	%y-o-y	1.4	6.3	3.6	2.8	2.1	3.6	...	2.1	2.8	3.6	3.0	3.8	...
Euro short-term rate €STR	ECB	%y-o-y	-0.6	1.6	3.2	3.1	3.6	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9
10-year government bond yield (%)	Reuters	%y-o-y	1.3	4.6	3.3	3.7	4.1	3.3	3.4	4.3	3.9	3.3	3.3	3.5	3.4
Stock prices: ATHEX Composite Index	ASE	%y-o-y	10.4	4.1	39.1	57.4	52.5	39.1	34.9	36.5	39.8	39.1	33.7	24.7	34.9
6. General government finances (% of GDP)															
Surplus (+) / Deficit (-)	ELSTAT	cumulative	-7.0	-2.4	...	-1.7	-1.1	...	...	...	...	...	...	...	...
Primary balance (surplus (+), deficit (-))	ELSTAT	cumulative	-4.5	0.1	...	-0.1	1.4	...	...	...	...	...	...	...	...
Consolidated gross debt	ELSTAT	cumulative	195.0	172.6	...	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.															
*** ELSTAT "Index of Wages" for the total economy excluding agriculture and private households.															

Table 2: Key indicators for Consumption in Greece											This update: 5 April 2024, Next update: 30 April 2024							
			LTA	2021	2022	2023		23Q2	23Q3	23Q4	24Q1		Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
1. Private consumption			2001-2008															
1.1 Private consumption	ELSTAT	% y-o-y	4.2	5.8	7.4	3.2		2.1	1.2	1.8	...		...	...	...	...	...	...
2. Disposable income of households and NPISH			2001-2008															
2.1 Disposable income of households and NPISH (current prices)	ELSTAT	% y-o-y	6.8	7.6	7.6	...		8.5	1.8	...	...		...	...	...	...	...	...
2.2 Real disposable income of households and NPISH	ELSTAT	% y-o-y	3.5	6.6	1.0	...		3.7	-3.0	...	...		...	...	...	...	...	...
3. Retail sales sub-indices			2005-2008															
3.1 General index	ELSTAT	% y-o-y	4.3	10.3	3.3	-3.3		-4.4	-3.2	-3.1	...		-6.1	-4.2	0.8	-8.9	...	...
3.1.1 General index (excluding automotive fuel)	ELSTAT	% y-o-y	3.0	10.5	1.9	-2.1		-3.5	-2.3	-1.4	...		-4.8	-1.9	2.1	-8.5	...	...
3.1.2 Food-beverages-tobacco	ELSTAT	% y-o-y	3.8	3.4	-1.3	-1.3		-2.4	0.2	1.4	...		-1.9	0.5	5.4	-5.5	...	...
3.1.3 Clothing-footwear	ELSTAT	% y-o-y	-0.6	28.3	2.5	0.9		-4.3	-0.5	-1.1	...		-9.5	-2.5	7.4	-6.5	...	...
3.1.4 Furniture, elct and household eqpt.	ELSTAT	% y-o-y	5.2	21.9	10.8	2.4		-2.0	-4.8	0.1	...		-3.7	2.7	1.0	-11.3	...	...
3.1.5 Books, stationery, other goods	ELSTAT	% y-o-y	2.0	20.2	13.0	-0.6		-0.7	-4.1	-2.6	...		-3.8	-5.1	0.8	-5.1	...	...
3.2 New private passenger cars	ELSTAT	% y-o-y	-1.3	22.2	6.7	16.5		6.1	13.4	27.6	...		36.0	23.7	22.1	9.4	18.5	...
4. Bank credit			2003-2008															
4.1 Loans to househds for consumption purposes (nsa)	BOG	% y-o-y	24.2	-0.3	1.2	3.4		1.6	2.6	3.4	...		2.9	2.1	3.4	3.8	4.4	...
5. VAT Receipts*			2003-2008															
5.1 In current prices	MoF	% y-o-y	7.3	16.1	22.9	9.2		9.6	7.1	6.3	...		3.0	8.8	8.0	6.5	10.3	...
5.2 In constant prices	MoF	% y-o-y	3.9	14.6	12.2	5.5		6.9	4.7	2.9	...		-0.4	5.6	4.4	3.2	7.2	...
6.Confidence indicators			2003-2008															
6.1 Consumer confidence	IOBE/EC	ind	-26.8	-35.4	-50.7	-40.0		-36.7	-36.3	-43.5	-46.1		-44.7	-45.6	-40.3	-46.3	-47.2	-44.7
Present conditions																		
6.2 Major purchases at present	IOBE/EC	ind	-45.0	-35.8	-54.7	-52.9		-47.5	-51.3	-53.7	-53.5		-54.1	-55.9	-51.1	-49.7	-59.7	-51.2
6.3 Savings at present	IOBE/EC	ind	-57.8	-43.5	-57.9	-57.5		-57.6	-53.6	-58.9	-61.5		-57.0	-62.0	-57.6	-61.8	-63.1	-59.6
6.4 Statement on fin. situation of hsh.	IOBE/EC	ind	-1.2	2.5	-2.8	-3.6		-4.3	-2.2	-4.3	-3.1		-4.1	-7.5	-1.4	0.1	-6.1	-3.2
Past 12 months																		
6.5 Financial situation over last 12 months	IOBE/EC	ind	-30.1	-32.5	-50.4	-45.5		-44.5	-41.6	-48.6	-52.7		-49.9	-50.3	-45.6	-52.7	-52.3	-53.1
6.6 General economic situation over last 12 months	IOBE/EC	ind	-37.8	-58.8	-60.2	-45.5		-42.3	-39.6	-49.8	-52.5		-53.4	-51.7	-44.2	-51.1	-52.3	-54.0
6.7 Price trends over last 12 months	IOBE/EC	ind	68.9	19.9	82.8	85.3		83.9	85.4	86.7	88.4		86.7	88.0	85.4	86.6	90.6	88.0
Next 12 months																		
6.8 Financial situation over next 12 months	IOBE/EC	ind	-20.8	-26.9	-49.4	-35.6		-32.4	-30.3	-41.7	-44.4		-42.9	-43.7	-38.6	-45.2	-45.6	-42.3
6.9 General economic situation over next 12 months	IOBE/EC	ind	-28.3	-42.0	-56.8	-35.4		-29.5	-29.9	-42.3	-43.9		-47.0	-44.6	-35.4	-44.8	-44.6	-42.3
6.10 Price trends over next 12 months	IOBE/EC	ind	30.2	7.6	42.5	27.2		20.8	24.0	35.0	29.0		42.1	38.1	24.8	31.9	32.1	23.0
6.11 Unemployment expectations over next 12 months	IOBE/EC	ind	43.0	45.0	35.6	13.7		11.5	10.7	15.5	15.7		22.7	14.6	9.1	12.4	15.9	18.9
6.12 Major purchases over next 12 mn.	IOBE/EC	ind	-28.0	-40.2	-46.0	-43.4		-40.5	-43.5	-41.5	-43.3		-39.0	-43.8	-41.7	-42.6	-46.3	-40.9
6.13 Savings over next 12 months	IOBE/EC	ind	-45.9	-59.8	-67.3	-64.3		-64.0	-61.6	-63.6	-68.0		-61.8	-67.4	-61.6	-65.2	-72.3	-66.6
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: 5 April 2024, Next update: 30 April 2024					
			LTA	2021	2022	2023	23Q2	23Q3	23Q4	24Q1	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
1. Gross fixed capital formation	ELSTAT	%y-o-y	3.8	19.3	11.7	4.0	9.2	4.8	-5.7	...	...	...	...	...	...	...
1.1 Equipment			7.8	28.6	15.1	-2.3	-1.1	6.8	-12.9	...	...	...	...	...	...	...
1.2 Construction			1.2	16.7	16.6	13.6	23.5	11.5	0.2	...	...	...	...	...	...	...
2. Public Investment Programmme (nsa)																
	BOG	%y-o-y	...	-15.5	22.5	1.6	0.0	-24.3	16.2	...	96.9	-28.4	18.8	51.9	59.6	...
3. Capital goods production index (nsa)																
	ELSTAT	%y-o-y	-3.5	13.8	5.5	6.0	3.5	-3.4	10.7	...	6.2	9.2	15.2	1.0	...	...
4. Capacity utilization-capital goods industry (nsa)																
	IOBE/EC	Ind	77.0	74.7	68.7	71.0	65.2	75.3	73.1	74.8	...	...	...	...	...	...
5. Cement Production (nsa)																
	ELSTAT	%y-o-y	-1.8	19.4	2.5	0.5	0.2	-3.5	1.3	...	-6.6	12.6	1.0	2.1	...	...
6. Construction production index (nsa)																
	ELSTAT	%y-o-y	-5.9	6.9	24.2	12.8	11.5	8.2	11.6	...	...	...	...	...	...	...
7. Construction conficence indicator (sa)	IOBE/EC	bln	-19.3	-4.2	-19.1	0.5	2.5	-10.1	8.3	13.2	4.0	4.8	16.1	21.7	9.1	8.9
7.1 Evolution of current overall order books			-37.9	-25.6	-51.2	-38.7	-37.4	-54.9	-19.6	-0.2	-25.1	-25.8	-8.0	9.1	-4.8	-4.8
7.2 Employment expectations over the next 3 months			-0.7	17.2	13.0	39.7	42.4	34.7	36.2	26.7	33.1	35.3	40.1	34.3	23.0	22.7
8. New construction permits (nsa)																
	ELSTAT	%y-o-y	-1.9	45.9	-2.2	15.9	8.3	20.8	12.1	...	37.8	25.9	-12.7	...	...	...
9. Housing loans (nsa)																
	BOG	%y-o-y	22.2	-3.0	-3.6	-3.5	-3.9	-3.7	-3.5	...	-3.6	-3.6	-3.5	-3.5	-3.6	...
10. Credit to non-financial corporations over 1 year (nsa)																
	BOG	%y-o-y	25.8	4.5	10.7	6.4	5.6	5.3	6.4	...	5.3	5.5	6.3	5.5	7.0	...
*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: 5 April 2024, Next update: 30 April 2024						
			LTA	2021	2022	2023	23Q2	23Q3	23Q4	24Q1	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
1. Gross value added (at 2010 prices)			2001-08													
1.1 Industry (Mining-Manufacturing-Electricity)	ELSTAT	%y-o-y	1.5	12.5	-4.9	0.0	-3.4	0.7	2.9	...	...	...	...	...	...	...
2. Industrial production			2001-08													
2.1 General index	ELSTAT	%y-o-y	-0.5	10.1	2.4	2.3	1.1	-0.1	6.0	...	10.3	3.3	4.5	10.3	...	...
2.1.1 Manufacturing			-0.9	9.0	4.6	4.2	2.4	0.6	5.8	...	9.3	2.9	5.1	5.4	...	...
2.1.2 Mining-quarrying			-0.6	4.7	-7.9	9.0	2.4	6.8	10.7	...	5.3	11.1	17.9	6.1	...	...
2.1.3 Electricity			1.0	16.4	-3.7	-5.5	-4.3	-3.3	7.3	...	17.7	4.0	1.3	34.0	...	...
2.1.4 Water supply			1.4	1.0	-2.2	0.1	-2.6	2.0	1.6	...	1.0	2.8	1.0	2.9	...	...
2.1.a Energy			0.8	12.0	-2.5	-1.9	-4.5	-1.3	5.7	...	12.8	3.5	1.4	19.2	...	...
2.1.b Intermediate goods			-0.6	7.8	1.8	0.3	-0.7	-3.7	5.2	...	6.4	3.5	5.7	3.9	...	...
2.1.c Capital goods			-4.3	13.8	5.5	6.0	3.5	-3.4	10.7	...	6.2	9.2	15.2	1.0	...	...
2.1.d Durable consumer goods			-3.2	17.3	22.9	7.1	4.8	4.4	8.3	...	4.9	16.3	4.8	30.9	...	...
2.1.e Non-durable consumer goods			0.0	8.5	6.4	6.6	6.7	4.4	5.2	...	12.6	0.3	2.6	7.4	...	...
3. Industrial turnover (at current prices)			2001-08													
3.1 Total market	ELSTAT	%y-o-y	5.2	25.9	33.1	-4.1	-12.4	-7.4	-3.8	...	-1.9	-2.6	-7.1	3.2	...	...
3.1.1 Domestic market			5.0	19.0	35.8	-2.4	-7.4	-5.6	-1.5	...	3.5	-2.5	-5.4	6.0	...	...
3.1.2 Non-domestic market			7.0	38.3	29.0	-7.0	-20.2	-10.5	-7.8	...	-10.7	-2.6	-10.1	-0.6	...	...
3.1.2.1 Euro area			5.3	30.9	32.3	1.8	-5.9	2.0	-6.3	...	-6.3	-1.5	-11.9	9.6	...	...
3.1.2.2 Non-euro area			11.1	42.7	27.2	-12.0	-28.1	-16.9	-8.6	...	-13.3	-3.2	-9.2	-6.5	...	...
4. Industrial confidence indicator			2003-08													
4.1 Industrial confidence	IOBE/EC	ind	-0.4	2.8	2.0	0.6	2.0	1.3	-5.1	-0.3	-5.0	-4.8	-5.6	-1.5	-4.2	4.8
4.1.1 Production expectations			22.6	22.4	18.1	18.9	24.4	15.8	13.3	24.6	12.0	15.1	12.7	21.5	21.9	30.5
4.1.2 Order books			-11.7	-4.4	-5.1	-10.7	-8.9	-9.2	-18.9	-15.9	-22.7	-19.4	-14.6	-19.9	-22.2	-5.5
4.1.3 Stocks of finished products			12.2	9.4	7.0	6.4	9.4	2.8	9.6	9.7	4.1	10.0	14.8	6.1	12.4	10.7
4.2 Employment expectations	IOBE/EC	ind	-3.6	7.8	3.5	4.0	7.1	-2.0	-0.4	-2.6	4.2	-5.4	-0.1	-2.2	-9.5	3.9
4.3 Export order books	IOBE/EC	ind	-15.0	-1.1	-3.8	-20.5	-17.4	-21.5	-29.7	-26.2	-34.0	-26.0	-29.1	-30.8	-31.1	-16.7
4.4 Factors limiting the production (% of firms answering "none")	IOBE/EC	bln	57.3	45.7	45.6	41.5	38.9	46.8	34.5	36.7	...	...	...	...	...	...
5. Capacity utilization			1990-08													
5.1 Capacity utilization	IOBE/EC	Ind	76.1	76.2	75.5	74.8	73.4	75.2	76.3	72.9	...	...	...	...	...	...
6. Purchasing managers index (PMI)			1999-08													
6.1. PMI	S&P Globc	Ind	52.6	56.2	51.8	51.6	51.9	52.2	51.0	55.8	50.8	50.9	51.3	54.7	55.7	56.9
6.1.1 Output			54.9	54.8	49.4	53.4	54.0	53.1	53.7	57.2	54.3	53.6	53.3	55.4	57.2	58.9
6.1.2 New Orders			53.7	55.2	47.7	51.9	52.5	53.0	51.1	56.6	51.4	50.1	51.8	54.5	57.1	58.2
6.1.3 Stocks of finished goods			47.8	45.9	45.6	46.9	47.5	45.2	46.4	46.2	44.0	47.0	48.1	46.2	45.8	46.6
6.1.4 Employment			50.6	54.3	52.4	52.2	53.2	53.1	50.8	54.0	49.0	51.6	51.9	53.6	53.8	54.8
6.1.5 Suppliers' delivery times			48.4	30.9	32.5	48.9	50.6	48.3	49.6	40.7	50.3	50.1	48.4	39.7	41.2	41.1
6.2 New Export Orders			53.5	52.3	48.2	50.5	51.1	51.4	50.0	53.3	49.8	49.6	50.5	51.9	53.4	54.5
6.3 Future Output			...	68.1	59.9	63.9	67.6	61.2	62.4	69.4	61.9	62.6	62.6	73.2	70.2	64.8

Table 5: Key indicators for Services in Greece											This update: 5 April 2024, Next update: 30 April 2024					
			LTA	2021	2022	2023	23Q2	23Q3	23Q4	24Q1	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
1. Gross value added (2010 prices)			2001-2008													
1.1 Tertiary sector	ELSTAT	% y-o-y	4.1	7.3	6.0	1.6	2.2	0.5	1.0	...	...	...	...	...	...	...
2. Turnover indices (curr.prices)			2005-2008													
2.1 Wholesale trade	ELSTAT	% y-o-y	10.8	22.1	21.4	-2.2	-1.7	-6.0	-6.2	...	-2.0	-5.4	-10.9	...	...	...
2.2 Tourism (accmd & food serv.activities)	ELSTAT	% y-o-y	...	79.9	54.6	8.4	14.3	5.6	4.9	...	...	...	...	...	...	...
2.3 Transport	ELSTAT	% y-o-y														
2.3.a Water transport		% y-o-y	6.3	6.3	32.9	1.7	0.5	-2.2	-2.5	...	...	...	...	...	...	...
2.3.b Land transport		% y-o-y	16.4	10.6	21.3	15.8	14.4	6.1	13.8	...	...	...	...	...	...	...
2.3.c Air transport		% y-o-y	7.0	64.1	94.3	22.6	30.1	13.5	9.0	...	...	...	...	...	...	...
2.4 Telecommunication	ELSTAT	% y-o-y	2.5	7.3	5.8	5.5	9.5	7.2	2.8	...	...	...	...	...	...	...
2.5 Legal-accounting activities and management consultancy services	ELSTAT	% y-o-y	10.1	12.2	23.9	6.9	2.9	2.7	8.8	...	...	...	...	...	...	...
2.6 Travel agencies and other activities	ELSTAT	% y-o-y	12.7	102.3	96.6	24.1	33.5	15.8	13.2	...	...	...	...	...	...	...
3. Bank credit			2003-2008													
3.1 Loans to sole proprietors	BOG	% y-o-y	...	2.0	-0.9	-1.3	-2.4	-3.3	-1.3	...	-3.0	-2.8	-1.3	-1.1	-0.7	...
4. Confidence indicators			2003-2008													
4.1 Retail trade confidence indicator	IOBE/EC	ind	17.1	6.5	5.5	21.3	17.3	27.2	18.1	10.6	14.2	18.1	21.9	11.2	17.6	3.1
4.1.1 Present business situation		ind	25.6	4.1	-4.2	47.4	54.3	52.9	44.0	42.4	38.0	35.6	58.4	49.4	53.4	24.3
4.1.2 Volume of stocks		ind	14.4	3.6	-6.6	10.3	16.9	2.2	21.2	26.5	25.1	18.5	19.9	20.3	24.0	35.3
4.1.3 Expected business situation		ind	40.0	18.8	14.1	26.8	14.5	31.0	31.5	16.1	29.8	37.3	27.3	4.5	23.3	20.5
4.2 Services confidence indicator	IOBE/EC	ind	18.4	17.3	24.6	32.8	35.4	39.9	39.2	38.1	34.4	39.9	43.4	37.8	37.2	39.2
4.2.1 Assessment of business situation over the past 3 months		ind	17.5	12.9	28.3	28.2	29.8	34.9	34.3	31.3	34.3	35.4	33.3	31.7	30.2	31.9
4.2.2 Evolution of demand over the past 3 months		ind	17.2	12.8	21.3	31.5	30.6	47.8	47.8	31.5	47.2	47.3	48.8	32.1	32.8	29.5
4.2.3 Evolution of demand expected over the next 3 months		ind	20.4	26.2	24.1	38.9	45.8	37.1	35.7	51.5	21.8	37.1	48.2	49.6	48.7	56.2

Table 6: Business and consumer surveys (balances, seasonally adjusted data)																
This update: 5 April 2024, Next update: 30 April 2024																
			LTA	2021	2022	2023	23Q2	23Q3	23Q4	24Q1	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
1. Economic sentiment indicator		2003-08														
Economic sentiment indicator	IOBE/EC		105.3	105.9	104.8	107.6	108.2	109.8	105.6	106.9	105.5	105.5	105.9	107.3	104.9	108.4
Industrial confidence indicator	IOBE/EC		-0.4	2.8	2.0	0.6	2.0	1.3	-5.1	-0.3	-5.0	-4.8	-5.6	-1.5	-4.2	4.8
Retail confidence indicator	IOBE/EC		17.1	6.5	5.5	21.3	17.3	27.2	18.1	10.6	14.2	18.1	21.9	11.2	17.6	3.1
Services confidence indicator	IOBE/EC		18.4	17.3	24.6	32.8	35.4	39.9	39.2	38.1	34.4	39.9	43.4	37.8	37.2	39.2
Construction confidence indicator	IOBE/EC		-14.5	-4.2	-19.1	0.5	2.5	-10.1	8.3	13.2	4.0	4.8	16.1	21.7	9.1	8.9
Consumer confidence indicator	IOBE/EC		-26.8	-35.4	-50.7	-40.0	-36.7	-36.3	-43.5	-46.1	-44.7	-45.6	-40.3	-46.3	-47.2	-44.7
Employment expectations index	IOBE/EC		104.1	110.3	106.7	116.0	120.5	113.1	115.8	116.2	115.2	116.3	115.8	115.4	116.0	117.3
2. Industrial confidence indicator																
Production expectations	IOBE/EC		22.6	22.4	18.1	18.9	24.4	15.8	13.3	24.6	12.0	15.1	12.7	21.5	21.9	30.5
Order books	IOBE/EC		-11.7	-4.4	-5.1	-10.7	-8.9	-9.2	-18.9	-15.9	-22.7	-19.4	-14.6	-19.9	-22.2	-5.5
Stocks of finished products	IOBE/EC		12.2	9.4	7.0	6.4	9.4	2.8	9.6	9.7	4.1	10.0	14.8	6.1	12.4	10.7
Purchasing managers index (PMI)	MARKIT		52.1	56.2	56.2	51.8	51.9	52.2	51.0	55.8	50.8	50.9	51.3	54.7	55.7	56.9
3. Retail confidence indicator																
Present business situation	IOBE/EC		25.6	4.1	-4.2	47.4	54.3	52.9	44.0	42.4	38.0	35.6	58.4	49.4	53.4	24.3
Volume of stocks	IOBE/EC		14.4	3.6	-6.6	10.3	16.9	2.2	21.2	26.5	25.1	18.5	19.9	20.3	24.0	35.3
Expected business situation	IOBE/EC		40.0	18.8	14.1	26.8	14.5	31.0	31.5	16.1	29.8	37.3	27.3	4.5	23.3	20.5
4. Services indicator																
Business situation over the past 3m.	IOBE/EC		17.5	12.9	28.3	28.2	29.8	34.9	34.3	31.3	34.3	35.4	33.3	31.7	30.2	31.9
Demand over the past 3m.	IOBE/EC		17.2	12.8	21.3	31.5	30.6	47.8	47.8	31.5	47.2	47.3	48.8	32.1	32.8	29.5
Expected demand over the next 3m.	IOBE/EC		20.4	26.2	24.1	38.9	45.8	37.1	35.7	51.5	21.8	37.1	48.2	49.6	48.7	56.2
5. Construction confidence indicator																
Order books	IOBE/EC		-33.4	-25.6	-51.2	-38.7	-37.4	-54.9	-19.6	-0.2	-25.1	-25.8	-8.0	9.1	-4.8	-4.8
Employment expectations	IOBE/EC		4.5	17.2	13.0	39.7	42.4	34.7	36.2	26.7	33.1	35.3	40.1	34.3	23.0	22.7
6. Consumer confidence indices																
Financial situation over next 12 mnths	IOBE/EC		-20.8	-26.9	-49.4	-35.6	-32.4	-30.3	-41.7	-44.4	-42.9	-43.7	-38.6	-45.2	-45.6	-42.3
Gen. econ. sit. over next 12 mnths	IOBE/EC		-28.3	-42.0	-56.8	-35.4	-29.5	-29.9	-42.3	-43.9	-47.0	-44.6	-35.4	-44.8	-44.6	-42.3
Savings over next 12 months	IOBE/EC		-45.9	-59.8	-67.3	-64.3	-64.0	-61.6	-63.6	-68.0	-61.8	-67.4	-61.6	-65.2	-72.3	-66.6
Unemployment over next 12 months	IOBE/EC		43.0	45.0	35.6	13.7	11.5	10.7	15.5	15.7	22.7	14.6	9.1	12.4	15.9	18.9

ANNEX 2: DATA RELEASES

LAST THREE WEEKS' NEWS AND DATA RELEASES (15 March – 05 April 2024)

Real Economy

- 15/03/2024: ELSTAT released Index of Wages Cost for 2023:Q4.
- 15/03/2024: ELSTAT released Production Index in Construction for 2023:Q4.
- 19/03/2024: ELSTAT released the Evolution of Turnover of Enterprises in Accommodation and Food Service Activities for January 2024.
- 20/03/2024: ELSTAT released Turnover Index in Industry for January 2024.
- 21/03/2024: a bill was submitted to Parliament on Actions related to public health and provisions for strengthening the National Health System.
- 22/03/2024: ELSTAT released the Evolution of Turnover of Enterprises in Retail Trade for January 2024.
- 27/03/2024: European Commission released ESI for March 2024.
- 28/03/2024: ELSTAT released the Activities of the Greek Ship Repairing Industry for 2023.
- 28/03/2024: ELSTAT released Building Activity Survey for December 2023.
- 28/03/2024: the Ministry of Labour released ERGANI survey data of February 2024 on employment flows in the business sector.
- 29/03/2024: ELSTAT released Services Producer Price Indices for 2023:Q4.
- 29/03/2024: ELSTAT released Turnover Index in Retail Trade for January 2024.
- 29/03/2024: ELSTAT released Producer Price Index in Industry for February 2024.
- 01/04/2024: S&P Global released PMI for March 2024.
- 01/04/2024: ELSTAT released Labour Force Survey (monthly estimates) for February 2024.
- 02/04/2024: the bill concerning the transposition of Directive (EU) 2022/2523 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union was voted into law.
- 02/04/2024: the bill concerning measures for the implementation of Regulation (EU) 2022/2065 (Digital Services Act) and of the amended Directive 2000/31 on setting up an internal Market framework for online services was voted into law.
- 03/04/2024: ELSTAT released Income Inequality for 2023.
- 03/04/2024: ELSTAT released Risk of Poverty or Social Exclusion for 2023.
- 03/04/2024: ELSTAT released Material and Social Deprivation and Living Conditions for 2023.

External Sector

- 22/03/2024: BoG released BoP data for January 2024.
- 26/03/2024: BoG released travel services data for January 2024.
- 05/04/2024: ELSTAT released merchandise trade for February 2024.

Fiscal

- 15/03/2024: MoF, state budget execution for January-February 2024 (preliminary data).
- 19/03/2024: BoG, central government net borrowing requirements on a cash basis for January – February 2024.
- 26/03/2024: MoF, state budget execution for January-February 2024 (final data).

Monetary & Financial

- 20/03/2024: National Bank of Greece issued a new 11-year Subordinated Tier 2 note callable in 6 years with a coupon rate of 5.875% (yield 5.881%), raising €500 mn.
- 27/03/2024: National Bank of Greece proceeded with a tender offer on its 8.250% €400mn Subordinated Tier 2 notes due 2029, with notes repurchased amounting to €320.1mn (amount of notes outstanding €79.9mn).
- 27/03/2024: The Greek PDMA reopened the GGB 3.875% maturing on 15/6/2028. The amount accepted was €250mn and total bids reached €929mn, which resulted in a reoffer yield of 2.85%.
- 28/03/2024: ECB released data on monetary developments in the euro area for February 2024.
- 05/04/2024: ECB released data on MFI interest rate statistics in the euro area for February 2024.

NEXT THREE WEEKS' NEWS AND DATA RELEASES (08 – 30 April 2024)

Real Economy

- 10/04/2024: ELSTAT releases Industrial Production Index for February 2024.
- 10/04/2024: ELSTAT releases HICP for March 2024.
- 11/04/2024: ELSTAT releases the Issuing of Motor Vehicle Licences for March 2024.
- 12/04/2024: ELSTAT releases Import Price Index in Industry for February 2024.
- 16/04/2024: ELSTAT releases the Evolution of Turnover of Enterprises for February 2024.
- 19/04/2024: ELSTAT releases the Turnover Index in Industry for February 2024.
- 19/04/2024: ELSTAT releases the Evolution of Turnover of Enterprises in Accommodation and Food Service Activities for February 2024.
- 24/04/2024: ELSTAT releases the Evolution of Turnover of Enterprises in Retail Trade for February 2024.
- 25/04/2024: ELSTAT releases Quarterly Non-Financial Accounts of Institutional Sectors for 2023:Q4.
- 25/04/2024: ELSTAT releases the Building Activity Survey for January 2024.
- 29/04/2024: ELSTAT releases Turnover Index in Retail Trade for February 2024.
- 29/04/2024: European Commission release Economic Sentiment Indicator for April 2024.
- 30/04/2024: ELSTAT releases Producer Price Index in Industry for March 2024.

External Sector

- 19/04/2024: BoG releases BoP data for February 2024.
- 22/04/2024: BoG releases travel services data for February 2024.

Fiscal

- 05/04/2024: MoF, general government cash balance for February 2024.
- 22/04/2024: Fiscal Data (1st notification), 2020-2023.
- 22/04/2024: Quarterly Non-Financial Accounts of General Government, 4th Quarter 2023.
- 15/04/2024: MoF, state budget execution for January-March 2024 (preliminary data).
- 17/04/2024: BoG, central government net borrowing requirements on a cash basis for January –March 2024.
- 25/04/2024: MoF, state budget execution for January-March 2024 (final data).

Monetary & Financial

- 09/04/2024: ECB publishes the results of the Bank Lending Survey (BLS) in the euro area for 2024:Q1.
- 26/04/2024: ECB releases data on monetary developments in the euro area for March 2024.

Disclaimer

This report is published by the Bank of Greece and aims to inform the general public about the current economic developments and prospects of the Greek economy. The data contained in this report are meant for information purposes only and do not constitute advice or a service for the conduct of any transaction, nor are they intended for this purpose. The Bank of Greece is under no obligation to update or revise this report or to make any announcements or notifications in the event that any information, opinion, forecast or estimate contained herein changes or is subsequently found to be inaccurate. The Bank of Greece cannot be held liable for any actual, consequential or other loss, including loss of profit, that may arise from, or in connection with, the contents or any use of this report. In any case of reproduction or republication hereof, the Bank of Greece must be cited as the source.