



NOTE ON THE GREEK ECONOMY

September 20, 2024

Economic Analysis and Research Department

Recent Economic Developments: an overview

Economic activity continued to expand at a satisfactory pace in 2024:Q2 (2.3% y-o-y), outperforming the euro area average. **HICP inflation** came down fast from its 2022 peaks due to falling energy prices in 2023, but remains relatively elevated at 3.0% in 2024:8M due to persistent increases in services prices. In the **housing market**, apartment prices continued to increase at an accelerating pace in 2023, with growth rates decelerating somewhat in 2024:H1. **Labour market developments** remained positive, with employment rising and unemployment falling to single-digit numbers. The **current account deficit** narrowed significantly in 2023, but deteriorated in the first seven months of 2024 (by €1.3 bn y-o-y). The 2023 **primary fiscal outcome** came in at a surplus of 1.9% of GDP, significantly larger than the 1.1% target, due to higher tax revenue as well as lower primary spending. The **debt to GDP ratio** decreased by 10.8 pp compared to 2022 to 161.9% of GDP on account of economic growth and elevated inflation. After moderating significantly during 2023, **corporate bank credit growth** has strongly rebounded. The growth rate of **household deposits** decelerated in 2023-2024, under the negative impact of high inflation and substitution of deposits by other saving options. After rising notably since the second half of 2022, **bank lending rates** remain high. **Government bond yields and spreads** have retreated as the impact of higher interest rates was tempered by Greece's sovereign credit rating upgrades to the Investment Grade.

Looking ahead, according to the BOG projections, in the context of the September 2024 Eurosystem staff projections, 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 to 3.0% in 2024 on the back of further declines in the inflation rates of food, non-energy industrial goods and services. The **fiscal stance** in 2024 is expected to be slightly expansionary, on the back of increased investment expenditure financed by the RRF.

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

Latest economic information - available in the last two weeks

Economic Activity

- **Industrial production** remained on a rising path in July 2024 (+10.6% y-o-y) mainly due to the increase in manufacturing production (10.2% y-o-y) and electricity supply (14.5% y-o-y). Industrial production increased by 7.3% y-o-y in the January-July 2024 period.
- **The turnover of enterprises**, obliged to follow double-entry accounting bookkeeping, increased by 12.7% y-o-y in July and by 5.6% y-o-y in the January-July 2024 period.

Prices

- **HICP headline inflation increased to 3.2% in August 2024** from 3.0% in July as increases in energy, unprocessed food and non-energy industrial goods offset declines in services and in processed food inflation.
- **In the housing market**, apartment prices continued to increase in 2024:Q2, though at a decelerating pace (9.2% y-o-y, compared to 10.6% y-o-y in 2024:Q1).

Labour market

- **Compensation per employee** increased by 5.1% y-o-y in 2024:Q2. **Unit Labour Costs** increased at a decelerating rate and remained below the euro area average.

External Balances, Competitiveness

- The **current account deficit** rose in the January-July 2024 period y-o-y (by €1.3 bn) due to a deterioration in the balance of goods and, to a lesser extent, in the primary income account, which was partly offset by an improvement mainly in the secondary income account but also in the balance of services.
- In July 2024, the surplus of **current account** decreased y-o-y mainly due to a deterioration in the balance of goods, the balance of services and the primary income account, while the secondary income account slightly improved.

Fiscal developments

- In January – August 2024, **the state budget primary outcome** came in at a surplus of 3.3% of GDP, against a surplus of 2.5% of GDP in January-August 2023. Compared to the annual target (according to the 2024 Budget), the primary balance over-performed by €4.3 bn mainly due to higher tax and public investment revenue as well as primary spending containment.

Financial market developments

- **The rating agencies Moody's and Morningstar-DBRS changed the outlook of the sovereign credit rating** that they assign to Greece (Ba1 and BBB-low, respectively) to positive from stable, citing the banking sector's increased resilience and sovereign's fiscal strength which facilitates further reductions in the public debt-to-GDP ratio.
- **Yields on Greek government bonds** remained broadly unchanged, across the yield curve, broadly in line with other euro area sovereign bonds yields. **Yields on Greek corporate bonds** remained broadly unchanged in line with yields of lower-rated euro area corporate bonds. **Greek equity prices** fell, mainly driven by shares of banks, energy and utilities and basic materials' companies, while share prices in euro-area stock markets rose.

Banks

- **Greek banks' credit ratings continue on an upward trend:** Morningstar-DBRS revised the outlook of NBG to positive from stable and affirmed its rating at BBB-low, after a similar rating decision for the Greek sovereign a week earlier.
- **Greek banks proceeded with the issuance of new bonds:** Piraeus Financial Holdings priced a new 11-year €650 mn subordinated Tier 2 bond, callable in six years, with a coupon rate of 5.375% (yield of 3.475%) while announcing a tender offer for its Tier 2 notes due in February 2030 amounting to €500 mn. Eurobank completed the pricing of €850 mn green senior preferred notes maturing in September 2030, callable in 5 years, offering a coupon of 4% (yield of 4.108%). The issue is part of the bank's sustainability agenda.
- **Yields on Greek senior bank bonds fell**, in line with yields of euro area peers.

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	28
7. FINANCIAL MARKET DEVELOPMENTS	35
8. BANKING SECTOR	39
9. PRIVATISATIONS AND STRUCTURAL REFORMS	40
ANNEX 1: ADDITIONAL CHARTS AND TABLES	42
ANNEX 2: DATA RELEASES	56

|

SUMMARY OF ECONOMIC DEVELOPMENTS AND OUTLOOK

	2021	2022	2023	2023				2024		2023												2024								
				Q1	Q2	Q3	Q4	Q1	Q2	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep						
GDP, % y-o-y	8.1	5.7	2.0	2.0	2.6	2.1	1.3	2.1	2.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
Exports, % y-o-y	24.2	6.2	3.7	9.5	0.2	2.7	2.6	-3.7	2.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
Industrial production, % y-o-y	10.1	2.4	2.3	2.2	1.1	-0.1	6.0	3.5	9.7	-1.7	-0.2	1.8	10.3	3.3	4.5	10.2	2.0	-0.6	12.0	7.1	9.9	10.6	...	...	...		
Retail sales volume, % y-o-y	10.2	3.3	-3.3	-2.6	-4.4	-3.2	-3.1	-4.7	3.1	-2.9	-3.3	-3.4	-6.1	-4.3	0.8	-9.3	-9.5	5.3	-6.5	10.5	5.9	...	...	...	...	
PMI (50=no change)	56.2	51.8	51.6	51.2	51.9	52.2	51.0	55.8	54.7	53.5	52.9	50.3	50.8	50.9	51.3	54.7	55.7	56.9	55.2	54.9	54.0	53.2	52.9	...	...			
ESI (average=100)	105.9	104.8	107.6	106.5	108.2	109.9	105.6	106.8	110.0	110.7	111.5	107.5	105.5	105.4	105.9	107.2	104.9	108.4	108.5	110.9	110.5	106.8	106.3	...	...			
HICP, % y-o-y	0.6	9.3	4.2	6.4	3.8	3.1	3.5	3.2	2.7	3.5	3.5	2.4	3.8	2.9	3.7	3.2	3.1	3.4	3.2	2.4	2.5	3.0	3.2	...	...			
Total employment, % y-o-y	1.4	5.4	1.3	1.3	1.7	1.0	1.2	1.8	2.2	1.8	0.5	0.5	2.3	-0.2	1.3	1.9	1.7	1.7	3.5	0.1	2.7	0.2	...	...	...		
Unemployment rate, %	14.7	12.4	11.1	11.8	11.2	10.8	10.5	12.1	9.8	11.1	11.1	10.9	10.9	10.8	10.6	11.3	11.4	10.5	10.5	10.3	9.5	9.9	...	...	...		
Current Account, bn	-12.3	-21.2	-14.0	-3.9	-4.2	1.0	-6.8	-4.1	-4.8	0.8	0.5	-0.3	-1.3	-3.3	-2.3	1.7	-3.2	-2.6	-2.7	-2.4	0.3	0.2	...	...	...		
(% of GDP)	-6.8%	-10.3%	-6.3%																											
Gen. Gov. primary balance (% of GDP - Q.cumulatively)	-4.5	0.0	1.9	-1.5	-0.3	1.2	1.9	-0.3	...	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
Public Debt (% of GDP - Q.cumulatively)	195.0	172.7	161.9	161.5	162.6	163.5	161.9	154.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
Bank deposits, private, % y-o-y	9.9	4.8	3.0	4.5	3.5	3.4	3.0	2.6	2.9	3.4	3.4	3.4	2.5	2.4	3.0	2.7	3.0	2.6	2.8	2.5	2.9	2.7	...	...	...		
Bank credit to NFCs, % y-o-y	3.7	11.8	5.8	10.6	5.8	4.7	5.8	6.6	9.4	3.1	2.4	4.7	5.0	5.1	5.8	5.0	6.2	6.6	6.9	7.6	9.4	9.7	...	...	...		
Bank credit to HHs, % y-o-y	-2.4	-2.5	-2.0	-2.5	-2.7	-2.3	-2.0	-1.4	-0.9	-2.6	-2.4	-2.3	-2.2	-2.3	-2.0	-1.9	-1.7	-1.4	-1.1	-1.0	-0.9	-0.8	...	...	...		
10y GR yield, %	1.31	4.59	3.08	4.26	3.72	4.36	3.08	3.29	3.74	3.78	3.79	4.36	4.16	3.71	3.08	3.24	3.39	3.29	3.47	3.66	3.74	3.35	3.33	3.20	...					

Economic Activity

- **The economy continued growing in 2024:Q2, at a slightly stronger pace compared to 2024:Q1, mainly due to the rise in private consumption and gross fixed capital formation. By contrast, the contribution of the external sector to growth was negative.**
- **Soft data** (PMI, ESI), despite some softening in July and August, remain at relatively high levels compared to the euro area.
- **Hard data** are overall positive. Most indicators continue to move in positive territory (industrial production, construction, tourism, employment, retail sales). Weaker growth of goods exports along with accelerating growth rates of imports are among the main weaknesses currently.

Prices and real estate market

- **HICP inflation** followed a declining path in the first half of 2023 and oscillated in the second half, declining from 7.3% in January 2023 to 3.7% in December. In the January-August 2024 period, average inflation declined further to 3.0%. In August 2024, headline inflation increased to 3.2% from 3.0% in July. This development is attributed to higher annual rates of change for energy, unprocessed food and non-energy industrial goods, partly compensated by declines in services and unprocessed food inflation.
- The positive trend of **real estate prices** continued in 2023, especially in the residential market, with apartment prices increasing by 13.8%, from 11.9% in 2022. In 2024:H1, apartment prices continued to increase at a strong, though decelerating, rate (9.9% y-o-y).

Labour market and costs

- **Employment growth continued to improve in 2024:Q2, and the unemployment rate decreased by 1.4 percentage points compared to 2023:Q2.**
- **Total employment** growth remained positive in 2024:Q2 largely due to higher demand for labour in the tourist, construction, agriculture and health sectors. LFS monthly data for July 2024 show a marginal increase in employment growth, while the unemployment rate (sa) increased compared to the previous month.
- **Net flows of dependent employment in the private sector** were positive and much higher in the first six months of 2024 compared to the corresponding period of 2023.

External Balances, Competitiveness

- The **current account deficit** rose in the January-July period, compared to the corresponding period of 2023, due to a deterioration in the balance of goods and, to a lesser extent, in the primary income account, which was partly offset by an improvement mainly in the secondary income account but also in the balance of services.
- The nominal effective exchange rate appreciated further in 2024:Q2 for the sixth consecutive quarter.

Nevertheless, the unit labour cost competitiveness indicator remained stable during 2024:Q2 following deterioration in 2023:H2 due to wage increases. The price competitiveness indicator posted a small deterioration in 2024:Q2, despite the fact that price differentials remained favourable for Greece.

Fiscal developments

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

Money and Credit

- During 2023-2024, the growth rate of **household deposits** decelerated under the impact of high inflation and high opportunity costs of bank deposits.
- **Corporate bank credit growth** slowed significantly during 2023 due to higher interest rates and weakening economic growth but since end-2023 it has rebounded considerably. **Bank loans to households** continue to decline due to deleveraging in housing loans.
- **Bank lending rates** recorded substantial increases in 2023 due to policy tightening, especially for corporate loans. Since the last months of 2023 though, there are indications that lending rate rises have started to reverse.

Financial markets

- In 2023, **the sovereign credit rating of Greece returned to Investment Grade**, as the Greek economy has continuously performed better than expected in the fiscal and economic activity fronts.
- **Greek government bond yields** decreased in 2023 more than yields of other euro area sovereign bonds due to the credit rating upgrades of the sovereign; in 2024-to-date GGB yields have risen from their December 2023 lows, as a result of the outlook of higher policy interest rates changed, but remain significantly lower than their 2023 average.
- **Greek shares** posted a strong positive return in 2023; in 2024-to date, share prices follow an upward trend supported by the favourable growth prospects of the economy.

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 September 2023 floods in Thessaly. The revised plan was approved by the European Commission in November 2023.

Latest published projections by the BoG in the context of the September 2024 Eurosystem staff projections

Latest BoG projections

(year-on-year % changes)	2022	2023	2024 ^f	2025 ^f	2026 ^f
Real GDP	5.6	2.0	2.2	2.5	2.3
Private consumption	7.4	1.8	1.9	2.0	1.9
Government consumption	2.1	1.7	0.1	-0.5	0.1
Gross fixed capital formation	11.7	4.0	8.2	9.4	8.0
Exports (goods and services)	6.2	3.9	3.3	3.7	4.3
Imports (goods and services)	7.2	2.2	3.6	3.7	4.0
HICP (non-SA)	9.3	4.2	2.9	2.2	2.1
HICP excluding food & energy (non-SA)	4.6	5.3	3.4	2.9	2.5
Total employment	2.5	1.0	1.6	1.6	1.6
Unemployment rate (% of labour force)	12.5	11.1	10.4	9.5	8.7
Current account (% of nom.GDP)	-10.3	-6.3	-6.1	-5.3	-5.0

Source: ELSTAT and Bank of Greece.

f:forecasts

- In 2024, the Greek economy will maintain its strong growth momentum. This momentum is expected to remain in the coming years, thanks to investment, private consumption and exports.
- Private consumption will grow on average by 1.9 % over the projection horizon supported by a strengthening of households' real disposable income, as employment continues to recover, nominal wages grow notably and inflation declines.
- Investment is expected to continue to increase at a high rate, on average by 8.5% p.a. over the projection horizon, largely supported by European resources. These resources, combined with high liquidity in the banking sector, are expected to attract additional private capital. The high growth rates of investment also reflect an improvement in the economic climate, particularly after receiving the investment grade, and the significant underinvestment of the last decade.
- Total exports of goods and services are expected to continue to grow on average by 3.8% p.a. in the coming years. However, the contribution of the external sector to GDP will be marginally negative in the coming years due to the strong investment activity that would increase imports.
- Unemployment is estimated to stand at 10.4% in 2024, while it will continue to de-escalate rapidly and reach 8.7% in 2026, reflecting the ongoing recovery in economic activity in the coming years. Nominal compensation per employee will increase at a rate slightly over 5% per year because of the tightening of the labour market and as it is indicated by recent collective labour agreements.
- HICP inflation will decline significantly over the next two years. In 2024, its drop reflects the sharp decline in energy commodity prices and the de-escalation of food inflation. By the end of the projection horizon, inflation will converge towards 2% but will remain above it. Services inflation is expected to be the most persistent component, reflecting expected notable increases in wages.
- The risks surrounding the growth projections are mainly downward and relate to (a) a worsening of the economic climate and weaker external demand from the eurozone and the rest of the world (b) a deterioration of the geopolitical situation in Ukraine and the Middle East (c) a lower than expected rate of absorption and utilisation of the Recovery and Resilience Facility funds, (d) natural disasters linked to the climate crisis, (e) an intensifying tightness in the labour market and (f) a delay in implementing reforms that would slow down the process of enhancing productivity. The economy will be positively affected if tourism revenues again exceed expectations.

Supportive EU and ECB policies and measures

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

Key Challenges

Short-term economic policy challenges:

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

Medium to long-term economic policy challenges:

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

BACKGROUND INFORMATION

1. ECONOMIC ACTIVITY

Table 1.1: National accounts data

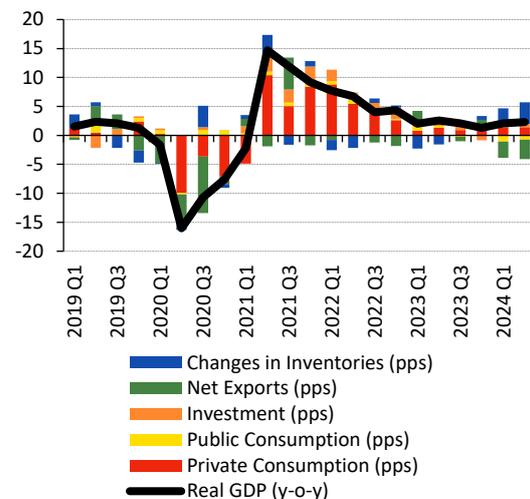
% y-o-y	2022	2023	2023		2024	
			Q3	Q4	Q1	Q2
1. GDP	5.6	2.0	2.1	1.3	2.1	2.3
-Private consumption	7.4	1.8	1.3	2.1	2.1	2.0
-Gov. expenditure	2.1	1.7	-1.1	1.4	-5.1	-3.6
-Gross fixed capital formation	11.7	4.0	5.1	-5.5	3.1	3.9
-Exports	6.2	3.7	2.7	2.6	-3.7	2.1
-Imports	7.2	2.1	4.1	0.0	3.1	9.6
2. Gross Value Added	4.7	1.2	0.1	0.4	0.8	2.0
-Services	6.0	1.6	0.5	1.1	0.6	0.6
3. Private sector savings*	10.1	8.4	8.8	8.4	7.4	...
4. Real disposable income	1.0	2.5	-2.3	3.9	-2.2	...

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

Source: ELSTAT.

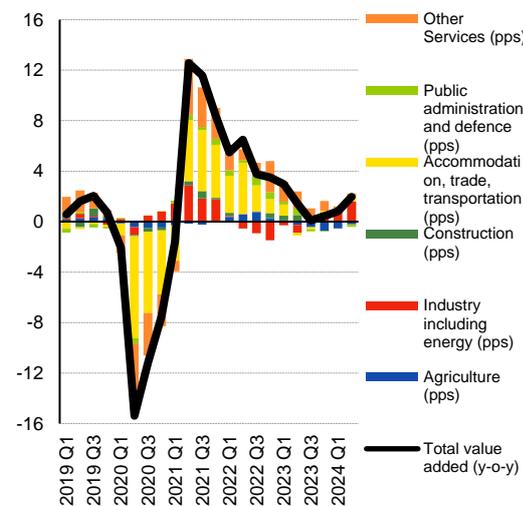
- **Economic activity** continued growing in 2024:Q2, at a higher pace compared to 2024:Q1, mainly due to private consumption and gross fixed capital formation.
- **Gross fixed capital formation** increased in 2024:Q2, largely on account of the rise in investment in transport (13.4% y-o-y) and in machinery equipment (16.3% y-o-y).
- **Output** (as measured by gross value added) increased in 2024:Q2 due to the good performance of retail, wholesale and tourist sector, and professional, scientific, technical and administrative activities. By contrast, gross value added in agriculture declined sharply.
- **Savings of the non-financial private sector** continued their downward trend, reaching 7.4% of GDP in 2024:Q1, down from 8.4% in 2023 and 10.1% in 2022. Households' dissaving deepened, while savings by non-financial corporations (NFCs) stabilized, remaining above their pre-pandemic levels (2016-2019 average: 8.0% of GDP). The strong performance of the tourism and construction sectors, among other factors, has recently fuelled corporate profits. Additionally, disbursements from the Recovery and Resilience Facility (RRF) have further boosted business savings. In contrast, the withdrawal of COVID-19 and energy support measures, the continued easing of pent-up demand, and the repayment of debt and tax liabilities have significantly weighed on household savings, keeping them more negative than the pre-pandemic four-year average (2016-2019: -2.1% of GDP).
- Nominal **disposable income of households** increased by 1.1% y-o-y in 2024:Q1 due to the positive contribution of labour income, i.e. compensation of employees and self-employed income, while real disposable income of households declined 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, September 2024.

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



Source: ELSTAT, Quarterly National Accounts, September 2024.

Table 1.2: Monthly Conjunctural Indicators

	2020	2021	2022	2023	2023					2024								2024
					Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	y-t-d
1. ESI (average=100)	95.1	105.9	104.8	107.6	111.5	107.5	105.5	105.4	105.9	107.2	104.9	108.4	108.5	110.9	110.5	106.8	106.3	-
-Consumer confidence	-32.5	-35.4	-50.7	-40.0	-35.4	-45.0	-44.7	-45.6	-40.3	-46.3	-47.2	-44.7	-41.7	-43.8	-42.7	-43.9	-48.1	-
2. PMI (50=no change)	46.6	56.2	51.8	51.6	52.9	50.3	50.8	50.9	51.3	54.7	55.7	56.9	55.2	54.9	54.0	53.2	52.9	-
3. Industrial Production, % y-o-y	-2.0	10.1	2.4	2.3	-0.2	1.8	10.3	3.3	4.5	10.2	2.0	-0.6	12.0	7.1	9.9	10.6	...	7.3
-Manufacturing Production, % y-o-y	-1.5	9.0	4.6	4.2	1.8	-0.8	9.3	2.9	5.1	5.1	2.6	-2.3	11.7	4.9	5.8	10.2	...	5.4
4. Turnover of enterprises, % y-o-y	-9.9	21.6	36.0	-2.8	-10.5	-12.8	-3.8	2.2	-13.2	-1.5	9.7	-2.0	16.1	1.5	2.7	12.7	...	5.6
5. Building permits, % y-o-y	5.9	45.9	-2.2	15.9	17.4	27.6	37.8	25.9	-12.7	9.6	75.6	13.1	27.3	3.8	...	...	...	22.0
6. Retail sales volume, % y-o-y	-4.0	10.2	3.3	-3.3	-3.4	-6.1	-4.3	0.8	-9.3	-9.5	5.3	-6.5	10.5	5.9	...	...	...	-0.7
7. New car registrations, % y-o-y	-26.6	22.2	6.7	16.5	13.1	22.3	36.0	23.7	22.1	9.4	18.5	-7.0	28.9	-0.1	2.3	5.8	-14.5	4.9
8. Tourist arrivals, % y-o-y	-78.2	105.9	96.0	20.8	10.4	12.7	14.0	27.5	32.0	16.0	26.0	31.2	13.9	21.3	8.8	4.1	...	11.2
9. Travel receipts, % y-o-y	-76.2	143.2	68.3	16.5	4.7	16.8	18.4	26.6	34.2	28.3	23.9	62.4	15.9	6.8	7.7	-4.2	...	5.6

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, despite some softening in July and August, remain at relatively high levels compared to the euro area.

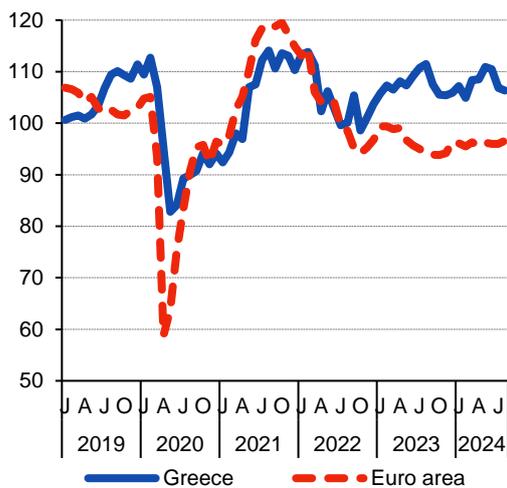
- The **ESI** has declined somewhat in August (106.3, from 106.8 in July) but remains at relatively high levels, both in absolute terms and relative to the euro area. The decline was driven by a deterioration of business expectations in the industry sector and weaker consumer confidence.
- The **PMI** stood at 52.9 in August (down from 53.2 in June) signalling an upturn in Greek manufacturing supported by an increase in output and new orders; nonetheless, the rate of growth eased for the sixth month running to the slowest since December 2023 amid softer demand conditions. On the prices front, input prices continued to rise at a steep pace, while the pace of output prices eased notably from July and was the slowest since November 2023.

Hard data are overall positive:

- A **recovery of the industrial sector** has been underway since November 2020. Industrial production continued rising at a strong pace in July 2024 mainly due to the rise in manufacturing production and electricity supply.

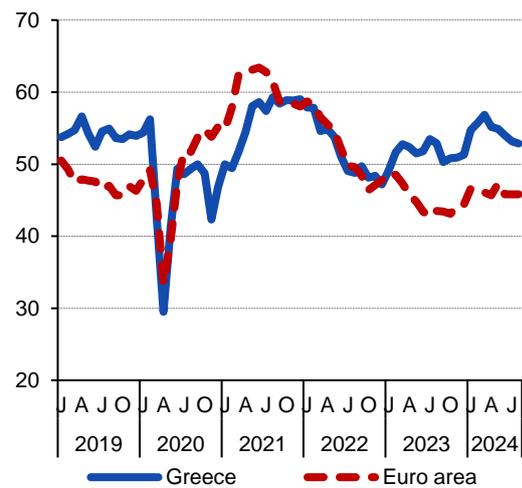
- **Manufacturing production** increased in July 2024 due to a broad based rise across most sectors, and in particular in “food and beverages”, “coke and refined petroleum products”, “chemical products”, “fabricated metal products, except the machinery and equipment” sectors.
- **The turnover of enterprises** strongly increased in July 2024, with the highest rises registered in the electricity supply, manufacturing and construction sectors.
- **The volume of building permits** strongly increased in May 2024 and in the January-May 2024 period suggesting rising building activity.
- **The retail sales volume index** increased for the second consecutive month in June 2024; as a result, retail sales rebounded in 2024:Q2 (+3.1% y-o-y).
- **New private passenger car registrations** declined in August, but remained on a positive trend in the January-August 2024 period.
- **Both tourist arrivals and receipts** increased in the period January-July 2024 by 11.2% and 5.6% y-o-y respectively, despite the slowdown in the tourist activity’s growth in the 2024:Q2 and the fall in travel receipts in July 2024 (-4.2% y-o-y). The decrease in travel receipts is attributed to the fall in receipts from travelers coming from euro area countries. Compared to pre-pandemic levels (the respective 2019 period), tourist arrivals and receipts increased by 19% and 20%, respectively.
- **International arrivals at Greek airports** increased by 9.5% y-o-y in the period January-August 2024, while international arrivals at the Athens International Airport increased by 17% y-o-y over the same period.

Chart 3: Economic Sentiment Indicator (average=100)



Source: European Commission.

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



Source: S&P Global.

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

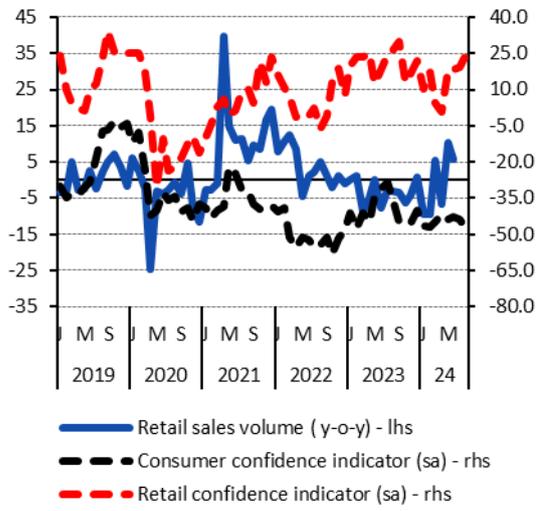
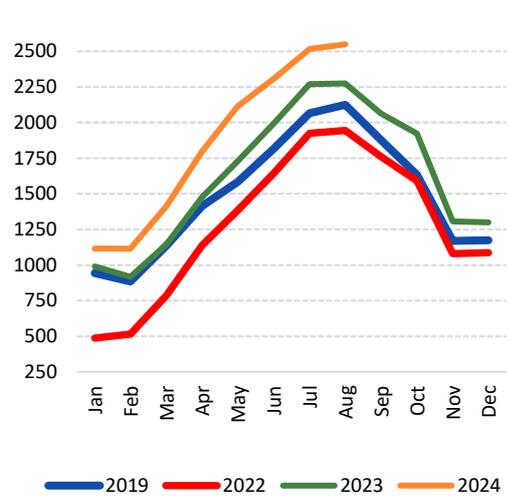


Chart 6: International arrivals at Athens International Airport
(in thousand travelers)



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

Source: Athens International Airport (AIA).

2. PRICES AND REAL ESTATE MARKET

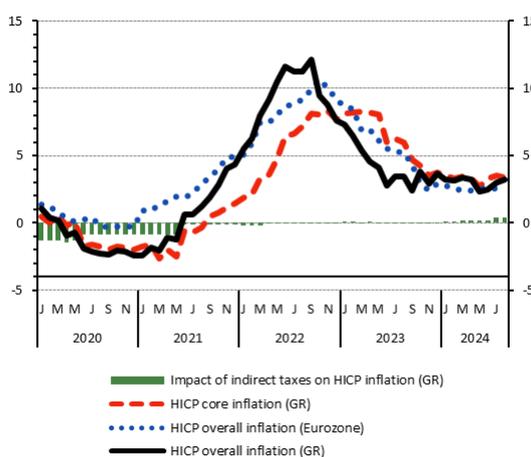
Table 2.1: Prices

% y-o-y, nsa data	2022	2023	2023	2024							
				Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
1. HICP Headline	9.3	4.2	3.7	3.2	3.1	3.4	3.2	2.4	2.5	3.0	3.2
- Energy	41.0	-13.4	-4.0	-6.5	-2.8	-1.0	-1.4	-1.8	-2.4	1.4	2.3
- Unprocessed food	10.1	11.1	12.3	11.5	8.3	7.2	6.9	2.2	-1.7	-1.2	2.0
2. HICP Core	5.7	6.2	3.8	3.5	3.3	3.5	3.3	2.7	3.3	3.5	3.4
- Processed food	9.5	9.3	5.6	5.3	4.7	3.7	3.9	2.5	2.7	2.5	2.1
- Non-energy industrial goods	5.0	6.4	2.6	2.6	1.7	2.1	1.8	1.5	1.1	0.9	1.4
- Services	4.5	4.5	3.6	3.3	3.5	4.0	3.7	3.3	4.4	5.0	4.7
3. PPI - Domestic market	33.5	-6.5	-7.4	-7.9	-6.3	-1.3	-3.2	-3.7	-2.4	-0.5	...
4. Imports Price Index	27.7	-12.3	-8.7	-6.4	-2.8	1.3	2.0	2.8	4.4	-1.6	...

Source: ELSTAT and Bank of Greece computations.

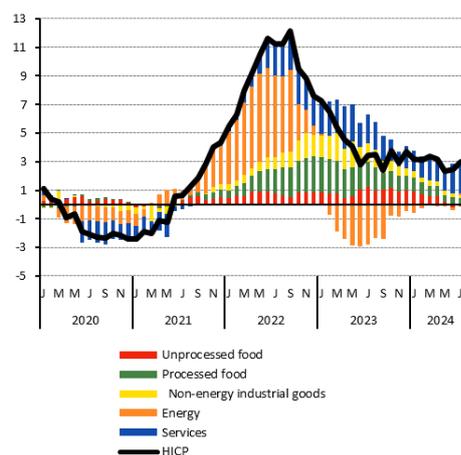
- **HICP headline inflation** steadily declined in the first half of 2023 and oscillated in the second half. In the first eight months of 2024, average inflation declined further to 3.0%. In August 2024, it increased to 3.2% from 3.0% in July, due to higher annual rates of change in energy, unprocessed food and non-energy industrial goods prices.
- **Core inflation** (HICP excluding energy and unprocessed food) remains relatively high and persistent. In August 2024, core inflation ticked down to 3.4% from 3.5% in July, due to lower inflation rates in services and in processed food which offset the increase posted by non-energy industrial goods.
- **PPI inflation** for the domestic market has turned negative since March 2023 mainly because of deflationary rates in the energy sub-index.
- **Import prices** inflation had also been negative since February 2023, reflecting the reversal of energy prices. Nevertheless, in March 2024 import price inflation returned to positive territory being thus in line with the import prices energy sub-index which also turned positive after 14 consecutive months of negative readings. In July 2024, import prices inflation turned negative again as it once again moved in line with energy inflation.

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



Sources: ELSTAT and Bank of Greece calculations.

Chart 8: HICP inflation and main contributions



Source: ELSTAT and Bank of Greece calculations.

Real Estate Market

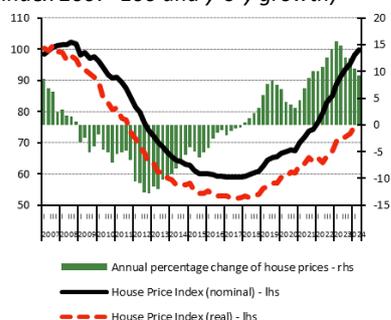
2.2 Real estate market

% y-o-y	2021	2022	2023	2022		2023		2024	2023				2024	
				H1	H2	H1	H2	H1	Q1	Q2	Q3	Q4	Q1	Q2
1. Residential property														
- Apartment prices	7.6	11.9	13.8	10.4	13.4	15.2	12.5	9.9	15.6	14.8	12.6	12.4	10.6	9.2
- Residential Investment	27.3	33.7	20.7	14.8	52.5	47.1	0.2	-10.5	48.5	45.8	27.5	-18.8	-13.9	-7.1
2. Commercial property														
- Prime office prices	1.7	3.6	5.9	2.2	4.9	6.8	5.0	-	-	-	-	-	-	-
- Prime retail prices	2.5	6.2	6.9	5.7	6.7	7.2	6.7	-	-	-	-	-	-	-
- Office rents	3.9	3.0	6.2	2.3	3.7	6.5	6.0	-	-	-	-	-	-	-
- Retail rents	1.1	4.4	5.7	4.3	4.4	6.0	5.5	-	-	-	-	-	-	-

Source: Bank of Greece, ELSTAT.

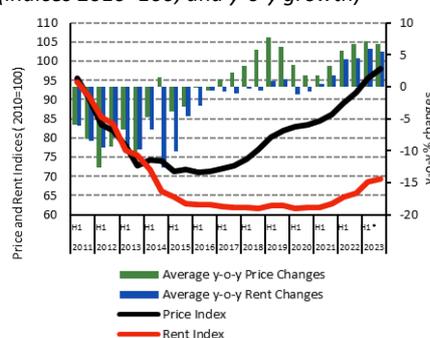
- In 2023, accelerated growth rates were recorded in both **housing and commercial property prices** (prime office and retail), with prime locations and investment property leading the market.
- **Apartment prices** further increased in 2024:Q2 by 9.2% y-o-y, though at a decelerating pace (2024:Q1 by 10.6%), registering a cumulative rise of 69.3% since 2017:Q3 (lowest level), although still 2.5% lower compared to their historical peak in 2008:Q3. On the contrary, residential investment (seasonally adjusted ELSTAT data at constant prices) decreased, on an annual basis, by 7.1% in 2024:Q2 and still remains at a low level as a percentage of GDP (1.8%).
- In 2023:H2, **prime office prices** increased by 5.0% y-o-y, and **prime retail prices** increased by 6.7% y-o-y. A notable increase was also recorded in both office and retail rents.

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



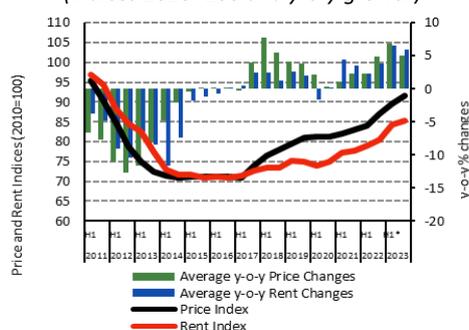
Source: Bank of Greece.

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



Source: Bank of Greece.

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



Source: Bank of Greece.

3. LABOUR MARKET AND COSTS

Table 3: Labour market developments

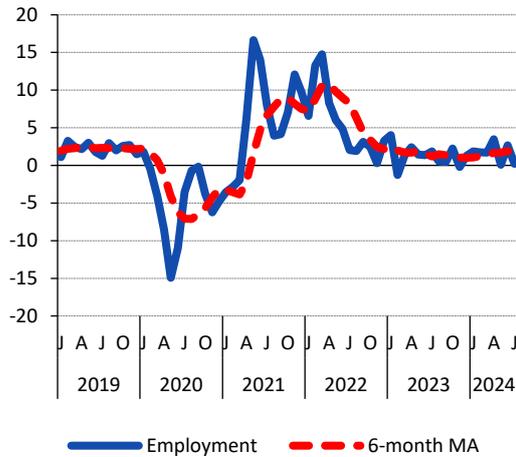
	2023	2023		2024		2024					y-t-d
		Q3	Q4	Q1	Q2	Apr	May	Jun	Jul	Aug	
1. Labour Force Survey											
- Total employment (% y-o-y)	1.3	1.0	1.2	1.8	2.2	3.5	0.1	2.7	0.2	...	2.0
- Employees (% y-o-y)	0.4	-0.8	-0.3	1.2	1.6	...	...	...	...	...	1.4
- Self-employed (% y-o-y)	2.0	3.6	3.1	3.1	2.0	...	...	...	...	...	2.6
- Unemployment rate ¹	11.1	10.8	10.5	12.1	9.8	10.5	10.3	9.5	9.9	...	...
- Long-term unemployed (as % of unemployed)	56.0	60.3	50.8	52.0	53.2	...	...	...	...	...	...
2. ERGANI Information System											
- Net dependent employment flows in the private sector (thousands)	116.6	7.2	-195.5	56.2	283.0	132.4	126.7	24.0	...	...	339.2
- Share of part-time and intermittent jobs (% new hirings)	48.6	52.0	50.6	47.1	43.0	36.4	43.6	49.4	...	...	44.6
3. Registered unemployed (DYPA) (%y-o-y)	-4.5	-4.8	-3.7	-5.0	-6.4	-5.9	-6.8	-6.5	-5.9	...	-5.7
4. Employment Expectations Index	110.3	113.2	115.8	116.3	120.6	122.5	122.6	116.7	112.3	117.1	...
5. Labour Costs											
- Compensation per employee (% y-o-y)	5.5	5.9	5.3	4.8	...	...	...	...	...	...	...
- Labour productivity (% y-o-y)	1.0	1.2	0.4	0.6	...	...	...	...	...	...	...
- Unit labour cost (% y-o-y)	4.5	4.7	4.9	4.2	...	...	...	...	...	...	...

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

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

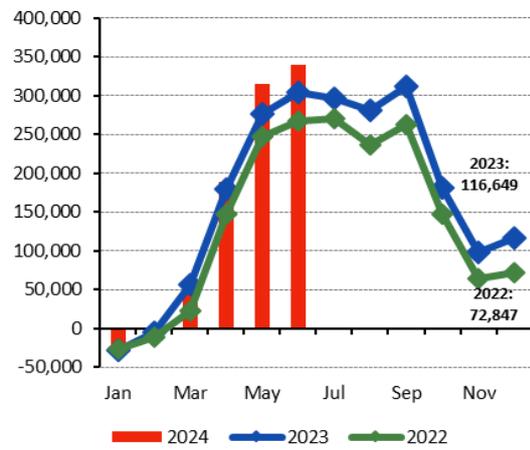
- **Total employment** rose in 2024:Q2, mainly due to employment growth in construction, tourism, agriculture and health sectors. Latest monthly LFS data suggest that employment growth was slightly accelerated in July 2024.
- The **unemployment rate** decreased in 2024:Q2 by 1.4 percentage points compared to 2023:Q2. The share of long-term unemployed declined by 6.7 percentage points. In July 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 June 2024, dependent employment net flows in the private sector were positive due to hirings in hotels and restaurants. In addition, in the first six months of 2024, net flows of dependent employment in the private sector were much higher compared to the corresponding period of 2023.
- **The number of registered unemployed (DYPA data)** decreased in July 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 in August 2024 compared to July 2024, due to an improvement of expectations in all sectors.
- **Unit Labour Costs (ULC)** increased in 2024:Q2, as labour productivity increased at a slower pace than compensation per employee.
- **The ELSTAT Index of Wages** for the total economy increased by 8.6% in 2024:Q2.
- **Outlays for the remuneration of employees in the general government** (incl. social security contributions) rose by 6.0% y-o-y in the January-July 2024 period. They had risen by 3.1% in 2023 as a whole.
- 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)



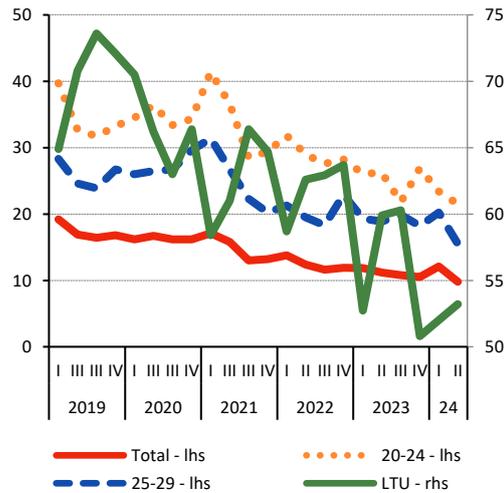
Source: ELSTAT, Labour Force Survey.

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



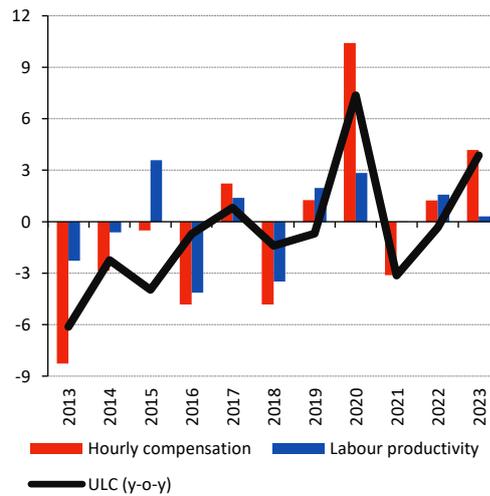
Source: ERGANI.

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 - June 2024, 135 new firm-level agreements were signed, covering 92,378 employees; of these, 51 agreements provided for wage increases, whereas the rest did not provide for any wage changes. In 2023, 209 new firm-level agreements were signed, covering 137,179 employees; of these, 59 agreements provided for wage increases, whereas the rest did not provide for any wage changes.

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

Recent selected wage agreements:

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

Minimum wages

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

Labour market policies

- The new labour law (L.5053/2023) establishes rules to simplify administrative procedures and protect the employees. In particular, it provides, inter alia: the possibility to work for more than one employer, new flexible employment contracts, six-day work with an increased daily wage, increased fines for violations of undeclared work, a probationary period of six months instead of one year for a hired employee, counting in-house training as paid work time, simplification of bureaucratic procedures for businesses that choose to implement the digital work card, criminalization of labour obstruction, creation of a digital job-finding platform. Also, the suspension of the seniority allowance is lifted from 1/1/2024 for employees in the private sector, without retroactivity (restoration of the three-year allowances, which have been suspended since 2012).
- As of July 1, 2024, the digital work card in industry and retail is fully implemented. Gradually, the application of the measure will be extended to all businesses in the country.
- At the same time, the possibility of declaring and applying six-day work has been activated in businesses that by their nature are in continuous operation and in those that already operate on a 24-hour basis five or six days a week. The possibility of six-day work was established by articles 25 and 26 of Law 5053/2023 with the aim of combating undeclared work and also increasing the income of employees, since their daily wage for the 6th day is increased by 40%.

4. EXTERNAL BALANCES, COMPETITIVENESS

4.1 Current account							
	2021	2022	2023	2024			
				May	Jun	Jul	y-t-d
Current Account , bn (%GDP)	-12.3 (-6.8%)	-21.2 (-10.3%)	-14.0 (-6.3%)	-2.4	0.3	0.2	-8.6
Goods balance , bn (%GDP)	-26.7 (-14.7%)	-39.6 (-19.1%)	-32.4 (-14.7%)	-3.5	-2.5	-2.8	-20.3
Exports of goods (% y-o-y)	36.1	36.7	-8.0	2.7	3.3	8.3	-1.3
- Exports of non-fuel goods (% y-o-y)	27.7	24.2	-2.7	-6.6	-5.8	7.5	-2.7
Imports of goods (% y-o-y)	39.2	41.3	-12.3	7.7	-1.4	8.4	4.1
- Imports of non-fuel goods (% y-o-y)	31.0	25.0	-2.8	-4.7	-1.5	13.6	5.4
Real trade in goods flows (% y-o-y)							
Real exports of goods (% y-o-y)	17.8	4.9	-4.0	-3.2	-2.0	5.9	-4.3
- Real exports of non-fuel goods (% y-o-y)	21.0	7.7	-6.4	-10.4	-9.2	4.8	-5.6
Real imports of goods (% y-o-y)	23.9	17.5	-4.6	2.3	-3.1	10.6	4.8
- Real imports of non-fuel goods (% y-o-y)	27.5	16.8	-4.0	-4.8	-1.8	13.2	5.7
Services balance , bn (%GDP)	12.8 (7.1%)	19.4 (9.4%)	21.9 (9.9%)	1.9	3.2	4.2	11.4
Exports of services (% y-o-y)	54.4	36.2	2.8	6.2	6.9	2.6	6.1
- Travel receipts (% y-o-y)	143.2	68.3	16.5	6.8	7.7	-4.2	5.6
- Transportation receipts (% y-o-y)	35.6	25.1	-10.4	2.5	8.6	13.6	3.9
Imports of services (% y-o-y)	43.9	27.7	-4.1	7.6	7.0	17.1	8.3
Non-residents' arrivals (% y-o-y)	99.4	89.3	17.6	21.3	8.8	4.1	11.2
Average expenditure per trip (% y-o-y)	20.2	-11.7	-2.7	-12.2	-1.4	...	-9.1*
Income balance , bn (%GDP)	1.6 (0.9%)	-1.1 (-0.5%)	-3.5 (-1.6%)	-0.8	-0.4	-1.1	0.3
FDI inflows, bn	5.6	7.5	4.6	0.1	0.5	0.5	2.6

Source: Bank of Greece

*January-June

Current account: January-July 2024

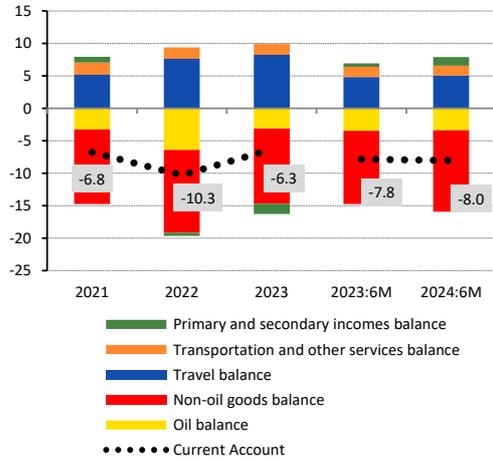
- The **current account deficit** rose, compared to the corresponding period of 2023, due to a deterioration in the balance of goods and, to a lesser extent, in the primary income account, which was partly offset by an improvement mainly in the secondary income account but also in the balance of services.
- **Real exports of goods** decreased as non-fuel goods exports declined. Food, pharmaceuticals and textiles exports contributed to the decrease.
- **Real imports of goods**, recorded an increase, mainly driven by imports of industrial and capital goods and, to a lesser extent, of non-durable consumer goods and transportation equipment.
- The **services balance surplus** recorded an increase y-o-y, reflecting an improvement primarily in travel and secondarily in transport balances. Non-residents' arrivals and receipts increased by 11.2% and 5.6%, respectively.
- The **transport surplus** increased mainly due to an improvement in the sea transport balance. Freight rates (based on the ClarkSea Index) increased by 9.3% y-o-y; dry bulk rates increased by 51.7%, while tanker rates decreased by 2.2%.
- **FDI inflows** were mainly directed to manufacturing, transportation and storage and real estate. The main countries of origin were Germany, France and Hong Kong.

Current account: July 2024

- The surplus of **current account** decreased y-o-y, mainly due to a deterioration in the balance of goods, the balance of services and the primary income account, while the secondary income account slightly improved.
- **The goods deficit** widened reflecting a larger increase in imports than in exports.
- In real terms, imports of non-oil goods increased, more than the corresponding exports.

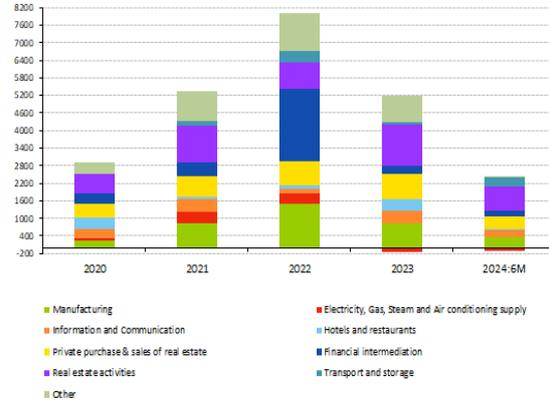
- The surplus of the **services balance** decreased due to a deterioration in the travel services balance and the transport balance. **Non-residents' arrivals** increased by 4.1%, while the relevant **receipts** decreased by 4.2%.

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



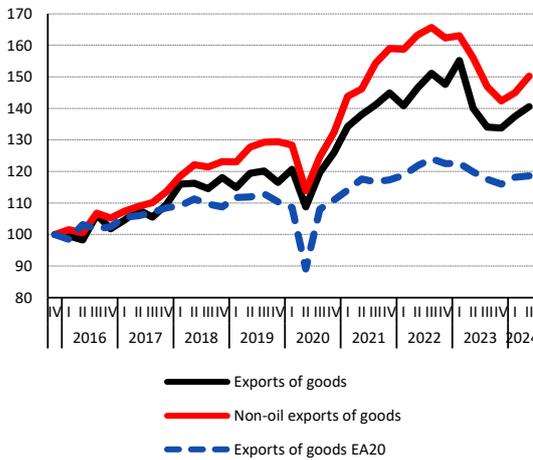
Source: Bank of Greece (for BoP statistics) and EL.STAT. (for GDP).

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



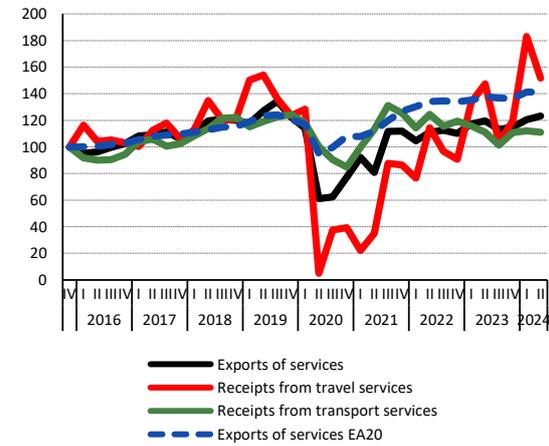
Source: Bank of Greece, Statistics Department. *Provisional data 2021 - 2024*
 Note 1: The FDI components in the chart do not add up to the total amount of direct investment inflows reported in Table due to the different underlying methodologies.

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



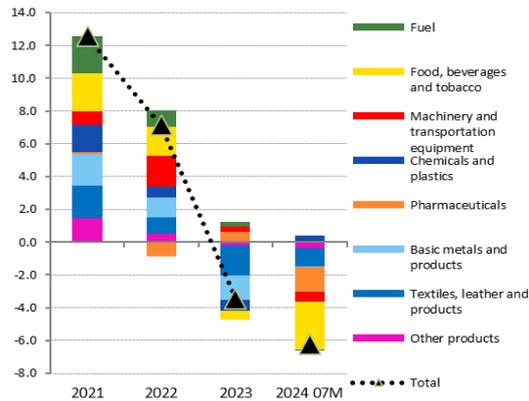
Sources: Bank of Greece (BoP statistics) and Eurostat (for EA 20). Bank of Greece calculations.

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



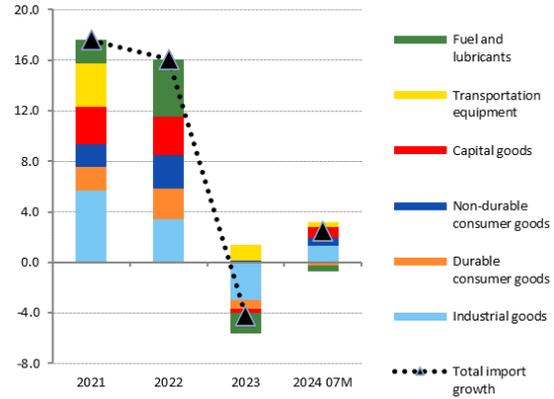
Sources: Bank of Greece (BoP statistics) and Eurostat (for EA 20). Bank of Greece calculations.

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



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

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



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

EU funds

4.2 EU funds (mn euro)

	2021	2022	2023	2024			
				May	Jun	Jul	y-t-d
- Structural funds	2391	2318	1256	0.0	0.0	0.0	0.0
- Farmers' subsidies	2213	1963	2493	0.7	764.2	44.6	1774.9
- NGEU							
° Recovery and Resilience Facility (RRF)-grants	2310	1718	3405	...	...	...	159
° Recovery and Resilience Facility (RRF)-loans	1655	1845	3793	...	...	2300	2300

Source: Bank of Greece

- In the first seven months of 2024, Greece received €1.8 bn from farmers' subsidies, following the receipt of €2.5 bn in 2023, whereas no significant disbursements were made regarding structural funds that reached €1.3 bn in the previous year. The implementation of the Multiannual Financial Framework (MFF) 2021-2027 has already started, though still at a slow pace – €1.7 bn have been disbursed since the beginning of the program.
- Regarding the Recovery and Resilience Facility (RRF), €7.6 bn in grants and €9.6 bn in loans have already been received by Greece since 2021 (NGEU including REPowerEU). On 25.01.2024 Greece received €158.7 mn as pre-financing under REPowerEU – €5.0 bn loans and €0.8 bn grants were made available for Greece under the specific plan – while on April 17 and on June 6, 2024, Greece submitted the 4th payment requests concerning €2.3 bn in loans and €1.0 bn in grants, in terms of the RRF, respectively. The amount of €2.3 bn that concerns loans was disbursed on July 23, 2024, whereas the Commission endorsed a positive preliminary assessment of the country's fourth payment request for €1.0 bn in grants on September 4, 2024.
- 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	
			Q3	Q4	Q1	Q2
HCI NEER ¹	-1.0	3.8	6.0	4.3	3.4	2.4
HCI REER-ULC based competitiveness ²	-5.9	0.4	1.6	0.8	-0.1	...
HCI REER-HICP based competitiveness ²	-1.2	1.5	3.0	3.1	2.0	0.3

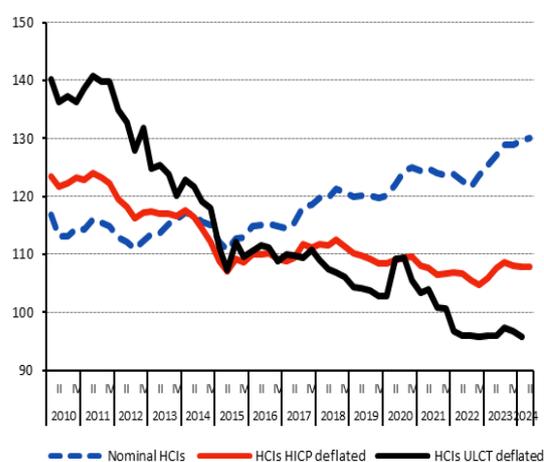
Source: ECB

1: + appreciation of euro

2: + deterioration of competitiveness

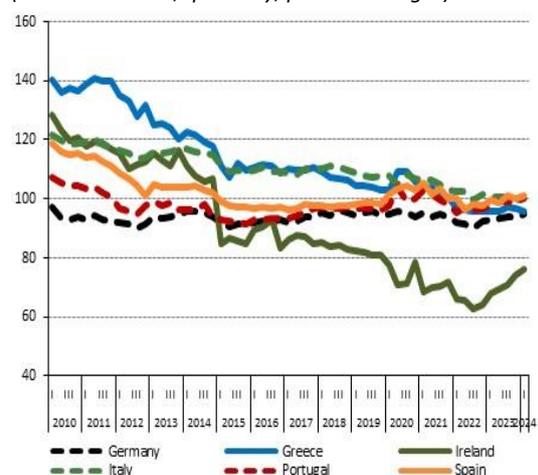
- The nominal effective exchange rate:** Based on ECB Harmonised Competitiveness Indicators (HCIs), the nominal effective exchange rate appreciated further, although at a smaller rate, in 2024:Q2 for the fifth consecutive quarter due to the appreciation of the euro.
- Labour cost competitiveness:** ULC-based 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 and remained stable during 2024:Q1 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 with a decreasing growth rate during 2023:Q2-2024:Q1 as the impact of the significant nominal appreciation during these quarters was only partly offset since Greece's inflation was lower towards its main trading partners inside and outside eurozone.

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



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

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



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

Non-price or structural competitiveness

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

Indicator	International Organization	Date published	Latest Ranking (Total countries)	Previous Ranking (Total countries)	Positions Moved
World Competitiveness Ranking	<i>IMD</i>	<i>20.06.2024</i>	<i>47 (64)</i>	<i>49 (64)</i>	<i>+2</i>
	Improvement was recorded in the sub-index of government efficiency (up to 52nd from 53rd), business efficiency (up to 44th from 48th) and economic performance (up to 52nd from 58th) while infrastructure remained stable (40th). According to IMD, the main challenges for Greece now include: the need for increasing investments aimed at expanding the production base of the country, reforming the vocational education and training system in order to address labor shortages and skills mismatches, introducing policies that support the green and digital transition of enterprises, reforming the judiciary system in order to speed up the overall time for reaching decisions and simplifying the regulatory framework concerning entrepreneurship.				
Worldwide Governance Indicators (WGI)	<i>The World Bank</i>	<i>11.05.2023</i>	<i>80 (212)</i>	<i>74 (210)</i>	<i>-6</i>
	There is no composite indicator and average ranking is shown at this table. Greece lowered its average ranking by six positions. Specifically, deterioration occurred at all subcomponents, but more intense in the indicators of Control of Corruption (93rd from 81st) and Rule of Law (86th from 79th), while the least was recorded in Regulatory Quality (70th from 69th).				
Tax International Competitiveness Index	<i>Tax Foundation</i>	<i>18.10.2023</i>	<i>25 (38)</i>	<i>25 (38)</i>	<i>-</i>
	Greece's rank remained stagnant according to the new methodology used and its overall absolute score lowered by 1.5 points as its consumption taxes and cross-border tax rules scores deteriorated, while individual taxes and property taxes scores improved. Corporate tax score remained stable. Strengths: The net personal tax rate of 5 percent on dividends is significantly below the OECD average of 24.2 percent; corporate income tax rate of 22 percent is below the OECD average of 23.6 percent; and controlled foreign corporation rules in Greece are modest and only apply to passive income. Weaknesses: Companies are severely limited in the amount of net operating losses they can use to offset future profits; companies cannot use losses to reduce past taxable income; there is a relatively narrow tax treaty network (56 treaties compared to an OECD average of 74 treaties); and VAT rates at 24 percent, is one of the highest in the OECD on one of the narrowest bases, covering only 36 percent of final consumption.				

5. FISCAL DEVELOPMENTS

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

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

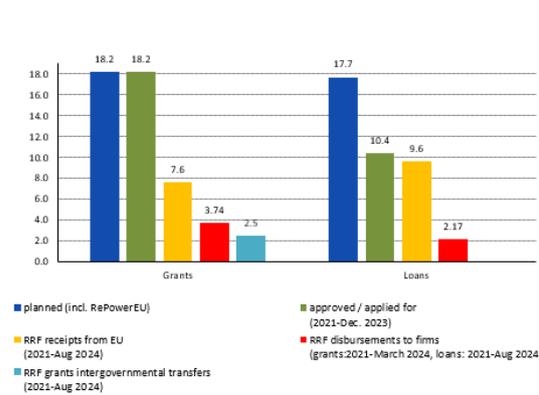
Source: ELSTAT (2022-23) and Ministry of Finance, Stability 2024 (2024-25)

- The 2023 **general government primary outcome**, as published in the context of the 1st EDP notification (22.04.2024), outperformed the projection included in 2024 Budget and recorded a surplus of 1.9% of GDP mainly on account of higher than expected tax revenues, as well as primary expenditure containment due to delays in the hiring process of public employees as well as lower energy prices.
- According to the **Stability Programme 2024**, the general government primary outcome is estimated at a primary surplus of 2.1% of GDP in 2024 and in 2025 (on the back of improved economic growth +2.5% in 2024 and +2.6% in 2025). Public debt as a share of GDP is projected at 152.7% of GDP, in 2024, and at 146.3% of GDP in 2025. The fiscal outlook is assessed to be in line with the provisions of the revised Stability and Growth Pact.
- **Energy measures** in 2024 largely unwind and are exclusively targeted to low income groups, fully financed by resources of the Green Transition Fund.
- **Fiscal measures:** Explicitly reported in the Budget 2024 fiscal measures amount to 1.1% of GDP in 2024 (i.e. unified payment reform for public employees, increased tax-free threshold for families, extension of the maternity leave for self-employed and farmers to 9 months, reduction of property tax by 10% for insured residencies and a permanent reduction of VAT rates in transport and tourism). Additionally, the 2024 Budget incorporates the cost of the financial support and repairs in key infrastructure and accommodation that was decided following the multiple natural disasters this summer (0.3% and 0.1% of GDP in 2023 and 2024 respectively). Finally, the 2024 budget contains fiscal interventions designed to combat tax evasion. Amongst them, the reform of the taxation of the self-employed is expected to secure additional revenues of at least €600 million, which will fund the reduction of the special levy on the self-employed (lump-sum tax of self-employed) as well as health and education costs. On top of the above measures, the Stability Programme 2024 incorporates new targeted measures, i.e. the increase of birth benefit, the increase of hospital doctors' compensation and the return of special diesel levy to farmers, as well as the increase of the nationally financed public investment budget expenditure. All these measures amount to 0.2% of GDP which is projected to be financed by the positive carry over effect of tax collections. In August, the government announced a series of support measures for those affected by the recent wildfires. However, their cost will be covered by a dedicated provision in the 2024 budget catering for natural disasters. In September, based on the overperformance of the tax revenue, the government announced additional one-off measures for 2024 amounting €0.2 bn (low-income pensioners' support and disability benefits) and permanent measures for 2025 amounting €1.22 bn (reduction by 1pp in social security contributions, pension increases by 2.3% and abolition of the lump-sum tax of the self-employed). Also, a supplementary public investment budget in 2024 of €0.9 bn was announced, to be financed by increased tax revenue receipts.

- **Recovery and Resilience Facility (RRF):**

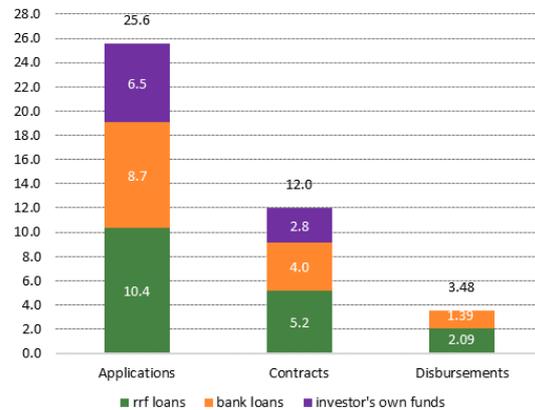
- **Absorption:** Greece is progressing well compared to peers regarding the **RRF receipts based** on the successfully completion of the respective **milestones and targets**. So far Greece has received €17.2bn from the RRF (€7.6 for grants and €9.6 for loans), that is 48% out of the total envelop of €36 bn (being among the top 6 countries above EU average), having successfully completed 23% of the total landmarks and targets. In September 2024, the request for the fourth grant tranche was approved (€1bn); it is expected to be received in early October.
- **Execution:** The **loan component** (signing of contracts) is progressing in line with the original schedule. However, the **grant component** (payment execution) has become more backloaded than originally projected mainly due to administrative burden heavier than originally anticipated, as also witnessed in most EU countries.
- More specifically:
 - **Grants:** Out of a total envelope of €18.2 bn, cash receipts from the EU amount to €7.6 bn. Until March 2024, the entire project envelope has been approved, of which €3.74 bn have been disbursed to firms. Another €2.5 bn have been transferred from the state to other general government entities until August 2024.
 - **Loans:** Out of a total envelope of €17.7 bn, cash receipts from the EU amount to €9.6 bn. Until August 2024 €2.2 bn had been disbursed to firms. The contracted projects amount €5.2 bn fully in line with the respective target.

Chart 24: RRF funds
(€ bn)



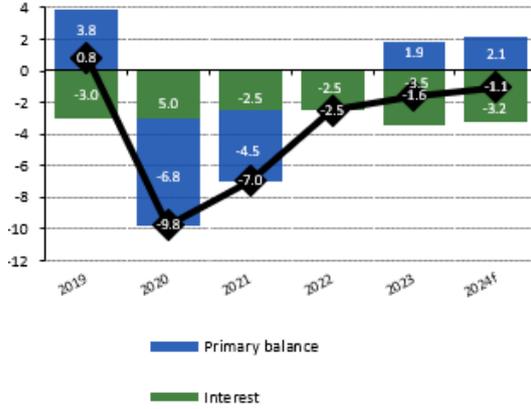
Source: Ministry of Finance

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



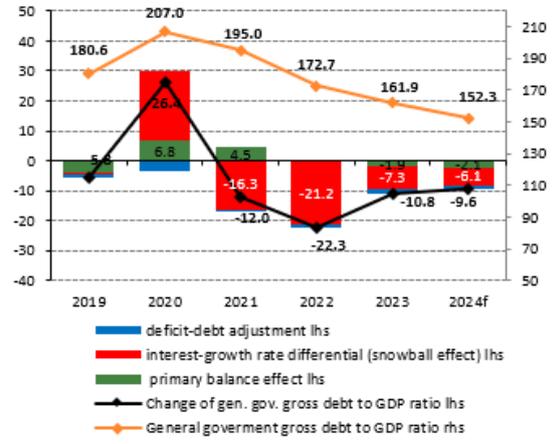
Source: Ministry of Finance, Bank of Greece

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



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

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



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

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

	Annual			Quarterly		
	2021	2022	2023	2023 Q1	2024 Q1	2024 Q1-Q2
Balance	-7.0	-2.5	-1.6	-2.3	-1.1	
Primary balance	-4.5	0.0	1.9	-1.5	-0.3	
Revenue	50.7	50.6	48.9	9.4	9.8	
Primary expenditure	55.2	50.6	47.1	10.9	10.1	
Public Debt (stock)	195.0	172.7	161.9	161.5	154.0	154.0*

Source: ELSTAT, PDMA

*PDMA estimates (Public Debt Bulletin Aug. 2024)

Annual General Government figures – ESA 2010 (2023)

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

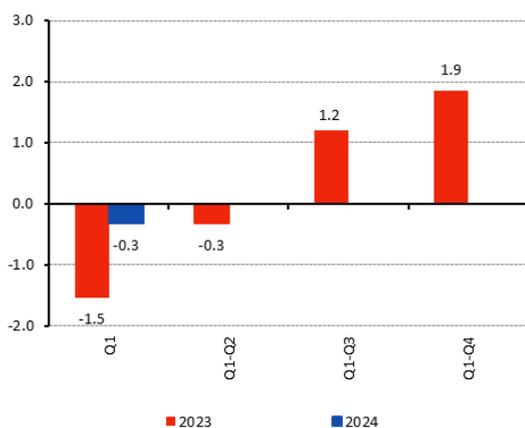
- The improvement in the primary balance mainly reflects a decrease in the share of primary expenditure as a % of GDP (by 3.5 p.p.) which overcompensated the decrease in the share of revenue (by 1.7 p.p.). Y-o-y, primary expenditure decreased by 0.8%, mainly driven by a decrease in subsidies (-65.2%),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

Quarterly General Government figures – ESA 2010 (2024 Q1)

The general government primary balance improved as a % of GDP (by 1.1 pp) in the first quarter of 2024 against the same period in 2023 primarily due to a base effect arising from the unwinding of 2023 energy measures.

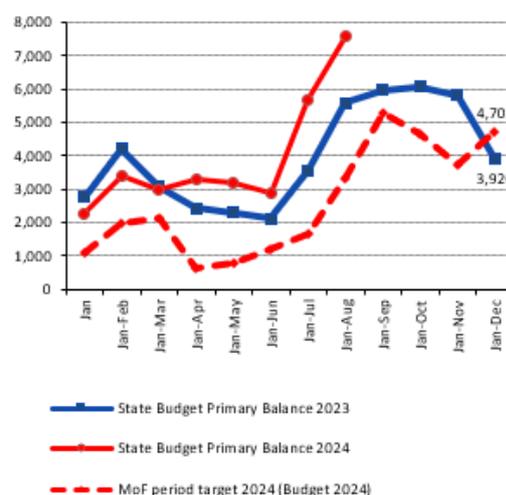
- Revenues increased y-o-y (+9.8%) in the first quarter of 2024 due to increased tax and EU revenues. Primary expenditure decreased (-2.6%) mainly due to the withdrawal of subsidies in the context of energy support measures and the decrease in intermediate consumption due to subsiding inflation.
- Public debt decreased by 7.9 pp of GDP compared to 2023:Q4, due to the rise in nominal GDP but also due to a slight decline in public debt outstanding by €0.7 bn.
- According to PDMA estimates, general government debt in Q2 2024 was €355.9 bn (154.0% of GDP), 100% of which was at a fixed rate. The weighted average maturity stood at 19.24 years, while the time to next refixing at 18.77 years. The cost of debt, as measured by the actual general government debt annual interest payments after swap (cash basis) as a proportion of public debt stood at 1.32%.

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
	July	
General Government primary balance	1.7	2.2
Stock of arrears (€ bn)	2.6	3.2
Central Government debt	183.9	176.0
State budget primary balance	1.6	2.5
State budget primary balance period target	0.8	0.7

Source: Ministry of Finance

- In January-July 2024, **the primary general government cash outcome** recorded a higher surplus than the surplus achieved in January-July 2023. The improvement is largely due to increased tax revenue, on account of direct taxes as a result of both higher business profits and increased civil servant wages, as well as indirect taxes as a result of earlier receipt of the first installment of property taxation. Expenditure increased mainly on account of higher social transfers related to increases in pensions through the indexation mechanism (+2.95%), higher compensation of employees due to the increases in wages, as well as higher investment expenditure.
- In January-July 2024, **the stock of arrears** (excluding pension claims) increased by €0.4bn (mainly in hospitals) compared to December 2023. About 46% of total arrears (excluding tax refunds) originate in hospitals due to their reporting pre-clawback¹.
- **Central Government Debt** at end-July 2024 was €406.6 bn (176.0% of GDP) compared to €407.1 bn

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.

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

- The **State primary balance** in January-August 2024 recorded a surplus (3.3 % of GDP) compared to a lower surplus (2.5% of GDP) in the same period in 2023. Compared to the period target (according to the Budget 2024), the primary balance over-performed by €4.3 bn in 2024 mainly due to higher revenue – tax (partly accrued back to 2023) and public investment, as well as lower primary expenditure due to the time differentiation of transfers to social security funds and military expenditure. In the opposite direction, public investment expenditure (excluding RRF) overshot the target.

Financing

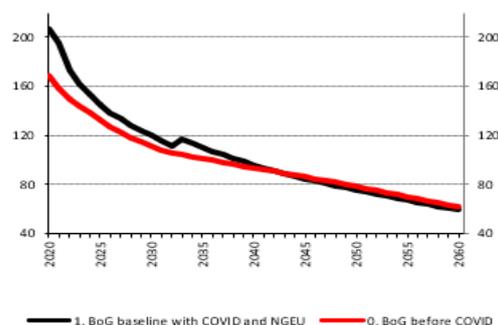
In 2024, Greece has so far attracted €9.1 bn from the capital markets: In January 2024, Greece attracted €250 mn from the capital markets from the re-opening of a 5-year bond with a yield of 2.72%. In February, Greece further attracted another €4.0 bn from the issuance of a 10-year bond with a yield of 3.478% and €400 mn from the reopenings of the 5-yr and the 10-yr bonds of 2023 with yields of 2.85% and 3.32%, respectively. In March, Greece further attracted €0.25 bn from the re-opening of the 5-year bond of 2023 with a yield of 2.85%. In April Greece reopened an issue maturing in February 2035 to attract €0.2 bn, and issued a 30-year bond with a yield of 4.241% in order to attract €3 bn. In May, Greece further attracted €0.25 bn from the re-opening of the 10-year bond with a yield of 3.51%. In June, Greece reopened an issue maturing in June 2034 to attract €0.2 bn. In July Greece attracted €0.25bn from the re-opening of the 5-year bond with a yield of 2.81%. Finally, in September Greece attracted €0.25 bn from the re-opening of the 10-year bond with a yield of 3.11%.

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.

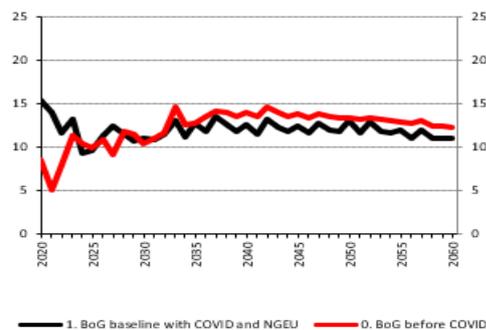
Despite higher market and policy rates, risks to debt sustainability remain contained in the medium term. This mainly reflects (i) the highly concessional terms of official sector loans (involving grace periods, long maturities and interest deferrals) comprising the bulk of the accumulated debt stock, (ii) a 100% share of fixed-rate debt of the central government (at end-June 2024) and (iii) a very sizeable cash buffer in excess of 15% of GDP (at end-June 2024). 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

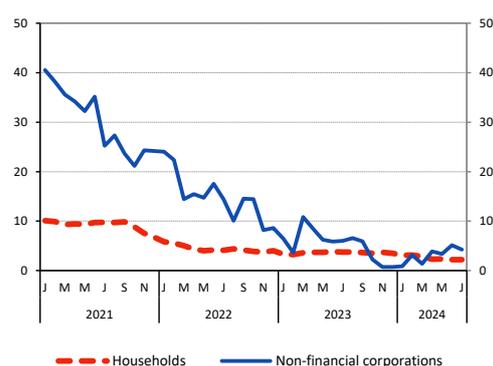
EUR mn	End-of-month stock	Cumulative net flow			Monthly net flow			Annual rate of change %					
		2021	2022	2023	2024			2021	2022	2023	2024		
					May	Jun	Jul				May	Jun	Jul
Private sector	194,124	16,158	8,047	5,752	303	3,826	-607	9.9	4.5	3.0	2.5	2.9	2.7
-NFCs	44,483	7,822	3,469	324	559	3,283	-781	24.2	8.6	0.7	3.4	5.1	4.2
-HHs	145,906	8,528	5,444	4,984	-274	775	173	6.8	4.0	3.5	2.3	2.2	2.2

Source: Bank of Greece.

- During 2023, **private sector deposits** increased by €5.8 bn in total mainly owing to the rise in the deposits of households (€+5.0 bn) (NFCs: €+0.3 bn) (Charts 32 and 33). In the first seven months of 2024, private deposits declined by €0.7 bn mostly reflecting a reduction in the deposits of households (€0.8 bn).
- In July 2024, **bank deposits** of non-financial corporations declined by €0.8 by and those of households rose by €0.2 bn.
- In July 2024, the annual rate of growth of household deposits with an agreed maturity (time deposits) decelerated further (to 7.5%) as the reallocation of funds from overnight deposits to time deposits that took place in 2023 following the tightening of monetary policy, has come to an end.
- Significant inflows from households have also been recorded in 2023 and the first quarter of 2024 into alternative saving options offering returns higher than deposits.

Chart 32: Bank deposits

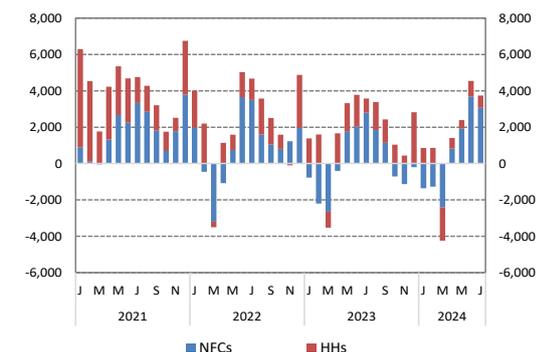
(annual rate of change %)



Source: Bank of Greece.

Chart 33: Bank deposits

(net flow, 3-month moving sum, in EUR millions)



Source: Bank of Greece.

Bank credit and interest rates

6.2 Bank credit

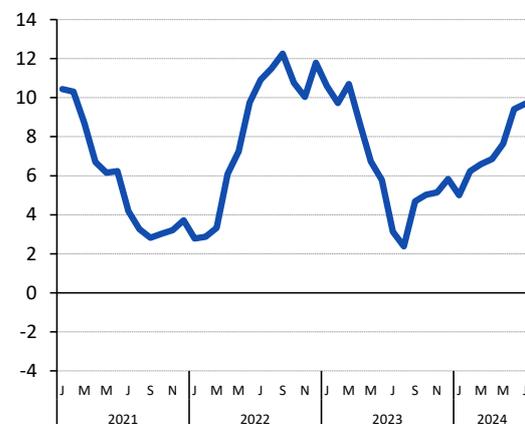
EUR mn	End-of-month stock	Cumulative net flow			Monthly net flow			Annual rate of change %					
		2024 Jul	2021	2022	2023	2024			2021	2022	2023	2024	
					May	Jun	Jul				May	Jun	Jul
NFCs	68,489	2,477	6,837	3,759	78	2,633	-1,084	3.7	11.8	5.9	7.6	9.4	9.7
Sole proprietors	4,474	155	-44	-60	-7	67	-67	2	-0.9	-1.3	0.3	-0.5	0.2
HHs	36,480	-1,437	-1,008	-769	-32	88	-9	-2.4	-2.5	-2.0	-1.0	-0.9	-0.8
-Housing loans	27,377	-1,376	-1,113	-1,046	-53	-43	-74	-3.0	-3.6	-3.5	-2.8	-2.9	-2.7
-Consumer loans	8,866	-44	112	294	7	120	68	-0.3	1.2	3.4	5.3	5.5	5.8
New bank term loans to NFCs (gross flow)	-	11,851	22,200	16,957	1,230	3,913	2,352	-	-	-	-	-	-
New bank term loans to HHs (gross flow)	-	2,022	2,405	2,497	249	256	299	-	-	-	-	-	-

Source: Bank of Greece.

- Following the peak reached in September 2022 (12.3%) corporate bank credit expansion eased considerably owing to higher interest rates and the weakening in economic growth underpinning lower loan demand. However, since September 2023 the annual growth in corporate loans has rebounded (Chart 34).
- In July 2024, **bank credit to NFCs** (based on net flows) decreased by €1.1 bn; still, the annual rate of growth accelerated to 9.7%.
- The contraction of **bank loans to households** continues in 2024 reflecting shrinking housing loans, albeit at a gradually decelerating pace; consumer loans have been recording positive rates of growth already since mid-2022 (Chart 35).
- In July 2024, the contraction rate of housing loans decelerated to -2.7% and the annual growth rate of consumer loans rose to 5.8%.
- According to the AnaCredit data, new loan disbursements to non-financial corporations in 2023 reached around €9 bn, standing lower by one-third compared to 2022, consistent with monetary policy tightening, but still well above the corresponding amount in 2021 (€ 7.0 bn) (Chart 36). In January-July 2024, new corporate loan disbursements stood at € 7.3 bn compared to € 4.7 bn in the same period last year.

Chart 34: Bank credit to NFCs

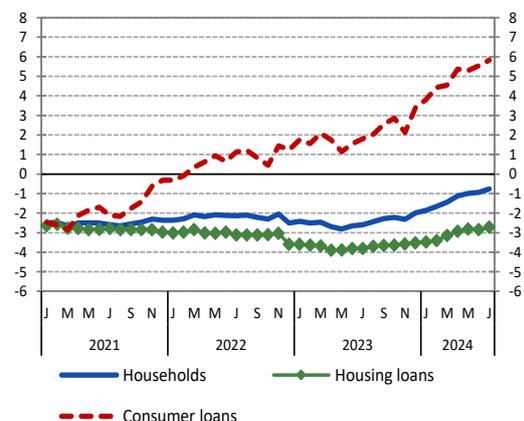
(annual rate of change %)



Source: Bank of Greece.

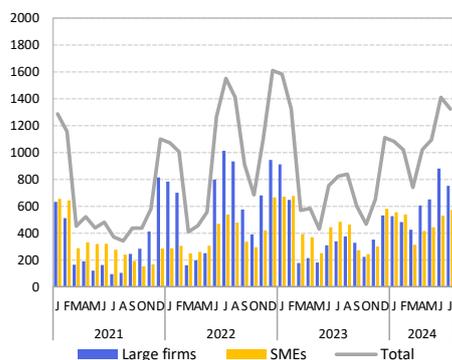
Chart 35: Bank credit to households

(annual rate of change %)



Source: Bank of Greece.

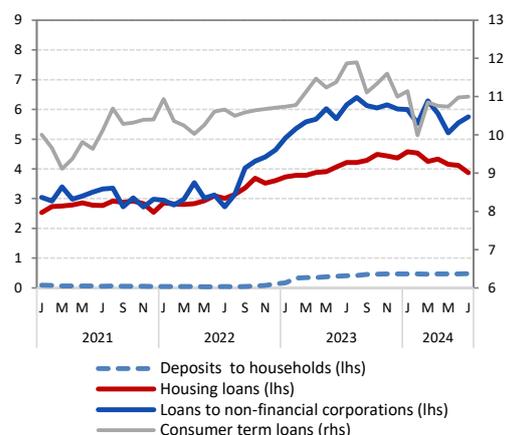
Chart 36: Amounts of new loans to large firms and to SMEs¹
(3-month moving average, EUR mn)



Source: Bank of Greece, AnaCredit.

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

Chart 37: Bank interest rates
(percentages per annum)



Source: Bank of Greece.

6.3 Bank interest rates on new loans and deposits

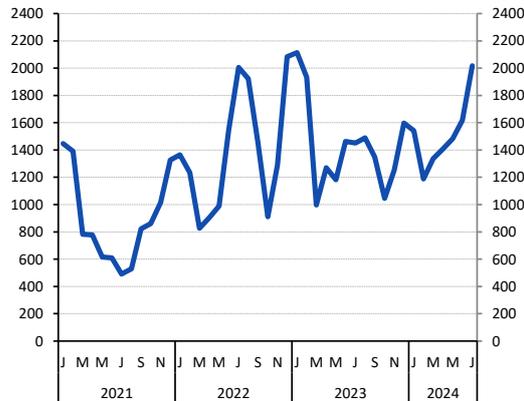
(end of period, percentages per annum)

	2021	2022	2023	2024		
				May	Jun	Jul
Bank lending rate	3.70	5.05	6.13	5.54	5.77	5.86
-to NFCs	2.98	4.64	6.01	5.21	5.55	5.75
-to HHS	4.74	5.59	6.33	6.15	6.18	6.01
-Housing loans	2.54	3.60	4.37	4.15	4.12	3.87
-Consumer term loans	10.40	10.71	11.00	10.74	10.98	11.00
Bank deposit rate for HHS	0.05	0.14	0.47	0.47	0.47	0.48

Source: Bank of Greece.

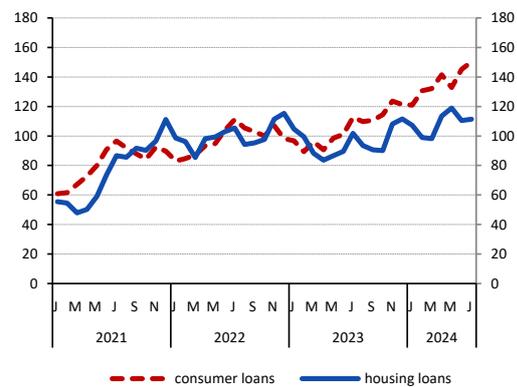
- After rising steeply since mid-2022, **the cost of new bank loans** to NFCs peaked in August 2023; since then, there are indications of a gradual reversal of this upward trend.
- The average cost of new bank loans to HHS recorded a more contained rise during 2022-2023 compared to the case of firms. Bank interest rates on new housing loans peaked in January 2024 at 4.6%, subsequently declining during the last few months.
- In July 2024, **bank lending rates** rose for new corporate loans (to 5.75%) but declined for new housing loans (to 3.87%) (Chart 37).
- Data on gross flows of bank loans show that, in 2023, **new bank corporate term loan agreements** decreased overall compared to 2022 but remained at rather robust levels (Chart 38). Specifically, these loan agreements amounted to €17 bn in 2023 compared to €22 in 2022 and €12 bn in 2021. In January-June 2024, they stood at almost €11 bn compared to €7.7 bn in the same period last year.

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 disbursement of the 4th instalment of RRF funds toward Greece, the total inflow of RRF loan funds amounts to €9.6 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 July 2024, 330 loan agreements had been signed financing investments with a total budget of €12.0 bn (RRF loans: €5.2 bn, bank loans: €4.0 bn, investors’ own participation: €2.8 bn). Since the start of the implementation of the NRRP in July 2022, the amount of bank loan agreements co-financing RRF projects represents around 10% of total bank term loan agreements over the same period.
- In addition, financial resources, partly intermediated through local banks, continue being directed to the economy through financial instruments offered in the context of various European and national initiatives. Specifically, the Hellenic Development Bank (HDB), the EIB and the EIF co-finance or guarantee loans extended by commercial banks, mostly to non-financial corporations and secondarily to households. EIB and EBRD also provide direct financing to businesses and export-guarantees to SMEs.
- During 2023, disbursements of bank loans to NFCs, backed up by the above-mentioned financial instruments, reached €2.0 bn, representing 11% of new bank loans to NFCs and sole proprietors (2022: €4.2 bn, approx. 20%) and mostly targeting SMEs. In the first six months of 2024, bank loan disbursements supported by these financial instruments amounted to almost €1.5 bn of which € 1.1 bn concerned SMEs.

Survey evidence on financing

I. Bank Lending Survey results for Greece (2024:Q2 compared to 2024:Q1):

6.4 The euro area bank lending survey: Greek banks

(Changes over the past three months - average reply)

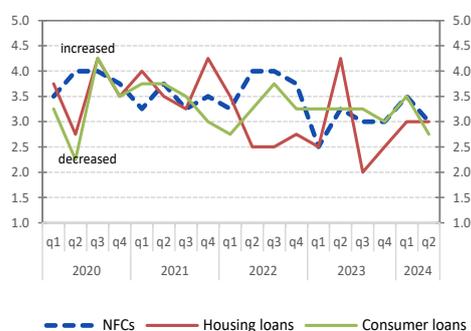
	Demand		Terms & conditions		Credit standards		Share of rejections	
	2024:Q1	2024:Q2	2024:Q1	2024:Q2	2024:Q1	2024:Q2	2024:Q1	2024:Q2
Loans to enterprises	3.50	3.00	3.75	3.50	3.00	3.00	3.00	3.00
Loans for house purchase	3.00	3.00	2.50	3.00	3.50	3.00	3.25	3.00
Consumer credit	3.50	2.75	2.75	3.00	3.50	3.00	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 2024:Q2, Greek banks reported that **credit standards** remained unchanged for all categories of loans compared to the previous quarter. Regarding loans to NFCs, the overall lending **terms and conditions** were eased for large firms and, to a lesser extent, for SMEs. As in the previous quarter, banks further narrowed the lending margins for average-risk -- and to a very small extent for the riskier -- loans. Terms and conditions were unchanged for loans to households.
- According to Greek credit institutions, the **demand for bank credit** by NFCs remained overall stable during 2024:Q2 comparing with 2024:Q1, notwithstanding a slight increase in loan demand by larger firms. According to the survey responses, factors that contributed positively to demand included higher needs for NFCs to finance inventories and working capital. On the contrary, the high level of interest rates and competition from other banks contributed negatively to the demand for corporate loans.
- Greek banks indicated that there was a slight decrease in the demand for consumer credit from household borrowers during 2024:Q2 for the first time since 2022:Q1. The demand for housing loans remained unchanged.
- The demand for housing loans was influenced negatively -though to a small extent- from the high level of interest rates and household's recourse to other sources of financing such as their own savings, loans from other banks and the use of other sources of external financing. Regarding consumer credit, all factors affecting loan demand were assessed to have had a neutral impact on consumer loan demand.

Chart 40: Change in loan demand
(average response)

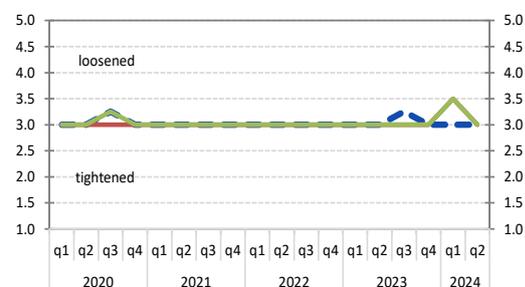


--- NFCs — Housing loans — Consumer loans

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

4=increased somewhat
5= increased significantly

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



--- NFCs — Housing loans — Consumer loans

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

4=loosened somewhat
5= loosened significantly

Source: Bank of Greece, ECB.

Source: Bank of Greece, ECB.

II. SAFE results for Greece: April-June 2024 compared to January-March 2024

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		
	2024:Q1	2024:Q2		2024:Q1	2024:Q2		2024:Q1	2024:Q2		2024:Q1	2024:Q2	
Bank loans	6	15	↑	5	7	↑	35	44	↑	12	10	↓
Credit lines	20	17	↓	8	1	↓	41	35	↓	10	16	↑

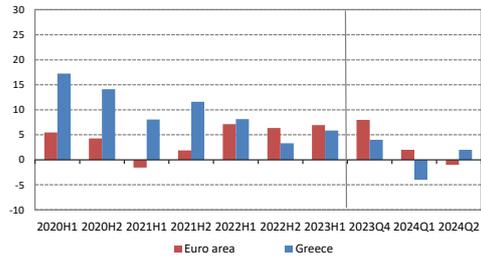
Source: EC/ECB, SAFE.

¹ Applications satisfied mostly or in full.

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

- **The financing gap for bank loans faced by Greek SMEs** – i.e., the difference between the change in needs and the change in availability for bank loans – was perceived to have turned slightly positive in 2024:Q2, following the negative observation recorded in 2024:Q1 (Chart 42).
- **Greek SMEs reported that during April-June 2024, the availability (supply)** of bank loans was seen to have improved to a somewhat greater extent compared to the previous quarterly round (net percentage: 7% from 5%) (Chart 43). The availability of credit lines was seen to have increased to a much lesser extent though (net percentage: 1% from 8%). At the same time, SMEs' **needs (demand)** for bank loans increased more intensely in this survey round (net percentage: 15% from 6%) while their needs for credit lines stood at somehow lower net percentages (to 17% from 20%).
- Among the **factors affecting the supply of external financing**, the net influence of the general economic outlook turned to neutral in 2024:Q2 from negative in the previous quarter; SMEs reported a strengthening positive impact of most factors related to their own creditworthiness (namely firms' specific outlook, own capital, and credit history). The willingness of banks to provide credit was perceived to have improved further in this quarterly round (net percentage: 26% from 22%) while SMEs reported a lower net deterioration in their access to public financial support (-2% from -6%).
- **The percentage of firms which applied for a bank loan** during 2024:Q2 increased slightly compared to the previous quarterly survey round (16% from 15%). The main reason provided for not applying for a bank loan was sufficiency of internal funds, while firms' discouragement for fear of rejection by the bank increased (15% from 8%).
- As far as the **outcome of bank term loan applications** is concerned, the approval rate (percentage of applications satisfied mostly or in full) increased (to 44% from 35%), while the rejection rate decreased somewhat (to 10% from 12%). As regards bank credit lines, the approval rate decreased (to 35% from 41%) while the rejection rate increased (to 15% from 10%). **Terms and conditions of bank financing**, during 2024:Q2, were perceived to be less discouraging regarding the level of interest rates, as SMEs reported q-o-q a sizeably lower net increase in bank loan interest rates (5% from 20%). At the same time, SMEs reported also a lower net increase in charges, fees and commissions (38% from 43%) along with improvements in the available size and maturity of loans, while they signalled only a marginal net increase in collateral requirements.

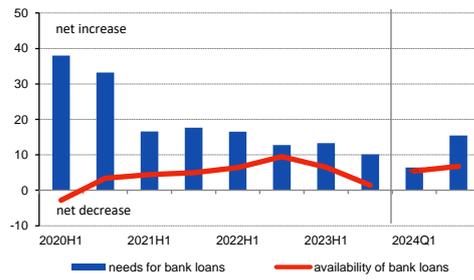
Chart 42: External financing gap faced by SMEs in Greece and the euro area (weighted net balances)



* Since 2023Q4, the financing gap indicator of the SAFE shows the difference between the change in needs and the change in availability for bank loans as reported by SMEs. Up to 2023H1, it referred to five instruments of external financing (bank loans, credit lines, trade credit, equity and debt securities issuance). A positive value of 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 19/9/2024	5/9/2024	2-weeks	y-t-d	3-months	6-months	12-months	2023	2022
<i>Greek Government Bonds</i>									
GR 2y	2.19	2.28	-9	-19	-68	-58	-136	-112	373
GR 5y	2.56	2.61	-5	-4	-62	-40	-115	-115	315
GR 10y	3.20	3.23	-3	13	-45	-19	-91	-152	328
<i>Euro area bonds</i>									
DE 2y	2.22	2.30	-8	-19	-60	-61	-105	-33	337
FR 2y	2.46	2.56	-10	0	-64	-48	-101	-39	346
IT 2y	2.62	2.73	-11	-38	-91	-82	-128	-29	337
DE 10y	2.19	2.21	-2	16	-22	-10	-51	-53	274
FR 10y	2.93	2.91	2	37	-19	13	-31	-56	292
IT 10y	3.56	3.57	-1	-14	-37	-12	-90	-101	352
ES 10y	2.99	3.02	-3	0	-33	-16	-76	-67	306
PT 10y	2.78	2.82	-4	-1	-36	-22	-65	-81	311
EA BEIR 5y	1.63	1.61	2	-23	-27	-39	-83	-34	40
EA 5y-5y FILS	2.06	2.11	-5	-20	-23	-24	-54	-10	40
<i>Spreads</i>									
GR 10y - 2y (bps)	101	96	5	32	23	39	45	-39	-45
GR 10y - Bund (bps)	101	102	-1	-4	-23	-9	-40	-98	54
GR 10y - 10y Italian (bps)	-35	-34	-1	27	-7	-6	-1	-51	-24

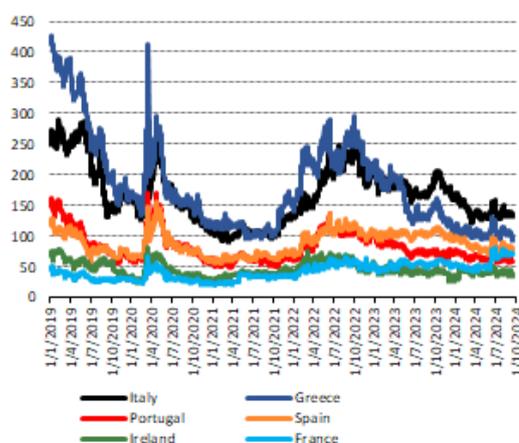
Source: LSEG.

Note: EA BEIR is the euro area benchmark breakeven inflation rate and EA FILS is the Euro 5 Year - 5 Year forward inflation linked swap.

- **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** remained broadly unchanged in the last two weeks, in line with developments in other euro-area sovereign bonds (Table 7.1).
- As a result, the yield curve remained broadly unchanged (lower panel of Table 7.1, and Chart 45).

Chart 44: 10-year sovereign bond spreads

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

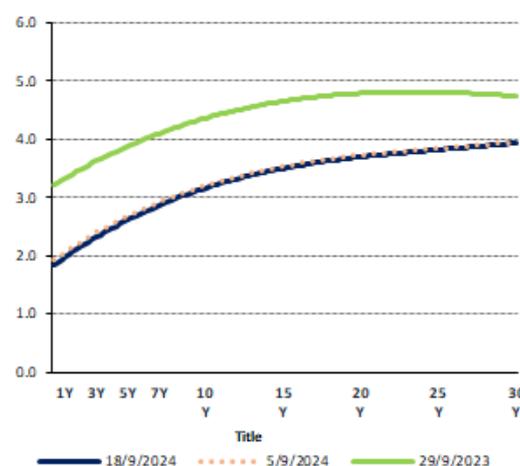


Source: LSEG.

Latest obs. 18/9/2024

Chart 45: Greek sovereign yield curve

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



Source: Bank of Greece.

Latest obs. 18/9/2024

Table 7.2 Sovereign credit ratings

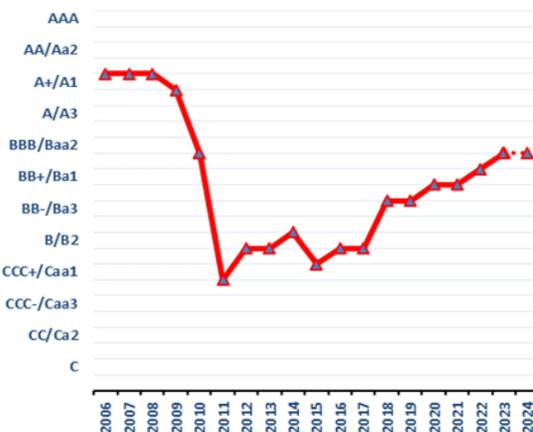
Sovereign credit ratings	Latest		1 January 2024		1 January 2023		1 January 2022	
	Rating	Outlook	Rating	Outlook	Rating	Outlook	Rating	Outlook
Fitch	BBB-	Stable	BBB-	Stable	BB	Positive	BB	Stable
Moody's	Ba1	Positive	Ba1	Stable	Ba3	Stable	Ba3	Positive
S&P	BBB-	Positive	BBB-	Stable	BB+	Stable	BB	Stable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

Spreads	Latest		2024		2023		2022	
			Average	St. dev.	Average	St. dev.	Average	St. dev.
Greece	101		107	7	156	30	229	29
BBB	167		121	19	130	64	205	30

Notes: 1) 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. 2) The spread of Greece corresponds to the Greek-10y vs German-10y spread, while the across-countries average BBB spread, adjusted for exchange rate risk, is calculated against the US 10 year yield. 3) The BBB-average spread is calculated by grouping a sample of 75 countries in rating classes.

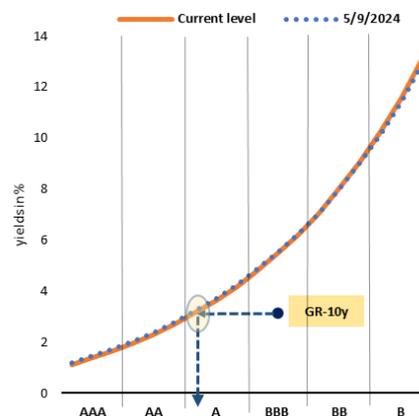
- The sovereign credit ratings assigned to Greece have followed an upward trend for a long period of time, almost uninterrupted since 2015, resulting to regaining the Investment Grade (IG) in 2023 (see Chart 46).
- After a series of rating upgrades, all rating agencies that are Eurosystem-eligible as ECAs assign Greece a sovereign credit rating of BBB-/BBB-low (an exception is Moody's that still rates Greece below IG, at Ba1 with a positive outlook).
- Moody's and Morningstar-DBRS revised the outlook of the sovereign credit rating to positive from stable on 6/9/2024 and 13/9/2024, respectively, citing improved fundamentals of the banking sector and higher expected fiscal strength. Therefore, currently the outlooks of the BBB- sovereign rating assigned to Greece by S&P, Morningstar-DBRS and Scope Ratings are positive, while that assigned by Fitch is stable.
- According to the reports of rating agencies, further upgrades of the sovereign may result from sustained 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. 18/9/2024

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



Sources: LSEG; BoG's model.
Latest obs. 18/9/2024

Table 7.3 Corporate bonds

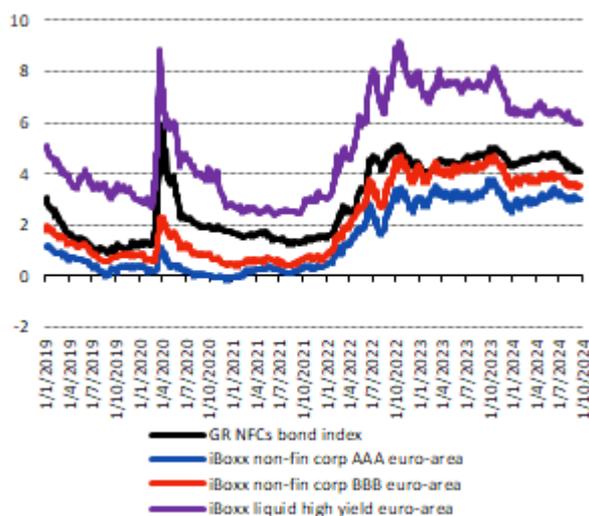
	Levels		Changes (bps)						
	Latest 19/9/2024	5/9/2024	2-weeks	y-t-d	3-months	6-months	12-months	2023	2022
GR NFC bonds	4.06	4.12	-6	-35	-69	-50	-64	0	287
EA BBB-rated NFC bonds	3.48	3.54	-6	-9	-39	-22	-95	-79	353
EA liquid HY NFC bonds	5.87	6.00	-13	-47	-56	-66	-147	-164	490
<i>Spreads</i>									
GR NFC - EA BBBs (bps)	58	57	1	-26	-30	-28	31	79	-66
GR NFC - EA liquid HY (bps)	-181	-188	7	12	-13	15	84	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 €780mn.
- **Yields of GCBs remained broadly unchanged in the period under review in line with yields on euro-area lower-rated 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. 18/9/2024

Table 7.4 Stock market indices

	Levels		Returns (%)						
	19/9/2024	5/9/2024	2-weeks	y-t-d	3-months	6-months	12-months	2023	2022
ATHEX General Index	1,428	1,447	-1.3	10.5	0.6	0.4	19.0	39.1	4.1
Banks	1,226	1,266	-3.1	15.5	-0.1	2.6	33.9	65.7	11.4
Basic Materials	4,789	4,891	-2.1	-1.7	0.4	-4.3	-2.8	24.2	-11.6
Consumer Discretionary	5,030	5,077	-0.9	0.3	-0.6	-6.8	-0.2	41.7	17.7
Consumer Staples	6,479	6,453	0.4	27.3	3.2	2.5	38.9	25.3	-24.5
Energy & Utilities	4,882	4,935	-1.1	-2.1	-4.6	-6.5	7.1	20.3	7.2
Industrials	6,493	6,484	0.2	27.8	5.2	8.2	41.7	68.9	15.1
Real Estate	4,976	4,895	1.7	0.3	8.1	2.4	6.7	-0.4	-18.0
Tech & telecommunications	5,673	5,645	0.5	11.8	6.3	5.6	20.4	27.5	-5.7
Transaction volume <i>(monthly average, in mn €)</i>	99.3	97.1	2.3	-7.5	-23.3	-51.0	-15.5	96.9	14.3
Euro Stoxx	511	499	2.5	7.9	0.9	-1.7	14.6	15.7	-14.4
MSCI World	3,690	3,567	3.4	16.4	4.8	7.4	27.8	21.8	-19.5
GR volatility (%)^a	0.6	0.6	-3.4	33.1	-40.0	-27.9	-52.6	-38.8	5.8
GR intraday volatility (%)^b	0.8	0.7	9.6	5.3	-37.4	-15.5	-55.6	-14.3	3.1
MSCI World volatility (%)^a	0.8	0.8	-1.2	68.6	72.4	54.4	15.0	-52.1	9.6
VIX	16.3	19.9	-17.9	31.2	27.2	25.5	-6.9	-42.5	25.8

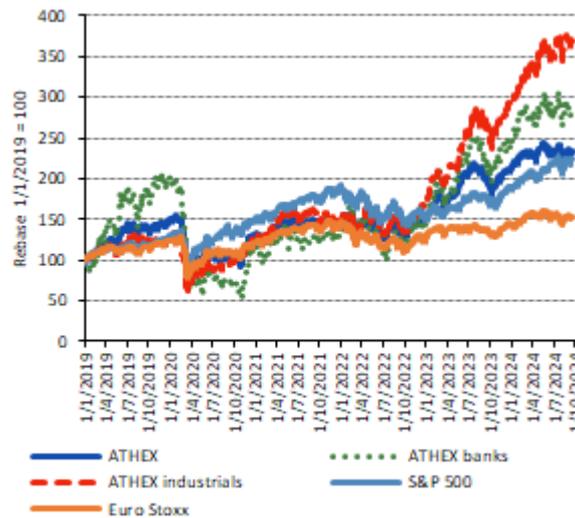
Source: LSEG, Bank of Greece.

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, and continue rising in 2024**, outperforming euro area stock markets; also, average volatility in the ASE in 2024 is lower than the 2023 average (Chart 49).
- **Share prices of Greek listed companies fell** compared to two weeks ago, while equity prices in the euro area rose. Share prices of banks, energy and utilities and basic materials fell more than the wider market (see Table 7.4).

Chart 49: Stock exchange indices



Source: LSEG.

Latest obs. 18/9/2024

8. BANKING SECTOR

Income statement items (in bn euros)												
	Net profits		Net Interest Income		Net Fees & Commissions		Net Trading & other income		Total Operating Expenses		Pre-Provision Income	
	2024:H1	2023:H1	2024:H1	2023:H1	2024:H1	2023:H1	2024:H1	2023:H1	2024:H1	2023:H1	2024:H1	2023:H1
GR banks (SIs & LSIs)*	1.1	0.8	2.2	1.9	0.5	0.4	0.2	0.1	1.0	0.9	1.9	1.5
GR banks (SIs)	2.3	1.8	4.2	3.8	1.0	0.9	0.2	0.2	1.7	1.7	3.7	3.2
Ratios (in %)							Funding (in bn euros)					
	NPE		CET1		MREL		Range of ratings		Eurosystem		Bond issuances	
	Jun 2024	Jun 2023	Jun 2024	Jun 2023	Jun 2024	Jun 2023	Latest	Aug 2023	Jun 2024	Jun 2023	2024 y-t-d	2023
GR banks (SIs & LSIs)*	7.5	8.8	15.4	13.5	-	-	BB to BBB-	B to BB-	11.0	28.5	6.5	3.0
GR banks (SIs)	3.6	5.7	16.4	14.3	26.2	22.1	BB to BBB-	B to BB-	8.3	20.4	6.5	3.0

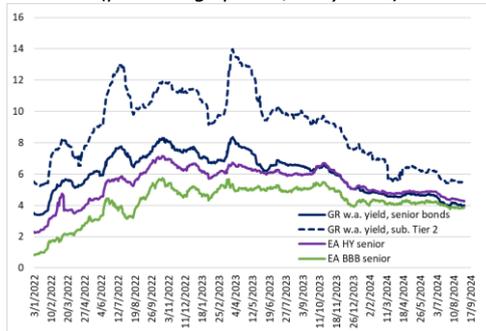
* These data are for 2024:Q1 because LSIs have not yet published results for 2024:H1.

Sources: 1) income statement items, NPE ratio, and CET1 ratio (consolidated data; solo data for NPE ratio of SIs and LSIs): banks' financial statements, ECB, and Bank of Greece, 2) MREL ratio: SRB and banks' financial statements, 3) Eurosysteem funding: Bank of Greece and banks' financial statements, 4) Ratings: rating agencies (S&P, Moody's, Fitch, M.DBRs), 5) Bond issuances: LSEG.

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

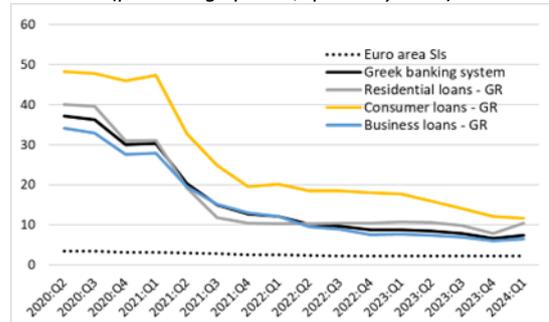
- **The net profits of the four Greek systemically important banks continued to rise in H1 2024 (up by 25% y-o-y).** This came as a result of a continued rise in net interest income, reflecting higher net interest margins on an annual basis, and, to a lesser extent, higher net fees & commissions income. Total operating expenses ticked higher, while impairment losses on loans & advances to customers decreased.
- **The aggregate NPE ratio of Greek systemically important banks fell to 3.6% in June 2024** from 4.0% in December 2023 and 5.9% in June 2023.
- **The aggregate capital position of Greek systemically important banks rose in June 2024** compared to end-2023, as CET1 capital increased relatively more than risk weighted assets (8.8% and 2.6%, respectively).
- **The systemic banks in June 2024 have met their interim MREL targets;** for this purpose, they have been issuing eligible bonds and are expected to continue doing so until their final MREL targets are met.² **Yields on senior bonds issued by Greek banks retreated** in the period under review, broadly in line with the decline in bank bond yields of euro area peers (change in weighted average yield since 5.9.2024: senior bonds: -15 bps; subordinated Tier 2 bonds: +13 bps).
- **Credit ratings of Greek banks are on an upward trend.** At present, they range from two notches below investment grade (BB) to investment grade (BBB-). Morningstar-DBRS revised the outlook of NBG to positive from stable on 13/9/2024, after a similar rating decision for the Greek sovereign a week earlier.

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. 18/9/2024

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



Sources: Bank of Greece & ECB.

² MREL ratio in June 2024: Eurobank: 25.2%, Piraeus: 28.3%, NBG: 25.9%, Alpha: 25.8%; final MREL targets (including the combined buffer requirement): Eurobank: 27.9%, NBG: 30.1%, Alpha: 28.0%, Piraeus: 27.9% (source: bank's results and disclosures). The final MREL target is applicable on 1.1.2026 and is updated annually by the Single Resolution Board.

9. PRIVATISATIONS AND STRUCTURAL REFORMS

Privatisations

- **The implementation of the revised Asset Development Plan of the Hellenic Republic Asset Development Fund (HRADF)** (as last revised on 29 December 2023) is the keystone for the privatisation strategy. It includes 34 on-going projects, with some of them at an advanced stage (Attiki Odos, Egnatia Odos, ports of Alexandroupolis, Igoumenitsa, Heraklio and Volos), some marinas, properties, and healing springs.
- According to the State Budget 2024, **public revenues from privatisations** amounted to €660.4 mn in 2021 and €586.6 mn in 2022, mainly due to revenues from Hellinikon, 5G frequency bands and DEPA Infrastructure. For 2023, public revenues from privatizations are estimated at €406.4 mn. The forecast for 2024 according to the State Budget 2024 is €5,770.7 mn and will arise mainly from the concession contracts for the operation and exploitation of Attiki Odos motorway (3,270.0 mn) and Egnatia Odos motorway (€1,350.0 mn). The forecast for 2025 and 2026 is €173.3 mn and €171.5 mn, respectively.
- The concession agreement for the financing, operation, maintenance and exploitation of Attica Motorway for a period of 25 years was signed for an amount of €3.27 bn .
- The concession agreement for the development of the Marina of Pylos for a duration of 40 years was signed between the HRADF and the highest bidder for a fee of at least €1.5 million.
- The HRADF announced the acquisition of a majority stake of 67% in the share capital of the company "Heraklion Port Authority S.A." against a fee of €80 mn.

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).
- Reform and Investment projects relating to all four pillars of the **National Recovery and Resilience Plan** are in progress. Most notably major projects that have been funded so far concern: household energy upgrades, electrical interconnection of islands, electric energy storage facilities, telecommunications

(microsatellites network), upskilling and reskilling of unemployed, digitalization of education and construction of central Greece highway.

- According to the 2024 Ageing Report (2024 AR), public pension expenditure as % of GDP in Greece is expected to decline by 2.5p.p. over the projection horizon (from 14.5% of GDP in 2022 to 12.0% of GDP in 2070). This represents the largest fall amongst EU member states, for whom public pension expenditure as % of GDP is on average projected to marginally increase by 0.4 p.p. by 2070. The projections are in line with the pension system sustainability clause, which requires that 2060 public pension expenditure may rise by up to 2.5 percentage points of GDP when compared to 2009 expenditure (according to the 2024 AR, in 2060 pension expenditure in Greece will be lower by 1.6 p.p. when compared to 2009). Age retirement thresholds have been revised upwards (from 67) to reflect the increases marked in the life expectancy at 65 years of age (by one year in 2027, 2036, 2045, 2054 and 2066).
- According to the **fourth post-programme surveillance report** (June 2024):
 - Arrears: The total stock of arrears in the public sector has increased, almost entirely due to arrears in hospitals; at the same time, the stock of pension arrears has further decreased.
 - Labour legislation: The codification of the labour legislation is underway and still needs to be completed.
 - Financial sector: Financial sector policies to tackle various legacy issues are being implemented broadly on schedule and are set to be completed in 2024. These policies refer to clearing the backlog of household insolvency cases, setting up the organisation of sale & lease back, clearing the backlog of called state guarantees and out-of-court workout restructurings of non-performing loans.
 - Banking sector: The workout of legacy debt by servicers is advancing but continues to face difficulties. This is in particular due to judicial obstacles, mainly in the context of liquidation proceedings.
- The new release of OECD's **Product Market Regulation indicator**, which measures the distortions to competition, suggests that Greece noted the greatest improvement among the OECD members during the period 2018-2023. The regulatory framework of Greece is now close to the OECD average, as a result of significant reforms. However, there is considerable room to make the regulatory framework of the professional services (especially for lawyers) and retail sector more competition-friendly. In addition, the country should consider improving its mechanisms for assessing the impact of new and existing laws and regulations on competition, address its high non-tariff trade barriers and further align the governance of state-owned enterprises with key OECD best practices aimed at ensuring a level playing field with private firms.

ANNEX 1: ADDITIONAL CHARTS AND TABLES

ECONOMIC ACTIVITY

Table 1: GDP and main components, seasonally adjusted

Percentage changes (chain linked volumes, reference year 2015)

	2020					2021					2022					2023					2024	
	2020	Q1	Q2	Q3	Q4	2021	Q1	Q2	Q3	Q4	2022	Q1	Q2	Q3	Q4	2023	Q1	Q2	Q3	Q4	Q1	Q2
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	1.9	1.3	2.1	2.1	2.0
Public consumption	2.8	3.1	-1.1	4.9	4.5	2.1	1.8	2.6	2.6	1.4	2.1	2.6	3.4	1.9	0.7	1.4	3.7	1.5	-1.1	1.4	-5.1	-3.6
Gross fixed capital formation	2.0	3.3	-0.7	4.7	0.4	19.1	10.7	21.1	17.6	27.6	11.7	15.3	8.7	7.4	15.4	4.0	8.2	9.3	5.1	-5.5	3.1	3.9
Dwellings	18.3	25.7	40.2	7.5	3.9	28.0	31.5	12.8	70.8	4.7	33.9	15.7	13.9	7.3	115.7	20.0	48.5	45.8	27.5	-18.8	-13.9	-7.1
Other construction	-1.9	-10.8	7.1	-4.9	3.4	11.6	3.3	16.0	14.2	13.3	9.2	16.3	4.5	10.1	6.6	9.4	5.1	15.1	4.6	13.2	9.4	0.7
Equipment	-5.1	-1.1	-10.7	-3.6	-5.0	23.5	-0.8	21.1	16.7	59.8	18.4	37.2	16.5	14.0	11.2	2.0	0.9	4.8	15.4	-11.2	7.5	15.5
Domestic demand	-4.4	1.2	-10.3	-2.3	-6.1	6.9	-3.2	12.9	7.4	11.7	7.0	11.2	7.0	5.4	4.6	1.9	2.6	2.8	1.3	0.9	0.8	1.2
Exports of goods and services	-21.5	-10.1	-29.0	-32.4	-12.7	24.2	-0.8	25.2	48.2	29.4	6.2	15.3	13.2	-1.2	0.0	3.7	9.5	0.2	2.7	2.6	-3.7	2.1
Exports of goods	4.3	4.8	-3.0	2.8	13.1	14.4	11.4	21.2	15.3	10.1	3.7	5.5	4.1	2.9	2.7	2.8	10.7	0.4	1.6	-1.0	-8.6	2.0
Exports of services	-42.6	-16.4	-56.1	-56.2	-41.3	37.5	-19.1	58.2	93.6	62.1	9.3	22.8	24.9	-1.6	-3.0	4.2	6.2	1.0	4.6	5.2	2.4	2.8
Imports of goods and services	-7.5	2.5	-15.9	-8.2	-8.2	18.1	-3.8	27.1	22.2	30.2	7.7	15.3	11.4	1.6	4.0	2.1	4.6	0.0	4.1	0.0	3.1	9.6
Imports of goods	-3.8	1.9	-14.3	-3.6	0.8	17.0	-0.5	27.0	17.0	26.7	8.5	15.6	13.2	4.7	2.1	1.9	2.7	-1.6	5.1	1.6	2.6	10.5
Imports of services	-17.2	4.7	-20.2	-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	0.5	-4.0	4.4	6.9
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	2.6	2.1	1.3	2.1	2.3

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

Table 2: Value added decomposition, seasonally adjusted

Percentage changes (chain linked volumes, reference year 2015)

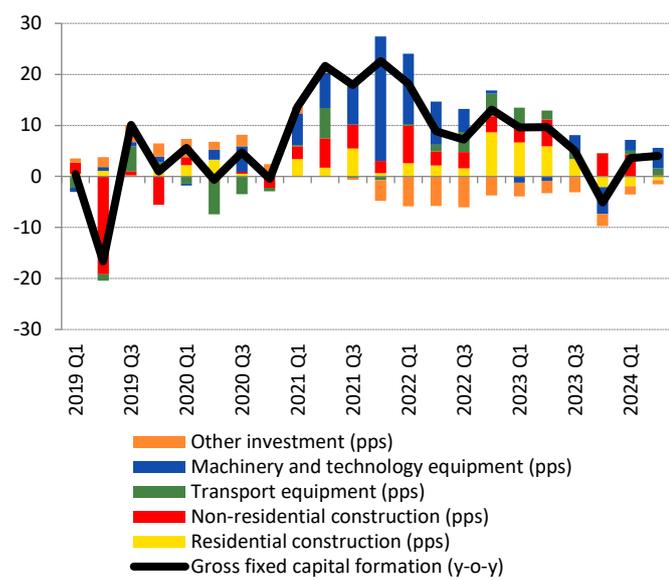
	2020					2021					2022					2023					2024	
	2020	Q1	Q2	Q3	Q4	2021	Q1	Q2	Q3	Q4	2022	Q1	Q2	Q3	Q4	2023	Q1	Q2	Q3	Q4	Q1	Q2
Agricultural sector	-8.4	-2.9	-9.9	-10.7	-10.0	-3.7	-6.3	-3.4	-5.3	0.2	12.0	8.4	14.5	19.2	6.3	-7.6	2.1	-5.6	-9.6	-17.3	-12.5	-4.8
Industry and construction	0.3	1.1	-4.1	1.0	3.5	12.0	8.5	16.9	12.8	10.0	-2.8	1.8	-2.8	-4.6	-5.6	1.5	0.4	-0.7	1.9	4.3	4.1	8.5
Industry	1.5	1.5	-4.0	3.2	5.5	11.9	9.4	17.2	10.8	10.5	-4.2	0.4	-3.1	-5.5	-8.6	-0.2	-1.8	-4.1	1.0	4.2	4.6	10.4
Construction	-8.4	-2.1	-4.9	-15.9	-10.7	12.7	2.1	13.8	31.3	5.9	8.7	13.0	-0.2	2.5	21.0	13.9	16.9	26.5	8.3	5.2	1.2	-3.0
Services	-10.6	-2.8	-17.4	-12.5	-9.7	6.7	-4.4	12.6	10.7	9.3	6.0	7.0	6.6	5.0	5.4	1.8	3.5	2.2	0.5	1.1	0.6	0.6
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	4.7	0.6	3.7	-0.8	-0.7	0.4	0.1	1.3
Information & communication	9.2	13.8	1.6	5.7	16.1	11.5	15.5	20.0	13.8	-1.5	3.9	-0.9	1.5	3.7	11.7	5.7	7.4	9.1	1.0	5.8	5.5	5.0
Financial services	-2.4	-2.1	-4.9	-2.3	-0.2	-2.0	0.5	1.3	-3.1	-6.6	1.8	-8.9	-9.2	0.3	27.2	3.1	3.6	4.7	2.1	2.3	2.3	1.2
Real estate related services	-11.9	-10.2	-13.9	-13.8	-9.8	5.6	-0.9	5.6	9.0	8.9	2.3	5.2	2.7	1.0	0.3	0.4	0.4	0.4	0.4	0.4	0.4	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	5.0	1.6	0.8	1.3
Public admin	-0.4	0.4	-2.1	0.1	0.1	1.6	0.9	1.9	1.2	2.3	2.4	2.2	1.1	3.5	2.8	0.7	1.2	2.6	-0.8	-0.2	0.0	-0.7
Arts and recreation	-21.3	-2.1	-43.9	-10.0	-28.0	14.1	-29.6	59.9	15.4	35.5	13.2	50.2	10.3	5.1	-1.7	7.6	8.1	7.0	6.7	8.7	0.8	-1.3
Value added at basic prices	-9.1	-2.1	-15.4	-11.2	-7.5	7.5	-1.6	12.6	11.6	8.4	4.8	5.5	6.5	3.8	3.5	1.2	3.0	1.5	0.1	0.4	0.8	2.0
Taxes on products	-8.2	1.4	-19.4	-7.0	-7.5	10.0	-3.9	26.8	10.2	10.3	10.3	20.3	8.7	4.3	8.5	1.6	-8.1	-3.3	13.4	5.4	13.8	17.9
Subsidies on products	-2.1	8.6	8.3	-5.8	-17.7	-13.2	19.0	1.3	-38.3	-39.4	5.0	-31.5	-21.7	30.8	113.2	-16.9	-20.4	-47.3	15.2	-14.8	16.3	108.5
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	2.6	2.1	1.3	2.1	2.3

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

Percentage changes compared to a year earlier	Release date	2023	2024f	2025f
OECD	May 2024	2.0	2.0	2.5
European Commission	May 2024	2.0	2.2	2.3
IMF	April 2024	2.0	2.0	1.9
Consensus	Sep 2024	2.0	2.2	2.2

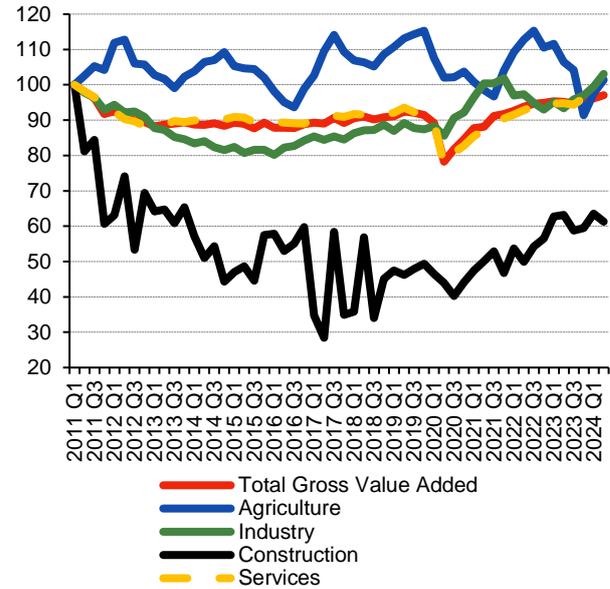
Sources: OECD (OECD Economic Outlook, May 2024), European Commission (European Commission, Spring 2024 Economic Forecasts, May 2024), IMF (World Economic Outlook, April 2024), Consensus Economics (Consensus Forecasts, September 2024).

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



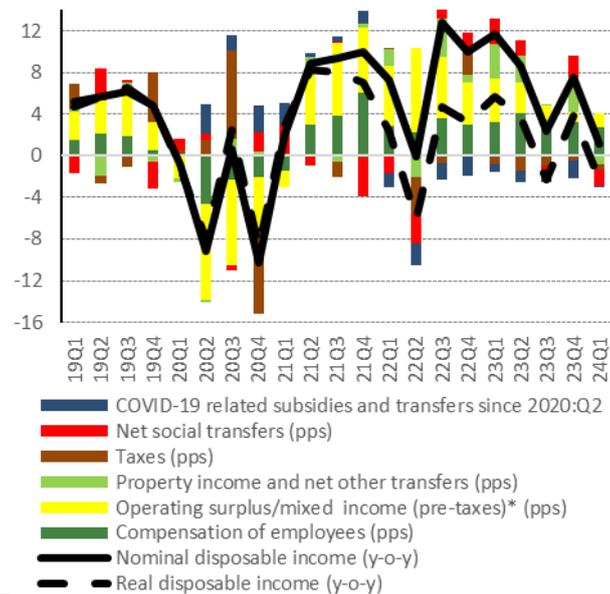
Source: ELSTAT, National Accounts (provisional, nsa data, at current prices), September 2024.

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



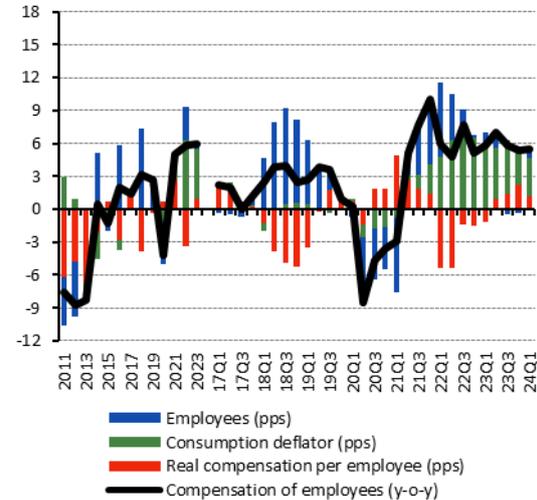
Source: ELSTAT, National Accounts, September 2024.

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



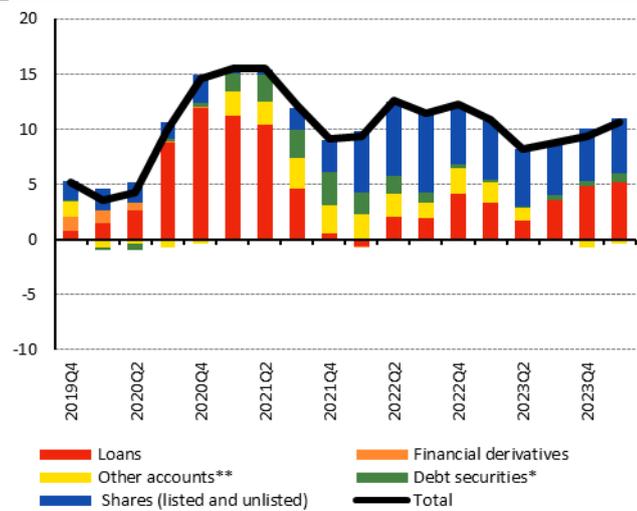
Source: ELSTAT, quarterly non-financial accounts of institutional sectors and Bank of Greece calculations.
 Note: Taxes = Current taxes on income, wealth + Taxes on production and imports (including ENFIA).
 *Excluding exceptional subsidies and transfers from general government to deal with COVID-19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

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



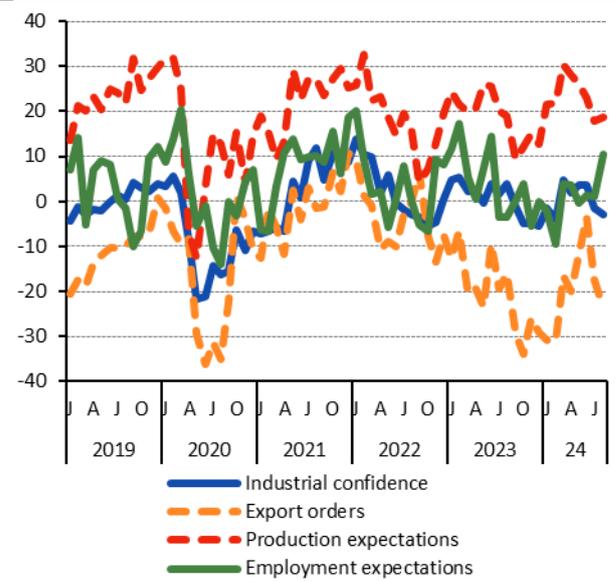
Source: ELSTAT, National Accounts, June 2024.

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



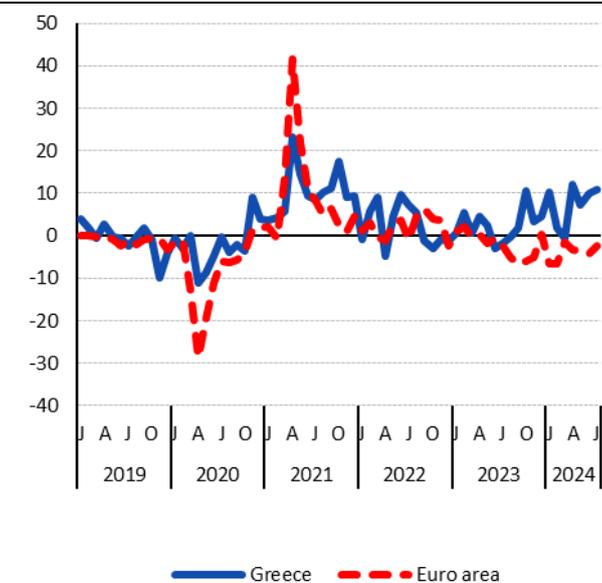
Sources: ECB (SDW), Bank of Greece, Financial Accounts.
*Does not include corporate bonds issued by Greek companies' subsidiaries residing abroad. In the period Dec. 2012-Oct. 2020 the gross (net) amount of these bond issues stood at around €10.8 (5.5) bn.
**Includes trade credit and advances and other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

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



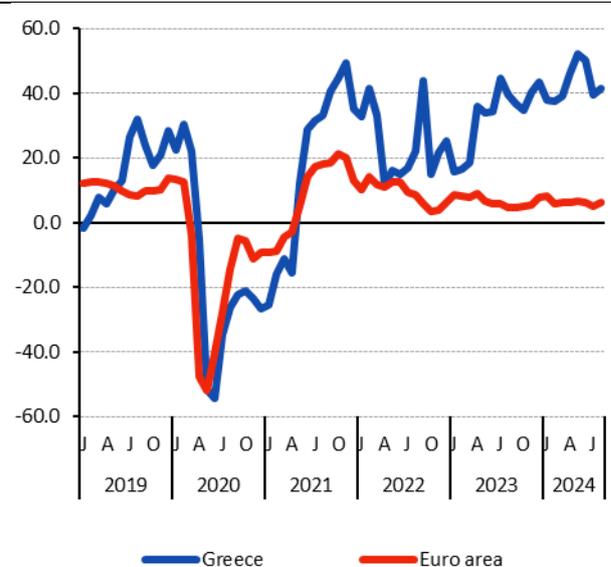
Source: European Commission (business and consumer surveys).

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



Source: Eurostat.

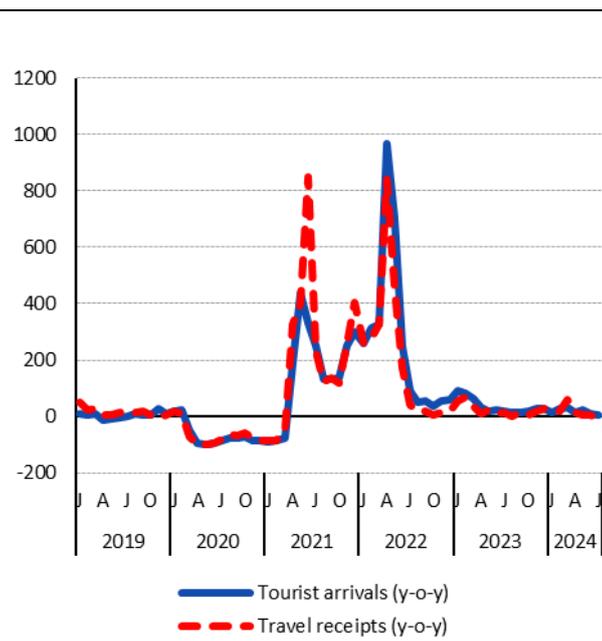
Chart 8: Greek and Euro Area Services Confidence Indicator (balance)



Source: European Commission (business and consumer surveys).

Chart 9: Tourist activity indicators

(annual percentage changes)

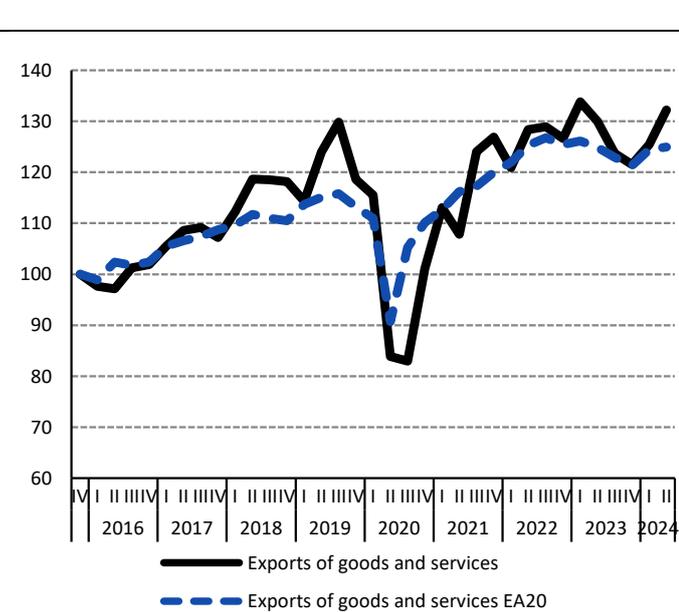


Sources: Frontier Survey of the Bank of Greece (for tourist arrivals and travel receipts).

EXTERNAL BALANCES, COMPETITIVENESS

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

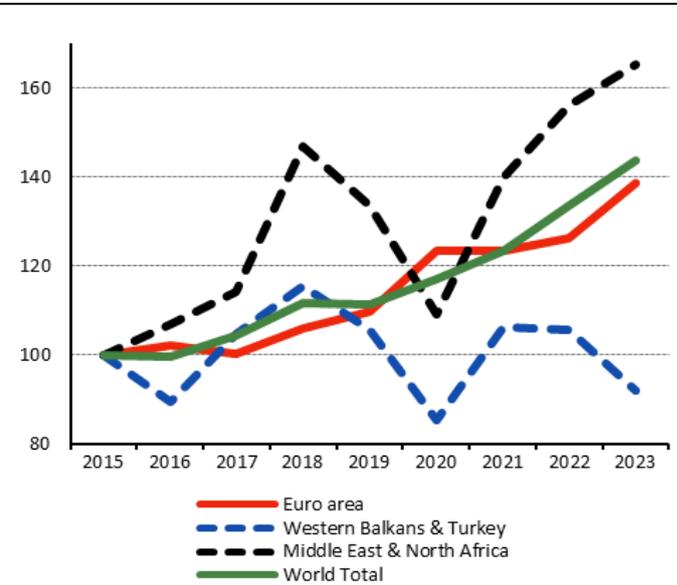
(index 2015:Q4=100, sa)



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

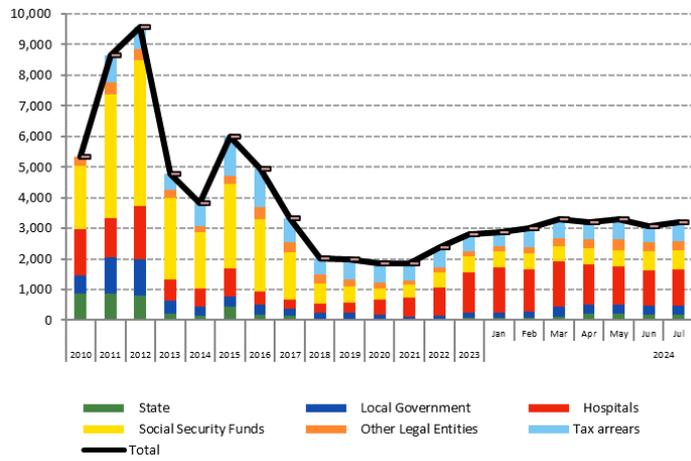
Chart 11: Greek goods export market shares

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



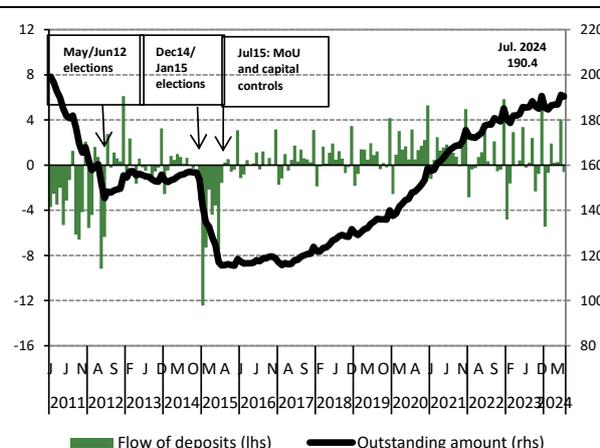
Source: IMF - Direction of trade statistics database. Bank of Greece calculations.

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



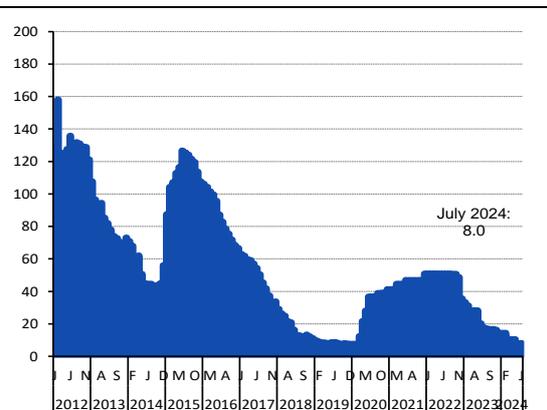
Source: Ministry of Finance.

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



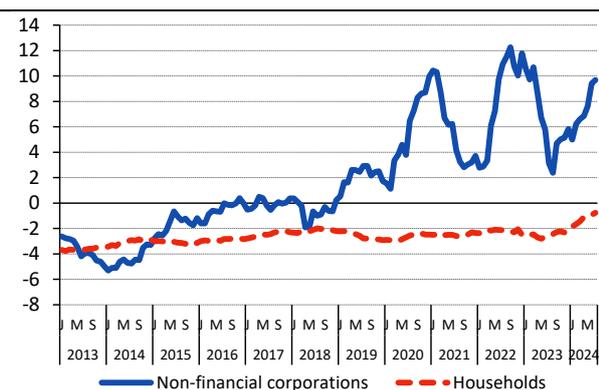
*As of December 2016, deposits held in the Consignment Deposits and Loan Fund by the private sector (€4.2 bn) were excluded from the outstanding amount of bank deposits, as the institution has been reclassified from the financial sector to the general government sector. The net flows of deposits are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

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



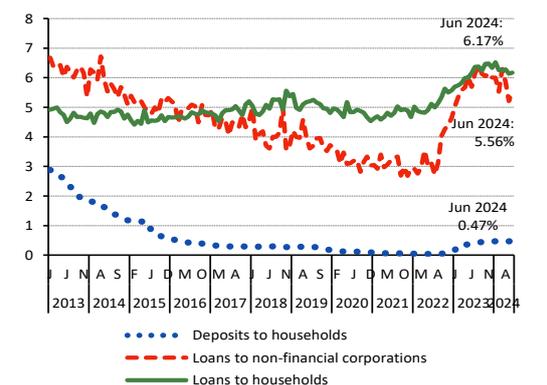
Source: Bank of Greece.

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



Source: Bank of Greece.

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

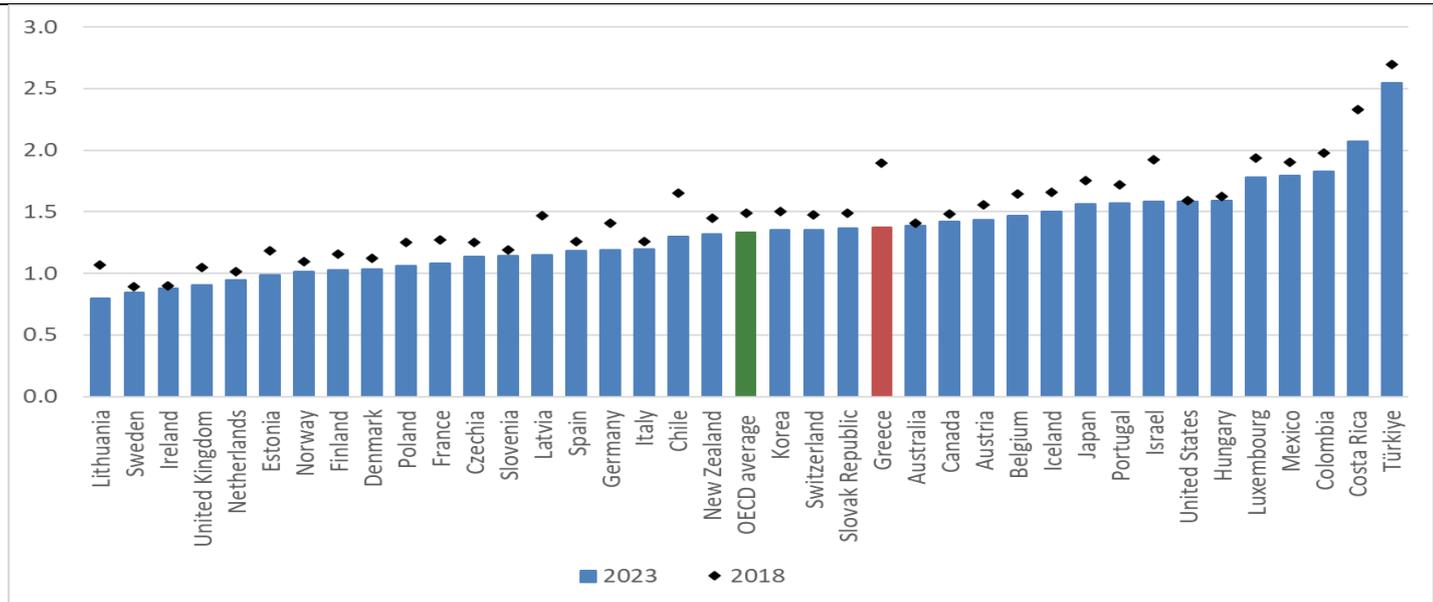


*Before June 2014 interest rates agreed in the context of most loan modifications were recorded as interest rates on new lending. As of June 2014, interest rates in the context of loan modifications, if set below market conditions in response to financial distress of the borrower, are no longer reflected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

Source: Bank of Greece.

STRUCTURAL REFORM INDICATORS

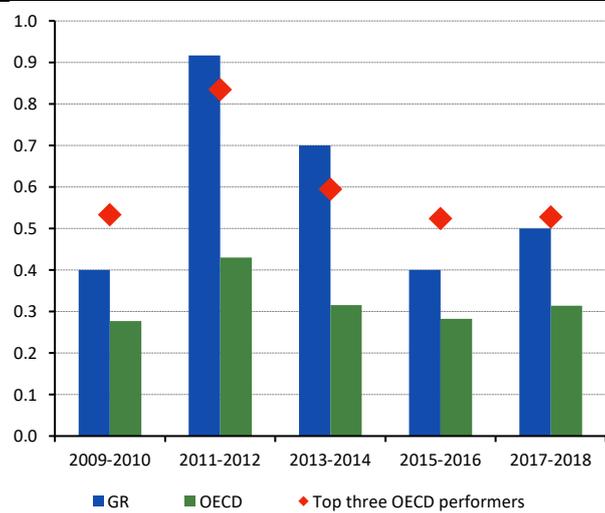
Chart 17: OECD Product Market Regulation Indicator



Source: OECD.

Notes: The PMR economy-wide indicator measures the regulatory barriers to firm entry and competition in a broad range of key policy areas, ranging from licensing and public procurement, to governance of SOEs, price controls, evaluation of new and existing regulations, and foreign trade. The information used to construct the indicator is collected through a questionnaire. Low (high) values suggest few (many) regulatory barriers.

Chart 18: Responsiveness to OECD Going for Growth recommendations



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

Table 1: Main macroeconomic indicators for Greece

				This update: 20 September 2024, Next update: 11 October 2024												
				2021	2022	2023	23Q3	23Q4	24Q1	24Q2	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24
1. Economic activity																
Real GDP	ELSTAT	%y-o-y		8.4	5.6	2.0	2.1	1.3	2.1	2.3	...	...	...	...	...	...
Real government consumption	ELSTAT	%y-o-y		1.8	2.1	1.7	-1.1	1.4	-5.1	-3.6	...	...	...	...	...	...
Real private consumption	ELSTAT	%y-o-y		5.8	7.4	1.8	1.3	2.1	2.1	2.0	...	...	...	...	...	...
Real gross fixed capital formation	ELSTAT	%y-o-y		19.3	11.7	4.0	5.1	-5.5	3.1	3.9	...	...	...	...	...	...
Real exports of goods and services	ELSTAT	%y-o-y		24.2	6.2	3.7	2.7	2.6	-3.7	2.1	...	...	...	...	...	...
<i>Real exports of goods</i>		%y-o-y		14.1	3.5	3.2	1.6	-1.0	-8.6	2.0	...	...	...	...	...	...
<i>Real exports of services</i>		%y-o-y		37.5	9.3	4.2	4.6	5.2	2.4	2.8	...	...	...	...	...	...
Real imports of goods and services	ELSTAT	%y-o-y		17.9	7.2	2.1	4.1	0.0	3.1	9.6	...	...	...	...	...	...
<i>Real imports of goods</i>		%y-o-y		17.0	8.5	1.9	5.1	1.6	2.6	10.5	...	...	...	...	...	...
<i>Real imports of services</i>		%y-o-y		20.6	3.3	2.8	0.5	-4.0	4.4	6.9	...	...	...	...	...	...
Contribution to GDP growth (in GDP pts)	ELSTAT															
Domestic demand (excl. inventories)				6.8	7.4	2.3	1.4	0.9	0.9	1.2	...	...	...	...	...	...
Net exports				0.7	-0.8	0.5	-0.8	1.0	-2.9	-3.4	...	...	...	...	...	...
Changes in inventories				1.0	-0.8	-0.7	0.6	0.6	2.7	3.8	...	...	...	...	...	...
Economic Sentiment Indicator	EC			105.8	104.8	107.6	109.9	105.6	106.8	110.0	108.4	108.5	110.9	110.5	106.8	106.3
Consumer confidence indicator (% balance)	IOBE/EC			-35.4	-50.7	-40.0	-36.3	-43.5	-46.1	-42.7	-44.7	-41.7	-43.8	-42.7	-43.9	-48.1
Industrial confidence indicator (% balance)	IOBE/EC			2.8	2.0	0.6	1.4	-5.1	-0.3	3.0	4.7	1.9	3.5	3.7	-1.6	-2.9
Industrial production (total industry)	ELSTAT	%y-o-y		10.1	2.4	2.3	-0.1	6.0	3.5	9.7	-0.6	12.0	7.1	9.9	10.6	...
Retail sales (total including fuel)	ELSTAT	%y-o-y		10.2	3.3	-3.3	-3.2	-3.1	-4.7	3.1	5.3	-6.5	10.5	5.9	...	...
2. Prices and costs (annual % changes)																
HICP	ELSTAT	%y-o-y		0.6	9.3	4.2	3.1	3.5	3.2	2.7	3.4	3.2	2.4	2.5	3.0	3.2
GDP deflator	ELSTAT	%y-o-y		1.5	7.8	4.5	4.3	3.8	3.0	2.7	...	...	...	...	...	...
Profits (gross operating surplus)	ELSTAT	%y-o-y		14.9	16.4	3.4	2.1	-0.9	4.3	5.6	...	...	...	...	...	...
Real compensation per employee**	ELSTAT	%y-o-y		2.7	-3.4	0.9	1.3	1.7	1.9	2.1	...	...	...	...	...	...
Unit labour costs, whole economy***	ELSTAT	%y-o-y		-3.1	-0.2	4.5	4.8	4.9	4.7	3.7	...	...	...	...	...	...
Compensation per employee		%y-o-y		3.8	2.8	5.5	6.0	5.4	5.3	5.1	...	...	...	...	...	...
Labour productivity		%y-o-y		7.1	3.0	1.0	1.1	0.5	0.6	1.4	...	...	...	...	...	...
Import price index (ind. goods)	ELSTAT	%y-o-y		20.0	27.7	-12.3	-12.7	-10.3	-2.7	3.0	1.3	2.0	2.8	4.4	-1.6	...
Export producer prices index (ind. goods)	ELSTAT	%y-o-y		20.0	39.8	-9.0	-9.2	-7.6	-0.4	5.4	3.3	5.8	5.7	4.6	1.7	...
Industrial producer prices (total excl. constr.)	ELSTAT	%y-o-y		11.9	33.5	-6.5	-6.3	-10.4	-5.3	-3.1	-1.3	-3.2	-3.7	-2.4	-0.5	...
Residential property prices	BOG	%y-o-y		7.6	11.9	13.8	12.6	12.4	10.6	9.2	...	...	...	...	...	...
Commercial property prices: Retail	BOG	%y-o-y		2.5	6.2	6.9	...	...	...	...	...	...	...	...	...	...
Commercial property prices: Office	BOG	%y-o-y		1.7	3.6	5.9	...	...	...	...	...	...	...	...	...	...
3. Labour market developments																
Unemployment rate (% of labour force)(nsa)	ELSTAT			14.7	12.4	11.1	10.8	10.5	12.1	9.8	11.2	10.9	10.4	8.2	8.2	...
Total employment (nsa)	ELSTAT	%y-o-y		1.4	5.4	1.3	1.0	1.2	1.8	2.2	1.7	3.6	0.2	2.8	2.8	...
Employees	ELSTAT	%y-o-y		1.4	7.7	0.4	-0.8	-0.3	1.2	1.6	...	...	...	...	...	...
Hourly labour earnings (nsa)***	ELSTAT	%y-o-y		0.5	5.5	6.0	7.3	5.8	7.5	8.6	...	...	...	...	...	...
4. Balance of payments (BOG-Current Prices)																
Exports of goods and services	BOG	%y-o-y		44.1	36.5	-2.9	-4.6	-8.5	-4.4	6.8	-6.2	11.3	4.5	5.4	4.8	...
<i>Exports of goods</i>		%y-o-y		36.1	36.7	-8.0	-16.5	-13.0	-10.7	5.9	-11.4	11.8	2.7	3.3	8.3	...
<i>Exports of services</i>		%y-o-y		54.4	36.2	2.8	4.8	-2.3	6.8	7.6	3.0	10.7	6.2	6.9	2.6	...
Exports of G&S as a percentage of GDP	BOG	%y-o-y		41.0	49.1	44.7	51.5	39.6	38.8	44.8	...	...	...	...	...	...
Imports of goods and services	BOG	%y-o-y		40.4	37.9	-10.4	-13.5	-14.8	-0.4	9.0	-5.4	19.3	7.7	0.7	10.5	...
<i>Imports of goods</i>		%y-o-y		39.2	41.3	-12.3	-15.8	-16.4	-1.9	8.9	-7.4	21.4	7.7	-1.4	8.4	...
<i>Imports of services</i>		%y-o-y		43.9	27.7	-4.1	-5.6	-9.8	4.2	9.3	0.9	13.4	7.6	7.0	17.1	...
Imports of G&S as a percentage of GDP	BOG	%y-o-y		48.6	58.9	49.5	45.0	49.9	52.4	50.3	...	...	...	...	...	...
Current account balance (eur bn)	BOG	%y-o-y		-12.3	-21.2	-14.0	1.0	-6.8	-4.0	-4.8	-2.6	-2.7	-2.4	0.3	0.2	...
as a percentage of GDP		%y-o-y		-6.8	-10.3	-6.3	1.6	-12.3	-7.8	-8.2	...	...	...	...	...	...
5. Credit and financial indicators																
M3 (broad money, without currency in circulation)	BOG	%y-o-y		9.9	4.1	2.6	2.1	2.6	3.0	3.8	3.0	2.8	3.0	3.8	3.8	...
Credit to the private sector	BOG	%y-o-y		1.4	6.3	3.6	2.1	3.6	4.5	6.1	4.5	4.5	4.8	6.1	6.4	...
Euro short-term rate €STR	ECB	%y-o-y		-0.6	1.6	3.2	3.6	3.9	3.9	3.7	3.9	3.9	3.9	3.7	3.7	3.7
10-year government bond yield (%)	Reuters	%y-o-y		1.3	4.6	3.3	4.1	3.3	3.4	3.7	3.4	3.5	3.5	3.7	3.5	3.3
Stock prices: ATHEX Composite Index	ASE	%y-o-y		10.4	4.1	39.1	52.5	39.1	34.9	10.1	34.9	33.5	17.5	10.1	10.8	9.0
6. General government finances (% of GDP)																
Surplus (+) / Deficit (-)	ELSTAT	cumulative		-7.0	-2.5	-1.6	-1.3	-1.6	-1.1	...	...	...	...	...	...	...
Primary balance (surplus (+), deficit (-))	ELSTAT	cumulative		-4.5	0.0	1.9	1.2	1.9	-0.3	...	...	...	...	...	...	...
Consolidated gross debt	ELSTAT	cumulative		195.0	172.7	161.9	163.5	161.9	154.0	...	...	...	...	...	...	...

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: 20 September 2024, Next update: 11 October 2024					
			LTA	2021	2022	2023	23Q3	23Q4	24Q1	24Q2	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24
1. Private consumption			2001-2008													
1.1 Private consumption	ELSTAT	% y-o-y	4.2	5.8	7.4	3.2	1.3	2.1	2.1	2.0	...	...	...	...	...	...
2. Disposable income of households and NPISH			2001-2008													
2.1 Disposable income of households and NPISH (current prices)	ELSTAT	% y-o-y	6.8	7.6	7.6	7.3	2.4	7.5	1.1	...	...	...	...	...	...	...
2.2 Real disposable income of households and NPISH	ELSTAT	% y-o-y	3.5	6.6	1.0	2.5	-2.3	3.9	-2.2	...	...	...	...	...	...	...
3. Retail sales sub-indices			2005-2008													
3.1 General index	ELSTAT	% y-o-y	4.3	10.2	3.3	-3.3	-3.2	-3.1	-4.7	3.1	5.3	-6.5	10.5	5.9	...	...
3.1.1 General index (excluding automotive fuel)	ELSTAT	% y-o-y	3.0	10.5	1.9	-2.1	-2.3	-1.4	-4.2	2.9	6.0	-6.3	10.3	5.4	...	...
3.1.2 Food-beverages-tobacco	ELSTAT	% y-o-y	3.8	3.4	-1.4	-1.3	0.2	1.4	-0.3	3.0	11.1	-10.2	13.8	6.3	...	...
3.1.3 Clothing-footwear	ELSTAT	% y-o-y	-0.6	28.4	2.5	0.9	-0.5	-1.1	-0.2	6.3	9.4	-0.6	14.7	5.7	...	...
3.1.4 Furniture, elct and household eqpt.	ELSTAT	% y-o-y	5.2	21.9	10.8	2.4	-4.8	0.1	-13.8	-12.3	-12.3	-9.0	-18.7	-8.7	...	...
3.1.5 Books, stationery, other goods	ELSTAT	% y-o-y	2.0	20.2	13.0	-0.6	-4.1	-2.6	-10.8	2.6	-5.4	-4.0	7.5	4.6	...	...
3.2 New private passenger cars	ELSTAT	% y-o-y	-1.3	22.2	6.7	16.5	13.4	27.6	5.8	9.0	-7.0	28.9	-0.1	2.3	5.8	-14.5
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	2.6	3.4	4.6	5.5	4.6	5.4	5.3	5.5	5.8	...
5. VAT Receipts*			2003-2008													
5.1 In current prices	MoF	% y-o-y	7.3	16.1	22.9	9.2	7.1	6.3	4.7	11.7	-4.7	16.9	9.4	8.0	13.5	...
5.2 In constant prices	MoF	% y-o-y	3.9	14.6	12.2	5.5	4.7	2.9	1.6	8.9	-7.6	13.4	6.9	5.6	10.5	...
6. Confidence indicators			2003-2008													
6.1 Consumer confidence	IOBE/EC	ind	-28.0	-40.2	-46.0	-43.4	-43.5	-41.5	-43.3	-42.8	-40.9	-46.0	-44.2	-38.2	-45.3	-44.5
Present conditions																
6.2 Major purchases at present	IOBE/EC	ind	-12.8	-6.0	-33.5	-20.2	-14.7	-22.9	-21.0	-19.4	-18.7	-19.5	-19.8	-19.0	-18.3	-21.7
6.3 Savings at present	IOBE/EC	ind	20.7	13.3	19.4	2.7	-0.1	6.9	7.3	6.3	5.8	6.0	4.8	8.2	6.7	4.6
6.4 Statement on fin. situation of hsh.	IOBE/EC	ind	-31.5	-40.2	-54.1	-51.0	-49.6	-45.8	-42.4	-41.9	-42.4	-39.1	-43.1	-43.4	-38.7	-42.3
Past 12 months																
6.5 Financial situation over last 12 months	IOBE/EC	ind	-45.9	-59.8	-67.3	-64.3	-61.6	-63.6	-68.0	-64.7	-66.6	-65.3	-62.5	-66.4	-66.5	-67.4
6.7 Price trends over last 12 months	IOBE/EC	ind	-12.7	-20.1	-28.9	-24.2	-20.8	-22.4	-19.7	-15.9	-18.6	-15.7	-15.5	-16.6	-14.8	-14.9
Next 12 months																
6.8 Financial situation over next 12 months	IOBE/EC	ind	-1.2	2.5	-2.8	-3.6	-2.2	-4.3	-3.1	-2.3	-3.2	-4.3	1.2	-3.9	-4.8	-7.1
6.9 General economic situation over next 12 months	IOBE/EC	ind	-14.0	-12.9	-26.5	-19.2	-16.1	-19.0	-17.2	-14.4	-15.8	-14.6	-14.5	-14.2	-13.7	-15.2
6.10 Price trends over next 12 months	IOBE/EC	ind	-5.0	0.0	-15.7	-6.4	-4.2	-7.1	-5.1	-1.5	-3.3	-1.9	-1.5	-1.0	-2.0	-3.4
6.11 Unemployment expectations over next 12 months	IOBE/EC	ind	-23.5	-63.7	-59.6	-46.1	-35.7	-44.1	-40.0	-34.9	-38.0	-35.8	-33.6	-35.2	-32.1	-35.4
6.12 Major purchases over next 12 mn.	IOBE/EC	ind	54.0	30.7	73.0	73.0	70.1	71.3	66.4	61.6	64.8	62.8	60.1	62.0	56.9	55.5
6.13 Savings over next 12 months	IOBE/EC	ind	17.5	18.1	19.1	15.0	11.4	13.3	12.0	11.7	7.6	8.5	10.9	15.6	12.3	15.6

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: 20 September 2024, Next update: 11 October 2024					
			LTA	2021	2022	2023	23Q3	23Q4	24Q1	24Q2	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24
1. Gross fixed capital formation	ELSTAT	%y-o-y	3.8	19.3	11.7	4.0	5.1	-5.5	3.1	3.9	...	...	...	...	...	...
1.1 Equipment			7.8	28.6	15.1	-2.3	6.8	-12.9	5.2	12.2	...	...	...	...	...	...
1.2 Construction			1.2	16.7	16.6	13.6	11.8	0.2	0.6	-2.1	...	...	...	...	...	...
2. Public Investment Programme (nsa)	BOG	%y-o-y	...	-15.5	22.5	1.6	-24.3	16.2	38.6	-12.4	6.6	20.1	-37.9	-10.1	50.2	...
3. Capital goods production index (nsa)	ELSTAT	%y-o-y	-3.5	13.8	5.5	6.0	-3.4	10.7	-0.4	1.5	0.5	13.5	-5.8	-1.5	11.4	...
4. Capacity utilization-capital goods industry (nsa)	IOBE/EC	Ind	77.0	74.7	68.7	71.0	75.3	73.1	74.8	75.8	...	...	...	...	...	...
5. Cement Production (nsa)	ELSTAT	%y-o-y	-1.8	19.4	2.5	0.5	-3.5	1.3	14.4	0.0	5.3	3.7	-11.8	9.4	11.6	...
6. Construction production index (nsa)	ELSTAT	%y-o-y	-5.9	6.9	24.2	12.8	8.2	11.6	5.0	12.0	...	...	...	...	...	...
7. Construction confidence indicator (sa)	IOBE/EC	bln	-19.3	-4.2	-19.1	0.5	-9.6	7.3	12.5	6.7	8.6	-1.8	6.1	15.7	7.7	9.9
7.1 Evolution of current overall order books			-37.9	-25.6	-51.2	-38.7	-54.0	-21.6	-1.8	-16.5	-5.7	-25.7	-14.6	-9.3	-11.8	-10.5
7.2 Employment expectations over the next 3 months			-0.7	17.2	13.0	39.7	34.8	36.2	26.8	29.9	22.8	22.1	26.8	40.8	27.1	30.3
8. New construction permits (nsa)	ELSTAT	%y-o-y	-1.9	45.9	-2.2	15.9	20.8	12.1	26.7	...	13.1	27.3	3.8	...	...	...
9. Housing loans (nsa)	BOG	%y-o-y	22.2	-3.0	-3.6	-3.5	-3.7	-3.5	-3.1	-2.9	-3.1	-2.9	-2.8	-2.9	-2.7	...
10. Credit to non-financial corporations over 1 year (nsa)	BOG	%y-o-y	25.8	4.5	10.7	6.4	5.3	6.4	6.6	8.6	6.6	6.8	7.8	8.6	10.2	...
*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: 20 September 2024, Next update: 11 October 2024					
			LTA	2021	2022	2023	23Q3	23Q4	24Q1	24Q2	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-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	1.0	4.2	4.6	10.4	...	...	...	...	...	...
2. Industrial production			2001-08													
2.1 General index	ELSTAT	%y-o-y	-0.5	10.1	2.4	2.3	-0.1	6.0	3.5	9.7	-0.6	12.0	7.1	9.9	10.6	...
2.1.1 Manufacturing			-0.9	9.0	4.6	4.2	0.6	5.8	1.6	7.4	-2.3	11.7	4.9	5.8	10.2	...
2.1.2 Mining-quarrying			-0.6	4.7	-7.9	9.0	6.8	10.7	2.7	-0.2	-4.7	8.3	-1.3	-6.9	-1.9	...
2.1.3 Electricity			1.0	16.4	-3.7	-5.5	-3.3	7.3	12.5	22.4	8.2	14.0	21.2	30.6	14.5	...
2.1.4 Water supply			1.4	1.0	-2.2	0.1	2.0	1.6	2.6	7.0	1.6	8.6	3.5	8.9	3.4	...
2.1.a Energy			0.8	12.0	-2.5	-1.9	-1.3	5.7	6.0	20.3	1.7	12.7	17.3	30.5	11.3	...
2.1.b Intermediate goods			-0.6	7.8	1.8	0.3	-3.7	5.2	4.4	4.8	-0.7	8.9	3.1	2.5	11.6	...
2.1.c Capital goods			-4.3	13.8	5.5	6.0	-3.4	10.7	-0.4	1.5	0.5	13.5	-5.8	-1.5	11.4	...
2.1.d Durable consumer goods			-3.2	17.3	22.9	7.1	4.4	8.3	18.3	8.8	18.2	19.6	10.3	-2.7	10.3	...
2.1.e Non-durable consumer goods			0.0	8.5	6.4	6.6	4.4	5.2	0.9	6.8	-3.8	12.7	5.7	2.3	9.3	...
3. Industrial turnover (at current prices)			2001-08													
3.1 Total market	ELSTAT	%y-o-y	5.2	25.9	33.1	-4.1	-7.4	-3.8	-0.4	9.2	-6.1	18.1	4.4	5.6	11.7	...
3.1.1 Domestic market			5.0	19.0	35.8	-2.4	-5.6	-1.5	3.4	8.9	-3.3	17.4	5.7	4.4	11.5	...
3.1.2 Non-domestic market			7.0	38.3	29.0	-7.0	-10.5	-7.8	-6.0	9.7	-10.3	19.3	2.1	7.9	12.1	...
3.1.2.1 Euro area			5.3	30.9	32.3	1.8	2.0	-6.3	-10.3	-0.5	-16.7	18.7	-8.6	-9.5	3.6	...
3.1.2.2 Non-euro area			11.1	42.7	27.2	-12.0	-16.9	-8.6	-3.0	17.1	-5.6	19.7	10.2	21.7	18.0	...
4. Industrial confidence indicator			2003-08													
4.1 Industrial confidence	IOBE/EC	ind	-0.4	2.8	2.0	0.6	1.4	-5.1	-0.3	3.0	4.7	1.9	3.5	3.7	-1.6	-2.9
4.1.1 Production expectations			22.6	22.4	18.1	18.9	16.1	13.3	24.6	25.7	30.4	28.1	26.0	23.0	17.8	18.8
4.1.2 Order books			-11.7	-4.4	-5.1	-10.7	-9.2	-18.9	-15.9	-6.7	-5.5	-11.1	-7.8	-1.1	-11.9	-16.0
4.1.3 Stocks of finished products			12.2	9.4	7.0	6.4	2.8	9.6	9.7	10.0	10.7	11.4	7.8	10.7	10.7	11.5
4.2 Employment expectations	IOBE/EC	ind	-3.6	7.8	3.5	4.0	-2.3	-0.5	-2.6	1.5	4.0	3.5	-0.4	1.4	1.1	10.5
4.3 Export order books	IOBE/EC	ind	-15.0	-1.1	-3.8	-20.5	-21.5	-29.7	-26.2	-11.7	-16.7	-19.9	-11.7	-3.6	-17.5	-23.6
4.4 Factors limiting the production (% of firms answering "none")	IOBE/EC	bln	18.4	31.4	42.6	26.5	22.6	20.1	21.6	16.0	...	...	...	...	...	...
5. Capacity utilization			1990-08													
5.1 Capacity utilization	IOBE/EC	ind	76.1	76.2	75.5	74.8	75.2	76.3	72.9	80.7	...	...	...	...	...	...
6. Purchasing managers index (PMI)			1999-08													
6.1 PMI	S&P Globl	ind	52.6	56.2	51.8	51.6	52.2	51.0	55.8	54.7	56.9	55.2	54.9	54.0	53.2	52.9
6.1.1 Output			54.9	54.8	49.4	53.4	53.1	53.7	57.2	55.7	58.9	57.5	55.4	54.2	52.2	52.0
6.1.2 New Orders			53.7	55.2	47.7	51.9	53.0	51.1	56.6	54.5	58.2	55.1	55.0	53.3	52.1	51.9
6.1.3 Stocks of finished goods			47.8	45.9	45.6	46.9	45.2	46.4	46.2	47.1	46.6	45.9	46.7	48.6	48.4	46.2
6.1.4 Employment			50.6	54.3	52.4	52.2	53.1	50.8	54.0	55.4	54.8	56.0	55.5	54.6	53.9	52.3
6.1.5 Suppliers' delivery times			48.4	30.9	32.5	48.9	48.3	49.6	40.7	44.0	41.1	45.3	44.3	42.3	42.9	40.3
6.2 New Export Orders			53.5	52.3	48.2	50.5	51.4	50.0	53.3	52.9	54.5	55.2	52.6	51.0	52.7	50.7
6.3 Future Output			...	68.1	59.9	63.9	61.2	62.4	69.4	65.9	64.8	65.2	69.9	62.7	61.6	57.5

Table 5: Key indicators for Services in Greece										This update: 20 September 2024, Next update: 11 October 2024						
			LTA	2021	2022	2023	23Q3	23Q4	24Q1	24Q2	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-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	0.5	1.1	0.6	0.6	...	...	...	...	...	...
2. Turnover indices (curr.prices)			2005-2008													
2.1 Wholesale trade	ELSTAT	% y-o-y	10.8	4.7	21.4	-2.2	-6.0	-6.2	-11.5	-4.6	-17.5	9.3	-10.0	-11.5	...	...
2.2 Tourism (accmd & food serv.activities)	ELSTAT	% y-o-y	...	79.9	54.6	8.4	5.6	4.9	31.1	-12.7	12.1	-8.2	-23.9	-5.5	...	...
2.3 Transport	ELSTAT	% y-o-y														
2.3.a Water transport		% y-o-y	6.3	6.3	32.9	1.7	-2.2	-2.5	-12.1	10.8	-13.3	13.9	6.7	12.0	...	...
2.3.b Land transport		% y-o-y	16.4	10.6	21.3	15.8	6.1	13.8	5.3	11.7	1.1	19.9	3.8	12.0	...	...
2.3.c Air transport		% y-o-y	7.0	64.1	94.2	22.6	13.5	9.0	62.4	46.1	46.0	119.6	37.7	28.8	...	...
2.4 Telecommunication	ELSTAT	% y-o-y	2.5	7.3	5.8	5.5	7.2	2.8	11.9	4.5	7.9	3.4	10.6	0.1	...	...
2.5 Legal-accounting activities and management consultancy services	ELSTAT	% y-o-y	10.1	12.2	22.2	6.9	2.7	8.8	4.2	0.8	-10.0	10.3	2.2	-7.3	...	...
2.6 Travel agencies and other activities	ELSTAT	% y-o-y	12.7	102.3	96.6	24.1	15.8	13.2	26.2	16.0	8.4	48.0	33.0	-5.3	...	...
3. Bank credit			2003-2008													
3.1 Loans to sole proprietors	BOG	% y-o-y	...	2.0	-0.9	-1.3	-3.3	-1.3	-0.6	-0.5	-0.6	-0.1	0.3	-0.5	0.2	...
4. Confidence indicators			2003-2008													
4.1 Retail trade confidence indicator	IOBE/EC	ind	17.1	6.5	5.5	21.2	26.9	17.2	10.7	12.3	4.2	0.7	18.0	18.3	19.3	24.8
4.1.1 Present business situation		ind	25.6	4.1	-4.2	47.4	52.6	43.7	42.3	17.4	24.3	0.4	28.0	23.7	31.2	43.4
4.1.2 Volume of stocks		ind	14.4	3.6	-6.6	10.3	2.7	23.7	26.9	18.8	32.8	28.0	17.1	11.2	10.9	8.7
4.1.3 Expected business situation		ind	40.0	18.8	14.1	26.7	30.8	31.6	16.5	38.3	21.0	29.6	43.0	42.2	37.5	39.7
4.2 Services confidence indicator	IOBE/EC	ind	3.2	1.9	9.1	8.5	9.2	9.8	11.8	12.6	11.0	11.3	11.0	15.5	16.1	16.8
4.2.1 Assessment of business situation over the past 3 months		ind	22.0	20.4	19.9	23.6	25.1	27.7	26.0	23.9	29.9	22.7	22.2	26.9	22.9	31.6
4.2.2 Evolution of demand over the past 3 months		ind	9.5	8.9	13.5	14.2	13.2	16.6	19.1	14.3	18.0	12.3	15.1	15.5	14.1	19.0
4.2.3 Evolution of demand expected over the next 3 months		ind	13.8	8.1	30.6	23.2	20.6	23.3	23.5	20.2	19.9	18.6	20.7	21.2	15.8	22.5

Table 6: Business and consumer surveys (balances, seasonally adjusted data)															
											This update: 20 September 2024, Next update: 11 October 2024				
		LTA	2021	2022	2023	23Q3	23Q4	24Q1	24Q2	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24
1. Economic sentiment indicator		2003-08													
Economic sentiment indicator	IOBE/EC	105.3	105.8	104.8	107.6	109.9	105.6	106.8	110.0	108.4	108.5	110.9	110.5	106.8	106.3
Industrial confidence indicator	IOBE/EC	-0.4	2.8	2.0	0.6	1.4	-5.1	-0.3	3.0	4.7	1.9	3.5	3.7	-1.6	-2.9
Retail confidence indicator	IOBE/EC	17.1	6.5	5.5	21.2	26.9	17.2	10.7	12.3	4.2	0.7	18.0	18.3	19.3	24.8
Services confidence indicator	IOBE/EC	18.4	17.3	24.6	32.8	40.3	39.5	38.2	49.5	39.3	46.3	52.1	50.2	39.6	41.4
Construction confidence indicator	IOBE/EC	-14.5	-4.2	-19.1	0.5	-9.6	7.3	12.5	6.7	8.6	-1.8	6.1	15.7	7.7	9.9
Consumer confidence indicator	IOBE/EC	-26.8	-35.4	-50.7	-40.0	-36.3	-43.5	-46.1	-42.7	-44.7	-41.7	-43.8	-42.7	-43.9	-48.1
Employment expectations index	IOBE/EC	104.1	110.3	106.7	116.0	113.2	115.8	116.3	120.6	117.3	122.5	122.6	116.7	112.3	117.1
2. Industrial confidence indicator															
Production expectations	IOBE/EC	22.6	22.4	18.1	18.9	16.1	13.3	24.6	25.7	30.4	28.1	26.0	23.0	17.8	18.8
Order books	IOBE/EC	-11.7	-4.4	-5.1	-10.7	-9.2	-18.9	-15.9	-6.7	-5.5	-11.1	-7.8	-1.1	-11.9	-16.0
Stocks of finished products	IOBE/EC	12.2	9.4	7.0	6.4	2.8	9.6	9.7	10.0	10.7	11.4	7.8	10.7	10.7	11.5
Purchasing managers index (PMI)	MARKIT	52.1	56.2	56.2	51.8	52.2	51.0	55.8	54.7	56.9	55.2	54.9	54.0	53.2	52.9
3. Retail confidence indicator															
Present business situation	IOBE/EC	25.6	4.1	-4.2	47.4	52.6	43.7	42.3	17.4	24.3	0.4	28.0	23.7	31.2	43.4
Volume of stocks	IOBE/EC	14.4	3.6	-6.6	10.3	2.7	23.7	26.9	18.8	32.8	28.0	17.1	11.2	10.9	8.7
Expected business situation	IOBE/EC	40.0	18.8	14.1	26.7	30.8	31.6	16.5	38.3	21.0	29.6	43.0	42.2	37.5	39.7
4. Services indicator															
Business situation over the past 3m.	IOBE/EC	22.0	20.4	19.9	23.6	25.1	27.7	26.0	23.9	29.9	22.7	22.2	26.9	22.9	31.6
Demand over the past 3m.	IOBE/EC	9.5	8.9	13.5	14.2	13.2	16.6	19.1	14.3	18.0	12.3	15.1	15.5	14.1	19.0
Expected demand over the next 3m.	IOBE/EC	13.8	8.1	30.6	23.2	20.6	23.3	23.5	20.2	19.9	18.6	20.7	21.2	15.8	22.5
5. Construction confidence indicator															
Order books	IOBE/EC	-33.4	-25.6	-51.2	-38.7	-54.0	-21.6	-1.8	-16.5	-5.7	-25.7	-14.6	-9.3	-11.8	-10.5
Employment expectations	IOBE/EC	4.5	17.2	13.0	39.7	34.8	36.2	26.8	29.9	22.8	22.1	26.8	40.8	27.1	30.3
6. Consumer confidence indices															
Financial situation over next 12 mnths	IOBE/EC	-1.2	2.5	-2.8	-3.6	-2.2	-4.3	-3.1	-2.3	-3.2	-4.3	1.2	-3.9	-4.8	-7.1
Gen. econ. sit. over next 12 mnths	IOBE/EC	-14.0	-12.9	-26.5	-19.2	-16.1	-19.0	-17.2	-14.4	-15.8	-14.6	-14.5	-14.2	-13.7	-15.2
Savings over next 12 months	IOBE/EC	17.5	18.1	19.1	15.0	11.4	13.3	12.0	11.7	7.6	8.5	10.9	15.6	12.3	15.6
Unemployment over next 12 months	IOBE/EC	-23.5	-63.7	-59.6	-46.1	-35.7	-44.1	-40.0	-34.9	-38.0	-35.8	-33.6	-35.2	-32.1	-35.4

ANNEX 2: DATA RELEASES

LAST TWO WEEKS' NEWS AND DATA RELEASES (09 – 20 September 2024)

Real Economy

- 10/09/2024: BoG released Residential Property Price Indices for 2024:Q2.
- 10/09/2024: ELSTAT released Industrial Production Index for July 2024.
- 10/09/2024: ELSTAT released Harmonised Index of Consumer Prices for August 2024.
- 10/09/2024: ELSTAT released Monthly Turnover Indices in the Services Sector (of the quarterly period) for 2024:Q2.
- 11/09/2024: The Ministry of Labor announces that the pilot implementation of the digital work card starts in the branches of tourism and cafes-restaurants. Full implementation will start on 1 March 2025.
- 12/09/2024: ELSTAT released Index of Wages Cost for 2024:Q2.
- 12/09/2024: ELSTAT released Issuing of Motor Vehicle Licences for August 2024.
- 12/09/2024: The Minister of Labor provides details (during an inter-ministerial press conference) on the measures announced by the Prime Minister concerning wages, social security contributions, unemployment insurance, family benefits, and pensions. In particular: (a) The consultation procedure or increasing the minimum wage in 2025 will start next January; (b) Social security contributions will be cut as of 1 Jan. 2025 by half a percentage point for employers and another half of a percentage point for employees; (c) Unemployment insurance will be reformed so as to motivate the unemployed to search and find work -- unemployment benefits will be higher at the beginning of the period of unemployment and then they will decrease gradually; (d) Tax benefits will be provided to private employers who pay allowances to workers who become parents; (e) Pensions are expected to rise by 2.2-2.5% as of 1 Jan. 2025—also, pensioners with a “personal difference” will receive a one-off benefit.
- 13/09/2024: ELSTAT released Production Index in Construction for 2024:Q2.
- 13/09/2024: ELSTAT released Import Price Index in Industry for July 2024.
- 13/09/2024: ELSTAT released the Evolution of Turnover of Enterprises for July 2024.
- 13/09/2024: ELSTAT released the Evolution of Turnover of Enterprises in Accommodation and Food Service Activities for July 2024.
- 16/09/2024: Law 5135 of 2024 on the Digital transaction fee was published in the *Government Gazette*, following the bill's approval by Parliament.
- 20/09/2024: ELSTAT released Turnover Index in Industry for July 2024.

External Sector

- 20/09/2024: BoG released BoP data for July 2024.

Fiscal

- 16/10/2024: MoF, state budget execution for January-August 2024 (preliminary data).

Monetary & Financial

- 11/09/2024: Piraeus Financial Holdings priced a new 11-year €650mn subordinated Tier 2 bond, callable in six years, with a coupon rate of 5.375% (yield of 3.475%) while announcing a tender offer for its Tier 2 notes due in February 2030 amounting to €500mn.
- 13/09/2024: Moody's revised the outlook of the sovereign credit rating to positive from stable and confirmed the rating at Ba1. The rating decision reflects the improved fundamentals of the banking sector which reduce contingent liability risks for the sovereign as well as higher expected fiscal strength supported by GDP growth and fiscal performance.
- 13/09/2024: Morningstar-DBRS revised the outlook it assigns to NBG to positive from stable, maintaining the BBB-low rating. The decision came after the agency revised the outlook of the Greek sovereign to positive from stable, affirming BBB-low.

- 18/09/2024: Eurobank completed the pricing of €850mn green senior preferred notes maturing in September 2030, callable in 5 years, offering a coupon of 4% (yield of 4.108%). The issuance is part of bank's sustainability agenda.
- 18/09/2024: The Public Debt Management Agency proceeded to a reopening of the 10-Year bond maturing on 15 June 2034 with coupon rate 3.375%. Total bids reached €924 million and the amount finally accepted was €250 million, while the bond yield was 3.11%.

NEXT THREE WEEKS' NEWS AND DATA RELEASES (23 September – 11 October 2024)

Real Economy

- 24/09/2024: ELSTAT releases the Evolution of Turnover of Enterprises in Retail Trade for July 2024.
- 26/09/2024: ELSTAT releases Structural Business Statistics Survey for 2022.
- 26/09/2024: ELSTAT releases Household Budget Survey for 2023.
- 26/09/2024: ELSTAT releases Building Activity Survey for June 2024.
- 26/09/2024: ELSTAT releases Services Producer Price Indices for 2024:Q2.
- 27/09/2024: European Commission releases Economic Sentiment Indicator for September 2024.
- 30/09/2024: ELSTAT releases Turnover Index in Retail Trade for July 2024.
- 30/09/2024: ELSTAT releases Producer Price Index in Industry for August 2024.
- 01/10/2024: ELSTAT releases Labour Force Survey (monthly estimates) for August 2024.
- 01/10/2024: S&P Global releases PMI for September 2024.
- 10/10/2024: ELSTAT releases Industrial Production Index for August 2024.
- 10/10/2024: ELSTAT releases Harmonised Index of Consumer Prices for September 2024.
- 11/10/2024: ELSTAT releases the Evolution of Turnover of Enterprises for August 2024.
- 11/10/2024: ELSTAT releases Issuing of Motor Vehicle Licences for September 2024.

External Sector

- 23/09/2024: BoG releases travel services data for July 2024.
- 08/10/2024: ELSTAT releases merchandise trade data for August 2024.

Fiscal

- 25/09/2024: MoF, state budget execution for January-August 2024 (final data).
- 04/10/2024: MoF, Medium Term Fiscal Strategy for 2025-2028.
- 07/10/2024: MoF, general government cash data for January-August 2024.
- 07/10/2024: MoF, Draft Budget for 2025.

Monetary & Financial

- 26/09/2024: ECB releases data on monetary developments in the euro area for August 2024.
- 02/10/2024: ECB releases data on MFI interest rate statistics in the euro area for August 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.

ISSN: 2945-24

www.bankofgreece.gr



