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MACROECONOMIC ANALYSIS  
AND EUROPEAN POLICY

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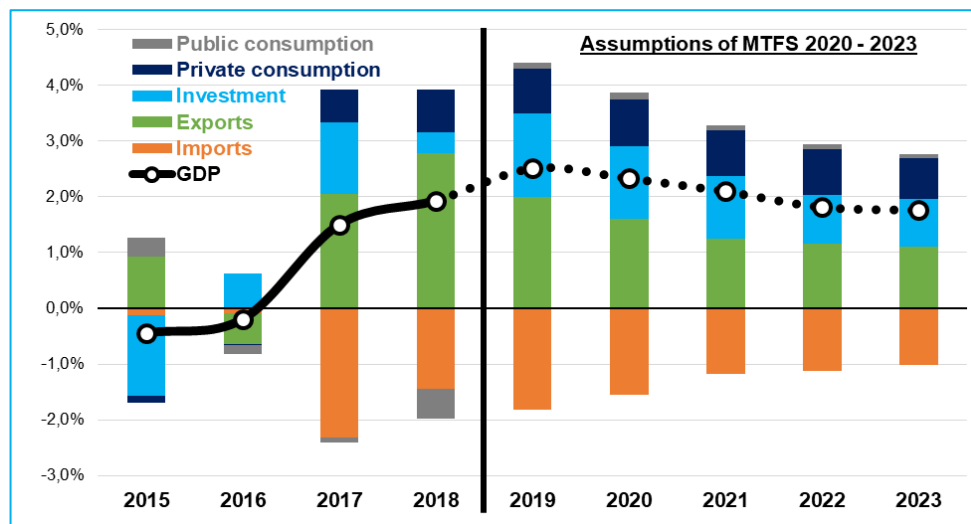
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## Contribution to Greece's GDP growth

(ELSTAT, Quarterly National Accounts, Q4 2018 and Ministry of Finance)



## Greece taps the markets but with a moderate recovery and implementation delays in the 2nd post-memorandum evaluation

According to ELSTAT's provisional data, growth in 2018 was +1.9%, vs projections of +2.1% in the State Budget of 2019 and +2% according to the European Commission's forecasts. More specifically, in Q4 2018 economic recovery decelerated, with GDP yoy growth at +1.6%, compared to +2.1% in Q3 and +2.05% in 9M 2018. This development is mainly attributed to the fall in investment in non-residential construction (-36.5%) and transport equipment (-72.5%), both of which are due to the base effect due to the completion of large construction projects and increased ship imports respectively in 2017. On the contrary, investment in equipment continued growing in Q4 2018 but at a slower pace (+5.3%, vs +21% in 9M 2018), while residential investment accelerated (+32.3%, vs +12.5% in 9M 2018). At the same time, export dynamism was strengthened (+10.6%, vs +8.1% in 9M 2018) and import growth slowed down (+2%, vs 3.2% in 9M 2018). Finally, private consumption kept on rising (+1.1%, vs +1% in 9M 2018), while the decline in public consumption slowed down (-1.4%, vs -2.9% in 9M 2018).

In 2018 as a whole, **the recovery was mainly driven by exports of goods (manufacturing) and services (tourism, shipping), which rose by +8.4% and +9% respectively**, with a contribution to growth of +1.5 pp and +1.3 pp respectively. Private consumption also rose by +1.1%, with its contribution to GDP growth reaching +0.8 pp (D01 and D02), mainly as a result of a rise in compensation per employee by +1.3%, while productivity per person employed increased marginally (+0.1%). Regarding investment, the completion of major road construction projects in 2017 resulted in a decline in investment in construction (-22.9%) and total investment in fixed assets (-12.2%) due to the base effect. On the other hand, this activity in 2017 increased inventories, causing also a base effect in the change of inventories in 2018. As a result, total investment (including change in inventories) in 2018 recorded a positive change (+1.8%). The decline in total fixed assets (-12.2%) is also due to a drop in ship imports by -58% (from € 3 billion in 2017 to €1.3 billion in 2018), which is reflected in the decline of investment in transport equipment and weapon systems by -



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43.5%, compared with an increase of +50.9% in 2017. On the contrary, residential investment rose (+17.2%) for the first time since 2007, investment in ICT equipment increased by +16.8% and in other machinery (including weapons systems) by +15.9% (D03).

On the supply side, Industry's contribution to growth was +0.2 pp, Trade, Tourism and Transport increased GDP by +1.0 pp, Construction by +0.3 pp and Agriculture by +0.1 pp. Additionally, all service sectors were up, with the exception of the banking sector (-0.4 pp, D04 and D05).

The above picture is in line with estimates for low growth in the coming years, as uncertainty related to the upcoming elections hold back investment plans, while risks associated with the external demand, mainly due to the slowdown in world trade, are rising. In this context, a [circular from the Ministry of Finance](#) on the drawing up of the Medium-Term Fiscal Strategy 2020-2023 includes the assumption that the growth of the Greek economy will slow down to +1.8% in the period 2022-2023. At the same time, the growth in investment and exports is expected to fall to +5% and +3% respectively, while private consumption growth will remain at +1%.

In any case, the recent upgrade of Greece's rating by Moody's by two notches (at B1 from B3) is a positive development. Additionally, the fact that Greece managed to raise €2.5 bn in bond markets with the issuance of a 10-year bond with a 3.9% interest rate, documents the belief of the financial markets, as represented by long term institutional investors that essentially the country is on the right track. This assessment is broadly compatible with the content of the recent European Commission reports on Greece, one in the context of the [European Semester](#) and the other as part of the enhanced surveillance. In particular the report of the "enhanced surveillance" will contribute towards the decision regarding the activation of certain agreed debt-relief measures that are estimated, at this stage, to amount to €970 mil. These measures –that were postponed according to March Eurogroup's decision for the next Euroworking Group in April or until the completion of the pending reforms of the second evaluation– are comprised of an annual reduction in payable interest worth €220 mil. and the semiannual payment of the central bank profits stemming from the ANFA/SMP program (valued at €640 mil./per semester) and that are so far retained.

This report documents that – in certain areas – the country has made significant progress with respect to structural reforms. It also stresses **delays** and expresses **concern** as, indicatively, in the case regarding the possible impact on cost competitiveness because of the almost 11% raise in the minimum wage and of the additional wage increases that may follow as a result of the reinstatement of the mandatory arbitration in combination with decisions to extend wage agreements (a decree to re-introduce automatic wage increase with seniority was issued after the publication of the report). Specific unresolved issues are pointed out as prerequisites to reach an agreement within the context of the second enhanced surveillance report. They relate to issues like the separation of the activities of DEPA, issues with EGNATIA odos (toll stations), the appointment of the deputy CEO and vacant General Council position at the HFSF, an agreement on the protection of the primary residence of debtors and certain issues that are linked with the strategy to reduce the NPE backlog, the staffing of AADE and an agreement regarding the next steps after the failed tender for the lignite plants of DEH.

Beyond the documented progress in certain areas, and the lack of progress in others, it should be stressed that in 2019, after the completion of the third adjustment programme of the country, certain important issues remain at the stage of planning, early rollout or insufficient implementation. These are: **a) the implementation of the "better regulation agenda", b) the implementation of an action plan to combat corruption, c) the qualitative improvement of the education system and the connection of the education system and research centers with the market, d) the full assessment of the fact that Greek companies are excluded since the onset of the crisis from the Single Market for Financial Services, causing a competitive disadvantage for Greek**



**businesses which operate within the Single Market and e) the fact that the manufacturing base of the country, that should spear-head the export led recovery envisioned by the first MOU, remains relatively weak.** In addition the reports ask for more ambition to safeguard fiscal stability, recognize that overtaxation poses a problem and propose a mechanism that will identify, roll out and safeguard useful reforms and, in addition, the planning and construction of useful infrastructure projects.

Moreover, according to the latest available data:

- **Economic climate** improved slightly in February 2019 (at 101.3 points from 99.6 in the previous month and 103.9 in February 2018), mainly due to the recovery of expectations in industry and services, while in the sectors climate deteriorated. More specifically, expectations in industry rose after a fall in the last quarter of 2018 and in January 2019 following international trends, with companies showing more optimism, especially for the development of production in the coming period.
- A similar trend is recorded by **PMI in manufacturing**, which stood at 54.2 units in February 2019 to from 53.7 in the previous month and 56.1 in February 2018, as estimates of production, new orders and employment were improved.
- Enhanced confidence in industry was reflected in **non-oil manufacturing production** increase by + 2.7% in January 2019 on top of + 6.6% in January 2018 and + 2% in 2018 as a whole.
- **Exports of goods** excluding oil and ships kept on moving upward in January 2019 (+3.9% in terms of value and +4.9% in terms of volume), mainly due to industrial products (+10.5%) and raw materials (+15.4%), while agricultural products recorded a fall (-8.6%) due to the drop in exports of animal and vegetable oil (-57.6%). At the same time, imports excluding oil and ships recorded a similar increase (+3.2% in terms of value and +3.1% in terms of volume), resulting to a trade deficit of - €1.3 billion (€ 29 million higher than in January 2018).
- The **volume of retail sales** excluding fuel increased by +0.3% in December 2018, yet there were mixed trends in specific store categories. More specifically, sales volume in clothing and footwear rose (+5.6%), as well as in food, beverages and tobacco stores (+3.8%), while dropped in pharmaceuticals and cosmetics (-7.3%). Total retail sales volume rose by +1.7% in 2018, on top of +1.3% in 2017, with most store categories registering increases, especially furniture and home equipment (+5%) and supermarkets (+3.5%). It is noted that business expectations in retail trade showed a remarkable increase in December 2018 and in January 2019, while in February 2019 fell to the level of November 2018, following in general the seasonal trend of previous years.
- **Building construction activity shows visible signs of recovery**, as the volume of new building permits rose by +21.3% in 2018. The recovery in building activity is largely due to the rise in tourism and the spread of short-term rentals through electronic applications, as a significant part of the new permits is associated with building additions and improvements, mainly in tourist areas. Indicatively, the share of permits for new buildings in total permits (new constructions, additions, renovations, demolitions, legitimations, modifications, etc), from 51% in 2008, fell to 34% in 2016, while in 2017 it was 36% and in Jan - Nov 2018 to 37%. Moreover, apartment prices increased by +1.5% in 2018 (+1.7% for new apartments up to 5 years old and +1.3% for old apartments over 5 years old) for the first time after 9 years of decline.
- **Services receipts** rose by +13.7% in December 2018, mainly due to the increase of net receipts from shipping by +13.9%. At the same time, tourist arrivals and receipts increased by +16.8% and +40% respectively. Overall, in 2018, the services surplus increased by +1.3 billion, mainly due to the

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The recent upgrade of Greece's rating by Moody's by two notches (at B1 from B3) is a positive development. Additionally, the fact that Greece managed to raise €2.5 bn in bond markets with the issuance of a 10-year bond with a 3.9% interest rate, documents the belief of the financial markets, as represented by long term institutional investors that essentially the country is on the right track.

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improvement in the balance of payments in tourism, with arrivals and receipts increasing by +10.8% and +10.1% respectively. Moreover, transport receipts rose by + 14.9%.

- **Bank credit expansion to businesses** remained positive for the 2<sup>nd</sup> consecutive month in January 2019 (+0.5%), after 9 months of decline. At the same time, households' deposits are in a steady upward trend, recording an increase of around €6 billion in 2018. It is noted that the decline in households' deposits in January 2019 by €539 million was expected after the significant increase in December 2018 (+ €2.3 billion) which was attributed to the payment of agricultural subsidies.
- **Unemployment** fell at 18% in December 2018, from 18.3% in the previous month and 20.8% in December 2017. Accordingly, the number of unemployed dropped to 851.6 thousand, from 989.8 thousand in the December 2017. At the same time, according to ERGANI data, in January 2019 net hirings were negative (-22.3 thousand), as is traditionally the case every January, although this does not indicate a weakening trend compared to previous years. Moreover, data from the Hellenic Manpower Organisation (OAED) show a similar trend, according to which in January 2019 the number of registered unemployed seeking for a job increased by +22.1 thousand compared to the previous month (957.5 thousand in January 2019 compared to 929.0 thousand in January 2018). At the same time, inspections by the Labor Inspection Squad (SEPE) and the Single Social Security Entity (EFKA) show that undeclared work fell to 8.9% in 2018, from 12.4% in 2017, 13.6% in 2016, 16.5% in 2015 and 19.25 in 2014.
- **Inflation** stood at +0.6% in February 2019 mainly due to the rise in oil prices, which is reflected in housing and transport (+0.4 and +2.0% respectively) and food products (+0.3%). Overall, in the first two months of 2019, prices rose by +0.5%, showing signs of strengthening domestic demand.

However, these positive trends are mitigated to a certain extent by negative developments such as:

- **Consumer confidence** fell slightly in February 2019, after a seven months period upswing and after having climbed in the previous month to the highest level since November 2019. The relevant index fell to -33.3 points from -28.3 in the previous month and -49.6 in February 2018. The downturn in households' expectations is mainly due to their worse forecasts for major purchases. This trend can be attributed to the Governments' bonuses announcements in the previous months, the cancellation of pension cuts and the increase in the minimum wage, which had influenced positively consumer confidence.
- **Private sector's tax arrears** to the State grew by +€9.1 billion in 2018, resulting to a stock of old and new arrears of €104,4 billion at the end of the year, of which €18,1 billion labeled as non-recoverable (actual stock of €86.3 billion). Although the growth rate of new tax arrears is slowing down compared to previous years, the number of taxpayers who owe to the tax office has increased significantly, surpassing 4 million, compared with around 1 million in 2010.

Against this background, the need to tackle structural issues related to improving the business environment, attracting investment and increasing employment is once again highlighted. At the same time, there is a need to provide a definitive solution to the issue of red loans and, in general, to the full restoration of imbalances in the banking sector, in order to improve credit to businesses and stimulate investment. Finally, any fiscal risks connected with a possible prolonged electoral period should be ruled out.

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European Commission's "Enhanced surveillance report" documents that – in certain areas – the country has made significant progress with respect to structural reforms. It also stresses delays and expresses concern as, indicatively, in the case regarding the possible impact on cost competitiveness because of the almost 11% raise in the minimum wage and of the additional wage increases that may follow as a result of the reinstatement of the mandatory arbitration in combination with decisions to extend wage agreements.

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## D01: GDP and components – demand side (ELSTAT, Eurostat, Quarterly National Accounts, Q4 2018)

YoY % change, 2010 prices, seasonally adjusted	2016	2017	2018	2018 Q1	2018 Q2	2018 Q3	2018 Q4
<b>GDP</b>	<b>-0.2%</b>	<b>1.5%</b>	<b>1.9%</b>	<b>2.5%</b>	<b>1.5%</b>	<b>2.1%</b>	<b>1.6%</b>
<b>Final consumption expenditure</b>	<b>-0.2%</b>	<b>0.5%</b>	<b>0.4%</b>	<b>0.2%</b>	<b>0.7%</b>	<b>0.0%</b>	<b>0.3%</b>
Private consumption	0.0%	0.9%	1.1%	0.5%	1.3%	1.1%	1.1%
Public consumption	-0.7%	-0.4%	-2.5%	-0.3%	-3.9%	-4.5%	-1.4%
<b>Investment</b>	<b>6.1%</b>	<b>10.0%</b>	<b>1.8%</b>	<b>-22.7%</b>	<b>-2.8%</b>	<b>41.0%</b>	<b>4.1%</b>
Fixed investment	4.7%	9.1%	-12.2%	-8.4%	19.2%	-23.0%	-27.2%
<b>Investment excluding ship imports*</b>	<b>4.2%</b>	<b>5.0%</b>	<b>12.3%</b>	<b>-8.1%</b>	<b>12.5%</b>	<b>29.6%</b>	<b>18.0%</b>
Fixed investment excluding ship imports*	3.0%	4.5%	-4.7%	15.8%	42.3%	-31.2%	-20.1%
<b>Exports</b>	<b>-1.8%</b>	<b>6.8%</b>	<b>8.7%</b>	<b>8.1%</b>	<b>9.2%</b>	<b>7.1%</b>	<b>10.6%</b>
Goods	3.7%	5.7%	8.4%	10.9%	6.9%	7.6%	8.2%
Services	-7.7%	8.0%	9.0%	4.7%	12.3%	7.4%	12.8%
<b>Imports</b>	<b>0.3%</b>	<b>7.1%</b>	<b>4.2%</b>	<b>-7.5%</b>	<b>2.8%</b>	<b>15.6%</b>	<b>2.0%</b>
Goods	2.9%	6.7%	2.0%	-11.3%	0.0%	15.5%	0.2%
Services	-10.8%	9.0%	14.4%	11.8%	16.0%	16.7%	13.1%
<b>Imports excluding ships*</b>	<b>-0.5%</b>	<b>5.4%</b>	<b>7.6%</b>	<b>-1.1%</b>	<b>7.9%</b>	<b>12.2%</b>	<b>6.2%</b>
Goods excluding ships*	2.1%	4.7%	6.0%	-4.0%	6.0%	11.4%	5.1%

\* SEV estimate based on ELSTAT and EUROSTAT International Trade Data.

## D02: Contribution to GDP growth (ELSTAT, Eurostat, Quarterly National Accounts, Q4 2018)

	2016	2017	2018	2018 Q1	2018 Q2	2018 Q3	2018 Q4
<b>GDP</b>	<b>-0.2%</b>	<b>1.5%</b>	<b>1.9%</b>	<b>2.5%</b>	<b>1.5%</b>	<b>2.1%</b>	<b>1.6%</b>
<b>Final consumption expenditure</b>	-0.2%	0.5%	0.3%	0.2%	0.6%	0.0%	0.3%
Private consumption	0.0%	0.6%	0.8%	0.4%	0.9%	0.7%	0.7%
Public consumption	-0.2%	-0.1%	-0.5%	-0.1%	-0.8%	-1.0%	-0.3%
<b>Investment</b>	<b>0.6%</b>	<b>1.3%</b>	<b>0.4%</b>	<b>-3.1%</b>	<b>-0.4%</b>	<b>5.1%</b>	<b>-1.6%</b>
Fixed investment	0.5%	1.1%	-1.6%	-1.0%	2.1%	-3.3%	-3.9%
<b>Investment excluding ship imports*</b>	<b>0.5%</b>	<b>1.2%</b>	<b>1.4%</b>	<b>-0.7%</b>	<b>1.2%</b>	<b>4.0%</b>	<b>-0.3%</b>
Fixed investment excluding ship imports*	0.3%	0.5%	-0.5%	1.4%	3.7%	-4.4%	-2.6%
<b>Exports</b>	<b>-0.6%</b>	<b>2.1%</b>	<b>2.8%</b>	<b>2.5%</b>	<b>2.9%</b>	<b>2.3%</b>	<b>3.4%</b>
Goods	0.6%	1.0%	1.5%	1.9%	1.2%	1.4%	1.5%
Services	-1.1%	1.1%	1.3%	0.7%	1.7%	1.1%	1.8%
<b>Imports</b>	<b>-0.1%</b>	<b>-2.3%</b>	<b>-1.4%</b>	<b>2.8%</b>	<b>-1.0%</b>	<b>-5.2%</b>	<b>-0.7%</b>
Goods	-0.8%	-1.8%	-0.6%	3.6%	0.0%	-4.2%	0.0%
Services	0.7%	-0.5%	-0.8%	-0.7%	-0.9%	-1.0%	-0.8%
<b>Imports excluding ships*</b>	<b>0.2%</b>	<b>-1.7%</b>	<b>-2.5%</b>	<b>0.4%</b>	<b>-2.6%</b>	<b>-4.0%</b>	<b>-2.0%</b>
Goods excluding ships*	-0.5%	-1.2%	-1.6%	1.1%	-1.6%	-3.1%	-1.4%

\* SEV estimate based on ELSTAT and EUROSTAT International Trade Data.



## D03: Investment by asset type

(ELSTAT, Eurostat, Quarterly National Accounts, Q4 2018)

YoY % change, 2010 prices, seasonally adjusted	2016	2017	2018	2018 Q1	2018 Q2	2018 Q3	2018 Q4
<b>Total fixed investment</b>	<b>4.7%</b>	<b>9.1%</b>	<b>-12.2%</b>	<b>-8.4%</b>	<b>19.2%</b>	<b>-23.0%</b>	<b>-27.2%</b>
Residential construction	-12.6%	-5.5%	17.2%	11.1%	5.6%	21.3%	32.3%
Non-residential construction	37.9%	1.2%	-22.9%	8.8%	42.1%	-58.8%	-36.5%
Cultivated biological resources	4.3%	19.4%	3.8%	3.1%	3.6%	4.7%	3.6%
Transport equipment*	-5.6%	50.9%	-43.5%	-55.6%	-44.7%	150.2%	-72.5%
ICT equipment	-31.2%	6.6%	16.8%	25.8%	15.9%	16.6%	11.8%
Machinery*	-7.2%	6.2%	15.9%	22.1%	21.1%	19.7%	5.3%
Other	-3.7%	-1.0%	-0.1%	0.4%	0.1%	0.5%	-1.7%

\* Including investment in weapons.

## D04: GDP and components – supply side

(ELSTAT, Eurostat, Quarterly National Accounts, Q4 2018)

YoY % change, 2010 prices, seasonally adjusted	2016	2017	2018	2018 Q1	2018 Q2	2018 Q3	2018 Q4
<b>Total Gross Value Added</b>	<b>-1.0%</b>	<b>2.0%</b>	<b>1.8%</b>	<b>2.0%</b>	<b>2.1%</b>	<b>1.4%</b>	<b>1.7%</b>
Agriculture	-6.2%	10.0%	2.9%	6.1%	4.5%	2.4%	2.2%
Industry	3.2%	3.6%	1.8%	0.6%	2.3%	0.8%	3.1%
Manufacturing	5.1%	3.0%	2.0%	1.5%	1.7%	1.0%	3.5%
Construction	24.4%	0.4%	7.9%	6.1%	9.2%	1.9%	11.1%
Wholesale and retail trade, tourism, transportation	-4.2%	4.1%	4.3%	4.0%	4.2%	4.2%	4.7%
Wholesale and retail trade	-0.3%	1.3%	...	...	...	...	...
Tourism	-6.7%	5.5%	...	...	...	...	...
Transportation	-7.6%	7.4%	...	...	...	...	...
Information and communication	-0.5%	-1.3%	0.3%	-0.2%	-1.4%	0.7%	1.4%
Financial and insurance activities	-1.2%	-6.6%	-10.0%	-8.6%	-9.9%	-9.9%	-11.4%
Real estate activities	-0.7%	2.3%	0.2%	0.2%	0.2%	0.2%	0.2%
Professional, scientific and technical activities	-1.8%	3.3%	5.4%	7.4%	5.3%	6.5%	3.0%
Public administration, defence, education, human health	-1.7%	-0.5%	0.7%	1.5%	2.0%	-0.9%	0.5%
Arts, entertainment and recreation	-2.1%	0.1%	2.0%	8.5%	5.4%	-2.5%	-3.4%

## D05: Contribution to Gross Value Added growth

(ELSTAT, Eurostat, Quarterly National Accounts, Q4 2018)

	2016	2017	2018	2018 Q1	2018 Q2	2018 Q3	2018 Q4
<b>Total Gross Value Added</b>	<b>-1.0%</b>	<b>2.0%</b>	<b>1.8%</b>	<b>2.0%</b>	<b>2.1%</b>	<b>1.4%</b>	<b>1.7%</b>
Agriculture	-0.3%	0.4%	0.1%	0.3%	0.2%	0.1%	0.1%
Industry	0.4%	0.4%	0.2%	0.1%	0.3%	0.1%	0.4%
Manufacturing	0.4%	0.3%	0.2%	0.1%	0.1%	0.1%	0.3%
Construction	0.6%	0.0%	0.3%	0.2%	0.3%	0.1%	0.4%
Wholesale and retail trade, tourism, transportation	-0.9%	0.9%	1.0%	0.9%	0.9%	0.9%	1.0%
Wholesale and retail trade	0.0%	0.1%	...	...	...	...	...
Tourism	-0.4%	0.3%	...	...	...	...	...
Transportation	-0.5%	0.5%	...	...	...	...	...
Information and communication	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Financial and insurance activities	-0.1%	-0.3%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%
Real estate activities	-0.1%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Professional, scientific and technical activities	-0.1%	0.2%	0.3%	0.3%	0.3%	0.3%	0.1%
Public administration, defence, education, human health	-0.4%	-0.1%	0.2%	0.3%	0.4%	-0.2%	0.1%
Arts, entertainment and recreation	-0.1%	0.0%	0.1%	0.3%	0.2%	-0.1%	-0.1%

Note: Any discrepancies are due to sectoral deflators.



## Main indicators

Economic sentiment		2016	2017	2018	2019	
		Average	Average	Average	Jan	Feb
😊	<b>Economic climate</b>	91.8	96.6	102.1	99.6	101.3
	<b>Consumer confidence</b>	-62.9	-58.9	-44.0	-28.3	-33.3
	% stating that their own economic situation will get worse	72%	67%	55%	43%	45%
	% stating that the country's economic situation will get worse	79%	74%	59%	48%	48%
	% stating that unemployment will rise	77%	68%	50%	44%	45%
😊	% stating that they are unlikely to save	90%	91%	87%	85%	84%

Employment, Unemployment, prices, wages		2017	2018	2019	Period
😊	<b>Employment (persons, change year-to-date, seasonally adjusted)</b>	+101,000	+106,800	...	Jan – Dec
😊	Employment (persons, change during month, seasonally adjusted)	+33,900	+2,600	...	Dec
	<b>Registered unemployed seeking job (change year-to-date)</b>	-30,587	+55,568	...	Jan – Dec
	Registered unemployed seeking job (change during month)	+18,494	+23,422	+22,083	Jan
😊	<b>Net hirings (year-to-date)</b>	+143,545	+141,003	...	Jan – Dec
	Net hirings (current month)	-29,817	-16,542	-22,333	Jan
😊	<b>Unemployment rate (seasonally adjusted)</b>	20.0%	18.0%	...	Dec
😊	Year to date average rate (seasonally adjusted)	21.5%	19.3%	...	Jan – Dec
	<b>Consumer Price Index</b>	1.3%	0.1%	0.6%	Feb
	Change Year to date	1.2%	-0.1%	0.5%	Jan – Feb
😊	<b>Labour productivity per hour (2010 = 100)</b>	93.2	93.4	...	Q4
😊	Year to date average	92.8	93.0	...	Jan – Dec
😊	<b>Competitiveness (real effective exchange rate, 2010 = 100)*</b>	83.2	82.3	...	Q4
	Year to date average	82.2	83.3	...	Jan – Dec

GDP		2017	2018	2018			
<i>(seasonally adjusted, at constant prices, yoy % change)</i>				Q1	Q2	Q3	Q4
😊	<b>GDP</b>	1.5%	1.9%	2.5%	1.5%	2.1%	1.6%
😊	<b>Domestic demand</b>	1.6%	0.4%	-2.9%	-0.3%	3.7%	0.9%
😊	Private consumption	0.9%	1.1%	0.5%	1.3%	1.1%	1.1%
😊	Public consumption	-0.4%	-2.5%	-0.3%	-3.9%	-4.5%	-1.4%
😊	<b>Investment (including inventory change)</b>	10.0%	1.8%	-22.7%	-2.8%	41.0%	4.1%
	Fixed investment	9.1%	-12.2%	-8.4%	19.2%	-23.0%	-27.2%
😊	Residential construction	-5.5%	17.2%	11.1%	5.6%	21.3%	32.3%
😊	Non – residential construction	1.2%	-22.9%	8.8%	42.1%	-58.8%	-36.5%
😊	Machinery and equipment (incl. weapons)	6.2%	15.9%	22.1%	21.1%	19.7%	5.3%
	Transport equipment (incl. weapons)	50.9%	-43.5%	-55.6%	-44.7%	150.2%	-72.5%
	<b>Net exports</b>						
😊	Exports of goods and services	6.8%	8.7%	8.1%	9.2%	7.1%	10.6%
😊	Exports of goods	5.7%	8.4%	10.9%	6.9%	7.6%	8.2%
😊	Exports of services	8.0%	9.0%	4.7%	12.3%	7.4%	12.8%
	Imports of goods and services	7.1%	4.2%	-7.5%	2.8%	15.6%	2.0%
	Imports of goods	6.7%	2.0%	-11.3%	0.0%	15.5%	0.2%
	Imports of services	9.0%	14.4%	11.8%	16.0%	16.7%	13.1%

Short term conjunctural indicators		2016	2017	2018	Period	2019	Period
<i>(yoy % change)</i>		(full-year)	(full-year)				
😊	<b>Industrial production</b>	2.5%	4.5%	1.1%	Jan – Dec	3.4%	Jan
😊	Manufacturing (excluding oil)	3.4%	3.7%	2.0%	Jan – Dec	2.7%	Jan
😊	<b>Production in construction</b>	22.9%	-14.6%	0.4%	Jan – Sep	...	...
😊	Building	18.1%	-10.2%	20.4%	Jan – Sep	...	...
😊	Non – building	26.8%	-18.0%	-14.8%	Jan – Sep	...	...
😊	<b>Private building activity – building permits (volume in m<sup>3</sup>)</b>	-6.9%	19.4%	21.3%	Jan – Dec	...	...
	<b>Retail sales (volume)</b>	-0.6%	1.2%	1.5%	Jan – Dec	...	...
	Excluding automotive fuel	0.4%	1.3%	1.7%	Jan – Dec	...	...
😊	<b>New vehicle licenses</b>	11.0%	20.8%	22.6%	Jan – Dec	9.2%	Jan
😊	<b>Exports of goods excl. Oil &amp; ships (ELSTAT, current prices)</b>	2.1%	7.2%	10.5%	Jan – Dec	3.9%	Jan
😊	Exports of goods excl. Oil & ships, volume	5.1%	3.7%	9.1%	Jan – Dec	4.9%	Jan
	<b>Imports of goods excl. oil &amp; ships (ELSTAT, current prices)</b>	5.9%	7.8%	8.4%	Jan – Dec	3.2%	Jan
	Imports of goods excl. oil & ships, volume	8.0%	7.9%	8.7%	Jan – Dec	3.1%	Jan
😊	<b>Tourism – receipts</b>	-6.4%	10.8%	10.1%	Jan – Dec	...	...
😊	<b>Transportation – receipts</b>	-21.6%	16.9%	14.9%	Jan – Dec	...	...
😊	<b>Other services* – receipts</b>	4.4%	13.8%	-2.5%	Jan – Dec	...	...
😊	<b>Inbound travelers (excl. cruises)</b>	5.1%	9.7%	10.8%	Jan – Dec	...	...

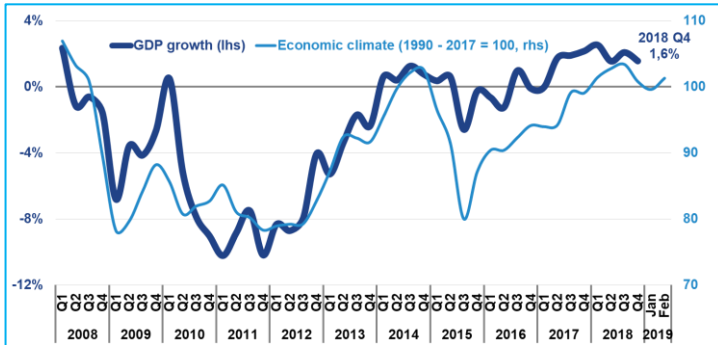
\* deflator: unit labour costs in the total economy - 37 trading partners - industrial countries, fall = competitiveness improvement

\*\* includes construction business activity abroad, software and technology exports, etc

Source: IOBE, ELSTAT, Bank of Greece, Ministry of Labour and Social Solidarity, DG ECFIN, European Commission

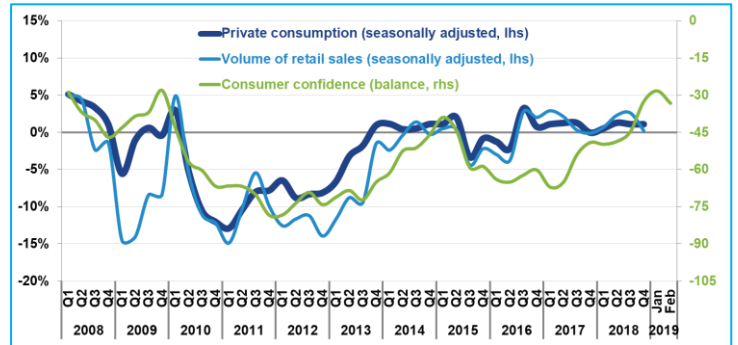


## Economic climate



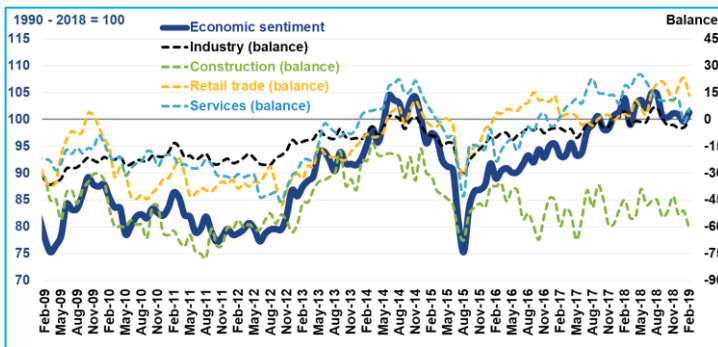
### GDP AND ECONOMIC CLIMATE

(ELSTAT, Q4 2018, IOBE-DG ECFIN, Feb. 2019)



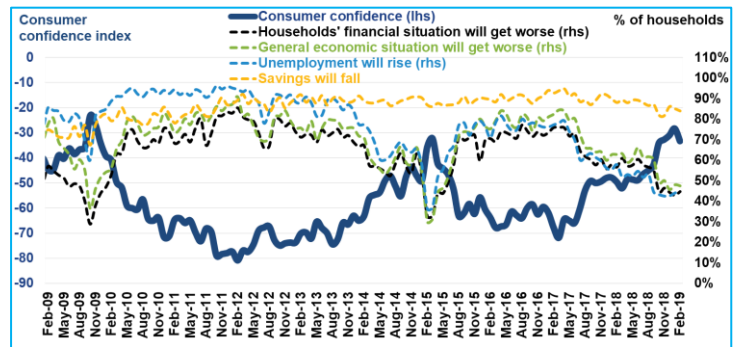
### PRIVATE CONSUMPTION, RETAIL SALES, CONSUMER CONFIDENCE

(ELSTAT, Q4 2018, IOBE-DG ECFIN, Feb. 2019)



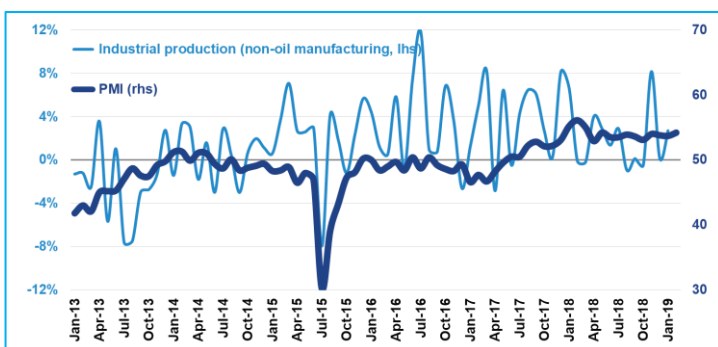
### ECONOMIC CLIMATE AND BUSINESS EXPECTATIONS

(IOBE-DG ECFIN, Feb. 2019)



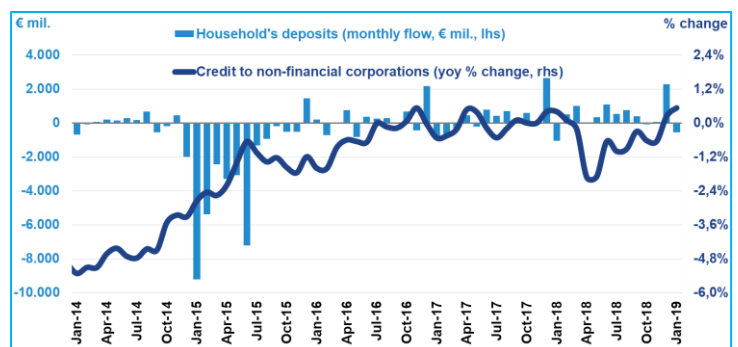
### CONSUMER CONFIDENCE

(IOBE-DG ECFIN, Feb. 2019)



### PURCHASING MANAGERS' INDEX (PMI)

(Markit, Feb. 2019)



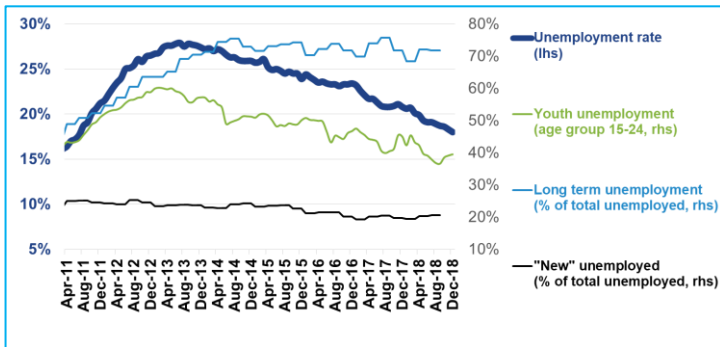
### CREDIT TO BUSINESSES AND HOUSEHOLDS DEPOSITS

(Bank of Greece, Jan. 2019)

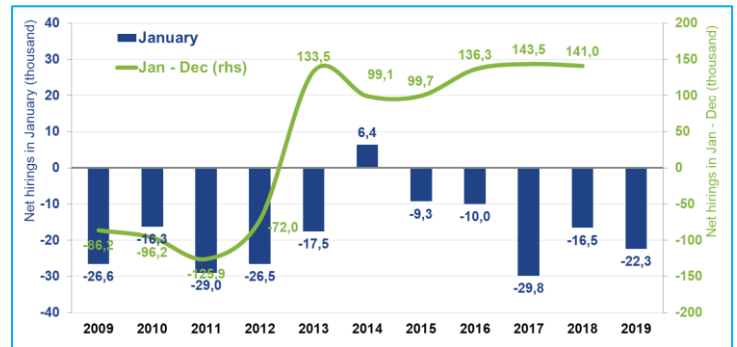




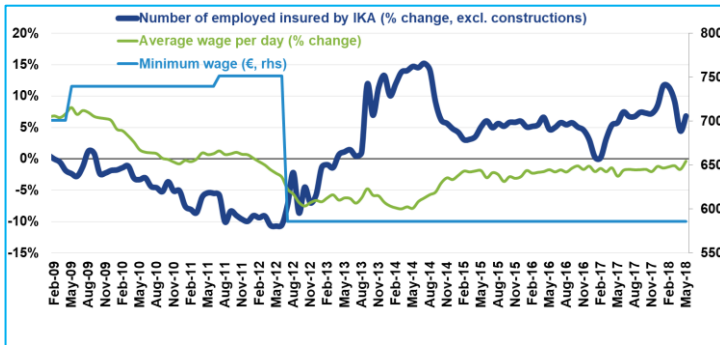
## Employment, prices, wages



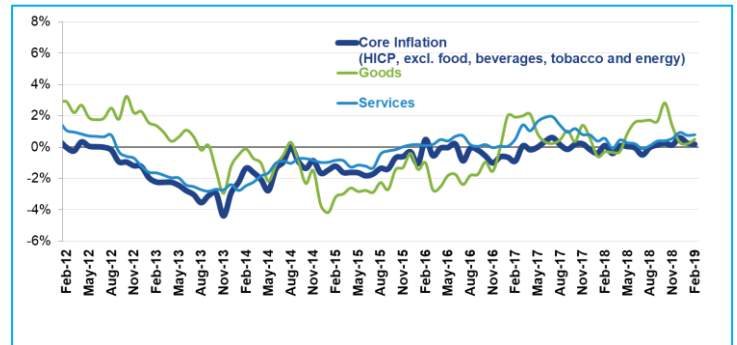
**UNEMPLOYMENT RATE (SEASONALLY ADJUSTED)**  
(ELSTAT, Dec. 2018)



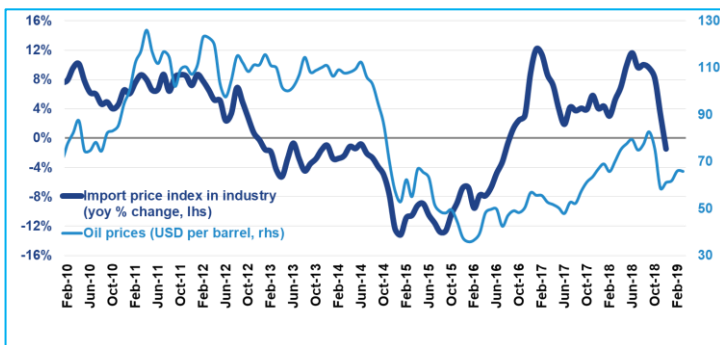
**NET HIRINGS**  
(ERGANI, Jan. 2019)



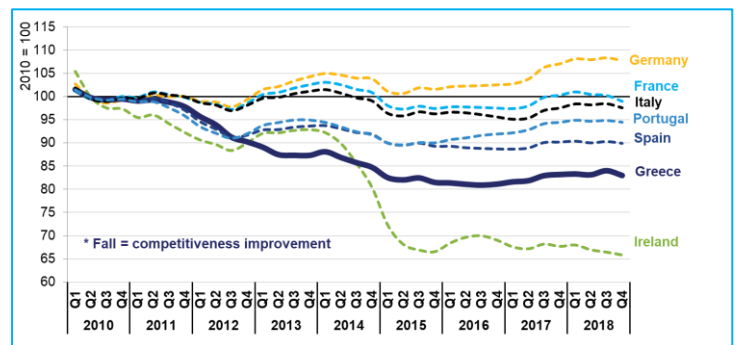
**NUMBER OF EMPLOYED INSURED BY IKA AND AVERAGE WAGE**  
(Yoy % change, IKA, May 2018)



**GOODS AND SERVICES INFLATION, CORE INFLATION**  
(ELSTAT, Feb. 2019)



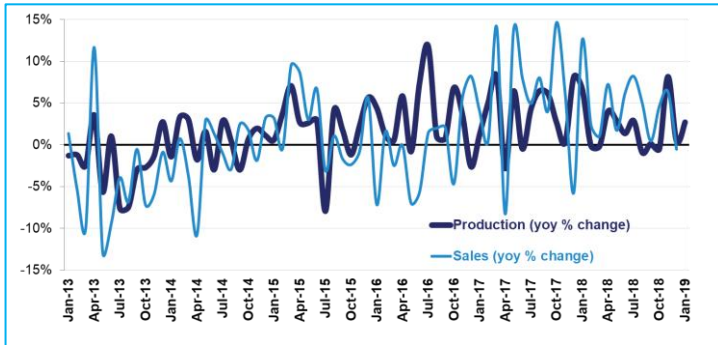
**IMPORT PRICE INDEX IN INDUSTRY AND OIL PRICES**  
(ELSTAT, Dec. 2018, Bloomberg, 8 Mar. 2019)



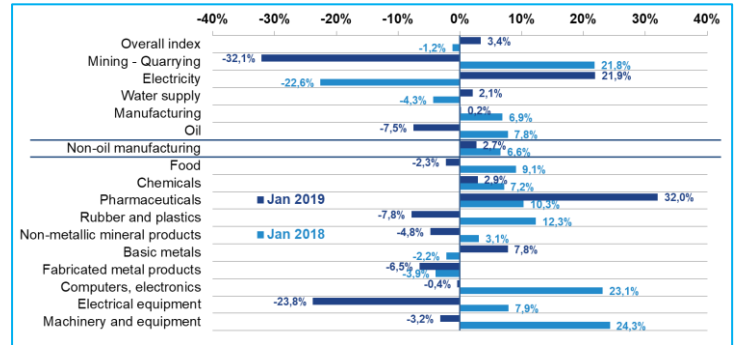
**PRICE AND COST COMPETITIVENESS: REAL EFFECTIVE EXCHANGE RATE**  
(Eurostat, Q4 2018)



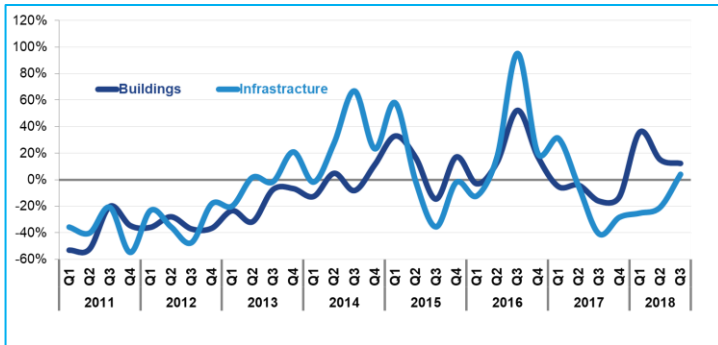
## Industry, trade, services



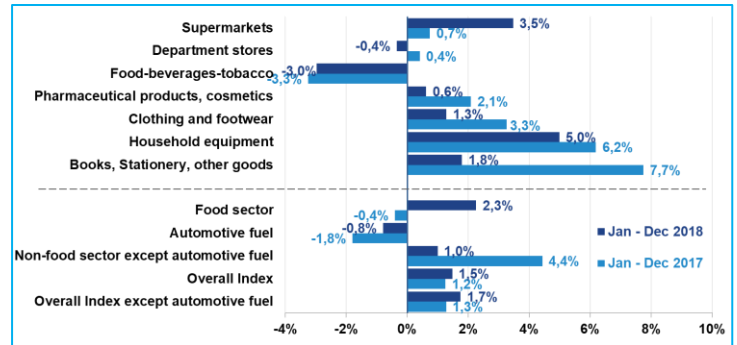
**PRODUCTION AND TURNOVER IN NON-OIL MANUFACTURING**  
(ELSTAT, Jan. 2019)



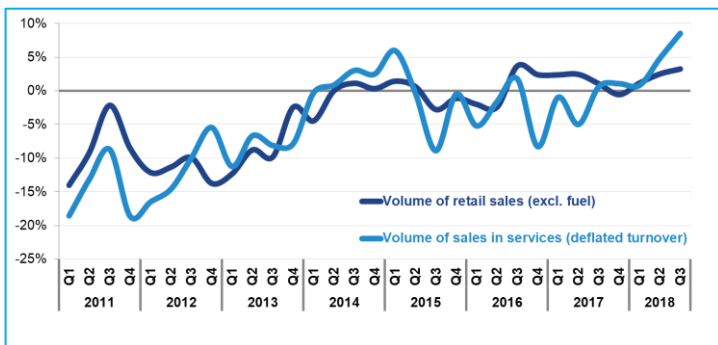
**INDUSTRIAL PRODUCTION BY SECTOR**  
(ELSTAT, Jan. 2019)



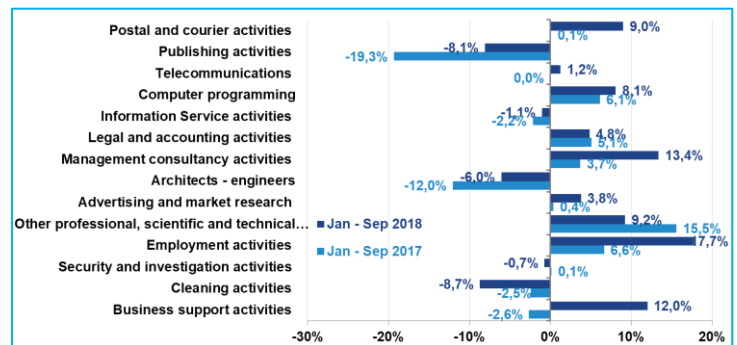
**VOLUME OF PRODUCTION IN CONSTRUCTION**  
(Yoy % change, ELSTAT, Q3 2018)



**VOLUME OF RETAIL SALES**  
(% change by store category, ELSTAT, Dec. 2018)



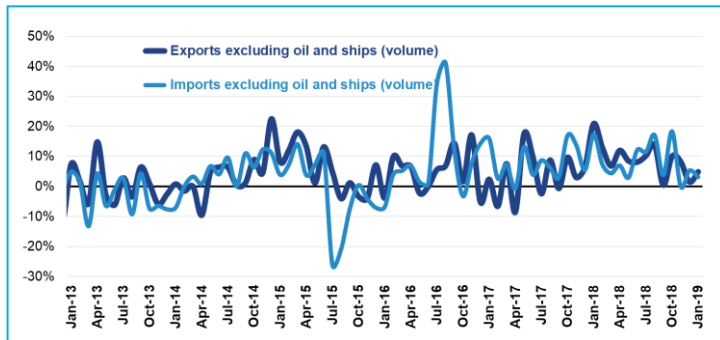
**VOLUME OF RETAIL AND SERVICES SALES**  
(ELSTAT, Eurostat, Q3 2018, ELSTAT, Sep. 2018)



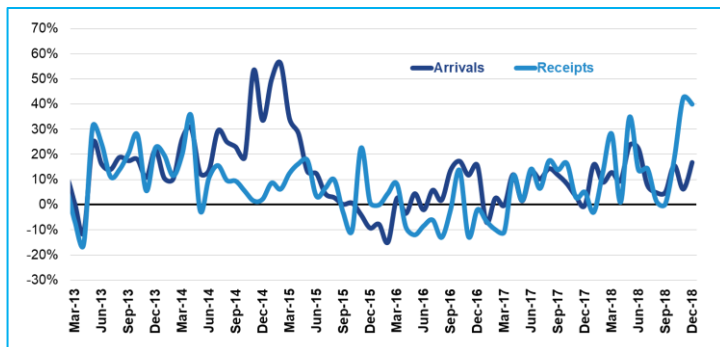
**TURNOVER INDICES IN SERVICES**  
(ELSTAT, Q3 2018)



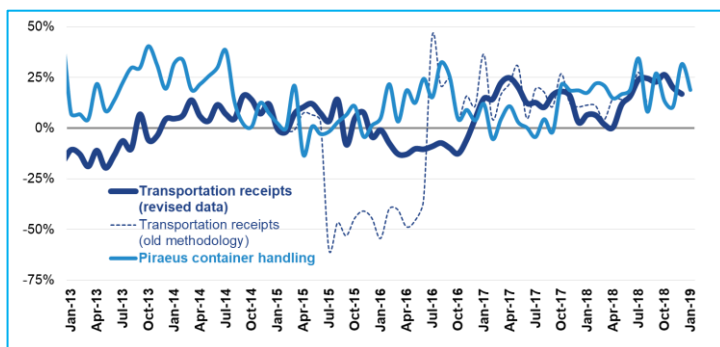
## Exports, tourism



**VOLUME OF NON-OIL EXPORTS AND NON-OIL IMPORTS OF GOODS**  
(ELSTAT, Jan. 2019)



**TOURIST ARRIVALS AND RECEIPTS**  
(Bank of Greece, Dec. 2018)

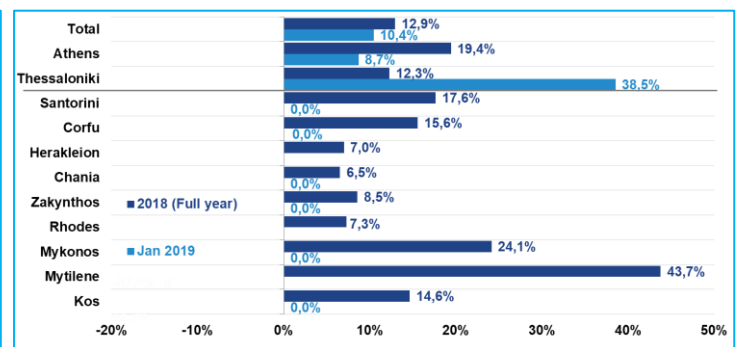


**TRANSPORTATION RECEIPTS**  
(BoG, Dec. 2018, Piraeus container handling: COSCO, Feb. 2019)

Group of products	January		%Δ
	(€ mil.)		
	2018	2019	
<b>Agricultural products</b>	<b>499,6</b>	<b>456,6</b>	<b>-8,6%</b>
Food	345,0	353,1	2,4%
Beverages / Tobacco	45,4	57,2	26,0%
Animal and vegetable oil	109,3	46,3	-57,6%
<b>Crude Materials</b>	<b>114,1</b>	<b>131,7</b>	<b>15,4%</b>
<b>Mineral Fuels</b>	<b>841,4</b>	<b>736,0</b>	<b>-12,5%</b>
<b>Industrial products</b>	<b>1.040,1</b>	<b>1.148,8</b>	<b>10,5%</b>
Chemicals	246,5	333,9	35,5%
Goods classified by material	405,5	374,0	-7,8%
Machinery & transport equipment	222,0	232,1	4,6%
Misc. manufactured articles	166,2	208,8	25,7%
<b>Not classified commodities</b>	<b>46,1</b>	<b>29,1</b>	<b>-36,9%</b>
<b>Total</b>	<b>2.541,3</b>	<b>2.502,2</b>	<b>-1,5%</b>
<b>Total excl. Oil</b>	<b>1.699,9</b>	<b>1.766,2</b>	<b>3,9%</b>

Memo item:	J.n – Dec		%Δ
	2017	2018	
<b>Manufactured products</b>	<b>16.668,4</b>	<b>18.620,5</b>	<b>11,7%</b>
of which: Food / Beverages	3.237,5	3.546,9	9,6%
<b>Crude materials &amp; primary products</b>	<b>3.229,2</b>	<b>3.316,7</b>	<b>2,7%</b>
of which: Agricultural products	1.916,2	1.955,1	2,0%
<b>Total excl. Oil</b>	<b>19.897,6</b>	<b>21.937,2</b>	<b>10,3%</b>
<b>Oil</b>	<b>8.979,8</b>	<b>11.480,7</b>	<b>27,9%</b>
<b>Total</b>	<b>28.877,4</b>	<b>33.417,9</b>	<b>15,7%</b>

**EXPORTS BY PRODUCT**  
(ELSTAT, Eurostat, Jan. 2019)



**INTERNATIONAL ARRIVALS AT MAIN AIRPORTS**  
(SETE, Jan. 2019)



**SEV Members Financial Data**

**ASSETS**  
**€325 bn**  
**69% of total\***



**EQUITY**  
**€61 bn**  
**51% of total\***



**TURNOVER**  
**€66 bn**  
**46% of total\***



**PROFITS BEFORE TAXES**  
**€4.0 bn\*\***  
**41% of total\*\***



**EMPLOYEES**  
**197,000**  
**10% employees insured by EFKA**



**WAGES**  
**€4.9 bn**  
**18% of total\*\*\***



**SOCIAL SECURITY CONTRIBUTIONS**  
**€2.1 bn**  
**23% of total\*\*\***



**TAXES ON PROFITS**  
**€1.1 bn**  
**27% of total\*\*\*\***



\* 21,075 financial statements for fiscal year 2017 included in ICAP database

\*\* sum of reported profits

\*\*\* % of total regular earnings (excluding bonuses and overtime)/social security contributions of employees insured by EFKA

\*\*\*\* % of total revenues from corporate income tax

Source: ICAP, Hellastat, Ministry of Finance, EFKA, ELSTAT



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