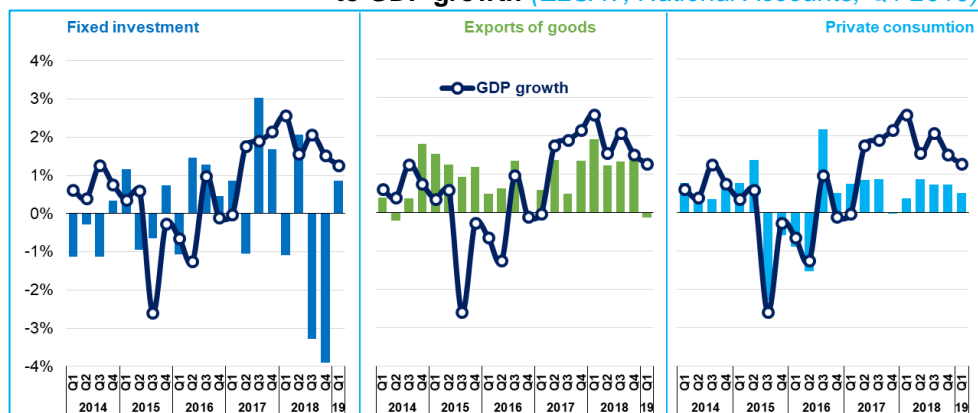


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Contribution of fixed investment, exports of goods and private consumption to GDP growth (ELSTAT, National Accounts, Q1 2019)



MACROECONOMIC ANALYSIS AND EUROPEAN POLICY

Greek economy remains on recovery, yet with a slowing pace

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The recovery of the Greek economy continued in the 1st quarter of 2019, yet GDP growth rate slowed down compared to the previous year. More specifically, according to ELSTAT's provisional data, growth in Q1 2019 reached +1.3%, vs +2.6% in Q1 2018 and +1.9% in 2018 as a whole. **This slowdown is mainly due to the weakened dynamism of exports of goods** (-0.7% vs +11.1% in Q1 2018 and + 8.4% in 2018 as a whole) **and the faster rise in total imports** (+9.5% vs -7.5% in Q1 2018 and +4.2% in 2018 as a whole). As a result, net exports' contribution to GDP growth was negative by -1.9 p.p. (D01 and D02). On the contrary, **investment, including changes in inventories, rose by +21.2%**, compared with -23.2% in Q1 2018 and +1.8% in 2018 as a whole, contributing positively by +3.4 p.p. to GDP growth. It is to be noted that the sharp drop of investment in Q1 2018 was due to the decline in ship imports, which was reflected in the contraction of investment in transport equipment (-56%). This conjectural effect is also reflected in Q1 2019 data, as investment in transport equipment increased by +19%. Moreover, investment in machinery increased by +2.6% (vs +22.7% in Q1 2018 and +15.9% in 2018 as a whole), while investment in residential construction continued to be in positive territory (+6.4%), largely fueled by rising tourism and the spread of short-term rentals. Finally, investments in non-residential construction recovered (+10.9%), mainly due to the speeding up in public construction activity (D03). Regarding consumption expenditure, **private consumption kept on growing relatively slowly** (+0.8%, against +0.5% in Q1 2018 and +1.1% in 2018 as a whole), as household income is under pressure from over- taxation. On the contrary, **the decline in public consumption continued at a faster pace** (-4.1% vs -0.3% Q1 2018 and -2.5% in 2018 as a whole), reflecting expenditure cuts in order for the government to meet the primary surplus targets.

On the supply side, **Gross Value Added increased by +0.3% in Q1 2019** (vs +2.2% in Q1 2018), driven mainly by construction (+32.2%), trade, transport and tourism (+ 2.5%), manufacturing (+0.2%) and professional services (+1.8%). Among the other sectors, gross value added declined, with big losses recorded in the banking sector (-10.6%) and in the sector of information and communication (-2.3%, D04 and D05).

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The recovery of the Greek economy has not been based on increasing productivity and competitiveness. This, coupled with growing global uncertainty, mainly due to international trade restrictions caused by US and China policies, poses further risk for achieving high growth rates.

Moreover, **labor productivity declined** (-1.8% vs +0.6% in Q1 2018 and +0.1% in 2018 as a whole), while nominal employee compensation rose by +0.4% (+1.3% in Q1 2018 and + 1.3% in 2018 as a whole, **D06** and **D07**). **The number of employees and total employment grew** in Q1 2019 by + 3.9% and + 2.1% respectively (**D08**).

The overall picture composed by the above data confirms **SEV's position that the recovery of the Greek economy has not been based on increasing productivity and competitiveness. This, coupled with growing global uncertainty, mainly due to international trade restrictions caused by US and China policies, poses further risk for achieving high growth rates.** On the other hand, the achievement of the primary surplus targets of 3.5% of GDP does not leave much room for policies to stimulate private consumption. Therefore, the economy needs to be more export oriented and attract more investment.

Additionally, the European Commission in its [3rd Enhanced Surveillance Report](#) notes that Greece has made a reasonable start to the post programme environment, highlighting at the same time significant delays in the implementation of the agreed reform and privatisation programme. Moreover, it expresses its reservations about the [measures announced on 7 May by the Prime Minister](#), considering that they will cause a fiscal cost of 1% of GDP from 2019 onwards, posing risks for the achievement of the agreed primary surplus target.

The key points of the European Commission per policy area are as follows:

- **Fiscal policies:** progress has been made in the reform of ENFIA property tax valuation, though the realignment of property values has not yet been completed. Progress in arrears clearance is disappointing and the hiring of staff to the Independent Authority for Public Revenue (IAPR) remains slow. Regarding the scheme for tax and social security debt redemption with 120 monthly instalments, the Commission reports that it does not include any specific prioritization for eligibility or any prior viability assessment. At the same time it estimates that the announcement of this new scheme may have contributed to weakening revenue collection and can create risks to payment discipline.
- **Social welfare:** the Commission expresses its concern on the increase of pension spending as a share of GDP stating that the recently passed legislation, with which eligibility criteria are loosened and entitlements are increased, together with the reinstatement of a permanent 13th pension, repeals important elements of the pension reforms adopted in 2012 and 2016. Also, the Commission estimates that these measures will decrease the relative share of social benefits benefiting the young and working age population. On the other hand, it reports progress, yet at a slow pace, on the roll-out of primary health care, the centralised health procurement and the reform of the system of disability benefits. Finally, it reports progress on the Social Solidarity Income scheme.
- **Financial sector:** positive developments include the further improvement of the liquidity situation of Greek banks, yet the Non-Performing Loans (NPL) resolution framework still faces challenges. Indicatively, even though the conduct of electronic auction is proceeding across the territory, a large share of auctions is canceled, suspended or is unsuccessful.
- **Labor market:** an ex-post assessment of the increase in the minimum wage is expected, while the implementation of the action plan to combat undeclared work is progressing smoothly. With regard to the education system, the Commission has reservations about whether the current policy for upgrading technical education institutions to universities will improve the fragmented landscape of higher education.
- **Product markets and competitiveness:** the Commission expresses its concern about the stagnating productivity and competitiveness of the Greek



economy. At the same time, it highlights the significant delays in the process of divestiture of PPC's lignite units.

- **Privatization:** The state of play regarding Marina of Alimos, Hellenic Petroleum (HELPE), Athens International Airport, DEPA, Egnatia Motorway and Regional Ports is reported. It is highlighted that progress in smaller transactions in the Asset Development Plan are being offset by delays in others.
- **Public administration:** The Commission notes that there has been progress on the specific mid-2019 commitments in the area of public sector reform, yet it highlights that the pace of appointments of Administrative Secretaries remains very slow. Regarding the hiring plan for 2019 as well as for 2020-2022, even though the one-in-one hiring rule for recruitments of new permanent staff is respected, in 2018 the ceiling for temporary staff has not been respected. Thus, the Commission estimates that the number of temporary staff will need to be reduced by approximately 1.550 persons in 2019, in order for the overall size of the public sector to be maintained. Moreover, it is reported that the recently adopted salary provisions pose risks to the unified wage grid.
- **Public debt:** The baseline scenario of the debt sustainability analysis technical update shows the debt remaining on a downward trend, although it exceeds 100% of GDP until 2048. Greece's gross financing needs of Greece will hover around 10% of GDP until 2032 and remain around 17% of GDP at the end of the projection horizon.

Beyond the Commission's detailed assessment by policy area, the main issue of achieving the target of primary surpluses 3.5% of GDP and the possibility of its downward revision, covering the gap by using the liquidity buffer, will be re-assessed in autumn 2019 together with the financial risks of the measures announced on 7 May 2019. On this basis, **SEV's standing position is that financing primary surpluses of 3.5% of GDP -and any overperformance-through overtaxation is not sustainable and prevents the economy from entering a higher growth trajectory. Particularly, through cuts in the Public Investment Program and in operating costs from key state sectors such as health and education, leading to infrastructure degradation and public services of poor quality.**

Regarding developments in the short-term indicators, manufacturing has been showing steady growth momentum, despite mixed trends at the international level, while exports of goods recovered in April 2019. At the same time, the recovery in the volume of retail sales in March 2019, limited the total losses during Q1, following the significant decline in January and February. On the other hand, early signs for tourism performance in 2019 are particularly positive.

More specifically:

- **The economic climate indicator improved marginally in May 2019** at 100.8 points, from 100.3 in the previous month and 103.6 points in May 2018. Business expectations in industry and retail trade did not change significantly compared with the previous month, while the climate in services improved slightly and in construction deteriorated for the third consecutive month. More specifically, **in industry**, although the negative balance was limited to -0.2 points, from -0.9 in the previous month and -1.5 in May 2018, the share of businesses expecting a fall in output in the coming months increased to 15%, from 6% in the previous month. Moreover, estimates for export performance has dropped. **In retail trade**, business expectations have been stabilized after the sharp drop in Q1 2019, with their estimates on current sales being up, though their forecasts for the trend in the short term have deteriorated. **In services**, the balance of positive - negative estimates improved slightly as businesses remained optimistic about the current demand and its short-term trend. On the contrary, **in construction** the

Financing primary surpluses of 3.5% of GDP - and any overperformance-through overtaxation is not sustainable and prevents the economy from entering a higher growth trajectory. Particularly, through cuts in the Public Investment Program and in operating costs from key state sectors such as health and education, leading to infrastructure degradation and public services of poor quality.



climate deteriorated, following a downward trend, particularly in the private construction sector, with the majority of businesses (76%) being pessimistic about the level of activity in the next quarter.

- **Consumer confidence improved further in May 2019**, remaining close to the level of -30 points since the beginning of the year. In particular, the relevant index stood at -29.5 points, from -30.9 in the previous month and -48.6 in May 2018. Household optimism is reflected in all sub-indices, especially in their assessment on the evolution of their economic situation, the country's general situation and unemployment. Consumer confidence during the last period records a trend similar to that usually seen in election periods, while the improvement in May 2019 may be attributed to the measures announced on 7 May by the Greek Government (permanent benefit for pensioners, VAT reduction on food products and services, reduction of special solidarity contribution rates, etc.).
- **Expectations in manufacturing, as reflected in the Purchasing Managers' Index (PMI)**, remain positive, despite the slight drop in May 2019. More specifically, PMI stood at 54.2 points, from 56.6 in the previous month, being for the 24th consecutive month above the 50 points threshold (zero growth threshold). Even though output growth slowed down, it remained sharp, while new orders from the domestic market and export orders increased. This led to an expansion in employment, which was among the strongest in the series history. Meanwhile, inflationary pressure eased.
- **Non-oil manufacturing production kept on rising in April 2019** (+2.6%), while in the period Jan – Apr 2019 recorded an increase of +3.7%, on top of +2.4% in Jan – Apr 2018, mainly due to rises in the production of food products (+1.4%), pharmaceuticals (+26.4%), chemicals (+6.4%), electronics (+18.5%) and tobacco (+52.8%).
- **Exports of goods excluding oil and ships recovered in April 2019**, recording an increase of +13% (+12.2% at constant prices), after declining in the previous month. Overall, in period Jan – Apr 2019 they rose by +6.2% (+5.7% at constant prices), on top of +13.6% in the same period in 2018, mainly as a result of exports of industrial products (+10.5%).
- **Non-fuel retail sales volume recovered in March 2019** (+ 3.3%), after a significant decline in the previous two months (-4.3% in February and -3.4% in January 2019). As a result, losses in Q1 2019 were limited to -1.5%, vs +1.2% in Q1 2018. Sales volume dropped in all stores categories except in household equipment stores and books / technology products (+2.9% and +12.3% respectively in Q1 2019).
- **Tourism receipts and arrivals increased by + 37.2% and +7.8% respectively in Q1 2019**. Even though these figures refer to a period of low tourist traffic in absolute numbers, they bring very positive expectations for tourism performance in 2019. At the same time, transport receipts increased by +10% and receipts from other services by +10.1%, contributing to an increase in the surplus of the services balance by €460 million.
- **Unemployment dropped to 18.1% in March 2019**, from 18.4% in the previous month and 20.2% in March 2018. Moreover, according to ERGANI data, net hirings in the period Jan – Apr 2019 reached 159.8 thousand (vs 155.8 thousand in Jan – Apr 2018), of which 100.1 thousand in tourism (vs 96.4 thousand in Jan – Apr 2018). This is the best performance recorded in the period Jan - April since 2001, while the share of full-time recruitment remained at the same level with that in Jan – Apr 2018. It is to be noted that for the first time in March 2019 full time hirings recorded a negative change of -3.27% (vs March 2018), while the growth rate of total hirings slowed down to 5.26% in April 2019 from 19.58% in April 2018. Additionally, according to OAED data, in April 2019 the number of the registered unemployed job seekers declined by -58.8 thousand compared to the previous month, but

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remained higher compared to April 2018 (869.3 thousand in April 2019 vs 837.3 thousand in April 2018).

- **Bank credit expansion to businesses remained in positive territory for the 5th consecutive month in April 2019** (+2.6%), enhancing prospects for improved liquidity in the coming period. At the same time, **households' deposits increased by €833 million**, with their stock reaching €111.2 billion, vs €110 billion at the end of 2018 and €104.4 billion in April 2018. The steady rise in deposits (+€11.1 billion since July 2015, when capital controls were imposed) indicates that the confidence in the banking system is restored.

Overall, the Greek economy remains on a track of recovery in Q1 2019, but GDP growth is slowing down. Recovery is mainly driven by exports of services and investment, without recording any substantial transformation of the production base, while productivity growth was halted and substitution of imports remains sluggish. At the same time, private consumption remains anemic, mainly due to overexertion. This growth is not sustainable, especially when new sources of uncertainty are continuously emerging in the global economic environment. The economic policy needs to be changed decisively, focusing on investment and exports, so that the benefits of growth are diffused across the economy, creating new jobs and steady incomes.



D01: GDP and components – demand side

(ELSTAT, Eurostat, Quarterly National Accounts, Q1 2019)

YoY % change, 2010 prices, seasonally adjusted	2017	2018	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1
GDP	1.5%	1.9%	2.6%	1.6%	2.1%	1.5%	1.3%
Final consumption expenditure	0.5%	0.4%	0.2%	0.7%	0.0%	0.2%	-0.1%
Private consumption	0.9%	1.1%	0.5%	1.3%	1.1%	1.1%	0.8%
Public consumption	-0.4%	-2.5%	-0.3%	-3.9%	-4.5%	-1.4%	-4.1%
Investment	10.0%	1.8%	-23.2%	-3.0%	41.1%	4.5%	21.2%
Fixed investment	9.1%	-12.2%	-9.0%	19.1%	-22.8%	-26.5%	7.9%
Investment excluding ship imports*	5.0%	12.3%	-8.4%	12.7%	29.8%	18.4%	21.6%
Fixed investment excluding ship imports*	4.5%	-4.7%	15.6%	42.7%	-30.8%	-19.4%	7.2%
Exports	6.8%	8.7%	8.6%	9.2%	6.9%	10.1%	4.0%
Goods	5.7%	8.4%	11.1%	6.9%	7.5%	8.0%	-0.7%
Services	8.0%	9.0%	5.1%	12.3%	7.2%	12.4%	8.7%
Imports	7.1%	4.2%	-7.5%	2.8%	15.6%	2.1%	9.5%
Goods	6.7%	2.0%	-11.3%	0.0%	15.5%	0.3%	9.9%
Services	9.0%	14.4%	11.8%	16.0%	16.7%	13.2%	5.5%
Imports excluding ships*	5.4%	7.6%	-1.0%	8.0%	12.3%	6.3%	9.3%
Goods excluding ships*	4.7%	6.0%	-4.0%	6.1%	11.4%	5.2%	9.6%

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

D02: Contribution to GDP growth

(ELSTAT, Eurostat, Quarterly National Accounts, Q1 2019)

	2017	2018	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1
GDP	1.5%	1.9%	2.6%	1.6%	2.1%	1.5%	1.3%
Final consumption expenditure	0.5%	0.3%	0.2%	0.6%	0.0%	0.2%	-0.1%
Private consumption	0.6%	0.8%	0.4%	0.9%	0.7%	0.7%	0.5%
Public consumption	-0.1%	-0.5%	-0.1%	-0.8%	-1.0%	-0.3%	-0.9%
Investment	1.3%	0.4%	-3.2%	-0.4%	5.2%	-1.4%	3.4%
Fixed investment	1.1%	-1.6%	-1.1%	2.1%	-3.3%	-3.9%	0.9%
Investment excluding ship imports*	1.2%	1.4%	-0.8%	1.2%	4.1%	-0.1%	3.3%
Fixed investment excluding ship imports*	0.5%	-0.5%	1.4%	3.7%	-4.4%	-2.6%	0.7%
Exports	2.1%	2.8%	2.7%	2.9%	2.3%	3.3%	1.3%
Goods	1.0%	1.5%	1.9%	1.2%	1.3%	1.4%	-0.1%
Services	1.1%	1.3%	0.7%	1.7%	1.1%	1.8%	1.2%
Imports	-2.3%	-1.4%	2.8%	-1.0%	-5.2%	-0.7%	-3.2%
Goods	-1.8%	-0.6%	3.6%	0.0%	-4.2%	-0.1%	-2.7%
Services	-0.5%	-0.8%	-0.7%	-0.9%	-1.0%	-0.8%	-0.3%
Imports excluding ships*	-1.7%	-2.5%	0.4%	-2.6%	-4.0%	-2.1%	-3.0%
Goods excluding ships*	-1.2%	-1.6%	1.1%	-1.6%	-3.1%	-1.4%	-2.6%

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

D03: Investment by asset type

(ELSTAT, Eurostat, Quarterly National Accounts, Q1 2019)

YoY % change, 2010 prices, seasonally adjusted	2017	2018	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1
Total fixed investment	9.1%	-12.2%	-9.0%	19.1%	-22.8%	-26.5%	7.9%
Residential construction	-5.5%	17.2%	11.3%	5.7%	21.2%	32.1%	6.4%
Non-residential construction	1.2%	-22.9%	-2.3%	43.9%	-55.7%	-19.1%	10.9%
Cultivated biological resources	19.4%	3.8%	3.1%	3.6%	4.7%	3.6%	-0.4%
Transport equipment*	50.9%	-43.5%	-56.0%	-44.6%	150.5%	-72.3%	19.0%
ICT equipment	6.6%	16.8%	27.1%	16.1%	15.8%	10.4%	-0.5%
Machinery*	6.2%	15.9%	22.7%	21.2%	19.4%	4.7%	2.6%
Other	-1.0%	-0.1%	0.3%	0.0%	0.6%	-1.3%	-1.7%

* Including investment in weapons.



D04: GDP and components – supply side

(ELSTAT, Eurostat, Quarterly National Accounts, Q1 2019)

<i>YoY % change, 2010 prices, seasonally adjusted</i>	2017	2018	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1
Total Gross Value Added	2.0%	1.8%	2.2%	2.1%	1.3%	1.5%	0.3%
Agriculture	10.0%	2.9%	6.9%	4.6%	1.7%	1.1%	-0.9%
Industry	3.6%	1.8%	0.8%	2.3%	0.8%	2.9%	-0.2%
Manufacturing	3.0%	2.0%	1.7%	1.7%	0.9%	3.2%	0.2%
Construction	0.4%	7.9%	5.2%	9.3%	2.2%	12.0%	32.2%
Wholesale and retail trade, tourism, transportation	4.1%	4.3%	4.3%	4.2%	3.9%	4.1%	2.5%
Information and communication	-1.3%	0.3%	0.2%	-1.3%	0.3%	0.6%	-2.3%
Financial and insurance activities	-6.6%	-10.0%	-8.6%	-9.9%	-9.9%	-11.4%	-10.6%
Real estate activities	2.3%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Professional, scientific and technical activities	3.2%	5.4%	7.5%	5.3%	6.4%	2.8%	1.8%
Public administration, defence, education, human health	-0.5%	0.7%	1.5%	2.0%	-0.9%	0.4%	-1.4%
Arts, entertainment and recreation	0.1%	2.0%	8.2%	5.3%	-2.4%	-3.0%	0.1%

D05: Contribution to Gross Value Added growth

(ELSTAT, Eurostat, Quarterly National Accounts, Q1 2019)

	2017	2018	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1
Total Gross Value Added	2.0%	1.8%	2.2%	2.1%	1.3%	1.5%	0.3%
Agriculture	0.4%	0.1%	0.3%	0.2%	0.1%	0.0%	0.0%
Industry	0.4%	0.2%	0.1%	0.3%	0.1%	0.3%	0.0%
Manufacturing	0.3%	0.2%	0.2%	0.1%	0.1%	0.3%	0.0%
Construction	0.0%	0.2%	0.1%	0.3%	0.1%	0.4%	0.9%
Wholesale and retail trade, tourism, transportation	0.9%	0.9%	0.9%	0.9%	0.8%	0.9%	0.6%
Information and communication	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.1%
Financial and insurance activities	-0.3%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%
Real estate activities	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Professional, scientific and technical activities	0.2%	0.3%	0.4%	0.3%	0.3%	0.1%	0.1%
Public administration, defence, education, human health	-0.1%	0.2%	0.3%	0.4%	-0.2%	0.1%	-0.3%
Arts, entertainment and recreation	0.0%	0.1%	0.3%	0.2%	-0.1%	-0.1%	0.0%

Note: Any discrepancies are due to sectoral deflators.

D06: Gross Value Added per person employed

(ELSTAT, Eurostat, Quarterly National Accounts, Q1 2019)

<i>YoY % change, 2010 prices, seasonally adjusted</i>	2017	2018	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1
Total	0.5%	0.1%	0.6%	0.5%	-0.3%	-0.4%	-1.8%
Agriculture	9.8%	-0.7%	3.6%	1.2%	-2.6%	-2.5%	-1.3%
Industry	0.8%	1.4%	-0.3%	2.2%	0.3%	2.8%	-3.2%
Manufacturing	0.2%	1.8%	1.0%	1.8%	0.8%	3.4%	-3.5%
Construction	-1.1%	6.8%	3.9%	8.1%	4.8%	7.3%	35.4%
Wholesale and retail trade, tourism, transportation	2.2%	3.1%	3.4%	3.8%	2.1%	2.5%	0.3%
Information and communication	-5.5%	-7.4%	-6.8%	-8.9%	-9.4%	-5.8%	-15.3%
Financial and insurance activities	-6.8%	-3.0%	-2.9%	0.2%	-3.9%	-5.2%	-6.5%
Real estate activities	12.1%	-4.1%	2.3%	-8.2%	-8.3%	-2.5%	-13.5%
Professional, scientific and technical activities	0.8%	3.4%	5.0%	3.1%	5.7%	0.3%	-0.3%
Public administration, defence, education, human health	-0.8%	-2.2%	-0.7%	-2.1%	-3.3%	-2.4%	-5.1%
Arts, entertainment and recreation	-2.8%	2.5%	6.5%	5.7%	-1.7%	-0.8%	2.2%



D07: Employee compensation per employee (ELSTAT, Eurostat, Quarterly National Accounts, Q1 2019)

YoY % change, current prices, seasonally adjusted	2017	2018	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1
Total	0.5%	1.3%	1.3%	1.4%	1.4%	0.7%	0.4%
Agriculture	-1.9%	1.3%	-1.4%	3.5%	1.1%	1.0%	6.2%
Industry	-1.4%	1.8%	1.3%	2.6%	1.9%	0.9%	-0.1%
Manufacturing	0.6%	1.7%	1.0%	2.6%	2.3%	0.8%	0.6%
Construction	-8.6%	-0.5%	-2.3%	-1.1%	0.3%	-0.2%	2.6%
Wholesale and retail trade, tourism, transportation	4.4%	1.3%	1.5%	1.3%	1.5%	0.9%	1.2%
Information and communication	-1.2%	2.2%	0.0%	-1.4%	4.9%	4.3%	2.0%
Financial and insurance activities	5.6%	0.8%	0.5%	1.8%	-0.4%	0.9%	1.2%
Real estate activities	11.9%	5.1%	2.7%	3.0%	7.4%	7.4%	1.6%
Professional, scientific and technical activities	-1.9%	2.5%	2.5%	2.4%	3.6%	1.4%	1.6%
Public administration, defence, education, human health	0.1%	0.9%	1.2%	1.0%	0.6%	0.2%	-1.0%
Arts, entertainment and recreation	-1.8%	4.9%	3.9%	5.1%	4.7%	4.7%	3.9%

D08: Employment (ELSTAT, Eurostat, Quarterly National Accounts, Q1 2019)

Employees

YoY % change, seasonally adjusted	2017	2018	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1
Total	1.7%	2.3%	1.7%	2.3%	2.5%	2.6%	3.9%
Agriculture	0.1%	1.2%	1.6%	-1.9%	-0.2%	5.3%	5.7%
Industry	3.2%	1.2%	1.5%	1.5%	1.1%	0.6%	4.1%
Manufacturing	3.3%	0.9%	1.1%	1.4%	0.8%	0.5%	5.3%
Construction	1.5%	0.6%	-3.3%	1.0%	-0.8%	5.8%	1.5%
Wholesale and retail trade, tourism, transportation	2.5%	3.3%	1.9%	2.7%	4.6%	3.8%	5.6%
Information and communication	4.6%	8.7%	8.6%	8.0%	12.1%	6.4%	15.1%
Financial and insurance activities	-1.0%	-5.9%	-5.2%	-9.7%	-4.4%	-4.0%	-3.6%
Real estate activities	-7.4%	10.5%	11.3%	15.2%	12.5%	3.5%	10.3%
Professional, scientific and technical activities	3.7%	0.7%	0.1%	1.5%	-0.3%	1.6%	2.2%
Public administration, defence, education, human health	-0.1%	2.9%	1.9%	4.0%	2.7%	2.9%	3.9%
Arts, entertainment and recreation	2.5%	1.1%	4.0%	1.2%	0.4%	-1.0%	-2.1%

Total employment

YoY % change, seasonally adjusted	2017	2018	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1
Total	1.5%	1.7%	1.6%	1.6%	1.6%	1.9%	2.1%
Agriculture	0.2%	3.7%	3.1%	3.4%	4.4%	3.7%	0.4%
Industry	2.8%	0.4%	1.1%	0.1%	0.5%	0.1%	3.1%
Manufacturing	2.8%	0.1%	0.7%	-0.1%	0.1%	-0.2%	3.9%
Construction	1.5%	1.0%	1.3%	1.1%	-2.5%	4.4%	-2.4%
Wholesale and retail trade, tourism, transportation	1.9%	1.2%	0.9%	0.4%	1.8%	1.5%	2.2%
Information and communication	4.4%	8.3%	7.5%	8.3%	10.7%	6.9%	15.4%
Financial and insurance activities	0.2%	-7.2%	-5.9%	-10.1%	-6.2%	-6.5%	-4.3%
Real estate activities	-8.8%	4.4%	-2.0%	9.1%	9.2%	2.7%	15.8%
Professional, scientific and technical activities	2.5%	1.9%	2.4%	2.2%	0.6%	2.5%	2.1%
Public administration, defence, education, human health	0.3%	3.0%	2.2%	4.2%	2.5%	2.9%	3.9%
Arts, entertainment and recreation	3.0%	-0.5%	1.6%	-0.4%	-0.7%	-2.2%	-2.1%



Main indicators

Economic sentiment	2016	2017	2018	2019		
	Average	Average	Average	Mar	Apr	May
😊 Economic climate	91.8	96.6	102.1	101.3	100.3	100.8
😊 Consumer confidence	-62.9	-58.9	-44.0	-31.6	-30.9	-29.5
😊 % stating that their own economic situation will get worse	72%	67%	55%	44%	42%	40%
😊 % stating that the country's economic situation will get worse	79%	74%	59%	45%	46%	45%
😊 % stating that unemployment will rise	77%	68%	50%	45%	45%	41%
😊 % stating that they are unlikely to save	90%	91%	87%	83%	87%	81%

Employment, Unemployment, prices, wages	2017	2018	2019	Period
😊 Employment (persons, change year-to-date, seasonally adjusted)	+55,600	+24,900	+10,400	Jan – Mar
😊 Employment (persons, change during month, seasonally adjusted)	+1,800	+30,700	+9,000	Mar
😊 Registered unemployed seeking job (change year-to-date)	-45,259	-42,611	-66,115	Jan – Apr
😊 Registered unemployed seeking job (change during month)	-52,972	-48,496	-58,807	Apr
😊 Net hirings (year-to-date)	+125,770	+155,826	+159,775	Jan – Apr
😊 Net hirings (current month)	+92,132	+100,246	+110,895	Apr
😊 Unemployment rate (seasonally adjusted)	22.1%	20.2%	18.1%	Mar
😊 Year to date average rate (seasonally adjusted)	22.6%	20.5%	18.4%	Jan – Mar
😊 Consumer Price Index	1.2%	0.6%	0.2%	May
😊 Change Year to date	1.4%	0.1%	0.7%	Jan – May
😊 Labour productivity per hour (2010 = 100)	92.7	93.7	93.4	Q1
😊 Year to date average	92.8	93.1	...	Jan – Dec
😊 Competitiveness (real effective exchange rate, 2010 = 100)*	81.6	83.3	82.2	Q1
😊 Year to date average	82.4	83.4	...	Jan – Dec

GDP (seasonally adjusted, at constant prices, yoy % change)	2016	2017	2018	2018	2019
				Q1	Q1
😊 GDP	-0,2%	1,5%	1,9%	2,6%	1,3%
😊 Domestic demand	0,5%	1,6%	0,4%	-2,9%	2,0%
😊 Private consumption	0,0%	0,9%	1,1%	0,5%	0,8%
😊 Public consumption	-0,7%	-0,4%	-2,5%	-0,3%	-4,1%
😊 Investment (including inventory change)	6,1%	10,0%	1,8%	-23,2%	21,2%
😊 Fixed investment	4,7%	9,1%	-12,2%	-9,0%	7,9%
😊 Residential construction	-12,6%	-5,5%	17,2%	11,3%	6,4%
😊 Non – residential construction	37,9%	1,2%	-22,9%	-2,3%	10,9%
😊 Machinery and equipment (incl. weapons)	-7,2%	6,2%	15,9%	22,7%	2,6%
😊 Transport equipment (incl. weapons)	-5,6%	50,9%	-43,5%	-56,0%	19,0%
😊 Exports of goods and services	-1,8%	6,8%	8,7%	8,6%	4,0%
😊 Exports of goods	3,7%	5,7%	8,4%	11,1%	-0,7%
😊 Exports of services	-7,7%	8,0%	9,0%	5,1%	8,7%
😊 Imports of goods and services	0,3%	7,1%	4,2%	-7,5%	9,5%
😊 Imports of goods	2,9%	6,7%	2,0%	-11,3%	9,9%
😊 Imports of services	-10,8%	9,0%	14,4%	11,8%	5,5%

Short term conjunctural indicators (yoy % change)	2017	2018	2019	Period	2019	Period
	(full-year)	(full-year)				
😊 Industrial production	4.5%	1.1%	0.8%	Jan – Apr	-0.8%	Apr
😊 Manufacturing (excluding oil)	3.7%	2.0%	3.7%	Jan – Apr	2.6%	Apr
😊 Production in construction	-14.6%	0.8%	...	...	...	...
😊 Building	-10.2%	17.7%	...	...	...	...
😊 Non – building	-18.0%	-13.1%	...	...	...	...
😊 Private building activity – building permits (volume in m³)	19.4%	21.3%	-17.5%	Jan – Feb	-25.2%	Feb
😊 Retail sales (volume)	1.2%	1.5%	-0.6%	Jan – Mar	4.6%	Mar
😊 Excluding automotive fuel	1.3%	1.7%	-1.5%	Jan – Mar	3.3%	Mar
😊 New vehicle licenses	20.8%	22.6%	8.1%	Jan – Apr	20.4%	Apr
😊 Exports of goods excl. Oil & ships (ELSTAT, current prices)	7.2%	10.5%	6.2%	Jan – Apr	13.0%	Apr
😊 Exports of goods excl. Oil & ships, volume***	3.7%	9.1%	5.7%	Jan – Apr	12.2%	Apr
😊 Imports of goods excl. oil & ships (ELSTAT, current prices)	7.8%	8.4%	6.7%	Jan – Apr	11.2%	Apr
😊 Imports of goods excl. oil & ships, volume***	7.9%	8.7%	5.7%	Jan – Apr	9.3%	Apr
😊 Tourism – receipts	10.8%	10.1%	37.2%	Jan – Mar	32.2%	Mar
😊 Transportation – receipts	16.9%	14.9%	10.0%	Jan – Mar	10.1%	Mar
😊 Other services* – receipts	13.8%	-2.5%	10.1%	Jan – Mar	8.6%	Mar
😊 Inbound travelers (excl. cruises)	9.7%	10.8%	7.8%	Jan - Mar	9.1%	Mar

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

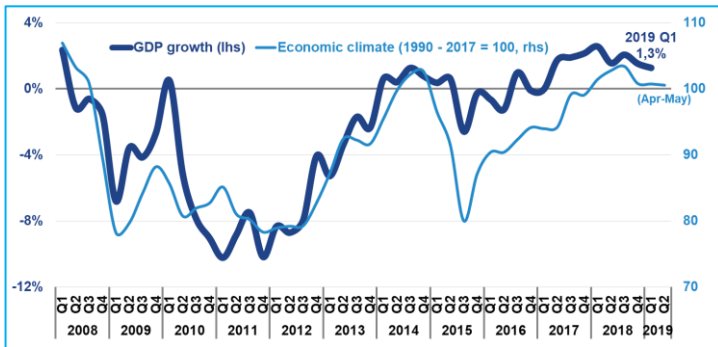
** includes construction business activity abroad, software and technology exports, etc

*** SEV estimation

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

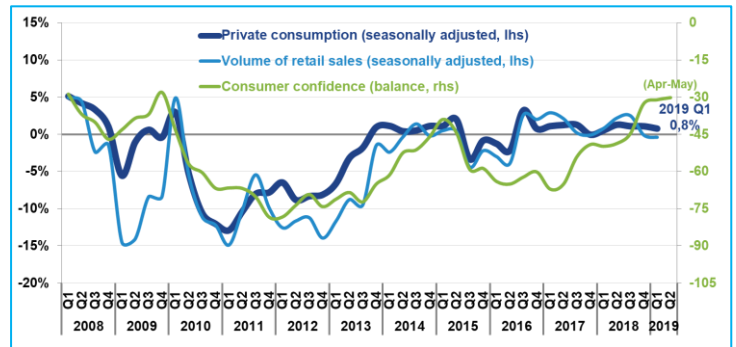


Economic climate



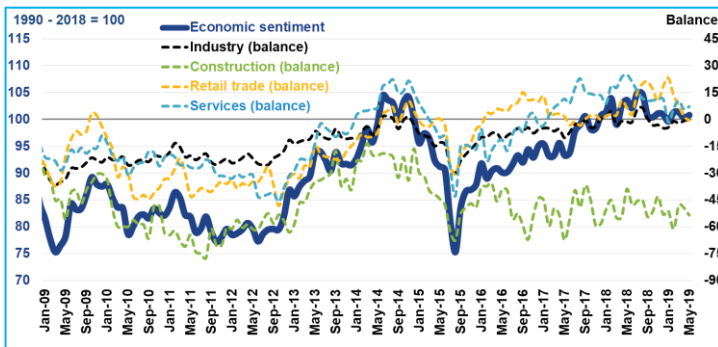
GDP AND ECONOMIC CLIMATE

(ELSTAT, Q1 2019, IOBE-DG ECFIN, May 2019)



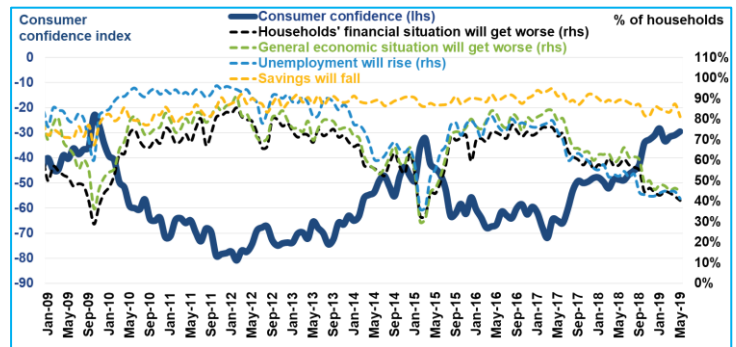
PRIVATE CONSUMPTION, RETAIL SALES, CONSUMER CONFIDENCE

(ELSTAT, Q1 2019, IOBE-DG ECFIN, May 2019)



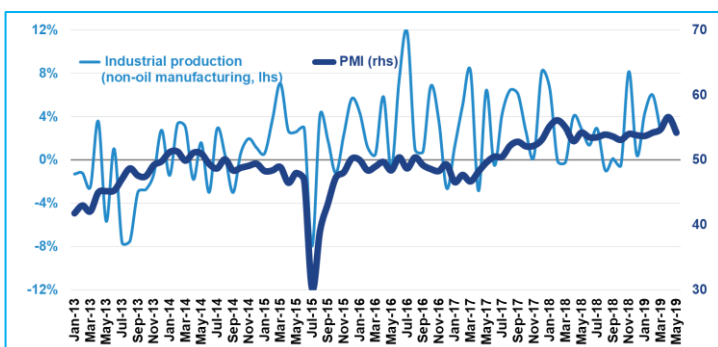
ECONOMIC CLIMATE AND BUSINESS EXPECTATIONS

(IOBE-DG ECFIN, May 2019)



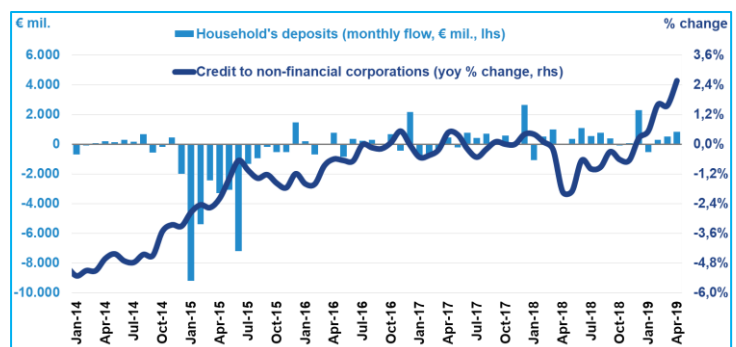
CONSUMER CONFIDENCE

(IOBE-DG ECFIN, May 2019)



PURCHASING MANAGERS' INDEX (PMI)

(Markit, May 2019)

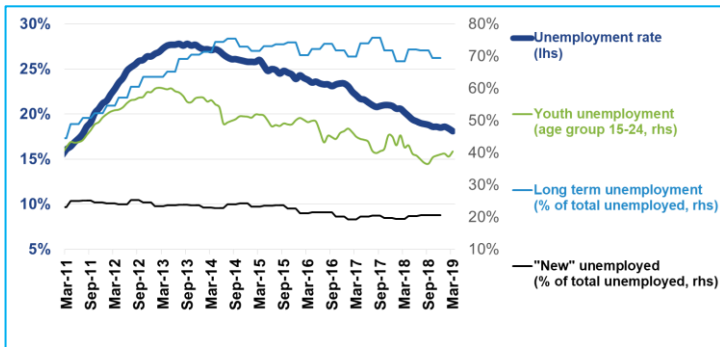


CREDIT TO BUSINESSES AND HOUSEHOLDS DEPOSITS

(Bank of Greece, Apr. 2019)

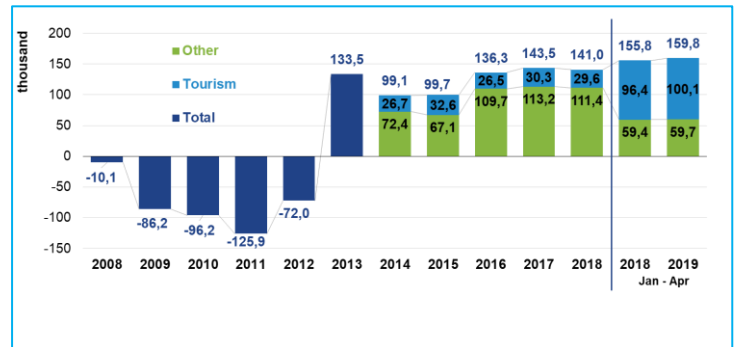


Employment, prices, wages



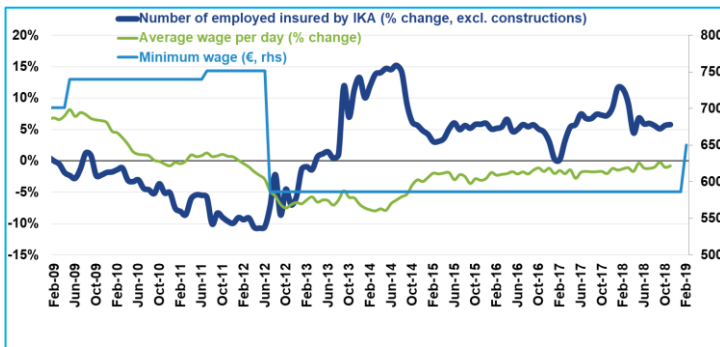
UNEMPLOYMENT RATE (SEASONALLY ADJUSTED)

(ELSTAT, Mar. 2019)



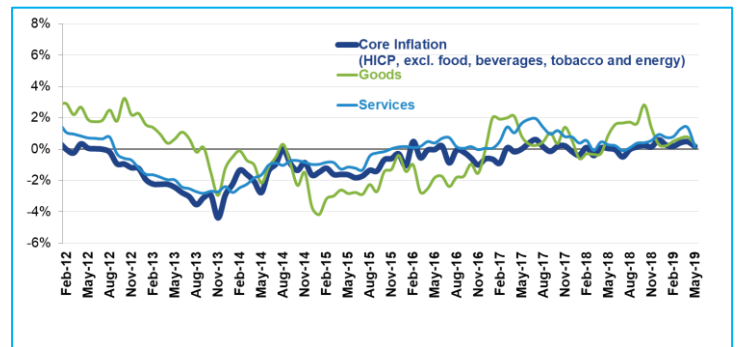
NET HIRINGS

(ERGANI, Apr. 2019)



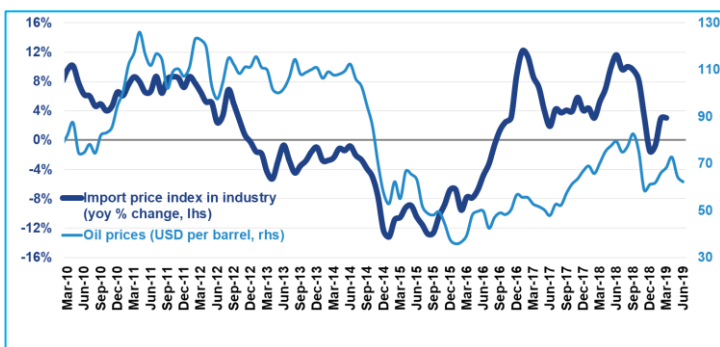
NUMBER OF EMPLOYED INSURED BY IKA AND AVERAGE WAGE

(Yoy % change, EFKA, Nov. 2018)



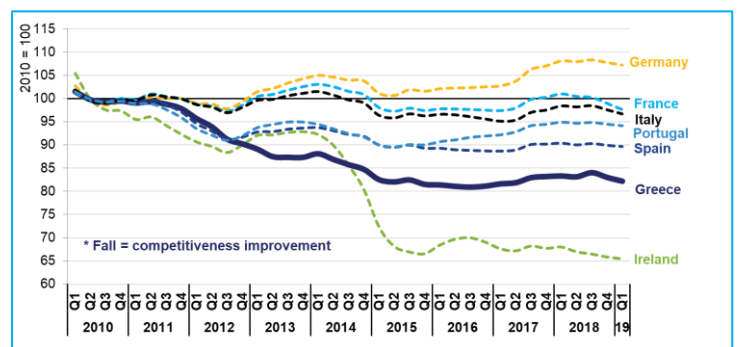
GOODS AND SERVICES INFLATION, CORE INFLATION

(ELSTAT, May 2019)



IMPORT PRICE INDEX IN INDUSTRY AND OIL PRICES

(ELSTAT, Mar. 2019, Bloomberg, 10 June 2019)

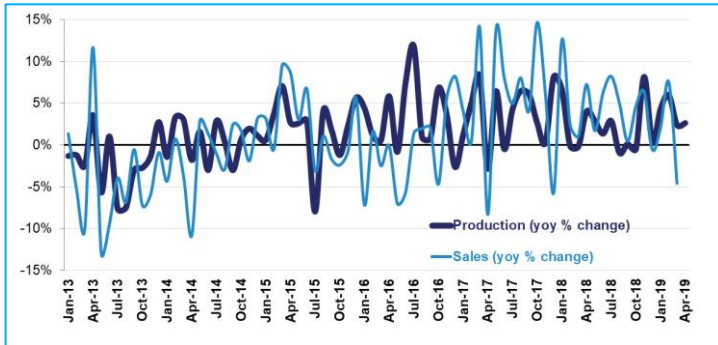


PRICE AND COST COMPETITIVENESS: REAL EFFECTIVE EXCHANGE RATE

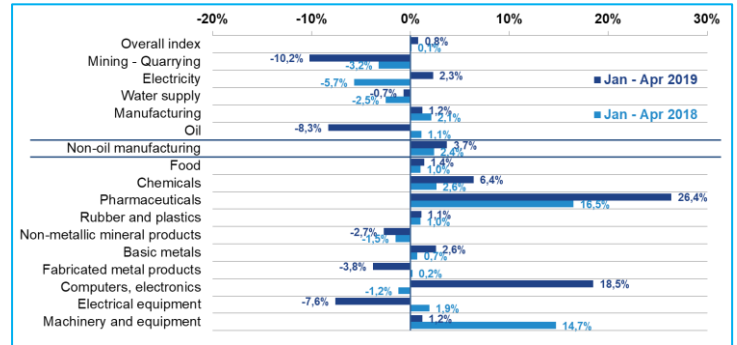
(Eurostat, Q1 2019)



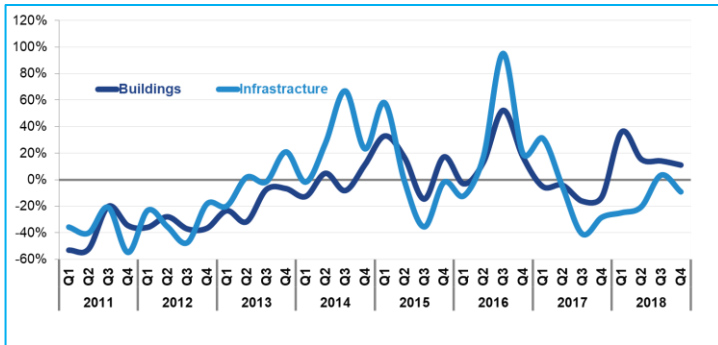
Industry, trade, services



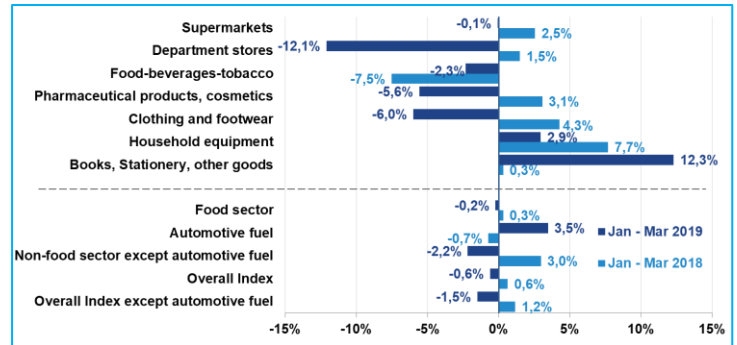
PRODUCTION AND TURNOVER IN NON-OIL MANUFACTURING
(ELSTAT, Apr. 2019)



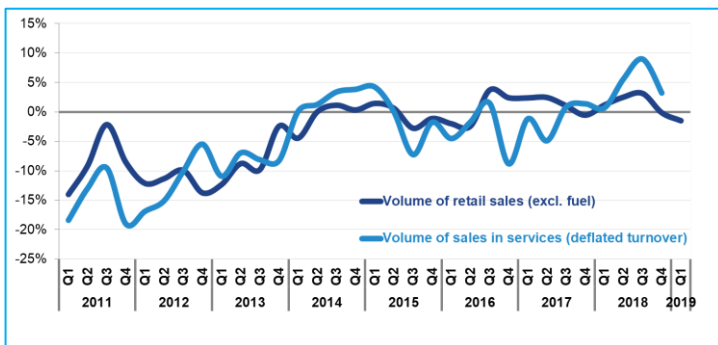
INDUSTRIAL PRODUCTION BY SECTOR
(ELSTAT, Apr. 2019)



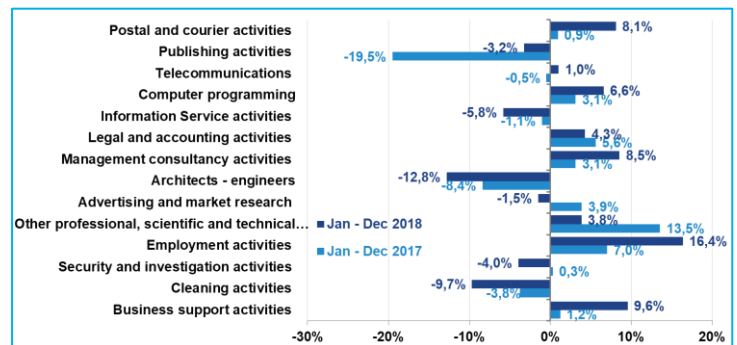
VOLUME OF PRODUCTION IN CONSTRUCTION
(Yoy % change, ELSTAT, Q4 2018)



VOLUME OF RETAIL SALES
(% change by store category, ELSTAT, Mar. 2019)



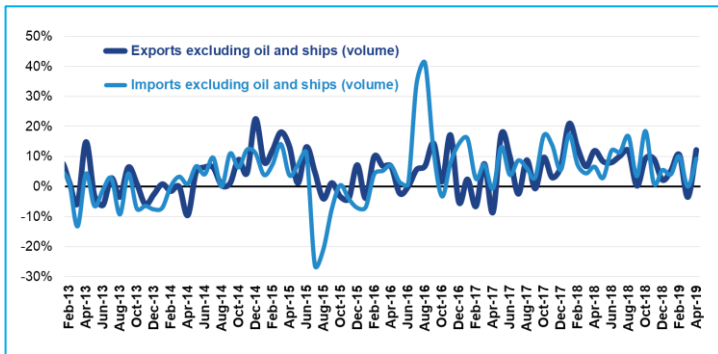
VOLUME OF RETAIL AND SERVICES SALES
(ELSTAT, Eurostat, Q4 2018, ELSTAT, Mar. 2019)



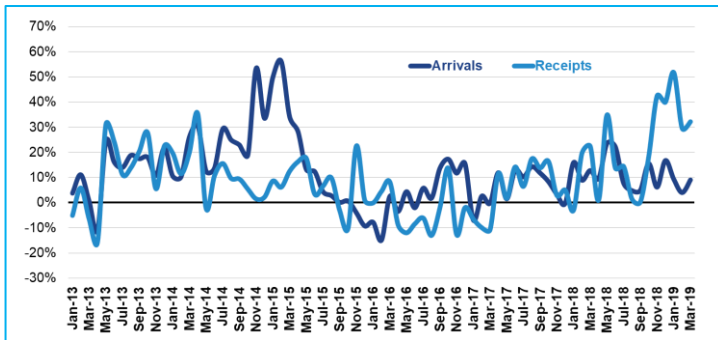
TURNOVER INDICES IN SERVICES
(ELSTAT, Q4 2018)



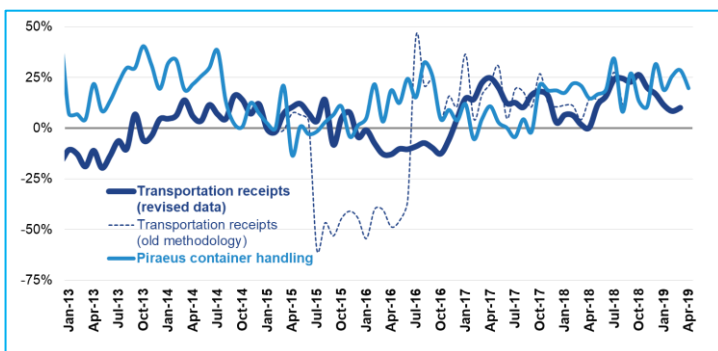
Exports, tourism



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



TOURIST ARRIVALS AND RECEIPTS
(Bank of Greece, Mar. 2019)

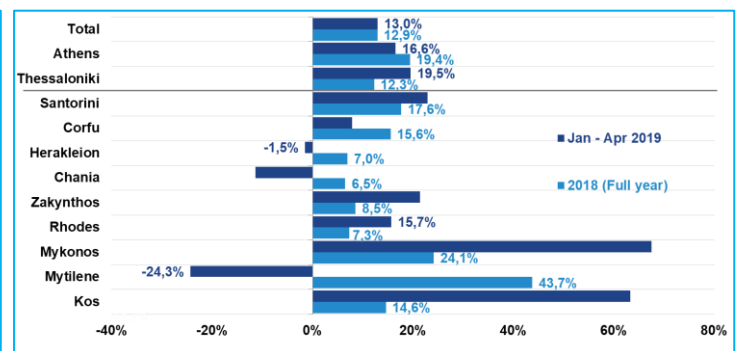


TRANSPORTATION RECEIPTS
(BoG, Mar. 2019, Piraeus container handling: COSCO, Apr. 2019)

Group of products	Jan – Apr		%Δ
	(€ mil.)		
	2018	2019	
Agricultural products	2,008.3	1,891.2	-5.8%
Food	1,487.5	1,505.8	1.2%
Beverages / Tobacco	193.9	234.5	21.0%
Animal and vegetable oil	326.9	150.9	-53.8%
Crude Materials	433.5	542.0	25.0%
Mineral Fuels	3,377.0	3,411.9	1.0%
Industrial products	4,472.3	4,944.1	10.5%
Chemicals	1,100.0	1,332.9	21.2%
Goods classified by material	1,672.5	1,726.7	3.2%
Machinery & transport equipment	998.3	1,009.2	1.1%
Misc. manufactured articles	701.5	875.3	24.8%
Not classified commodities	192.0	153.5	-20.1%
Total	10,483.2	10,942.7	4.4%
Total excl. Oil	7,106.2	7,530.8	6.0%

Memo item:	Jan – Mar		%Δ
	2018	2019	
Manufactured products	4,569.3	4,722.5	3.4%
of which: Food / Beverages	947.7	798.8	-15.7%
Crude materials & primary products	819.2	867.0	5.8%
of which: Agricultural products	484.1	457.6	-5.5%
Total excl. Oil	5,388.4	5,589.5	3.7%
Oil	2,478.8	2,404.6	-3.0%
Total	7,867.2	7,994.1	1.6%

EXPORTS BY PRODUCT
(ELSTAT, Eurostat, Apr. 2019)



INTERNATIONAL ARRIVALS AT MAIN AIRPORTS
(SETE, Apr. 2019)



SEV Members Financial Data

ASSETS
€325 bn
69% of total*



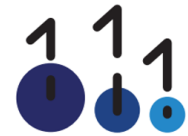
EQUITY
€61 bn
51% of total*



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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