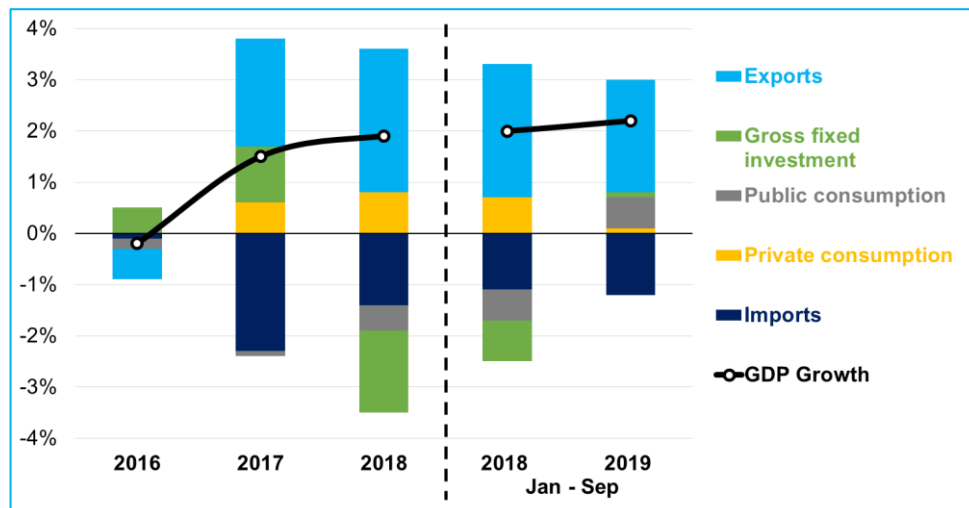


## GDP and components

(ELSTAT, Quarterly Sectoral National Accounts, Q3 2019)

## INDEX

Main indicators	9
Economic climate	10
Employment, prices, wages	11
Industry, trade, services	12
Exports, tourism	11

MACROECONOMIC ANALYSIS  
AND EUROPEAN POLICY

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## Strong growth needs a recovery in investment and productivity!

As domestic private consumption and investment remain sluggish, growth in Greece continues to rely on net exports, especially on tourism, while exports of goods still rise, yet at a slowing pace due to the unfavorable international environment. More specifically, **growth in Jan – Sep 2019 accelerated marginally to +2.2% vs. +2.1% in H1 2019, and +2% in Jan – Sep 2018**. In Q3 2019, GDP increased by +2.3% compared to +2.1% in H1 2019, as revised from +1.5% previously. In Q1 2019 GDP growth was revised to +1.4% from +1.1% previously and in Q2 2019 to +2.8% from +1.9% previously, mainly as a result of an upward revision of public consumption, due to higher pre-election government spending than previously estimated. It is to be noted that all 2019 revisions are taken place on the back of unrevised estimates for 2018 which, though due for revision in October 2019, they have not been revised as yet (see relevant Press Release by ELSTAT [here](#)). Finally, GDP growth in Q3 2019 accelerated mainly on the back of tourism, as exports of services increased by +14.5% vs. +4.5% in H1 2019, and the drop of imports by -2.9%, vs. +6.7% in H1 2019, which is however conjunctural and is likely to be reversed by the end of the year (**D01**).

In any case, **in Jan – Sep 2019 GDP growth reached +2.2% vs. +1.9% in 2018 as a whole, yet GDP components do not leave much room for optimism**. This is because, apart from net exports that contributed 1 pp. to GDP growth, private consumption and fixed investment contributed only 0.1 pp. each, public consumption 0.6 pp. and change in inventories 0.3 pp. (**D02**). This picture illustrates the weakness of domestic demand to drive a strong recovery of the Greek economy, at a time when external demand slows down due to uncertainty coming from tensions in global trade with adverse impacts on global investment.

The Greek economy suffers from a dearth of investment activity. If this is not reversed, it will be difficult for domestic demand to increase through productivity gains and employment and incomes growth in the private sector. More specifically, **seasonally adjusted total fixed investment increased by +1% in Jan – Sep 2019, vs. -6.2% in Jan – Sep 2018 and -12.2% in 2018 as a whole**. Residential investment increased by +9.8% in Jan – Sep 2019 vs. +17.2% in 2018

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## SUPPORTED BY:





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In Jan – Sep 2019 GDP growth reached +2.2% vs. +1.9% in 2018 as a whole, yet GDP components do not leave much room for optimism. This is because, apart from net exports that contributed 1 pp. to GDP growth, private consumption and fixed investment contributed only 0.1 pp. each, public consumption 0.6 pp. and change in inventories 0.3 pp.

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as a whole, ICT investment by +0.6% and +16.8%, machinery and equipment by +2.8% and +15.9%, and intellectual property products by -0.8% and -0.1%, respectively (D03). These developments represent a significant slowdown in business investment in Jan - Sep 2019. They may reflect uncertainties in the pre-election period, and possibly businesses' expectations for lower tax rates and a more favorable investment environment, following the national elections. As the overall corporate tax burden has been subsequently reduced, the degree of predictability regarding the tax framework improved and the framework of business operation upgraded substantially by the new development law, investment is likely to accelerate in Q4 2019 and in 2020 as well.

However, latest available data show that, **without a substantial recovery in fixed investment and private consumption during the last quarter of this year, it will be difficult for the Greek economy to achieve growth above the 2020 Budget forecast of 2% for 2019.** This is due to the significant lag in fixed investment and private consumption thus far in 2019 compared to the 2020 Budget forecasts, even taking into account that net exports in Jan – Sep 2019 bode a stronger performance in 2019 as a whole compared to 2020 Budget projections. More specifically, in the 2020 Budget, fixed investment is projected to increase by +8.8% in 2019, vs. + 1% in Jan – Sep 2019. This requires an increase in fixed investment of +33.8% in Q4 2019, which is difficult to be achieved. Also, the 2020 Budget forecast for private consumption of +0.6% in 2019 implies an increase of +1.8% in Q4 2019, which is also rather impossible, given that in Jan – Sep 2019 rose by only +0.2%.

On the supply side, **Gross Value Added (GVA) increased by +1.3% in Jan-Sep 2019** (vs. +1.8% in 2018). Manufacturing (+1.4%), construction (+28.2%), trade, transport and tourism (+3.5%) and professional services (+3.9%) are on the rise. On the contrary, GVA kept on declining in other sectors, especially in the banking sector (-8.7%, D04 and D05).

At the same time, **labor productivity, based on gross value added per hour, declined in Jan – Sep 2019** (-0.2% vs. +0.1% in Jan – Sep 2018 and +1.1% in 2018 as a whole), while nominal employee compensation per hour rose by +1.6% (vs. +1.1% in Jan – Sep 2018 and +3% in 2018 as a whole, D06 and D07). **Hourly employment also kept on increasing for both wage labour and total employment (wage labour plus self-employed) in Jan – Sep 2019 by +3.3% and +1.4% respectively (D08).** As the increase in nominal wages per hour is greater than productivity growth, this is likely to adversely affect the competitiveness of the economy.

In its 4<sup>th</sup> Enhanced Surveillance Report for Greece ([Enhanced Surveillance Report - Greece , November 2019](#)), that was discussed in the [Eurogroup of 04/12/19](#), the European Commission highlights the rapid progress made by Greece to enhance development prospects of the country, with initiatives to facilitate doing business and attracting investment, as well as the implementation of the privatization program, but also to reduce the tax burden on businesses and households, while safeguarding financial discipline. At the same time, all commitments to partners in the context of the enhanced surveillance of structural reforms have either been met or are in an advanced stage of implementation. On the basis of this positive assessment, €767 mil. from profits made by the central banks on Greek government bonds not impaired in the PSI transaction in 2012 (SMP-ANFA) is being transferred to Greece. It is also important that it was decided to examine technically the use of these funds to finance mutually agreed investments in a fiscally neutral manner, or in other words, without reducing the primary surplus targets.



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Regarding the short-term economic outlook for Greece, the European Commission forecasts a boost of the Greek economic growth to 2.3% in 2020 from 1.8% in 2019. This is based on a recovery of the private consumption, due to increased disposable income after the recent tax cuts and the positive trends in the labor market. Moreover, this is supported by investment rising from a low base in 2019, due to the recovery in residential investment, and by business profits due to lower corporate tax burden. Finally, exports (as well as imports) growth is expected to slow down due to the unfavorable global economic environment, leading to a GDP growth of around +2% in 2021.

In the medium to long term, however, prospects weaken as structural factors start to affect the economy. In the International Monetary Fund Report ([Greece: 2019 Article IV Consultation, November 2019](#)), the priority that the Greek government places on growth is highlighted. Yet, this happens in an environment where prospects are adversely affected by the impacts of the crisis on public debt, non-performing loans and over-indebted businesses and households. However, beyond the crisis, the growth process is also affected by the low productivity of the Greek economy (growing by only +0.25% annually on average in the last 50 years and by 0% in the last 20 years), the low level of investment (as a percentage of GDP, investments in Greece are at the lowest level in the world), the weak payment culture (due to the continued instalment schemes) and adverse demographics (expected reduction of labor force by -1% per annum until 2060). In this context, absolute priority should be given to restoring the banking system, not only through the provision of public guarantees in the context of the securitization of non-performing loans (Heracles Plan), but also through the implementation of a more comprehensive and ambitious debt restructuring strategy, based also on a more effective framework in judicial processes and bankruptcy regulations, and through the gradual abolition of the special status of mortgage protection and installment schemes for arrears to the tax office and social insurance funds. In addition, greater emphasis should be placed on the fiscal policy mix towards not only expanding the tax base and combating tax evasion, but also streamlining spending while increasing targeted social spending and public investment, in line with reduced primary surplus targets on the back of reaching a consensus between Greece and the European Institutions. Finally, initiatives must be taken to liberalize the product and service markets, as the economy is still dominated by small and medium-sized enterprises that continue to operate in a rigid business environment, despite efforts to stimulate competition.

Regarding developments based on short-term indicators, economic climate and consumer confidence remained strong until November 2019, while expectations for production and new orders in manufacturing are improving. At the same time, non-oil exports of goods kept on rising until October 2019, albeit at a slower pace compared to 2018, while tourist receipts are also on the rise. Moreover, retail sales excluding fuel recorded a significant upturn in September 2019, limiting the decline of the period Jan – Sep 2019.

More specifically:

- **Economic climate** climbed to 107 points in November 2019 from 106.7 in the previous month, remaining at its highest level during the last 10 years. The improvement came mainly from services and consumer confidence, while changes in the other sectors were marginal. Business expectations in **industry** declined marginally, particularly with regard to new orders and production in the coming period. On the contrary, estimates for employment improved, as the percentage of businesses forecasting that hiring will increase reached 25% from 13% in the previous month. In **retail trade**, business climate was somewhat deteriorated, yet the balance of positive - negative



answers remained positive (at +25 points from +26.3 in the previous month and +10 in November 2018). In **services**, business expectations improved slightly in terms of estimates for the evolution of demand in the following period, while in **construction** the balance of positive - negative answers remained particularly low (at -51.7 points from -50.4 points in the previous month and -43.1 in November 2018).

- **Consumer confidence** improved in November 2019, reaching its highest level since September 2000. More specifically, the consumer confidence indicator reached -6.8 points in November 2019, from -8.4 points in the previous month and -32.7 points in October of 2018. Households' optimism is mainly reflected in their assessment on their own financial situation and the general situation of the country in the next 12 months, with the percentage of those stating that it will deteriorate falling to 18.6 % and 17.3% respectively (compared with 46.5% and 50.1% respectively in November 2018).
- **Manufacturing Purchasing Managers' Index (PMI)** improved slightly in November 2019 as a result of positive business assessment for production and new orders. Specifically, the index rose to 54.1 points from 53.5 points in the previous month, remaining above the no-change threshold of 50 points for the 30<sup>th</sup> consecutive month. More specifically, in November 2019 data show a faster increase in production and sales as well as an increase in new orders, especially for exports. At the same time, companies expanded their workforce, reducing work backlog as well. It is to be noted that November 2019 is the first month from December 2017 where PMI Eurozone rose substantially, though still below the no-change 50 points mark, following increases in the PMI World for four consecutive months, which is clearly an indication of a manufacturing recovery in 2020.
- **Non-oil manufacturing production** kept on rising in October 2019 (+5.3%) for the 14<sup>th</sup> consecutive month. Overall, during the period Jan – Oct 2019 non-oil manufacturing production rose by +4.3%, on top of +2.0% in the same period in 2018. Production recorded strong growth in pharmaceuticals (+27.2%) and electronics (+25.7%), while production of non-metallic mineral products and basic metals declined (-5.0% and -1.6%, respectively).
- **Non-oil exports of goods** increased by +3.9% in October 2019 on top of +11.9% in October 2018, and by +5.2% in Jan – Oct 2019, vs. +11.6% in Jan – Oct 2018. At the same time non-oil imports of goods rose by +1.6% in October 2019, vs. +15.4% in October 2018, and by +6.8% in Jan – Oct 2019, vs. +9.5% in Jan – Oct 2018. Due to this greater slowdown in non-oil exports of goods compared to the respective imports, the trade deficit excluding oil increased by €1.2 bn. and reached €14.9 bn. In any case, exports of goods remain resilient to pressures on the international trade, contributing to GDP growth. Among the main groups of goods, the largest increase in export value was recorded in industrial products (+9.2%), mainly miscellaneous manufactured articles (+24.7%) and chemicals (+18.3%). On the contrary, exports of agricultural products declined (-3%), mainly due to the decline in olive oil exports (-46.2%).
- **The volume of retail sales excluding fuel** rose strongly in September 2019 (+5.3%), limiting the decline of the period Jan – Sep to -0.2%. More specifically, non-fuel retail sales volume dropped in the first half of 2019 (-1.2%), yet recovered in August 2019. The increase of +5.3% in September 2019 was mainly due to a sharp rise in furniture and household equipment stores (+15.1%) and clothing and footwear stores (+10.3%). The volume of retail sales is likely to keep on rising in the coming months, in line with the

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In the 2020 Budget, fixed investment is projected to increase by +8.8% in 2019, vs. + 1% in Jan – Sep 2019. This requires an increase in fixed investment of +33.8% in Q4 2019, which is difficult to be achieved.

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Economic climate and consumer confidence remained strong until November 2019, while expectations for production and new orders in manufacturing are improving. At the same time, non-oil exports of goods kept on rising until October 2019, albeit at a slower pace compared to 2018, while tourist receipts are also on the rise.

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positive business expectations in retail trade. Overall, in Jan-Sep 2019 non-fuel retail sales volume declined by -0.2% (vs. +2.3% in Jan – Sep 2018). The sharpest drop was recorded in department stores (-13.4%, vs. + 1.2% in the same period in 2018) and in food, beverage and tobacco stores (-6%, vs. -4% in the same period in 2018). On the other hand, sales volume increased in supermarkets (+0.9%, on top of +4.3% in 2018) and in bookstores and technology stores (+10.6%, on top of +2.2% in 2018).

- **Tourism receipts** rose by +16% in September 2019, while in the period Jan – Sep 2019 they reached €16.1 bn., as much as totaled in 2018 full year, and compared to €14.1 bn. in Jan – Sep 2018 (+14%). According to Bank of Greece's data, the increase in tourism receipts was driven by a 10.0% increase in average expenditure per trip and by a 3.8% rise in tourist arrivals.
- **Seasonally adjusted unemployment** stood at 16.7% in August 2019 from 16.9% in the previous month and 18.9% in August 2018. Since 2013, when a historically high level was recorded, unemployment declines steadily, yet at a slow pace. Indicatively, in Q2 2019 (latest available quarterly data) the number of the unemployed reached 805 thousand, representing 16.9% of the workforce, of which 281 thousand or 35% were unemployed for more than 4 years, representing 5.9% of the workforce. Additionally, 289 thousand or 36% were unemployed for 1 to 3 years, representing 6.1% of the workforce. Finally, 158 thousand or 20% were unemployed young people under the age of 25, representing 35% of the workforce aged 16 - 25 years. At the same time, during the period Jan - Nov 2019, **net hiring** (131.3 thousand) was reduced compared to the same period in 2018, mainly due to a decline in non-tourism sectors, while hiring in tourism was up (+25.7 thousand in Jan - Nov 2019 vs. +23.9 thousand in Jan - Nov 2018).
- **Bank credit expansion to businesses** was at +2.5% in October 2019 (from +2.2% in the previous month), remaining for the 11<sup>th</sup> consecutive month in positive territory. At the same time, **household deposits** increased by €457 mil., recording a positive flow from February 2019. Overall, since January 2019, household deposits increased by +€4.7 bn. with outstandings now reaching €114.8 bn.
- New **private sector arrears to the State** slowed down in Jan – Sep 2018, according to data from the Independent Authority for Public Revenue (IAPR). Specifically, in the period Jan – Sep 2019 (reporting period from 1/12/2018 to 31/8/2019) new arrears amounted to € 5.2 bn., compared to €7.8 bn. in the same period in 2018. This trend could be attributed to the tax payers effort to benefit from the 120 installments scheme and could partially justify the slowdown of private consumption growth (+0.8% in Jan – Sep 2019 at current prices) given at the same time the much faster increase of households' disposable income (+5% in H1 2019 at current prices). From the amount of €5.2 bn. of new arrears, €4.9 bn. relates to tax arrears (compared to €6.2 bn. in the same period in 2018).



## D01: GDP and components

(ELSTAT, Eurostat, Quarterly National Accounts, Q3 2019)

YoY % change, 2010 prices, seasonally adjusted	2017	2018	2018 Jan - Sep	2019 Jan - Sep
<b>GDP</b>	<b>1.5%</b>	<b>1.9%</b>	<b>2.0%</b>	<b>2.2%</b>
<b>Final consumption expenditure</b>	<b>0.5%</b>	<b>0.4%</b>	<b>0.3%</b>	<b>0.7%</b>
Private consumption	0.9%	1.1%	1.0%	0.2%
Public consumption	-0.4%	-2.5%	-2.9%	3.0%
<b>Investment</b>	<b>10.0%</b>	<b>1.8%</b>	<b>0.7%</b>	<b>3.0%</b>
Fixed investment	9.1%	-12.2%	-6.2%	1.0%
<b>Exports</b>	<b>6.8%</b>	<b>8.7%</b>	<b>8.1%</b>	<b>6.6%</b>
Goods	5.7%	8.4%	8.5%	3.3%
Services	8.0%	9.0%	8.0%	10.8%
<b>Imports</b>	<b>7.1%</b>	<b>4.2%</b>	<b>3.2%</b>	<b>3.3%</b>
Goods	6.7%	2.0%	0.8%	2.7%
Services	9.0%	14.4%	14.8%	5.9%

## D02: Contribution to GDP growth

(ELSTAT, Eurostat, Quarterly National Accounts, Q3 2019)

	2017	2018	2018 Jan - Sep	2019 Jan - Sep
<b>GDP</b>	<b>1.5%</b>	<b>1.9%</b>	<b>2.0%</b>	<b>2.2%</b>
<b>Final consumption expenditure</b>	<b>0.5%</b>	<b>0.3%</b>	<b>0.2%</b>	<b>0.6%</b>
Private consumption	0.6%	0.8%	0.7%	0.1%
Public consumption	-0.1%	-0.5%	-0.6%	0.6%
<b>Investment</b>	<b>1.2%</b>	<b>0.2%</b>	<b>0.1%</b>	<b>0.4%</b>
Fixed investment	1.1%	-1.6%	-0.8%	0.1%
<b>Exports</b>	<b>2.1%</b>	<b>2.8%</b>	<b>2.6%</b>	<b>2.2%</b>
Goods	1.0%	1.5%	1.5%	0.6%
Services	1.1%	1.3%	1.1%	1.6%
<b>Imports</b>	<b>-2.3%</b>	<b>-1.4%</b>	<b>-1.1%</b>	<b>-1.2%</b>
Goods	-1.8%	-0.6%	-0.2%	-0.8%
Services	-0.5%	-0.8%	-0.9%	-0.4%

## D03: Investment by asset type

(ELSTAT, Eurostat, Quarterly National Accounts, Q3 2019)

(values in € mil., 2010 prices, seasonally adjusted)	2017	2018	2018 Jan - Sep	2019 Jan - Sep
<b>Total investment (including changes in inventories)</b>	<b>22,449.5</b>	<b>22,846.6</b>	<b>17,161.8</b>	<b>17,679.8</b>
% change	10.0%	1.8%	0.7%	3.0%
<b>Total fixed investment</b>	<b>24,255.9</b>	<b>21,291.4</b>	<b>16,278.1</b>	<b>16,434.4</b>
% change	9.1%	-12.2%	-6.2%	1.0%
Residential	1,171.7	1,373.3	996.0	1,093.8
% change	-5.5%	17.2%	12.5%	9.8%
Non-residential	9,445.9	7,286.6	6,005.0	5,092.0
% change	1.2%	-22.9%	-22.7%	-15.2%
Cultivated biological resources	98.6	102.3	68.1	65.6
% change	19.3%	3.8%	3.9%	-3.7%
Transport equipment*	4,618.1	2,609.3	2,344.6	2,708.0
% change	50.9%	-43.5%	-23.3%	15.5%
ICT equipment	1,401.3	1,636.9	1,218.1	1,226.0
% change	6.6%	16.8%	19.4%	0.6%
Machinery*	4,437.7	5,144.8	3,854.1	3,962.5
% change	6.2%	15.9%	20.5%	2.8%
Other	3,018.6	3,017.0	2,265.7	2,248.6
% change	-1.0%	-0.1%	0.2%	-0.8%
Total excl. transport eq. and non-residential construction	10,191.9	11,395.4	7,928.50	8,634.40
% change	3.5%	11.8%	21.4%	8.9%

\* Including investment in weapons.



## D04: GDP – production approach

(ELSTAT, Eurostat, Quarterly National Accounts, Q3 2019)

YoY % change, 2010 prices, seasonally adjusted	2017	2018	2018 Jan - Sep	2019 Jan - Sep
<b>Total Gross Value Added</b>	<b>2.0%</b>	<b>1.8%</b>	<b>1.8%</b>	<b>1.3%</b>
Agriculture	10.0%	2.9%	4.4%	-2.4%
Industry	3.6%	1.8%	1.3%	0.2%
Manufacturing	3.0%	2.0%	1.4%	1.4%
Construction	0.4%	7.9%	5.5%	28.2%
Wholesale and retail trade, tourism, transportation	4.1%	4.3%	4.1%	3.5%
Information and communication	-1.3%	0.3%	-0.4%	-0.1%
Financial and insurance activities	-6.6%	-10.0%	-9.5%	-8.7%
Real estate activities	2.3%	0.2%	0.2%	0.2%
Professional, scientific and technical activities	3.2%	5.4%	6.3%	3.9%
Public administration, defence, education, human health	-0.9%	0.7%	0.8%	-0.6%
Arts, entertainment and recreation	0.5%	2.0%	3.6%	2.4%

## D05: Contribution to Gross Value Added growth

(ELSTAT, Eurostat, Quarterly National Accounts, Q3 2019)

	2017	2018	2018 Jan - Sep	2019 Jan - Sep
<b>Total Gross Value Added</b>	<b>2.0%</b>	<b>1.8%</b>	<b>1.8%</b>	<b>1.3%</b>
Agriculture	0.4%	0.1%	0.2%	-0.1%
Industry	0.4%	0.2%	0.1%	0.0%
Manufacturing	0.3%	0.2%	0.1%	0.1%
Construction	0.0%	0.2%	0.2%	0.8%
Wholesale and retail trade, tourism, transportation	0.9%	0.9%	0.9%	0.8%
Information and communication	0.0%	0.0%	0.0%	0.0%
Financial and insurance activities	-0.3%	-0.4%	-0.4%	-0.3%
Real estate activities	0.5%	0.0%	0.0%	0.0%
Professional, scientific and technical activities	0.1%	0.3%	0.3%	0.2%
Public administration, defence, education, human health	-0.2%	0.2%	0.2%	-0.1%
Arts, entertainment and recreation	0.0%	0.1%	0.1%	0.1%

Note: Any discrepancies are due to sectoral deflators.

## D06: Gross Value Added per hour

(ELSTAT, Eurostat, Quarterly National Accounts, Q3 2019)

YoY % change, 2010 prices, seasonally adjusted	2017	2018	2018 Jan - Sep	2019 Jan - Sep
<b>Total</b>	<b>2.1%</b>	<b>1.1%</b>	<b>0.1%</b>	<b>-0.2%</b>
Agriculture	10.4%	3.3%	0.0%	2.4%
Industry	3.0%	0.8%	2.4%	-4.0%
Manufacturing	2.4%	1.0%	3.1%	-3.8%
Construction	-0.3%	7.6%	1.2%	28.2%
Wholesale and retail trade, tourism, transportation	4.2%	2.9%	3.4%	1.5%
Information and communication	-3.5%	-1.8%	-4.4%	-8.6%
Financial and insurance activities	-6.9%	-10.2%	-4.3%	-3.3%
Real estate activities	3.7%	1.7%	-12.6%	4.4%
Professional, scientific and technical activities	3.7%	4.4%	3.8%	2.3%
Public administration, defence, education, human health	-0.1%	1.2%	-2.2%	-4.6%
Arts, entertainment and recreation	0.8%	0.6%	1.6%	4.9%



## D07: Employee compensation per hour (ELSTAT, Eurostat, Quarterly National Accounts, Q3 2019)

YoY % change, current prices, seasonally adjusted	2017	2018	2018 Jan - Sep	2019 Jan - Sep
<b>Total</b>	<b>2.6%</b>	<b>3.0%</b>	<b>1.1%</b>	<b>1.6%</b>
Agriculture	0.5%	4.1%	0.4%	9.1%
Industry	0.8%	2.0%	2.6%	1.3%
Manufacturing	2.9%	1.8%	2.6%	2.3%
Construction	-6.5%	1.7%	-3.1%	1.3%
Wholesale and retail trade, tourism, transportation	7.4%	3.2%	1.7%	2.8%
Information and communication	1.7%	8.3%	3.9%	4.7%
Financial and insurance activities	4.5%	-5.0%	-2.5%	3.5%
Real estate activities	7.7%	22.9%	-2.0%	8.3%
Professional, scientific and technical activities	0.5%	1.3%	2.7%	4.3%
Public administration, defence, education, human health	0.5%	4.2%	1.1%	-0.6%
Arts, entertainment and recreation	2.7%	5.2%	0.0%	4.1%

## Δ08: Employment (hours) (ELSTAT, Eurostat, Quarterly National Accounts, Q3 2019)

### Total employment

YoY % change, seasonally adjusted	2017	2018	2018 Jan - Sep	2019 Jan - Sep
<b>Total</b>	<b>-0.1%</b>	<b>0.7%</b>	<b>1.8%</b>	<b>1.4%</b>
Agriculture	-0.4%	-0.3%	4.4%	-4.7%
Industry	0.6%	1.0%	-1.1%	4.5%
Manufacturing	0.6%	0.9%	-1.6%	5.4%
Construction	0.7%	0.4%	4.3%	-0.1%
Wholesale and retail trade, tourism, transportation	-0.1%	1.3%	0.6%	2.0%
Information and communication	2.3%	2.2%	4.2%	9.3%
Financial and insurance activities	0.2%	0.2%	-5.4%	-5.6%
Real estate activities	-1.4%	-1.5%	14.6%	-4.1%
Professional, scientific and technical activities	-0.4%	1.0%	2.4%	1.6%
Public administration, defence, education, human health	-0.4%	-0.4%	3.2%	4.2%
Arts, entertainment and recreation	-0.7%	1.4%	1.9%	-2.3%

### Employees

YoY % change, seasonally adjusted	2017	2018	2018 Jan - Sep	2019 Jan - Sep
<b>Total</b>	<b>-0.3%</b>	<b>0.6%</b>	<b>2.5%</b>	<b>3.3%</b>
Agriculture	-2.3%	-1.6%	0.7%	0.2%
Industry	1.0%	1.0%	0.7%	4.6%
Manufacturing	1.0%	0.9%	0.4%	5.8%
Construction	-0.8%	-1.5%	1.4%	2.3%
Wholesale and retail trade, tourism, transportation	-0.4%	1.4%	2.9%	5.3%
Information and communication	1.7%	2.5%	6.7%	4.6%
Financial and insurance activities	0.1%	-0.1%	-3.5%	-5.4%
Real estate activities	-3.9%	-5.5%	19.5%	1.4%
Professional, scientific and technical activities	1.2%	1.9%	0.5%	2.0%
Public administration, defence, education, human health	-0.5%	-0.4%	2.7%	4.3%
Arts, entertainment and recreation	-2.0%	0.8%	6.6%	-4.8%





## Main indicators

### Economic sentiment

	2016	2017	2018	2019		
	Average	Average	Average	Sep	Oct	Nov
<b>Economic climate</b>	91.8	96.6	102.1	107.2	106.7	107.0
<b>Consumer confidence</b>	-62.9	-58.9	-44.0	-6.8	-8.4	-6.8
% stating that their own economic situation will get worse	72%	67%	55%	19%	19%	19%
% stating that the country's economic situation will get worse	79%	74%	59%	16%	18%	17%
% stating that unemployment will rise	77%	68%	50%	23%	23%	19%
% stating that they are unlikely to save	90%	91%	87%	79%	75%	79%

### Employment, Unemployment, prices, wages

	2017	2018	2019	Period
<b>Employment (persons, change year-to-date, seasonally adjusted)</b>	+122,900	+99,700	+79,400	Jan – Aug
Employment (persons, change during month, seasonally adjusted)	+1,300	+2,200	+10,400	Aug
<b>Registered unemployed seeking job (change year-to-date)</b>	-85,951	-35,171	-19,933	Jan – Oct
Registered unemployed seeking job (change during month)	+24,553	+28,990	+72,362	Oct
<b>Net hirings (year-to-date)</b>	+128,230	+135,033	+131,310	Jan – Nov
Net hirings (current month)	-39,221	-33,249	-30,559	Nov
<b>Unemployment rate (seasonally adjusted)</b>	20.8%	18.9%	16.7%	Aug
Year to date average rate (seasonally adjusted)	21.8%	19.7%	17.6%	Jan – Aug
<b>Consumer Price Index</b>	1.1%	1.0%	0.2%	Nov
Change Year to date	1.2%	0.6%	0.2%	Jan – Nov
<b>Labour productivity per hour (2010 = 100)</b>	92.6	92.2	94.0	Q3
Year to date average	92.6	92.9	93.6	Jan – Sep
<b>Competitiveness (real effective exchange rate, 2010 = 100)*</b>	82.6	83.7	81.8	Q3
Year to date average	81.8	83.2	82.0	Jan – Sep

### GDP

(seasonally adjusted, at constant prices, yoy % change)

	2017	2018	2019			
			Q1	Q2	Q3	Jan - Sep
<b>GDP</b>	1.5%	1.9%	1.4%	2.8%	2.3%	2.2%
<b>Domestic demand</b>	1.6%	0.4%	2.1%	1.9%	-0.6%	1.1%
Private consumption	0.9%	1.1%	0.7%	-0.3%	0.2%	0.2%
Public consumption	-0.4%	-2.5%	0.2%	9.4%	-0.5%	3.0%
<b>Investment (including inventory change)</b>	10.0%	1.8%	14.6%	1.3%	-5.0%	3.0%
Fixed investment	9.1%	-12.2%	8.1%	-6.1%	2.0%	1.0%
Residential construction	-5.5%	17.2%	6.7%	19.4%	3.9%	9.8%
Non – residential construction	1.2%	-22.9%	1.7%	-36.4%	-4.0%	-15.2%
Machinery and equipment (incl. weapons)	6.2%	15.9%	3.1%	3.7%	1.6%	2.8%
Transport equipment (incl. weapons)	50.9%	-43.5%	20.3%	73.6%	-17.7%	15.5%
<b>Exports of goods and services</b>	6.8%	8.7%	4.5%	5.8%	9.5%	6.6%
Exports of goods	5.7%	8.4%	-0.4%	4.1%	6.2%	3.3%
Exports of services	8.0%	9.0%	9.8%	8.1%	14.5%	10.8%
<b>Imports of goods and services</b>	7.1%	4.2%	9.8%	3.7%	-2.9%	3.3%
Imports of goods	6.7%	2.0%	10.1%	3.9%	-4.9%	2.7%
Imports of services	9.0%	14.4%	6.3%	2.8%	8.6%	5.9%

### Short term conjunctural indicators

(yoy % change)

	2017 (full-year)	2018 (full-year)	2019	Period	2019	Period
<b>Industrial production</b>	3.9%	1.6%	0.8%	Jan – Oct	-0.3%	Oct
Manufacturing (excluding oil)	2.6%	2.6%	4.3%	Jan – Oct	5.3%	Oct
<b>Production in construction</b>	-14.6%	0.8%	-11.9%	Jan – Jun	-5.8%	Q2
Building	-10.2%	17.7%	-12.0%	Jan – Jun	-9.3%	Q2
Non – building	-17.9%	-13.1%	-11.7%	Jan – Jun	-1.7%	Q2
<b>Private building activity – building permits (volume in m<sup>3</sup>)</b>	19.4%	21.3%	3.5%	Jan – Aug	37.8%	Aug
<b>Retail sales (volume)</b>	1.2%	1.5%	0.1%	Jan – Sep	5.1%	Sep
Excluding automotive fuel	1.3%	1.7%	-0.2%	Jan – Sep	5.3%	Sep
<b>New vehicle licenses</b>	20.8%	22.6%	12.2%	Jan – Nov	12.5%	Nov
<b>Exports of goods excl. Oil &amp; ships (ELSTAT, current prices)</b>	7.2%	10.5%	5.5%	Jan – Oct	3.8%	Oct
Exports of goods excl. Oil & ships, volume***	3.7%	9.1%	6.0%	Jan – Oct	5.7%	Oct
<b>Imports of goods excl. oil &amp; ships (ELSTAT, current prices)</b>	7.8%	8.4%	6.3%	Jan – Oct	1.8%	Oct
Imports of goods excl. oil & ships, volume***	7.9%	8.7%	2.4%	Jan – Oct	-1.7%	Oct
<b>Tourism – receipts</b>	10.8%	10.1%	14.0%	Jan – Sep	16.0%	Sep
<b>Transportation – receipts</b>	16.9%	14.9%	5.5%	Jan – Sep	1.8%	Sep
<b>Other services* – receipts</b>	13.8%	-2.5%	2.2%	Jan – Sep	16.0%	Sep
<b>Inbound travelers (excl. cruises)</b>	9.7%	10.8%	3.8%	Jan – Sep	5.0%	Sep

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

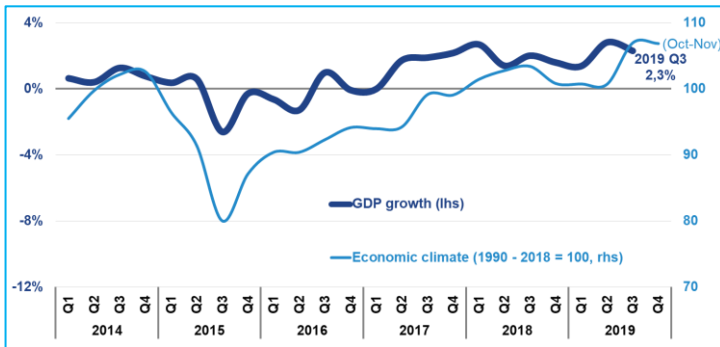
\*\* includes construction business activity abroad, software and technology exports, etc

\*\*\* SEV estimation

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

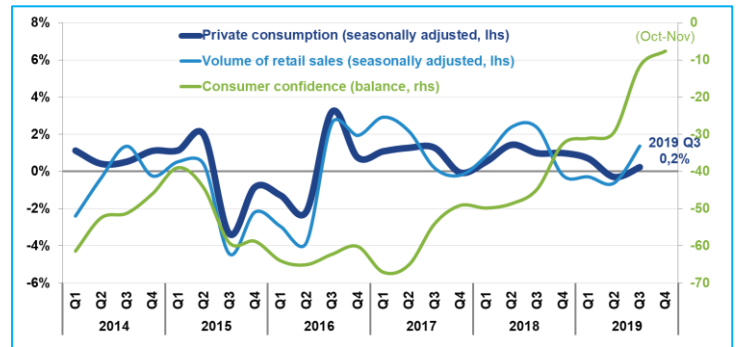


## Economic climate



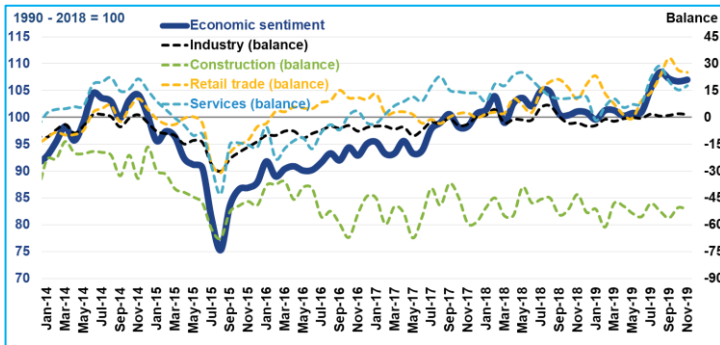
### GDP AND ECONOMIC CLIMATE

(ELSTAT, Q3 2019, IOBE-DG ECFIN, Nov. 2019)



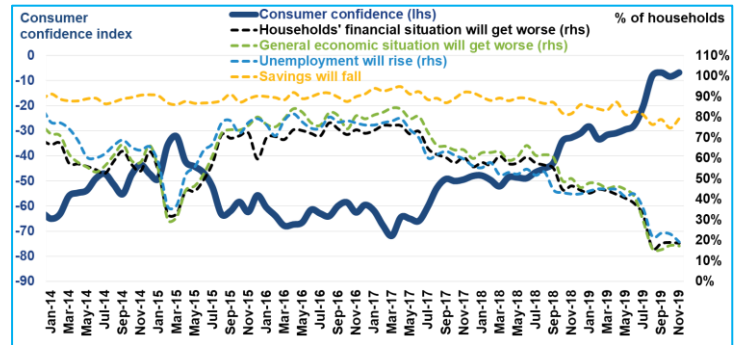
### PRIVATE CONSUMPTION, RETAIL SALES, CONSUMER CONFIDENCE

(ELSTAT, Q3 2019, IOBE-DG ECFIN, Nov. 2019)



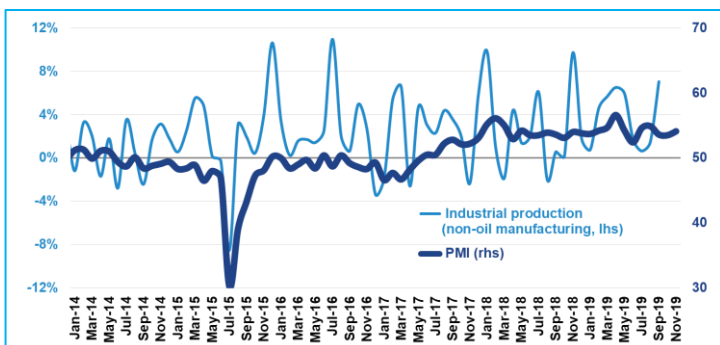
### ECONOMIC CLIMATE AND BUSINESS EXPECTATIONS

(IOBE-DG ECFIN, Nov. 2019)



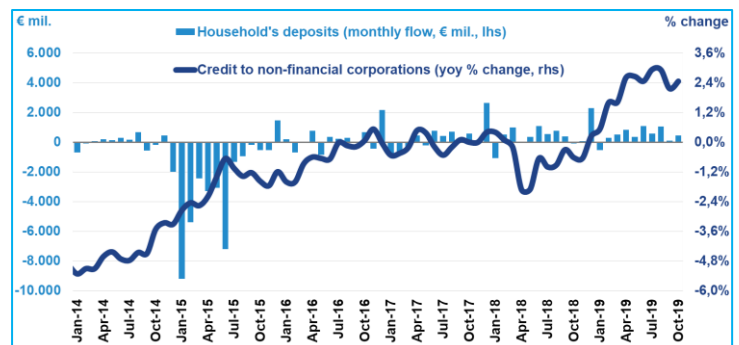
### CONSUMER CONFIDENCE

(IOBE-DG ECFIN, Nov. 2019)



### PURCHASING MANAGERS' INDEX (PMI)

(Markit, Nov. 2019)

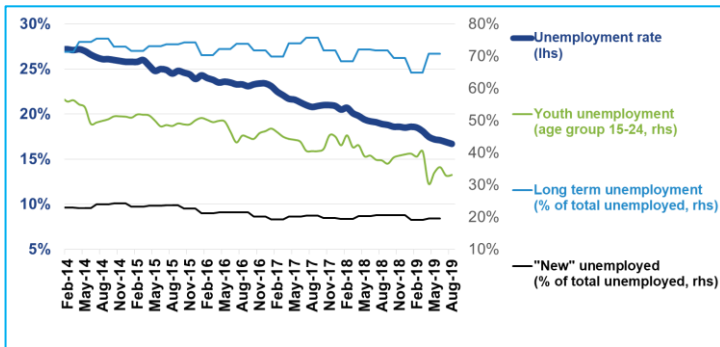


### CREDIT TO BUSINESSES AND HOUSEHOLDS DEPOSITS

(Bank of Greece, Oct. 2019)



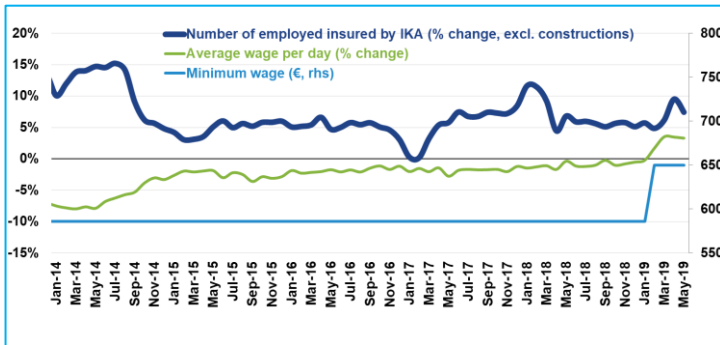
## Employment, prices, wages



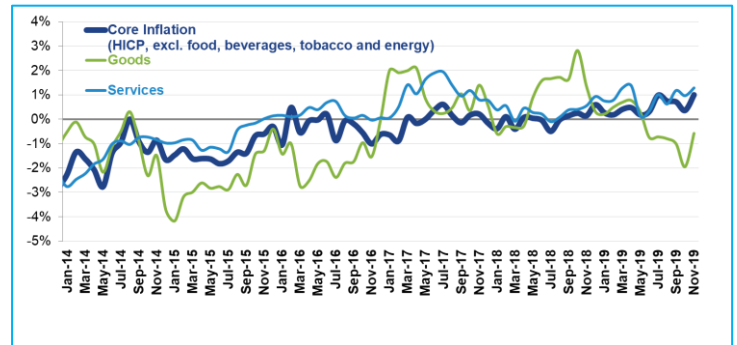
**UNEMPLOYMENT RATE (SEASONALLY ADJUSTED)**  
(ELSTAT, Aug. 2019)



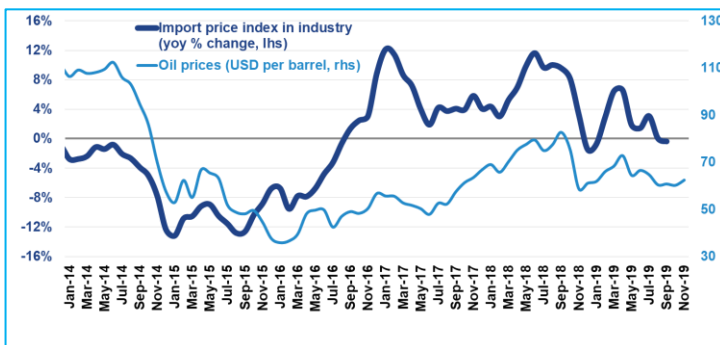
**NET HIRINGS**  
(ERGANI, Nov. 2019)



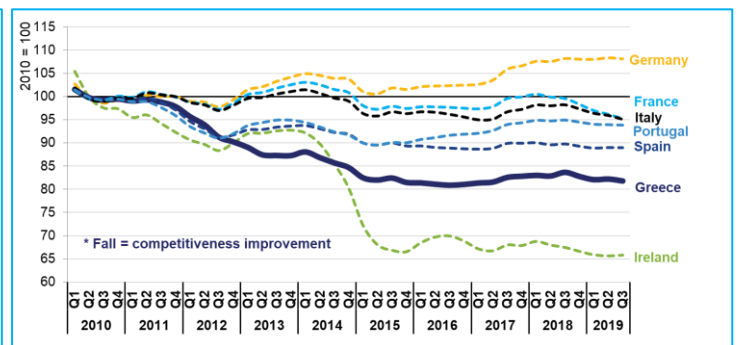
**NUMBER OF EMPLOYED INSURED BY IKA AND AVERAGE WAGE**  
(Yoy % change, EFKA, May 2019)



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



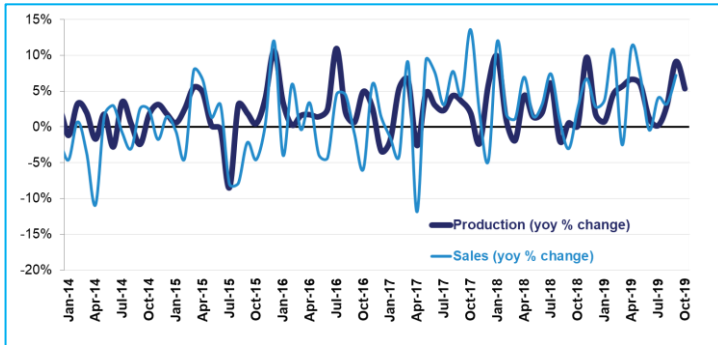
**IMPORT PRICE INDEX IN INDUSTRY AND OIL PRICES**  
(ELSTAT, Sep. 2019, Bloomberg, 29 Nov. 2019)



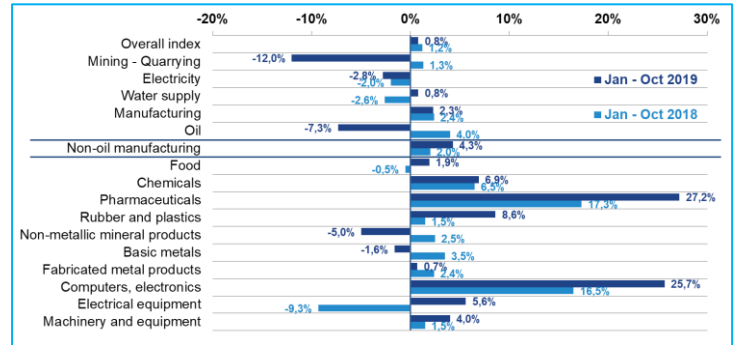
**PRICE AND COST COMPETITIVENESS: REAL EFFECTIVE EXCHANGE RATE**  
(Eurostat, Q3 2019)



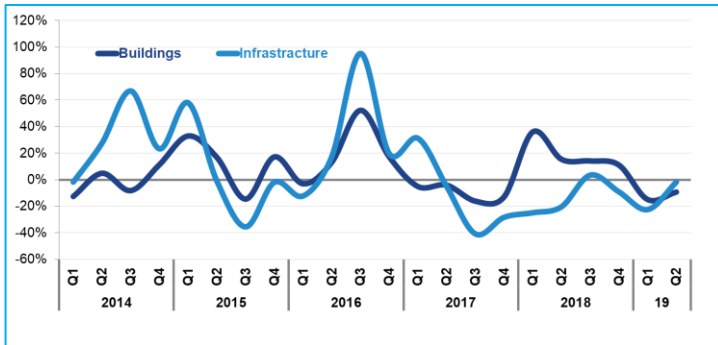
## Industry, trade, services



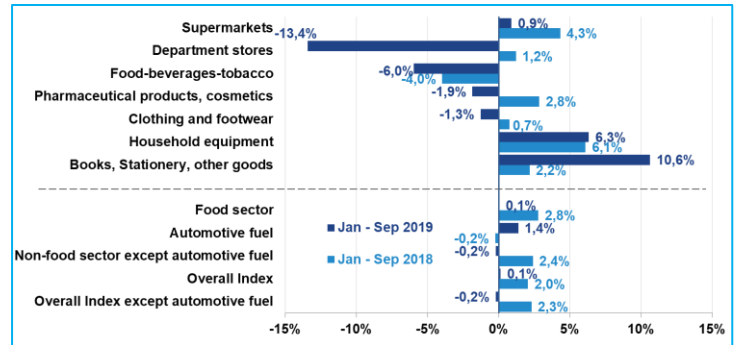
**PRODUCTION AND TURNOVER IN NON-OIL MANUFACTURING**  
(ELSTAT, Oct. 2019)



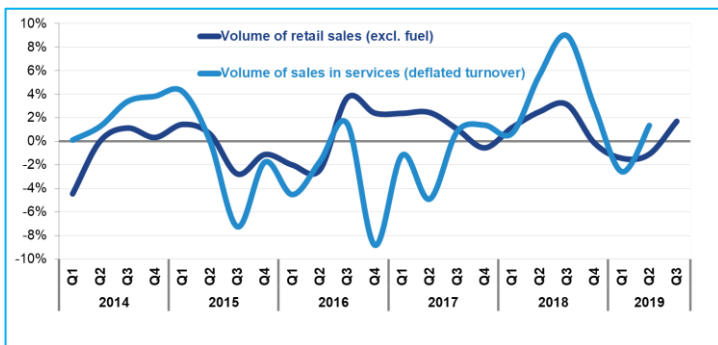
**INDUSTRIAL PRODUCTION BY SECTOR**  
(ELSTAT, Oct. 2019)



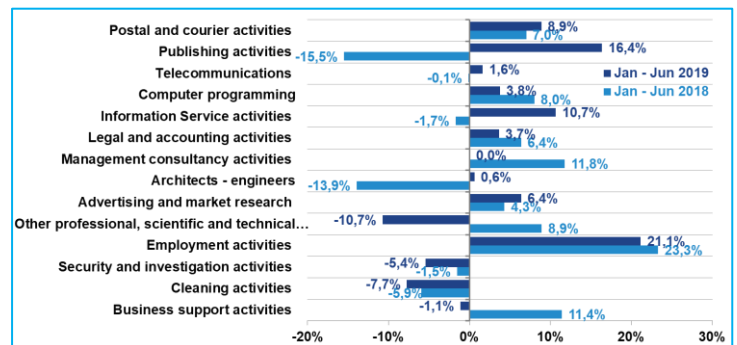
**VOLUME OF PRODUCTION IN CONSTRUCTION**  
(Yoy % change, ELSTAT, Q2 2019)



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



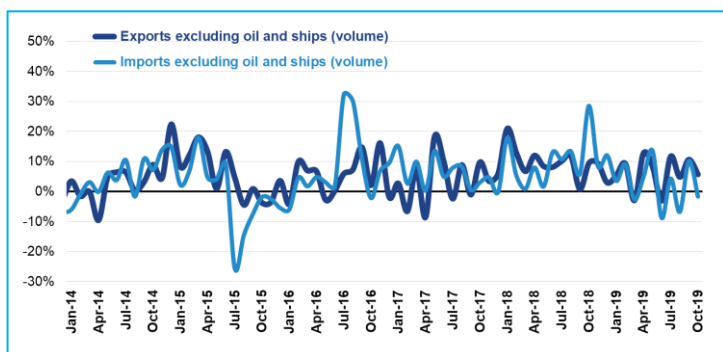
**VOLUME OF RETAIL AND SERVICES SALES**  
(ELSTAT, Eurostat, Q2 2019, ELSTAT, Sep. 2019)



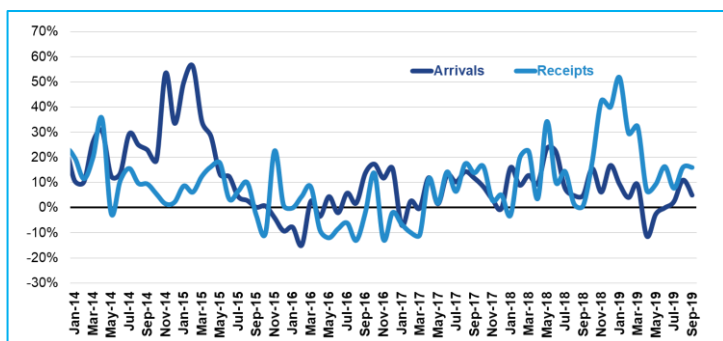
**TURNOVER INDICES IN SERVICES**  
(ELSTAT, Q2 2019)



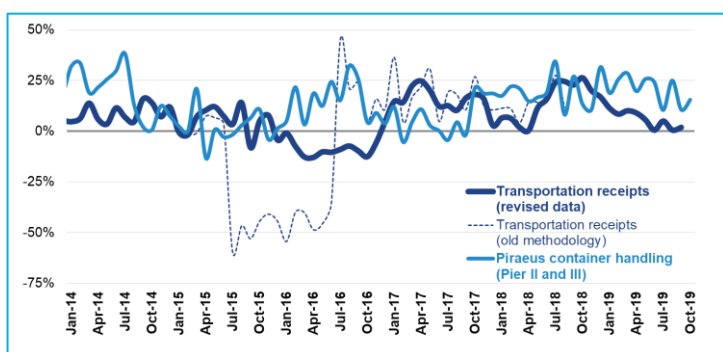
## Exports, tourism



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



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

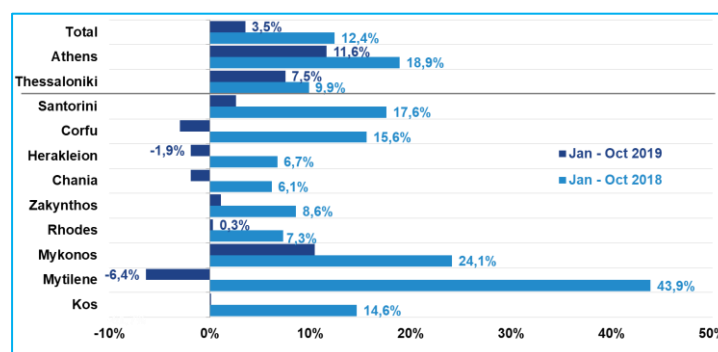


**TRANSPORTATION RECEIPTS**  
(BoG, Sep. 2019, Piraeus container handling: COSCO, Oct. 2019)

Group of products	Jan – Oct		%Δ
	(€ mil.)		
	2018	2019	
<b>Agricultural products</b>	<b>5,024.8</b>	<b>4,873.9</b>	<b>-3.0%</b>
Food	3,831.8	3,929.2	2.5%
Beverages / Tobacco	595.6	623.4	4.7%
Animal and vegetable oil	597.4	321.3	-46.2%
<b>Crude Materials</b>	<b>1,071.7</b>	<b>1,143.2</b>	<b>6.7%</b>
<b>Mineral Fuels</b>	<b>9,616.6</b>	<b>9,005.7</b>	<b>-6.4%</b>
<b>Industrial products</b>	<b>11,628.3</b>	<b>12,703.1</b>	<b>9.2%</b>
Chemicals	2,883.7	3,411.6	18.3%
Goods classified by material	4,413.2	4,308.2	-2.4%
Machinery & transport equipment	2,437.9	2,622.5	7.6%
Misc. manufactured articles	1,893.6	2,360.8	24.7%
<b>Not classified commodities</b>	<b>476.8</b>	<b>434.5</b>	<b>-8.9%</b>
<b>Total</b>	<b>27,818.2</b>	<b>28,160.4</b>	<b>1.2%</b>
<b>Total excl. Oil</b>	<b>18,201.6</b>	<b>19,154.7</b>	<b>5.2%</b>

Memo item:	Jan – Sep		%Δ
	2018	2019	
<b>Manufactured products</b>	<b>14,055.0</b>	<b>14,931.3</b>	<b>6.2%</b>
of which: Food / Beverages	2,677.4	2,491.4	-6.9%
<b>Crude materials &amp; primary products</b>	<b>2,408.5</b>	<b>2,454.3</b>	<b>1.9%</b>
of which: Agricultural products	1,472.4	1,481.4	0.6%
<b>Total excl. Oil</b>	<b>16,463.5</b>	<b>17,385.6</b>	<b>5.6%</b>
<b>Oil</b>	<b>8,195.1</b>	<b>7,875.1</b>	<b>-3.9%</b>
<b>Total</b>	<b>24,658.6</b>	<b>25,260.8</b>	<b>2.4%</b>

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



**INTERNATIONAL ARRIVALS AT MAIN AIRPORTS**  
(SETE, Oct. 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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