NATIONAL BANK OF GREECE

# GREECE

## Special Focus Report

## Fiscal Performance 2022 & Prospects

May 2023

**Greece strongly outperformed its fiscal targets for 2022, capitalizing on solid efficiency gains and strong economic growth, with positive carryover effects for 2023**

- Greece's General Government budget recorded a small primary surplus of 0.1% in 2022 – a year earlier than planned – against a Budget estimate for a primary deficit of 1.6% of GDP.
- The 2022 fiscal adjustment was the fastest among euro area countries, as the annual improvement in Greece's primary fiscal position reached 4.8% of GDP, compared with a euro area average of 1.9% (c. 2.0% and 0.5% respectively in cyclically adjusted terms). The cumulative adjustment, from the Covid-19 related primary deficit spike in 2020, was 6.8% of GDP (-€11.4 bn).
- Fiscal trends in 2022 have been reinforced by strong economic activity, which bolstered revenue and reduced the need for counter-cyclical primary spending (excluding measures related to the energy/inflation crisis).
- Accordingly, Greece was among the few countries in the euro area where tax revenue increased as per cent of GDP, to 28.6% in 2022 from 26.8% in 2021, and despite the activation of c. €4 bn of tax relief measures in 2021 and 2022.
- In fact, tax revenue growth (+22% or +€11 bn y-o-y) exceeded by nearly €1.0 bn the upwardly revised Budget target, attaining a tax revenue elasticity to economic growth of 1.5, three times higher than the average of 0.5 over the period 2002-2019.
- An additional factor supporting revenue growth was the rapid rise in cashless transactions, enhancing the elasticity of tax revenue to GDP growth especially as regards VAT and CIT. Such transactions increased by 500% over the past 7 years with their value surpassing the euro area average.
- Primary expenditure was up by c. 4% y-o-y or €3.8 bn in 2022, mainly due to the increased energy-related support to households and firms, as well as, a large increase in fixed investment and investment grants (which reached their highest level since 2009); however, its share in GDP dropped by c. 5 pps, to 50% of GDP.
- NBG Research estimates that the strong carryover effects on major tax components and efficiency improvements should lead to a primary surplus of 3% of GDP versus a Stability Program for 2023-26 (SP2023) estimate of 2% in 2023-2026 -- despite the implementation of further support measures and increases in government investment (+2% of GDP) -- though policy changes such as even larger than projected tax-rate cuts would likely be implemented, so as to maintain the primary surplus target of the SP2003.
- The positive developments are already evident in 2023, with Q1:2023 fiscal performance already c. 1% of GDP above Budget targets.
- Greece also recorded the largest improvement among euro area countries, regarding the annual pace of decline of public debt -- 23.3% of GDP in 2022 compared with 4% of GDP for the euro area. Greece's gross public debt was reduced decisively to 171.3% in 2022, from 194.6% in 2021 and 206.3% in 2020, to the lowest point (as % of GDP) since 2012.
- The Greek SP2023 projects that the debt-to-GDP ratio will decrease further to 163% of GDP in 2023 and to 135% by 2026; to below the forecasted ratio for Italy in this year.
- This fiscal performance is expected to support Greece's effort to regain investment grade status during 2023.

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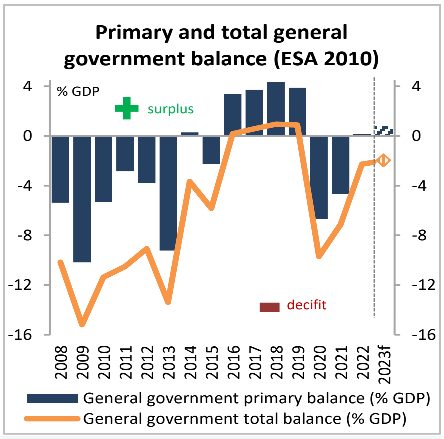
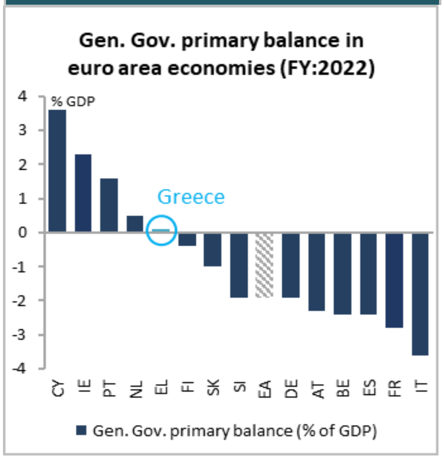
***Greece's General Government budget recorded a small primary surplus of 0.1% in 2022 – a year earlier than planned***




***The fiscal adjustment was the largest in the euro area***

| Primary Balance 2022 | Improvement in primary-balance-to-GDP ratio (2022 to 2021) | Primary fiscal balance as % GDP |
|---|---|---|
| Greece | 4,8 | 0,1 |
| Cyprus | 3,8 | 3,6 |
| Slovakia | 3,3 | -1,0 |
| Ireland | 3,1 | 2,3 |
| Croatia | 2,8 | 1,8 |
| Latvia | 2,7 | -3,9 |
| Austria | 2,4 | -2,3 |
| Spain | 2,3 | -2,4 |
| Netherlands | 2,3 | 0,5 |
| France | 2,3 | -2,8 |
| Portugal | 2,1 | 1,6 |
| Finland | 1,9 | -0,4 |
| **Euro area** | **1,9** | **-1,9** |
| Malta | 1,9 | -4,8 |
| Italy | 1,8 | -3,6 |
| Estonia | 1,6 | -0,8 |
| Slovenia | 1,5 | -1,9 |
| Belgium | 1,4 | -2,4 |
| Germany | 1,2 | -1,9 |
| Lithuania | 0,6 | -0,2 |
| Luxembourg | -0,5 | 0,4 |

*Source: Eurostat*




## *Greece strongly outperformed its fiscal targets for 2022, as well as EU peers, capitalizing on solid efficiency gains and strong economic growth with positive carryover effects for 2023*

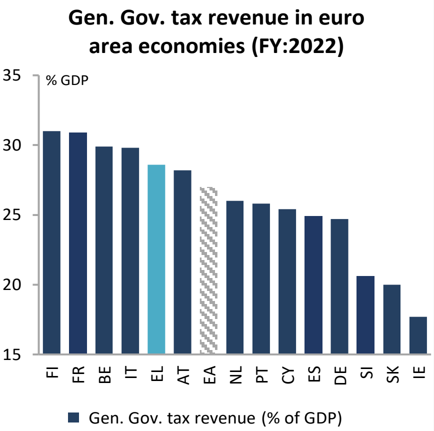
Greece's General Government budget recorded a small primary surplus of 0.1% in 2022 – a year earlier than planned, against a Budget estimate of a primary deficit of 1.6% of GDP – according to the release of the annual fiscal data for 2022 by ELSTAT (April 21st). The adjustment was the fastest among euro area countries, as the annual improvement in the primary fiscal position reached 4.8% of GDP, compared with a euro area average of 1.9% (c. 2.0% and 0.5% respectively in cyclically adjusted terms), whereas the cumulative adjustment from the Covid-19-related spike in primary deficit in 2020 reached 6.8% of GDP (-€11.4 bn), compared with a 3.7% of GDP improvement in the euro area.

The fiscal outcome for 2022, in conjunction with the strong start to 2023, point to significant upside risks for the fiscal performance in the current year. In this respect, the target for the primary surplus for 2023 was upwardly revised to 1.1% of GDP in the latest Stability Programme, for the period 2023-2026 (SP2023 submitted in May 2023), from 0.7% set in the 2023 Budget.

NBG estimates that the fiscal momentum for 2023 should be even stronger than projected in the SP2023, on the back of resilient economic growth, increased tax efficiency and declining needs for energy related support. Indeed, already in 3M:2023 the primary surplus of the State Budget reached €3.1 bn or 1.4% of estimated GDP against a Budget target for a broadly balanced position.

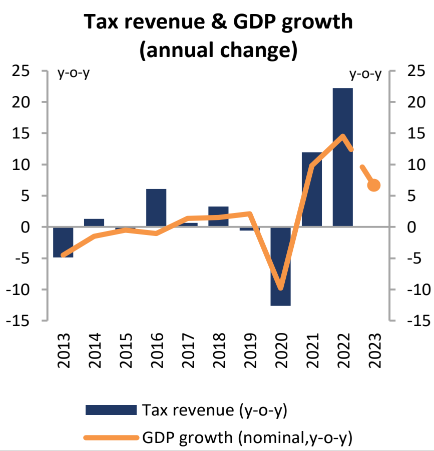
Fiscal trends in 2022 were reinforced by strong economic activity which bolstered revenue, and lowered counter-cyclical primary spending (excluding measures related to the energy/inflation crisis). Indeed, nominal GDP increased by €26 bn on an annual basis (+14.5% y-o-y and c. +6.0% in constant price terms), to a 12-year high. The expansion was broad based. Specifically, labor income climbed to the highest level since 2011 (+5.6% y-o-y), non-labor ("mixed") income of households was up by 15%, while corporate profits surged by +30% y-o-y, pointing to a significant widening of the tax base.

***Total tax revenue exceeded the euro area average, increasing by nearly 2.0% of GDP y-o-y, in 2022***




| Fiscal support: revenue measures (Net cost) | | |
|---|---|---|
| € bn | 2021 | 2022 |
| A 3.5pps decrease in the social security contribution rate for private sector | 0,8 | 0,0 |
| Suspension of the solidarity contribution for private sector's employees and pensioners. (Abolition in 2023) | 0,8 | 0,0 |
| Reduction of advanced CIT payment | 1,1 | 0,0 |
| Lower VAT rate for transport, serviced food & beverage, cinemas and tourist services | 0,2 | 0,0 |
| Other temporary Covid-19 related support measures | 0,5 | 0,0 |
| New ENFIA reduction | 0,0 | 0,3 |
| Other revenue measures | 0,3 | 0,0 |
| **Net fiscal cost** | **3,7** | **0,3** |
| **Net fiscal cost (% of GDP)** | **2,2%** | **0,2%** |

***The income elasticity of tax revenue spiked to 1.5...***




Moreover, there was a significant improvement in tax efficiency. Indeed, tax revenue growth (+22% or +€11 bn y-o-y) was 50% higher than nominal GDP growth and exceeded. The implied tax revenue elasticity (to economic growth) increased sharply to 1.5, three times higher than its average of 0.5 over the period 2002-2019. Accordingly, Greece was among the few countries in the euro area where tax revenue increased as per cent of GDP, to 28.6% in 2022 from 26.8% in 2021, compared with a 10-year average of 26% for Greece and a broadly stable tax-revenue-to-GDP ratio in the euro area (27% of GDP). This improvement was achieved despite the activation of c. €4 bn of tax relief measures in 2021 and 2022 (see table).

Strong efficiency gains, related to rapidly increasing cashless payments, contributed to the higher elasticity of tax revenue to increasing economic activity. Indeed, the remarkable increase in cashless transactions in the previous years, contributed to a broadening of the tax base, limiting informal activity and tax evasion, especially as regards indirect taxes. In fact, cashless payments, as per cent of GDP, increased by nearly 5 times in Greece between 2015-2021 (latest available data for the euro area), from 5.3% to 27% of GDP (c. €50 bn) and are estimated to have remained on an upward trajectory through 2022, with the Covid-19 pandemic providing further impetus to the digitization of transactions.

Greece has exceeded the euro area average, as regards the use of cashless payments since 2020, much earlier than initially expected, with the respective ratio for the euro area standing at 23.2% of GDP, i.e., c. 4 pps below the respective average for Greece, in 2021. According to NBG estimates, this rapid progress contributed to an increase in VAT collection efficiency, with the share of VAT revenue in GDP rising to 9.1% in 2022, from 7.8% in the previous decade and 6.8% in 2001-2010. The improvement remains significant, even when taking into account the increase in the average VAT rate in Greece over the previous decade.

Moreover, changes in the composition regarding the final spending of households and firms increased the responsiveness of revenue to the cyclical conditions. Higher demand in 2022 for non-basic goods and services on which higher taxes are applied – and there is less tax evasion – following a decade of crisis-induced restraint, increased the buoyancy of indirect tax revenue. Retail trade volume, import, and fixed capital

***Sources**: ELSTAT, Ministry of Finance, Eurostat & NBG Economic Analysis*

investment data show that spending on discretionary goods, consumer durables and capital goods increased at a significantly higher pace, compared to basic goods, in 2021-22. The rebalancing is expected to be sustained, as private sector's disposable income remains on a resilient upward trend.

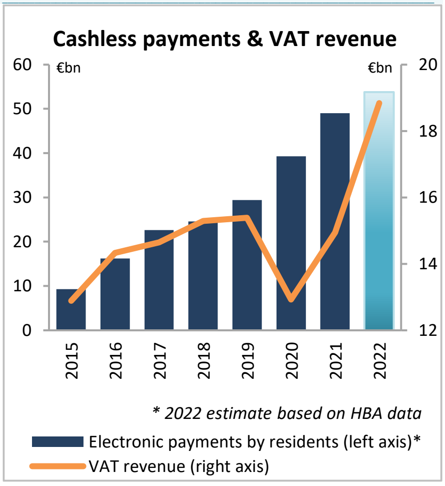
Examining the individual components of tax revenue, VAT and CIT revenue performance stood out. VAT revenue increased by 26% y-o-y (+0.9% of GDP), or by €4 bn, on an annual basis, of which +€3.2 bn was related to VAT on non-energy products and services. Revenue from other taxes on production and imports (excluding VAT) increased by c. €4.5 bn, mostly reflecting extraordinary proceeds from energy related taxes (mainly on electricity production, including the price cap mechanism on wholesale energy market, as well as revenue from the emission allowances trading) which have been used to finance subsidies on electricity bills and other temporary social transfers. Moreover, combined revenue from income & wealth taxes increased by 13% y-o-y (+€2.3 bn y-o-y), on the back of rising CIT and PIT revenue, by 37% y-o-y (+€1.3 bn) and 9% y-o-y (+€0.9 bn), respectively.

Total revenue, at a general government level, increased by +13.7% y-o-y (+€12.5 bn), with their share in GDP remaining broadly stable at c. 50% (10-year average of 49.3%), as other revenue categories, such as social security contributions and transfers (EU funding), grew at a relatively slower pace compared to both tax revenue and nominal GDP growth in 2022.

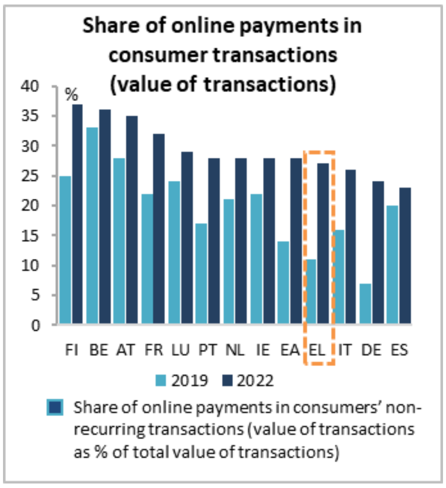
The observed increase in the 2022 tax base is for the most part permanent, with economic activity trending further upwards in 2023. Activity is supported by sustained employment growth and rising wages, resilient demand and strengthened business profitability, with the latter bolstered by the increasing pricing power of firms and the gradual easing of imported production cost pressures in 2023. Additionally, the clearance of income tax liabilities for 2022 will further support revenue in 2023.

As regards revenue prospects for 2023, the SP2023 conservatively projects a y-o-y drop of 1% in tax revenue (-2.0% of GDP) due to an estimated 6% y-o-y contraction in revenue from taxes on production and imports, as energy and commodity prices recede from their 2022 highs, offsetting higher proceeds from income taxes (9% y-o-y in 2023). This weakening in energy

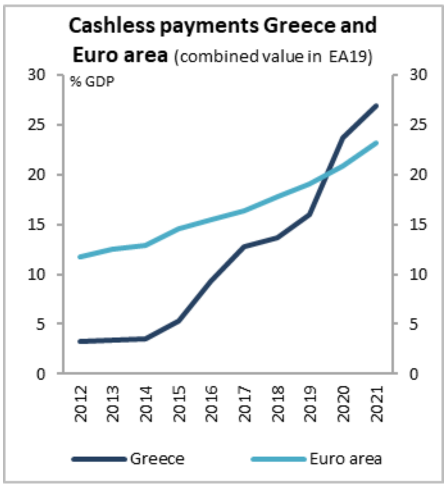
***...strengthened by strong efficiency gains related to the sharp increase in cashless payments***




***Greece's rapid progress in the use of cashless payments...***




***...gained additional traction during the pandemic***




*Sources: ELSTAT, ECB, HBA, Eurostat & NBG Economic Analysis*

***Increased spending on discretionary good and services categories, as well as on consumer durables and capital goods, bolstered the cyclical responsiveness of revenue***

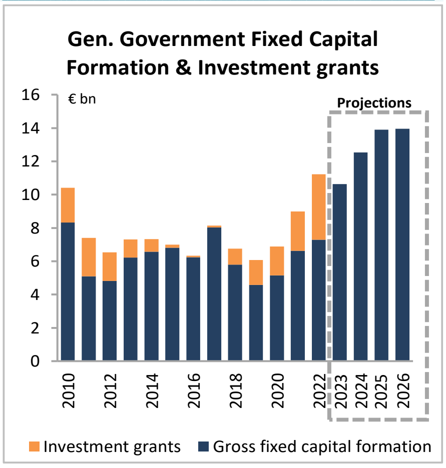
| Retail trade volume index (y-o-y %) | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| Total (excl. cars) | **0,6** | **-1,2** | **11,4** | **1,8** |
| Food sector | 0,3 | 3,7 | 3,7 | -1,5 |
| Non-food sector | 0,9 | -1,2 | 23,7 | 7,1 |
| Super-markets | 1,2 | 5,5 | 2,4 | -2,5 |
| Department stores | -10,9 | -7,5 | 5,1 | 2,6 |
| Fuels | 1,5 | -13,3 | 3,2 | 3,4 |
| Food & beverage | -6,0 | -7,5 | 11,4 | -2,0 |
| Pharmaceuticals | 0,9 | 17,1 | 21,9 | 8,7 |
| Clothing and foot ware | 0,2 | -21,0 | 54,5 | 3,3 |
| Household consumer durables (excl. cars) | 6,7 | -3,1 | 27,0 | 11,3 |
| Electronics, IT devices,other | 9,7 | -3,7 | 23,9 | 14,8 |
| Car registrations (passenger cars, y-o-y %) | 13,2 | -26,5 | 22,5 | 6,8 |

***Tax revenue increased by 2% of GDP and primary spending dropped by 5% of GDP***

| Gen. Gov. balance main components | | 2021 | 2022 | 2023f |
|---|---|---|---|---|
| Revenue | € bn | 91,9 | 104,4 | 104,4 |
| | % GDP | 50,6 | 50,2 | 47,1 |
| *Tax Revenue* | *€ bn* | *48,7* | *59,5* | *58,9* |
| | *% GDP* | *26,7* | *28,6* | *26,6* |
| Primary Expenditure | € bn | 100,0 | 104,1 | 101,7 |
| | % GDP | 55,0 | 50,1 | 45,9 |

*Sources: ELSTAT, Stability Programme 2023 & NBG Economic Analysis estimates*

***The combined value of Government gross fixed capital formation and investment grants is heading to new all-time highs***




related revenue is fiscally neutral, as the need for energy subsidies is also minimized.

However, NBG research estimates that the strong carryover effects on major tax components and efficiency improvements could sustain a higher revenue growth in the medium term, despite the €0.9 bn of additional tax relief measures budgeted for 2023 (mostly related to the abolition of the special solidarity levy on the income of public servants and pensioners). In this respect, NBG expects that tax revenue growth will reach 1.7% in 2023 and 3.6%, on average, in 2024-26, compared with the respective SP2023 estimates of -1% and +3%. This projection is based on an empirical analysis conditioned on a higher estimated income elasticity of tax revenue (0.85) and relatively stronger nominal GDP growth forecasts of 6.8% in 2023 and 4.8% in 2024-26, compared with SP2023 forecasts of 6.5% y-o-y and 4.6% respectively in the same years. Supporting these projections, VAT and income tax revenue increased by +14.5% y-o-y and +17.7% respectively, according to 3M:2023 State Budget data.

Nonetheless, despite the notable progress, significant scope remains for further improvement in tax efficiency and fairness, as indicated by:

i) the still sizeable VAT revenue gap, vis-à-vis the euro area average

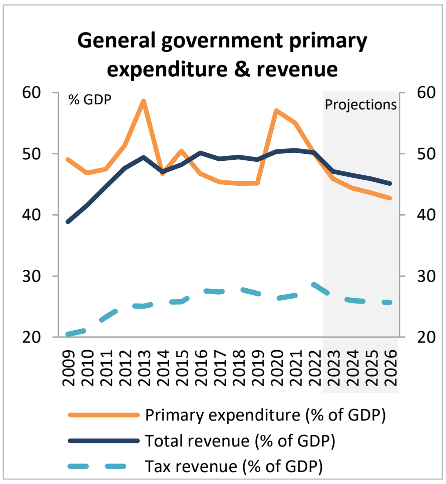
ii) the high percentage of taxpayers (mainly freelancers in services activities) who report taxable personal income below the €10,000 threshold, on which the lowest personal income tax rate applies. The distortion is amplified by the fact that those underreporting their incomes become eligible for social support benefits, reducing resources available for those who need them most.

General Government's primary expenditure increased by c. 4% y-o-y or €3.8 bn in 2022, mainly, due to the increased energy-related support to households and firms. Moreover, General Government's GFCF increased by 10.2% y-o-y in 2022, to a 5-year high of €7.3 bn, whereas investment grants reached c. €4 bn (+65.5% y-o-y), compared to a 2015-2019 average of €0.6 bn. The combined value of GFCF and investment grants reached their highest level, as per cent of GDP, since 2009.

However, due to strong economic growth, the share of primary expenditure in GDP dropped by c. 5 pps, to 50% of GDP, close to

***Sources:*** *ELSTAT, Eurostat, ECB & NBG Economic Analysis*

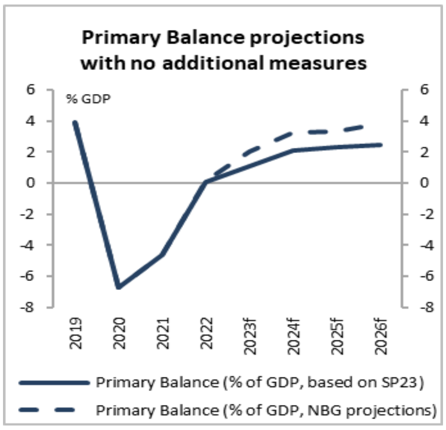
***The new Stability Program envisages further fiscal adjustment in 2023-26 primarily driven by a cyclical compression in expenditure***




the euro area average of 49.1%. The SP2023 envisages a 2.3% y-o-y decrease in primary spending in 2023, due to drastically reduced needs for energy subsidies and the non-renewal of some other temporary social support measures enacted in 2022. This normalization is expected to lower the primary spending-to-GDP ratio by 4.2 pps in 2023, despite the activation of c. €3 bn of new expenditure measures comprising pension increases, a housing support scheme for young people, the "market pass" scheme subsidizing low-income household spending on food, as well as a special allowance to pensioners not eligible for the general pension increase.

For the 2024-26 period, primary expenditure is expected to grow by 2% y-o-y, on average, with its share in GDP declining steadily towards an all-time low of 42.7% by 2026, as nominal GDP growth is projected at 4.6%, on average, over the same period. Again, NBG expects that the 2023 spending outcome could be even better than projected by the SP23 (45.6% of GDP in 2023 compared with 45.9% in SP23), due to more favorable energy price trends that minimize related fiscal costs and stronger GDP growth. Given the supportive carryover from the estimated outcome for 2023, primary spending is expected to decline to c. 42.0% of GDP by end-2026, about 0.5 pp lower than the respective SP2023 forecast.

***The fiscal momentum is even stronger according to the NBG analysis***




This downward trend in primary spending, as per cent of GDP, is expected to be achieved despite the further strong increase in gross fixed capital formation (GFCF) and investment grants by the General Government. According to the SP2023, General Government's GFCF is projected to climb to new highs of c. €11 bn in 2023 and c. €14 bn, on average in 2024-26, with its share in GDP at 4.8% in 2023 and 5.5% in 2026, compared with 3.5% in 2022. The estimated boost to the economy-wide GFCF is estimated at around 3% of GDP per annum in 2023-2026, corresponding to almost 1/3 of total GFCF growth over this period.

The above spending and revenue trends according to NBG Research estimates would correspond to an average primary surplus of 3% of GDP in 2023-26, against an SP2023 estimate of 2%, though policy changes, such as even larger than projected tax-rate cuts and/or adjustments in social or investment spending, would likely be implemented, keeping the primary surplus at SP2003 targeted levels.

***Sources**: ELSTAT, Ministry of Finance, Eurostat & NBG Economic Analysis*

***Greece's public debt-to-GDP ratio dropped by 23.3% of GDP y-o-y, to its lowest point since 2012***

| Government Debt 2022 | | |
|---|---|---|
| | Change in debt to GDP ratio (2022 to 2021) | Debt-to-GDP ratio |
| **Greece** | -23,3 | 171,3 |
| **Cyprus** | -14,7 | 86,5 |
| **Portugal** | -11,5 | 113,9 |
| **Ireland** | -10,7 | 44,7 |
| **Croatia** | -10,0 | 68,4 |
| **Italy** | -5,5 | 144,4 |
| **Lithuania** | -5,3 | 38,4 |
| **Spain** | -5,1 | 113,2 |
| **Slovenia** | -4,6 | 69,9 |
| **Total EA** | **-4,0** | **91,5** |
| **Belgium** | -4,0 | 105,1 |
| **Austria** | -3,9 | 78,4 |
| **Slovakia** | -3,4 | 58,8 |
| **Germany** | -3,0 | 66,3 |
| **Latvia** | -2,9 | 40,8 |
| **Malta** | -1,7 | 53,4 |
| **Netherlands** | -1,5 | 51,0 |
| **France** | -1,3 | 111,6 |
| **Luxembourg** | 0,1 | 24,6 |
| **Finland** | 0,4 | 73,0 |
| **Estonia** | 0,8 | 18,4 |

*Source: Eurostat*

Greece also recorded the largest improvement among all the euro area countries, regarding the annual pace of decline of public debt reaching 23.3% of GDP in 2022, compared to 4% of GDP for the euro area. Greece's gross public debt was reduced remarkably to 171.3%, in 2022, from 194.6% in 2021 and 206.3% in 2020, to the lowest point (as % of GDP) since 2012.

The SP2023 projects that the debt-to-GDP ratio will decrease further to 163% in 2023 and to 135% by 2026, to below the forecasted ratio for Italy in this year (SP 2023 for Italy). Moreover, it should be noted that the estimated pace of improvement of Greece's key fiscal variables in 2023-2026 is expected to exceed, by a wide margin, the proposed targets of the draft framework for the transformation of EU fiscal governance, presented by the European Commission in November 2022 and further refined in April 2023. This performance is expected to support Greece's effort to regain investment grade status during 2023.

***Sources**: ELSTAT, Ministry of Finance, Eurostat & NBG Economic Analysis*

# Greece – Indicators of Economic Activity in high frequency

| | Jan-20 | Feb-20 | Mar-20 | Apr-20 | May-20 | Jun-20 | Jul-20 | Aug-20 | Sep-20 | Oct-20 | Nov-20 | Dec-20 | Jan-21 | Feb-21 | Mar-21 | Apr-21 | May-21 | Jun-21 | Jul-21 | Aug-21 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PMI (index level) | 54,4 | 56,2 | 42,5 | 29,5 | 41,1 | 49,4 | 48,6 | 49,4 | 50,0 | 48,7 | 42,3 | 46,9 | 50,0 | 49,4 | 51,8 | 54,4 | 58,0 | 58,6 | 57,4 | 59,3 |
| Industrial confidence (index level) | 3,5 | 5,7 | 2,2 | -8,0 | -21,0 | -19,3 | -13,3 | -14,8 | -14,7 | -8,0 | -12,1 | -7,5 | -8,1 | -6,6 | -4,7 | -4,7 | 5,0 | 1,7 | 8,3 | 11,2 |
| Manufacturing production (y-o-y) | 4,7 | -1,0 | 1,4 | -12,3 | -9,3 | -0,6 | 0,1 | -0,9 | -3,7 | -2,4 | 7,1 | 0,8 | 1,3 | 2,3 | 3,3 | 23,0 | 14,5 | 7,1 | 5,8 | 6,3 |
| Industrial production (y-o-y) | -0,6 | -2,9 | 0,0 | -10,8 | -8,2 | -4,6 | -0,1 | -3,9 | -2,1 | -3,2 | 8,9 | 3,8 | 3,4 | 4,0 | 5,6 | 22,6 | 14,1 | 9,0 | 8,2 | 10,2 |
| Services confidence (index level) | 22,7 | 30,5 | 24,5 | -1,0 | -50,0 | -52,2 | -36,0 | -29,3 | -26,6 | -22,3 | -22,0 | -24,5 | -24,3 | -14,7 | -10,3 | -13,1 | 11,9 | 27,6 | 30,1 | 32,5 |
| Consumer confidence (index level) | -12 | -8 | -24 | -42 | -40 | -33 | -36 | -34 | -41 | -39 | -45 | -37 | -39 | -43 | -40 | -38 | -22 | -25 | -31 | -32 |
| Retail confidence (index level) | 24,5 | 26,1 | 15,8 | -0,5 | -30,0 | -10,3 | -24,6 | -22,5 | -18,5 | -11,8 | -8,4 | -16,5 | -10,5 | -3,9 | 1,5 | 6,4 | 0,5 | 1,4 | 8,3 | 9,8 |
| Retail trade volume (y-o-y) | 6,2 | 2,5 | -2,4 | -24,6 | -3,0 | -3,8 | -2,8 | -0,6 | -4,0 | 4,7 | -7,4 | -11,5 | -2,5 | -2,8 | -0,7 | 39,8 | 15,0 | 11,3 | 11,3 | 5,3 |
| Construction Permits (y-o-y) | 44 | 71 | 54 | -18 | 5 | 11 | 18 | -11 | -14 | -13 | -15 | 14 | 4 | 22 | 33 | 116 | 100 | 51 | 20 | 57 |
| House prices (y-o-y, quarterly series) | 6,7 | 6,7 | 6,7 | 4,4 | 4,4 | 4,4 | 3,8 | 3,8 | 3,8 | 3,2 | 3,2 | 3,2 | 4,5 | 4,5 | 4,5 | 6,9 | 6,9 | 6,9 | 8,9 | 8,9 |
| Construction confidence (index level) | -23 | -29 | -31 | -89 | -85 | -58 | -29 | -43 | -51 | -46 | -29 | -37 | -12 | -9 | -7 | -6 | -12 | -11 | 4 | -5 |
| Employment (y-o-y) | 1,5 | 0,4 | -4,6 | -8,7 | -13,8 | -11,8 | -3,8 | -0,3 | -0,9 | -3,7 | -6,2 | -4,3 | -4,2 | -3,1 | -0,2 | 4,5 | 17,1 | 15,5 | 6,7 | 4,3 |
| Interest rate on new private sector loans (CPI deflated) | 3,5 | 4,1 | 4,1 | 5,6 | 5,4 | 5,6 | 5,9 | 6,0 | 5,9 | 5,9 | 6,2 | 6,1 | 5,8 | 5,1 | 5,7 | 4,1 | 3,8 | 2,9 | 2,7 | 2,3 |
| Credit to private sector (y-o-y) | -0,6 | -0,8 | 0,1 | 0,3 | 0,7 | 0,4 | 1,5 | 1,9 | 2,4 | 2,5 | 2,6 | 3,5 | 3,7 | 3,7 | 2,9 | 2,4 | 2,2 | 2,3 | 1,2 | 0,8 |
| Deposits of domestic private sector (y-o-y) | 6,3 | 7,7 | 8,8 | 8,6 | 9,4 | 8,4 | 9,5 | 9,0 | 10,3 | 11,6 | 14,0 | 14,4 | 15,3 | 14,9 | 13,8 | 14,8 | 13,7 | 14,5 | 13,2 | 13,9 |
| Interest rate on new time deposits (households, CPI deflated) | -0,5 | 0,1 | 0,3 | 1,7 | 1,4 | 1,8 | 2,1 | 2,2 | 2,2 | 2,0 | 2,3 | 2,5 | 2,2 | 1,5 | 1,8 | 0,4 | 0,0 | -0,9 | -1,2 | -1,7 |
| Economic sentiment index (EU Commission, Greece) | 110 | 113 | 108 | 96 | 83 | 85 | 90 | 90 | 91 | 94 | 92 | 94 | 93 | 95 | 99 | 98 | 107 | 108 | 112 | 114 |
| Economic sentiment index (EU Commission, Euro area) | 105 | 105 | 94 | 60 | 64 | 75 | 83 | 90 | 95 | 96 | 92 | 97 | 96 | 98 | 103 | 105 | 110 | 115 | 117 | 117 |
| Exports (excl. oil & shipping, y-o-y, 6m mov.avg) | 5,6 | 6,3 | 4,2 | 1,3 | -1,9 | -3,8 | -6,0 | -8,7 | -8,0 | -6,2 | -2,8 | -1,5 | -1,1 | 1,8 | 7,5 | 14,5 | 19,2 | 23,6 | 28,7 | 32,7 |
| Imports (excl. oil & shipping, y-o-y, 6m mov.avg) | 0,5 | 1,4 | -1,7 | -4,4 | -9,2 | -9,9 | -12,0 | -12,8 | -10,9 | -9,1 | -4,5 | -3,8 | -3,6 | -3,2 | 3,1 | 11,7 | 18,5 | 24,1 | 30,4 | 36,9 |
| BoG - Tourist arrivals (y-o-y) | 19,7 | 24,6 | -46,8 | -96 | -98 | -93,8 | -85,4 | -73,3 | -73,9 | -65,6 | -81,1 | -86,0 | -87,9 | -87,8 | -75,9 | 186 | 414 | 317 | 240 | 125 |
| AIA - International passenger traffic development (y-o-y) | 10,2 | 6,4 | -62,0 | -99,2 | -98,4 | -93,4 | -76,1 | -66,2 | -72,3 | -72,2 | -86,0 | -87,7 | -88,2 | -89,8 | -72,2 | 1292 | 1083 | 435 | 139 | 91 |
| Estimation of total electricity demand in the network (y-o-y) | -3,2 | -1,5 | 0,3 | -6,9 | -4,5 | -13,1 | -0,8 | -7,9 | 1,2 | -0,6 | 4,4 | -4,9 | -10,6 | -6,8 | 2,7 | 6,2 | 3,6 | 11,7 | 14,9 | 15,2 |
| VAT on other goods & services (y-o-y) | -0,8 | 1,1 | -23,7 | 9,1 | -51,1 | -17,1 | -15,4 | -10,0 | -10,8 | -15,1 | -12,8 | -7,5 | -10,0 | -8,6 | 28,6 | -1,4 | 72,3 | 29,2 | 14,9 | 14,4 |
| Business Turnover (y-o-y, double-entry bookkeeping) | 11,4 | -2,0 | -9,6 | -29,1 | -25,0 | -13,4 | -14,0 | -18,9 | -8,9 | -3,9 | -6,3 | -5,3 | -13,6 | -8,5 | 13,3 | 39,4 | 24,4 | 22,4 | 23,4 | 32,2 |

| | Sep-21 | Oct-21 | Nov-21 | Dec-21 | Jan-22 | Feb-22 | Mar-22 | Apr-22 | May-22 | Jun-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | Jan-23 | Feb-23 | Mar-23 | Apr-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PMI (index level) | 58,4 | 58,9 | 58,8 | 59,0 | 57,9 | 57,8 | 54,6 | 54,8 | 53,8 | 51,1 | 49,1 | 48,8 | 49,7 | 48,1 | 48,4 | 47,2 | 49,2 | 51,7 | 52,8 | 52,4 |
| Industrial confidence (index level) | 4,4 | 9,3 | 8,3 | 6,6 | 12,1 | 10,6 | 10,3 | 3,4 | 6,9 | 1,2 | -1,5 | -2,9 | -3,7 | -5,6 | -4,1 | -0,4 | 3,8 | 5,3 | 2,5 | 2,6 |
| Manufacturing production (y-o-y) | 12,9 | 15,1 | 10,4 | 7,1 | 1,8 | 9,1 | 5,4 | -0,8 | 6,2 | 8,8 | 6,2 | 5,0 | 1,5 | 1,9 | 2,4 | 5,6 | 8,8 | 7,1 | 7,6 | |
| Industrial production (y-o-y) | 10,7 | 16,7 | 9,0 | 9,2 | -0,8 | 5,8 | 8,8 | -4,7 | 4,2 | 9,3 | 6,8 | 4,6 | -1,3 | -2,8 | -1,1 | -1,4 | 0,4 | 5,2 | -0,2 | |
| Services confidence (index level) | 39,4 | 42,0 | 48,3 | 35,1 | 32,4 | 40,4 | 33,1 | 15,3 | 17,1 | 17,6 | 17,6 | 22,8 | 42,8 | 14,5 | 20,9 | 25,9 | 16,9 | 17,1 | 18,6 | 36,5 |
| Consumer confidence (index level) | -38 | -40 | -39 | -38 | -41 | -39 | -51 | -55 | -51 | -53 | -55 | -54 | -51 | -58 | -52 | -48 | -41 | -47 | -41 | -45 |
| Retail confidence (index level) | 4,8 | 22,5 | 13,6 | 23,1 | 15,4 | 11,5 | 5,3 | -1,0 | 0,7 | -0,7 | 1,9 | -6,6 | -0,7 | 13,7 | 19,4 | 7,3 | 19,3 | 24,5 | 21,9 | 25,0 |
| Retail trade volume (y-o-y) | 9,6 | 8,4 | 16,7 | 19,6 | 7,6 | 10,8 | 12,3 | 8,7 | -4,6 | 1,2 | 2,1 | 5,2 | 1,2 | -1,9 | 1,1 | -1,1 | 1,2 | 2,4 | | |
| Construction Permits (y-o-y) | 39 | 61 | 76 | 14 | 24 | 32 | -6 | 2 | -15 | -19 | -7 | -17 | -17 | -24 | 1 | 47 | 37 | | | |
| House prices (y-o-y, quarterly series) | 8,9 | 10,1 | 10,1 | 10,1 | 9,9 | 9,9 | 9,9 | 10,5 | 10,5 | 10,5 | 11,7 | 11,7 | 11,7 | 12,2 | 12,2 | 12,2 | | | | |
| Construction confidence (index level) | 11 | 3 | -1 | -6 | -8 | -5 | -1 | -9 | -28 | -15 | -34 | -32 | -28 | -24 | -24 | -22 | -24 | 8 | 19 | 3 |
| Employment (y-o-y) | 4,9 | 6,8 | 11,2 | 9,8 | 7,6 | 12,1 | 13,5 | 10,3 | 5,0 | 4,3 | 3,3 | 1,6 | 2,7 | 2,6 | 1,1 | 2,3 | 3,0 | -1,3 | -0,1 | |
| Interest rate on new private sector loans (CPI deflated) | 1,6 | 0,5 | -1,1 | -1,4 | -2,3 | -3,5 | -5,0 | -6,0 | -7,5 | -8,1 | -7,9 | -7,4 | -7,4 | -4,2 | -3,6 | -2,2 | -1,6 | -0,6 | 1,2 | |
| Credit to private sector (y-o-y) | 0,8 | 0,9 | 1,1 | 1,4 | 0,9 | 1,4 | 1,6 | 2,8 | 3,3 | 4,5 | 5,5 | 5,8 | 6,0 | 5,3 | 5,0 | 6,3 | 5,7 | 4,8 | 5,1 | |
| Deposits of domestic private sector (y-o-y) | 13,3 | 11,5 | 10,4 | 9,9 | 9,3 | 8,7 | 7,0 | 5,8 | 6,3 | 6,9 | 6,1 | 5,2 | 6,2 | 5,9 | 4,5 | 4,8 | 3,2 | 2,6 | 4,5 | |
| Interest rate on new time deposits (households, CPI deflated) | -2,1 | -3,3 | -4,7 | -5,0 | -6,1 | -7,1 | -8,7 | -10,0 | -11,2 | -12,0 | -11,5 | -11,3 | -11,9 | -8,9 | -8,3 | -6,9 | -6,5 | -5,1 | -3,4 | |
| Economic sentiment index (EU Commission, Greece) | 111 | 113 | 113 | 110 | 113 | 114 | 112 | 104 | 107 | 104 | 100 | 101 | 106 | 99 | 102 | 104 | 106 | 108 | 107 | 109 |
| Economic sentiment index (EU Commission, Euro area) | 118 | 119 | 117 | 115 | 113 | 114 | 106 | 104 | 104 | 103 | 99 | 98 | 95 | 94 | 95 | 97 | 100 | 100 | 99 | 99 |
| Exports (excl. oil & shipping, y-o-y, 6m mov.avg) | 33,1 | 30,4 | 32,9 | 32,3 | 31,4 | 30,7 | 28,2 | 26,6 | 26,9 | 27,6 | 26,9 | 28,2 | 27,7 | 27,3 | 21,8 | 19,7 | 19,1 | 14,6 | | |
| Imports (excl. oil & shipping, y-o-y, 6m mov.avg) | 35,5 | 33,6 | 34,9 | 38,3 | 41,0 | 42,0 | 40,0 | 38,1 | 38,2 | 33,8 | 29,8 | 27,0 | 25,9 | 24,5 | 18,4 | 14,2 | 11,7 | 7,9 | | |
| BoG - Tourist arrivals (y-o-y) | 124 | 125 | 219 | 294 | 282 | 304 | 371 | 980 | 530 | 210 | 57 | 31 | 34 | 19 | 24 | 31 | 72 | 81 | | |
| AIA - International passenger traffic development (y-o-y) | 122 | 139 | 389 | 388 | 297 | 436 | 556 | 616 | 355 | 157 | 63 | 42 | 52 | 46 | 35 | 55 | 103 | 78 | 45 | 30 |
| Estimation of total electricity demand in the network (y-o-y) | -3,8 | 3,1 | 3,2 | 9,1 | 8,8 | 3,4 | 10,4 | -6,3 | 1,6 | 0,0 | -11,8 | -13,2 | -3,3 | -8,3 | -11,6 | -15,0 | -14,8 | -2,5 | -17,7 | |
| VAT on other goods & services (y-o-y) | 18,2 | 21,2 | 29,9 | 29,9 | -4,2 | 58,9 | 27,7 | 20,9 | 25,6 | 15,0 | 22,4 | 23,8 | 20,7 | 27,9 | 16,0 | 5,7 | 58,4 | -7,5 | 10,6 | |
| Business Turnover (y-o-y, double-entry bookkeeping) | 28,0 | 23,9 | 38,1 | 30,5 | 28,9 | 43,1 | 44,4 | 37,1 | 49,2 | 44,8 | 38,4 | 50,0 | 47,5 | 32,3 | 21,1 | 33,5 | 24,3 | 1,1 | | |

Color map scale: *Rapid contraction* | *Moderate contraction* | *Slow contraction* | *Stabilization* | *Slow expansion* | *Moderate expansion* | *Rapid expansion*

*Sources: NBG, BoG, ELSTAT, Ministry of Finance, EU Commission, IHS Markit, IOBE, AIA, ADMIE*

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*The analysis is based on data up to May 12, 2023, unless otherwise indicated*