

## INDEX

Main indicators	7
Economic climate	8
Employment, prices, wages	9
Industry, trade, services	10
Exports, tourism	11

MACROECONOMIC ANALYSIS  
AND EUROPEAN POLICY

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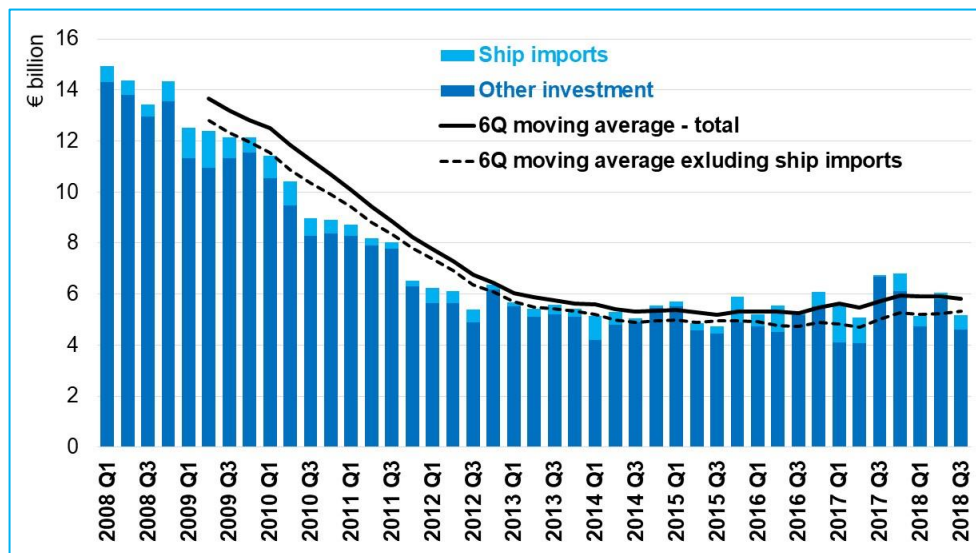
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## SUPPORTED BY:

Gross fixed investment, at 2010 prices  
(ELSTAT, Eurostat, Quarterly National Accounts, Q3 2018)

## Greece recovers at slow pace...

As confirmed by GDP provisional data for Q3 2018, the Greek economy is gradually recovering, on the back of exports and private consumption dynamism. At the same time, investment activity increases, although there is a mixed picture, caused by base effects related to ship imports in the period Jan – Sep 2018 and the completion of major construction projects in 2017. In any case, the Greek economy has yet to enter a rapid growth path, something that is also reflected in the modest medium-term forecasts of international organizations ([European Commission](#), [OECD](#), [IMF](#)) for growth close to +2% in the coming years.

More specifically, GDP grew by +2.2% in Q3 2018, compared to +2.5% and +1.7% in Q1 and Q2 2018 respectively and +1.5% in 2017 as a whole. Growth in Q3 2018 was mainly attributed to exports of goods (+7.9%) and services (+8.0%), as well as private consumption (+0.7%, [D01](#) and [D02](#)). On the other hand, total fixed investment registered a decline of -23.2%, mainly due to the base effect following a sharp increase in Q3 2017, mainly in non-residential construction (+26.1% in total fixed assets and +89.4% in non-residential construction). At the same time, there is a rising trend in investment in other asset categories (+20.8% in residential construction, +5.7% in agricultural products, +154.5% in transport equipment, +16.5% in ICT equipment and +18.4% in machinery, [D03](#)). On the contrary, public consumption dropped by -4.1%, following a decline of -0.6% and -4.3% in Q1 and Q2 2018 respectively and -0.4% in 2017 as a whole, reflecting the government's efforts to generate primary fiscal surpluses in excess of targets.

On the supply side, gross value added increased by +1.4% in Q3 2018, with all sectors being in an expansionary territory, excluding banks and insurance companies (-10%) and the sector of arts and entertainment (-3.1%) which continue declining ([D04](#) and [D05](#)).

Moreover, labor productivity grew by +0.2% in Q3 and +0.3% in 9M 2018, with nominal wages per employee at +2.0% in Q3 and +1.9% in 9M 2018 ([D06](#) and [D07](#)). Employment was also on the rise (+2.1% in the number of employees and +1.5% in total employment, [D08](#)).

Overall, during the period Jan – Sep 2018, GDP grew by +2.1%, with private consumption (+0.8%) and exports (+8.3%) contributing positively (+0.6 p.p. and +2.6 p.p. respectively), while fixed assets recorded a decrease of -6.2%, mainly due to the base effect following a sharp increase of ship imports in Q1 and Q2 2017. It is estimated that, excluding ship imports, fixed assets in 9M 2018 increased by about +2%, contributing positively (+0.2 p.p.) to GDP growth. Based on this data, the trend in investment from Q2 2017 onwards is positive.



In any case, **exports of goods (manufacturing) and services (tourism), which increased by +8.6% and +8.3% respectively in 9M 2018, are the main drivers of growth**, while private consumption benefits by the gradual restoration of consumer confidence and rising tourism.

A similar picture of a steady but slow recovery is also reflected in the short-term indicators. More specifically:

- **Economic climate improved slightly in November 2018** (at 101.8 points from 101 in the previous month and 98.6 in November 2017), **as consumer confidence rose for the 5<sup>th</sup> consecutive month** (at -35.8 points, from -38.3 in the previous month and -53.8 in November 2017). Business expectations in construction also improved, yet from a very low level, while business climate in industry and services remained almost unchanged. On the contrary, retail trade business expectations fell after a significant rise in the period Jul – Sep 2018. This is linked to the end of the tourist season, while expectations are likely to improve again in December in the Christmas season.
- **Exports of goods kept on rising in October 2018, despite tensions in international trade, strengthening anew their momentum** after a slight downturn in the previous month. Particularly, exports of goods excluding oil and ships increased by +11% in terms of value and by +8.6% in terms of volume in October 2018, while during the period Jan – Oct 2018 they rose by +11.4% in terms of value and +9.8% in terms of volume. **However, in the same period, the trade deficit excluding oil and ships reached -€13,6 billion from -€12,8 billion in the same period in 2017 (+6, 8%), as imports (more than double the size of exports) grew at a similar pace (+9.4% in terms of value and +9.8% in terms of volume).**
- At the same time, **exports of services increased further in September 2018** (+7% and +8.8% in the period Jan – Sep 2018), mainly on account of improvements in the transport balance, as net sea transport receipts rose by +29%. Additionally, during the period Jan – Sep 2018, the surplus of the services balance rose by €776 million mainly as a result of strong tourism and transport receipts (+9.1% and +12.8% respectively).
- **The volume of retail sales excluding fuels was up by +3.4% in September 2018**, against a decline of -0.9% in September 2017, as sales volume in main store categories were on the rise. Overall, during the period Jan – Sep 2018, the volume of retail sales excluding fuel increased by +1,9%, on top of +2,3% in the same period in 2017. However, business expectations in retail trade deteriorated in October and November of 2018.
- **Private building activity rose further in September 2018** (+32.8% in terms of volume of new building permits), remaining in positive territory for the 6<sup>th</sup> consecutive month (+15.7% in the period Jan – Sep 2018). It is to be noted that in 2017 private building activity rose for the first time after 9 years of decline, while in 2018 it shows an upward trend, fueled by the growth of tourism and the spread of short-term residential rentals through electronic platforms. At the same time, **production in construction of infrastructure increased in Q3 2018 (+4%) for the first time since Q1 2017** (-17.9% in 2017 and -14.8% in 9M 2018).
- **Unemployment fell to 18.6% in September 2018**, from 18.9% in the previous month and 20.8% in September 2017. Moreover, **youth unemployment continued to decline** (36.6% from 36.8% in the previous month and 40.5% in September 2017), **while long-term unemployment remains high. At the same time, registered unemployed job seekers reached 844.7 thousand in October 2018 compared to 815.7 thousand in the previous month and 824.5 thousand in October 2017.** Yet, this increase is likely to be related to the launch of new programs of social work in municipalities, or to the earlier timing of seasonal hirings and firings, especially in tourism, this year.

On the other hand:

- **Non-oil manufacturing production fell by -1.2% in October 2018** (compared with an increase of +2.6% in October 2017), following the decline in business expectations in industry globally. However, in the period Jan – Sep 2018 non-oil manufacturing production was up by +1.5%, on top of +3.6 % in the same period in 2017, with most sectors being in an expansionary territory. Moreover, **in November 2018 business expectations in industry remained almost unchanged compared to the previous month, while manufacturing PMI improved** (at 54 points from 53.1 in the previous month), remaining in an expansionary trend (above the threshold of 50 points) for the 18<sup>th</sup> consecutive month, as production and new orders growth accelerated.

Exports of goods (manufacturing) and services (tourism), which increased by +8.6% and +8.3% respectively in 9M 2018, are the main drivers of growth, while private consumption benefits by the gradual restoration of consumer confidence and rising tourism.



The growing uncertainty in the rest of the world may impact on the weak recovery of the Greek economy. Only if Greece enters into a more robust and dynamic investment-led growth path, with further improvements in the business environment, employment and incomes will rise in a sustainable way.

- In September 2018, **€1.4 billion was added to the stock of new tax arrears to the State**, which amounts to €7.8 billion year-to-date. Although their expansion is slowing down, total arrears (old and new) have reached €102.9 bn., of which €16.8 bn. are considered as non-collectable. In combination, thus, with the **increase of current tax liabilities of households and businesses, the upward trend in deposits was halted** falling by -€346 million in October 2018. More specifically, household deposits fell by -€56 million after 8 consecutive months of growth, with a cumulative increase of +€4.6 billion during the period Feb - Oct 2018. Also, business deposits declined by -€663 million after having increased in the previous two months by +€655 million. At the same time, **bank credit expansion to businesses remained negative (-0.7%) for the 8<sup>th</sup> consecutive month**.
- Risks related mainly to non-performing loans have not as yet abated. **The stock of non-performing exposures in H1 2018, while declining, still remains particularly high** (47.8% of the total portfolio).
- Finally, **the rise in oil prices compared with 2017 continues to boost inflation in November 2018, which stood at +1.0%**, from +1.8% in the previous month and +1.1% in November 2017. It is to be noted, however, there has been a sharp drop in international oil prices since the beginning of October 2018 (from about 86.3 US dollars per barrel in 03/10/2018 to around 61 US dollars to 14/12/2018).

The above developments compose a mixed picture, while global risks, mainly related to tensions in international trade, are constantly emerging. **The growing uncertainty in the rest of the world may impact on the weak recovery of the Greek economy. Only if Greece enters into a more robust and dynamic investment-led growth path, with further improvements in the business environment, employment and incomes will rise in a sustainable way.**

## D01: GDP and components – demand side (ELSTAT, Eurostat, Quarterly National Accounts, Q3 2018)

YoY % change, 2010 prices, seasonally adjusted	2016	2017	2018 Q1	2018 Q2	2018 Q3	Jan-Sep 2018	Forecast 2018*
<b>GDP</b>	<b>-0.2%</b>	<b>1.5%</b>	<b>2.5%</b>	<b>1.7%</b>	<b>2.2%</b>	<b>2.1%</b>	<b>2.1%</b>
<b>Final consumption expenditure</b>	<b>-0.2%</b>	<b>0.5%</b>	<b>0.1%</b>	<b>0.6%</b>	<b>-0.3%</b>	<b>0.1%</b>	
Private consumption	0.0%	0.9%	0.5%	1.3%	0.7%	0.8%	1.0%
Public consumption	-0.7%	-0.4%	-0.6%	-4.3%	-4.1%	-3.0%	0.2%
<b>Investment</b>	<b>6.1%</b>	<b>10.0%</b>	<b>-22.9%</b>	<b>-1.9%</b>	<b>42.2%</b>	<b>1.5%</b>	
Fixed investment	4.7%	9.1%	-8.8%	19.2%	-23.2%	-6.2%	0.8%
<b>Investment excluding ship imports**</b>	<b>4.2%</b>	<b>5.1%</b>	<b>-8.0%</b>	<b>13.7%</b>	<b>31.2%</b>	<b>11.3%</b>	
Fixed investment excluding ship imports**	2.9%	4.6%	15.7%	42.5%	-31.1%	2.0%	
<b>Exports</b>	<b>-1.8%</b>	<b>6.8%</b>	<b>8.1%</b>	<b>9.2%</b>	<b>7.6%</b>	<b>8.3%</b>	<b>7.5%</b>
Goods	3.7%	5.7%	11.0%	7.0%	7.9%	8.6%	
Services	-7.7%	8.0%	4.8%	12.2%	8.0%	8.3%	
<b>Imports</b>	<b>0.3%</b>	<b>7.1%</b>	<b>-7.5%</b>	<b>2.7%</b>	<b>15.0%</b>	<b>3.1%</b>	<b>3.4%</b>
Goods	2.9%	6.7%	-11.3%	-0.1%	15.0%	0.6%	
Services	-10.8%	9.0%	11.8%	16.0%	16.0%	14.6%	
<b>Imports excluding ships**</b>	<b>-0.5%</b>	<b>5.4%</b>	<b>-1.0%</b>	<b>7.8%</b>	<b>11.7%</b>	<b>6.2%</b>	
Goods excluding ships**	2.1%	4.7%	-3.9%	6.0%	11.0%	4.3%	

\* Ministry of Finance, [State Budget 2019](#)

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



## D02: Contribution to GDP growth

(ELSTAT, Eurostat, Quarterly National Accounts, Q3 2018)

	2016	2017	2018 Q1	2018 Q2	2018 Q3	Jan-Sep 2018
<b>GDP</b>	<b>-0.2%</b>	<b>1.5%</b>	<b>2.5%</b>	<b>1.7%</b>	<b>2.2%</b>	<b>2.1%</b>
<b>Final consumption expenditure</b>	-0.2%	0.5%	0.1%	0.5%	-0.3%	0.1%
Private consumption	0.0%	0.6%	0.3%	0.9%	0.5%	0.6%
Public consumption	-0.2%	-0.1%	-0.1%	-0.9%	-0.9%	-0.7%
<b>Investment</b>	0.6%	1.3%	-3.0%	-0.3%	5.1%	0.6%
Fixed investment	0.5%	1.1%	-1.1%	2.1%	-3.3%	-0.8%
<b>Investment excluding ship imports**</b>	<b>0.5%</b>	<b>1.2%</b>	<b>-0.6%</b>	<b>1.4%</b>	<b>4.0%</b>	<b>1.6%</b>
Fixed investment excluding ship imports**	0.3%	0.5%	1.4%	3.7%	-4.4%	0.2%
<b>Exports</b>	-0.6%	2.1%	2.5%	2.9%	2.5%	2.6%
Goods	0.6%	1.0%	1.9%	1.2%	1.4%	1.5%
Services	-1.1%	1.1%	0.7%	1.7%	1.2%	1.2%
<b>Imports</b>	-0.1%	-2.3%	2.8%	-0.9%	-5.0%	-1.1%
Goods	-0.8%	-1.8%	3.6%	0.0%	-4.1%	-0.2%
Services	0.7%	-0.5%	-0.7%	-0.9%	-0.9%	-0.8%
<b>Imports excluding ships**</b>	<b>0.2%</b>	<b>-1.7%</b>	<b>0.3%</b>	<b>-2.6%</b>	<b>-3.9%</b>	<b>-2.1%</b>
Goods excluding ships**	-0.5%	-1.2%	1.1%	-1.6%	-3.0%	-1.2%

\* Ministry of Finance, [State Budget 2019](#)

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

## D03: Investment by asset type

(ELSTAT, Eurostat, Quarterly National Accounts, Q3 2018)

YoY % change, 2010 prices, seasonally adjusted	2016	2017	2018 Q1	2018 Q2	2018 Q3	Jan-Sep 2018
<b>Total fixed investment</b>	<b>4.7%</b>	<b>9.1%</b>	<b>-8.8%</b>	<b>19.2%</b>	<b>-23.2%</b>	<b>-6.2%</b>
Residential construction	-12.6%	-5.5%	11.1%	5.4%	20.8%	12.3%
Non-residential construction	37.9%	1.2%	9.4%	53.2%	-49.1%	-15.6%
Cultivated biological resources	4.3%	19.4%	2.8%	3.7%	5.7%	4.3%
Transport equipment*	-5.6%	50.9%	-55.3%	-44.5%	154.5%	-22.3%
ICT equipment	-31.2%	6.6%	25.5%	15.8%	16.5%	19.0%
Machinery*	-7.2%	6.2%	22.1%	20.8%	18.4%	20.4%
Other	-3.7%	-1.0%	-1.4%	-0.5%	0.2%	-0.6%
Total fixed investment excluding ship imports**	3.0%	4.6%	15.7%	42.5%	-31.1%	2.0%

€ million at current prices seasonally adjusted	2016	2017	2018 Q1	2018 Q2	2018 Q3	Jan-Sep 2018
<b>Total fixed investment</b>	<b>21,284.4</b>	<b>23,243.0</b>	<b>4,201.0</b>	<b>5,811.8</b>	<b>5,023.5</b>	<b>15,036.3</b>
Residential construction	1,127.1	1,047.5	297.7	296.0	299.7	893.4
Non-residential construction	8,447.0	8,545.5	875.9	2,360.6	1,444.5	4,681.0
Cultivated biological resources	78.9	94.3	17.6	20.7	27.4	65.7
Transport equipment*	3,068.4	4,639.9	709.9	726.7	813.0	2,249.6
ICT equipment	1,320.5	1,397.6	383.4	359.9	395.9	1,139.2
Machinery*	4,197.1	4,479.4	1,210.5	1,275.8	1,222.2	3,708.5
Other	3,045.4	3,038.8	706.1	772.1	820.7	2,298.9
Ship imports	1,941.4	3,090.5	394.9	238.8	589.5	1,223.1
Fixed investment excluding ship imports**	19,343.0	20,152.5	3,806.1	5,573.0	4,434.0	13,813.2
yoy % change	2.4%	4.2%	17.2%	43.6%	-31.0%	1.9%

\* Including investment in weapons.

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



## D04: GDP and components – supply side (ELSTAT, Eurostat, Quarterly National Accounts, Q3 2018)

YoY % change, 2010 prices, seasonally adjusted	2016	2017	2018 Q1	2018 Q2	2018 Q3	Jan-Sep 2018
<b>Total Gross Value Added</b>	<b>-1.0%</b>	<b>2.0%</b>	<b>2.0%</b>	<b>2.2%</b>	<b>1.4%</b>	<b>1.8%</b>
Agriculture	-6.2%	10.0%	6.2%	4.7%	3.2%	4.7%
Industry	3.2%	3.6%	0.6%	2.2%	0.8%	1.2%
Manufacturing	5.1%	3.0%	1.5%	1.7%	1.0%	1.4%
Construction	24.4%	0.4%	6.0%	8.6%	0.0%	4.8%
Wholesale and retail trade, tourism, transportation	-4.2%	4.1%	3.9%	4.3%	4.0%	4.1%
Wholesale and retail trade	-0.3%	1.3%	...	...	...	...
Tourism	-6.7%	5.5%	...	...	...	...
Transportation	-7.6%	7.4%	...	...	...	...
Information and communication	-0.5%	-1.3%	-0.3%	-1.4%	0.6%	-0.4%
Financial and insurance activities	-1.2%	-6.6%	-9.1%	-10.0%	-10.0%	-9.7%
Real estate activities	-0.7%	2.3%	0.2%	0.2%	0.2%	0.2%
Professional, scientific and technical activities	-1.8%	3.3%	7.5%	6.5%	8.3%	7.5%
Public administration, defence, education, human health	-1.7%	-0.5%	1.4%	1.9%	-0.8%	0.8%
Arts, entertainment and recreation	-2.1%	0.1%	8.4%	5.5%	-3.1%	3.4%

## D05: Contribution to Gross Value Added growth (ELSTAT, Eurostat, Quarterly National Accounts, Q3 2018)

	2016	2017	2018 Q1	2018 Q2	2018 Q3	Jan-Sep 2018
<b>Total Gross Value Added</b>	<b>-1.0%</b>	<b>2.0%</b>	<b>2.0%</b>	<b>2.2%</b>	<b>1.4%</b>	<b>1.8%</b>
Agriculture	-0.3%	0.4%	0.3%	0.2%	0.1%	0.2%
Industry	0.4%	0.4%	0.1%	0.3%	0.1%	0.1%
Manufacturing	0.4%	0.3%	0.1%	0.1%	0.1%	0.1%
Construction	0.6%	0.0%	0.2%	0.2%	0.0%	0.1%
Wholesale and retail trade, tourism, transportation	-0.9%	0.9%	0.8%	0.9%	0.9%	0.9%
Wholesale and retail trade	0.0%	0.1%	...	...	...	...
Tourism	-0.4%	0.3%	...	...	...	...
Transportation	-0.5%	0.5%	...	...	...	...
Information and communication	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Financial and insurance activities	-0.1%	-0.3%	-0.4%	-0.4%	-0.4%	-0.4%
Real estate activities	-0.1%	0.5%	0.0%	0.0%	0.0%	0.0%
Professional, scientific and technical activities	-0.1%	0.2%	0.4%	0.3%	0.4%	0.4%
Public administration, defence, education, human health	-0.4%	-0.1%	0.3%	0.4%	-0.2%	0.2%
Arts, entertainment and recreation	-0.1%	0.0%	0.3%	0.2%	-0.1%	0.1%

Note: Any discrepancies are due to sectoral deflators.

## D06: Gross Value Added per person employed (ELSTAT, Eurostat, Quarterly National Accounts, Q3 2018)

YoY % change, 2010 prices, non-seasonally adjusted	2016	2017	2018 Q1	2018 Q2	2018 Q3	Jan-Sep 2018
<b>Total</b>	<b>-1.5%</b>	<b>0.5%</b>	<b>0.2%</b>	<b>0.4%</b>	<b>0.2%</b>	<b>0.3%</b>
Agriculture	-3.9%	9.8%	0.0%	-0.5%	-1.0%	-0.5%
Industry	4.5%	0.8%	0.3%	2.1%	0.7%	1.1%
Manufacturing	7.0%	0.2%	1.5%	1.5%	1.3%	1.4%
Construction	22.8%	-1.1%	2.0%	7.6%	2.0%	3.9%
Wholesale and retail trade, tourism, transportation	-5.7%	2.2%	2.6%	3.4%	3.3%	3.1%
Information and communication	-4.3%	-5.5%	-7.3%	-9.0%	-6.4%	-7.5%
Financial and insurance activities	-2.7%	-6.8%	-3.6%	0.0%	-4.6%	-2.7%
Real estate activities	-1.8%	12.2%	2.3%	-8.2%	-3.7%	-3.5%
Professional, scientific and technical activities	-2.7%	0.8%	6.3%	3.6%	8.1%	5.9%
Public administration, defence, education, human health	-3.0%	-0.8%	-0.9%	-2.3%	-2.8%	-2.0%
Arts, entertainment and recreation	1.1%	-2.8%	7.3%	6.1%	-1.4%	3.9%





## D07: Employee compensation per employee (ELSTAT, Eurostat, Quarterly National Accounts, Q3 2018)

YoY % change, current prices, non-seasonally adjusted	2016	2017	2018 Q1	2018 Q2	2018 Q3	Jan-Sep 2018
<b>Total</b>	<b>-0.9%</b>	<b>0.5%</b>	<b>1.5%</b>	<b>2.0%</b>	<b>2.0%</b>	<b>1.9%</b>
Agriculture	0.0%	-1.9%	-0.7%	3.5%	-0.1%	1.0%
Industry	0.6%	-1.4%	2.3%	3.4%	3.4%	3.1%
Manufacturing	-0.1%	0.6%	2.2%	3.4%	3.9%	3.2%
Construction	-0.9%	-8.6%	-1.8%	0.9%	5.4%	1.8%
Wholesale and retail trade, tourism, transportation	0.1%	4.4%	0.5%	0.9%	0.8%	0.8%
Information and communication	-10.8%	-1.2%	0.8%	-1.4%	1.3%	0.2%
Financial and insurance activities	6.2%	5.6%	0.2%	1.4%	0.5%	0.6%
Real estate activities	-1.6%	11.9%	4.7%	4.0%	4.8%	2.8%
Professional, scientific and technical activities	-7.9%	-1.9%	2.8%	3.6%	2.1%	2.9%
Public administration, defence, education, human health	-1.6%	0.1%	2.0%	2.4%	2.1%	2.2%
Arts, entertainment and recreation	0.2%	-1.7%	2.0%	4.4%	6.5%	4.3%

## D08: Employment (ELSTAT, Eurostat, Quarterly National Accounts, Q3 2018)

### Employees

Ετήσια % μεταβολή, στοιχεία χωρίς εποχ. διόρθωση	2016	2017	2018 Q1	2018 Q2	2018 Q3	Jan-Sep 2018
<b>Total</b>	<b>0.9%</b>	<b>1.7%</b>	<b>1.7%</b>	<b>2.5%</b>	<b>2.2%</b>	<b>2.1%</b>
Agriculture	-3.0%	0.1%	1.9%	-1.8%	-0.5%	-0.2%
Industry	-1.5%	3.2%	1.5%	1.5%	0.9%	1.3%
Manufacturing	-2.2%	3.3%	1.1%	1.4%	0.7%	1.1%
Construction	4.1%	1.5%	-3.3%	0.9%	-2.1%	-1.5%
Wholesale and retail trade, tourism, transportation	1.9%	2.5%	1.7%	2.9%	4.5%	3.1%
Information and communication	2.9%	4.6%	8.6%	8.0%	9.6%	8.7%
Financial and insurance activities	3.3%	-1.0%	-5.2%	-9.7%	-3.9%	-6.3%
Real estate activities	0.7%	-7.5%	11.3%	15.2%	4.4%	10.1%
Professional, scientific and technical activities	1.8%	3.7%	-0.1%	1.9%	0.0%	0.6%
Public administration, defence, education, human health	1.2%	-0.1%	2.0%	4.0%	2.4%	2.8%
Arts, entertainment and recreation	-2.3%	2.5%	4.0%	1.3%	-0.6%	1.5%

### Total employment

Ετήσια % μεταβολή, στοιχεία χωρίς εποχ. διόρθωση	2016	2017	2018 Q1	2018 Q2	2018 Q3	Jan-Sep 2018
<b>Total</b>	<b>0.5%</b>	<b>1.5%</b>	<b>1.6%</b>	<b>1.7%</b>	<b>1.4%</b>	<b>1.5%</b>
Agriculture	-2.4%	0.2%	3.2%	3.3%	5.3%	3.9%
Industry	-1.2%	2.8%	1.2%	0.1%	0.0%	0.4%
Manufacturing	-1.8%	2.8%	0.8%	-0.1%	-0.3%	0.1%
Construction	1.3%	1.5%	1.3%	1.1%	-2.8%	-0.2%
Wholesale and retail trade, tourism, transportation	1.7%	1.9%	0.7%	0.6%	1.5%	0.9%
Information and communication	3.9%	4.4%	7.6%	8.2%	8.6%	8.1%
Financial and insurance activities	1.6%	0.2%	-5.9%	-10.1%	-5.7%	-7.3%
Real estate activities	1.1%	-8.8%	-2.0%	9.1%	4.0%	3.4%
Professional, scientific and technical activities	1.0%	2.5%	2.3%	2.4%	0.2%	1.6%
Public administration, defence, education, human health	1.3%	0.3%	2.3%	4.3%	2.1%	2.9%
Arts, entertainment and recreation	-3.2%	3.0%	1.1%	-0.3%	-1.7%	-0.3%



## Main indicators

### Economic sentiment

	2016	2017	2018		
	Average	Average	Sep	Oct	Nov
☺ <b>Economic climate</b>	91.8	96.8	101.3	101.0	101.8
☺ <b>Consumer confidence</b>	-68.0	-63.0	-44.9	-38.3	-35.8
☺ % stating that their own economic situation will get worse	72%	67%	55%	45%	47%
☺ % stating that the country's economic situation will get worse	79%	74%	60%	49%	50%
☺ % stating that unemployment will rise	77%	68%	44%	43%	42%
☺ % stating that they are unlikely to save	90%	91%	87%	82%	82%

### Employment, Unemployment, prices, wages

	2016	2017	2018	Period
☺ <b>Employment (persons, change year-to-date, seasonally adjusted)</b>	2,900	129,900	111,600	Jan – Sep
☺ Employment (persons, change during month, seasonally adjusted)	11,000	18,700	18,300	Sep
☺ <b>Registered unemployed seeking job (change year-to-date)</b>	25,529	-85,951	-35,171	Jan – Oct
☺ Registered unemployed seeking job (change during month)	12,350	24,553	28,990	Oct
☺ <b>Net hirings (year-to-date)</b>	125,128	128,230	135,033	Jan – Nov
☺ Net hirings (current month)	-37,667	-39,221	-33,249	Nov
☺ <b>Unemployment rate (seasonally adjusted)</b>	23.1%	20.8%	18.6%	Sep
☺ Year to date average rate (seasonally adjusted)	23.6%	21.7%	19.6%	Jan – Sep
☺ <b>Index of wages cost (whole economy, at constant prices, seasonally adjusted)</b>	2.1%	-1.7%	3.6%	Q3
☺ Change Year to date (whole economy, in constant prices, seasonally adjusted)	3.1%	-1.0%	3.6%	Jan – Sep
☺ <b>Consumer Price Index</b>	-0.9%	1.1%	1.0%	Nov
☺ Change Year to date	-0.9%	1.2%	0.6%	Jan – Nov

### GDP

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

	2016	2017	2018			
			Q1	Q2	Q3	Jan-Sep
☺ <b>GDP</b>	-0.2%	1.5%	2.5%	1.7%	2.2%	2.1%
☺ <b>Domestic demand</b>	0.5%	1.8%	-3.0%	-0.3%	3.6%	0.1%
☺ Private consumption	0.0%	0.9%	0.5%	1.3%	0.7%	0.8%
☺ Public consumption	-0.7%	-0.4%	-0.6%	-4.3%	-4.1%	-3.0%
☺ <b>Investment (including inventory change)</b>	6.1%	10.0%	-22.9%	-1.9%	42.2%	1.5%
☺ Fixed investment	4.7%	9.1%	-8.8%	19.2%	-23.2%	-6.2%
☺ Residential construction	-12.6%	-5.5%	11.1%	5.4%	20.8%	12.3%
☺ Non – residential construction	37.9%	1.2%	9.4%	53.2%	-49.1%	-15.6%
☺ Machinery and equipment (incl. weapons)	-7.2%	6.2%	22.1%	20.8%	18.4%	20.4%
☺ Transport equipment (incl. weapons)	-5.6%	50.9%	-55.3%	-44.5%	154.5%	-22.3%
☺ <b>Net exports</b>						
☺ Exports of goods and services	-1.8%	6.8%	8.1%	9.2%	7.6%	8.3%
☺ Exports of goods	3.7%	5.7%	11.0%	7.0%	7.9%	8.6%
☺ Exports of services	-7.7%	8.0%	4.8%	12.2%	8.0%	8.3%
☺ Imports of goods and services	0.3%	7.1%	-7.5%	2.7%	15.0%	3.1%
☺ Imports of goods	2.9%	6.7%	-11.3%	-0.1%	15.0%	0.6%
☺ Imports of services	-10.8%	9.0%	11.8%	16.0%	16.0%	14.6%

### Short term conjunctural indicators

(yoy % change)

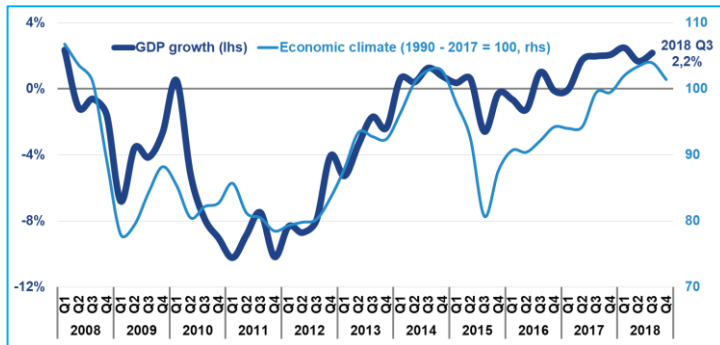
	2016 (full-year)	2017 (full-year)	2018	Period	2018	Period
☺ <b>Industrial production</b>	2.5%	4.5%	0.7%	Jan – Oct	-1.1%	Oct
☺ Manufacturing (excluding oil)	3.4%	3.1%	1.5%	Jan – Oct	-1.2%	Oct
☺ <b>Production in construction</b>	22.9%	-14.6%	0.4%	Jan – Sep	7.8%	Q3
☺ Building	18.1%	-10.2%	20.4%	Jan – Sep	12.3%	Q3
☺ Non – building	26.8%	-18.0%	-14.8%	Jan – Sep	4.0%	Q3
☺ <b>Private building activity – building permits (volume in m³)</b>	-6.9%	19.4%	15.7%	Jan – Sep	32.8%	Sep
☺ <b>Retail sales (volume)</b>	-0.6%	1.3%	2.1%	Jan – Sep	3.4%	Sep
☺ Excluding automotive fuel	0.4%	1.3%	2.3%	Jan – Sep	3.4%	Sep
☺ <b>New vehicle licenses</b>	11.0%	20.8%	23.7%	Jan – Nov	12.3%	Nov
☺ <b>Revenue from tax on mobile telephony</b>	-10.7%	-0.1%	12.7%	Jan – Sep	166.9%	Sep
☺ <b>Exports of goods excl. Oil &amp; ships (ELSTAT, current prices)</b>	2.1%	7.2%	11.4%	Jan – Oct	11.0%	Oct
☺ Exports of goods excl. Oil & ships, volume	5.1%	3.7%	9.8%	Jan – Oct	8.6%	Oct
☺ <b>Imports of goods excl. oil &amp; ships (ELSTAT, current prices)</b>	5.9%	7.6%	9.4%	Jan – Oct	17.4%	Oct
☺ Imports of goods excl. oil & ships, volume	8.0%	7.9%	9.8%	Jan – Oct	17.8%	Oct
☺ <b>Tourism – receipts</b>	-6.4%	10.8%	9.1%	Jan – Sep	0.3%	Sep
☺ <b>Transportation – receipts</b>	-21.6%	16.9%	12.8%	Jan – Sep	22.8%	Sep
☺ <b>Other services* – receipts</b>	4.4%	13.8%	-5.0%	Jan – Sep	-1.6%	Sep
☺ <b>Inbound travelers (excl. cruises)</b>	5.1%	9.7%	10.3%	Jan – Sep	4.9%	Sep

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

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



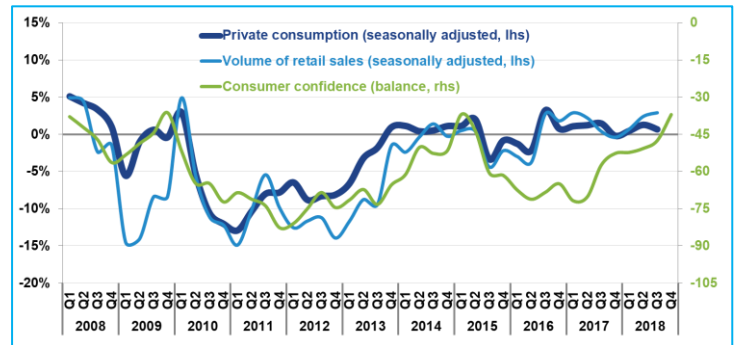
## Economic climate



### GDP AND ECONOMIC CLIMATE

(ELSTAT, Q3 2018, IOBE-DG ECFIN, Nov. 2018)

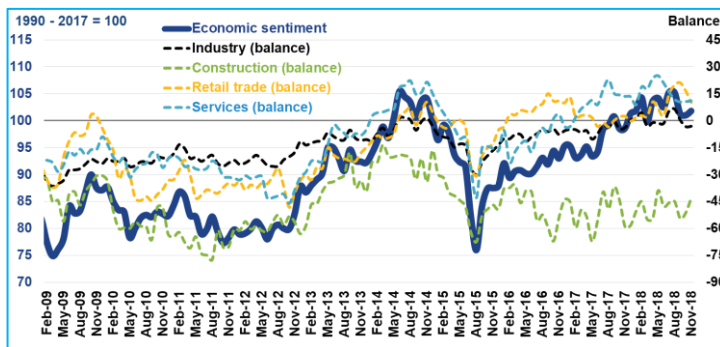
Growth in Q3 2018 (+2.2%) was mainly attributed to exports of goods (+7.9%) and services (+8.0%), as well as private consumption (+0.7%).



### PRIVATE CONSUMPTION, RETAIL SALES, CONSUMER CONFIDENCE

(ELSTAT, Q3 2018, IOBE-DG ECFIN, Nov. 2018)

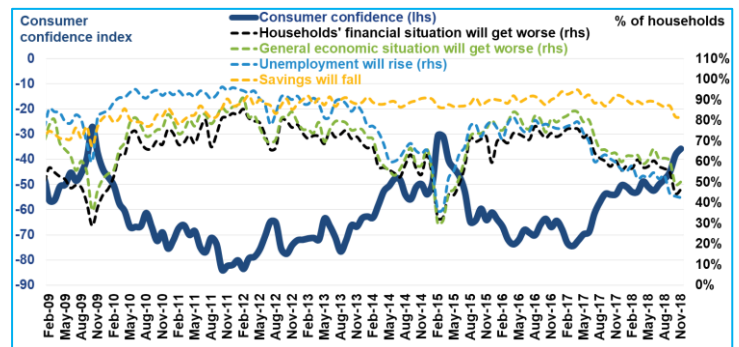
Private consumption (+0.7% in Q3 and +0.8% in 9M 2018) benefits by the gradual restoration of consumer confidence and rising tourism.



### ECONOMIC CLIMATE AND BUSINESS EXPECTATIONS

(IOBE-DG ECFIN, Nov. 2018)

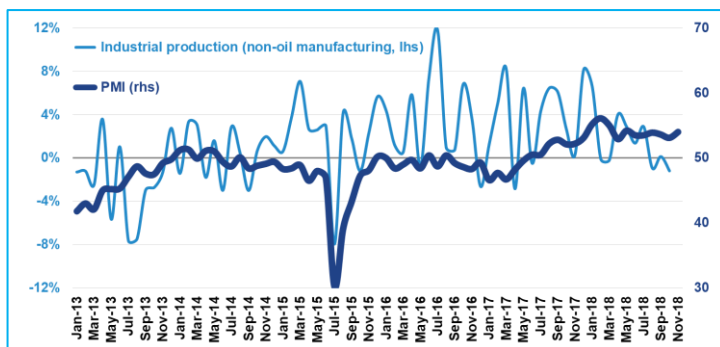
Economic climate improved slightly in November 2018 (at 101.8 points from 101 in the previous month). Business climate in industry and services remained almost unchanged. On the contrary, retail trade business expectations fell after a significant rise in the period Jul – Sep 2018.



### CONSUMER CONFIDENCE

(IOBE-DG ECFIN, Nov. 2018)

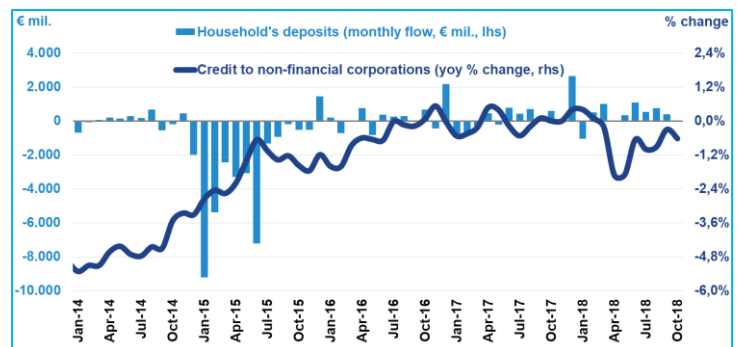
Consumer confidence rose for the 5<sup>th</sup> consecutive month (at -35.8 points, from -38.3 in the previous month) as households are more optimistic, particularly regarding the trend in unemployment and saving in the next 12 months.



### PURCHASING MANAGERS' INDEX (PMI)

(Markit, Nov. 2018)

Manufacturing PMI improved (at 54 points from 53.1 in the previous month), remaining in an expansionary trend (above the threshold of 50 points) for the 18<sup>th</sup> consecutive month, as production and new orders growth accelerated



### CREDIT TO BUSINESSES AND HOUSEHOLDS DEPOSITS

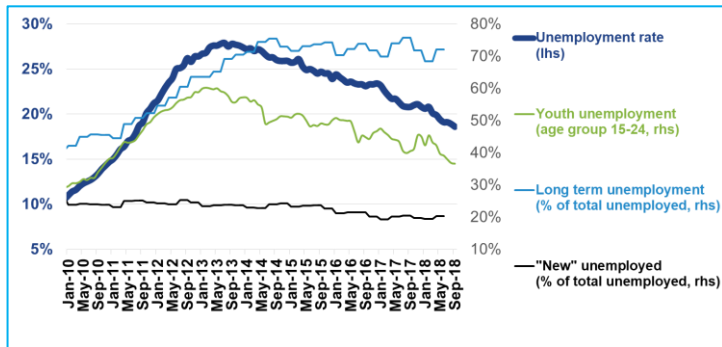
(Bank of Greece, Oct. 2018)

The increased tax liabilities of households halted the upward trend in deposits (-€56 million in October 2018), while bank credit expansion to businesses remained negative (-0.7%) for the 8<sup>th</sup> consecutive month.





## Employment, prices, wages



### UNEMPLOYMENT RATE (SEASONALLY ADJUSTED)

(ELSTAT, Sep. 2018)

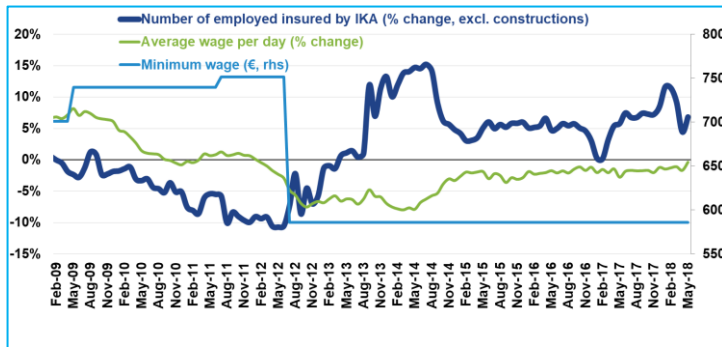
Unemployment fell to 18.6% in September 2018, from 18.9% in the previous month and 20.8% in September 2017. Moreover, youth unemployment continued to decline (36.6% from 36.8% in the previous month and 40.5% in September 2017), while long-term unemployment remains high.



### NET HIRINGS

(ERGANI, Nov. 2018)

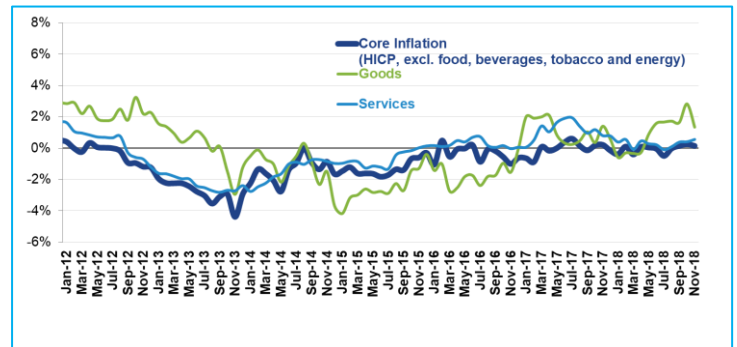
Net hirings reached 135 thousand in the period Jan – Nov 2018, vs 128.2 thousand in the same period in 2017, favoured mainly by rising tourism.



### NUMBER OF EMPLOYED INSURED BY IKA AND AVERAGE WAGE

(Yoy % change, IKA, May 2018)

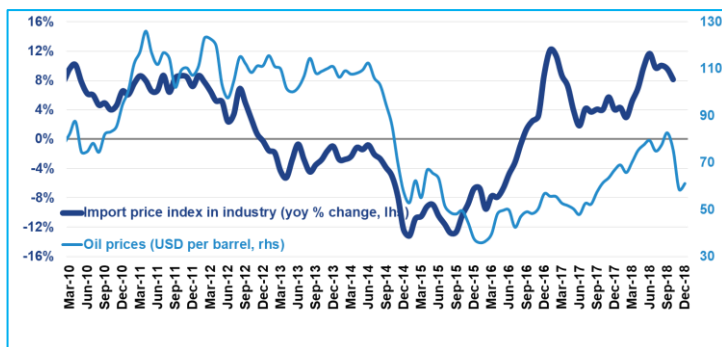
The number of employed insured by IKA has been rising since April 2013. Part of this increase may be due to shifts from undeclared to formal employment, while average earnings continue to decline, but at a slower pace.



### GOODS AND SERVICES INFLATION, CORE INFLATION

(ELSTAT, Nov. 2018)

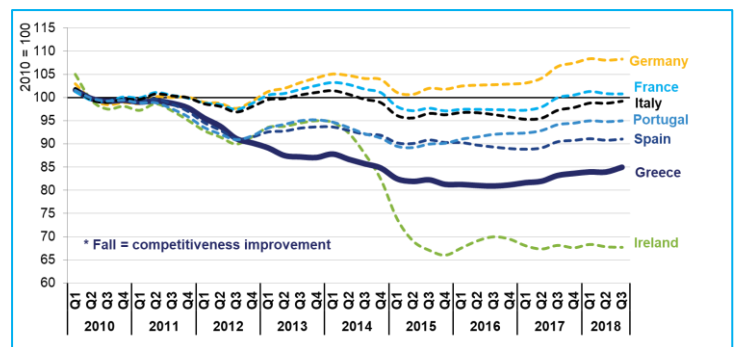
The rise in oil prices compared with 2017 continues to boost inflation in November 2018, which stood at +1.0%, from +1.8% in the previous month and +1.1% in November 2017. It is to be noted, however, there has been a sharp drop in international oil prices since the beginning of October 2018.



### IMPORT PRICE INDEX IN INDUSTRY AND OIL PRICES

(ELSTAT, Oct. 2018, Bloomberg, 14 Dec. 2018)

After almost 4 years of decline, import price index in industry is on the rise since Sep 2016 (+9.6% in September 2018), following the trend of oil prices, which however dropped significantly in November 2018.

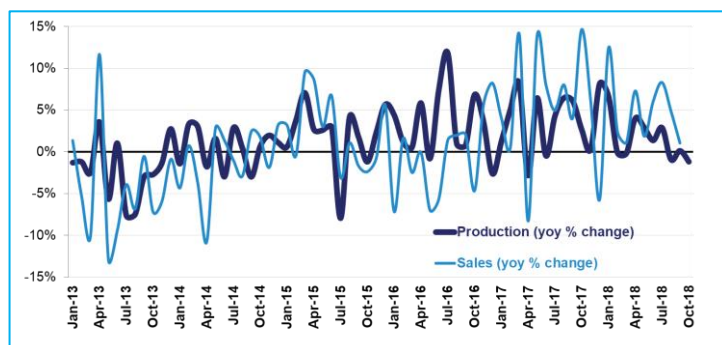


### PRICE AND COST COMPETITIVENESS: REAL EFFECTIVE EXCHANGE RATE (Eurostat, Q3 2018)

Reforms in recent years have contributed to the recovery of a significant part of Greece's competitiveness compared with other European countries. However, the improvement of the Greek competitiveness appears to be reversed since Q4 2016.

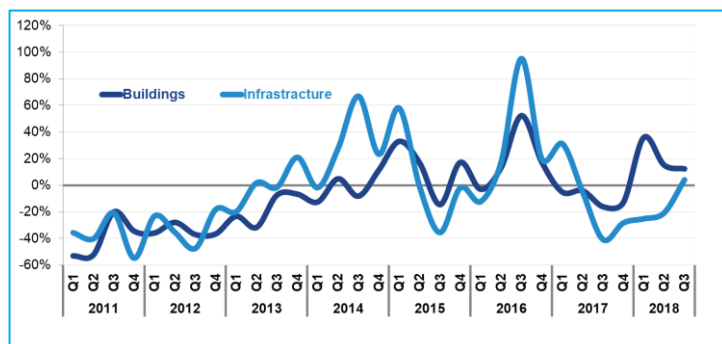


## Industry, trade, services



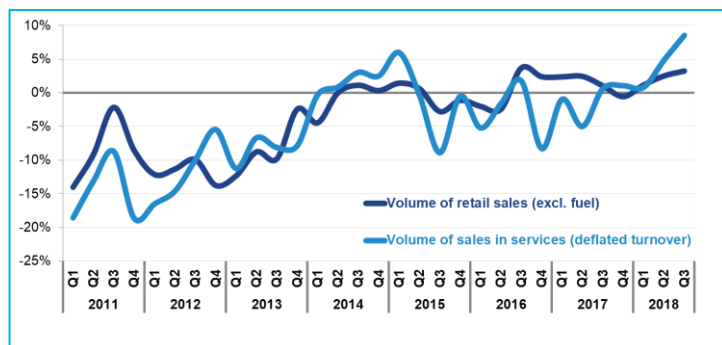
### PRODUCTION AND TURNOVER IN NON-OIL MANUFACTURING (ELSTAT, Oct. 2018)

Non-oil manufacturing production fell by -1.2% in October 2018 (compared with an increase of +2.6% in October 2017), following the decline in business expectations in industry globally.



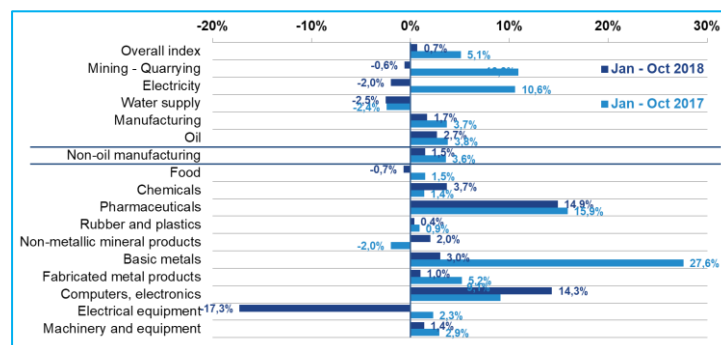
### VOLUME OF PRODUCTION IN CONSTRUCTION (Yoy % change, ELSTAT, Q3 2018)

Production in construction of infrastructure increased in Q3 2018 (+4%) for the first time since Q1 2017 (-17.9% in 2017 and -14.8% in 9M 2018). Production in construction of buildings is in expansionary territory since the beginning of 2018 (+20.4% in 9M 2018).



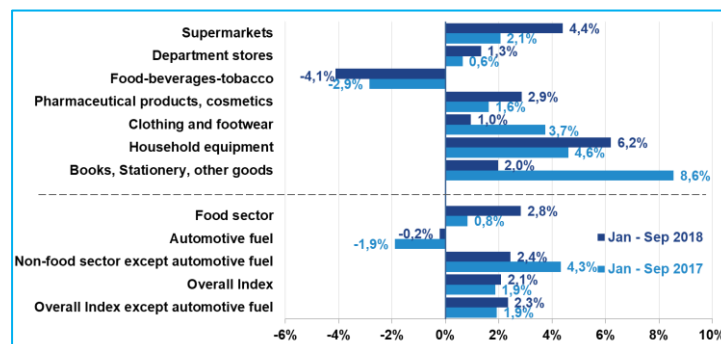
### VOLUME OF RETAIL AND SERVICES SALES (ELSTAT, Eurostat, Q3 2018, ELSTAT, Sep. 2018)

The rise of tourism has contributed to the recovery of sales volume in Services. In Q3 turnover in services rose by about +8.5% in terms of volume, with business expectations in services being positive until November 2018.



### INDUSTRIAL PRODUCTION BY SECTOR (ELSTAT, Oct. 2018)

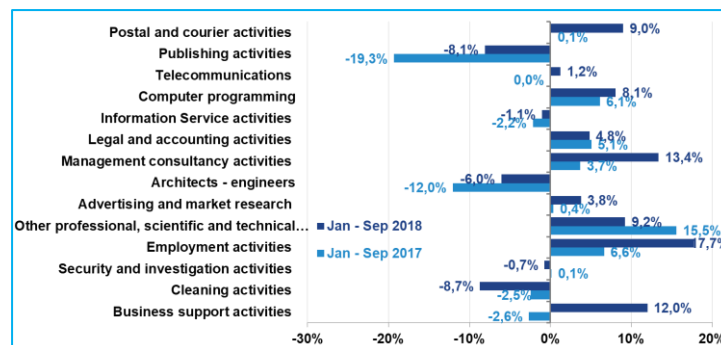
In the period Jan – Sep 2018 non-oil manufacturing production was up by +1.5%, on top of +3.6 % in the same period in 2017, with most sectors being in an expansionary territory.



### VOLUME OF RETAIL SALES

(% change by store category, ELSTAT, Sep. 2018)

During the period Jan – Sep 2018, the volume of retail sales excluding fuel increased by +1.9%, on top of +2.3% in the same period in 2017. However, business expectations in retail trade deteriorated in October and November of 2018.

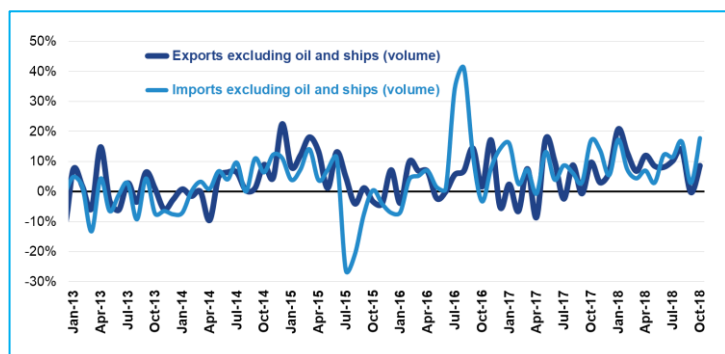


### TURNOVER INDICES IN SERVICES (ELSTAT, Q3 2018)

Turnover in most services sectors was on the rise in 9M 2018, mainly in employment activities, management consultancy and business support activities.

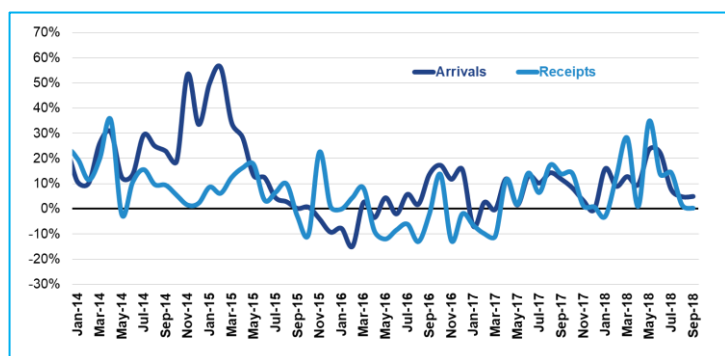


## Exports, tourism



**VOLUME OF NON-OIL EXPORTS AND NON-OIL IMPORTS OF GOODS**  
(ELSTAT, Oct. 2018)

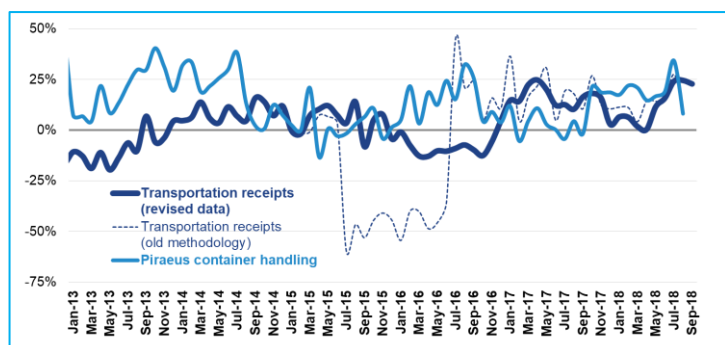
Exports of goods kept on rising in October 2018, despite tensions in international trade, strengthening anew their momentum after a slight downturn in the previous month.



## TOURIST ARRIVALS AND RECEIPTS

(Bank of Greece, Sep. 2018)

During the period Jan-Sep 2018, tourism receipts reached €14.2 billion (+9.5% compared to the corresponding period in 2017), mainly due to the increase in receipts from EU-28 residents (+12.2%). At the same time arrivals reached 26 million vs 23.5 million in the same period in 2017 (+10.3%).



## TRANSPORTATION RECEIPTS

(BoG, Sep. 2018, Piraeus container handling: COSCO, Aug. 2018)

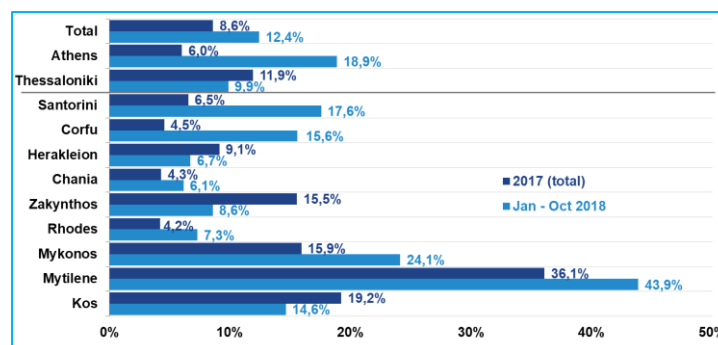
The sharp drop appeared in transportation receipts in 2015, was mainly due to the decline in the intermediation of the domestic banking system, as a result of capital controls. The new methodology with which sea transport accounts are compiled reflects a more comprehensive picture.

Group of products	Jan – Oct		%Δ
(€ mil.)	2017	2018	
<b>Agricultural products</b>	<b>4.594,2</b>	<b>5.016,7</b>	<b>9,2%</b>
Food	3.570,3	3.830,9	7,3%
Beverages / Tobacco	602,7	595,2	-1,2%
Animal and vegetable oil	421,2	590,6	40,2%
<b>Crude Materials</b>	<b>989,3</b>	<b>1.065,6</b>	<b>7,7%</b>
<b>Mineral Fuels</b>	<b>7.305,8</b>	<b>9.599,6</b>	<b>31,4%</b>
<b>Industrial products</b>	<b>10.279,6</b>	<b>11.638,4</b>	<b>13,2%</b>
Chemicals	2.550,6	2.880,7	12,9%
Goods classified by material	3.857,6	4.417,0	14,5%
Machinery & transport equipment	2.139,0	2.447,8	14,4%
Misc. manufactured articles	1.732,4	1.892,9	9,3%
<b>Not classified commodities</b>	<b>446,6</b>	<b>462,7</b>	<b>3,6%</b>
<b>Total</b>	<b>23.615,5</b>	<b>27.783,0</b>	<b>17,6%</b>
<b>Total excl. Oil</b>	<b>16.309,7</b>	<b>18.183,4</b>	<b>11,5%</b>
<b><u>Memo item:</u></b>			
<b>Jan - Dec:</b>	<b>2016</b>	<b>2017</b>	<b>%Δ</b>
<b>Manufactured products</b>	<b>15,548.3</b>	<b>16,858.7</b>	<b>8.4%</b>
of which: Food / Beverages	3,141.4	3,261.2	3.8%
<b>Crude materials &amp; primary products</b>	<b>3,132.0</b>	<b>3,198.3</b>	<b>2.1%</b>
of which: Agricultural products	2,038.3	1,889.4	-7.3%

## EXPORTS BY PRODUCT

(ELSTAT, Eurostat, Oct. 2018)

During the period Jan – Oct 2018 non-oil exports of goods reached €18.2 billion, recording an increase of +11.5%, with most product categories being on the rise especially industrial products (+13.2%).



## INTERNATIONAL ARRIVALS AT MAIN AIRPORTS

(SETE, Oct. 2018)

International arrivals in the Greek airports increased by +8.6% in Jan-Oct 2018. Traffic in all tourist destinations was up, especially in Santorini, Corfu, Mykonos and Mytilene.



## SEV Members Financial Data

**ASSETS**  
**€362 bn**  
**71% of total\***



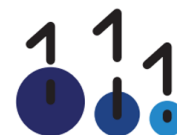
**EQUITY**  
**€60 bn**  
**48% of total\***



**TURNOVER**  
**€61 bn**  
**46% of total\***



**PROFITS BEFORE TAXES**  
**€3.3 bn\*\***  
**42% of total\*\***



**EMPLOYEES**  
**200,000**  
**11% employees insured by IKA**



**WAGES**  
**€5 bn**  
**20% of total\*\*\***



**SOCIAL SECURITY CONTRIBUTIONS**  
**€2.2 bn**  
**26% of total\*\*\***



**TAXES ON PROFITS**  
**€1.1 bn**  
**31% of total\*\*\*\***



\* 17,454 financial statements for fiscal year 2016 included in ICAP database

\*\* sum of reported profits

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

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

Source: ICAP, IKA, Ministry of Finance



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