GREECE

ECONOMIC & FINANCIAL OUTLOOK

APRIL 2022

ECONOMIC RESEARCH DIVISION

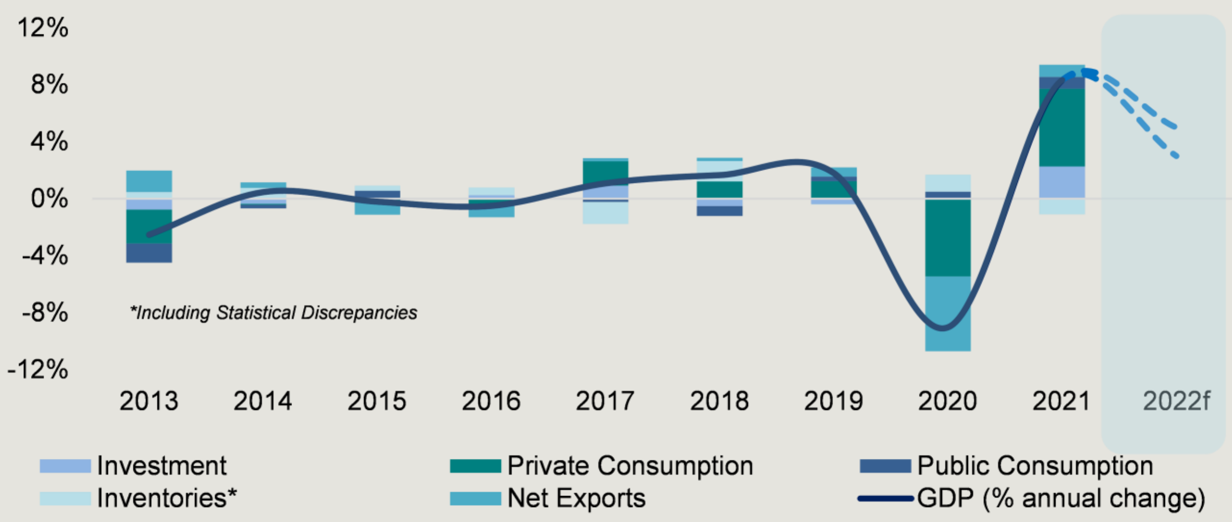
The significant economic rebound continues in 2022 but is moderated by heightened geopolitical risks

Real GDP recorded a *near V-shaped* rebound in 2021, driven by the strong private consumption growth. This was supported, in turn, by the sharp increase in accumulated savings during the pandemic (private sector deposit inflows reached EUR 16.2 bn in 2021), the better-than-expected performance of exports of services (+38.1%) due to the remarkable recovery of tourism, while investment recorded significant gains, increasing its share to GDP to 12.9% (*Graph 1*). According to the latest release by ELSTAT, real GDP (in seasonally adjusted terms) increased by 8.3% in 2021, recovering to near pre-pandemic levels, with the recession (-9% in 2020) lasting for only a single year (*A more detailed analysis on GDP growth and labour market developments in 2021 can be found at the last section of the report*).

Growth dynamics in 2022 are expected to be partially moderated due to the negative economic implications of the Russian invasion of Ukraine which may shave around 2 percentage points from our earlier estimate, currently foreseeing a 3.2% growth rate (*Graph 1*). More specifically, the war is expected to adversely affect domestic economic activity in 2022 as follows: *First,* through the impact of soaring energy prices on the production cost, the profitability and the investment planning of enterprises. *Second*, the effects of energy and food price inflation, in conjunction with the import energy dependence of the country, on real disposable income and purchasing power of Greek households. Already strong inflationary pressures have been intensified by the Russian invasion of Ukraine, with the Greek HICP inflation reaching 8% in March 2022, fueled by soaring energy prices (Energy-HICP: 51.2% y-o-y). *Third,* the impact on Greek tourism, due to the weakening of European households' disposable income, which are the main countries of origin of tourist arrivals in Greece. *Fourth,* the heightened uncertainty which may adversely affect borrowing cost, especially for a country that has not yet achieved investment grade. *Fifth*, the extension of expansionary fiscal policy, even to a lesser degree. In particular, the Greek government recently introduced additional fiscal measures to support households and enterprises from rising energy costs (See Box 1).

GRAPH 1

Growth prospects remain robust in 2022 amid geopolitical tensions and inflationary pressures



Sources: ELSTAT, Alpha Bank ERD calculations

Despite this geopolitical shock, the growth prospects for 2022 remain robust, underpinned by (a) the strong second-round rebound of tourism which is expected to approach 2019 levels, (b) the strong investment injection off the back of the RRF funds, (c) the sizeable carry-over effect in 2022 from growth in 2021, estimated at 1.6%, and (d) the narrowing distance to investment grade.

Tracing the economic implications for Greece of the Russian invasion and sanctions

Russia's invasion of Ukraine and the sanctions imposed by European countries and the US on Russia could have significant and long-lasting implications for the global economy, as well as, for the Greek economy. Greece's economy is expected to take a hit from the Russian invasion of Ukraine through two main channels, namely energy and tourism.

Box 1: Recent fiscal interventions to support households and enterprises

The following policy interventions were recently announced, the total cost of which exceeds EUR 1.7 bn*:

- Increase in subsidies for electricity (for households and enterprises) and extension of natural gas subsidies for April 2022 [EUR 640 mn].
- Exceptional additional support for 1.4 million households [Euro 324 mn] through:
  - an extra one and a half monthly child care allowance, which is granted to March beneficiaries,
  - an aid of EUR 200 to low-income pensioners, uninsured elderly and beneficiaries of the disability allowance,
  - a double installment to beneficiaries of the minimum guaranteed income.
- Direct subsidies of fuel consumption for individuals and reduction of diesel price, covering part of the fuel price increase [EUR 130 mn].
- Extension of the repayment period of all previous repayable advances, from 60 interest-free to 96 interest-free installments.

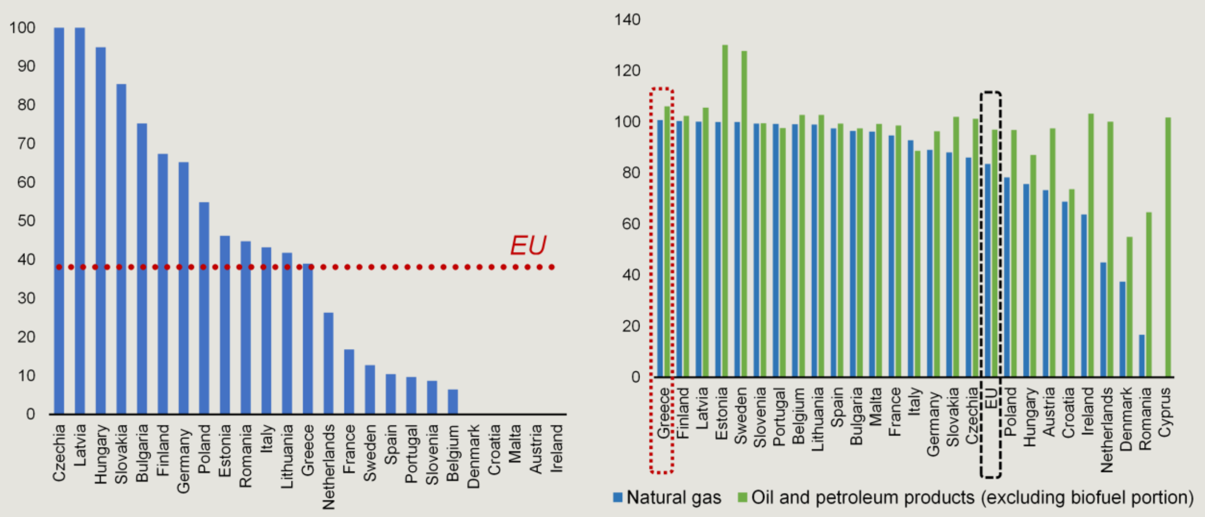
The total budgetary cost for all four, described above, interventions exceeds EUR 1.1 bn. Additional supporting measures already announced and implemented concern:

- A further reduction in the unified property tax (ENFIA), which, within the last two and a half years, has been reduced by 35% compared to 2018,
- Supportive measures to the primary sector, which include a zero rate of excise duty on oil used in agriculture, a VAT cut to 6% for fertilizers and a livestock subsidy for feed costs [over EUR 200 mn].

The estimated fical cost per intervention is denoted in brackets.

GRAPHS 2 & 3

Share of gas imported from Russia and energy import dependency (2020, %)



Source: Eurostat

More specifically, a *higher for longer* period of inflation in the Eurozone is expected, fueled by rising gas, oil and food prices, as well as increased uncertainty from the disruption in financial markets. Strong inflationary pressures are likely to be intensified in the near future due to skyrocketing energy costs and energy shortages which will increase production and transportation costs. Moreover, as well as being the dominant supplier of gas to Europe, Russia is one of the world's largest oil producers and a key supplier of industrial metals such as nickel, aluminium and palladium. Both Russia and Ukraine are major wheat exporters, accounting for roughly 29% of the global wheat export market.

The energy import dependency of the Greek economy in general - and not just from Russia - remains at high levels, despite the efforts to change the energy mix to renewable energy sources while the country moves on with delignification. *Graphs 2 & 3* depict the energy dependency of Greece compared to the rest of the European Union in terms of (a) the share of gas imported from Russia and (b) the energy import dependency on natural gas and oil. In particular, as illustrated in *Graph 2*, the share of gas imported from Russia in 2020 for Greece was slightly above the EU average (39% vs. 38.1%), while the most gas-dependent countries from Russia are Czechia and Latvia. *Graph 3* shows the by-country energy import dependency (defined as imports minus exports to gross available energy stock) in 2020 for both natural gas and oil; as shown, Greece's energy import dependency on natural gas and oil stands at 100.7% and 106.2%, respectively, both well above the corresponding EU averages.

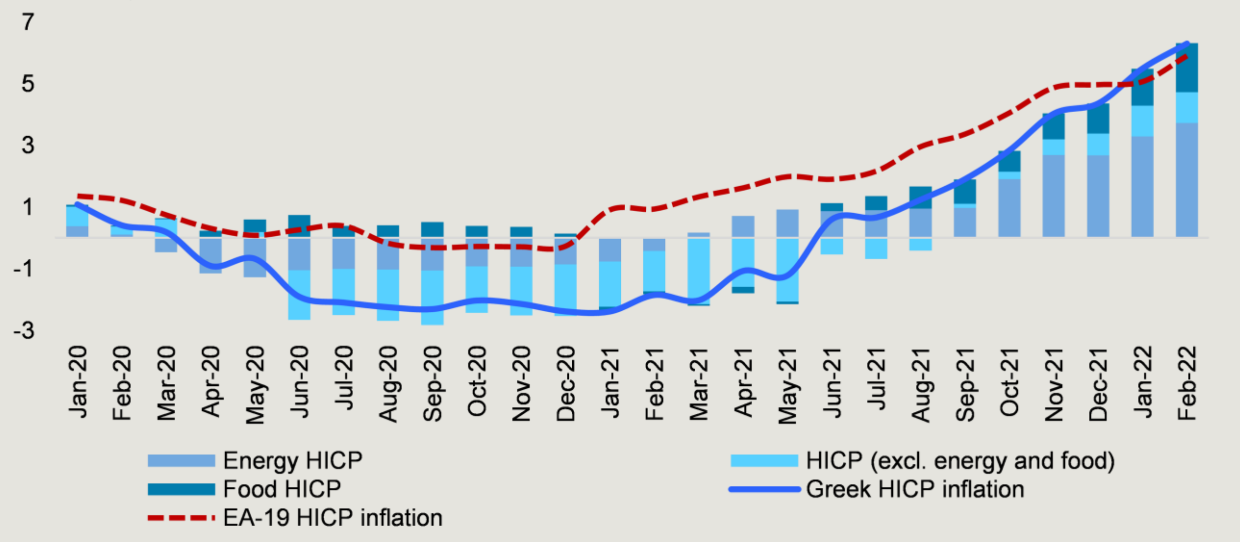
Rising energy costs reduce the real disposable income and purchasing power of housholds, undermining economic growth. Hence, a weaker-than-expected increase in private consumption might be observed because of the large impact on households' real incomes and industries' supply lines. However, the accumulated savings during the pandemic could support the standards of living in an inflationary environment, mitigating somewhat the negative consequences.

The second main channel of influence of the war will most likely be through tourism, however it is expected to be limited, given the low market share of Russian arrivals. Since 2014 and in the aftermath of the Crimea crisis, tourist inflows from Russia have been gradually reduced, mainly due to the appreciation of Euro against the Russian Rouble. In particular, Russian tourists in Greece accounted for 7.5% of total arrivals in 2013 before dropping to below 2% in 2019, while during the pandemic the percentage of Russian tourists was further compressed (2020: 0.3%; 2021: 0.8%).

The main impact on tourism is expected to be observed in the coming months due to the compressed household purchasing power of European citizens, who are the main source of tourist inflows into Greece. The impact will be small, though, due to the second-round rebound anticipated in the current year.

GRAPH 4

Soaring energy prices are driving headline inflation: contributions to HICP inflation



Source: Eurostat, Alpha Bank ERD calculations

Box 2: Tracing the Impact of the War: Anatomy of Shocks hitting Greece

Supply Shock	**Demand Shock**	**Fiscal and Monetary Policy Shock**	**Sanctions / Retaliation**
Inflationary pressures due to skyrocketing energy cost and energy shortages, increasing production and transportation costs.	Lower Domestic Demand due to rising energy cost reduces real disposable income and households' purchasing power	New fiscal policy interventions in order to support households and enterprises from rising energy cost and food prices.	Sanctions in Russia have fueled volatility in stock markets
Supply-side disruptions, as Russia is one of the world's largest oil producers and a key supplier of industrial metals such as nickel, aluminium and palladium.	Lower external Demand for tourism services, due to the compressed purchasing power of European citizens. Accumulating savings and higher propensity to consume in the post-pandemic era could mitigate the adverse effect.	Military conflicts and their recessionary impact could delay monetary policy tightening	A flight to safety in global markets could be triggered, away from stocks and into government bonds or other traditional havens such as the Swiss franc, yen and gold
Food prices rises: Russia and Ukraine are the world's top wheat exporters. Both countries account for roughly 29% of the global wheat export market.	Investment: Possible muting of corporate investment due to higher uncertainty		

Energy prices, inflationary pressures and the importance of expectations

Since the beginning of the pandemic, deflationary pressures prevailed as a result of the measures compressing economic activity and the fall in demand primarily for services and secondarily for specific goods. HICP inflation, after remaining negative in the first 5 months of 2021, moved into positive territory in mid- 2021 and rose progressively in the course of 2021, averaging to 0.6%. The rapid increase in energy prices combined with the increased demand for goods and services, following the easing of restrictive measures, as well as the supply chain disruptions which increased transportation and production costs, have fueled over the past months strong inflationary pressures globally.

In the first three months of 2022, headline inflation in Greece accelerated further, reaching 8.0% in March 2022, from 6.3% in February 2022. *Graph 4* depicts the evolution of HICP inflation in Greece along with its decomposition into three main components, namely energy, food (processed and unprocessed) and other items (including non-energy industrial goods and services). Energy inflation contributed more than half to overall inflation in February, followed by food prices. Industrial products (excluding energy) and services also made a positive contribution. Despite the continued increase in the general price level, HICP inflation in Greece remained below that of the euro area throughout the previous year. However, this course was reversed at the start of the year, as HICP inflation in Greece exceeded headline euro area HICP inflation (Feb. 2022: 5.9%; Mar. 2022: 7.5 %).

One of the most important risks facing the Greek economy in 2022 is related to the impact of inflation on consumer spending and investment planning. The key factors expected to determine the path of domestic inflation are:

i) the dynamics and duration of the energy price developments, and

ii) the formation of expectations of economic agents and the critical role of price and wage setters' attitude; the way in which both consumers and entrepreneurs expect prices to evolve in the future affects the way in which they spend, borrow and invest their money today.

The fluctuations in the general price level have largely been in line with the corresponding price expectations (expressed as balances of answers) compiled within the Joint Harmonised EU Programme of Business and Consumer Surveys and provided by the European Commission (*Graph 5*). In particular, from the second half of 2019 up until July 2021, consumer price expectations for the next 12 months were in negative territory. However, they turned positive from August and reached their annual highest level in October (46.6 points), due to the increase in oil and gas prices over this period. Rising consumer expectations reflected a gradual escalation of inflationary pressures in the coming months. In 2022, consumer expectations continued their upward path, reaching 47.3 points in March from 32.7 points in February.

A similar picture is also observed regarding price expectations for the coming months for all surveyed business sectors. As can be seen in *Graph 5*, as early as the second quarter of 2021, expectations for the evolution of sales prices per sector began to increase, with expectations in industry and retail moving at a positive level as early as March 2021, continuing to the present. Lastly, price expectations over the next three months in the services sector are also increasing, from September 2021 onwards, for six consecutive months.

GRAPH 5

Inflationary expectations remain elevated

Source: European Commission

Public finances and debt sustainability: the way back to normality or new obstacles ahead?

During the last two years, the Greek government provided an unprecedented fiscal stimulus in an effort to mitigate the recessionary impact of pandemic-related containment measures, taking advantage of the flexibility on fiscal rules in Europe and the historically low debt servicing cost of state borrowing. As a result, the primary deficit stood at the tune of 7% for these two consecutive years. According to the 2022 Budget, the primary deficit, in enhanced surveillance terms, reached -7.9% of GDP in 2020. It is expected to reach -7.3% of GDP in 2021 and shrink further to -1.4% of GDP in 2022.

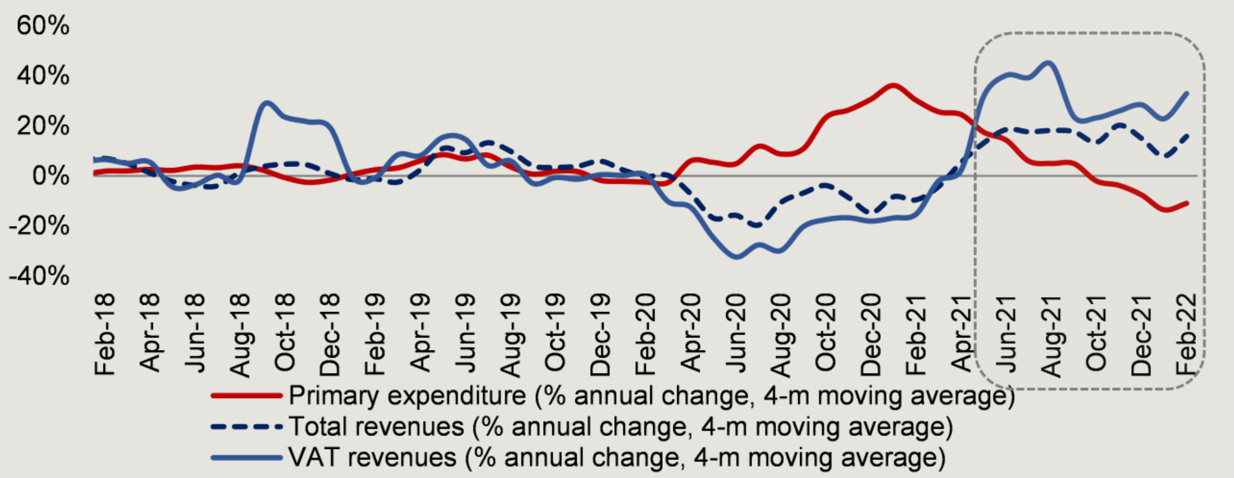
In 2020-2021, the Greek government adopted Covid-19 related fiscal policy interventions to address the negative consequences of the pandemic, amounting to EUR 40 bn. Most of these interventions took place in 2020 (EUR 23.1 bn), while, in 2021, several interventions recanted due to the gradual easing of containment measures and the recovery of economic activity (EUR 16.9 bn). According to the 2022 Budget, Covid-19 related policy interventions of EUR 3.3 bn are expected to be released for 2022. From 2023 onwards, primary balances are expected to return to surpluses; the achievement of fiscal discipline is expected to be the main catalyst for alleviating heightened fiscal risks.

Primary surpluses, in tandem with the strong economic recovery and the favorable Greek debt profile, are expected to contribute to public debt sustainability in the medium term and the achievement of the investment grade through the upgrade of the Greek creditworthiness from the credit rating agencies within the following two years. In January 2022, Fitch upgraded the outlook for the Greek sovereign to positive, reflecting their expectations of a strong rebound of economic activity and a narrowing fiscal deficit, supporting a faster-than-expected fall in public debt-to-GDP ratio amid rising - but still low - borrowing costs. Public debt (as % of GDP) increased sharply in 2020, exceeding 200% (206.3%), from 180.7% in 2019, mainly due to deep recession as well as the large fiscal deficit of the general government. Public debt-to-GDP is expected to decrease below 200% (197.1% according to Budget 2022) in 2021, supported by the strong recovery of economic activity, and remain on a declining path in 2022 (189.6% according to Budget 2022), underpinned by the further output expansion and the return to fiscal discipline.

The main challenges ahead for public finances as the pandemic recedes and the energy crisis evolves are: (i) the gradual increase of the tax revenues, underpinned by the consumption rebound and the government support to households' disposable income as well as the employment gains recorded within 2021, (ii) the reduction of Covid-19 related government expenses aiming to support households and enterprises, as a result of the gradual ease of the containment measures that weighed on the domestic economic activity, (iii) the rise in government expenditure to underpin households' disposable income against the energy crisis, without derailing public finances, and (iv) the low interest payments (as a percentage of GDP) of the Greek public debt, which are comparable to other European economies with lower levels of public debt.

GRAPH 6

Primary expenditure, total revenues and VAT revenues of the General Government



Sources: Ministry of Finance

The rapid spread of the pandemic and the associated containment measures put pressure on the government budget, reflected in the resurgence of primary budget deficits, through a simultaneous increase in primary expenditure and reduction of tax revenues. However, as depicted in *Graph 6*, from April 2021 onwards, government tax revenues gradually increased on an annual basis (4-month moving average). More specifically, VAT revenues increased faster compared to the total tax revenues in the same period, exceeding the corresponding VAT revenues of 2019. Primary expenditures continued to increase during April-September 2021, albeit at a declining rate, while they decreased on an annual basis in October 2021 – February 2022.

However, the recent elevated geopolitical uncertainty, stemming from the Russian invasion of Ukraine, and the subsequent further upsurge in oil and gas prices, as well as food and industrial metals prices, mobilize the Greek government to seek additional resources in order to support households and enterprises. Recently, in addition to the Covid 19-related policy interventions for 2022, the Greek government has already announced supplementary measures, (see also *Box 1)*, aiming to alleviate the heightened energy cost and support households' purchasing power, which are expected to weigh on 2022 budget balance.

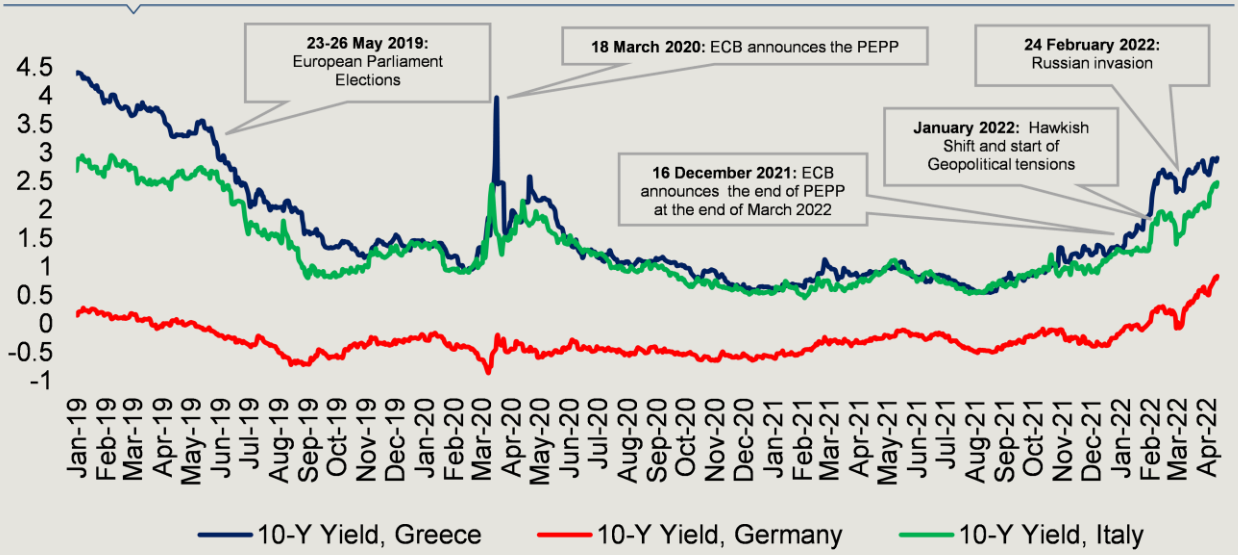
However, despite the fact that the fiscal space has already been almost exhausted, the extension of fiscal flexibility (allowing the widening of primary deficits for 2022) and/or the coverage of the electricity subsidies from European Union funds could mitigate the negative consequences on public finances. In this direction, EU officials have already mentioned that there could be an extension of the general escape clause for one more year (2023) given the impact of the Russian-Ukraine war, allowing for some form of flexibility in fiscal rules for the next two years, while, a gradual fiscal adjustment, combined with investment and structural reforms, is advisable in order to safeguard debt sustainability.

A positive note is the current curbing of the dynamics of government bond yields, as it is expected a delay in the monetary policy tightening from ECB. As depicted in *Graph 7*, since the outbreak of the pandemic, the expansionary monetary policy pursued by the central banks, through the reduction of interest rates and the implementation of quantitative easing programmes, has depressed government bond yields, creating favourable financing conditions. As shown in *Graph 7* in Greece, as well as in Italy and Germany, there has lately been a parallel increase in the respective 10-year government bond yields.

However, after the eruption of the Russia-Ukraine war, bond yields started escalating again since March, with the Greek 10-year government bond yield standing at 2.85% on 12/4/2022 (with the respective Italian and German bond yields reaching 2.41% and 0.79%).

GRAPH 7

The evolution of Government bond yields: Key Events and Risks



Source: Bloomberg

Demand-side GDP contributions and labor market conditions in 2021

The recovery of economic activity in 2021 was broad-based, with all demand-side components, except for inventories, contributing positively to economic rebound (*Graph 8*). Private consumption rose by 7.8% in 2021, making it the largest contribution to the overall GDP growth (5.5 pps), driven by (i) the sharp increase in accumulated savings, with private sector deposits inflows to the Greek banking system reaching EUR 16.2 bn in 2021 and (ii) the significant gains in employment, which supported households' disposable income. Public consumption rose by 3.7%, on the back of the fiscal support provided by the Greek government, contributing 0.8 pps. Gross fixed capital formation remained on an upward trajectory, increasing by 19.6%, contributing to real GDP growth by 2.3 pps. Inventories (incl. statistical differences) declined, subtracting -1.1 pps from real GDP growth.

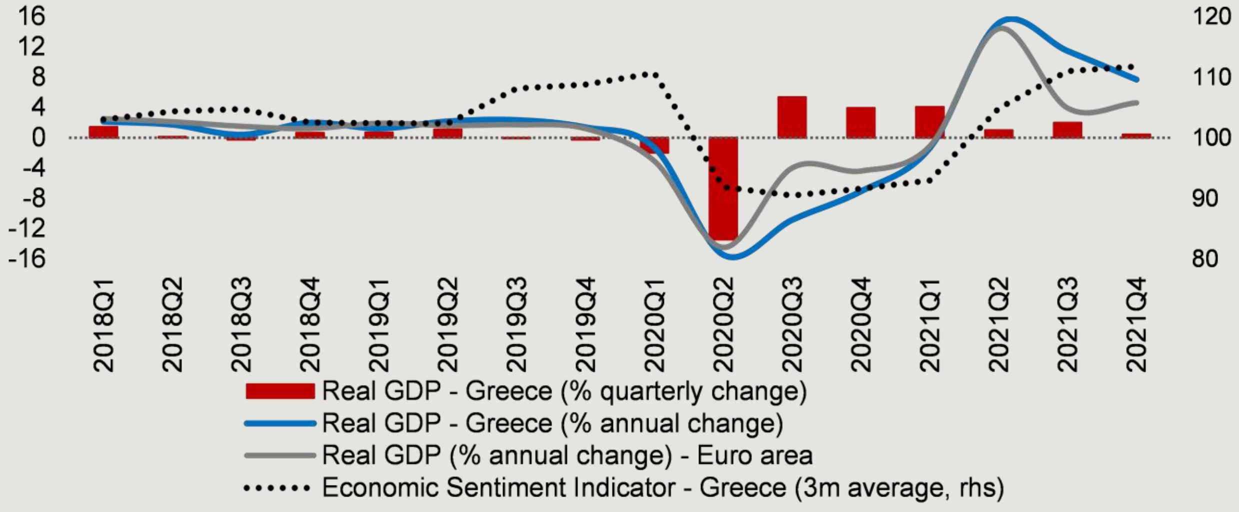
Net exports contributed 0.9 pps to real GDP growth in 2021, as the growth rate of exports outpaced imports' growth. Exports of goods and services increased significantly, by 21.9%, with exports of goods increasing by 9.7%, while the exports of services increased by 38.1%, mainly driven by the better-than-expected performance of tourism. Tourism in Greece re-entered a recovery phase since the summer of 2021. Specifically, according to preliminary data by the Bank of Greece, in 2021, the balance of travel services showed a surplus of EUR 9.5 bn vs. a surplus of EUR 3.5 bn in 2020 and EUR 15.4 bn in 2019. The number of inbound travellers almost doubled in 2021 compared to 2020, reaching about half the 2019 record high levels. In a similar vein, travel receipts reached EUR 10.7 bn, posting a 146.7% annual increase, capturing 59% of the 2019 level. Looking forward, a firmer rebound of tourism is expected in the current year with tourist arrivals and revenues approaching the 2019 record highs. Imports of goods and services increased by 16.1%, with imports of services leading the way, rising by 23.4%, while imports of goods rose by 13.7%.

Gross fixed capital formation increased significantly by 19.6%, after three years of successive declines (2018: -4.3%; 2019: -3.3%; 2020: -0.3%). This development was mainly driven by the large annual increase in investment in machinery and technological equipment (34.5% y-o-y), which posted the highest contribution by 12.4 pps to investment growth, while transport equipment increased by 31.9%, contributing positively by 2.4 pps. Residential investment remained on an upward trend for the fourth consecutive year, rising by 26.5%, contributing 2.5 pps, while non-residential construction investment also rose by 4.8% delivering a contribution of 1.3 pps. The positive dynamics of residential investment during 2021 synchronized with booming residential real estate prices (2020: 4.5%; 2021: 7.1%), while in the January-November 2021 period, private building activity, in terms of volume, rose by 50% on an annual basis.

In Q4 2021, real GDP (in seasonally adjusted terms) expanded by 7.7% y-o-y, while, on a quarterly read, continued to recover by 0.4% for the sixth consecutive quarter (*Graph 8*). The Q2 2021 and Q3 2021 annual readings were revised downwards compared to the previous quarter's release (Q2 2021 to 15.1% y-o-y from 16.6% y-o-y and Q3 2021 to 11.4% y-o-y from 13.4% y-o-y), while, the Q1 2021 GDP growth has been

GRAPH 8

Real GDP expanded by 7.7% y-o-y in Q4 2021, while, on a quarterly read, continued to recover by 0.4%



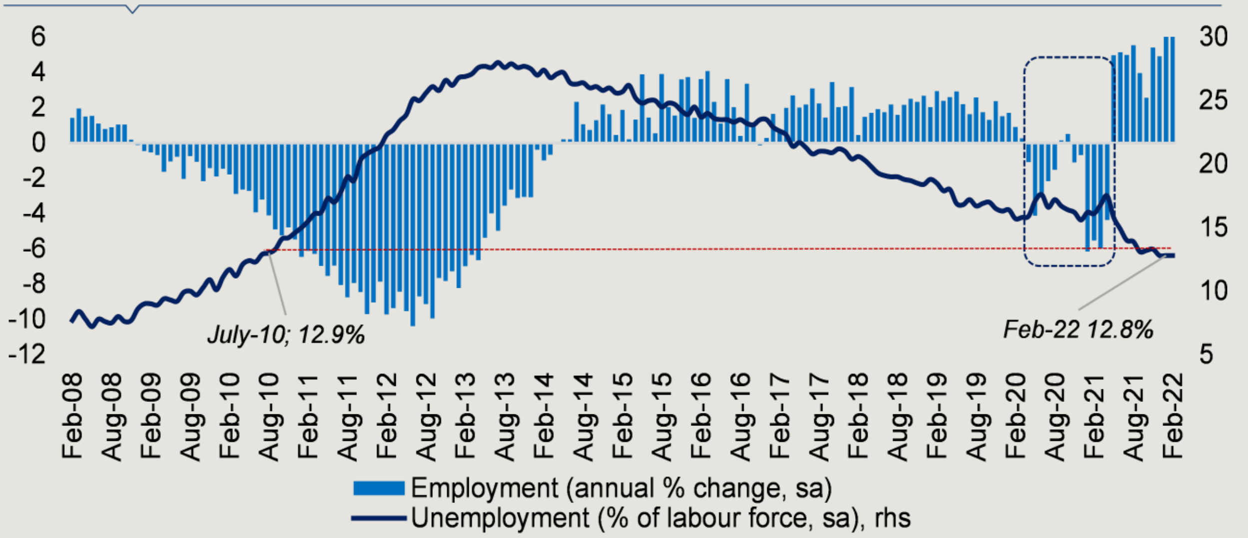
Sources: ELSTAT, Eurostat European Commisison revised upwards (to -1.4% y-o-y from -1.9% y-o-y). The better-than-expected GDP performance in Q4 2021, combined with the downward revision of the annual growth rates of the previous two quarters, led to a strong carry-over effect in 2022, estimated at 1.6%. Despite the rise in inflationary pressures already evident since last fall, the beginning of the current year was marked by improved business confidence; the Economic Sentiment Indicator (ESI) skyrocketed to 114.1, on average, in the first two months of 2022, reaching its highest value since October 2000, and decelerating marginally to 113.2 in March 2022. In a similar vein, survey data from the IHS Markit signaled a solid but slower improvement in the Greek manufacturing sector. Headline PMI remained above the threshold of 50, standing at 54.6 in March, down from 57.8 in February.

Labor market conditions continued to improve in 2021; the unemployment rate fell to 14.8% in 2021, almost 2 pps below the 2020 levels (16.4%), supported by significant employment gains (*Graph 9*). From April 2021 onwards, the drop in the unemployment rate is steeper compared to the reduction of unemployment before the outbreak of the pandemic, mainly due to the strong employment growth rates on an annual basis recorded during this period.

The unemployment rate in February 2022 stood at 12.8%, 3.3 pps below February 2021 (16.1%), supported by significant employment gains. In particular, employment increased on an annual basis for the tenth consecutive month (12.4% y-o-y in February) at a faster pace than the employment growth recorded during 2016-2019. The improvement in labour market conditions recorded within the second half of 2021 paves the way for a further rise in minimum wage within 2022. In effect from January 1st 2022, the minimum wage increased by 2% (from EUR 650 to EUR 663 per month) while, as announced by the government, a further rise is expected within the second quarter 2022.

GRAPH 9

Unemployment rate on a declining trajectory, returning to 2010 levels, supported by employment gains



Sources: ELSTAT

Annual data	2017	2018	2019	2020	2021	Annual % Changes
GDP at constant prices 2015 (annual % change)	1.1	1.7	1.8	-9.0	8.3	
Private Consumption	2.5	1.7	1.8	-7.9	7.8	
Public Consumption	-1.1	-3.5	1.7	2.6	3.7	
Gross Fixed Capital Formation	8.5	-4.3	-3.3	-0.3	19.6	
Exports of Goods and Services	8.5	9.1	4.9	-21.5	21.9	
Imports of Goods and Services	7.4	8.1	3.1	-7.6	16.1	
National CPI, (annual % change, period average)	1.1	0.6	0.3	-1.2	1.2	
Unemployment Rate (%, period average)	21.5	19.3	17.3	16.4	14.8	
G.G. Primary Balance (% of GDP) *	3.8	4.4	4.0	-7.1		
G.G. Gross Debt (% of GDP)	179.5	186.4	180.7	206.3		
Current Account Balance (% of GDP)	-1.9	-2.9	-1.5	-6.6	-5.9	

Business Environment	2021	2021			Latest available data	Quarterly data (annual % changes)
		Q2	Q3	Q4		
Economic Activity (annual % change)						
Volume Index in Retail Trade (excl. automotive fuel)	10.5	20.9	8.8	12.4	5,4 (Jan. 22)	
New Passenger Car Registrations	22.2	93.9	4.4	19.7	15,5 (Jan.-Feb. 22)	
Private Building Activity (volume in '000 m3)	45.9	83.9	35.4	46.6	45,9 (Jan.-Δεκ. 21)	
Manufacturing Production Index	8.8	14.6	8.0	9.9	5,2 (Jan.-Feb. 22)	
Confidence indicators						
Purchasing Managers' Index (PMI)	56.2	57.0	58.4	58.9	54,6 (Mar. 22)	
Economic Sentiment Indicator (ESI)	105.1	104.8	111.0	111.7	113,2 (Mar. 22)	
Index of Bus. Expect. in Industry	106.3	105.0	111.3	110.7	117,1 (Mar. 22)	
Index of Consumer Confidence	-37.2	-27.5	-35.4	-42.9	-46,6 (Mar. 22)	
Credit Growth (% annual change, period end)						
Private Sector	1.4	2.3	0.8	1.4	1,4 (Feb. 22)	
Non-financial corporations	3.7	6.2	2.8	3.7	2,9 (Feb. 22)	
Individuals	-2.4	-2.5	-2.6	-2.4	-2,3 (Feb. 22)	
- Consumer Loans	-0.3	-1.7	-1.8	-0.3	0,0 (Feb. 22)	
- Housing Loans	-3.0	-2.8	-2.9	-3.0	-3,0 (Feb. 22)	
Prices and Labour Market						
National CPI, (annual % change, period average)	1.2	0.3	1.8	4.4	8,9 (Mar. 22)	
Index of Apartment Prices (annual % change) **	7.1	6.5	8.3	9.1	9,1 (Q4 21)	
Unemployment Rate (%, period average, sa)	14.8	16.0	13.7	13.1	12,8 (Jan. 22)	
GDP at constant prices 2015 (annual % change) ***	8.3	15.1	11.4	7.7	7,7 (Q4 21)	
Private Consumption	7.8	14.6	10.8	9.7	9,7 (Q4 21)	
Public Consumption	3.7	5.9	5.6	-0.8	-0,8 (Q4 21)	
Gross Fixed Capital Formation	19.6	19.3	19.3	24.1	24,1 (Q4 21)	
Exports of Goods and Services	21.9	25.9	49.4	24.1	24,1 (Q4 21)	
Imports of Goods and Services	16.1	20.9	19.4	33.2	33,2 (Q4 21)	

Sources: Bank of Greece, ELSTAT, IOBE, IHS Markit

* Primary balance defined here as General Government balance (according to ESA 2010) minus interest expenditure of General Government entities to other sectors. The effect of support to financial institutions is excluded in this measure of the primary balance. The measure of the primary balance presented here differs from the definition of primary balance used under the Enhanced Surveillance Framework for Greece.

** Provisional historical figures for residential real estate prices since Q1 2021.

*** Provisional historical figures for real GDP since 2019.

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