

Economy Report | 2020

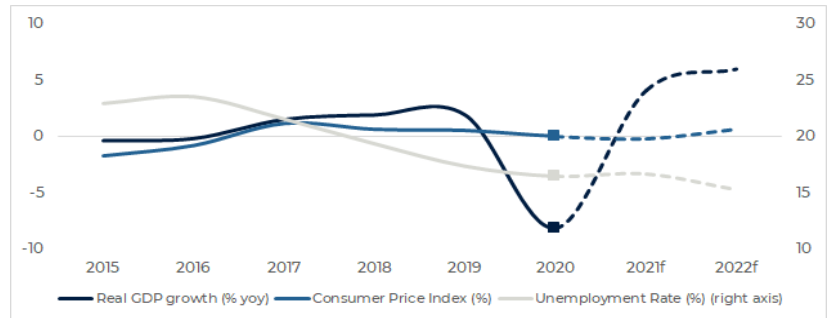


Main Economic Indicators

2020 was expected to be the year of considerable growth for the Greek economy but the spread of Covid-19 and the lockdown measures in Greece, hit hard the economy, which recorded a decrease of 8,2%.

	2015	2016	2017	2018	2019	2020
Real GDP growth (% yoy)	-0,4	-0,2	1,5	1,9	1,9	-8,2
Unemployment Rate (%)	22,9	23,5	21,5	19,3	17,3	16,4
Consumer Price Index (%)	-1,7	-0,8	1,1	0,6	0,5	-1,3
Total Consumption (% yoy)	-1,6	-1	1,3	0,9	1,9	-4,4
Household and NPISH Consumption (% yoy)	1,5	-4,2	1,4	1,5	1,4	-6,4
Fixed capital (b €)	18,9	19,4	21	19,6	18,7	18,6

Rating Agency	Fitch	Moody's	S&P
Date	Jan 2021	Nov 2020	April 2021
Rating	BB	Ba3	BB
Outlook	Stable	Stable	Positive



Economic News

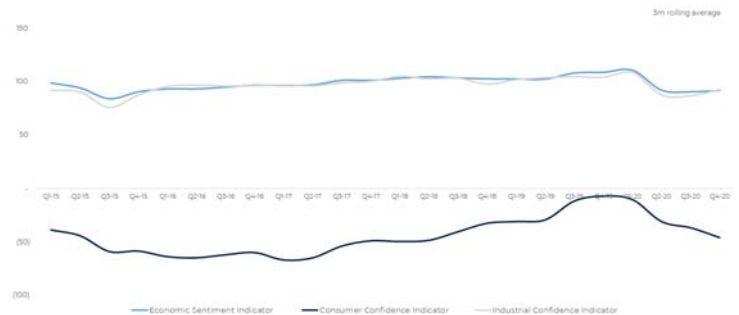
While the Greek economy was entering a modest recovery from its 'great depression' of 2008-2016, it entered into another deep economic recession in 2020 due to the Covid-19 pandemic shock. The effective control of the first wave of Covid-19 by the Greek government allowed the end of the lockdown in May 2020 and the partial reopening of Greek borders to international visitors from June 2020, but as most countries globally, Greece did not avoid a second lockdown from November 2020 till recently.

The hit was harder than the rest of the Euro zone, due to the country's heavy dependency on tourism and international trade, assisted only by the Greek Government Support Funds. At the end GDP loss was contained at 8,2% (from an initial estimate w/o the support funds of ~18%).

It is estimated that GDP will rebound gradually in 2021 (c. 4% growth) and projected to accelerate in 2022 (6% growth), once the Coronavirus pandemic is better controlled, restrictions being eased globally, and the government implements its plan for attracting new investments and pass its legislative agenda.

Sentiment/Confidence Indicators

End of period	2017	2018	2019	2020
Economic Sentiment Indicator	102,5	102,7	110,4	91,5
Consumer Confidence Indicator	-48	-31	-6,2	-44,7
Industrial Confidence Indicator	103	96,4	104,2	93,3
Construction Confidence Indicator	44,4	48,6	90	67,2
Retail Trade Confidence Indicator	95,9	112,2	117	78,4
Service Sector Confidence Indicator	90,6	89,7	107,9	65

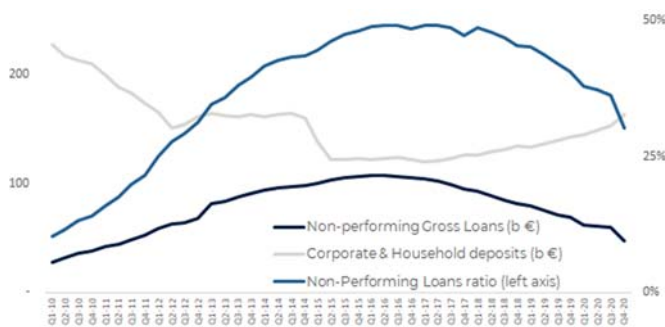


Financial Markets

	2017	2018	2019	2020
Athens Stock Exchange (ASE)	802,4	613,3	916,7	808,99
Market Cap ASE (b €)	43,6	35,2	50,4	44,98
Greek 10year Bond Yield (%)	4,44	4,28	1,42	0,63
Non-Performing Loans (b €)	94,4	81,8	68,5	47,4
Non-Performing Loans Ratio (%)	47,2	45,4	40,6	30,2
Corporate and Household deposits (b €)	126,3	134,5	143,1	163,2
€/ \$ exchange rate	1,1993	1,145	1,1234	1,2271
€/ £ exchange rate	0,8872	0,8945	0,8508	0,89903

The Athens Stock Exchange moved downward in 2020 recording a 12% drop mainly due to heavy losses in the first quarter of the year (1st wave of pandemic). On the other hand, the Greek 10y bond yield continued its downward trend to a historical low of 0,63%, confirming the trust to Greek Economy.

Systemic banks have the highest percentage of NPL in Europe, but also among the highest CET 1 ratios in the EU (12%-14%) and with a declining reliance on external liquidity. 2021 NPL sales target will bring the system in line with EU averages.



External Sector

	2015	2016	2017	2018	2019	2020
Net Foreign Direct Investment (m €)	1.143 ↓43,5%	2.498 ↑118,6%	3.084,8 ↑23,5%	3.364,5 ↑9,1%	4.483,6 ↑33,3%	3.127,3 ↓30,3%
External Debt Position (b €)	441,5 ↑4%	430,8 ↓2,4%	405,3 ↓6%	416,6 ↑2,8%	448,5 ↑7,7%	496,2 ↑10,6%
Balance of Imports and Goods (b €)	-17,67 ↓14,4%	-18 ↓1,7%	-19,8 ↓10,4%	-22,5 ↓13,4%	-22,8 ↓1,5%	-18,5 ↓18,9%
Exports of Goods (b €)	24,8 ↓7,5%	24,6 ↓0,7%	28 ↑13,9%	32,4 ↑15,5%	32,4 ↑0,2%	28,9 ↓10,9%
Balance of Travel Services (m €)	12,1 ↑6,8%	11,2 ↓7,3%	12,7 ↑13,6%	13,9 ↑9,2%	15,4 ↑11,1%	3,5 ↓77,2%
Travel Receipts (b €)	14,1 ↑5,5%	13,2 ↓6,5%	14,6 ↑10,8%	16,1 ↑10%	18,2 ↑13%	4,3 ↓76,3%

Sources: Elstat, Eurostat, Bank of Greece, The Foundation for Economic & Industrial Research, Halex and HCMC

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