GREECE

ECONOMIC & FINANCIAL OUTLOOK

OCTOBER 2019

ECONOMIC RESEARCH DIVISION

The nexus between Growth dynamics, Business sentiment and Tax cuts

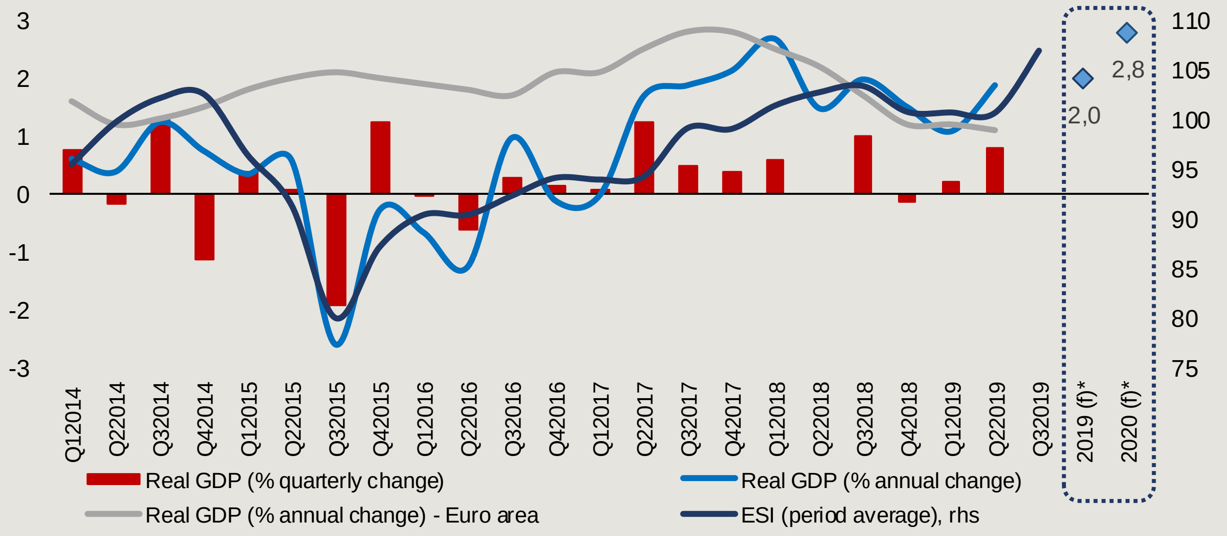
The Greek economy is undergoing a period marked by improving investor sentiment and expectations momentum amid a less favorable international economic environment that has been damped by uncertainty around Brexit, rising trade tensions and the slowdown in growth in the euro area that is primarily attributable to the decline in manufacturing in Germany. The remarkable improvement in business and consumer confidence, off the back of renewed political stability and the expected shift to a more pro-growth policy mix, combined with the uptick in market sentiment towards the Greek economy, as reflected in the marked decline of GGB spreads and the full lift of capital controls, raises the prospects for an acceleration of domestic economic activity in the coming quarters through the establishment of a business-friendly environment and an expected rebound in investment.

The gradual recovery of Greek economic activity from 2017 onwards continued in the first half of 2019, with real GDP growing by 1.5% on an annual basis (1.1% y-o-y in Q1 and 1.9% y-o-y in Q2, respectively). Real GDP growth in H1 2019 was supported by an increase in public consumption (1.9% y-o-y), off the back of pre-election handouts and inventory accumulation, while private consumption (-0.1% y-o-y) and investment broadly stagnated. The contribution of net exports was negative as a result of the slowdown in growth in the euro area and this has been a contributing factor to the deceleration of Greek export growth. On a quarterly read, in Q2 2019 the economy grew by 0.8% vs. the previous quarter (seasonally adjusted data), mainly due to higher public consumption (+4.3% q-o-q).

The latest baseline forecast for real GDP by the European Commission (Summer 2019) envisages a growth rate of 2.1% in 2019 which is expected to pick-up to 2.2% in 2020. According to the recent projections by the Ministry of Finance, as included in the Draft 2020 State Budget (October 2019), domestic economic activity is expected to pick up speed in 2020; real GDP growth is estimated to reach 2% in 2019 and accelerate to 2.8% in 2020 (*Graph 1*).

GRAPH 1

Economic Recovery Going Forward



Source: ELSTAT, Ministry of Finance

Note: * Ministry of Finance, Draft 2020 State Budget (October 2019). The forecasts for 2020 incorporate the positive macroeconomic impact of planned fiscal measures.

In spite of the downside risks related to the conflux of international headwinds, the strong positive readings of several survey-based leading indicators over the past months raise and support the depth and breadth of real GDP growth going forward. In particular:

- The Economic Sentiment Indicator (ESI) recovered to pre-crisis levels, reaching 107.2 units in September 2019 and outperforming the EA-peer indicator for the 3rd consecutive month.
- Business confidence in all sectors of the economy, except for the construction sector, have recovered close to their maximum levels reached in the past two decades (*Graph 2*). The expected shift of fiscal policy towards a growth-friendly policy mix, *via* the reduction in corporate tax rates and taxation in dividends, bolsters business confidence.
- Consumer confidence has recorded in September 2019 (-6.8) its best performance since October 2000. Although consumer confidence is observed to typically improve in almost every electoral cycle, this time it exhibits a higher-than-usual persistence. This development is mainly underpinned by the minimum wage hike and the rise in employment, while the recent reductions in the VAT rates in food services and energy and in the unified property tax (ENFIA) are expected to further support consumers' purchasing power.
- The Greek Manufacturing Purchasing Managers' Index (PMI) stood at 53.6 in September 2019, marginally declining from 54.9 in August, but remaining firmly above the threshold of 50 for 28 months in a row.

Additionally, business sentiment and consumer confidence are supported not only by the enhanced political stability but also by the promising expectations of the pro-growth policy agenda of the newly elected government. The key priorities of this agenda include a broad reduction in tax rates, an acceleration of the privatization program and other investment projects and a commitment to tackle bureaucracy and digitalize the State. In addition to the unified property (ENFIA) tax rate cut by 22%, on average, already legislated in 2019, the 2020 Draft State Budget foresees a series of fiscal measures, including *inter alia* a reduction of (i) the corporate tax rate, from 28% to 24%, (ii) the taxation of dividends, from 10% to 5%, (iii) the personal income tax rate for incomes under Euro 10,000 annually, from 22% to 9%, and (iv) the social security contributions for full-time employees. In addition, the 2020 Draft Budget includes the suspension of VAT in building activity and of the goodwill tax on real estate transactions for 3 years. The aim is to improve the business climate and attract private investment to sustain the economic recovery and boost medium-term GDP growth potential. A prerequisite for achieving high growth rates is the upgrade of Greece to an investment-grade rating within the next year.

Compressing sovereign risk on the back of high expectations

The improvement in business and consumer confidence is combined with the notable compression of

GRAPH 2

Business and consumer confidence recover to multiyear highs

Source: IOBE

Note: The bars show the maximum and minimum levels since January 2000; the dots represent the latest figures (September 2019).

sovereign risk, as depicted in *Graph 3*. Since the beginning of the year, the 10-year Greek government bond yield remained on a declining trend, converging toward the respective Italian and Portuguese bond yields. This continuous drop in Greek government bond yields, which reflects, in essence, a fall in sovereign risk, may be attributed to a series of factors which stem from the external and domestic environment and are conjunctural or structural in nature.

The external factors related to the international conjuncture, involve, amongst others, the widespread perception of an accommodative monetary policy stance and the likely relaunch of the QE program in a low interest rate environment.

However, the drop of the 10-year Greek government bond yield is faster compared to other periphery sovereigns in the euro area, while the German and French government bond yields are in negative territory (*Graph 3*). The underlying structural factors that contribute to this faster decline can be summarized as follows:

- On the supply side, only 17% of the Greek government debt is held by private bondholders, resulting in a relatively low volume of bonds traded in the secondary market.
- On the demand side, the amount of bonds globally with negative yields stood at around $15 trillion, making Greek bonds, even at a record-low yields, comparably more attractive.
- On the liquidity front, according to the 3rd Enhanced Surveillance Report, reserves are estimated at Euro 33.7 billion at the end of March (including the cash reserves of General Government entities). Thus, state liquidity is able to cover financing needs for more than 2 years.
- More than 93% of the debt stock is at fixed interest rates which implies low sensitivity to interest rate shocks, while the average maturity of Greek debt is almost 21 years, amongst the longest in the world.
- On the debt sustainability front, the combination of low financing needs and a projected debt-decreasing snowball effect, on average, over the 2019-2020 period, enhances debt sustainability prospects in the medium term (*Graph 4*).

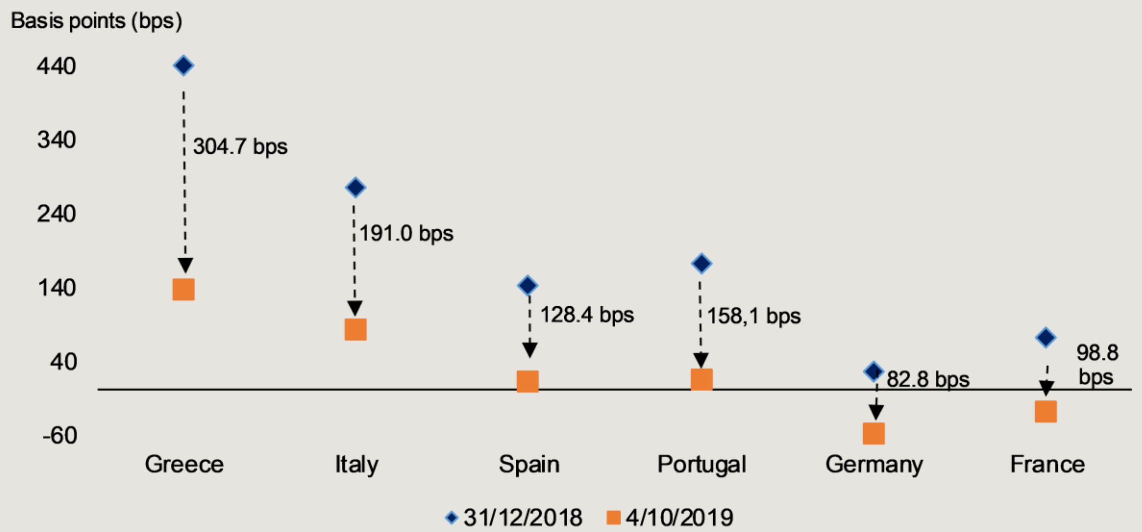
The implementation of a pro-growth fiscal policy mix, through tax rates cuts, the rationalization of public expenditure, the continuation of structural reforms and privatizations, in parallel with the low debt-servicing cost, might pave the way for a potential re-negotiation of primary surplus targets in agreement with creditors at levels which, on the one hand, will not jeopardize the sustainability of public debt and, on the other hand, will allow a more expansionary fiscal policy mix.

Employment gains while Productivity stalls

The domestic labour market conditions continue to improve; the unemployment rate remains on a declining trend falling to 16.9% (seasonally adjusted) in July 2019, down by 2.2 pps. one year earlier and almost 11 pps. from its historical peak in mid-2013, while the broadening recovery of the economic activity in 2018 and H12019 is reflected in the pace of job creation. According to ELSTAT figures, employment increased by 2%

GRAPH 3

Ten-year Government Bond Yields in Selected Countries



Source: Bloomberg

on average in 2018 and continued to rise by 2.5% on an annual basis in Q2 2019. By decomposing economic growth into employment growth and labour productivity (i.e. real output per number of persons employed) growth, it becomes evident that the latter remained in negative territory during 2008–2016 but turned marginally positive in 2018.

In the first semester of 2019, labour productivity declined again since the slowdown of economic growth was more pronounced compared to the slowdown in employment growth. The weak contribution of labour productivity in the current recovery is related to the marked fall in investment during the long economic recession, diminishing the capital stock of the economy, as the depreciation rate exceeded fixed capital formation. As a result, labour input interacts in the production process with lower quality capital, as the latter has not been adequately renewed and has not fully incorporated the technological innovations of the last decade.

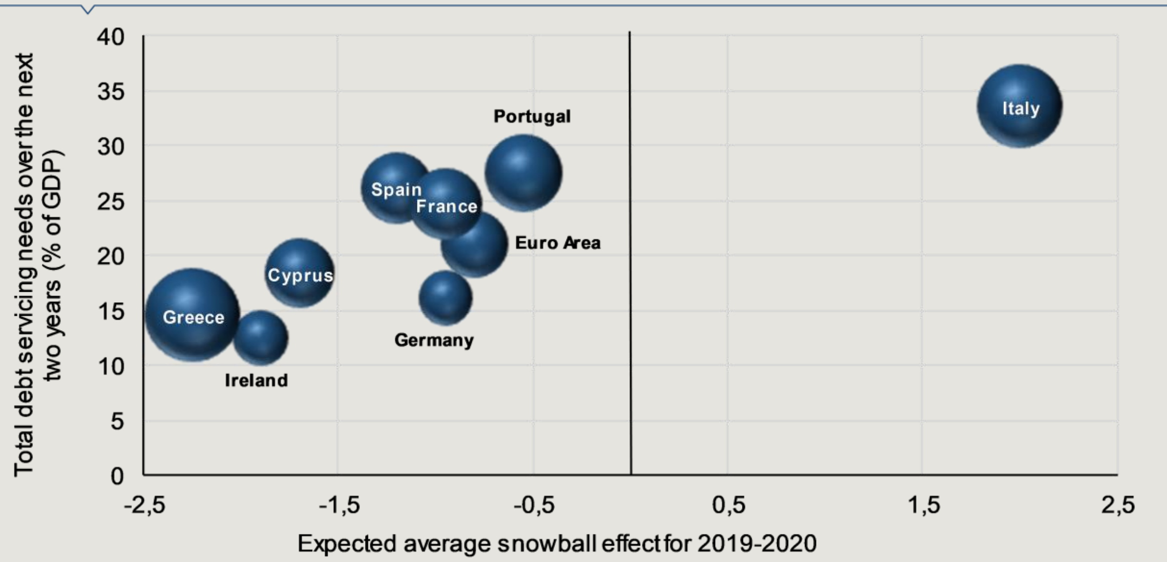
The sectoral breakdown of employment in Q2 2019 reveals that almost all sectors of the economy (except for agriculture, trade and construction) contributed to job creation (*Graph 5*). The broader public sector was the main contributor to employment growth, recording an annual increase of 46.1 thousand persons employed, followed by other services (+29.9 thousand) and tourism (+20.5 thousand). In the industry sector, the number of persons employed stood at 456.1 thousand in the second quarter of 2019, increasing on an annual basis by 20.9 thousand.

Employment in manufacturing, which accounts for 83.3% of employment in the industry (379.9 thousand), rose by 20.2 thousand. Employment in electricity and gas supply decreased by 1.8 thousand employees. On the other hand, employment in mining and quarrying and water supply increased by 1.1 and 1.4 thousand employees respectively.

The flourishing real estate market supports residential investment

According to the latest available provisional data by the Bank of Greece, the recovery dynamics in residential property prices accelerated further in Q2 2019, with nominal apartment prices rising by 7.7% y-o-y (2018: 1.7%) creating equity gains for the post-crisis investors and partly offsetting excessive losses incurred during the previous decade. The increase was broadly similar for new apartments, i.e. up to 5 years old (7.7% y-o-y) and old apartments, i.e. over 5 years old (7.6% y-o-y). A breakdown of the index by region (*Graph 6*) reveals that the rise in apartment prices was more pronounced in Athens (11.1% y-o-y) compared to the rest of Greece (Thessaloniki: 7.0% y-o-y; other cities: 4.1% y-o-y; other areas: 4.9% y-o-y). The rise in prime investment commercial property prices accelerated in 2018, as nominal retail and office prices rose by 4.3% and 7.0%, respectively (provisional figures).

GRAPH 4 Debt Servicing Needs and Snowball Effect



Source: AMECO Database (Spring 2019), ECB (May 2019), «Debt Securities Issuance and Service by EU Governments», Alpha Bank Economic Research Calculations

Note: The size of the bubbles represents the expected debt-to-GDP ratio in 2020. The snowball effect refers to the difference between sovereign funding costs and expected GDP.

The recovery dynamics in both commercial property sectors exhibited, however, great variation across regions in 2018; retail and office prices recorded stronger annual increases in Athens (by 7.4% and 9.0%, respectively) compared to Thessaloniki (0.3% and 5.4%, respectively) and the rest of Greece (0.8% and 5.1%, respectively). The construction sector registered its first year of recovery in 2018; this was reflected in the 17.8% increase in the Production Index of Building Construction and the revival in residential investment, which embarked on an upward trend for the first time in 2018, after almost a decade of consecutive declines, and broadly coincided with the recovery in house prices. The perception that a revival in residential investment is underway relies on the positive correlation between real estate prices and residential investment, showed by the slope of the regression line on the *Graph 7*.

In Q1 2019, the construction sector, along with tourism, had the largest positive contribution to the GVA growth (0.9 pps). In addition, over the past two years, private construction activity in terms of volume is trending upwards. The construction sector's prospects are set to strengthen further in the coming years as the economy is expected to retain its recovery dynamics. In parallel, the reduction in the unified property tax (ENFIA), already in effect from 2019, along with the acceleration of the investment implementation in Hellinikon and other planned large investment projects in Athens and Thessaloniki is expected to further boost construction activity.

It is also worth noting that the net capital inflows from abroad for property purchasing in Greece increased by 172.1% in 2018, reaching €1,128.2 million compared to €414.7 million in 2017, while, in the first semester of 2019, rose by 94.6% y-o-y, reaching €736.6 million from €378.5 million in the respective period of 2018. The recovery in the Greek housing market is expected to continue in the coming quarters, in line with the recovery of domestic economic activity. Additional factors which support the recovery in residential real estate prices relate to:

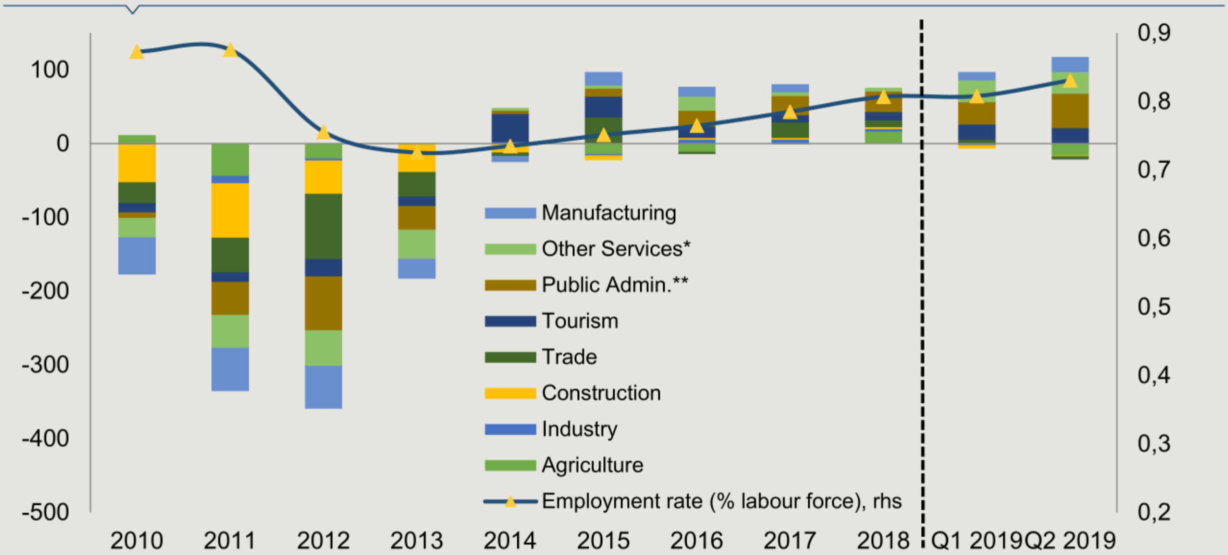
i. The rise in the short-term rental market *via* the expansion of home-sharing platforms in the center of Athens and other tourist destinations,
ii. The Golden Visa Program, in the context of which residence permits are granted to third country nationals who purchase real estate property exceeding € 250,000 and
iii. The recently legislated reduction in property tax by 22% on average and the announced suspension of VAT in building activity and capital gains tax on real estate transactions for three years.

Inflation Subdued: VAT cuts and energy prices

HICP inflation declined to 0.1% in August 2019, down from 0.4% in July, averaging 0.6% in the first eight months of the year. The subdued domestic inflation dynamics reflect:

GRAPH 5

Contribution to job creation by sector of economic activity (annual change in thousand)



Source: ELSTAT

Note: *Incl: Transport and Storage, Information and Communication, Financial and Insurance Activities, Real Estate Management, Professional Scientific and Technical Activities, Administrative and Support Activities, Household Activities as Employers, Activities of Extraterritorial Organizations and Bodies. **Incl: Public Administration, National Defense, Social Security, Education, Health, Arts.

First, the reversal of the upward trend of international oil prices in the first four months of the year, which have remained, on average, lower than the corresponding period of 2018. This development offsets the impact of the depreciation of the euro against the dollar. The euro-dollar exchange rate (€/$) recorded a gradual decline since the beginning of 2018, fueling inflationary pressures, as imported goods become relatively more expensive.

Second, the negative effect of food services and energy VAT cuts on prices during the last three months. In mid-May, the Greek government adopted a package of expansionary fiscal measures including, among others, the reduction in VAT rates for several food products, restaurants and food services, electricity and (natural) gas. HICP at constant tax rates, which measures inflation without the effect of changes in taxes on products, stood at 1.4% in August and 1.2% on average in the first eight months of 2018, above headline HICP inflation.

Third, the muted inflation pressures in the euro area, a development which reflects, *amongst others*, the slowdown in economic activity and in particular the decline in industrial production in several euro area countries.

Hard Data in a Nutshell

New Passenger Car Registrations: New passenger car registrations increased by 19.4% y-o-y in August 2019, from 44.2% y-o-y in August 2018. In the first eight months of 2019, new passenger car registrations increased by 12.5% on an annual basis, significantly lower than in the corresponding period of 2018 (31.7% y-o-y).

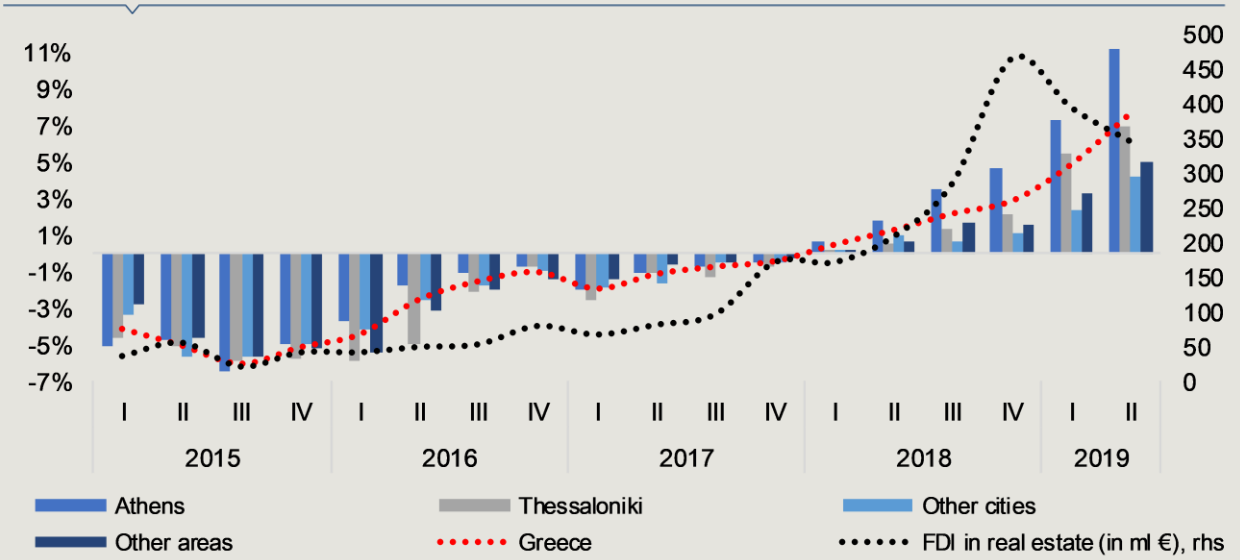
Retail Sales: In January-July 2019, the overall seasonally adjusted volume index in retail trade (provisional figures) declined by 1% on an annual basis against the 1.5% y-o-y increase recorded in the corresponding period of 2018. The overall volume index except automotive fuel declined by 1.5% y-o-y in the first seven months of 2018. Among the main categories of retail trade, the larger declines were registered in department stores (-15.2% y-o-y), pharmaceuticals (-5.4% y-o-y) and food-beverages-tobacco (-4.5% y-o-y), while supermarkets declined marginally by 0.3% y-o-y.

Industrial Production: Industrial production increased by 0.8% y-o-y in the first seven months of 2019 against a growth of 1.3% y-o-y in the corresponding period of 2018. The increase was mainly due to the rise in manufacturing (1.7% on an annual basis), the sector with the highest weighting coefficient in the formulation of the overall industrial production index (73%), while the remaining sectors i.e. mining and quarrying (-11.2% y-o-y), electricity (-1.1% y-o-y) and water supply (-0.1% y-o-y) declined in the first seven months of the year.

In manufacturing especially, 12 out of the 24 sub-sectors increased their production in January-July 2019,

GRAPH 6

Recovery accelerates in real estate market; FDI inflows for property purchase reached record-high levels in 2018



Source: Bank of Greece

while the relevant index in 20 of them was above 100 units (base year 2015 = 100). The most important sub-sectors of manufacturing which recorded a positive annual rate of change were computers (+28.7%), pharmaceuticals (+25.0%), chemicals (+6.9%), plastic products (+7.8%) and tobacco products (+38.6%). Sub-sectors such as petroleum products (-7.6%) and non-metallic minerals (-5.0%) declined during the same period.

Private Building Activity: Private building activity increased in H1 2019 by 1.3% y-o-y in terms of number of building permits, while it declined by 7.6% y-o-y and 6.9% y-o-y in terms of surface and volume respectively. In June 2019, the number of building permits increased compared to June 2018 (+5.4%), with an increase of 10.8% in terms of surface and 1.1% in private building volume (y-o-y). The business expectations index in private construction declined in September to 59.8 points from 76.0 points in July, slightly higher than a year ago (58.9 points).

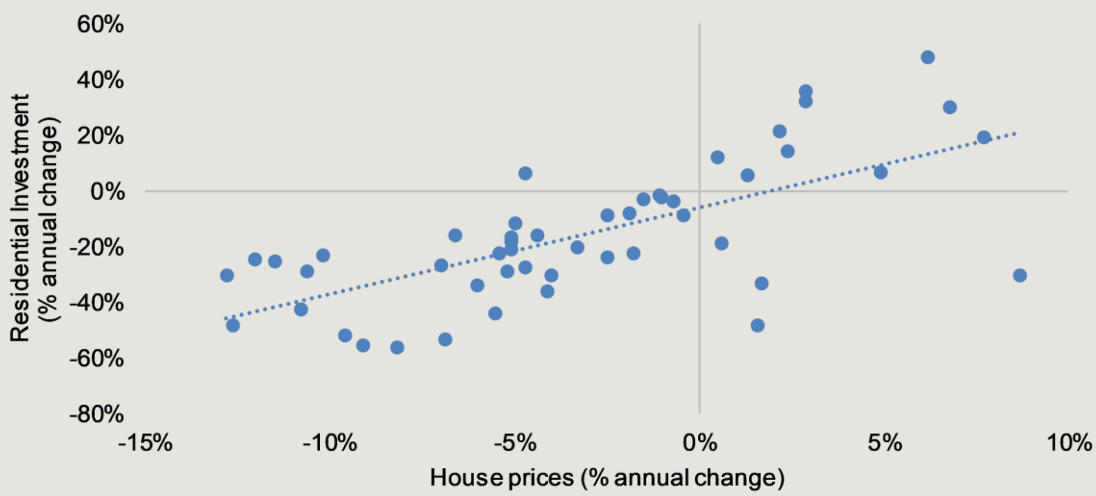
Travel Receipts and Tourist Arrivals: In the first seven months of 2019, travel receipts increased by 13.6% on an annual basis, driven by a rise in receipts from both EU-28 (12% y-o-y) and non-EU residents (17.9% y-o-y). During this period, tourist arrivals increased marginally by 0.6% y-o-y, resulting in a rise by 13.1% on an annual basis in the average expenditure per trip from €591.1 to €522.5 in the respective period of 2018. The geographical decomposition of tourist arrivals (excluding cruises) during this period reveals a decline in tourist arrivals from the EU-28 by 1.8% y-o-y, while tourist arrivals from non-EU countries posted a 6.1% y-o-y increase. A marked rise was recorded both in the number of inbound visitors and travel receipts from the United Kingdom, France and the US, while tourist arrivals and receipts from Germany and Russia declined. In spite of the resilience of Greek tourism in the first seven months of the year, the recent collapse of UK tour operator Thomas Cook is expected to moderately affect the Greek tourism sector. According to the recent report by the Research Institute for Tourism, losses by the hotel industry in 2019 are estimated at around €315 million. Although the effects of the above development cannot be easily quantified, the fact that it took place at the end of the peak season allows for adjustments to mitigate the negative impact in the coming year.

Banking System: Credit and Liquidity Conditions

The liquidity conditions in the domestic banking system have continued to improve in the first eight months of the year. Since March 2019, banks' reliance on the Emergency Liquidity Assistance (ELA) has been eliminated while funding from the Eurosystem remained on a declining trend, dropping to Euro 8.7 billion in July 2019 from Euro 9.5 billion in January 2019. The improvement in economic sentiment and the further strengthening of confidence, especially after the full lift of capital controls on September 1st, is also reflected in deposits' inflows in the domestic banking system. The outstanding amount of private sector deposits reached Euro 139.7 billion in August 2019, from Euro 134.5 billion in December 2018 and Euro 131.6 billion one year earlier.

GRAPH 7

Strong positive historical correlation between residential investment and house prices in Greece



Source: ELSTAT, Bank of Greece

The total non-performing loans (NPL) stock (solo basis, on balance) for the domestic banking system in June 2019 stood at Euro 75.4 billion, declining by €4.5 billion from March 2019 and by €31.8 billion from March 2016. As a result, the NPL ratio declined to 43.6% in June 2019, from 45.1% in the previous quarter. A decline in the NPL ratio is observed in June 2019 across all loan segments, albeit more pronounced in consumer loans (NPL ratio for business loans: 42.6%; NPL ratio for residential loans: 43.1%; NPL ratio for consumer loans: 52.0%).

The outstanding amount of credit to the private sector stood at €159.9 billion in August 2019, with the annual rate of change, adjusted for reclassifications, write-offs and exchange rate variations remaining relatively stable (August 2019: -0.1%). A breakdown of the total credit expansion to corporations, individuals and private non-profit institutions (adjusted for reclassifications, write-offs and exchange rate variations) reveals a positive annual credit growth to corporations (August 2019: 2.7%) and a negative credit expansion to households (August 2019:-2.8%), with housing loans, which currently account for 74.3% of domestic credit to individuals (incl. private non-profit institutions), standing at -3.2% in August 2019. Credit expansion to non-financial corporations remained in positive territory for the ninth consecutive month in August 2019 (+2.9%), boosting prospects for better liquidity conditions for the real economy in the coming months.

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Macroeconomic Environment	ANNUAL			QUARTERLY			
	2016	2017	2018	2018 III	2018 IV	2019 I	2019 II
AGGREGATE DEMAND							
GDP at current prices (€ billion), SA	176,5	180,2	184,7	46,3	46,3	46,5	46,8
(annual % change)	-0,4	2,1	2,5	2,5	2,2	1,8	2,2
GDP at constant prices 2010 (€ billion), SA	184,4	187,2	190,8	47,9	47,8	47,9	48,3
(annual % change)	-0,2	1,5	1,9	2,0	1,5	1,1	1,9
Components (annual % change, at constant prices)							
Private Consumption	0,0	0,9	1,1	1,1	1,0	0,5	-0,7
Public Consumption	-0,7	-0,4	-2,5	-4,5	-1,4	-1,4	5,3
Gross Fixed Capital Formation	4,7	9,1	-12,2	-22,9	-26,5	8,3	-5,8
Exports of Goods and Services	-1,8	6,8	8,7	6,9	10,2	4,3	5,4
Imports of Goods and Services	0,3	7,1	4,2	15,6	2,2	9,8	3,7
LABOUR MARKET (annual % change)							
Nominal Unit Labour Costs [1]	-1,0	1,1	1,1	1,2	0,9	2,1	1,6
REER Unit Labour Costs [2]	-1,2	1,3	1,6	1,7	0,2	-1,0	-0,6
Unemployment Rate (%)	23,5	21,5	19,3	18,9	18,6	18,4	17,3
Youth Unemployment (less than 25, as a percentage of active population)	47,3	43,6	39,9	37,7	39,6	39,5	33,0
Long-term Unemployment (>12 months, as a percentage of total unemployment)	72,0	72,8	70,3	71,8	69,3	64,9	70,8
Employment Growth (%)	1,9	2,2	2,0	1,9	2,5	2,5	2,5
PRICES (average annual % change)							
National CPI	-0,8	1,1	0,6	1,0	1,1	0,7	0,3
National core CPI [3]	-0,4	0,0	0,0	-0,1	0,3	0,3	0,3
HICP (Harmonised Index)	0,0	1,1	0,8	0,9	1,1	0,8	0,6
GDP Deflator, SA	-0,2	0,6	0,5	0,5	0,7	0,7	0,2
PUBLIC FINANCES							
General Government Primary Balance (€ billion, cumulative) [4]	6,4	6,9	8,1	6,5	8,1		
G.G. Primary Balance (% of GDP)	3,6	3,9	4,4				
General Government consolidated Gross Debt (€ billion)	315,0	317,5	334,6	335,0	334,6	337,4	
G.G. Gross Debt (% of GDP)	178,5	176,2	181,1				
EXTERNAL BALANCE & COMPETITIVENESS INDICATORS							
Current Account Balance (€ billion)	-3,1	-3,2	-5,3	3,2	-3,9	-3,7	-0,2
Current Account Balance (% of GDP)	-1,7	-1,8	-2,9	7,0	-8,3	-0,1	0,0
Greece: Real Effective Exchange Rate Index,2010=100 (annual % change) [5]	0,7	1,3	1,7	1,6	0,3	-1,0	-1,1
Greece: Nominal Effective Exhange Rate Index,2010=100 (annual % change) [5]	1,6	2,5	3,9	4,2	2,6	1,1	1,1
Banking Sector							
Credit to Private Sector : Total	-1,5	-0,8	-1,1	-1,2	-1,1	-0,6	-0,2
Non-financial corporations	0,0	0,4	0,2	-0,3	0,2	1,6	2,5
Insurance corp. and other financial intermediaries	0,1	1,5	-3,0	-2,0	3,0	-5,6	-1,2
Individuals	-2,8	-2,3	-2,2	-2,0	-2,2	-2,3	-2,6
Deposits/Private sector: Flows (December 2014: 160,072 bn)	4,2	5,7	7,9	2,3	2,7	-1,1	3,9

Sources: Hellenic Statistical Authority, Eurostat, BoG

[1] Nominal Unit Labour Cost based on hours worked.

[2] Compared to 37 countries.

[3] Excluding food and non-alcoholic beverages,alcoholic beverages and tobacco and energy prices.

[4] Annual data 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 included 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 Economic Adjustment Program for Greece.

[5] The REER index is CPI-based. Both REER and NEER include the 37 main trading partners of Greece. A positive sign denotes loss of competitiveness of Greece's trade partners.

Business Economy	ANNUAL			QUARTERLY			
	2016	2017	2018	2018 III	2018 IV	2019 I	2019 II
(annual % change unless otherwise indicated)							
INDUSTRY							
Industrial Production Index (2015 = 100) (1)	2,6	3,9	1,6	2,2	2,5	1,7	0,9
Manufacturing Production Index (2015 = 100) (1)	3,2	2,9	2,8	3,6	3,3	1,9	2,8
Turnover Index in Industry (2015 = 100)	-3,9	8,7	9,8	14,5	7,9	-0,6	-4,3
CONSTRUCTION ACTIVITY							
Production Index in Construction (2010=100) (1)	22,9	-14,6	0,8	8,3	0,9	-18,5	
Index of Apartment Prices (2007 = 100) (2)	-2,4	-1,0	1,7	2,2	2,9	4,9	7,7
Office Price Index (2010 = 100) (3)	0,2	1,8	7,0	6,4			
Retail Price Index (2010 = 100) (3)	-0,4	1,7	4,3	5,3			
Private Building Activity (volume in '000 m^3)	-6,8	19,5	21,4	20,0	36,1	-18,6	2,3
TRADE							
Turnover Index in Retail Trade (exlc. automotive fuel)	-0,6	0,9	1,7	3,6	0,2	-0,4	
Volume Index in Retail Trade (exlc. automotive fuel)	0,5	1,3	1,7	3,1	-0,1	-1,4	-1,0
Turnover Index in Wholesale Trade (1)	-1,6	3,7	6,8	12,4	5,5	-1,2	-1,1
CAR TRADE							
New Passenger Car Registrations	10,7	22,2	25,8	20,8	14,5	4,9	13,1
SERVICES				cumulative			
Tourism Receipt, BoG (incl. cruises)	-6,5	10,8	10,0	8,4	10,0	37,2	15,3
Tourism Receipt (€ million)	13.207	14.630	16.086	14.113	16.086	760	5.509
Tourist Arrivals, BoG (excl. cruises)	5,1	9,7	10,8	10,3	10,8	7,8	-0,5
Tourist Arrivals (in thous. people)	24.799	27.194	30.123	25.957	30.123	1.936	9.407
EXPECTATION INDICES (units)							
Economic Sentiment Indicator	91,8	96,6	102,1	103,4	100,8	100,7	100,7
Index of Consumer Confidence	-62,9	-58,9	-44,0	-44,7	-32,6	-31,1	-29,4
Index of Bus. Expect. in Industry	96,1	98,1	102,8	105,7	97,7	101,8	103,8
Index of Bus. Expect. in Construction	61,3	55,4	58,1	55,0	56,6	56,7	54,8
Index of Bus. Expect. in Retail Trade	101,4	94,6	104,5	108,3	108,2	105,8	97,8
Index of Bus. Expect. in Services	79,3	92,7	97,0	97,6	94,6	85,7	92,6

Sources: Hellenic Statistical Authority, Bank of Greece, IOBE

1 Calendar adjusted data

2 Provisional historical figures for residential real estate prices since Q3 2018.

3 Provisional historical figures for office and retail shops prices since H1 2018. Indices are published on a biannual basis. They concern office and retail uses and refer to price levels of prime investment property and rent levels of the prime and upper secondary market. It should be noted that price indices are valuation-based and are therefore expected to show some lag, especially in cases of negative changes. Furthermore, values tend to reflect sentiment and market