

| | Page |
|--|------|
| Recent economic developments | 1 |
| Main Indicators | 2 |
| Tables - Graphs | 3 |
| <ul style="list-style-type: none"> ▪ GDP growth & economic sentiment (ELSTAT, Q1 2016, IOBE, Apr. 2016) ▪ Consumer confidence & retail sales (IOBE, Apr. 2016, ELSTAT, Feb. 2016) ▪ Non – oil manufacturing production & business expectations in Industry (ELSTAT, Mar. 2016, IOBE, Apr. 2016) ▪ Net hirings (ERGANI, Apr. 2016) ▪ Exports by product (Eurostat, ELSTAT, Mar. 2016) ▪ Tourism & transportation receipts (Bank of Greece, Feb. 2016) | |

The completion of the first review of the 3rd Greek adjustment programme is expected to lift confidence, remove the reservations markets have and create new prospects for recovery. This new normal may be reflected in the data for subsequent quarters, affirming the forecasts of positive growth rates during the second semester of the year. However, the data available so far document mixed trends that lack a clear direction, with industrial production and exports remaining almost stable during the first quarter, retail sales falling in spite of the improvement of business expectations in the sector and consumer confidence dropping to record lows, while, according to seasonally adjusted ELSTAT's early estimates, real GDP fell by -1.3% yoy (-0,4% qoq) in the first quarter of 2016, instead of -0.8% yoy (+0.1% qoq) in the fourth quarter of 2015.

Specifically, according to data released so far:

- The **index of economic sentiment did remain essentially stable during April**, when compared with the previous months (90.3 from 90.1 during March), and remained at levels below those observed during April 2015 reflecting a hesitant stabilization. Regarding key sectors the picture is mixed, **as the business climate indicator has improved in services and retail trade, remained stable in manufacturing and deteriorated sharply in construction.**
- **Production in non-oil manufacturing, in spite of a small decline during March 2016** (-0.4%), increased during the period Jan – March 2016 by +1.9%, instead of +1.3% during all of 2015 and a marginal fall of -0.1% during the 2nd semester of 2015 (or +1.7% during the period Aug – Dec 2015, i.e. excluding July when production declined by -7.9%).
- At the same time the **Purchasing Managers Index (PMI)** in manufacturing in April 2016 remained below the value of 50 for the 3rd consecutive month, even as **production levels stabilized and the purchases of raw materials and employment strengthened.**
- **Non-oil exports of goods** weakened marginally during March 2016 (-0.3% and -0.2% during the 1st quarter), **demonstrating continuing resilience**, in spite of the farmers' demonstrations during the previous month and weaker global demand.
- **Salaried labor increased with exceptional strength during April 2016** (+90.6 thousand net new jobs), as seasonal hiring takes place in anticipation of the peak of the tourist season.

On the other hand:

- **Consumer confidence weakened further during April 2016**, falling to the lowest level observed during the past 32 months (-73.7 from -71.9 during the previous month). **Pessimism among households increased**, with the share of those anticipating a worsening of their economic situation reaching 73.8% (from 69.1% the previous month), while concerns about a deterioration of unemployment conditions kept on rising.
- In spite of the improvement of the expectations in retail trade, **the volume of retail sales without fuels declined during February 2016** (-5.5%). This is the largest decline documented during the past two years with the sole exception of July 2015 (-6%), while overall during the first two months of the year the index declined by -2.9% (-1.9% compared with the second semester of 2015).
- Regarding the current account, **receipts from services registered a large decline** (-34% in February following a decline of -39.5% in the first 2 months of 2016), mainly as a result of the decline in net receipts from transport (-39.9% and -47.4% respectively), which in turn, to a large extent, is attributed to the imposition of capital controls.
- In spite of the likely positive prospects faced for this year by tourism, both **arrivals and receipts declined during the first two months of the year** (-11% and -5.6% respectively). These, low season, months are not indicative of the performance tourism will have during the whole year, but a possible exacerbation of the refugee crisis during the next months, as well the imposition of new taxes specific to the tourist industry, could affect tourism negatively during the summer.

In view of the aforementioned mixed trends, the European Commission's Spring Forecasts for the Greek economy are slightly improved when compared to the winter forecasts, as they project a recession of -0.3% for 2016 and return to growth for 2017 (+2.7%), as long as confidence is restored and the necessary reforms are implemented. Under these circumstances, **the Greek government is called upon to decisively take advantage of the positive climate created by the agreement reached with the European partners**, so as to deal effectively with the pressures that the imminent tax increases and pension cuts will generate, and thus rule out the possibility of a new cycle of uncertainty.

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Economic indicators

| Economic sentiment | 2015/2014 | | 2016/2015 | |
|--|-----------|---------------|-----------|---------------|
| | Dec / Dec | | Apr / Apr | |
| Economic climate | ↓ | 87.6 / 99.6 | ↓ | 90.3 / 93.3 |
| Consumer confidence | ↓ | -61.1 / -53.9 | ↓ | -73.7 / -40.5 |
| % stating that their own economic situation will get worse | | 60% / 63% | | 74% / 44% |
| % stating that the country's economic situation will get worse | | 80% / 66% | | 84% / 44% |
| % stating that it is unlikely to increase their savings | | 90% / 91% | | 77% / 72% |
| % stating that unemployment will rise | | 80% / 66% | | 82% / 52% |

| Employment – Unemployment | 2014 | 2015 | 2016 | Period |
|--|----------------|----------------|----------------|-----------|
| Employment (change year-to-date, seasonally adjusted) | +17,806 pers. | +1,202 pers. | -16,088 pers. | Jan – Feb |
| Employment (change during month, seasonally adjusted) | -4,584 pers. | +5,353 pers. | +10,692 pers. | Feb |
| Registered unemployed (change year-to-date) | -5,657 pers. | +9,730 pers. | +35,339 pers. | Jan – Mar |
| Registered unemployed (change during month) | -3,697 pers. | +3,343 pers. | -425 pers. | Mar |
| Net hirings (year-to-date) | +101,476 pers. | +108,387 pers. | +124,465 pers. | Jan – Apr |
| Net hirings (current month) | +60,600 pers. | +80,223 pers. | +90,631 pers. | Apr |
| Unemployment rate (seasonally adjusted) | 27.1% | 25.8% | 24.2% | Feb |
| Year to date average rate (seasonally adjusted) | 27.1% | 25.8% | 24.3% | Jan – Feb |
| Index of wages (whole economy, in constant prices, seasonally adjusted) | 4.1% | 1.1% | - | Q4 |
| Change Year to date (whole economy, in constant prices, seasonally adjusted) | 1.1% | 1.3% | - | Jan – Dec |
| Consumer Price Index | -1.3% | -2.1% | -1.3% | Apr |
| Change Year to date | -1.3% | -2.3% | -1.0% | Jan – Apr |

| GDP | Change 2014/2013 | Change 2015/2014 | Period | Change yoy | | |
|---|---------------------|---------------------|--------|------------|---------|---------|
| | | | | 2016 Q1 | 2015 Q4 | 2015 Q3 |
| GDP (in constant prices) | 0.7% | -0.2% | 12M | -1.3% | -0.8% | -1.7% |
| Private consumption | 0.5% | 0.3% | 12M | - | -0.9% | -0.3% |
| Residential construction investment | -52.5% | -23.1% | 12M | - | -21.5% | -34.2% |
| Non – residential construction investment | 3.1% | -7.5% | 12M | - | -29.8% | -19.3% |
| Investment in machinery and equipment | 8.5% | 5.9% | 12M | - | 3.6% | -12.4% |
| Exports of goods and services | 7.5% | -3.8% | 12M | - | -8.8% | -10.3% |
| Imports of goods and services | 7.7% | -6.9% | 12M | - | -12.5% | -19.8% |

| Short term conjunctural indicators | Change 2015/2014 | Change 2016/2015 | Period | Change 2016/2015 | Period |
|---|---------------------|---------------------|-----------|---------------------|--------|
| Industrial production | 2.5% | -0.8% | Jan – Mar | -4.0% | Mar |
| Manufacturing (excluding oil) | 3.1% | 1.9% | Jan – Mar | -0.4% | Mar |
| Production in construction | -2.4% | - | Jan – Dec | - | - |
| Building | 2.5% | - | Jan – Dec | - | - |
| Non – building | -5.7% | - | Jan – Dec | - | - |
| Private building activity – building permits (volume in m³) | 25.4% | 2.7% | Jan – Feb | 8.3% | Feb |
| Retail sales (volume) | -0.6% | -4.2 | Jan – Feb | -6.6% | Feb |
| Excluding automotive fuel | 0.7% | -2.9 | Jan – Feb | -5.5% | Feb |
| New vehicle licenses | 28.5% | 5.2% | Jan – Apr | 24.5% | Apr |
| Revenue from tax on mobile telephony | -6.4% | - | Jan – Dec | 53.7% | Jan |
| Exports of goods except oil (ELSTAT, current prices) | 14.4% | -0.2% | Jan – Mar | -0.3% | Mar |
| Tourism – receipts | 7.5% | -5.6% | Jan – Feb | -6.6% | Feb |
| Transportation – receipts | 0% | -47.4% | Jan – Feb | -39.9% | Feb |
| Other services* – receipts | 11.0% | -32.0% | Jan – Feb | -28.4% | Feb |
| Inbound travelers | 52.7% | -11.0% | Jan – Feb | -14.9% | Feb |

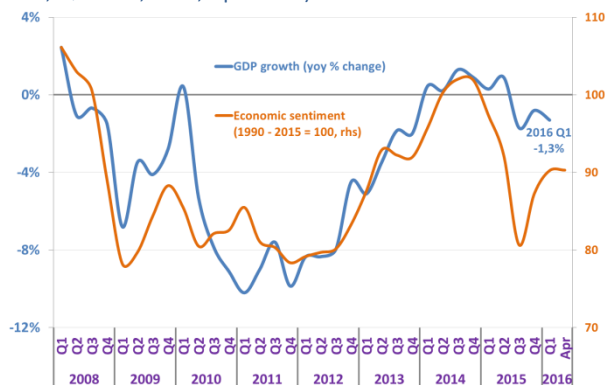
| EU Economic Forecasts (Spring 2016) | Greece | | | | Euro area | | | |
|--|--------|-------|-------|-------|-----------|------|------|------|
| | 2014 | 2015 | 2016 | 2017 | 2014 | 2015 | 2016 | 2017 |
| Real GDP (% change) | 0.7 | -0.2 | -0.3 | 2.7 | 0.9 | 1.7 | 1.6 | 1.9 |
| Total Investment (% change) | -2.8 | 0.7 | -0.9 | 11.6 | 1.3 | 2.9 | 2.9 | 3.8 |
| Employment growth (%) | 0.1 | 1.9 | 0.5 | 2.0 | 0.6 | 1.1 | 1.1 | 1.0 |
| Unemployment rate (%) | 26.5 | 24.9 | 24.7 | 23.6 | 11.6 | 10.9 | 10.3 | 9.9 |
| Consumer price inflation (%) | -1.4 | -1.1 | -0.3 | 0.6 | 0.4 | 0.0 | 0.2 | 1.4 |
| Current account balance (% of GDP) | -3.0 | -0.2 | 0.6 | 1.3 | 3.0 | 3.6 | 3.7 | 3.6 |
| General Government balance (% of GDP) | -3.6 | -7.2 | -3.1 | -1.8 | -2.6 | -2.1 | -1.9 | -1.6 |
| General Government gross debt (% of GDP) | 180.1 | 176.9 | 182.8 | 178.8 | 94.4 | 92.9 | 92.2 | 91.1 |

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

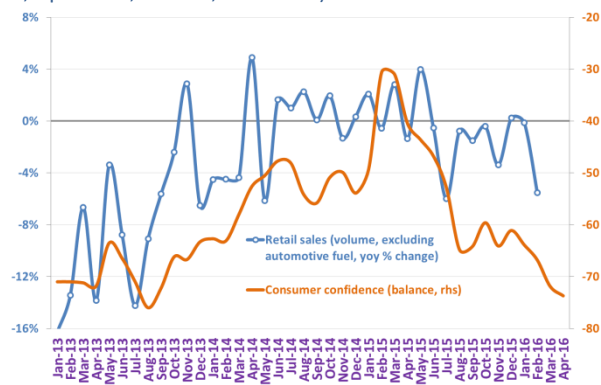
Source: IOBE, ELSTAT, Bank of Greece, Ministry of Labour and Social Solidarity, DG ECFIN, European Commission

Tables - Graphs

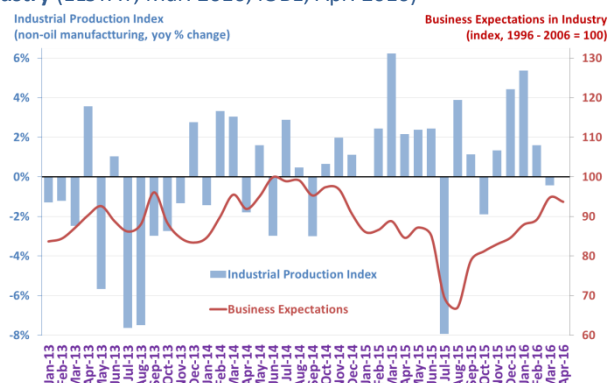
GDP growth & economic sentiment (ELSTAT, Q1 2016, IOBE, Apr. 2016)



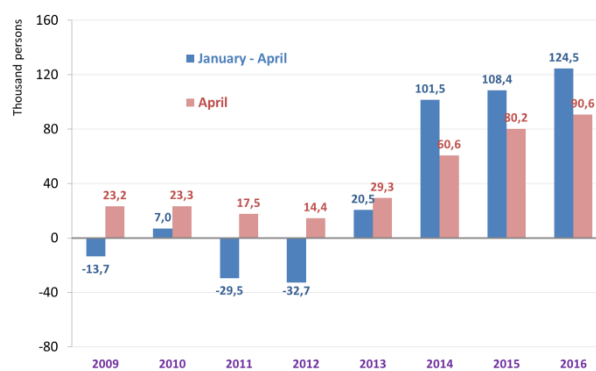
Consumer confidence & retail sales (deflated turnover) (IOBE, Apr. 2016, ELSTAT, Feb. 2015)



Non-oil manufacturing production & business expectations in industry (ELSTAT, Mar. 2016, IOBE, Apr. 2016)



Net hirings (ERGANI, Apr. 2016)

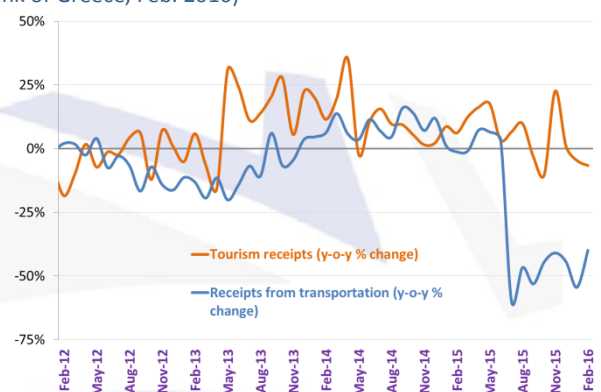


Exports by product (ELSTAT, Mar. 2016)

| Product Group | January – March | | | %Δ | |
|---|-----------------|----------------|----------------|---------------|---------------|
| | 2014 | 2015 | 2016 | 15/14 | 16/15 |
| Agricultural products | 1.043,5 | 1.272,4 | 1.356,8 | 21,9% | 6,6% |
| Food | 867,2 | 885,2 | 969,2 | 2,1% | 9,5% |
| Beverages / Tobacco | 106,8 | 139,3 | 167,7 | 30,5% | 20,4% |
| Animal and vegetable oil | 69,6 | 248,0 | 219,9 | 256,2% | -11,3% |
| Crude Materials | 261,1 | 277,3 | 224,8 | 6,2% | -18,9% |
| Mineral Fuels | 2.481,2 | 1.819,8 | 1.266,4 | -26,7% | -30,4% |
| Industrial products | 2.457,3 | 2.743,8 | 2.748,9 | 11,7% | 0,2% |
| Chemicals | 656,2 | 647,1 | 671,3 | -1,4% | 3,7% |
| Goods classified by material | 891,7 | 1.032,4 | 968,4 | 15,8% | -6,2% |
| Machinery & transport equipment | 487,2 | 624,0 | 634,2 | 28,1% | 1,6% |
| Misc. manufactured articles | 422,2 | 440,3 | 475,0 | 4,3% | 7,9% |
| Not classified commodities | 120,7 | 168,1 | 124,0 | 39,3% | -26,2% |
| Total | 6.363,8 | 6.281,4 | 5.720,9 | -1,3% | -8,9% |
| Total excl. Oil | 3.882,6 | 4.461,6 | 4.454,5 | 14,9% | -0,2% |
| Memo item*: | | | | | |
| Manufactured products | 2.123,3 | 2.410,5 | 2.406,9 | 13,5% | -0,1% |
| of which: Food / Beverages | 362,5 | 503,2 | 518,3 | 38,8% | 3,0% |
| Crude materials & primary products | 452,7 | 433,0 | 439,2 | -4,4% | 1,4% |
| of which: Agricultural products | 284,3 | 257,0 | 283,2 | -9,6% | 10,2% |

* Jan – Feb Data

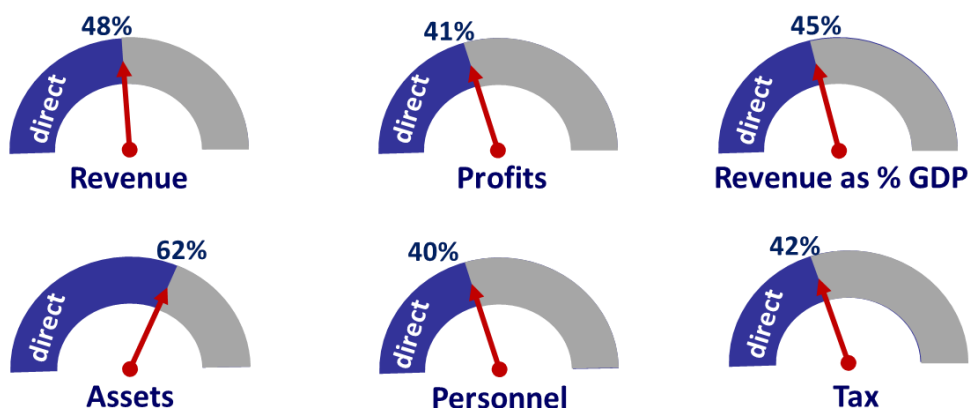
Tourism & transportation receipts (Bank of Greece, Feb. 2016)



SEV members are the key corporate leaders in Greece

- **Sectors:** Energy, transport, manufacturing, pharma, metals, food, financial, constructions, technology, chemicals, wholesale, services etc
- **Registry:** 3,500 corporates, including members of 43 sectoral & regional associations.

SEV direct members account for 50% of the business activity



Source: 28.000 SA & Ltd balance sheets, ICAP, 2013 – IKA, 2013



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