

GLOBAL & REGIONAL DAILY

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Global Markets

ECB President Christine Lagarde stated yesterday that demand conditions in the euro area do not show the same overheating signs as in other major economies, thus raising the likelihood that current price pressures will subside before becoming entrenched and inflation will converge towards the 2% target in the longer term. She added that the ECB will continue reducing the pace of asset purchases step by step over the coming quarters and a rate hike will not occur before the net asset purchases finish. However, as the pull-back of the bond buying scheme may be accelerated, a rate hike before the end of 2022 cannot be ruled out. Crucial particularly to the periphery, ECB President reiterated that there are three conditions that will have to be met before a lift-off, to safeguard against a premature increase in interest rates.

Greece

The European Investment Bank agreed yesterday to supply over €700 mn in support to a number of state projects in Greece, among which are the new metro line in central Athens and the further digitalization of the public sector. According to press, following a decision by Alternate Finance Minister Theodoros Skylakakis, a project on the digital transformation of enterprises will be inducted into the Greece 2.0 plan, with **a budget of €180 mn. The initiative, which this year alone will disburse €90 mn, is expected to** benefit some 100,000 enterprises. It is reportedly also expected to offer subsidies to 1,000 small and medium-sized companies for the creation of a cloud, as well as the upgrade and replacement of half a million cash tills and the withdrawal of 100,000 card terminals (PoS).

CESEE

According to press, the European Commission (EC) announced yesterday that it is still reviewing Bulgaria's national recovery plan, submitted - after substantial delay - in October 2021 and then resubmitted with some amendments when the current coalition government took office in December 2021. The EC will need some extra time in order to conclude whether it can approve the plan by mid-February or will have to delay the decision until mid-March. According to the Prime Minister, Kiril Petkov, the key points of resubmission of the plan pertain to, among others, abandoning the plans over a steam-gas power plant that would have increased Bulgaria's dependency on Russian gas imports and matters related to the justice system.

Contributing Authors:

Anna Dimitriadou
Economic Analyst
andimitriadou@eurobank.gr

Elia Tsiampaou
Economic Analyst
etsiampaou@eurobank.gr

Maria Kasola
Economic Analyst
mkasola@eurobank.gr

Research Team



Dr. Tasos Anastasatos | Group Chief Economist
tanastasatos@eurobank.gr | + 30 214 40 59 706



Anna Dimitriadou
Economic Analyst
andimitriadou@eurobank.gr
+ 30 210 37 18 793



Dr. Stylianos Gogos
Research Economist
sgogos@eurobank.gr
+ 30 210 37 18 733



Maria Kasola
Economic Analyst
mkasola@eurobank.gr
+ 30 214 40 63 453



Paraskevi Petropoulou
Senior Economist
ppetropoulou@eurobank.gr
+ 30 210 37 18 991



Dr. Theodoros Rapanos
Economic Analyst
trapanos@eurobank.gr
+ 30 214 40 59 711



Dr. Theodoros Stamatou
Senior Economist
tstamatou@eurobank.gr
+ 30 214 40 59 708



Elia Tsiampaou
Economic Analyst
etsiampaou@eurobank.gr
+ 30 214 40 59 712

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