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Greek national accounts for Q4 2016 (flash estimates) Real GDP -0.4 QoQ% / +0.3 YoY% in Q4 Full year growth +0.3% vs -0.3% 2017 state budget estimate

The Hellenic Statistical Authority (ELSTAT) published earlier today the quarterly national accounts flash estimates for Q4 2016. The respective provisional data, along with the breakdown of GDP, is scheduled to be published on March 6, 2017. Some of the key findings of today's release are as follows (seasonally adjusted data):

1st: real GDP in Greece contracted on a quarterly basis by -0.4% in Q4 2016. The Q3 2016 reading was upwardly revised to +0.9% from +0.8%. On annual basis, real GDP grew by +0.3% from +2.2% in Q3 2016 (revised by +0.4 ppts).

2nd: based on the aforementioned data, the 2016 full year real GDP growth rate stood at +0.3% (in line with the EC's Winter Forecasts, Feb-2017) from -0.2% in 2015 and +0.4% in 2014. This performance indicates a positive statistical carryover effect of +0.3 ppts for 2017. Hence, if the Greek economy remains stagnant throughout 2017, i.e. zero QoQ% real GDP growth rate in all 4 quarters, then, the full year real GDP growth rate will end up be equal to +0.3%.

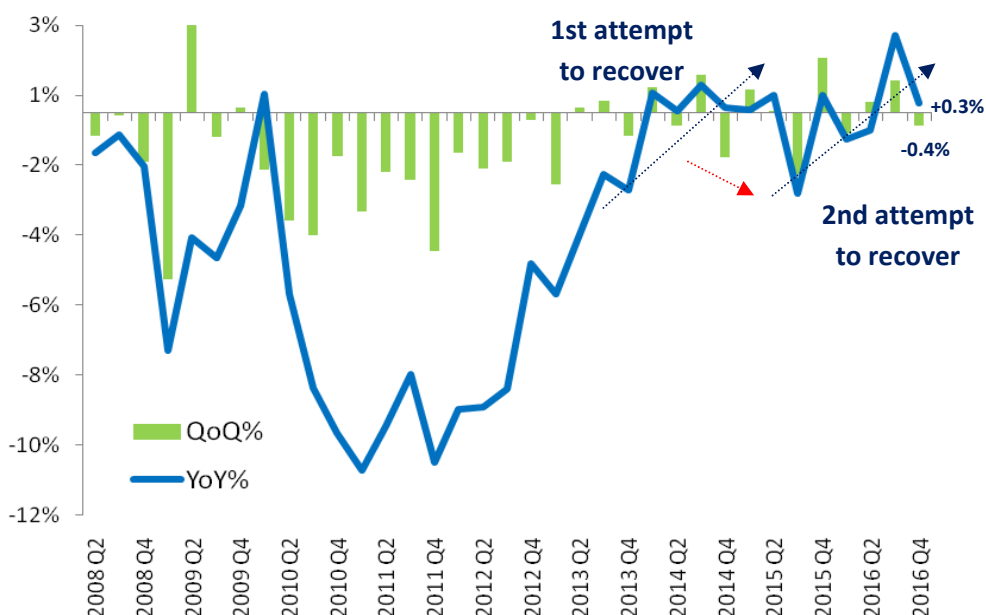
3rd: Greece's macroeconomic performance in 2016 proved to be better than initially expected. Indicatively, according to the Greek 2017 stated budget (Nov-2016) and the EC's Autumn forecasts (Nov-2016) the economy was expected to contract by -0.3%. That said, the value of the domestic production of all final goods and services, i.e. GDP, in 2016 was higher by +€1.1 bn (real terms) than initially estimated. This figure translates to a +€553 mn benefit from growing by +0.3% and to a +€553 mn "implicit benefit" from not contracting by -0.3%. Nevertheless, Greece's economy remained to a "stagnation territory" for a 3rd year in a row.

4th: Did the Q4 2016 reading deliver any surprise? Yes and no. On the one hand, a deceleration in the annual percentage change of real GDP was anticipated due to the fading base effect of Q3 2015 (imposition of capital controls). On the other hand, the contraction of real GDP by -0.4 QoQ% (-1.6% in annualized terms) was not anticipated since a number of high frequency indicators, i.e. industrial production, retail sales volume index (Oct-Nov 2016), economic sentiment and consumer confidence indicator, were pointing to a modestly positive rate.

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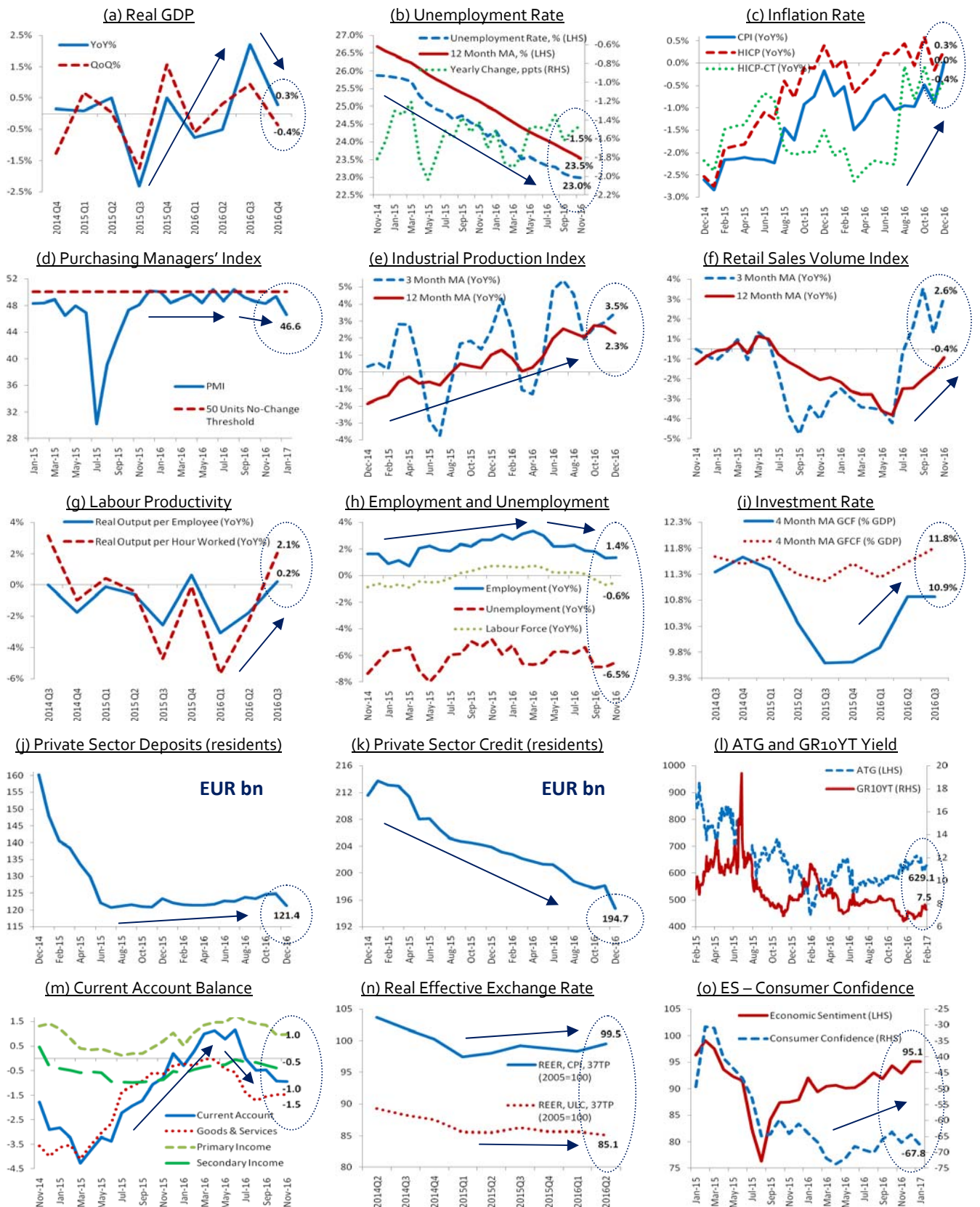
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Figure 1: Real Gross Domestic Product, QoQ% and YoY% (Seasonally Adjusted Data)



Source: (a) ELSTAT, (b) Eurobank Research.

Figure 2: Basic Macroeconomic – Microeconomic Figures of the Greek Economy



Source: (a) ELSTAT., (b) Eurostat, (c) BoG, (d) EC, (e) Markit, (f) Thomson Reuters, (g) Eurobank Research.

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