

Greek Current Account Developments: April 2015

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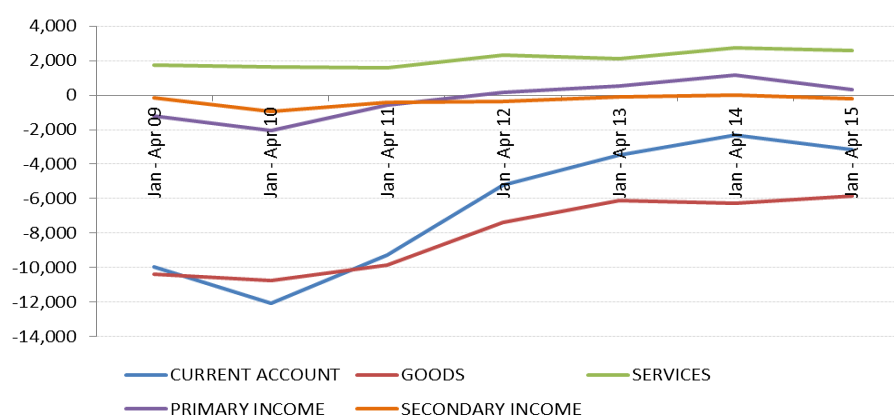
According to the recent Bank of Greece data, the current account for April 2015 recorded a deficit of €955mn, i.e. contracted by €196mn compared to April 2014. This development is attributed primarily to an improvement in the goods and services account, which in April 2015 recorded a deficit of €692mn, down by €175mn YoY. More specifically, the goods account recorded a deficit of €1,645mn, reduced by €75mn YoY, whereas the services account recorded a surplus of €953mn higher by €100mn YoY.

In more detail, the April 2015 goods deficit is mainly due to an increase in oil imports by €202mn and a decrease in oil exports by €94mn whereas the reduced purchases of ships by €573mn had a counterbalancing effect. Exports excluding oil and ships, amounted to €1,164.5mn remaining around the same level YoY, whereas imports excluding oil and ships amounted to €1,985mn increased by €122mn. Consequently, the balance of goods excluding oil and ships recorded a deficit of €821mn.

As mentioned previously, the services account, recorded a surplus of €953mn in April 2015 due mainly to a surplus of €312mn in the balance of travel services and a surplus of €598mn in the balance of transportation services. It should, however, be noted that the transportation services surplus is lower by €57mn YoY.

For the period January – April 2015 the current account deficit climbed to €3,133mn, increased by €828mn compared to the respective period in 2014. This deterioration is attributed primarily to a sharp fall in the primary income surplus by €870mn, which stems from both a drop in income receipts as well as a rise in income payments. Secondly, the increase in the January – April 2015 deficit was caused by a reduction in the services balance by €174mn.

Table 1: The current account and its components for the period Jan – Apr 2009 - 2015



Source: Bank of Greece

Tourism, once more, critical for the performance of exports

- Balance of travel services recorded a surplus of €312mn in April 2015, increased by €41mn YoY.
- Travel receipts totaled €477mn in April 2015 up by 16% YoY.
- Inbound travelers reached 934,000 in April increased 28% compared to the same month last year.

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