

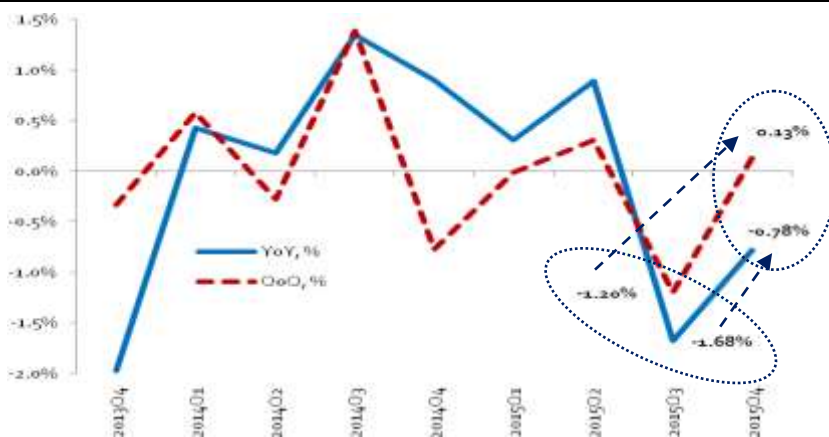
Revised data for Q4 2015 point to full-year real GDP contraction of 0.3%

Dr. Stylianos G. Gogos
Economic Analyst
sgogos@eurobank.gr

Petropoulou Paraskevi
Economic Analyst
ppetropoulou@eurobank.gr

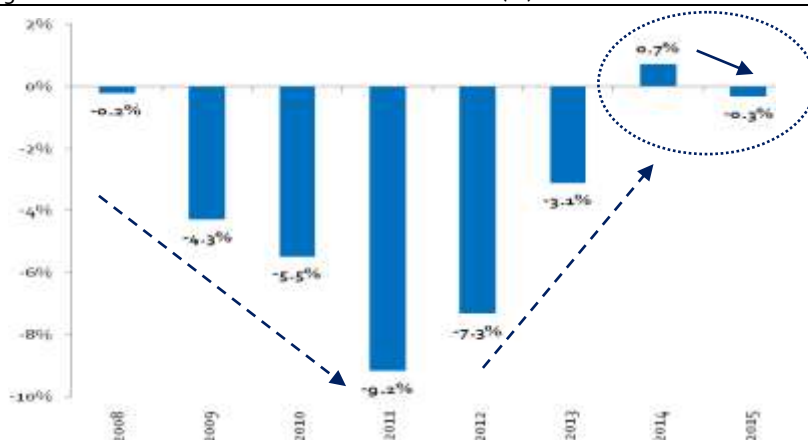
Hellenic statistical authority (EL.STAT.) published earlier today provisional national accounts data for the fourth quarter of 2015. The release contained a positive development in the form of an upward revision in Q4 2015 real GDP growth to +0.1%QoQ/-0.8%YoY in seasonally adjusted terms from an initial reported estimate of -0.6%QoQ/-1.9%YoY. The data breakdown revealed that the main growth drivers from the demand side were government consumption, gross fixed capital formation and net exports. Their positive contribution was partially counterbalanced by a contraction in both private consumption and inventories. For the full year 2015 real GDP contracted by 0.3%, better than -0.7% previously reported and in line with our projection envisaged in the Greece Macroeconomic Outlook 2016 report.¹ The year 2015 marks the 7th year of recession in the last 8. Between 2007 and 2015, the Greek economy has contracted by 26.1% cumulatively.

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



Source: (a) Hellenic Statistical Authority (EL.STAT.), (b) Eurobank Research.

Figure 2: Real Gross Domestic Product Growth Rate (%)



Source: (a) Hellenic Statistical Authority (EL.STAT.), (b) Eurobank Research.

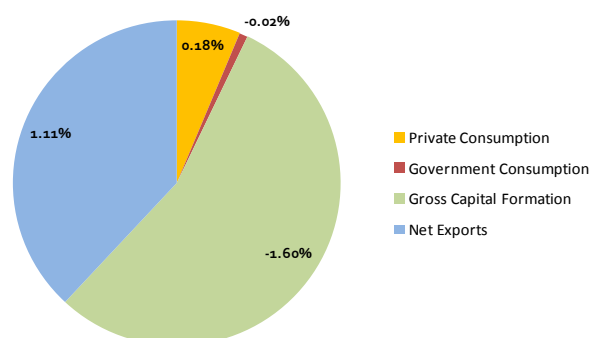
DISCLAIMER
This document has been issued by Eurobank Ergasias S.A. (Eurobank) and may not be reproduced in any manner. The information provided has been obtained from sources believed to be reliable but has not been verified by Eurobank and the opinions expressed are exclusively of their author. This information does not constitute an investment advice or any other advice or an offer to buy or sell or a solicitation of an offer to buy or sell or an offer or a solicitation to execute transactions on the financial instruments mentioned. The investments discussed may be unsuitable for investors, depending on their specific investment objectives, their needs, their investment experience and financial position. No representation or warranty (express or implied) is made as to the accuracy, completeness, correctness, timeliness or fairness of the information or opinions, all of which are subject to change without notice. No responsibility or liability, whatsoever or howsoever arising, is accepted in relation to the contents thereof by Eurobank or any of its directors, officers and employees.

Greece Macro Monitor, "Greece Macroeconomic Outlook 2016", December 21, 2015, Eurobank Economic Research, https://www.eurobank.gr/Uploads/Reports/GreeceMacroFocus_21122015.pdf

- In terms of domestic demand components, government consumption recorded a positive annual growth rate of 2.8%YoY (-0.2%QoQ) in Q4 2015, the highest reading since Q4 2009. On the other hand, private consumption declined for the second consecutive quarter -0.9YoY% (-0.1%QoQ). Yet, for the full year it increased by 0.3% implying a contribution of 0.18ppts to real GDP growth due to a positive performance in H1 2015.
- Gross fixed capital formation increased by 5.7%YoY (20.4%QoQ) following a decline of -11.4% in the prior quarter. The assets components that had the highest positive contribution were information communication technology (ICT) equipment (5.1%YoY) and other machinery and equipment & weapon systems (3.2%YoY). For the full year 2015, gross fixed capital formation improved by 0.88% the first positive reading since 2007. Nevertheless, the contribution of total investment, i.e., gross capital formation, was negative in 2015 due to a hefty decline in inventories (destocking).
- As regards foreign sector GDP components, exports declined in Q4 2015 for the second quarter in a row -8.8YoY% (-0.4%QoQ), albeit at a slower pace compared to -10.3%YoY (-6.4%QoQ) in Q3 2015. On a similar note, imports dropped by -12.5%YoY (11.0%QoQ) from -19.8%YoY (16.7%QoQ) in Q3 2015 as the imposition of capital controls continued to take a toll. For the full year, exports and imports declined by -3.8% and -6.9% respectively resulting in a positive contribution of net exports to real GDP growth amounting to 1.1 ppts.
- Looking ahead we continue to expect full-year real output contraction of c. -1.0% in 2016 with the Q4 2015 real GDP provisional data pointing to a negative carry-over of -0.4%.

Table 1: Growth Rates in Real Terms, % (seasonally adjusted data)

	YoY%				QoQ%				Full Year
	2015Q1	2015Q2	2015Q3	2015Q4	2015Q1	2015Q2	2015Q3	2015Q4	2015
Gross Domestic Product	0.3	0.9	-1.7	-0.8	0.0	0.3	-1.2	0.1	-0.3
Private Consumption	0.7	1.7	-0.3	-0.9	-0.2	0.5	-1.1	-0.1	0.3
Government Consumption	0.4	-1.5	-2.0	2.8	6.4	-0.6	-2.6	-0.2	-0.1
Gross Capital Formation	12.4	-17.8	-29.7	-14.4	-6.6	-17.8	-11.3	25.8	-13.3
Gross Fixed Capital Formation	9.9	0.1	-11.4	5.7	-0.6	-7.1	-4.9	20.4	0.88
Exports	3.3	1.5	-10.3	-8.8	-1.7	-0.5	-6.4	-0.4	-3.8
Imports	9.3	-3.3	-19.8	-12.5	0.1	-5.5	16.7	11.0	-6.9

Real Gross Domestic Product Growth Rate 2015 – Contributions (Expenditure Side)

Source: (a) Hellenic Statistical Authority (EL.STAT.), (b) Eurobank Research.

Eurobank Economic Analysis and Financial Markets Research

Dr. Platon Monokroussos: *Group Chief Economist*
pmonokrousos@eurobank.gr, + 30 210 37 18 903

Dr. Tassos Anastasatos: *Deputy Chief Economist*
tanastasatos@eurobank.gr, + 30 210 33 71 178

Research Team

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

Ioannis Gkionis: *Research Economist*
igkionis@eurobank.gr + 30 210 33 71 225

Dr. Stylianos Gogos: *Economic Analyst*
sgogos@eurobank.gr + 30 210 33 71 226

Olga Kosma: *Economic Analyst*
okosma@eurobank.gr + 30 210 33 71 227

Arkadia Konstantopoulou: *Research Assistant*
arkonstantopoulou@eurobank.gr + 30 210 33 71 224

Paraskevi Petropoulou: *G10 Markets Analyst*
ppetropoulou@eurobank.gr, + 30 210 37 18 991

Galatia Phoka: *Research Economist*
gphoka@eurobank.gr, + 30 210 37 18 922

Dr. Theodoros Stamatiou: *Senior Economist*
tstamatiou@eurobank.gr, + 30 210 33 7 1 228

Eurobank Ergasias S.A, 8 Othonos Str, 105 57 Athens, tel: +30 210 33 37 000, fax: +30 210 33 37 190, email: EurobankGlobalMarketsResearch@eurobank.gr

Eurobank Economic Analysis and Financial Markets Research

More research editions available at <http://www.eurobank.gr/research>

- **Daily Overview of Global markets & the SEE Region:** Daily overview of key macro & market developments in Greece, regional economies & global markets
- **Greece Macro Monitor:** Periodic publication on the latest economic & market developments in Greece
- **Regional Economics & Market Strategy Monthly:** Monthly edition on economic & market developments in the region
- **Global Economy & Markets Monthly:** Monthly review of the international economy and financial markets

Subscribe electronically at <http://www.eurobank.gr/research>

Follow us on twitter: <http://twitter.com/Eurobank>

