Responding to the Coronavirus Crisis
Update on Greece (06/04/20)

EBRD Policy Comparator

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Economic channels of disruption

Tourism, private consumption, shipping
- Severe lockdown (schools and all non-essential businesses closed) causing sharp halt to the steady economic recovery
- Tourism (more than a fifth of GDP) heavily hit – bookings for summer season down 72% y/y in 92% of hotels that operate year-round and by 58% in 83% of hotels that operate seasonally
- Shipping sector also taking a major hit: 40%-50% decline in traffic so far in 2020

Selected crisis impact indicators

EBRD GDP growth outlook (April 2020) [new forecasts out on May 13 2020]
- 2020: recession
- 2021: strong recovery

Economic sentiment
(March 2020): March ESI 109.4 (down 3.8 points m/m)

Purchasing Managers Index
(March 2020): March PMI 42.5 (down 13.7 points m/m)

Athens stock market
(April 01 2020) 536.45 (down 30% m/m)

Crisis response measures to date

Support for healthcare, workers and businesses
- EUR 10 billion package for healthcare system, vulnerable workers and businesses
- Hiring extra medical staff and purchasing medical supplies
- Some workers helped by cash stipends, extended UE benefits, paid leave
- Businesses receiving subsidised loans, guarantees and interest payments and deferred payments of taxes and social security contributions
- Primary surplus target relaxed – further fiscal measures under consideration
- Eligible for ECB’s Pandemic Emergency Purchase Programme of EUR 750 billion

Key crisis response indicators

Support to employee salaries EUR 3 bn emergency support

Payment holidays for loans 3 months, for specifically affected firms and individuals

VAT reduction From 24% to 6% for goods addressing the pandemic

External assistance Greece eligible for wider EU support, including EUR 37 billion from the Cohesion Fund and EUR 8 billion mobilized by EIB and the EU for working capital

Key short-term priorities
Provide liquidity to the economy, particularly SMEs, and revenue support to vulnerable workers and other individuals