Responding to the Coronavirus Crisis
Update on Greece (23/04/20)

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

To learn more about EBRD’s support to Greece visit: https://www.ebrd.com/greece.html

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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)

Overall Turnover Index in industry
(February 2020)
-2.4 %
(y-o-y)

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

**Crisis response measures to date**

Support for healthcare, workers and businesses
- EUR 15 billion package for healthcare system, vulnerable workers and businesses finance from national and EU resources
- Hiring medical staff, increasing intensive care units, purchasing supplies
- Some workers helped by cash stipends, extended UE benefits, paid leave, tax reductions, rent reductions for primary residences
- 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 EUR750 bn

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