

Greece: Back to growth

Brighter economic outlook is driven by strengthening consumption and exports

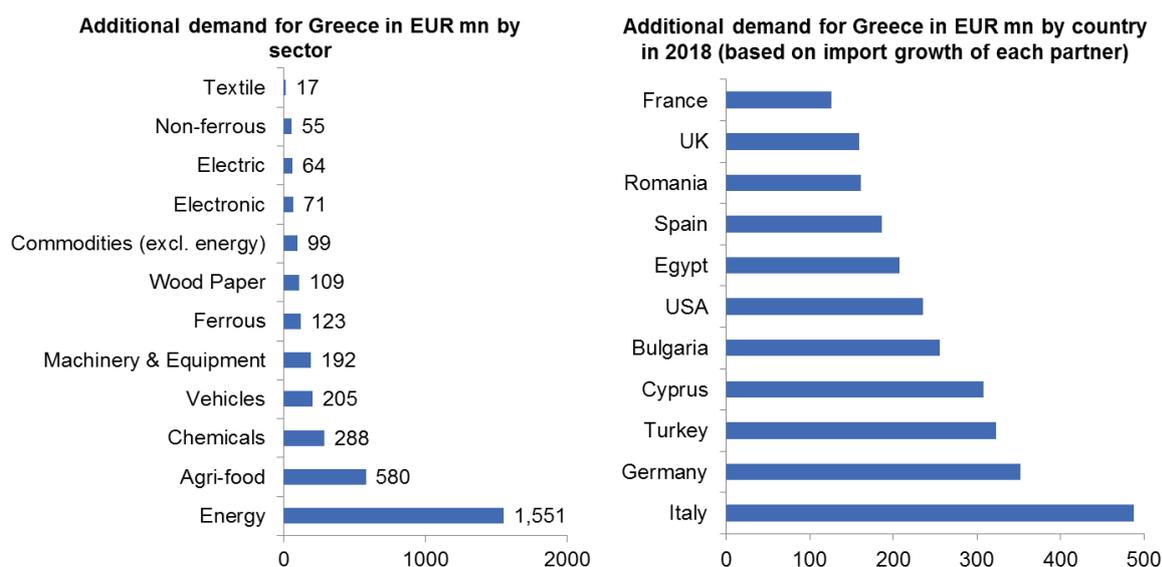
ATHENS, 17 OCTOBER, 2017 – [Euler Hermes](#), the world’s leading trade credit insurer, today held its 2017 **International Trade Observatory** summit in Athens highlighting the latest economic data as well as business opportunities for Greek companies.

The global economy is back to business. Global growth shifted up a gear in Q2 2017, particularly in the US, the Eurozone, China and Japan. Euler Hermes confirmed its 2017 and 2018 global growth forecasts at around +3% mainly due to the strong cyclical recovery in Europe. Global trade is rebounding in value terms in 2017 at +7.0%, after two consecutive years of contraction, and this trend should continue with trade expected to grow by +5.7% in 2018.

“The global economy is experiencing the broadest synchronized upswing in a decade. Economic growth surprised on the upside in the first half of 2017 with stronger consumption and investment growth. Moreover, global trade, despite the protectionist rhetoric, has staged a comeback with economies open to trade and innovation benefiting the most,” said **Katharina Utermöhl**, Senior Economist Europe for Euler Hermes and Allianz.

“For 2018 the economic outlook remains bright in light of reduced political uncertainty, rising employment and the upbeat investment outlook due to growing capacity constraints. The normalization of monetary policy is unlikely to derail the strong economic momentum, not least since any pull back from the major central banks should be gradual at best with inflation still below target in many economies.

“Greece is no exception. The economic sentiment has improved markedly in 2017 reaching the highest level in 2.5 years. GDP in Greece is thus expected to expand by +1% in 2017 and +2.5% in 2018 mainly driven by private consumption. Uncertainty remains a cap on Greece’s growth potential. However, exports will grow +5% in 2017 and investment by a timid +0.3% providing additional support: a major step forward”, adds Katharina Utermöhl.



Sources: Euler Hermes, Chelem.

“The export motor is heating up thanks to favorable momentum in destination countries, especially in Europe. In 2018 we expect an additional increase in Greek exports to the tune

of EUR 3.4 bn driven by additional outlets in Italy, Germany and Turkey. The energy, agri-food and chemicals sectors are benefitting the most”, declared **Nicholas Badimas**, interim CEO at Euler Hermes Hellas.

The report also highlights two export sectors with potential:

1. Overhauling the agri-food sector strategy to unleash its full export capacity

Key elements of an updated sectoral strategy include: boosting agricultural production efficiency, increasing technological sophistication and size; increasing manufacturing component of the food supply chain (high-value added products); focusing on branded product; and targeting high-potential countries (for example, the US and Japan).

2. Tourism: From safety net to spring board?

More demand is expected from reliable traditional markets such as Germany, Italy and the Netherlands but also targeting emerging neighbors such as Bulgaria, Romania, and Poland which offer great potential.

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Media contacts:

Euler Hermes MMEA

Guglielmo Santella +39 3358496775
guglielmo.santella@eulerhermes.com

Euler Hermes Group

Jean Baptiste Mounier +33184115114
jean-baptiste.mounier@eulerhermes.com

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