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# *Key Economic Indicators*

## Contents



*This monthly bulletin has been prepared by the research staff of the Health Economics Observatory at IOBE, with the contribution of SFEE's Data Monitoring working group.*

# 1. Latest Macroeconomic Developments


## <u>Global economy</u>: Downward review of economic growth, due to deceleration of emerging economies

- *The decline in oil prices is expected to be the main determinant of global growth prospects in the next two years.*
- *Advanced economies, which also are oil importers, will be mainly benefited in terms of growth. State tax revenues from fuels are expected to rise in emerging - developing economies.*
- *Low oil prices, accommodative monetary policy and gradual fiscal adjustment will further accelerate US growth.*
- *Same factors will account for the Euro Area economy warm up this year. However, weaker investment prospects led to a downward revision of growth.*
- *The investment growth decline in China since Q3 '14 will continue in 2015, leading to a further growth slowdown.*

***Table 1. Main Macroeconomic figures (% changes)***

| | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|
| ***GDP (% change)*** | | | | |
| *Greece* | **-3.9** | **1.0** | **2.5** | **3.6** |
| *Euro Area* | **-0.5** | **0.8** | **1.3** | **1.9** |
| *Emerging - Developing Europe** | **2.8** | **2.7** | **2.9** | **3.1** |
| *EU-28* | **0.0** | **1.3** | **1.7** | **2.1** |
| *Global Economy** | **3.3** | **3.3** | **3.5** | **3.7** |
| ***Inflation (%)*** | | | | |
| *Greece* | **-0.9** | **-1.4** | **0.3** | **0.7** |
| *Euro Area* | **1.4** | **0.4** | **-0.1** | **1.3** |
| *Emerging - Developing Europe*** | **4.2** | **4.0** | **3.8** | **-** |
| *EU-28* | **1.5** | **0.6** | **0.2** | **1.4** |
| *Global Economy* | **-** | **-** | **-** | **-** |
| ***Unemployment (% of labour force)*** | | | | |
| *Greece* | **27.5** | **26.6** | **25.0** | **22.0** |
| *Euro Area* | **11.9** | **11.6** | **11.2** | **10.6** |
| *Emerging - Developing Europe* | **-** | **-** | **-** | **-** |
| *EU-28* | **10.8** | **10.2** | **9.8** | **9.3** |
| *Global Economy* | **-** | **-** | **-** | **-** |
| ***Budget Balance (% of GDP)*** | | | | |
| *Greece**** | **-3.2** | **-2.7** | **1.9** | **-** |
| *Euro Area* | **-2.9** | **-2.6** | **-2.2** | **-1.9** |
| *Emerging-Developing Europe**** | **-1.6** | **-1.5** | **-1.4** | **-** |
| *EU-28* | **-3.2** | **-3.0** | **-2.7** | **-2.3** |
| *Global Economy**** | **-3.2** | **-3.2** | **-2.7** | **-** |

**Sources***:* European Economic Forecast, winter 2015, European Commission, February 2015; * World Economic Outlook Update, IMF, January 2015; **World Economic Outlook, IMF, October 2014; *** Fiscal Monitor, IMF, October 2014

## The Euro Area economy: Growth expectations decline

- *According to the recent forecast by the European Commission, the sharp decline in oil prices will foster growth by raising households' disposable income and increasing corporate profit margins.*
- *Quantitative easing by the ECB is expected to support investment activity and consumption.*
- *Slow decline of unemployment also favors consumption.*
- *However, the continuation of balance-sheet adjustments, geopolitical tension and remaining structural weakness partially suspend investments.*
- *The euro depreciation will strengthen competitiveness and accordingly exports.*
- *But the consumption increase will be headed towards import demand, limiting the current account balance improvement.*
- *Growth of 1.3% in the EU / 1.0% in the Euro Area, instead of 1.8%/ 1.2% previously expected.*


## The Greek economy: Return to growth in 2014 after a six-year recession

- *According to the flash estimate of ELSTAT for Q4΄14, GDP increased by 1.7% y-o-y, the highest growth in a quarter of 2014.*
- *On an annual basis, the Greek economy grew by 0.8% in 2014, after a cumulative recession of 26.3% during 2008-2013.*
- *The growth of the Greek economy in 2014 was approximately of the same magnitude of growth in the Euro area (0.9%).*

*Table 2: Main GDP components Greece – Quarterly National Accounts (2010 volumes)*

| Year/ Quarter | GDP | | Final Consumption | | Investment | | Exports | | Imports | |
|---|---|---|---|---|---|---|---|---|---|---|
| | bn. € | Annual rate of change | bn. € | Annual rate of change | bn. € | Annual rate of change | bn. € | Annual rate of change | bn. € | Annual rate of change |
| 2001 | 197.1 | 3.6% | 171.5 | 4.3% | 44.4 | 1.6% | 43.0 | -1.5% | 62.3 | -1.6% |
| 2002 | 203.3 | 3.1% | 178.9 | 4.3% | 44.5 | 0.3% | 39.9 | -7.4% | 60.2 | -3.3% |
| 2003 | 216.6 | 6.5% | 186.6 | 4.3% | 53.4 | 20.0% | 39.6 | -0.7% | 63.8 | 5.9% |
| 2004 | 227.2 | 4.9% | 194.5 | 4.2% | 53.4 | 0.0% | 46.7 | 18.0% | 67.9 | 6.5% |
| 2005 | 229.7 | 1.1% | 203.4 | 4.6% | 45.4 | -14.9% | 48.9 | 4.7% | 68.8 | 1.2% |
| 2006 | 242.9 | 5.7% | 210.4 | 3.5% | 57.8 | 27.2% | 51.4 | 5.2% | 78.0 | 13.4% |
| 2007 | 251.2 | 3.4% | 218.4 | 3.8% | 64.0 | 10.8% | 56.4 | 9.7% | 88.7 | 13.7% |
| 2008 | 250.1 | -0.4% | 222.2 | 1.7% | 59.5 | -7.1% | 58.4 | 3.5% | 90.6 | 2.2% |
| 2009 | 239.2 | -4.4% | 221.6 | -0.3% | 43.0 | -27.7% | 47.8 | -18.1% | 73.3 | -19.2% |
| 2010 | 226.4 | -5.3% | 207.5 | -6.4% | 38.4 | -10.7% | 49.8 | 4.3% | 69.3 | -5.5% |
| 2011 | 206.3 | -8.9% | 187.4 | -9.7% | 32.1 | -16.5% | 50.3 | 1.0% | 63.9 | -7.8% |
| 2012 | 192.7 | -6.6% | 173.8 | -7.2% | 25.4 | -20.9% | 50.8 | 1.0% | 57.9 | -9.4% |
| 2013 | 185.0 | -4.0% | 168.3 | -3.2% | 21.2 | -16.5% | 51.6 | 1.5% | 56.2 | -2.9% |
| Q1 2014 | 46.4 | -0.3% | 42.2 | 0.5% | 5.1 | -17.8% | 13.7 | 7.4% | 14.3 | 0.3% |
| Q2 2014 | 46.5 | 0.4% | 42.5 | 1.2% | 5.0 | -4.3% | 14.1 | 9.1% | 12.2 | 8.2% |
| Q3 2014 | 46.9 | 1.6% | 42.7 | 2.0% | 4.4 | -17.7% | 14.4 | 8.6% | 12.0 | 2.9% |
| Q4 2014 | 46.8 | 1.7% | - | - | - | - | - | - | - | - |
| 2014 | 186.5 | 0.8% | - | - | - | - | - | - | - | - |

**Source:** Quarterly National Accounts, ELSTAT, February 2015

*Table 3: Main Macroeconomic figures (Greece)*

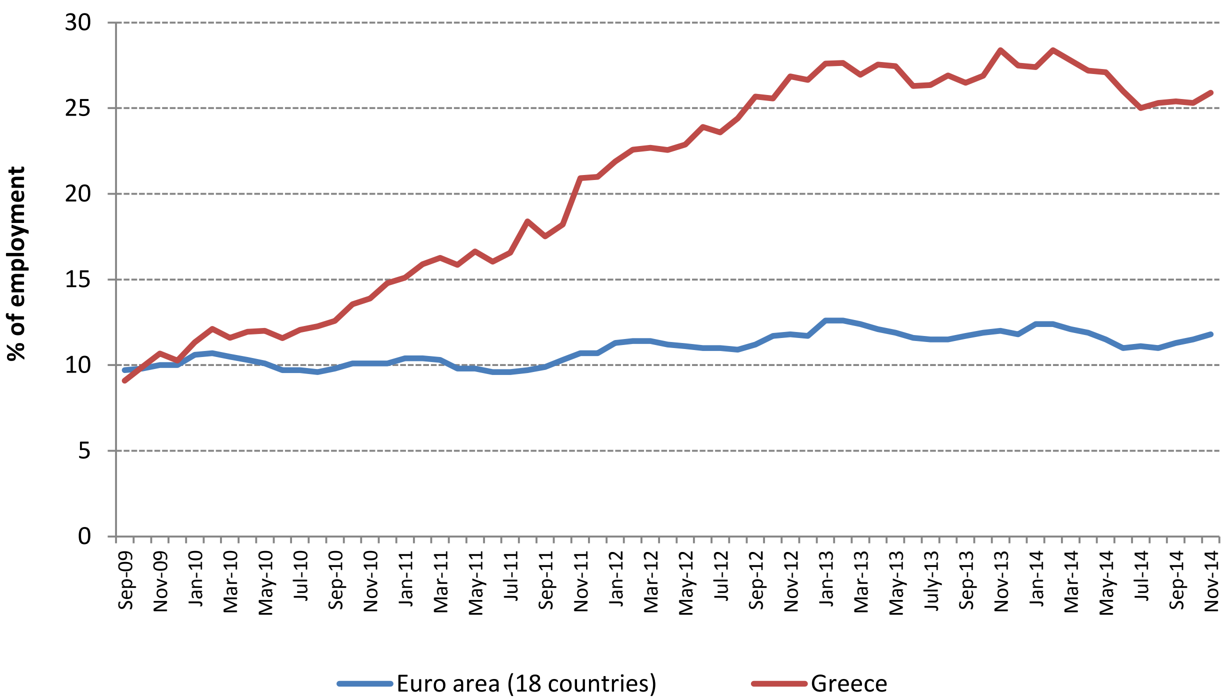
| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| ***Annual percentage changes*** | | | | | |
| Gross Domestic Product | - 6.6 | - 3.9 | 1.0 | 2.5 | 3.6 |
| Private Consumption | - 7.8 | - 2.0 | 1.4 | 1.7 | 2.2 |
| Public Consumption | - 5.0 | - 6.5 | -1.1 | -0.9 | 0.5 |
| Gross Fixed Capital Formation | - 28.7 | -9.5 | 0.8 | 8.4 | 15.0 |
| Exports of Goods and Services | 1.2 | 2.1 | 8.0 | 5.6 | 4.8 |
| Imports of Goods and Services | - 9.1 | - 1.6 | 4.7 | 4.0 | 3.5 |
| Employment | - 7.8 | - 3.8 | 0.6 | 2.6 | 4.0 |
| Compensation of employees / head | - 2.0 | - 7.1 | -1.5 | 0.0 | 1.7 |
| Real Unit Labour Cost | -3.4 | - 4.9 | 0.3 | 0.4 | 1.2 |
| Harmonized Index of Consumer Prices | 1.0 | - 0.9 | -1.4 | -0.3 | 0.7 |
| ***Contribution to real GDP change*** | | | | | |
| Domestic Demand | -11.0 | -3.9 | 0.8 | 2.0 | 3.2 |
| Net Exports | 3.2 | 1.1 | 0.9 | 0.5 | 0.4 |
| Inventories | 1.2 | -1.1 | -0.7 | 0.0 | 0.1 |
| ***GDP percentage*** | | | | | |
| General Government Balance | -8.6 | -12.2 | -2.5 | 1.1 | 1.6 |
| Current Account Balance | -4.4 | -2.3 | -2.0 | -1.5 | -0.9 |
| General Government Debt | 156.9 | 174.9 | 176.3 | 170.2 | 159.2 |
| ***Percentage*** | | | | | |
| Unemployment (% of civilian labor force) | 24.5 | 27.5 | 26.6 | 25.0 | 22.0 |

**Source:** European Economic Forecast, winter 2015, European Commission, February 2015

## Unemployment in Greece (November 2014): Unemployment increases, as seasonal effects are completed

- *The rate of non-seasonally adjusted unemployment increased in past November to 25.9%, from 25.3% in October. The number of unemployed persons increased by 91.6 thousands, compared to the previous month.*
- *This increase depicts the end of the prolonged seasonal employment of the tourism sector.*
- *Unemployment rate decreased by 2.8 percentage units, y-o-y.*
- *The non-seasonally adjusted unemployment rate in the Euro area also increased to 11.8% (2012 levels).*

***Figure 1: Unemployment in Greece and Euro area (Non-seasonally adjusted)***




**Sources:** ELSTAT, Eurostat

## 2. Economic Climate Indicators

**Further contraction of the economic sentiment indicator, reaching its lowest level since February 2014**

- *The Economic Sentiment Indicator in Greece, decreased to 95.3 units in January 2015 from 98.9 last December*
- *Moderate increase of the relative index in both the EU overall and Eurozone during December 2014.*

***Figure 2: Economic climate indicator, Greece and Euro area***

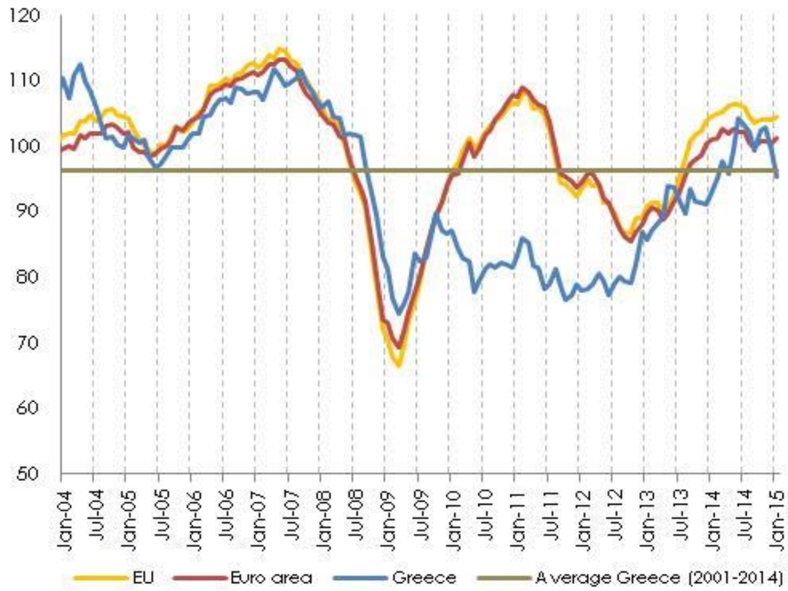
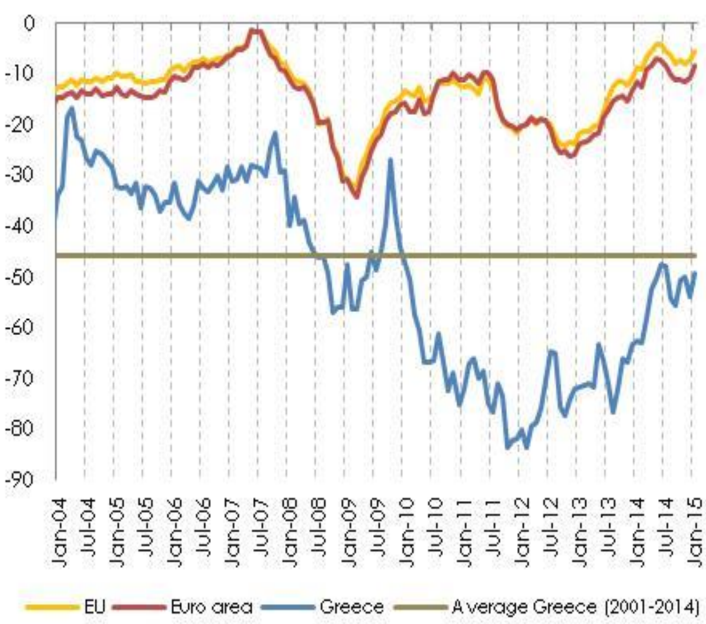



***Figure 3: Consumer Confidence Indicator, Greece and Euro area***




**The Consumer Confidence Indicator**

- *Significant increase of the CCI in January, to -49.3 units, from – -59.3 units in December 2014.*
- *Expectations regarding both households' and country's economic situation for the next 12 months were improved.*
- *The positive turn in household expectations is attributed mainly to the parliamentary elections which temporarily affect people's expectations positively.*
- *The ability to save improves. Fewer households consider saving as a not feasible option in the close future compared to December 2014 (77% from 84% of the households.*

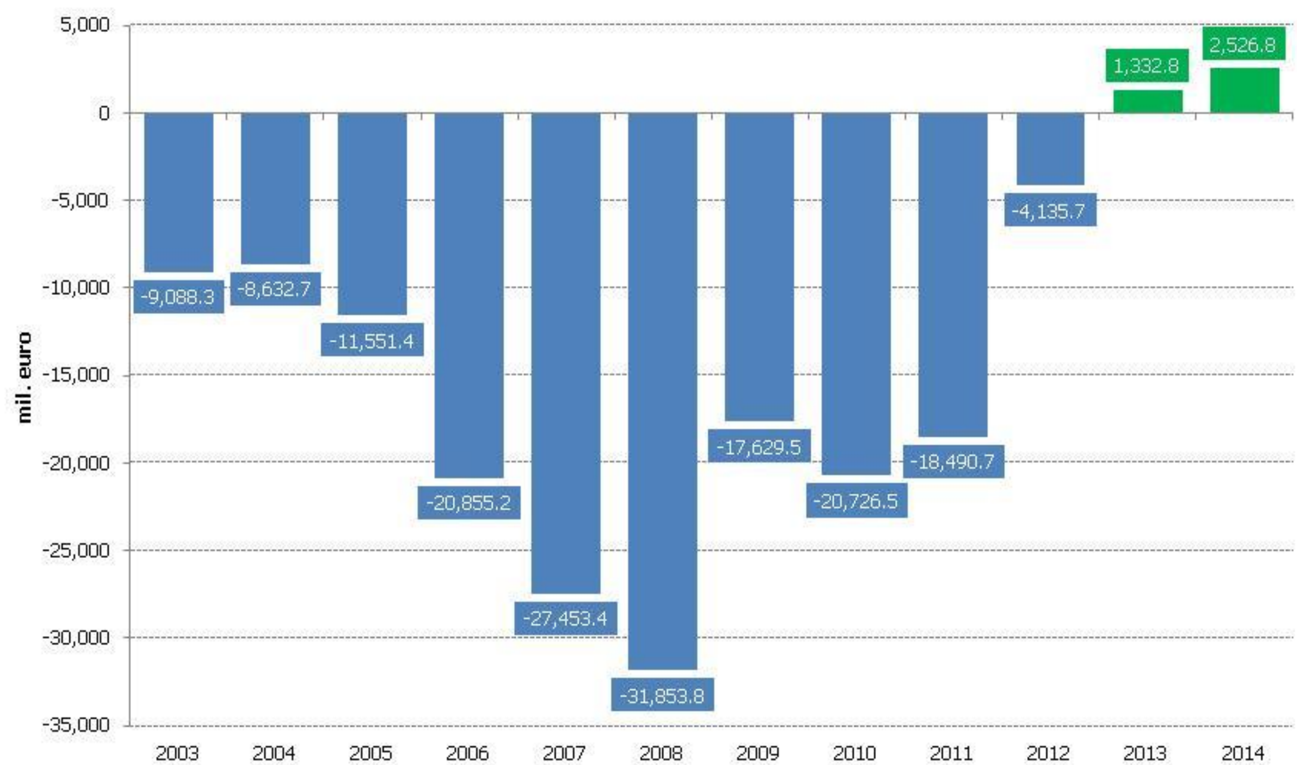
**Sources:** IOBE - DG ECFIN, European Commission

# 3. Main Short – term Indicators

## Current Account Balance (January – November 2014):

- *Current Account surplus of €2.5 billion during the first eleven months of 2014.*
- *Surplus grew by €1.2 billion compared to the same period of 2013.*
- *Deficit of €997 million during November, 32.4 % higher against November 2013.*

***Figure 4: Current Account Balance, Jan. – Nov. 2003 – 2014***

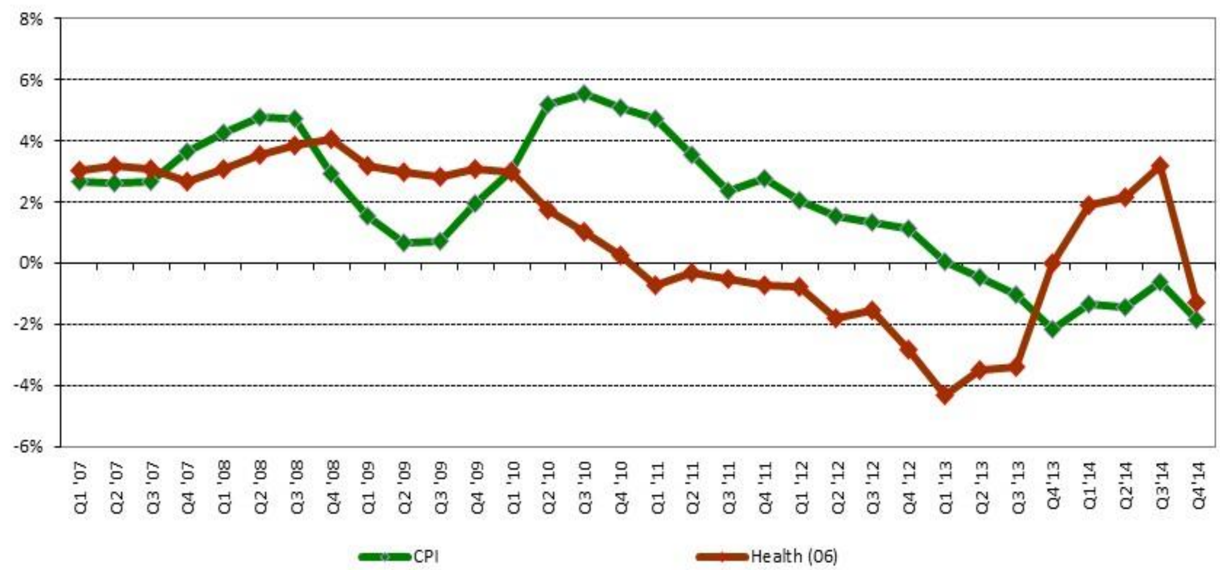



**Source**: Bank of Greece

## Consumer Price Index (December 2014)

- *CPI decreased by 2.6% in December y-o-y. Overall in 2014, the CPI decreased further, by 1.3%, against a 0.9% decline in 2013.*
- *The Health prices index decreased during Q4'14 (-1.3% y-o-y). Overall in 2014, the index was 1.5% higher against 2013 (-2.8%).*

***Figure 5: Consumer price index, % change over the same period of the previous year***

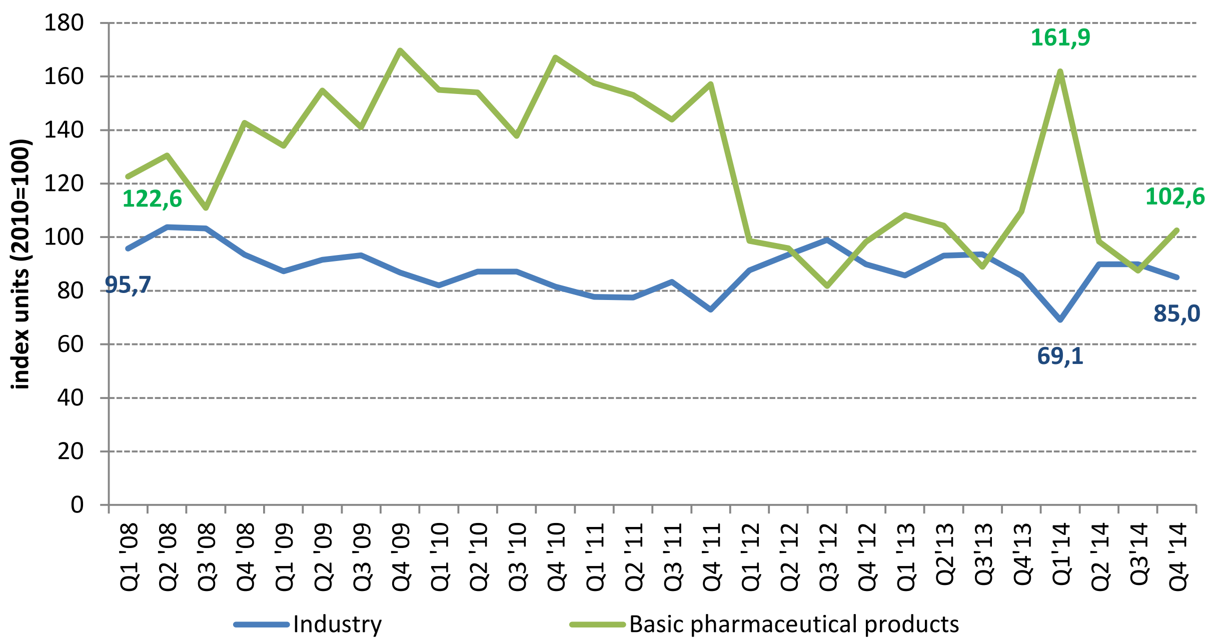



**Source**: ELSTAT

## Industrial Production (December 2014):

- *The overall industrial production index declined in December by 3.8%, against milder reduction of 1.4% in December 2013. Throughout 2014 the decline rate of industrial production was limited to 2.7%, from 3.2% in 2013.*
- *During 2014, the production of basic pharmaceutical products was reduced by 4.1% y-o-y, contrary to the significant increase in 2013 (+9.8%).*

***Figure 6: Industrial Production Index***

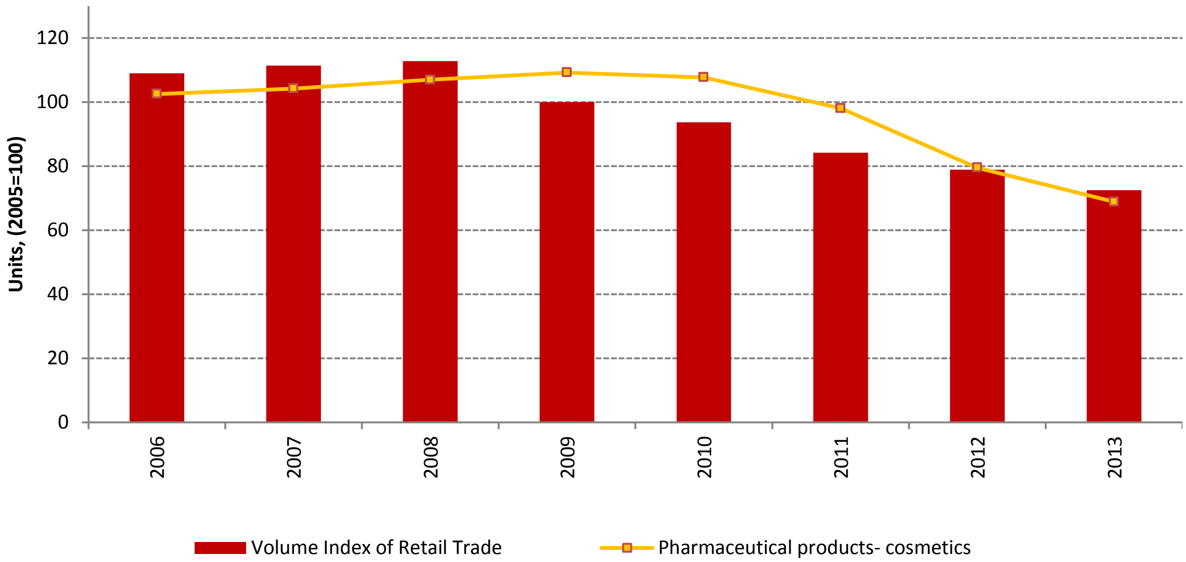



**Source:** ELSTAT

## Retail Trade

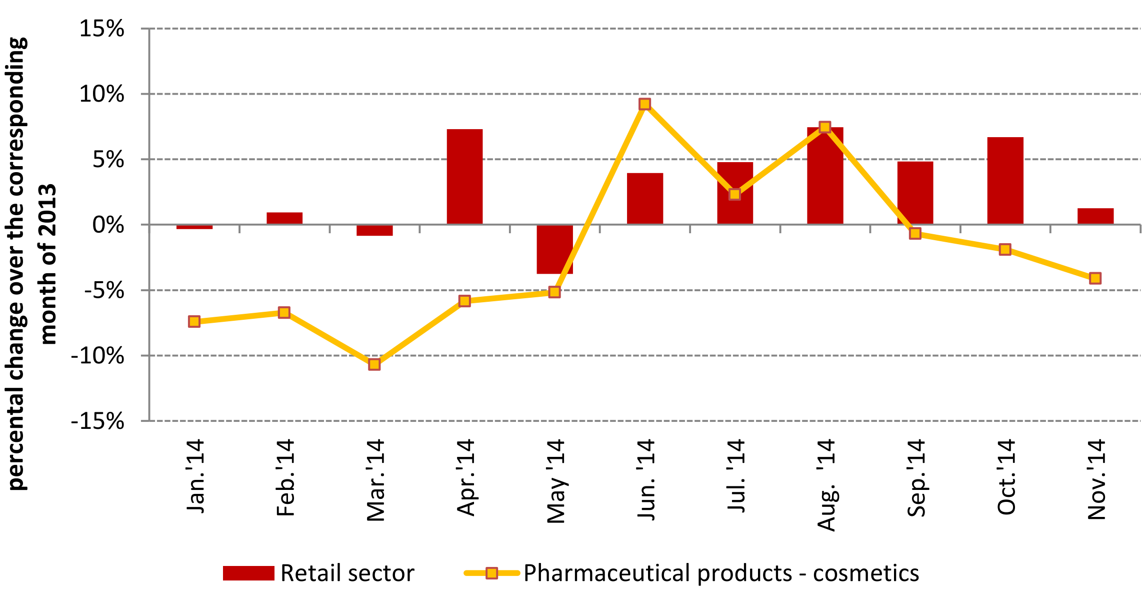
- *Retail trade volume has decreased significantly since the crisis' outburst. The index reached its lowest level so far in 2013, with a cumulative contraction of nearly 27.5% since 2009.*
- *Trade of pharmaceutical products and cosmetics follows the same trend, exhibiting losses of 38.8% during the 2009-2013 period.*

***Figure 7: Retail trade and Pharmaceutical products 2006 -2013, annual averages***




- *Retail Trade volume increased in November 2014 by 1.3% y-o-y.*
- *Pharma-products volume index was 4.1% lower y-o-y in November, partially limiting the severe fallback during November 2013 (-14.4%)*

***Figure 8: Retail trade and Pharmaceutical product, % change over the same month of the previous year***




**Source:** ELSTAT

# 4. State Debts Evolution to Pharmaceutical Companies

- *On 31.12.2014, the total amount of the state's debt towards SFEE's member- companies was €790 million (Figure 10).*
- *EOPYY has settled 95% of outstanding debts for 2013 (Figure 10).*
- *In contrast, outstanding debts for 2014 are increasing since payments / settlements are falling behind (almost 8 months delay)(Figure 11).*
- *On the horizontal axis, monthly update from our member companies data is shown as of January 2014 onwards.*
- *Sums reported here include data from member-companies of SFEE (detailed & aggregate data).*

***Figure 9: Hospital debts evolution 2013 - 2014 (in millions)***

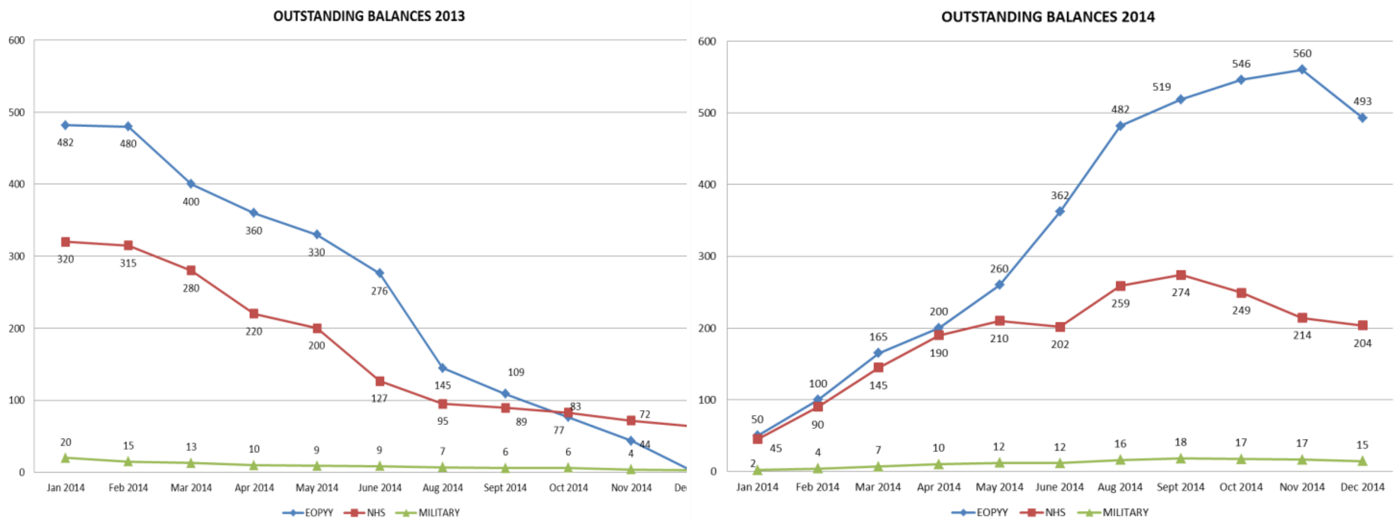
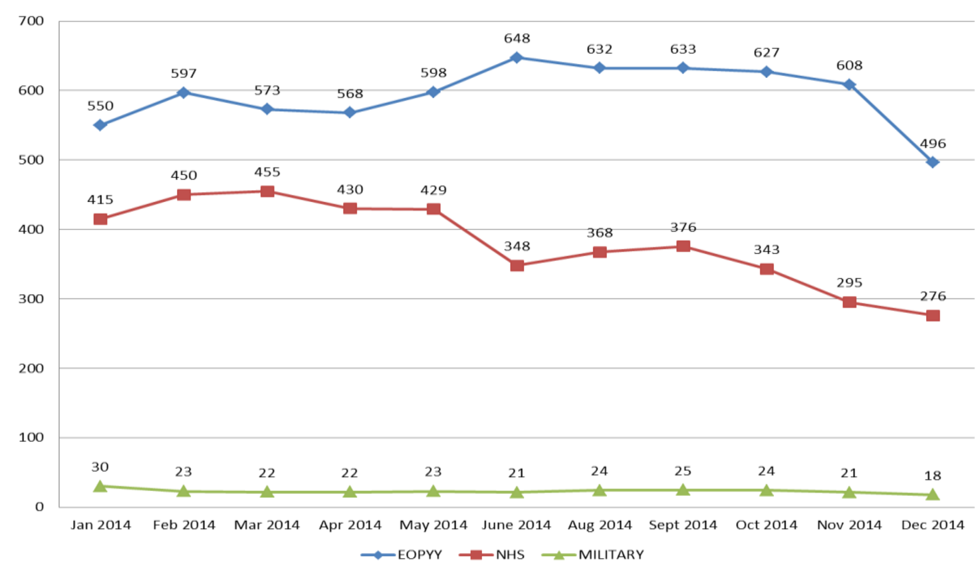



***Figure 10: Hospital debts evolution in total from 2012 until December 2014 (in millions)***



# 5. Market Evolution by Patent Status – IMS data

- *Only 10.6% of units sold in the market are on-patent products, based on IMS data (MAT 01/2015). Total units sold is estimated at 281.8 million units.*
- *The total value of the market (MAT 01/2015) is estimated at 2.3billions, with off-patent products having the greatest share (34%), followed by on-patent products (29.95%).*
- *Please note that the figures refer to the reimbursed non-L3816 market only.*

***Figure 11: Market size per patent status MAT01/2015 (in units)***

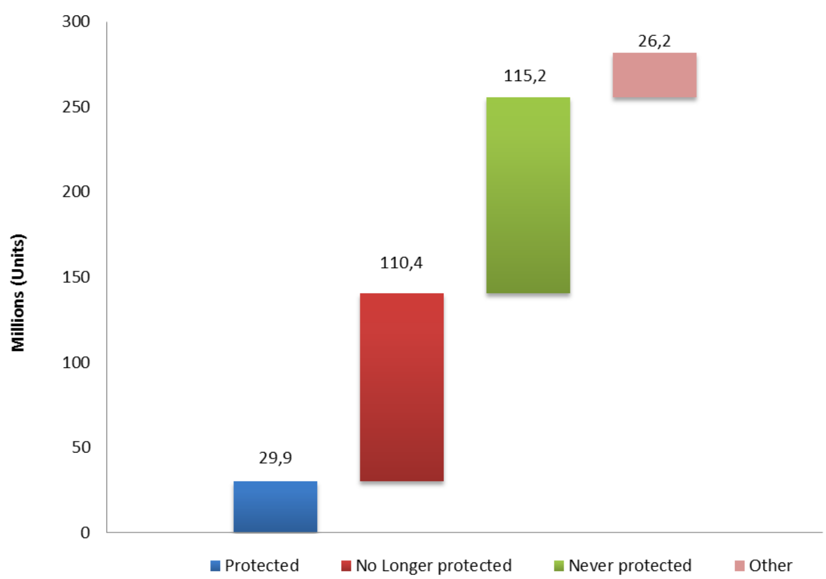



***Figure 12: Market size per patent status MAT01/2015 (in euros)***

# 6. Exchange Rate Fluctuations

- *Real effective exchange rates (REER) are depicted in the table below for the period January 2014 – JANUARY 2015 as derived by Eurostat.*

- *The REER (or, equivalently, the "Relative price and cost indicators") aims to assess a country's (or currency area's) price or cost competitiveness relative to its principal competitors in international markets. It corresponds to the NEER deflated by nominal unit labor costs (total economy) and consumer prices (CPI/HICP).*

***Table 4: Exchange rate fluctuation (REER) January 2014 / January 2015****

| CURRENCY/TIME | BGN | CZK | DKK | UK £ | HRK | HUF | LTL | PLN | RON | SEK | US dollar | CHF |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Jan 2014 | 1.96 | 27.49 | 7.46 | 0.83 | 7.64 | 302.48 | 3.45 | 4.18 | 4.52 | 8.83 | 1.36 | 1.22 |
| Feb 2014 | 1.96 | 27.44 | 7.46 | 0.83 | 7.66 | 310.20 | 3.45 | 4.17 | 4.49 | 8.87 | 1.37 | 1.22 |
| March 2014 | 1.96 | 27.40 | 7.46 | 0.83 | 7.66 | 311.49 | 3.45 | 4.20 | 4.49 | 8.87 | 1.38 | 1.22 |
| April 2014 | 1.96 | 27.45 | 7.47 | 0.83 | 7.63 | 307.37 | 3.45 | 4.19 | 4.46 | 9.03 | 1.38 | 1.22 |
| May 2014 | 1.96 | 27.44 | 7.46 | 0.82 | 7.60 | 304.58 | 3.45 | 4.18 | 4.42 | 9.03 | 1.37 | 1.22 |
| June 2014 | 1.96 | 27.45 | 7.46 | 0.80 | 7.58 | 305.87 | 3.45 | 4.14 | 4.39 | 9.09 | 1.36 | 1.22 |
| July 2014 | 1.96 | 27.46 | 7.46 | 0.79 | 7.61 | 309.81 | 3.45 | 4.14 | 4.41 | 9.23 | 1.37 | 1.22 |
| Aug 2014 | 1.96 | 27.82 | 7.46 | 0.80 | 7.63 | 313.91 | 3.45 | 4.19 | 4.43 | 9.19 | 1.36 | 1.21 |
| Sept 2014 | 1.96 | 27.60 | 7.44 | 0.79 | 7.62 | 313.20 | 3.45 | 4.19 | 4.41 | 9.19 | 1.29 | 1.21 |
| Oct 2014 | 1.96 | 27.59 | 7.44 | 0.79 | 7.66 | 307.85 | 3.45 | 4.21 | 4.42 | 9.18 | 1.27 | 1.21 |
| Nov 2014 | 1.96 | 27.67 | 7.44 | 0.79 | 7.67 | 306.89 | 3.45 | 4.21 | 4.43 | 9.24 | 1.25 | 1.20 |
| Dec 2014 | 1.96 | 27.64 | 7.44 | 0.79 | 7.67 | 310.83 | 3.45 | 4.22 | 4.46 | 9.40 | 1.23 | 1.20 |
| Jan 2015 | 1.96 | 27.90 | 7.44 | 0.77 | 7.69 | 316.50 | 3.45 | 4.28 | 4.49 | 9.42 | 1.16 | 1.09 |

***Source of data**: Eurostat*
***BGN: Bulgarian lev; CZK: Czech koruna; DKK: Danish krone; UK £: Pound sterling; HRK: Croatian kuna; HUF: Hungarian forint; LTL: Lithuanian litas; PLN: Polish zloty; RON: Romanian leu; SEK: Swedish krona; CHF: Swiss frank*