

GREECE

Real GDP contracted in 2009 as the effects of the global crisis gradually spread to the Greek economy. The recent improvement in the external environment should help activity to pick up slowly, and growth could gather momentum in 2011. The unemployment rate is set to reach a double-digit level over the projection period. The current account deficit is likely to remain high.

A credible commitment to reducing fiscal imbalances on a sustainable basis is essential for restoring market confidence, creating room for future budgetary manoeuvre and meeting the rising costs of an ageing population. To achieve this, strict control of spending and curbing widespread tax evasion are vital. Long-term fiscal viability also calls for further pension and health care reforms. Increasing labour and product market flexibility will be important to achieve high rates of growth.

Greece: Demand, output and prices

	2006	2007	2008	2009	2010	2011
	Current prices € billion	Percentage changes, volume (2000 prices)				
Private consumption	152.9	3.3	2.3	-1.4	-0.4	1.4
Government consumption	34.3	8.4	0.6	10.1	-1.4	-1.4
Gross fixed capital formation	45.3	4.6	-7.4	-15.5	-6.3	4.6
Final domestic demand	232.5	4.3	0.1	-2.4	-1.5	1.4
Stockbuilding ^{1,2}	0.3	1.2	0.4	-1.3	-0.3	0.0
Total domestic demand	232.8	5.3	0.4	-3.6	-1.8	1.5
Exports of goods and services	47.5	5.8	4.0	-15.0	0.3	6.6
Imports of goods and services	69.8	7.1	0.2	-19.0	-3.7	4.7
Net exports ¹	- 22.3	-1.2	0.9	3.1	1.1	0.0
GDP at market prices	210.5	4.5	2.0	-1.1	-0.7	1.6
GDP deflator	–	3.0	3.5	1.7	2.4	2.1
<i>Memorandum items</i>						
Harmonised index of consumer prices	–	3.0	4.2	1.2	2.0	1.6
Private consumption deflator	–	3.0	4.1	0.6	2.0	1.6
Unemployment rate	–	8.3	7.7	9.3	10.4	10.4
General government financial balance ³	–	-4.0	-7.8	-12.7	-9.8	-10.0
Current account balance ⁴	–	-14.4	-14.6	-11.1	-10.0	-10.1

1. Contributions to changes in real GDP (percentage of real GDP in previous year), actual amount in the first column.

2. Including statistical discrepancy.

3. National Accounts basis, as a percentage of GDP.

4. On settlement basis, as a percentage of GDP.

Source: OECD Economic Outlook 86 database.

[Click here for table in excel](#)