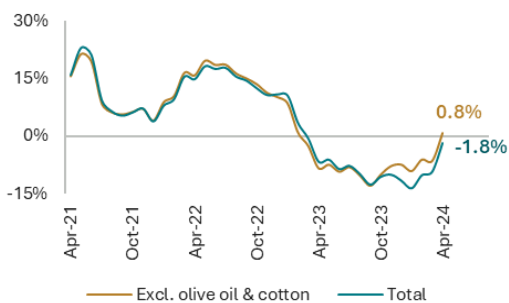


## Greek Exporters: Standing their ground in international markets

During the February-April 2024 period, Greek exports initially appeared to stagnate. However, this masks the fierce competition they faced in international markets, as seen in the significant volatility across sectors and regions. Despite the challenging environment, Greek exports successfully maintained their market share against European competitors, and there are promising prospects for improved performance in the second half of the year. These trends and outlooks are discussed in detail in the latest issue of the "Business Trends" series by the Economic Analysis Department of the National Bank of Greece.

### Greek exports

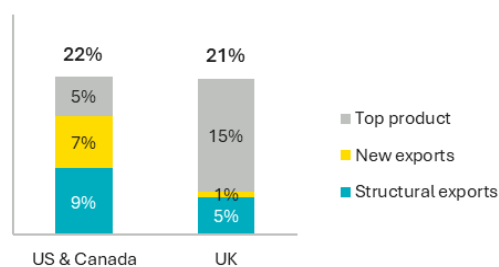
*exclude oil, yoy growth in real terms (3months moving average)*



Source: Eurostat | NBG Estimates

### Greek exports to the Atlantic markets

*exclude oil, olive oil & cotton, February-April, yoy growth in real terms*



Source: Eurostat | NBG Estimates

More specifically, when excluding olive oil and cotton products, which continue to be impacted by last year's production decline due to climate change, exports increased by +0.8% (in real terms) during the February-April 2024 period. However, a closer examination reveals notable variations in performance across different sectors.

When examining regional market performance, the results are mixed. Major European markets, which account for 80% of Greek exports, remain relatively stable, while smaller markets experience sharp fluctuations. Notably, exports to America show strong growth, whereas the Middle East and Africa face a double-digit decline. The effort to pivot exports towards Atlantic markets, particularly North America and the UK, is significant, with Greek exports to these regions rising by nearly 20% (in real terms). This trend warrants closer analysis in the coming months, as initial data suggest the shift is driven by (i) strategic decisions, possibly due to challenges in the Suez Canal trade route, and (ii) individual efforts to gain a stronger foothold in these markets.

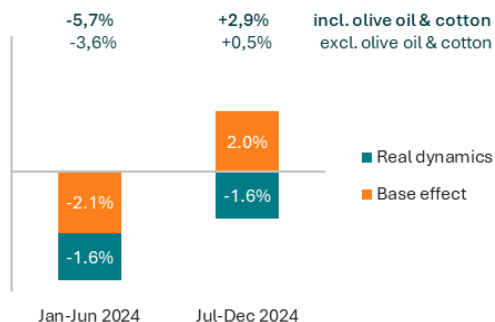
At this stage, two key observations are important:

- Early data from the May-June period show a decline in exports (YoY: -8%), indicating that the first half of the year is likely to close with a decrease in Greek exports, estimated at around -3.5% in real terms.

- Despite the volatility, a positive outcome is that Greek exporters have successfully maintained the market share gains achieved in recent years. A deeper analysis shows that the majority (74%) managed to defend their market share by adopting aggressive strategies, primarily focusing on competitive pricing.

## Greek exports of goods

exclude oil, NBG estimate for H2



Source: Eurostat | NBG Estimates

Looking ahead to the second semester, despite expectations of weak export growth, similar to that of the first semester (-1.6 percentage points), we anticipate that exports will benefit from the following factors:

- The negative base effect from the first semester is expected to reverse, creating a positive impact that could boost export growth by around 2.0 percentage points.
- The recovery of olive oil and cotton production to normal levels could contribute an additional 2.5 percentage points to the export performance in the second half of the year.

From this perspective, the overall performance of the second semester could reach approximately +3% (in real terms). This projection aligns with the gradual improvement in the export order index and assumes that the European economy, Greece's largest export market, will continue its recovery. However, significant challenges persist, as ongoing geopolitical tensions and political developments in the EU and US could unexpectedly and significantly affect Greek exports. Furthermore, climate change remains a constant threat to agricultural production, which is vital for Greek exports, with food products accounting for a quarter of total exports.

The complete report (in Greek) is available on the National Bank of Greece Group's website, under the Economic Analysis and Research section (Greek Entrepreneurship): <https://www.nbg.gr/el/omilos/meletes-oikonomikes-analuseis/reports/exports-2024q2>

Athens, August 28, 2024.