Developments in the Global Economy and in the main Source Markets of Greek Tourism

Synopsis of Issue No. 4 of "Greek Tourism – Development and Prospects", December 2017

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Current estimates for growth of global GDP and global trade are more bullish compared to the beginning of 2017 (Chart 1), and even more compared to the end of 2016

Chart 1. IMF estimates for Global GDP development in April and October 2017

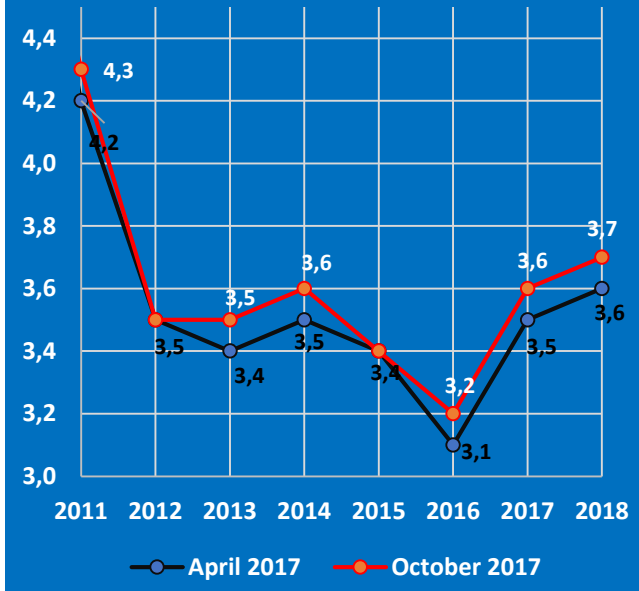

Table 1. 2017 Developments and growth prospects for 2018-2019 in selected countries

Countries	Years					Countries	Years				
	2015	2016	2017	2018	2019		2015	2016	2017	2018	2019
Global Economy	**3,4**	**3,2**	**3,6**	**3,7**	**3,7**	**Greece**	**-0,3**	**-0,2**	**1,8**	**2,6**	**2,5**
Global Trade	**2,7**	**2,4**	**4,2**	**4,0**	**4,0**	Cyprus	**2,0**	**3,0**	**3,5**	**2,9**	**2,7**
USA	**2,6**	**1,6**	**2,3**	**2,5**	**2,1**	United Kingdom	**2,3**	**1,8**	**1,5**	**1,3**	**1,1**
EU-28	**2,2**	**1,9**	**2,3**	**2,1**	**1,9**	Sweden	**4,5**	**3,3**	**3,2**	**2,7**	**2,2**
Japan	**1,2**	**1,0**	**1,6**	**1,2**	**1,0**	Switzerland	**0,8**	**1,3**	**1,4**	**1,6**	**1,6**
China	**6,9**	**6,7**	**6,8**	**6,5**	**6,2**	Poland	**3,8**	**2,9**	**4,2**	**3,8**	**3,4**
Canada	**0,9**	**1,4**	**1,9**	**2,0**	**1,9**	Hungary	**3,4**	**2,2**	**3,7**	**3,6**	**3,1**
Eurozone (EE-19)	**2,1**	**1,8**	**2,2**	**2,1**	**1,9**	Czech Republic	**5,3**	**2,6**	**4,3**	**3,0**	**2,9**
Germany	**1,7**	**1,9**	**2,2**	**2,1**	**2,0**	Russia	**-2,8**	**-0,2**	**1,7**	**1,6**	**1,5**
France	**1,1**	**1,2**	**1,6**	**1,7**	**1,6**	FYROM	**3,9**	**2,9**	**1,7**	**2,7**	**3,2**
Italy	**1,0**	**0,9**	**1,5**	**1,3**	**1,0**	Serbia	**0,8**	**2,8**	**2,0**	**3,3**	**3,5**
Spain	**3,4**	**3,3**	**3,1**	**2,5**	**2,1**	Bulgaria	**3,6**	**3,9**	**3,9**	**3,8**	**3,6**
Ireland	**25,6**	**5,1**	**4,8**	**3,9**	**3,1**	Turkey	**6,1**	**3,2**	**5,3**	**4,0**	**4,1**
Belgium	**1,4**	**1,5**	**1,7**	**1,8**	**1,7**	Romania	**4,0**	**4,6**	**5,7**	**4,4**	**4,1**
Netherlands	**2,3**	**2,2**	**3,2**	**2,7**	**2,5**	Croatia	**2,2**	**3,0**	**3,2**	**2,8**	**2,7**

Source: IMF WEO October 2017 and European Commission (EC) -Autumn 2017 Economic Forecast

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Growth prospects have improved in all large countries and economic regions

Chart 2. IMF estimates for GDP development in Developed Economies in April and October 2017

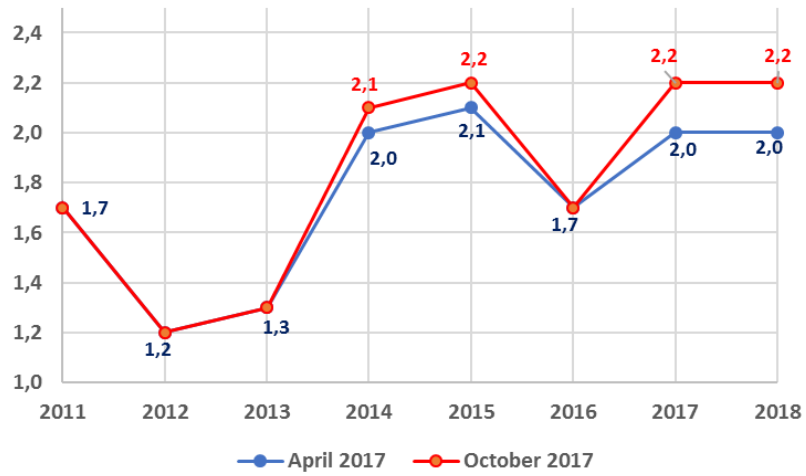


Chart 3. IMF estimates for GDP development in Emerging Countries of Europe in July and October 2017

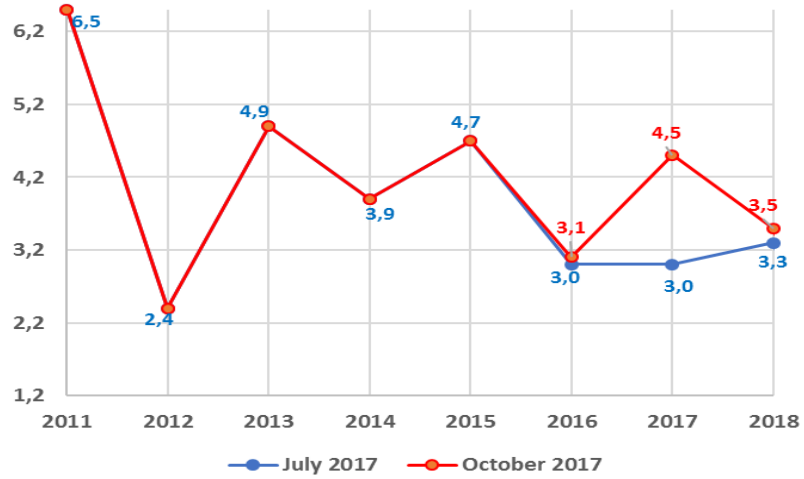


Chart 4. EC estimates for Eurozone GDP development in February and November 2017

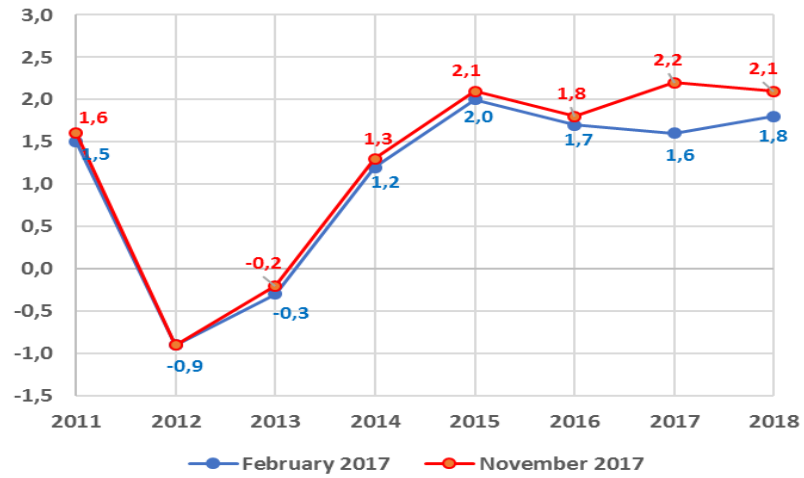
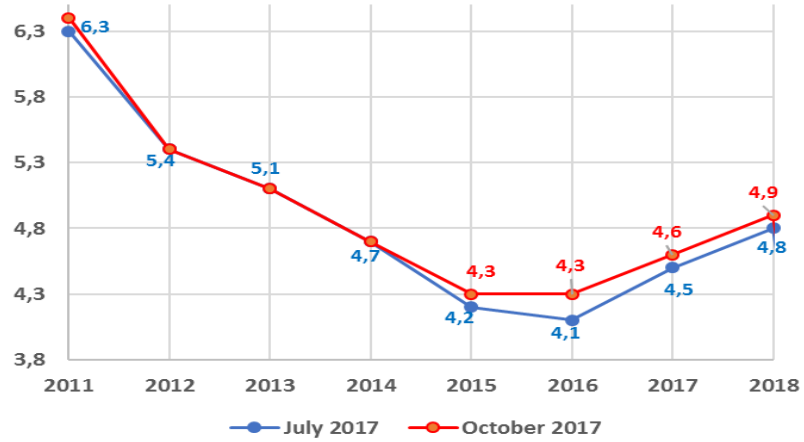


Chart 5. IMF estimates for GDP development in Emerging and Developing Countries worldwide in July and October 2017



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Oil, bonds and stock exchanges reflect expectations for higher and more stable development of the global economy, with rather low inflation.

Chart 6. WTI $/barrel
average montly values (Spot)

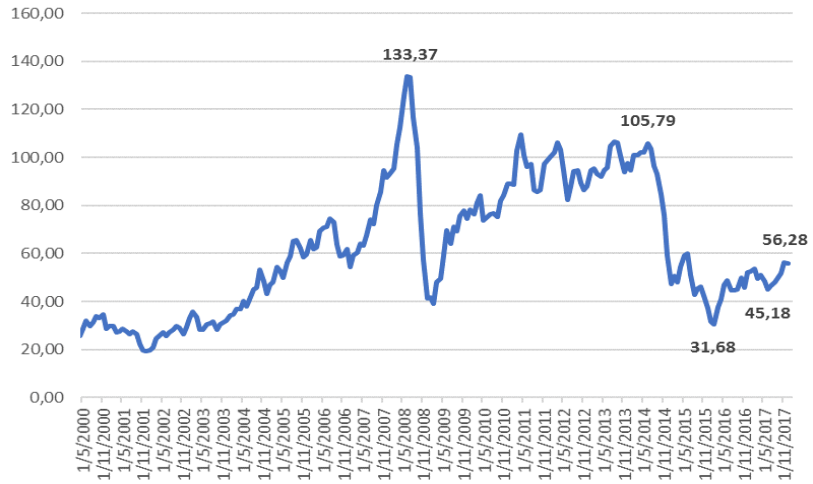

Chart 7. US 10 Year Government Bond Yield
(Monthly Data)

Chart 8. Dow Jones Industrial Average
(DJIA, 7-day moving average)

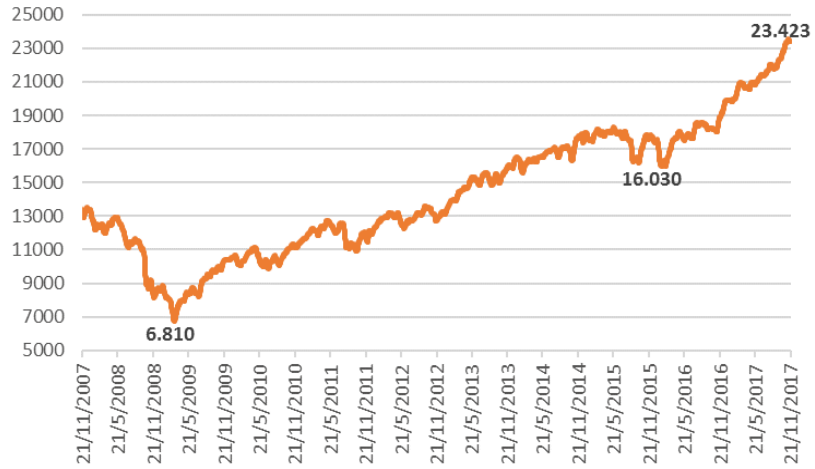

Chart 9. Nikkei 225 stock index monthly

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Global development is currently based on highly optimistic expectations of investors and consumers, stemming from the perceived reduction of risk of a major economic crisis in the next 5 years. However …

Despite the fact that both surplus (China, Germany, Japan, etc), and –primarily- deficit (USA) countries contribute at present to global growth, this does not seem to effectively curtail the problem of Global Macroeconomic Imbalances (GMI).

A further improvement of growth is anticipated in the USA through a continuing increase of domestic demand - activation of the fiscal policy is already expected to this end through the introduction of significant tax cuts, whereas monetary policy continues to be highly expansionary, with interest rates remaining at historically low levels despite the Fed rate increases (see next page). An increase of the deficit in the country's External Balance of Goods and Services is also anticipated.

In surplus countries, despite the fact that growth in the past two years has been based on the effort to increase domestic demand, there appears to be no will for the implementation of policies that would decrease the exceptionally high competitiveness of their internationally traded products. All surplus countries follow policies for the devaluation of the actual exchange rate of their currency and the further expansion of their already huge share in foreign markets.

Specifically, the large surpluses in the trade balances of these countries continue to grow, or at best are not decreasing, despite the fact that surpluses in their Current Account Balance have significantly decreased or have become deficits (as in the case of Japan). Japan and China have made a specific effort of preserving their currencies at their devalued levels.

… large central banks (FED, ECB, BoJapan, BoEngland, PBoC) have already started, in a very carefull and hesitant way, to contain their accommodating monetary policy. Their key objective remains avoiding the revaluation of the exchange rate of their currency.

The Fed has already made five increases to interest rates, which currently stand at 1.25% -1.50%. The Fed has ceased its quantitative easing (QE) policy in the USA economy with the purchase of government and other bonds, while it prepares for a reduction of its assets (reverse QE).

The Bank of England raised its intervention rates to 0.50% from 0.25% on November 1st, 2017, but this did not lead to a recovery of the British pound after its significant depreciation following the Brexit decision.

The ECB remains steadfast in its policy of zero interest rates and continues purchasing government and other bonds at the rate of €60 bn per month up to December 2017, and then €30 bn per month until September 2018.

The Bank of Japan continues its policy of maintaining the yields on 10-year government bonds to 0.0%, aiming to increase inflation to 2.0%.

The Central Bank of China continues its policy of reinforcing domestic demand in the Chinese economy, but is facing the danger of the private sector's over indebtedness.

FED prevented the further revaluation of USD since the beginning of 2017, while the ECB did not manage to prevent the small revaluation of EUR from the lows of April 2017. The depreciation of GBP appears to have averted a recession in the UK after Brexit, while the devaluation of the Yuan by the PBOC also constitutes a major development for the global economy.

Chart 10. Nominal Effective Exchange Rate Index of Dollar (USDNEER, FC/USD)

Chart 11. (USD/EUR)

Chart 12. (GBP/EUR)

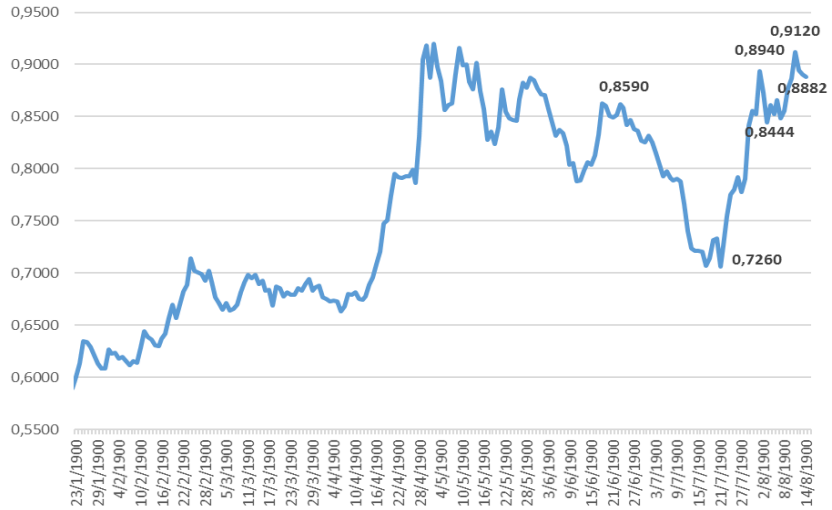

Chart 13. (CNY/EUR)

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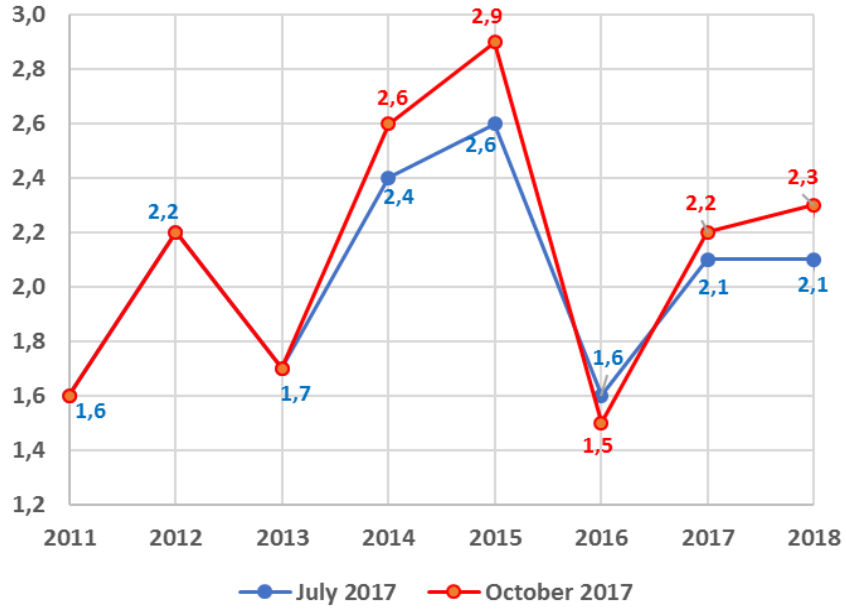
USA: Growth with continuous increase of domestic demand and continuous adverse impact from net exports. Effectively contributing to global growth throughout the current period.

Table 2. USA GDP (Billions $, fixed prices 2009)							
	2009	*2016*	% change 2016/2009	% change 2016	% change 2017	% change 2018	% change 2019
Total Consumption	***12.936,1***	***14.472,3***	11,9%	2,3%	2,1%	2,2%	2,1%
Private Consumption	9.847,0	11.572,1	17,5%	2,7%	2,6%	2,4%	2,3%
Public Consumption	3.089,1	2.900,2	-6,1%	0,8%	0,1%	1,6%	1,2%
Investments	**1.878,1**	**2.858,3**	52,2%	**-1,6%**	**3,5%**	**3,8%**	**3,5%**
Change in Inventories	-147,6	33,4	-122,6%	-66,8%	-52,0%	0,0%	0,0%
Statistical Differences	147,6	-61,5	-141,7%	-53,4%	-41,5%	-19,4%	6,9%
Final Domestic Demand	***14.814,2***	***17.302,4***	16,8%	1,7%	2,4%	2,5%	2,3%
Exports of Goods & Services	1.587,7	2.120,1	33,5%	-0,3%	3,3%	3,8%	3,9%
Imports of Goods & Services	1.983,2	2.706,3	36,5%	1,3%	4,2%	5,0%	4,8%
Balance of Goods & Services	***-395,4***	***-586,3***	48,3%	**7,5%**	**7,5%**	**9,2%**	**7,8%**
GDP, fixed market prices	***14.418,7***	***16.716,2***	**15,9%**	**1,5%**	**2,2%**	**2,3%**	**2,1%**
Impact of Final Domestic Demand			**17,26**	**1,73**	**2,46**	**2,64**	**2,41**
Impact of Net Exports			**-1,32**	**-0,25**	**-0,26**	**-0,34**	**-0,31**
Source: US Bureau of Economic Analysis and European Commission, Economic Forecasts, Autumn 2017							

Chart 14. IMF estimates for USA GDP development in July and October 2017



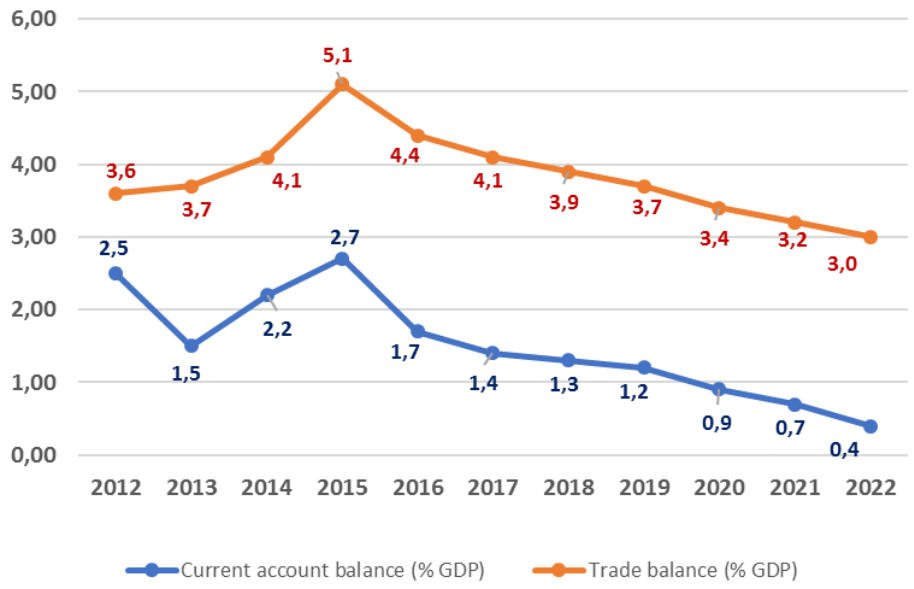
China: The rapid growth of the GDP continues, whereas the anticipated deceleration of the growth rate is taking place at an exceptionally slow pace. Based on the available GDP data (IMF and European Commission), net exports had a small negative impact on the growth of the GDP during the 2013-2016 period, and are expected to have no impact whatsoever during the 2017-2019 period. This results in China's external surpluses remaining at very high levels, after their continuous increase during the 1995-2015 period.

Table 3. China GDP (Billions CNY, fixed prices 2016)

	2013	*2016*	% change 2016/2013	% change 2016	% change 2017	% change 2018	% change 2019
Total Consumption	***31.798,2***	***40.018,0***	25,8%	8,4%	8,6%	8,0%	7,4%
Investments	**26.228,2**	**31.891,0**	21,6%	**6,7%**	**5,2%**	**5,6%**	**6,1%**
Change in Inventories and Statistical Differences	295,4	1.063,5	260,1%	2,8%	-1,6%	-17,9%	-42,1%
Domestic Demand	***58.321,8***	***72.972,5***	25,1%	7,6%	7,0%	6,6%	6,3%
Exports of Goods & Services	14.174,4	14.617,7	3,1%	1,1%	5,0%	4,1%	3,7%
Imports of Goods & Services	11.517,6	12.959,2	12,5%	4,9%	5,7%	4,5%	4,2%
Balance of Goods & Services	***2.656,8***	***1.658,5***	**-37,6%**	**-21,2%**	**-0,5%**	**0,8%**	**-0,6%**
GDP, fixed market prices	***60.978,6***	***74.631,0***	**22,4%**	**6,7%**	**6,8%**	**6,5%**	**6,2%**
Impact of Total Consumption			**13,48**	**4,43**	**4,61**	**4,36**	**4,09**
Impact of Investments			**9,29**	**2,86**	**2,22**	**2,36**	**2,55**
Impact of change in Inventories & in Statistical Differences			**1,26**	**0,04**	**-0,02**	**-0,24**	**-0,43**
Impact of Net Exports			**-1,64**	**-0,64**	**-0,01**	**0,02**	**-0,01**

Source: (1) European Commission, Economic Forecasts, Autumn 2017, (2) IMF Country Report No. 17/247

Chart 15. China remains a trade surplus Country



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Japan: The small GDP growth has been achieved these past years thanks to the great effort to increase domestic demand both through fiscal and highly accommodative monetary policy. The great depreciation of the Yen during the 2011-2015 period has contributed in maintaining the growth trajectory of Japan's exports, but the quickly ageing population and the exceptionally high public debt are obstacles to growth.

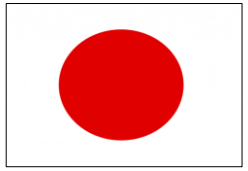
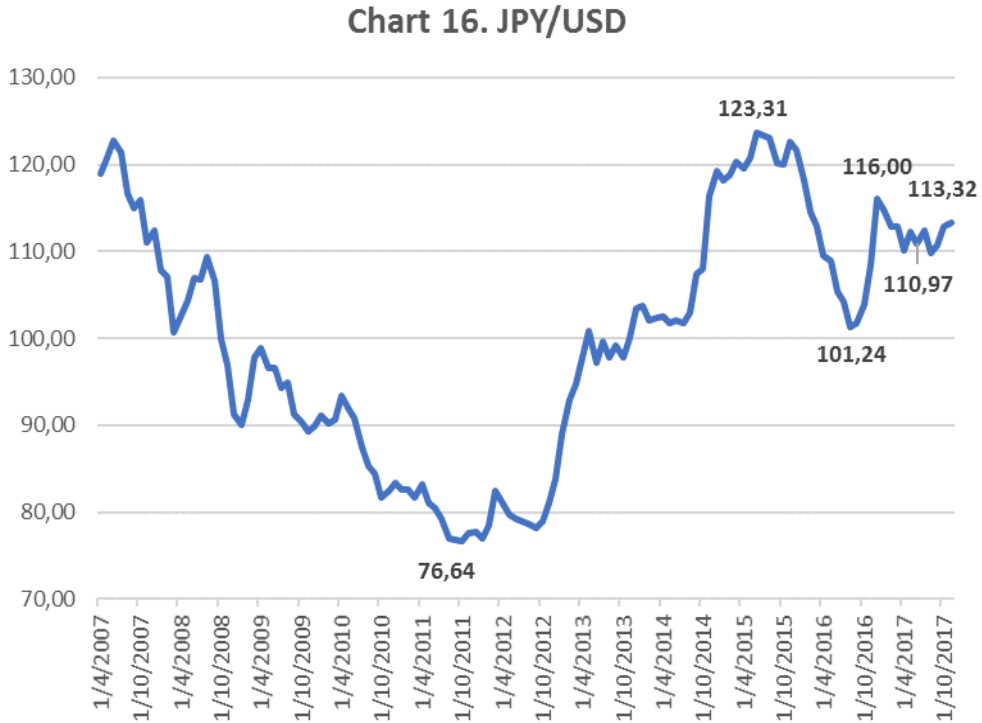


Table 4. Japan GDP (Billions ¥, fixed prices 2011)

	2009	*2016*	% change 2016/2009	% change 2016	% change 2017	% change 2018	% change 2019
Total Consumption	***376.101,3***	***402.616,3***	7,0%	0,6%	1,3%	1,0%	1,1%
Private Consumption	280.629,0	296.588,0	5,7%	0,4%	1,6%	1,1%	1,2%
Public Consumption	95.472,3	106.028,3	11,1%	1,3%	0,4%	0,8%	0,8%
Investments	**107.623,3**	**121.516,6**	12,9%	**0,9%**	**3,1%**	**1,7%**	**1,1%**
Private non-residential investments	**67.359,8**	**80.679,1**	19,8%	**1,3%**	**3,6%**	**1,9%**	**1,0%**
Residential investments	**14.196,2**	**15.797,5**	11,3%	**5,6%**	**4,6%**	**1,7%**	**1,2%**
Public Investments	**26.067,3**	**25.040,0**	-3,9%	**-3,0%**	**0,4%**	**1,0%**	**1,5%**
Change in Inventories	-4.871,4	1.172,4	-124,1%	-58,0%	-176,8%	0,0%	0,0%
Statistical Differences	-866,3	295,7	-134,1%	269,2%	86,0%	0,0%	0,0%
Final Domestic Demand	***477.986,9***	***525.601,0***	10,0%	0,4%	1,3%	1,2%	1,1%
Exports of Goods & Services	58.861,0	84.031,6	42,8%	1,2%	5,0%	2,0%	1,9%
Imports of Goods & Services	64.621,4	88.213,0	36,5%	-2,3%	3,4%	2,0%	2,5%
Balance of Goods & Services	***-5.760,4***	***-4.181,4***	-27,4%	**-41,9%**	**-28,8%**	**2,0%**	**20,3%**
GDP, fixed market prices	***472.226,5***	***521.419,6***	**10,4%**	**1,0%**	**1,6%**	**1,2%**	**1,0%**
Impact of Final Domestic Demand			**10,08**	**0,43**	**1,36**	**1,19**	**1,11**
Impact of Net Exports			**0,33**	**0,58**	**0,23**	**-0,01**	**-0,11**

Source: (1) Japan, Cabinet Office, Economic and Social Research Institute, (2) European Commission, Economic Forecasts, Autumn 2017



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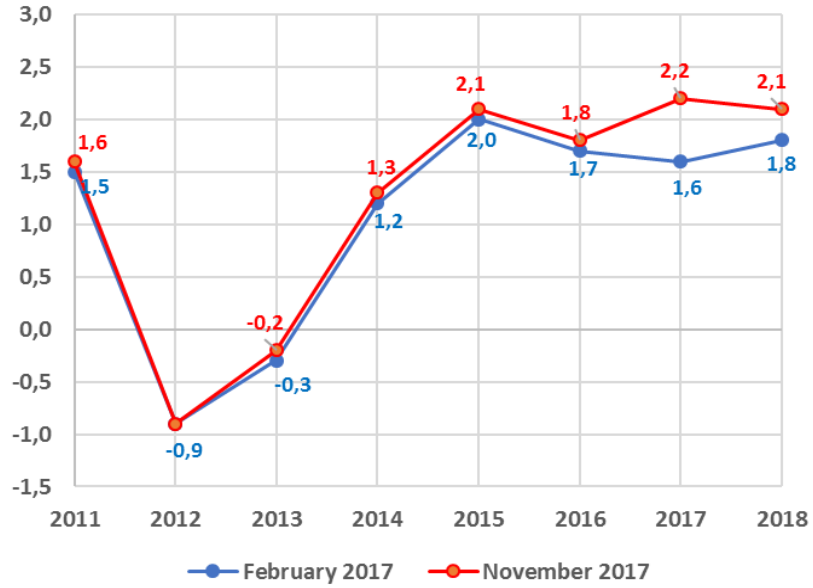
Euro area: Growth through increase of domestic demand arising from the increase of Goods and Services exports at a much faster pace than the increase in its imports, due to the big devaluation of the actual euro exchange rate during the 2009-2016 period. The surpluses in Germany's External Balance of Goods and Services have now become surpluses in the euro area's External Balance of Goods and Services as a whole.

Table 5. Eurozone GDP (Billions €, fixed prices 2010)							
	2009	*2016*	% change 2016/2009	% change 2016	% change 2017	% change 2018	% change 2019
Total Consumption	***7.360,4***	***7.648,1***	3,9%	2,0%	1,6%	1,7%	1,5%
Private Consumption	5.334,9	5.531,3	3,7%	2,0%	1,8%	1,7%	1,5%
Public Consumption	2.025,5	2.116,8	4,5%	1,8%	1,2%	1,6%	1,4%
Investments	**1.980,0**	**2.073,8**	4,7%	**4,5%**	**3,9%**	**3,9%**	**3,3%**
Change in Inventories	-57,7	16,1	-128,0%	-47,5%	42,5%	0,0%	0,0%
Statistical Differences	-3,9	-2,2	-43,1%	-42,5%	-100,0%	0,0%	0,0%
Final Domestic Demand	***9.278,9***	***9.735,7***	4,9%	2,4%	2,2%	2,2%	1,9%
Exports of Goods & Services	3.349,7	4.784,6	42,8%	3,3%	4,5%	4,4%	4,2%
Imports of Goods & Services	3.275,7	4.419,6	34,9%	4,7%	4,7%	4,7%	4,4%
Balance of Goods & Services	***74,0***	***365,0***	393,5%	**-11,0%**	**2,1%**	**0,7%**	**1,6%**
GDP, fixed market prices	***9.352,9***	***10.100,8***	**8,0%**	**1,8%**	**2,2%**	**2,1%**	**1,9%**
Impact of Final Domestic Demand			**4,88**	**2,26**	**2,13**	**2,07**	**1,81**
Impact of Net Exports			**3,11**	**-0,45**	**0,08**	**0,02**	**0,06**
Source: Eurostat, European Commission, Economic Forecasts, Autumn 2017							

Chart 17. EC estimates for Eurozone GDP development in February and November 2017



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Germany: Domestic demand contributed significantly to the GDP increase in 2016 and 2017, whereas until 2018 net exports are anticipated to have a negative impact on the GDP's increase. However, this primarily surplus country continues to operate with large and increasing surpluses in its External Balance of Goods and Services. Impressive improvement of Business Environment and Consumer Confidence indexes.

Table 6. Germany GDP (Billions €, fixed prices 2010)

	2009	*2016*	% change 2016/2009	% change 2016	% change 2017	% change 2018	% change 2019
Total Consumption	***1.927,9***	***2.118,7***	9,9%	2,5%	2,0%	2,0%	1,9%
Private Consumption	1.440,9	1.566,5	8,7%	2,1%	2,1%	1,9%	1,8%
Public Consumption	487,0	552,2	13,4%	3,7%	1,8%	2,3%	2,0%
Investments	**475,8**	**572,3**	20,3%	**3,1%**	**3,8%**	**3,6%**	**2,9%**
Change in Inventories	-27,7	-33,6	21,1%	20,5%	0,0%	0,0%	0,0%
Statistical Differences	-1,8	-0,5	-72,6%	-72,6%	-505,7%	0,0%	0,0%
Final Domestic Demand	***2.374,3***	***2.657,0***	11,9%	2,5%	2,5%	2,4%	2,1%
Exports of Goods & Services	951,8	1.395,1	46,6%	2,6%	3,6%	4,0%	4,0%
Imports of Goods & Services	847,1	1.196,7	41,3%	3,9%	4,6%	5,0%	4,6%
Balance of Goods & Services	***104,7***	***198,4***	89,6%	**-4,5%**	**-2,2%**	**-2,2%**	**0,4%**
GDP, fixed market prices	***2.478,9***	***2.855,4***	**15,2%**	**1,9%**	**2,2%**	**2,1%**	**2,0%**
Impact of Final Domestic Demand			**11,40**	**2,28**	**2,35**	**2,22**	**1,97**
Impact of Net Exports			**3,78**	**-0,33**	**-0,15**	**-0,14**	**0,02**

Source: Eurostat, European Commission, Economic Forecasts, Autumn 2017

Chart 18. EC estimates for Germany GDP development in February and November 2017

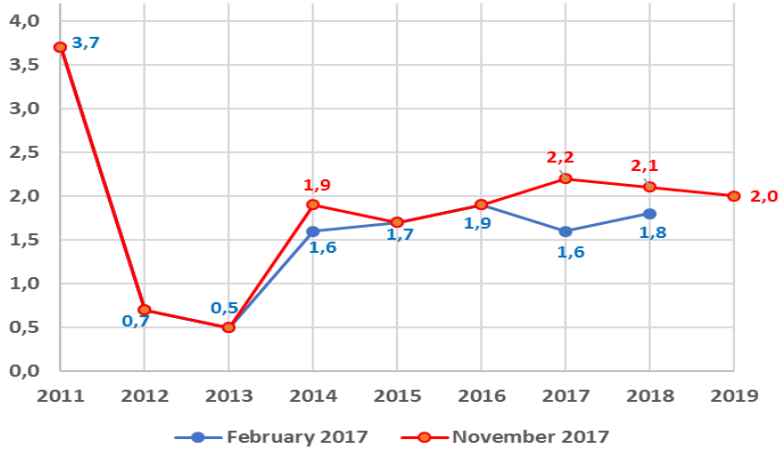
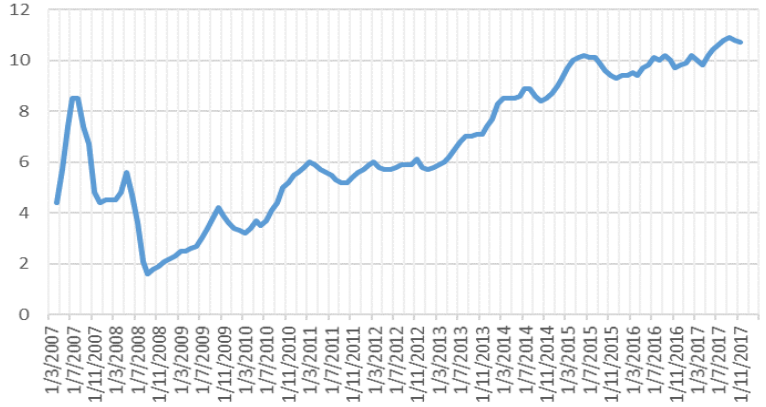


Chart 19. Germany: Business Environment Index

Chart 20. Germany: GfK Consumer Confidence Index

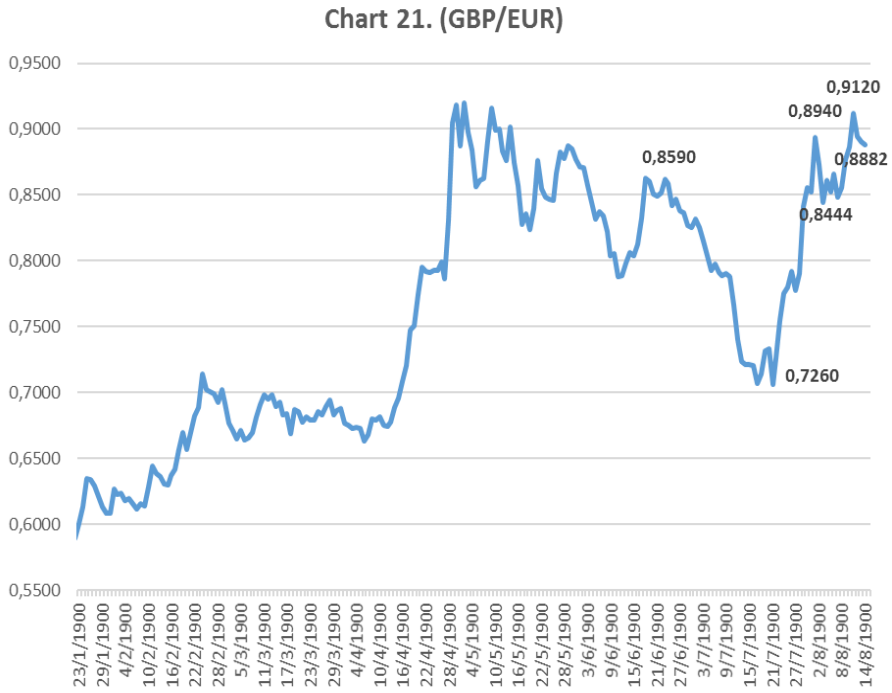


United Kingdom: Net exports had a negative impact on GDP growth during the 2009-2016 period, and especially in 2016. However, after the significant depreciation of the British Pound, they are expected to have a major positive effect on GDP growth during the 2017-2019 period, leading to levels above 1.0%, despite the negative impact of the Brexit implementation process

Table 7. United kingdom GDP (Billions €, fixed prices 2010)

	2009	*2016*	% change 2016/2009	% change 2016	% change 2017	% change 2018	% change 2019
Total Consumption	***1.591,4***	***1.751,1***	**10,0%**	2,4%	1,3%	1,0%	0,9%
Private Consumption	1.199,8	1.334,1	11,2%	2,8%	1,5%	1,1%	1,1%
Public Consumption	391,6	417,1	6,5%	1,1%	0,6%	0,5%	0,4%
Investments	**270,1**	**339,6**	**25,7%**	**1,3%**	**2,6%**	**0,7%**	**1,1%**
Change in Inventories	-17,0	63,8	-475,2%	-2,1%	-24,4%	-0,2%	0,0%
Statistical Differences	-1,1	9,9	-1030,2%	-300,4%	37,7%	24,1%	-4,7%
Final Domestic Demand	***1.843,4***	***2.164,5***	17,4%	2,8%	0,9%	1,0%	0,9%
Exports of Goods & Services	490,5	607,7	23,9%	1,1%	4,9%	3,1%	2,9%
Imports of Goods & Services	522,9	694,6	32,8%	4,3%	2,6%	2,1%	2,1%
Balance of Goods & Services	***-32,4***	***-86,9***	168,4%	**33,7%**	**-13,5%**	**-6,4%**	**-5,4%**
GDP, fixed market prices	***1.811,0***	***2.077,5***	**14,7%**	**1,8%**	**1,5%**	**1,3%**	**1,1%**
Impact of Final Domestic Demand			**-3,01**	**-1,07**	**0,56**	**0,23**	**0,18**
Impact of Net Exports			**17,73**	**2,87**	**0,94**	**1,07**	**0,93**

Source: Eurostat, European Commission, Economic Forecasts, Autumn 2017



SETE INTELLIGENCE

France: Growing systematically through domestic demand, whereas the effect of net exports is persistently negative. The Financial Environment has improved, but Consumer Confidence was disrupted by the recent terrorist attacks.

Table 8. France GDP (Billions €, fixed prices 2010)							
	2009	*2016*	% change 2016/2009	% change 2016	% change 2017	% change 2018	% change 2019
Total Consumption	***1.571,9***	***1.695,5***	7,9%	1,9%	1,1%	1,5%	1,4%
Private Consumption	1.101,7	1.180,9	7,2%	2,2%	1,1%	1,4%	1,4%
Public Consumption	470,2	514,6	9,4%	1,3%	1,2%	1,7%	1,3%
Investments	**432,1**	**465,0**	**7,6%**	**2,8%**	**3,2%**	**3,6%**	**2,9%**
Change in Inventories	-8,4	28,5	-438,2%	-10,8%	25,2%	-9,0%	0,0%
Statistical Differences	-0,4	-0,5	9,7%	-54,9%	-100,0%	0,0%	0,0%
Final Domestic Demand	***1.995,2***	***2.188,6***	**9,7%**	1,9%	1,9%	1,8%	1,7%
Exports of Goods & Services	477,4	637,7	33,6%	1,8%	3,1%	4,0%	4,2%
Imports of Goods & Services	512,6	704,2	37,4%	4,2%	3,9%	4,0%	4,2%
Balance of Goods & Services	***-35,2***	***-66,5***	**88,9%**	**34,0%**	**11,6%**	**4,0%**	**4,2%**
GDP, fixed market prices	***1.960,0***	***2.122,1***	**8,3%**	**1,2%**	**1,6%**	**1,7%**	**1,6%**
Impact of Final Domestic Demand			**-1,60**	**-0,81**	**-0,36**	**-0,14**	**-0,15**
Impact of Net Exports			**9,87**	**1,99**	**1,96**	**1,84**	**1,74**
Source: Eurostat, European Commission, Economic Forecasts, Winter 2016							

Chart 22. EC estimates for France GDP development in February and November 2017

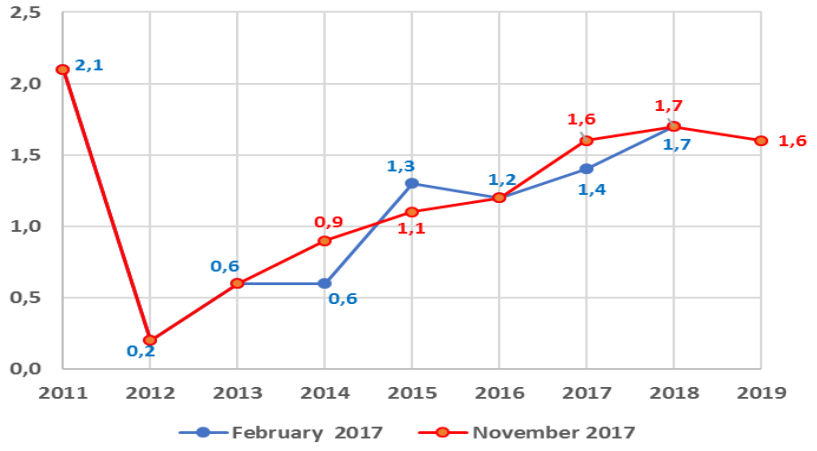


Chart 23. France: Financial Environment Index (ESI)

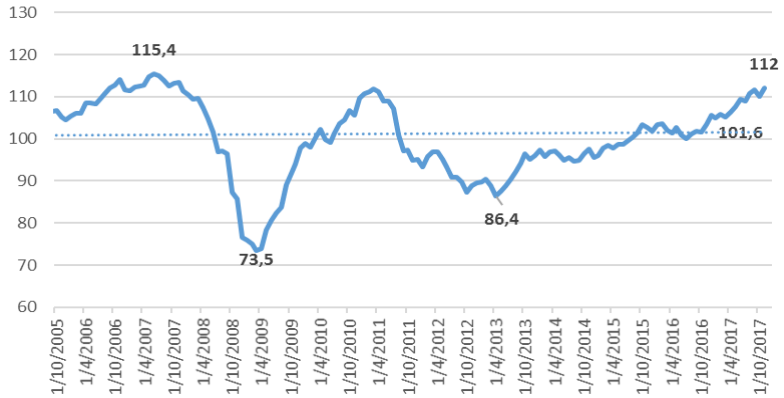
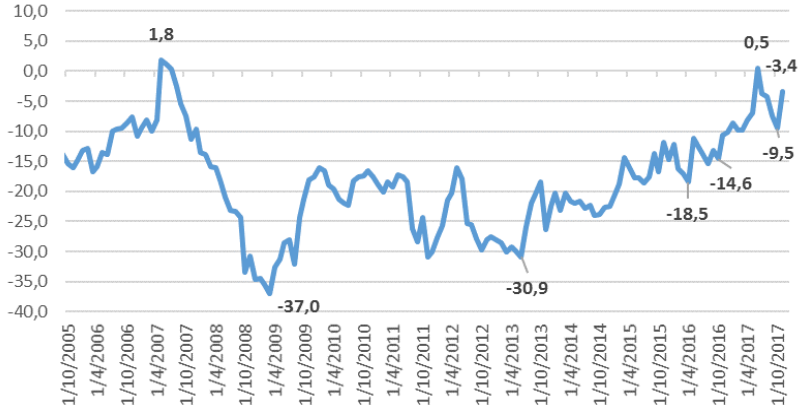


Chart 24. France: Consumer Confidence Index



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Italy: GDP drop during the 2009-2016 period, with conversion of the External Balance of Goods and Services deficit to a surplus and a positive impact on the GDP increase from net exports. The high public debt and decreased international competitiveness stand in the way of growth. Improvement of Business Environment and Consumer Confidence indexes after 2013.

Table 9. Italy GDP (Billions €, fixed prices 2010)

	2009	2016	% change 2016/2009	% change 2016	% change 2017	% change 2018	% change 2019
Total Consumption	***1.293,1***	***1.265,8***	-2,1%	1,3%	1,3%	0,9%	0,8%
Private Consumption	967,3	952,1	-1,6%	1,5%	1,4%	1,1%	0,9%
Public Consumption	325,8	313,7	-3,7%	0,5%	0,7%	0,3%	0,3%
Investments	**321,8**	**272,2**	**-15,4%**	**2,8%**	**2,5%**	**3,8%**	**2,7%**
Change in Inventories	-9,3	0,5	-105,9%	-93,5%	284,7%	81,0%	0,0%
Statistical Differences	-1,5	0,0	-100,1%	-100,1%	-	-4,8%	0,0%
Final Domestic Demand	***1.604,1***	***1.538,5***	-4,1%	1,1%	1,7%	1,5%	1,1%
Exports of Goods & Services	361,5	481,0	33,1%	2,4%	4,8%	3,8%	3,3%
Imports of Goods & Services	387,7	446,6	15,2%	3,1%	5,9%	4,7%	3,8%
Balance of Goods & Services	***-26,2***	***34,5***	**-231,8%**	**-5,9%**	**-8,5%**	**-9,7%**	**-5,4%**
GDP, fixed market prices	***1.577,9***	***1.573,0***	**-0,31%**	**0,9%**	**1,5%**	**1,3%**	**1,0%**
Impact of Final Domestic Demand			**-4,15**	**1,08**	**1,69**	**1,49**	**1,10**
Impact of Net Exports			**3,84**	**-0,14**	**-0,19**	**-0,19**	**-0,09**

Source: Eurostat, European Commission, Economic Forecasts, Autumn 2016

Chart 25. EC estimates for Italy GDP development in February and November 2017

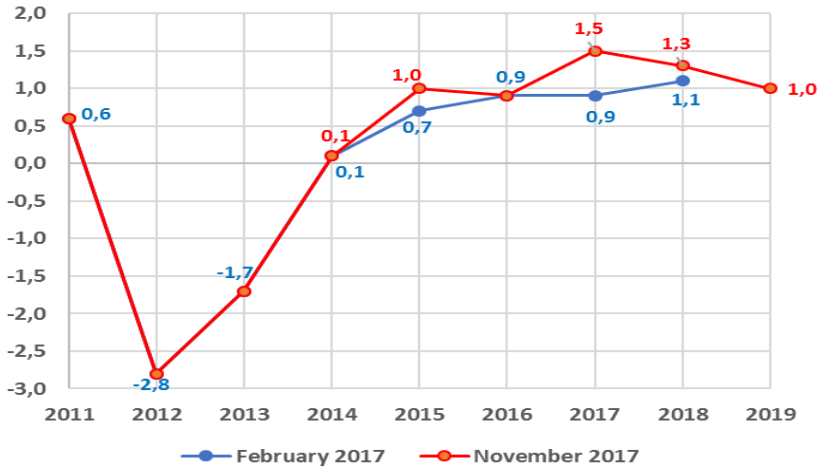


Chart 26. Italy: Financial Environment Index (ESI)

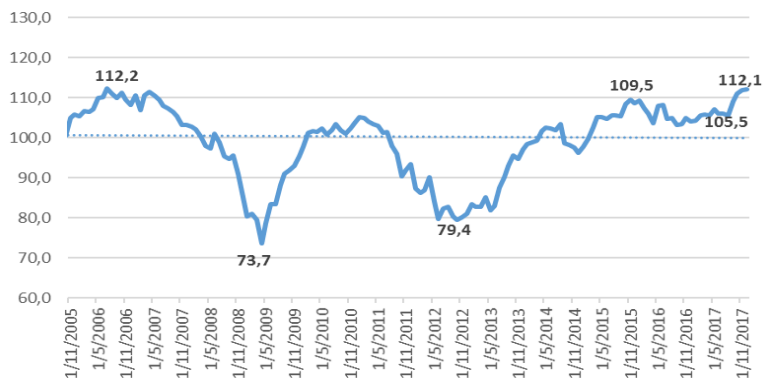
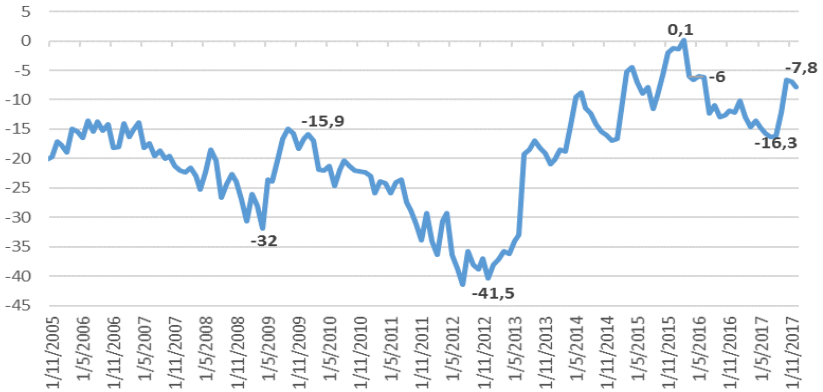


Chart 27. Italy: Consumer Confidence Index



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Bulgaria: High growth with high positive impact from net exports, but big drop in fixed capital investments. Significant improvement of Financial Environment and Consumer Confidence Indexes and strong growth until 2019.

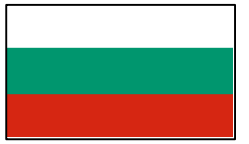


Table 10. Bulgaria GDP (Mllions €, fixed prices 2010)							
	2009	*2016*	% change 2016/2009	% change 2016	% change 2017	% change 2018	% change 2019
Total Consumption	***30.231,4***	***34.357,8***	13,6%	3,3%	4,2%	3,8%	3,5%
Private Consumption	24.056,5	27.774,1	15,5%	3,6%	4,6%	3,8%	3,5%
Public Consumption	6.174,9	6.583,7	6,6%	2,2%	2,7%	3,9%	2,8%
Investments	**10.312,9**	**8.212,0**	**-20,4%**	**-6,6%**	**3,5%**	**3,9%**	**3,8%**
Change in Inventories	374,1	194,3	-48,1%	145,0%	0,0%	0,0%	0,0%
Statistical Differences	1,0	80,4	7940,0%	5260,0%	13,2%	26,4%	43,5%
Final Domestic Demand	***40.919,4***	***42.844,5***	4,7%	1,7%	4,1%	3,9%	3,5%
Exports of Goods & Services	17.275,4	28.480,6	64,9%	8,1%	5,2%	4,9%	5,0%
Imports of Goods & Services	20.463,8	28.424,4	38,9%	4,5%	5,5%	5,0%	4,9%
Balance of Goods & Services	***-3.188,4***	***56,2***	**-101,8%**	**-106,5%**	**-146,5%**	**119,6%**	**-49,8%**
GDP, fixed market prices	***37.731,0***	***42.900,7***	**13,7%**	**3,9%**	**3,9%**	**3,8%**	**3,6%**
Impact of Final Domestic Demand			**5,10**	**1,71**	**4,09**	**3,87**	**3,54**
Impact of Net Exports			**8,60**	**2,23**	**-0,19**	**-0,07**	**0,06**

Source: Eurostat, European Commission, Economic Forecasts, Spring 2017

Chart 28. EC estimates for Bulgaria GDP development in February and November 2017

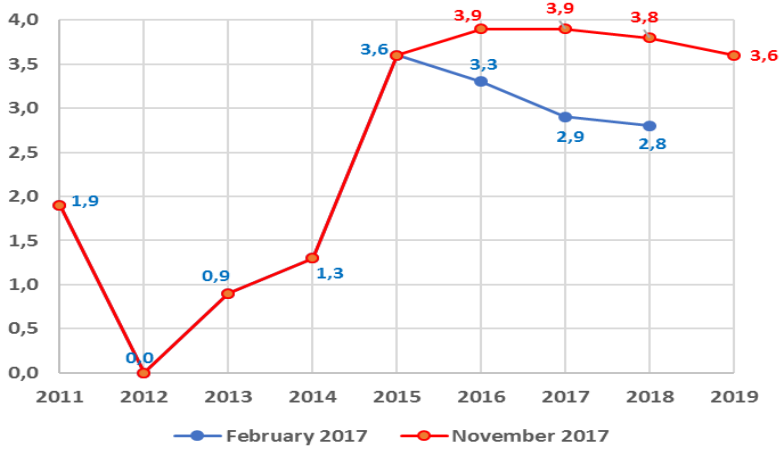


Chart 29. Bulgaria: Financial Environment Index(ESI)

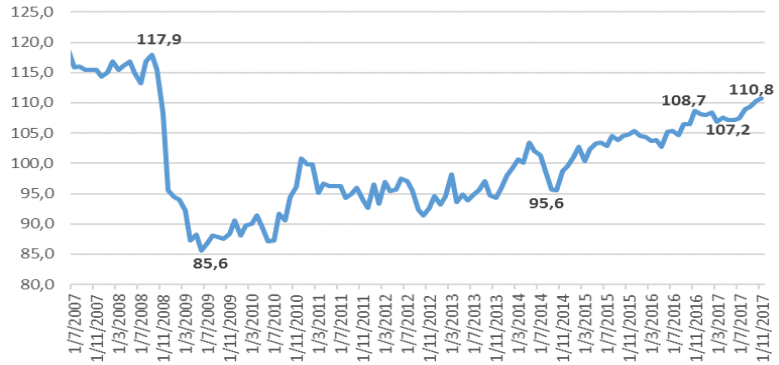
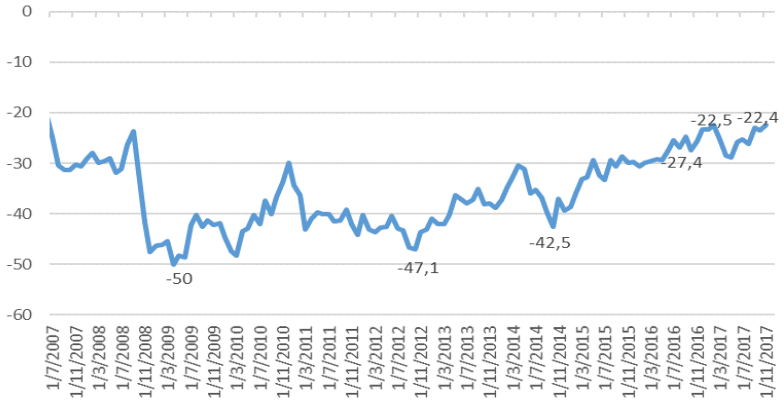


Chart 30. Bulgaria: Consumer Confidence Index



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Turkey: Uncontrolled depreciation of Turkish Lira. Revision of GDP upwards. Inflation follows the depreciation at a very slow pace.

Table 11. Turkey GDP (Billions €, fixed prices 2010)							
	2009	2016	% change 2016/2009	% change 2016	% change 2017	% change 2018	% change 2019
Total Consumption	**416,2**	**634,2**	**52,4%**	**4,7%**	**4,8%**	**4,5%**	**5,0%**
Private Consumption	330,7	515,1	55,7%	3,7%	3,9%	4,5%	4,0%
Public Consumption	85,5	119,1	39,3%	9,5%	8,5%	4,5%	8,9%
Investments	**117,9**	**245,7**	**108,3%**	**2,2%**	**2,8%**	**4,0%**	**4,2%**
Change in Inventories	8,3	-12,9	-256,0%	-16,0%	-35,0%	10,7%	4,3%
Final Domestic Demand	**542,5**	**866,9**	**59,8%**	**4,4%**	**4,8%**	**4,3%**	**4,8%**
Exports of Goods & Services	116,9	173,3	48,3%	-1,9%	7,4%	5,4%	4,3%
Imports of Goods & Services	123,7	195,3	57,8%	3,7%	5,0%	6,4%	7,1%
Balance of Goods & Services	**-6,9**	**-22,0**	**219,5%**	**88,9%**	**-13,9%**	**16,9%**	**31,9%**
GDP, fixed market prices	**535,6**	**844,9**	**57,76%**	**3,2%**	**5,3%**	**4,0%**	**4,1%**
Impact of Final Domestic Demand			**60,59**	**4,45**	**4,93**	**4,37**	**4,86**
Impact of Net Exports			**-2,82**	**-1,26**	**0,36**	**-0,36**	**-0,76**
Source: Eurostat, European Commission, Economic Forecasts, Autumn 2017							

Chart 31. EC estimates for Turkey GDP development in February and November 2017

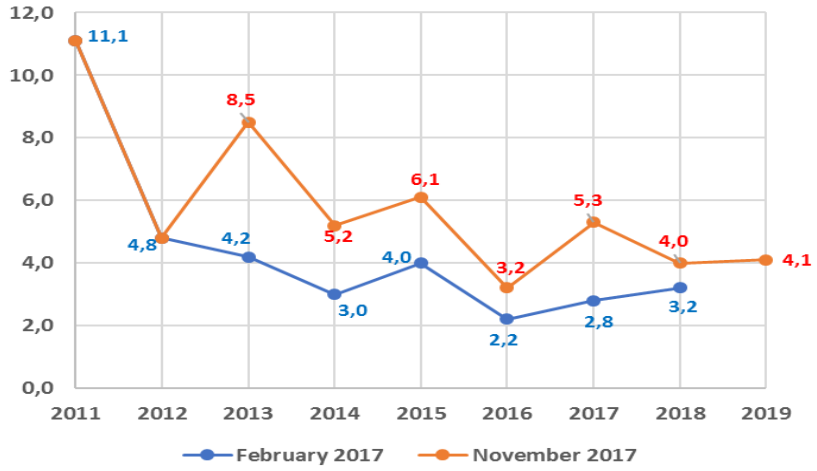
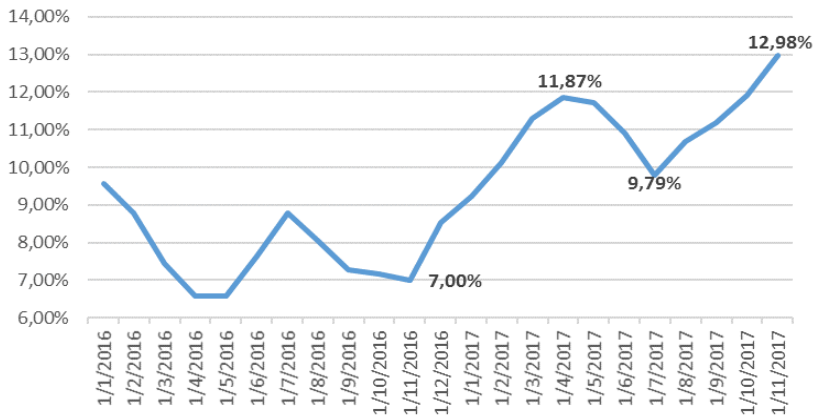


Chart 32. (TRY/EUR)

Chart 33. Inflation of Turkey



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This study was carried out by the INSETE under the act: “Strengthening the institutional and operational capacity of SETE” with MIS 5000993 code, which is part of **the Operational Programme “ Development of Human Resources Training & Lifelong Learning NSRF 2014-2020” and is co-financed by the European Social Fund (ESF).**

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