

1. Developments in International Environment	5
1.1. Recent Developments and Prospects in the World Economic Activity	5
1.1.1. Trends and Developments in the Global Economy	5
1.1.2. Economic Developments across Regions and Selected Countries	7
1.1.3. Downside Risks and Key Uncertainties Surround the Prospects of the Global Economy	8
1.2. The Crisis in Peripheral Eurozone Economies and Economic Policy	10
1.2.1. The Main Aspects of the Crisis in Peripheral Eurozone Economies	10
1.2.2. The Priorities of Economic Policy in Peripheral Eurozone Economies	12
1.2.3. Related Economic Policy Issues at the Eurozone Level	13
1.3. Recent Developments in the Southeast European Economies	15
1.3.1. Structural and Macroeconomic Impact of the Crisis	16
1.3.2. Other Parameters of the Crisis	18
1.3.3. Conclusions and Outlook	20
2. Economic Developments in Greece	21
2.1. GDP and Demand Components	21
2.1.1. Private Consumption	24
2.1.2. Investment	26
2.1.3. External Balance of Goods and Services	27
2.1.4. Conclusions and Short-term Prospects	28
2.2. Developments by Sector of Economic Activity	29
2.2.1. Analysis of National Accounts	29
2.2.2. Analysis Based on High Frequency Indices	31

2.3. Developments in Public Finances and the Banking Sector	35
2.3.1. Recent budgetary developments	35
2.3.2. The Liquidity of Greek Economy: The Role of Greek Banks	38
2.4. The Evolution of the Consumer Price Index (CPI)	42
2.4.1. Recent Developments in Greece and the Eurozone	42
2.4.2. Analysis of Inflation Based on Harmonized Index of Consumer Price (HICP) and the Harmonized Index with Fixed Tax Rates (HICP-CT)	45
2.4.3. The Increase in Liquid Fuels Taxation and the Impact on Fuel Prices and Consumption	49
2.5. Labour Market Developments	52
2.5.1. Unemployment	52
2.5.2. Employment	53
2.5.3. Labour Market Flexibility	55
2.5.4. Changes in the Institutional Framework	55
2.5.5. Prospects	57
2.6. International Transactions	58
2.6.1. Recent Current Account Developments - Analysis of Trade Balance	58
2.6.2. Tourism	63
2.6.3. The Deregulation of Cruise Industry in Greece	66
Special Topics	
Economic Growth in Greece: Performance, Weaknesses and the Role of Policy	70
Greece's Lagging Relative Ability to Attract FDI: Some Clues to the Explanation	81
PPPs as an Instrument of Economic Development	90
Innovation Activity in Greece: Trends and Growth Effects	96
The Initial Public Offerings in the Stock Market: A Growth Factor	103