

As the Greek programme is approaching its completion, the past few months have been characterised by intense activity. A staff-level agreement of the Eurogroup Working Group (EWG) was reached on 19 May on a package of reforms –including privatisations and energy market reforms– required for the successful completion of the fourth and final review of the Greek programme. This agreement was presented to the Eurogroup of 24 May 2018. However, by all accounts it will not be possible for the government to implement all 88 preconditions for the conclusion of the evaluation by the 21 June target date, when the Eurogroup is set to discuss a comprehensive exit package, including the conclusion of the evaluation, post-bailout fiscal oversight, and debt relief. The European creditors are reportedly prepared to wait until mid-August –just before the scheduled end of the bailout programme– for implementation of the agreed reforms. Another crucial issue is the discussion on debt relief for Greece, which remains critical to the economy's long-term prospects. Thus far, no definitive decisions have been taken on Greek debt or the International Monetary Fund's role, as that issue will be part of a comprehensive package agreement to be decided at the 21 June Eurogroup in Luxembourg.

In the international arena the most important development was the announcement on June 12 –and signature on June 17– of the agreement between Greece and the Former Yugoslav Republic of Macedonia (FYROM) after over two decades of deadlock between the two countries. The agreement on the name “Northern Macedonia” (“Severna Makedonija” in Slavic and “North Macedonia” in its English version) was the culmination of a long and complicated process that still faces several challenges before it can be fully implemented. A key challenge will be the ratification of the agreement by the Parliament in Skopje and then by popular referendum in FYROM. Questions also arise concerning the timeline for the implementation of the agreement, which is estimated at almost two years, since it provides for a transitional period for each chapter of the agreement. However, the most crucial

challenge for both sides concerns the political management of the situation on a popular level, as intense and negative reactions have already been expressed and tensions are running very high both in Greece and FYROM.

In this dynamic context, the articles presented in the 36th issue of KEPE's *Greek Economic Outlook* offer an analysis of current developments in the Greek economy and the international environment, as well as more specialised and specific economic issues. Part One examines recent developments and prospects for the main components of demand, the evolution of the Consumer Price Index in Greece and the Eurozone, and the factor model forecast for short-term prospects of GDP. An overview of the recent economic developments and prospects in the international environment as well as in the Western Balkan region is also presented. Public finances are examined through an analysis of the State Budget Execution (First Quarter 2018) as well as the evolution and structure of public debt. Recent developments in key variables of the Greek labour market are discussed, and an analysis of the Special Eurobarometer on the Integration of Migrants (the Case of Greece) is presented. Finally, sectoral policies are analysed through an examination of the external trade of agro-food products as well as developments in the transport fuels market for the 2016-2017 period (and the impact of the Excise Duty increase). Part Two of the journal hosts four in-depth and specialised articles that focus on important current topics. The first article analyses the “Changes in inequality and poverty in Greece: 2007-2015”. The second examines “The significance and impact of the time and cost of (non-) collecting claims on receivables from non-performing bank loans (NPLs)”, while the third presents an analysis of “E-commerce and Information and Communication Technologies in Greek firms”. Finally, the last article discusses “Applying behavioural insights to policy-making”.

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