



Greece in the European Semester Policy Framework post-Covid19

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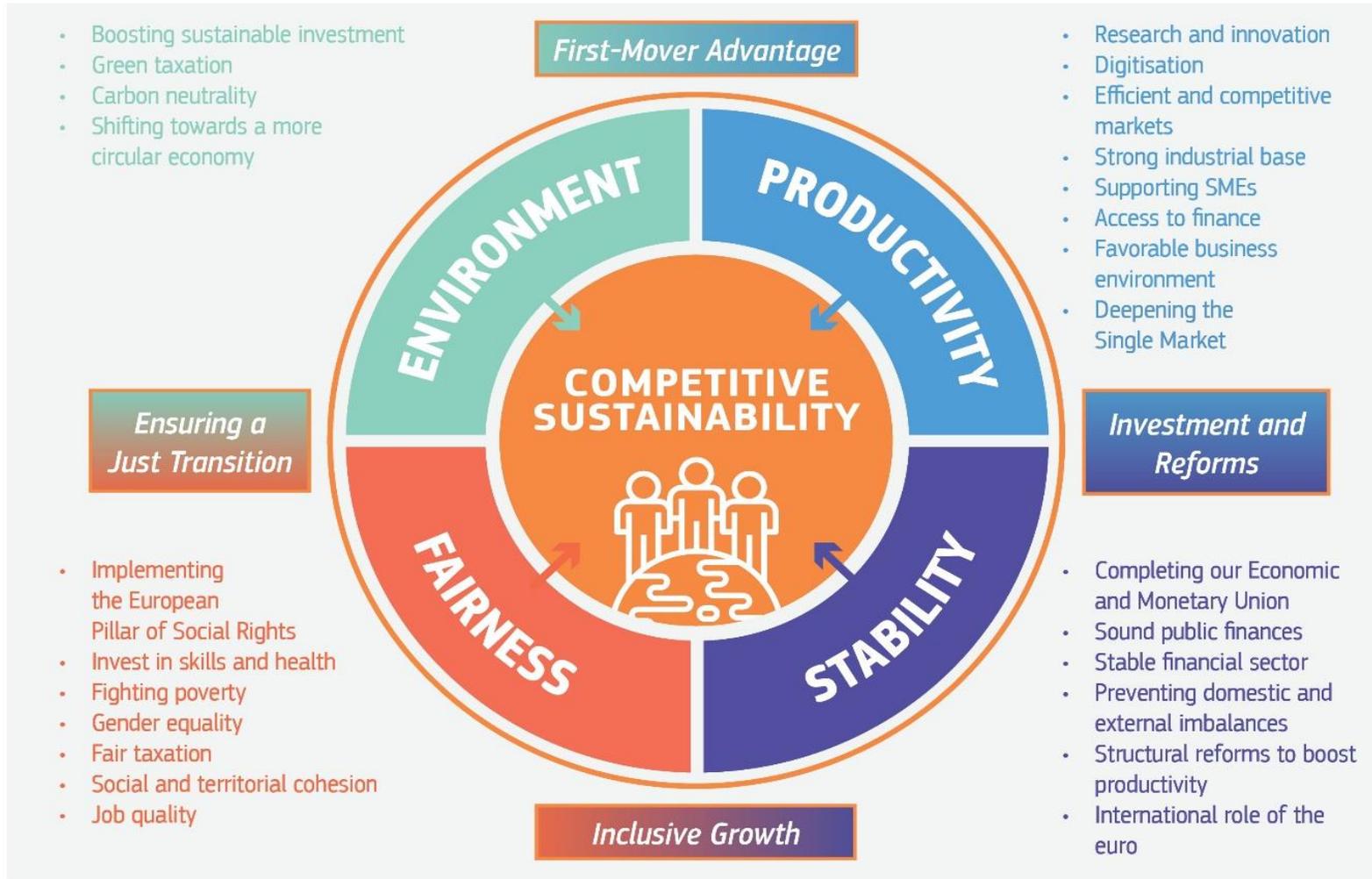
Deputy Director General

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European Commission

European Semester e-Conference:
Stimulating a resilient recovery for Greece
through investments, digital transformation and
green economy
1 July 2020

A new paradigm to address interrelated challenges



Adjusting the Semester to the COVID-19 crisis

- **Activated the General Escape Clause of Stability and Growth Pact**
- **Five broad priorities for all Member States to support the crisis response:**
 - Investment in **public health** and the resilience of the **health sector**
 - Preserving **employment**, tackling **social impacts and developing skills**
 - **Supporting businesses**, with a focus on SMEs
 - Ensuring **liquidity** provision and stability in the **financial sector**
 - **Preserving the Single Market** and ensuring the flow of critical goods
- **Forward looking guidance (with 2019 CSRs remaining valid)**
 - green & digital transition
 - promoting employment and social fairness
 - ensuring everybody pays their share (Aggressive Tax Planning/Anti Money Laundering)
- **A Recovery and Resilience Fund managed via the European Semester**

Country Specific Recommendations for Greece

CSRs published on 20 May → expected to be adopted by the Council in July

CSR1 Taking all necessary measures to effectively address the pandemic, sustain the economy and support the ensuing recovery, in line with the general escape clause

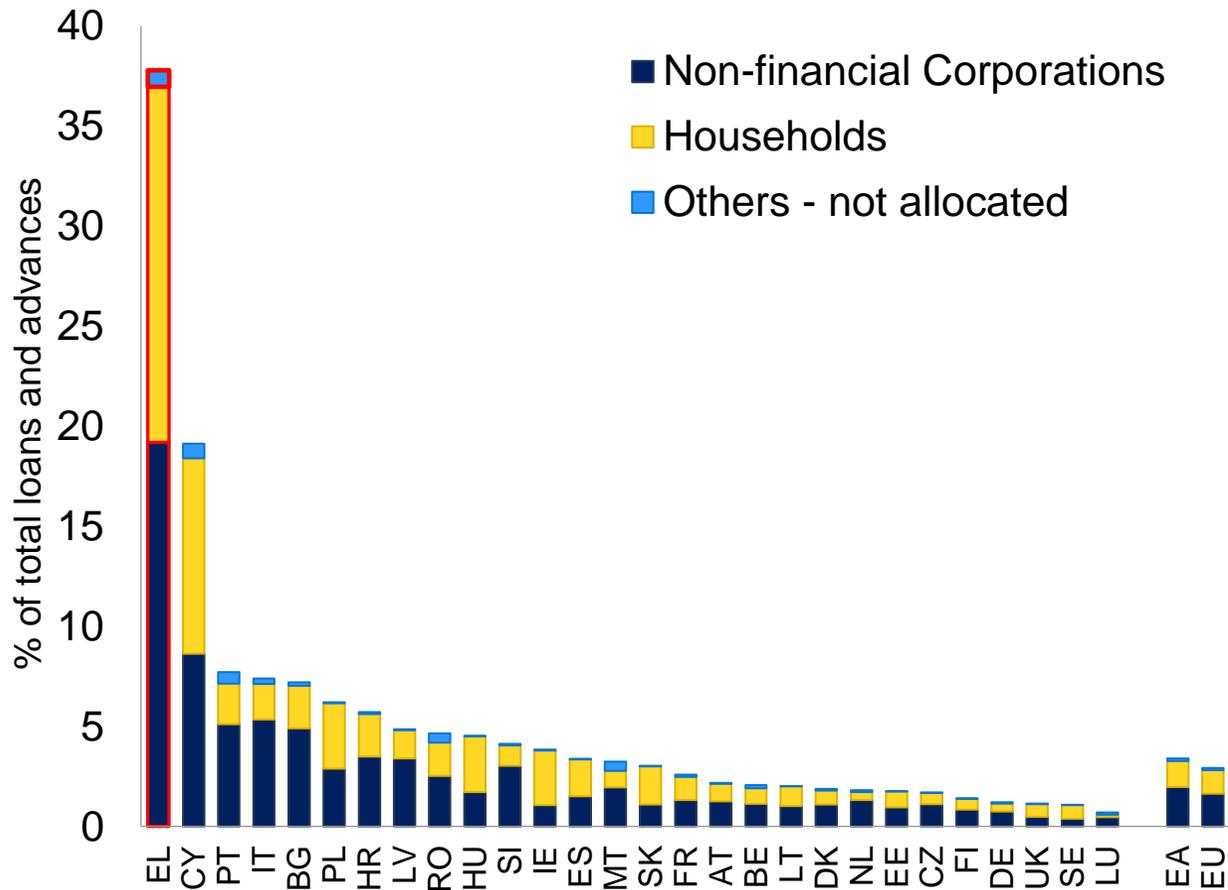
CSR2 Supporting employment and businesses through the crisis and the recovery

CSR3 Promote investments, in particular for the green and digital transitions

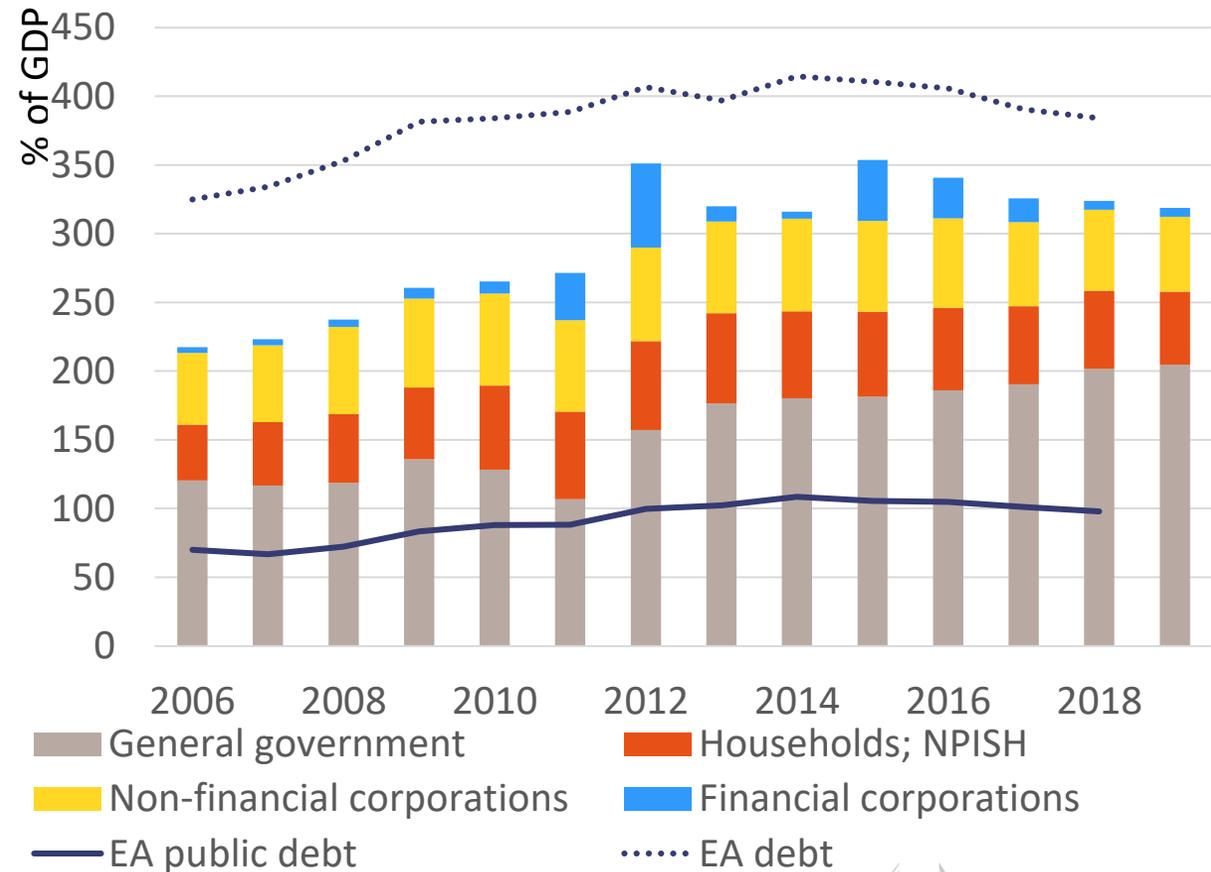
CSR4 Completing reforms in line with the post-programme commitments

Legacy issue: high share of NPLs and high public debt

Non performing loans

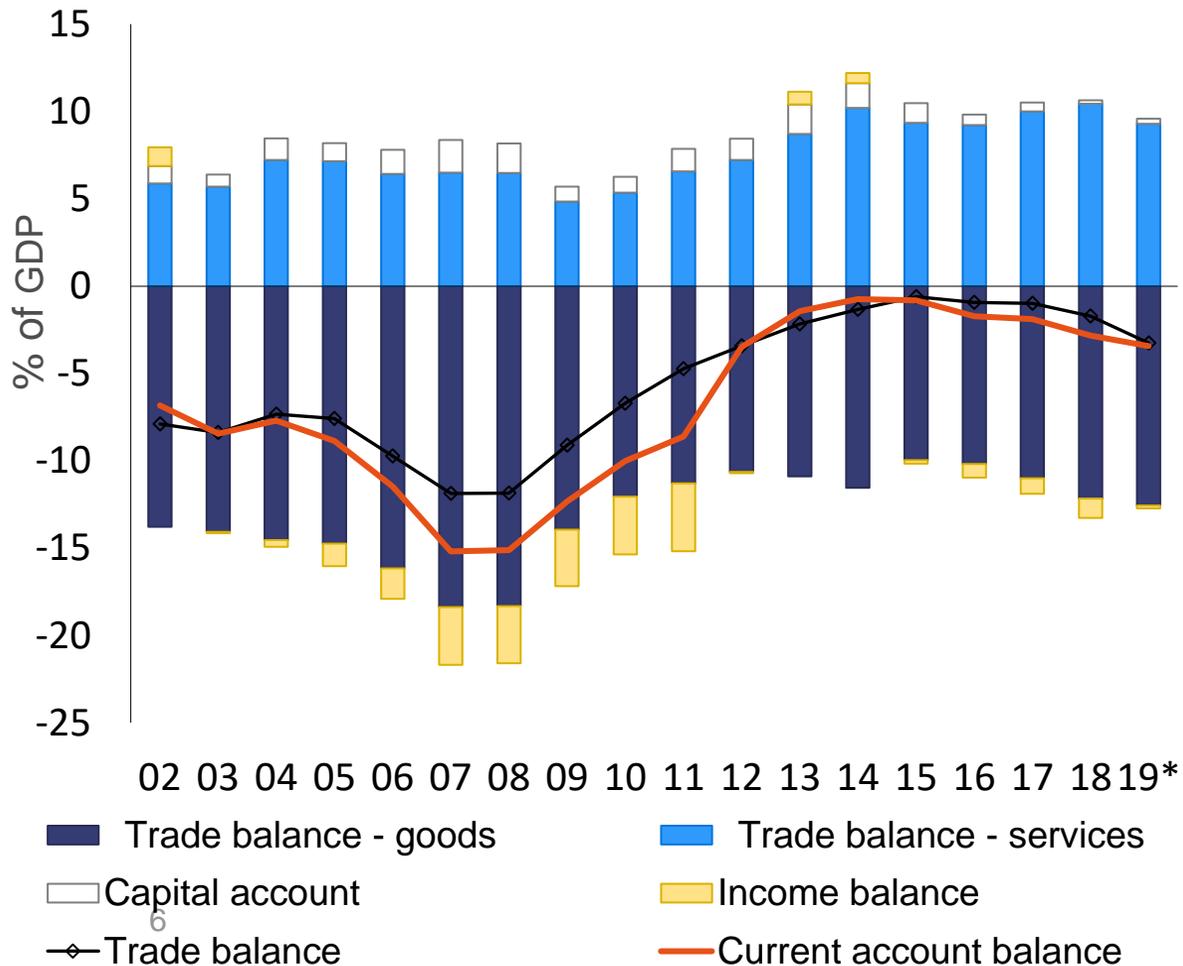


Debt by sector

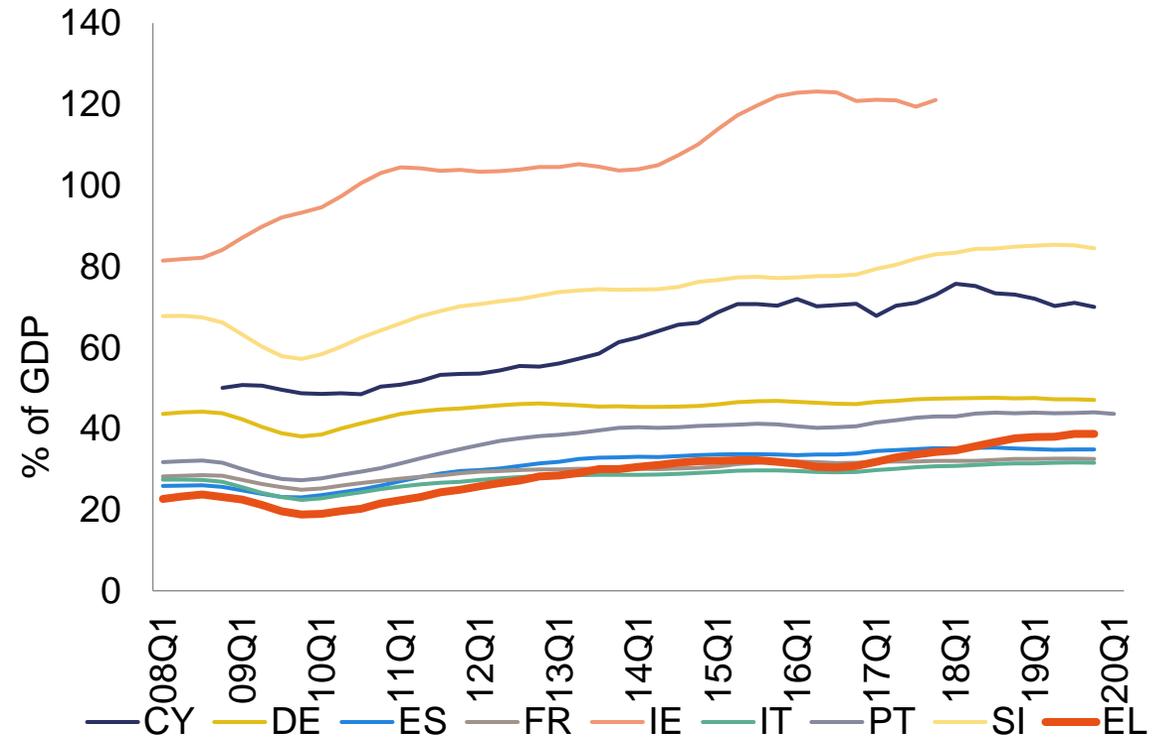


Persistent current account deficit and weak export performance

Current account

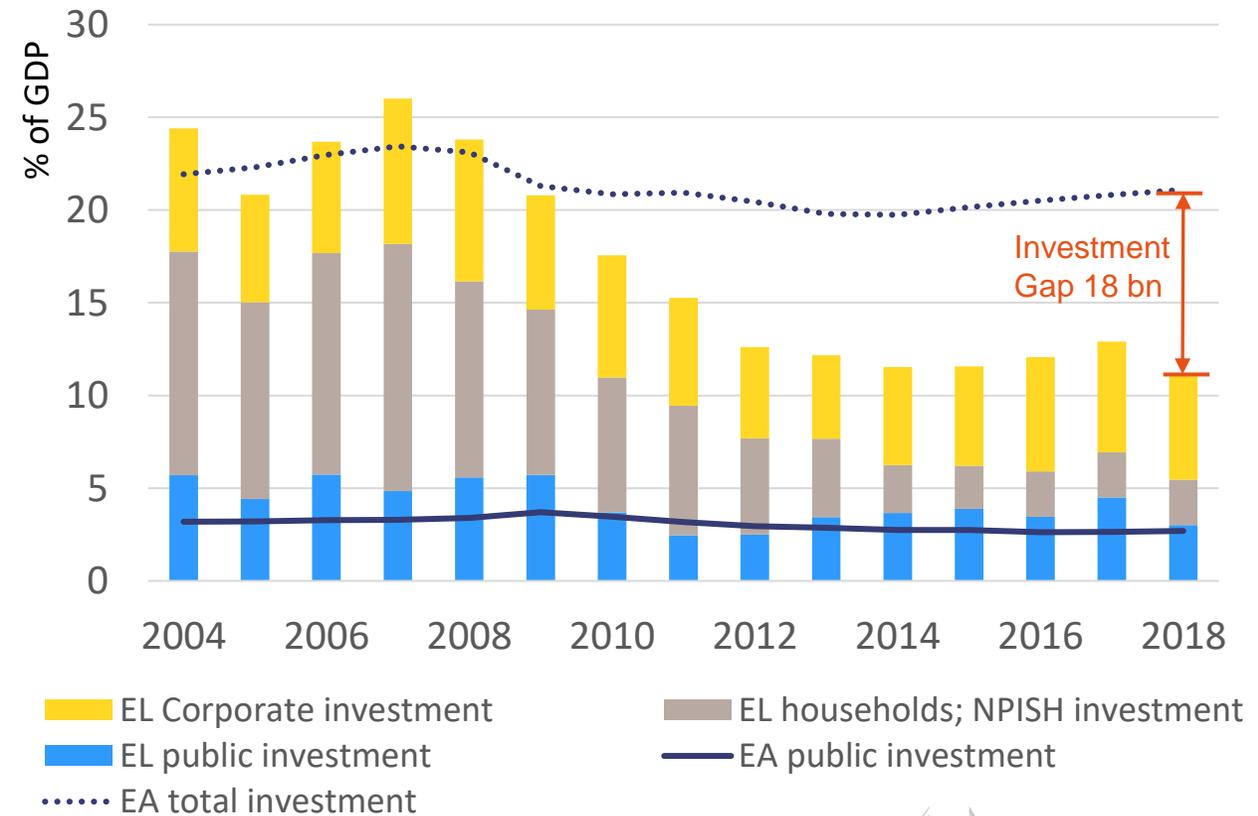
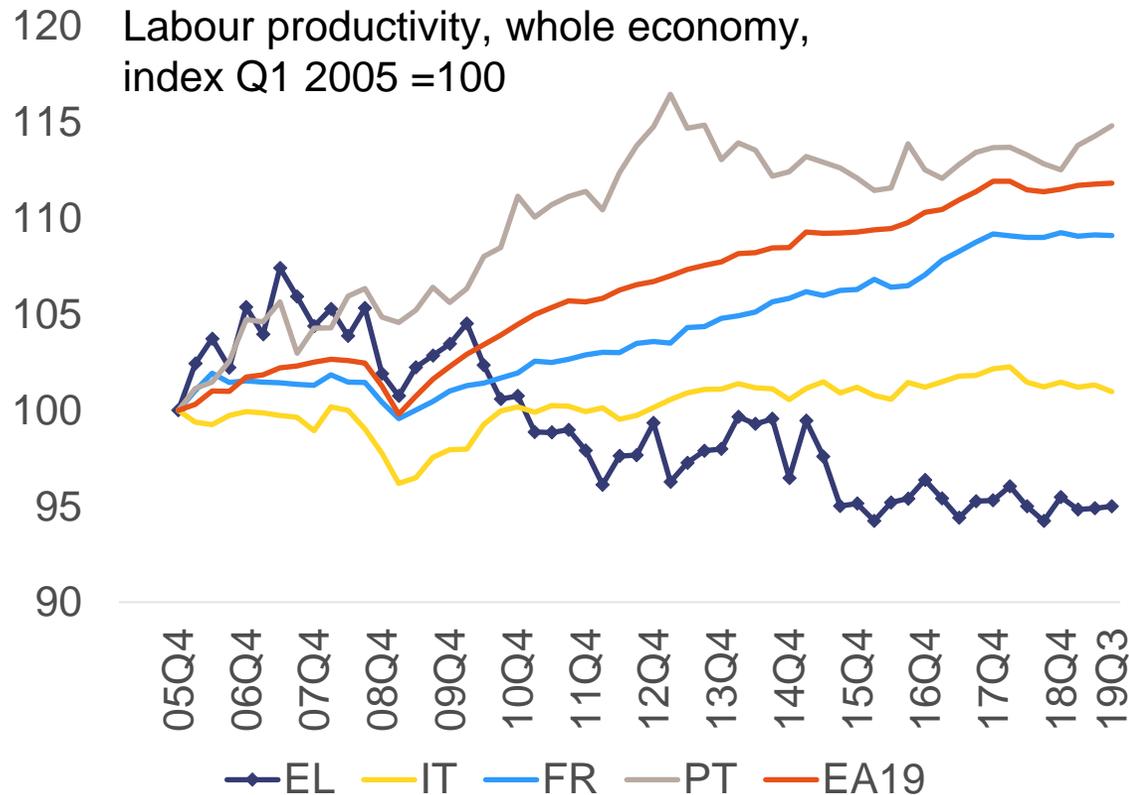


Export performance



For each quarter, figure refers to the sum of 4 quarters previous to each data point

A productivity and investment gap



Greece and the green and digital transition

Green transition

- **Environment:** Municipal Solid Waste (MSW) management relies mainly on landfill disposal (80%) and 15% of collected MSW are recycled vs. EU average of 45% and 37%
- **Energy:** per capita greenhouse gas emissions (GHG) are 3% higher than the EU average - due to the fossil fuels dependency of the energy sector
- **Transport:** Greek fleet for medium- and heavy-duty vehicles among oldest (18.7 years in Greece vs. EU-average of 11.7)

Digital transition

- Latest overall **Digital Economy and Society Index (DESI)** → Greece ranked second last in the EU
- **Connectivity infrastructure** and **level of digital skills** lag those of Greece's EU peers
- Degree of **digitisation of businesses** is far below the EU average (e.g. use of cloud services by only 7% of firms versus 18% in the EU)
- **Digital public services** indicators have started to close the gap with EU peers but remain among the weakest (e.g. 39% uses e-government services vs. 67% EU average)

Thank you