Greece: In Search of Investors

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Introduction

The year 2019 marked the third year of continuing recovery of the Greek economy albeit with modest GDP growth ranging between 1.4 in 2017 to about 2% this year and a decreasing unemployment rate to 16.6% as reported (October 2019) in the latest available data. The improving conditions of the Greek economy have been recognized by the players in financial markets as evidenced by the dramatic drop of interest of Greek bonds that are presently at par to those issued by Portugal while short term government bills are issued with negative interest rates.

Contributing to GDP and employment growth were in descending order of importance net exports—especially tourism and shipping—public and private consumption and investments while imports of goods—especially raw goods including crude oil—also increased relatively significantly dampening growth. The contribution of net exports for the three quarter-period in 2019 was 1.08% (the difference between exports of 2.24% and imports of 1.16%) with the major driver being tourism and shipping. Public consumption in the second order of importance contributing 0.62% while private consumption was limited to 0.14% and gross fixed investment of 0.11%. Analyzing investment further—both domestic and foreign—which is most important for increasing the depleting fixed capital that occurred in the last decade has not been realized to the expected level casting doubt of a strong recovery and economic growth in the order advocated to be possible by the new government that took office in July of 2019.

As was mentioned, the main driver for the recovery thus far, have been exports rendering the country’s economic growth export-led which is both unstable and fragile given the slow growth of the global economy and most especially Greece’s trading partners (Germany, Italy, France, Turkey) affecting export demand and the geopolitical turbulence centering mostly in the country’s region that may ultimately affect negatively tourism and transport the two major components of exports.
Notwithstanding the strong tourism dynamics over the last three years, the rehabilitation of private consumption and investments are necessary and immediate to ensure a strong and sustainable recovery and accelerated growth. According to Elstat private consumption for the three-quarter period in 2019 slowed to 0.2% as compared to the average of 1% in the two-year period of 2017-18. And this despite the increase in employment, some tax reduction, increase in the minimum wage and the increase of real disposable income by 4.5% in the first six months of 2019. To be sure, a factor for this decline of private consumption is the high debt service obligations of the Greek households and the continuing process of deleveraging. Statistics from the Independent Agency of Public Revenues (AADE) as reported by the Institute of Labor (INE GSEE) over the last two years (November 2017 to November 2019) show that 31,481 electronic foreclosures took place and more are scheduled for the current year and about 1.8 million private debtors have been forced into strict payment schedules for overdue taxes and bank loans. This, therefore, does not bode well for an increase in private consumption for either 2020 and beyond and a significant contribution to growth.

The other crucial component for sustainable growth is investment both public and private including foreign direct investments for important development projects (energy, logistics, industry) and for SMEs to expand and modernize productive capacity creating value chains for sustainable exports and toward innovative businesses including start-ups. Notwithstanding the improving financing and entrepreneurial environment and the tax reductions, gross fixed investments decreased from 14.2% of GDP in 2017 to 11.3% in 2019 while Eurostat reports an increasing trend instead for the Eurozone, that is from 20.4% of GDP to 22% respectively. Since domestic investment remains weak and public investment very much below the level of 2010, all eyes must be on attracting foreign direct investment. Foreign Direct Investments are on an increasing, but decelerating trend since 2017. Furthermore, more of them are destined towards the purchase of real estate limiting the capacity to enhance the productive base of the economy.

In this report, we begin with an analysis of the current conditions in some detail including the structure of the economy’s policies especially relating to its fiscal stance and trade. We also examine the differences between the nominal and market values of its public debt and how these relate to the government’s budget deficit or surplus. We explore the policy ramifications on private demand and investment and end our report with simulations using the Levy Institute Stock-Flow Consistent Model for Greece (LIMG) detailing the sectoral fiscal balances of two scenarios, one as business as usual scenario (base scenario), the other, a scenario that explores the necessary conditions required to achieve a 4% growth rate in the years 2021 and 2022 that formed the campaign mantra of the present government.

Our baseline projections suggest a moderate growth rate around 2% for the next two years, driven mainly by net exports. Our projections are in line, albeit on the lower side of the most recent projections of
several international organizations—such as the IMF, the OECD, and the European Commission—for Greece. There is a more significant discrepancy with the projections of the Greek government in the State Budget of 2020, which was published last November and forecasts a growth of 2.8% for next year. As we mentioned above and we discuss in more detail below, a significant acceleration of private consumption and investment—the budget forecasts 1.8% and 13.4% respectively—is unlikely. For the same reasons, the 4% growth scenario is even more improbable, as it would require an even higher increase in private expenditure.

**Fiscal policy and sectoral balances**

Since 2016 the Greek government has fulfilled its commitments with the international creditors, achieving and maintaining a primary surplus (Figure 1), with the aim of making Greek public debt sustainable, and therefore enjoying continuous financial support from the ECB and the other international institutional creditors, namely the European Stability Mechanism (ESM) and the International Monetary Fund (IMF).

As Figure 1 shows, total government deficit was larger than 15 percent of GDP in 2009, due to the effects of the international crisis, and reached that level again in 2013, when the government had to save the banking sector with large capital transfers. Other than for these extraordinary measures, the current government deficit has been steadily shrinking since 2009, but only recently, in 2018, gross government liabilities have stabilized, at around 196 percent of GDP.

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1 Our measure is obtained from the Financial accounts of the General government published by the Bank of Greece, which does not consolidate the accounts. Our measure is given by the difference between gross liabilities and the liabilities held
The fundamental identity of sectoral balances reminds us that a reduction in government deficit will damage the net financial position of the private sector, unless it is accompanied by an increase in the current account surplus of the same size. Using symbols, the Net Acquisition of Financial Assets (NAFA) by the private sector, which is the excess of private saving $S$ over investment $I$, must be equal to the excess of government expenditure ($G$) over revenues ($T$), plus the Current Account balance ($CA$).

$$\text{NAFA} = S - I = (G - T) + CA \quad [1]$$

It follows that, if the government achieves a surplus ($G - T < 0$), either the impact is neutralized by a surplus in the Current account ($CA > 0$) or the private sector will have a negative balance ($NAFA < 0$) which implies that either the private sector is increasing its debt (borrowing from abroad), or it is decreasing its stock of financial assets.

In Figure 2 we report the dynamics of the current account balance, along with the balances of trade in goods and services. The overall balance has improved dramatically from its through of over -15 percent of GDP in 2008 but, although the balance of trade has finally become slightly positive in the third quarter of 2019, the overall balance still register a small deficit, due to net income and transfer payments, so that fiscal austerity is still exerting a negative pressure on the private sector.
The main consequence is the stagnation of investment.

In Figure 3 we report the level of investment, measured at constant 2010 prices. The chart shows clearly that, with some short-lived exceptions in the second half of 2017, investment never recovered the peak reached before the 2009 crisis, and it has been fluctuating around 20-23 billion euro, less than one third of its previous peak. In addition, using the accounts of institutional sectors we have estimated net investment\(^4\), and used it to reconstruct a measure of the stock of capital of the Greek economy. As the bottom part of Figure 3 shows, net investment has been negative since 2012, generating a fall in the stock of capital, which will hinder a robust recovery of the Greek economy.

As a consequence of the processes sketched above, which will be discussed in more details below, GDP has been growing slowly, mainly as the result of export-led growth driven by tourism. Employment has recovered more rapidly (Figure 4), but even though the unemployment rate has been declining, it was still as high as 16.8 percent in September 2019.

In the next sections we will discuss the dynamics of the components of GDP in more detail, and we will conclude with some projections of alternative policy scenarios.

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\(^{4}\) Obtained deducting consumption of fixed capital (CFC) from gross fixed capital formation (GFCF). Using data at constant 2010 prices, the stock of capital \((K)\) has been estimated from \(K(t) = K(t-1) + \text{GFCF}(t) - \text{CFC}(t)\), starting from a benchmark value.
Trade and the balance of payments

As noted above, since the start of austerity programs Greece has relied on net exports as the main source of increases in aggregate demand. So called “structural reforms” in the austerity package aimed at lowering wages, and therefore unit production costs, to restore price competitiveness, since a devaluation of the currency is no longer an option since the country joined the Euro.

This strategy has worked, in terms of external competitiveness, as the chart in Figure 5 shows. The chart shows the real effective exchange rates of Greece computed by the Bank for International Settlements, where an increase in competitiveness is given by a decrease in the value of the index. As the chart shows, Greece restored its competitiveness frequently through devaluation in the period of flexible exchange rates of the 1970s, but when European currencies aimed at a stabilization, in the 1980s, the country started to lose competitiveness, with the highest value of the index in 2011. Since then, the index shows a steady increase in competitiveness, given by the reduction in wages. The ElStat index of wages reached its highest level in the first quarter of 2010: since then, wages declined steadily until 2015, when they were 29 percent lower with respect to the previous peak. Since then wages have been recovering, but the index is still 21 percent below its peak. Unit labor costs have also declined, but to a lesser extent: they are now (second quarter of 2019) 13 percent below their 2010 peak. The reason why unit labor costs decline more slowly than wages is linked to productivity, which has been correlated to wages (although it may have decoupled from

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5 The “narrow” index is relative to 27 countries, and is available from 1964, while the “broad” index refers to 60 countries, but it is only available from 1994.
wages starting in 2013). In other words, if productivity declines with wages, unit labor costs will not be as affected from “internal devaluation”. These processes help explain the behavior of external competitiveness in Figure 5, but the recent upward trend in nominal wages may imply that Greece should not expect further increases in competitiveness, so that increases in net exports will have to be fueled by other sources.

Despite the fact that price competitiveness is no longer improving, exports of services have been steadily increasing since 2014, and at a higher pace since 2016 (Figure 6). The main source of such exports, aside
from shipping, is – of course – tourism, where Greece also benefitted from instability in countries like Turkey and Egypt which are traditional competitors of Greece as destination for tourism.

How long this favorable trend will continue remains to be seen, given the political turmoil in the Middle East, which has a sizeable impact on the number of migrants and refugees.

**Fiscal policy**

As reported above in Figure 1, the government had achieved, already in 2017, the primary surplus of 3.5 percent of GDP which was required by the Medium-Term Fiscal Strategy 2019–2022 (MTFS) (European Commission 2018). The target was even exceeded in 2018, so that the government had some space for additional spending in the first half of 2019.

This result has been achieved by a dramatic cut in expenditure, and an increase in indirect taxes and social contributions.

The two main components of government expenditure are the wages of public employees, and social benefits, which include pension payments.

Wages were reduced by 31 percent between the previous peak of 2009 and 2014, through a reduction in both average wages paid, and employment, which peaked in 2010 at around 955,000 jobs,\(^6\) and was down to

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\(^6\) As measured by employment in branches O, P, and Q of NACE, which also include private business providing health care or education services. See EStat, Table 3 of Labour Force quarterly data.
Compensation of employees for the government sector has been stable from 2014 to present: since employment has been rising, this implies that average unit wages have continued to fall, so that the government sector is responsible for part of the increase in employment reported in Figure 4 above, but has not provided any stimulus to the aggregate income of the Greeks from this channel.

Social benefits were also cut from 2009 to 2014, by almost 19 percent, and have remained stable, in nominal term, until 2018. In the last quarters of 2019 they have increased somewhat, due to additional spending that the government was allowed to do having exceeded its primary surplus target in 2018.

Interest payments also fell from the peak reached in 2011, as financing from the markets was substituted to loans from the institutional investors at more favorable interest rates.

In Figure 7 we report the dynamics of the main components of government revenues. After the first economic shock in 2008 revenues from indirect taxes and social contributions have been falling somewhat, but less than GDP, while revenues from direct taxes have stabilized. It is worth remembering that on the face of a dramatic fall in GDP and income, stable tax revenues imply a strong increase in the average ex-post tax rate. As GDP stabilized around 2012, the major increase in tax revenues was obtained through indirect taxes. Greece is on the top of European countries having the highest indirect consumption tax rate of 24%. Social contributions have also been increasing with the recovery in employment from 2015.

The decrease in government expenditure up to 2014, and its stabilization afterwards, together with the increase in taxation have managed to bring the overall government current balance to positive territory, and to exceed the target of a primary surplus at 3 percent of GDP, as documented in Figure 1 above. There is therefore some fiscal space that the government could use without breaching the agreement with the international creditors.

**Private sector demand**

Household consumption has declined following GDP, up to 2015, and has been roughly stable since. Given the restrictive stance of fiscal policy, and the increase in taxation in particular, consumption has been rising relative to household disposable income. The increase in consumption relative to income has been financed, at least in part, by a reduction in the stock of household financial assets. In Figure 8 we report a measure of
household financial assets and liabilities which abstracts from fluctuations in the market prices of such assets.\(^7\)

As the chart shows, in the 2000s Greece shared with many other countries the processes of financialization, which saw an increase in the value of both assets and liabilities in the portfolio of households. While the data in Figure 8 are reported only in nominal terms, a similar chart can be obtained by scaling assets and liabilities by GDP.

The chart shows clearly that if household consumption and investment were financed by borrowing up to the 2009 crisis, this process has stopped, and household are both deleveraging, and financing an increasing share of their expenditure out of the previously accumulated financial assets.

It is therefore unlikely that additional contributions to aggregate demand could come from consumption, on the face of stagnating wages and disposable income, since that would require financing which is unlikely to be either demanded or supplied.

Turning our attention to investment, we report in Figure 9 the dynamics of its main components. As the chart clearly shows, the dramatic fall in investment – that was discussed at the aggregate level with reference to Figure 3 above – are mostly due to the collapse in residential investment, which peaked in 2007 as the largest component of gross capital formation, and it is now around 1 billion euro, less than 1 percent of GDP. Investment in machinery followed a similar trend, albeit not as dramatic, and it seems to be recovering

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\(^7\) The measures are obtained by cumulating the flow of new net financial assets from the Flow of funds published by the Bank of Greece, to the starting value of such assets at the end of 1997, as published in the Balance sheet of the household sector by the BoG. The same applies to liabilities.
slowly in the last few quarters. It is clear from the chart that the fall in interest rates, which according to mainstream economic theory should be a major driver of investment, had no impact whatsoever.

As already noted above, such a low level of gross investment may easily imply a negative level of net investment, i.e. gross investment net depreciation of fixed capital, and therefore a reduction in the stock of capital. Inverting this trend is therefore crucial to allow the Greek economy to expand at a higher pace.

Our projections for 2019-21

Albeit this Strategic Analysis will be published in January 2020, the official measures for the GDP of Greece in 2019 are not available yet, so that our figures for 2019 are projections, rather than historical statistics.

Our model of the Greek economy has not been built for producing accurate short-term forecasts, but to evaluate the impact of policies taking consistently into account the main economic variables characterizing real and financial markets.

Having said that, the evaluation of policies requires a baseline, which is usually a Business-As-Usual (BAU) scenario. Following the usual procedure of our Strategic Analyses we try to reduce the number of arbitrary assumptions as much as possible: values for the evolution of foreign demand are taken from the IMF World Economic Outlook database; fiscal policy variables are deducted from government projections, and other exogenous variables are projected according to their recent trends.

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8 ElStat will publish the first estimate of GDP in the fourth quarter of 2019 on March 6, 2020.
Under these assumptions, our model projects the economy to continue on a moderate growth pattern, mainly driven by exports. Our projections for 2019 are, however, subject to degree of uncertainty larger than usual, given the fact that – according to the model - consumption has not been moving in line with disposable income and wealth in the first part of 2019, which increases the confidence interval for our short-term projections.

Under our BAU assumptions, the current account of Greece will return to positive territory, and the government will exceed its primary surplus target, as it should be expected when growth is driven by net exports. The government would thus have some fiscal space to start to counter the damages made by fiscal austerity in the previous years.

A comparison of our projections with those of other models is provided at the bottom of Table 1.

<table>
<thead>
<tr>
<th>Table 1. Greece: Key indicators under alternative scenarios</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Baseline</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Real GDP (growth rate)</td>
<td>1.9</td>
<td>2.2</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Gov. total surplus (% of GDP)</td>
<td>1.0</td>
<td>0.3</td>
<td>1.5</td>
<td>1.0</td>
</tr>
<tr>
<td>Gov. primary surplus (% of GDP)</td>
<td>4.3</td>
<td>3.2</td>
<td>4.0</td>
<td>3.4</td>
</tr>
<tr>
<td>Current account (% of GDP)</td>
<td>-2.3</td>
<td>-0.1</td>
<td>1.2</td>
<td>1.3</td>
</tr>
<tr>
<td>External balance (% of GDP)</td>
<td>-0.4</td>
<td>1.6</td>
<td>2.8</td>
<td>2.9</td>
</tr>
<tr>
<td><strong>Scenario 1: Investment materializes</strong></td>
<td></td>
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</tr>
<tr>
<td>Real GDP (growth rate)</td>
<td>1.9</td>
<td>2.2</td>
<td>4.0</td>
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</tr>
<tr>
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<td>0.3</td>
<td>2.0</td>
<td>2.2</td>
</tr>
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<td>Gov. primary surplus (% of GDP)</td>
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<td>3.2</td>
<td>4.5</td>
<td>4.5</td>
</tr>
<tr>
<td>Current account (% of GDP)</td>
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<td>-0.1</td>
<td>-0.6</td>
<td>-1.3</td>
</tr>
<tr>
<td>External balance (% of GDP)</td>
<td>-0.4</td>
<td>1.6</td>
<td>1.0</td>
<td>0.3</td>
</tr>
<tr>
<td><strong>Real GDP projections from other sources</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greek government – November 2019</td>
<td>2.0</td>
<td>2.8</td>
<td>n.a.</td>
<td></td>
</tr>
<tr>
<td>IMF WEO – October 2019</td>
<td>2.0</td>
<td>2.2</td>
<td>1.7</td>
<td></td>
</tr>
<tr>
<td>OECD – November 2019</td>
<td>1.8</td>
<td>2.1</td>
<td>2.0</td>
<td></td>
</tr>
<tr>
<td>European Commission – Nov. 2019</td>
<td>1.8</td>
<td>2.3</td>
<td>2.0</td>
<td></td>
</tr>
</tbody>
</table>

Comparing our baseline projections for 2019 with those of other forecasters, it is apparent that we are on the optimistic side. However, the projections we reported from the Greek government (in the state budget of 2020), the IMF, the Oecd and the European Commission were all published before the data for the third
quarter of 2019 were released: in that quarter real GDP grew by 2.2 percent YoY. In order for the Greek government and the IMF projection for 2019 to be correct, this implies that real GDP in the fourth quarter of 2019 should have slowed down to 1.5 percent YoY, and it should have slowed down even further for the Oecd/EC projections to be on target. The information on which we base our projections do not suggest such a slowdown.

We next used the model, in Scenario 1, to evaluate what additional amount of investment would be necessary to reach a 4 percent growth target for 2020 and 2021.

To reach this growth target, our model suggests that investment should increase – respect to the baseline – by 3 billion euro in 2020, and by 4 billion euro in 2021. As mentioned fixed investment in the first three quarters of 2019 have not increased with respect to the same period in 2018, and total investment in the last four quarters amounts to 20.4 billion euro, so investment should increase by almost 15 percent in 2020, and a further 17 percent in 2021. It is very unlikely that such boost in investors’ confidence will materialize, given the current adverse trends in the Eurozone, with the German economy possibly slowing down, and uncertainty in the Middle East, Libya and Turkey.

**Conclusion**

Greece continues its economic recovery and growth albeit at modest rates. Employment is increasing slowly while net exports in services, primarily in tourism and shipping, contribute to growth very significantly. We expect their contribution to continue in the intermediate run and reflect the assumption we make for our simulations in the years 2020-2021.

The improving business and consumer confidence level, the PMI, the dramatic decrease of interest rates of Greek bonds and other positive indices have not had a noticeable impact on private consumption and investment, both of which are still at unsatisfactory levels and crucial in ensuring a robust growth of GDP and significantly reducing the unemployment level still the highest in Europe. Our analysis shows that both do not appear that will change significantly at least in 2020.

The simulations derived from our model confirm that if the baseline scenario is followed growth rates would continue to be modest and recovery of the Greek people’s fortunes (employment and incomes) would take a much longer time horizon to achieve the levels of the pre-crisis period. On the other hand, we offer evidence via the simulations of an alternative scenario that a substantial increase in investment would deliver robust growth and in a much shorter period recover the output and employment lost during the decade of the Greek crisis. The level of investment required to deliver a 4% GDP growth, however, the
present government promised to deliver in its pre-election campaign is highly unrealistic and destined to be labeled another political unfulfilled promise.

**References**


INE GSEE, 2019, “Bulletin of Economic Developments” December (in Greek)


**Data Sources**

Bank of Greece. bankofgreece.gr. Latest access: December 10, 2019


Eurostat, eurostat.ec.europa.eu, Latest access: December 10, 2019

Greek government, State Budget 2020, minfin.gr. January 2020


OECD, stats.oecd.org. Latest access: December 10, 2019

**Technical Appendix: A note on debts and deficits**

Comparing the data in Figure 1 with the dynamics of government debt – as published by the Bank of Greece in the financial accounts of institutional sectors – it may seem strange that the level of public debt is not being reduced by an overall government surplus. It should be remembered that current accounting rules require to register the market value of assets and liabilities in balance sheets, and therefore a change in the average market price of Treasuries will impact the end-of-period value of the stock. Using symbols:

\[
GNFA_t = GNFA_{t-1} + GNETL_t + GNKG_t
\]
Where GNFA represents government net financial assets at the end of an accounting period, GNETL is government net lending, and GNKG are net capital gains due to changes in the market price of assets and liabilities (or to write-off/defaults). Considering assets (GA) and liabilities (GL) separately, we have

\[
GNFA_t = GA_t - GL_t = GA_{t-1} - GL_{t-1} + GNETL_t + GKGAt - GKGLt \tag{2}
\]

Since we are interested in the evolution of government gross debt GL, we can rearrange the terms in \[2\] as follows:

\[
GL_t - GL_{t-1} = GA_t - GA_{t-1} - GNETL_t - GKGAt + GKGLt \tag{3}
\]

The identity \[3\] shows that gross debt will increase (a) with a government deficit, i.e. a negative value of GNETL; (b) if the government chooses to increase its stock of financial assets GA; (c) if the market value of government liabilities increases, i.e. a positive value of GKGL, or the market value of government assets decrease, i.e. a negative value of GKG.

In Table A1 below we provide the figures which correspond to our identity \[1\]. According to the data from the Bank of Greece, the government sector registered an overall surplus from 2016 to 2018, but the stock of net financial assets (row \[1\] in Table A1) has increased in the first two years, while gross government liabilities (row \[5\] in Table A1) have increased in the whole period. This is due to two factors: (a) the government has increased its stock of financial assets, mainly in its “Currency and deposits” position with the Bank of Greece, and (b) net capital gains (row \[4\] in Table A1) more than offset the government surplus, with the exception of 2018.

Notice that balance sheet data as published by the Bank of Greece report the market value of the debt, while the Maastricht criteria refer to the nominal value of the debt outstanding.\textsuperscript{9} The figures for this measure of the consolidated gross government debt are reported in row \[7\] in Table A1, and they also show an increase over the 2016-18 period, which must be due only to the changes in government financial assets.

Note that the debt to GDP ratio is projected to fall in 2019 due to an estimated increase in GDP which is larger than the increase in the debt.

\textsuperscript{9} See https://stats.oecd.org/glossary/detail.asp?ID=1161
Table A1. Greece. Public debt and its determinants

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1] Net financial assets (GNFA)</td>
<td>-257.8</td>
<td>-259.0</td>
<td>-266.0</td>
<td>-265.2</td>
<td>-274.1</td>
</tr>
<tr>
<td>2] Change in [1] (ΔGNFA)</td>
<td>-19.3</td>
<td>-1.2</td>
<td>-6.9</td>
<td>0.7</td>
<td>-8.8</td>
</tr>
<tr>
<td>3] Net lending (GNETL)</td>
<td>-10.8</td>
<td>1.2</td>
<td>1.0</td>
<td>1.7</td>
<td>-1.7</td>
</tr>
<tr>
<td>4] Net capital gains (GNKG)</td>
<td>-8.6</td>
<td>-2.3</td>
<td>-7.9</td>
<td>-1.0</td>
<td>-7.1</td>
</tr>
<tr>
<td>5] Total Liabilities (GL)</td>
<td>328.3</td>
<td>332.9</td>
<td>344.1</td>
<td>360.3</td>
<td>370.4</td>
</tr>
<tr>
<td>6] Consolidated Debt - BoG*</td>
<td>303.8</td>
<td>309.3</td>
<td>322.6</td>
<td>340.4</td>
<td>346.1</td>
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<tr>
<td>7] Consolidated Debt - Maastricht definition</td>
<td>311.7</td>
<td>315.0</td>
<td>317.5</td>
<td>334.7</td>
<td>335.5</td>
</tr>
</tbody>
</table>

Consolidated debt (% of GDP) 176.1 178.7 176.6 181.8 177.3

Sources: ElStat; Bank of Greece; Eurostat.

* As of end of June, 2019. GDP for 2019 is estimated from our model baseline
° Consolidated debt is obtained from gross liabilities reported by the BoG, less those held by the General government