

# BREXIT

THE IMPACT ON GREECE - A FIRST ASSESSMENT

DR. SPIROS TRAVLOS

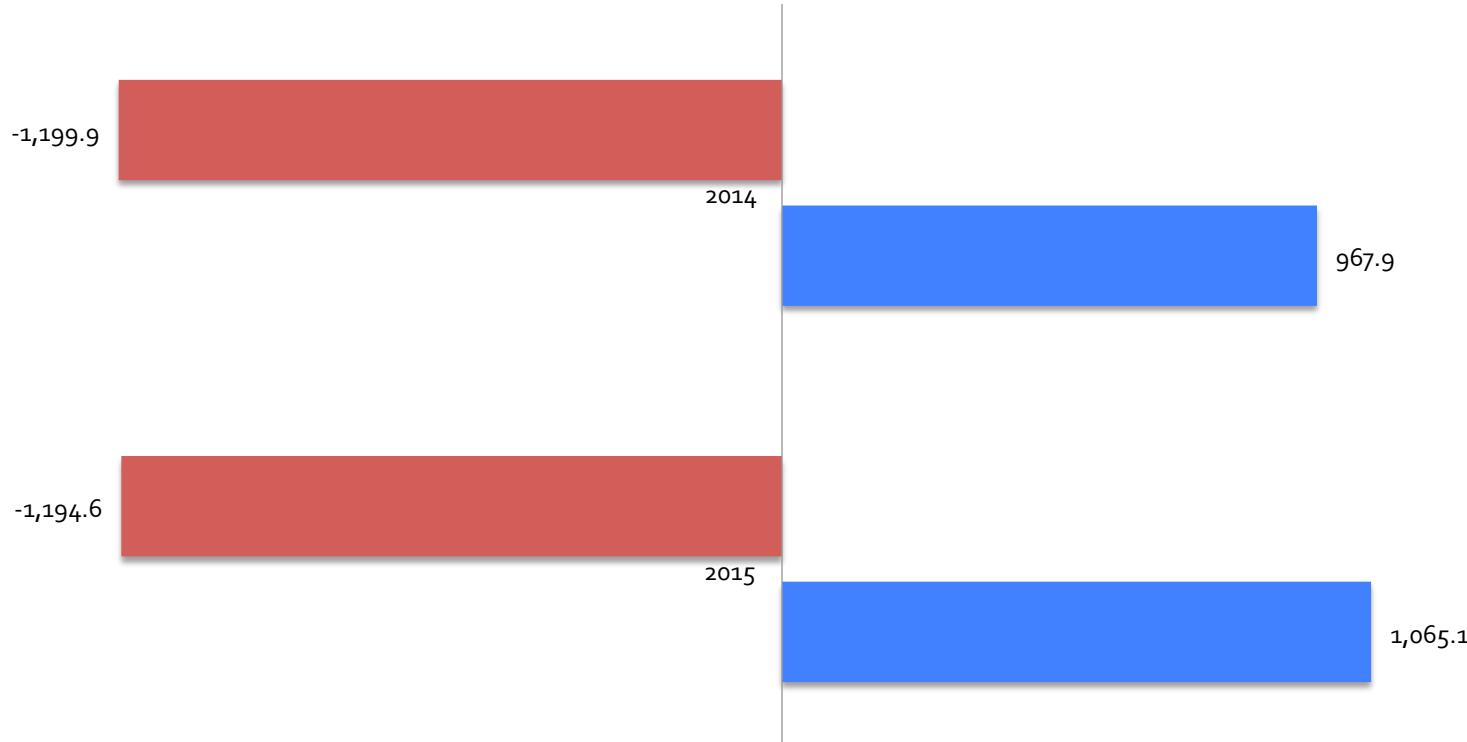
# HOW BREXIT WILL IMPACT GREECE

- Increased uncertainty about the future of EU and the Eurozone deriving from BREXIT has already impacted the financial markets in Greece with the Athens stock exchange losing 13.4% on Friday the 24<sup>th</sup>.
- No capital flight has been recorded as capital controls are still in place.
- GREXIT has again come up on the agenda as a possible scenario.

# UK IS AN IMPORTANT TRADE PARTNER OF GREECE

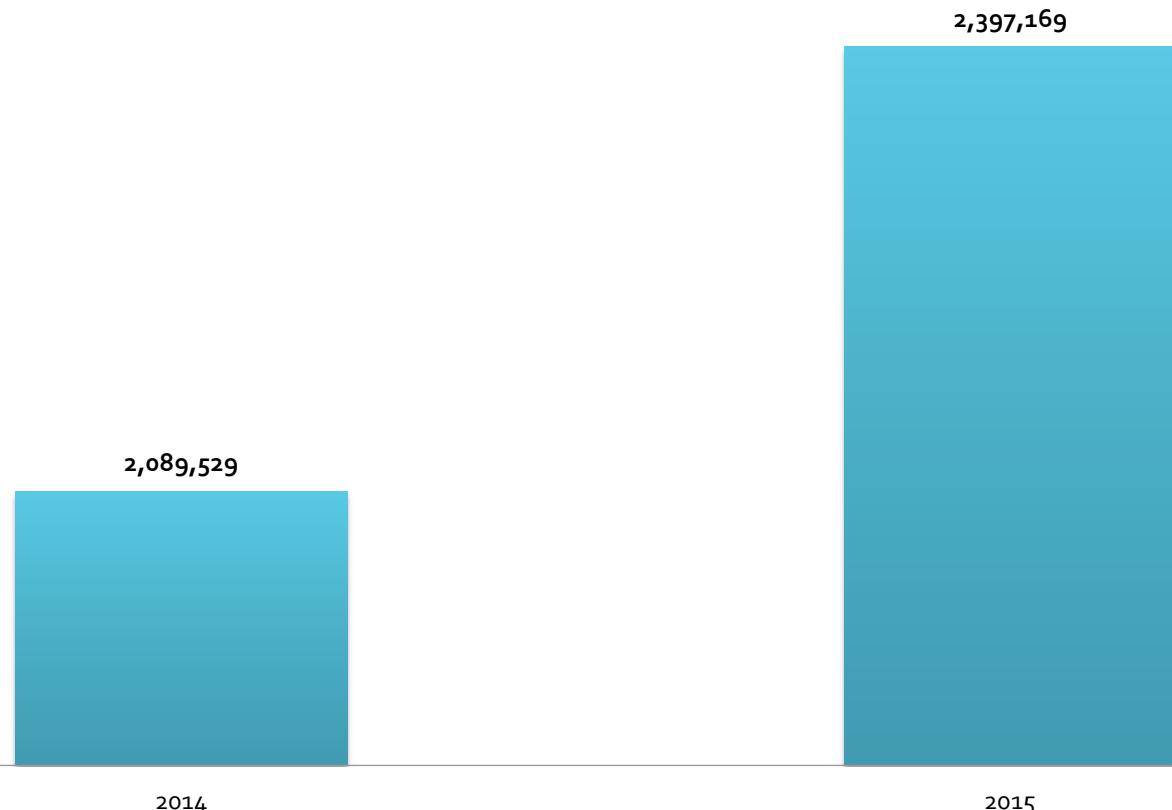
GREECE-UK TRADE (MN EURO)

■ IMPORTS ■ EXPORTS



# GREECE DEPENDS HEAVILY ON THE UK TOURIST MARKET

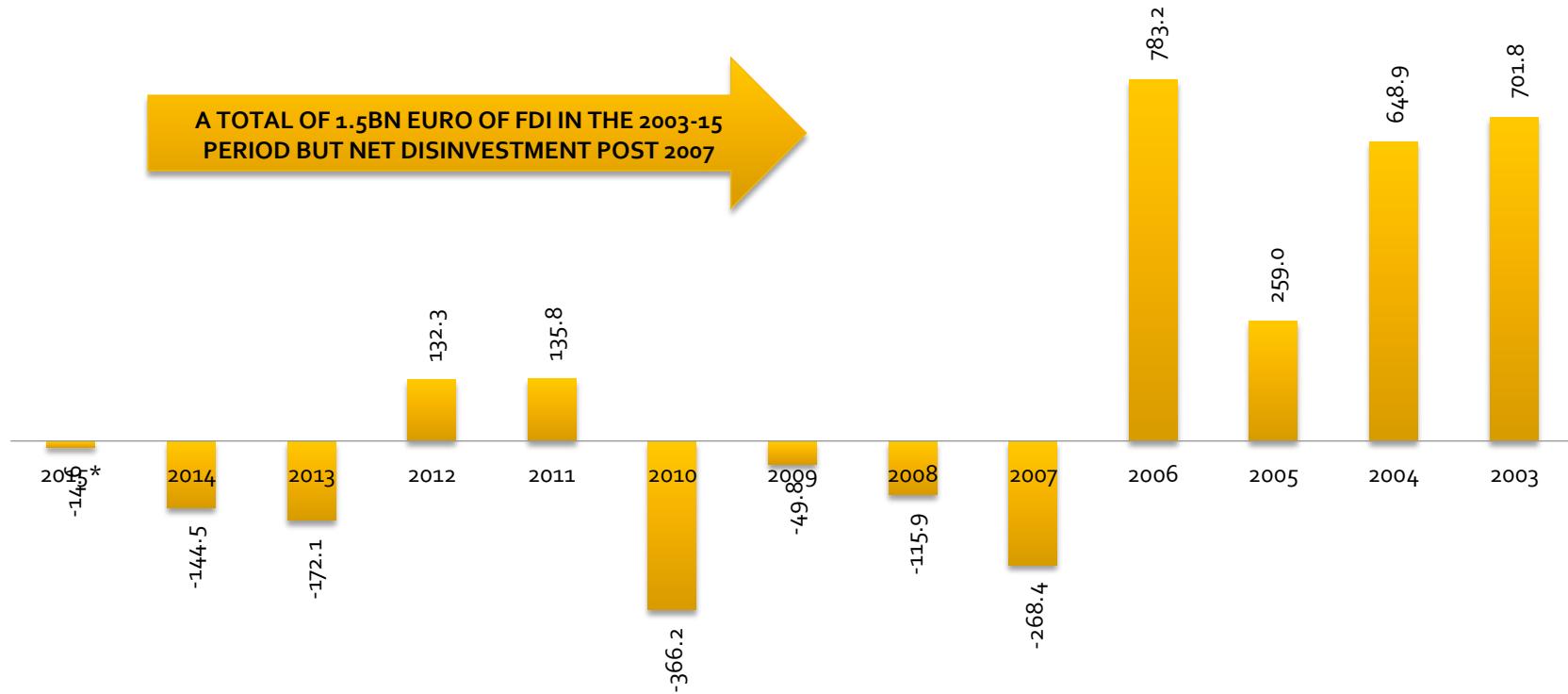
GREECE: TOURIST ARRIVALS FROM UK



# UK FDI NOT SIGNIFICANT FACTOR FOR GREECE

GREECE FDI FROM UNITED KINGDOM  
(MN EURO)

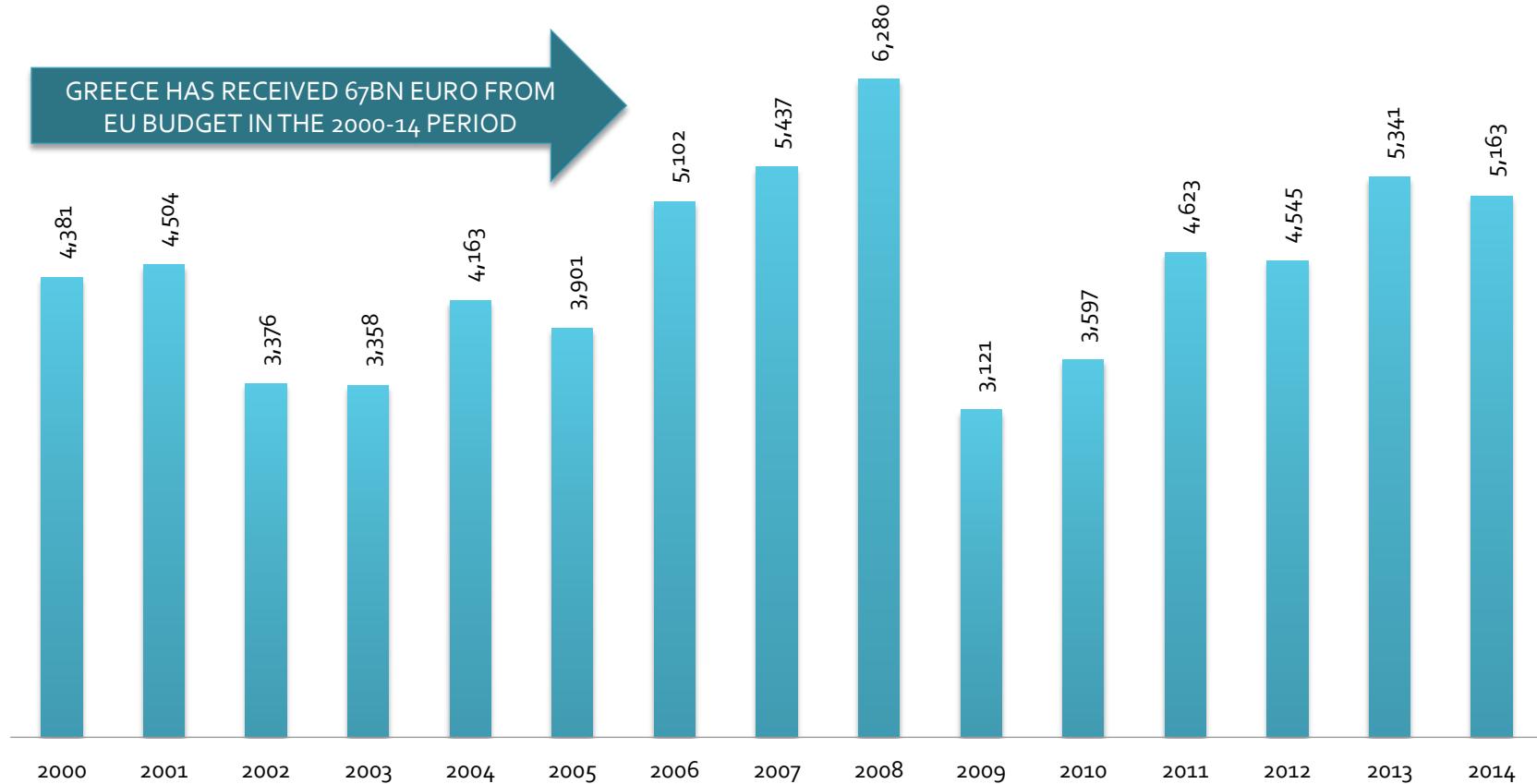
A TOTAL OF 1.5BN EURO OF FDI IN THE 2003-15 PERIOD BUT NET DISINVESTMENT POST 2007



# IN THE WORST CASE SHENARIO WITH BREAK-UP OF EU GREECE WILL SUFFER UNORMOUSLY

NET BUDGET POSITION OF GREECE FROM EU 2000-14 (EURO MN)

GREECE HAS RECEIVED 67BN EURO FROM EU BUDGET IN THE 2000-14 PERIOD



# A FIRST ASSESSMENT

- The main impacts will work through increased uncertainty about EU and its future as the periphery will suffer most.
- Trade may take a hit immediately as the pound is devalued and in the future due to new trade agreements.
- Tourism might be hit even from this year as tourists will have less euros per pound to spend. Anecdotal evidence suggests that some cancellations are taking place.
- UK has been a net dis-investor in Greece since 2007 but this trend could have been reversed in case of a recovery as several hedge funds were active lately.