The following communication, dated 6 December 1965, has been received from the Greek Government.

The Greek economy, which was already known for its weakness, underwent a complete upheaval following the destruction caused by the last world war. For these reasons, and despite the efforts made so far, it has not been possible to give our economic development sufficient impetus to ensure an acceptable standard of living for the Greek population. A policy of economic development has been in operation for more than twenty years, but although some progress has been made, the Greek economy has not lost the features of underdevelopment. Even today, the economy has not achieved a sound structural basis, which is essential for a satisfactory rate of progress. National per caput income remains among the lowest, and the rate of growth is such that the economy cannot be said to be advancing steadily.

The fundamental weakness of the Greek economy lies essentially in its structure where agriculture is predominant. But because of the shortage of arable land and the poverty of the soil, the agricultural sector offers only very limited possibilities for contributing to the country's development.

It is, therefore, essential for Greece to do its utmost to base its economic development on the industrial sector also.

Greece has no industrial tradition. For lack of a vertical industrial structure, most of its industries are ancillary ones. In order to create the conditions necessary for industrial development, Greece has for some years past followed a policy of inviting foreign capital for productive investment. Special attention is paid to the creation of basic industrial units which are to form the infrastructure to promote the expansion of ancillary industrial activity.

These investments include provision for the establishment of a steel industry involving the investment of about $100 million, to be carried out in three consecutive phases.

Until now, there being no domestic steel industry, the Greek customs duties on the articles to be produced by the above-mentioned industrial unit were not of a protective character.
However, with a view to the establishment of this industry and the significant advantages which it implies for the national economy, the Greek Government has decided, on the basis of its rights under the General Agreement, Article XVIII, paragraphs 1 and 4(a), and the interpretative note to Article XVIII, paragraphs 1 and 4, and more particularly Section 4, paragraphs 7(a) and (b), to apply a reasonable increase for a limited period, until 31 December 1968, in the customs duties on certain steel products which are to be manufactured by the above-mentioned industry.

In adopting this measure, the Greek Government has taken into consideration the fact that the new industry would become a central stimulus for secondary industries which together would absorb part of the unemployed labour potential, would yield savings in foreign exchange, and would, in general, contribute to raising national income.

It should be noted that as from 31 December 1968, the new customs duties will be reduced by 20 per cent every two years, until they reach the level of 10 per cent.

The customs duties to which the intended increase applies are those on the following Greek tariff items:

- **73.12.B** Hoop and strip for barrel hoops and for the manufacture of tubes, imported by home industries (for the manufacture of barrels or tubes, as the case may be), subject to compliance with conditions stipulated by decision of the Minister of Finance.
  
  Conventional ad valorem duty: from 4 per cent to 11 per cent.

- **73.12.C.1** Hoop and strip, of iron or steel, hot-rolled or cold-rolled, of a width of 210 mm. or less.
  
  Conventional ad valorem duty: from 8.75 per cent to 14 per cent.

- **73.13.B** Sheets and plates, of iron or steel, hot-rolled or cold-rolled, varnished or painted.
  
  Conventional ad valorem duty: from 16 per cent to 24.50 per cent.

- **73.13.C** Sheets and plates, of iron or steel, hot-rolled or cold-rolled, mechanically or chemically oxidized.
  
  Conventional ad valorem duty: from 16 per cent to 24.50 per cent.

- **73.13.D.2** Sheets and plates, of iron or steel, hot-rolled or cold-rolled, clad with tin.
  
  Conventional ad valorem duty: from 150 metal drachmai to 15 per cent.
Note: Cold-rolled sheets and plates of natural colour, of a thickness of up to 45 mm., suitable for stamping, imported directly by industries recognized by decisions of the Ministers of Finance and Industry and equipped with complete mechanical installations for the mass manufacture of stamped articles and intended to be used exclusively, under Customs supervision, as raw materials by such industries, are dutiable at the rate of 16 per cent ad valorem. The conditions and procedure governing the removal and the Customs supervision of such sheets and plates shall be stipulated by decision of the Minister of Finance.

The Greek Government declares that, in compliance with Article XVIII:7(a) of the General Agreement, it is at the disposal of contracting parties with which the above-mentioned concessions were initially negotiated at the level at which such duties stood prior to the increase, and also at the disposal of any other contracting party determined by GATT to have a substantial interest in these concessions, in order to enter into tariff negotiations with them.