GENERAL AGREEMENT ON
TARIFFS AND TRADE

Committee on Balance-of-Payments Restrictions

OPENING STATEMENT BY THE REPRESENTATIVE OF
GREECE

We have before us two documents, BOP/63 and the International Monetary Fund report of 29 July 1966, on economic developments in Greece. As it is known, both were compiled in consultation with Greek Government sources or appropriate organizations and they offer a comprehensive picture of the situation to date. Therefore, there is no need for me to add but some general remarks.

1. There have been only a few changes in the régime of restrictions since our last consultations in November 1964. Foremost among them, was a further reduction of the advance deposit requirements for imports from abroad, as provided by our Association Agreement with the European Economic Community. This reduction is extended to all Member countries of GATT.

2. The controls referred to in BOP/63 are applied in a liberal spirit, which can be proved by the rapid rise of imports over the past two years. Between 1964 and 1965 imports increased by 23 per cent, from $835 million to $1,050 million. In the first eight months of this year imports continued to increase as compared to the same period of 1965, from $707 million to $767 million.

3. Greek exports, on the other hand, have in no way increased commensurately with our imports and therefore the deficit in our trade balance has continued to rise in the past two years. In 1964 it amounted to $528 million and in 1965 to $721 million. The rate of coverage of the value of our imports by the value of our exports has decreased from 37 per cent in 1964 to 31 per cent in 1965.

4. The low level of Greece's exports is mainly attributed to their composition, i.e. a few agricultural products constitute the bulk of our exports, while the contribution of manufactures does not exceed 10 per cent of the total. Thus in 1965 exports of our primary products amounted as follows: tobacco $111.2 million; cotton $18.5 million; currants and sultanas $43.4 million; citrus fruits, fresh fruits and grapes $26.0 million; olives and olive oil $12 million. These main exports add to $211.1 million and represent the 64 per cent of our total exports in the above year.

./.
5. The contribution of Greek exports in the assets of the country's balance of payments is small, the latter depending more on the invisible earnings, which are highly unstable and sensitive elements. The problem therefore confronting us is the structural weakness of our economy. My Government is making great efforts to eliminate this weakness. Our main preoccupation is to increase as rapidly as possible our exports and to diversify the country's production with a view to augmenting the share of the manufacturers' exports, which is of course not an easy task. It need not be explained that the answer to the problem of the balance-of-payments difficulties is to be found in the context of the overall economic development of the country. The limited restrictions we are still retaining in our imports, form in our view, an indispensable and necessary requirement in these efforts.

6. In the endeavour to achieve a speedy rate of economic development a draft of a five year economic development plan (1966-1970) was prepared by the Centre for Planning and Economic Research. The principal objectives of this plan are to secure a rate of development aiming to achieve an average annual increase of 7.5 per cent in the gross national product. This plan has to be sanctioned by the Greek Parliament. In 1964 our gross national product has increased at constant prices by 8.7 per cent, in 1965 by 7.3 per cent and it is expected that 1966 will show a similar increase. Monetary stability has been maintained and a relatively small increase in prices was marked.

7. The standard of living continues to remain very low. Although the per capita income has risen, it remains one of Europe's lowest.

8. In view of the above-mentioned facts, we believe that the restrictions we still maintain in our exports, fall within the scope and the frames of Article XVIII of the General Agreement, and do not go beyond the necessary measure.