

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

BOP/5/Rev.1

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Limited Distribution

Committee on Balance-of-Payments Restrictions

CONSULTATION UNDER ARTICLE XVIII:12(b) WITH

G R E E C E

Basic Document for the Consultation

1. Legal and administrative basis of the restrictions

The quantitative restrictions applied to imports into Greece, like all regulations on imports in general, are mainly based on Decree Law No. 5426 of 1932 and Decree Law No. 480 of 1947. Law No. 5426 stipulates that the importation of machinery and certain other products is subject to import licences. Decree Law No. 480 of 31 October 1947 is much more general in scope, its purpose being "to unify the organization of foreign trade, to co-ordinate the efforts of the State and private persons in this sector, to institute appropriate import and export controls, to ensure the supplies most necessary for the economy of Greece, to promote exports, and to mobilize and derive the maximum advantage from both national resources and from the counterpart funds in local currency of American Aid".

Decree Law No. 480 sets up a Foreign Trade Council, comprising the Minister of Co-ordination, the Minister of Trade, the Minister of Industry, the Minister of Finance, the Minister of Agriculture and Supply, the Governor of the Bank of Greece, and the Director of the Foreign Trade Administration at the Ministry of Commerce. The powers attributed to the Foreign Trade Council mainly consist of approving the general import and export programmes and issuing rulings concerning the policy and procedures to be adopted in the import and export field. The Decree Law also stipulates that decisions taken by the Foreign Trade Council in the exercise of its powers will be published in the Official Gazette of the Kingdom of Greece. This same Decree Law also sets up an Executive Committee, comprising the Director of the Foreign Trade Administration at the Ministry of Trade, and the Secretary General and Director General of that Ministry.

Measures regulating imports are formulated by the Ministry of Commerce, but are implemented by the Bank of Greece and authorized commercial banks.

2. Methods used in restricting imports

Imports into Greece are at present subject to two kinds of non-tariff restrictions, namely licensing restriction and prior deposits. The lists of products affected by these two methods of restriction are not mutually exclusive, in other words some products are subject to both types of restriction.

Licence restrictions

At present there are two lists of products the import of which is subject to a special licence. Products specified in "List A" require a licence issued by a committee consisting of officials of the Ministry of Commerce, the Bank of Greece, and the Chambers of Commerce of Athens and Piraeus. As a general rule it is understood that the licensing of these imports is subject to balance-of-payments considerations, but other special factors are also taken into account.

A number of machinery items, including motors, etc., (List B) are subject to an import licence issued by the Ministry of Industry, acting upon a recommendation from the Council of Industry. The latter body consists mainly of government officials but also includes a representative of the Union of Greek Industrialists.

Apart from these two lists (Annexes A and B to this document), certain imports are subject to special régimes maintained for special purposes such as imports of petroleum products similar to those produced by the Greek Oil Refinery, and items such as medicines, wheat, flour and rice which are the subject of State monopoly (see Section 5 below).

Prior deposits

Most imports into Greece are subject to the payment of a prior deposit. The rates of deposits are 70 and 140 per cent of the c.i.f. value of the imports for certain goods and 280 per cent for textiles.

Apart from these direct restrictions, certain imports (Lists P.3, P.6 etc.) are required to meet certain conditions regarding payments or settlement.

3. Treatment of imports from different sources

There is no discrimination in the licensing control of imports from different sources or in the administration of the prior deposit requirement. Imports from different sources may, however, involve different requirements as regards the prescription of payments. Under the so-called Procedures "E" and "D" imports from different sources are subject to different procedural treatment depending on the manner in which payments are settled. A summary description of these Procedures will be found in Annex C to this document.

Barter deals or private compensation are authorized with certain countries (East Germany, USSR, Czechoslovakia and Israel) when such arrangements facilitate the export of specific products. Such transactions require the approval of a special committee which operates through the Bank of Greece.

(Differential treatment is to be accorded imports from members of the European Economic Community in accordance with the provisions of the Agreement of Association between Greece and the EEC signed on 9 July 1961. The Agreement provides that no new quantitative restrictions are to be introduced between the

two parties. With regard to Greece this applies only to 60 per cent of its imports from the EEC countries in 1958. This percentage is to be increased to 75 per cent after five years, and to 80 per cent after ten years from the entry into force of the Agreement. After that date Greece will try to attain a higher level of liberalization. The lists of liberalized products up to the percentages above will be consolidated. Greece is entitled to reintroduce quantitative restrictions for products which have been liberalized but not consolidated. It shall then open global quotas for the EEC countries at least equal to 75 per cent on imports from the EEC countries in the year preceding such reintroduction. For the non-liberalized products quotas will be opened and increased in such a way that at least after twenty-two years from the entry into force of the Agreement all quantitative restrictions are to be abolished. The EEC countries will extend to Greece the same measures for eliminating or reducing quantitative restrictions which they apply among themselves.)

4. Commodities or groups of commodities affected by the various forms of restrictions

Products on the various lists subject to import restrictions are shown in Annexes A and B.

Breakdown of Imports in 1961 According to
the Import Régime Applied
(in thousand United States' dollars)

A. <u>Private trade:</u>	
1. Private imports other than those coming under 2 and 3	571,616 ¹
2. Imports of goods included in List A	69,053 ²
3. Imports of machines under special licensing system	25,979 ³
4. State trading	<u>47,433⁴</u>
Total	714,081

¹Of which the amount of \$136,634,000 represents the value of imported shipping.

²Of this figure only the amount of \$30,119,000 represents the value of articles subject to import limitations; the rest relates to products for which any licensing application is granted (see above Section 2, paragraph 2.)

³Figure determined on the basis of import licences issued and not imports actually carried out. Because of the lack of concordance between the statistical headings and the headings relating to machinery as shown in the special list, it is difficult to distinguish data relating to actual imports in the official statistics.

⁴Including \$43,289,000 of petroleum products.

5. The use of State trading or government monopoly in restricting imports

Certain items are traditionally under State trading. Goods under State trading may be divided into three categories:

1. Commodities under monopoly - Matches, kerosene, rice paper for cigarettes when imported by tobacco manufacturers (but not when imported by cigarette manufacturers), playing-cards, saccharin, drugs and sea salt are imported into Greece under control of the Ministry of Finance.
2. Wheat and flour - The State (Ministry of Commerce) imports these commodities for its own account under the International Wheat Agreement. However, private interests may, subject to special permission, import wheat and flour.
3. Petroleum products - Since the petroleum refinery at Eleusis was brought into operation at the end of 1959 all local requirements of petroleum products must be met from the refinery's output.

In the event that this output is not sufficient to meet requirements, the Greek State may import from abroad the necessary additional quantities.

As regards crude oil intended for processing at the refinery, 70 per cent is imported by the refinery and 30 per cent by the Greek State.

Petroleum products other than those produced by the refinery are imported freely under import licence.

6. Measures taken recently in relaxing or otherwise modifying restrictions

Since the last consultations (May 1960) the following measures have been taken:

1. The procedure for imports on the basis of global quotas (July 1960) has been eliminated and certain products may now be imported freely (paper pulp, sewing machines, electrical apparatus) while others have been made subject to the List A procedure (timber, coal (except anthracite), coke, iron, sheet iron, newsprint, tyres and inner tubes).

As regards tyres, in order to facilitate the liquidation of Greece's credit balance under the Greek-Egyptian clearing arrangement, importers were temporarily required to import 10 per cent of their tyre requirement from the United Arab Republic. This percentage was subsequently reduced to 5 per cent and has been removed completely since November 1961.

2. Provision had originally been made for \$4 million worth of timber to be imported from convertible currency countries in 1961. This upper limit was subsequently raised to \$10 million and it was finally decided to approve all import applications without restriction.

3. Import restrictions on coal have been relaxed gradually, and since October 1961 all import applications have been approved without restriction.

4. The following products have been deleted from List A and may be freely imported since 10 April 1962:

Coffee, coal, coke, tyres and inner tubes, timber and wooden boxes, newsprint, iron and sheet iron.

It should be noted that total imports of these products from all sources amounted in 1961 to \$72,994,000.

These measures have been taken despite the fact that the trend in the trade balance cannot be considered satisfactory, as may be seen from the following table:

	<u>1959</u>	<u>1960</u>	<u>1961</u>
1. Imports	473,000 ^V	514,000 ^V	577,447 ^V
2. Exports	<u>204,000</u>	<u>203,000</u>	<u>223,343</u>
	269,000	311,000	354,000
Ratio of exports to imports	43.1%	39.5%	37%

7. Effects of restrictions on trade and general policy in the use of restrictions for balance-of-payments reasons
(Statement by the Greek authorities)

Although the trend in the trade balance is unfavourable, due mainly to increased imports without a corresponding increase in exports, the Government has applied the import control measures in a liberal manner, so that instead of a reduction there has in fact been a marked increase.

As may be seen from the comparative balance-of-payments table below, there is a widening gap between payments and receipts.

<u>Balance of payments</u>			
(in million United States' dollars)			
	<u>1959</u>	<u>1960</u>	<u>1961</u>
Import payments	454.8 ^V	497.1 ^V	561.2 ^V
Invisible payments	<u>54.7</u>	<u>65.0</u>	<u>75.5</u>
Total payments	509.5	562.1	636.5
Export receipts	212.5	208.6	234.3
Invisible receipts	<u>237.2</u>	<u>273.2</u>	<u>319.6</u>
Total receipts	449.7	481.8	553.9
Balance of payments	59.8	80.3	83.8

V: Not including the value of imported shipping.

The gradual decline in export receipts is particularly marked and implies increased dependence of the balance of payments on invisible receipts.

Clearly therefore while efforts are made to expand exports, the trend in Greek foreign trade must be kept under close and constant review.

LIST OF ANNEXES

Annex A: "List A" - Imports requiring a special licence

Annex B: List of machinery items requiring a special licence

Annex C: Summary description of control procedures "E" and "D"

ANNEX A
LIST "A"

(Commodities for the importation of which a special licence is required).

<u>Classification as per</u> <u>Brussels tariff</u>	<u>Commodity</u>
03.01B, of 03.02C/1, 3b	Fresh fish, fish in brine and smoked.
07.01A	Potatoes.
07.01 C,D,E,	Vegetables.
07.05A,B,C,E,	Beans, broad beans, vetch-peas, chick peas, lents.
08.02-08.13	Fruits.
09.01A,B.	Coffee
10.03, 10.04, 10.05	Barley, oats, corn.
10.06 B/2,C	Rice uncoated, polished or not.
12.01D	Sesame.
of 12.01P	Hempseed.
of 13.01C	Acorns (valonia).
17.01	Sugar.
20.02C	Tomato pulp.
of 23.04A	Olive kernels, extracted.
27.01A,B,C, 27.04	Coal (excluding anthracite), coke.
32.01A	Tanning extracts.
33.04B, 33.05, 33.06A,B	Cosmetics, perfumery products or toilet products etc.
34.01 B,C.	Soaps.
40.11A/1, B	Tyres and tubes.
41.05B	Reptile skins, skins of sea animals etc.
43.01, 43.02A,B 43.03, 43.04	Pelts and pelt goods.
44.03A,C, 44.04A,C, 44.05A,C,) 44.13A/1-2, 44.15A/2a) 44.21 B/1)	Timber.

<u>Classification as per Brussels tariff</u>	<u>Commodity</u>
44.2 2A	Wooden boxes assembled or in assembled parts.
48.01C	Newsprint.
50.09A, B	Silk textiles.
51.04	Textiles of synthetic or artificial fibres, continuous.
53.11	Textiles of wool or filament.
55.07 - 55.09	Textiles of cotton.
56.07	Textiles of synthetic or artificial weaving fibres, non-continuous.
58.01-58.06, 58.07C,) 58.08 - 58.10)	Carpets, upholstery velvets, wool woven fabrics, ribbons, tapes, tulle, embroideries etc.
60.01 - 60.05	Knitwear.
61.01 - 61.11	Clothing and other accessory parts of garments and clothing.
62.01, 62.02, 62.05 D,E,	Bed blankets, sheets etc.
63.01	Used clothing
71.01 - 71.03, 71.15B	Precious or semiprecious stones and items.
71.05A,B, 71.06	Silver, silver alloys etc.
71.07A,B, 71.08	Gold, gold alloys etc.
71.09A,B, 71.10	Platinum, platinum alloys etc.
71.11, 71.12	Jewellery of precious metals and refuse or scraps of precious metal-working workshops.
71.13, 71.14	Goods and articles of workmanship from precious metals.
73.01 - 73.11, 73.12B	Iron.
73.13	Sheet iron.
82.09A/1a, 2b, 3c, 5b, 6	Silver-plated or gold-plated cutlery with ivory handles etc.
82.14A/3, B/3, C/3, E/2, F.	Silver-plated, gold-plated spoons, forks etc. with ivory handles etc.

Classification as per
Brussels tariff

Commodity.

of 84.13A/3a

Cabinets for electric refrigerators without
refrigeration unit.

of 85.15C

Television receiving sets.

87.02, 87.03, 87.04B,)

87.05B-E, 87.06B/1,)

~~87.14B.~~)

Passenger cars, trucks, buses, bases bodies
and trailers.

91.01A-C, 91.09A

Pocket watches, wrist watches etc. and cases
of precious metals.

ANNEX B

IMPORTS OF MACHINERY

The following list contains machinery, spare parts and accessories for the import of which it is required to be obtained an import licence of the Ministry of Industry - after previous recommendation by the Industry Council.

Items under the competency of the Import Machinery Section, Ministry of Industry, which are not included in this list are not subject to any quantitative restriction, in other words there is no need to obtain any import licence from the Ministry of Industry.

1. Flour mills with grindstones and millstones
2. Poultry brooders (brooding machinery)
3. Centrifugal pumps of any type
4. Hand-driven pumps, all types
5. Automatic suction pumps, all types
6. Suction pumps for deep wells
7. Pumps for supplying boilers (steam jet pumps)
8. Vacuum pumps, all types
9. Piston-bearing pumps, all types
10. Pumping units (under 20 H.P.)
11. Pickaxes, hoes, mattocks, digging forks, small hoes, rakes and agricultural hand tools in general
12. Ploughs tractor-drawn and animal-drawn, all types and spare parts thereof
13. Bakery and confectionery steam ovens
14. Taps, all types
15. Cranes, derricks and winches, all types
16. Plough disks and harrows, and spare parts thereof
17. Oil manufacturing machinery, all types, i.e. press machines, laundries, pumps, breakers, etc.
18. Grafting knives, all types
19. Accessories for spinning and knitting machinery: spools, bobbins, picking sticks (knockers, swords, sleighs), pickers, belts, pinions, spindle supports for up twister, cones for the creel of beaming machines, spindles
20. Kneading machines, all types
21. Electric generators and motors up to 20 K.W.
22. Machinery belts, tariff class 197 bis

23. Marble sawing, cutting and grinding machinery
24. Disinfecting torches, sterilizing and medical, all types
25. Cylindrical boilers (i.e. Scotch type) of heated surface up to 150 square metres and pressure up to 16 atmospheres or 230 lbs. per square inch
26. Central heating steel boilers, regardless of dimensions
27. Pottery softeners, saturators and concrete mixers
28. Wood-working equipment, i.e. sawing, planing machines, etc.
29. Alcohol and wine manufacturing machinery in general (filtering, pumping, pressing, grape-pressing, extracting equipment etc.) excluding pasteurizing machines
30. Diesel engines and semi-diesel, marine and for general use (factories, etc.) up to 20 H.P.
31. Pressing machines, all types and for any use, excluding those for plastic materials and seed-oil manufacture, and printing presses
32. Brick and tile manufacturing machines
33. Macaroni pressing machinery (pressing machinery), all types, dryers-troughs
34. Pruning saws, all types
35. Band saws of any size
36. Soap manufacturing machinery in general
37. Dryers, squeezers, hydroextractors, strainers, all types
38. Cotton, wheat, corn sowers, all types
39. Ammonium compressors, all types, up to 200,000 ccol units
40. Ammonium condensors, all types
41. Condensors (vacuum) autoclave, all types
42. Power-operated brushes (wheels), all types
43. Plough shares and mold boards harrows
44. Sprayers - dusters (sulphur), all types

Items Added to the List in 1959-60

45. Fans, air extractors and blowers of all kinds
46. Spare metal plates for grinding mills, breaking mills and hammer mills
47. Straw and fodder presses of all kinds
48. Machinery for the tanning industry, in general: vats, polishing machines, stretching machines etc.

49. Cotton gins and similar machines for separating linters from the seed
50. Maize threshers
51. Extracting machines of all kinds
52. Accessories of cast steel, whether or not finished, of all kinds, such as jaws for crushers, caterpillar tracks for tractors, rollers, bearings, cylinders for presses, etc.
53. Weighing machinery and balances of all kinds
54. Medical electrical equipment in general
55. Metal parts for cement ovens and accessories (refractory steels)
56. Accessories for textile machinery: spindles, spools, swivel shuttles, paddles, mallets, pickers, bobbins, cones, spinning wheels and combs of all kinds
57. Machines in general for the manufacture of tins and cans for the preserves industry
58. Machines in general for the oilseed industry (extracting machinery of all kinds etc.)
59. Apparatus for artificial rain, and spare parts and accessories including pipes
60. Hydrogenating apparatus in general
61. Artificial incubators, electric, with a capacity of 5,000 eggs or more; unlimited incubation
62. Mixers for poultry feed and for industrial powders suitable also for the preparation of pharmaceutical products for agriculture, of synthetic feed, etc., of a capacity of 100 kg. or more
63. Crushers for fruit and industrial products
64. Incubators for chicks, using liquid fuel, with automatic temperature control
65. Special packing cases for poultry
66. Apparatus for plucking poultry
67. Egg graders (automatically controlled, for weighing and sorting eggs)
68. Meters of all kinds
69. Electric motors of from 20 to 100 H.P.
70. Diesel and semi-diesel engines not exceeding 50 H.P.

ANNEX C

SUMMARY DESCRIPTION OF PROCEDURES E AND D

Procedure "E"

For importations under Procedure "E", the approval of the Greek Central Bank is required before any further action can be taken. Under Procedure "E" commodities may be imported from:

- (a) Member countries of the European Monetary Agreement (ex-EFU countries) with which Greece has also concluded clearing agreements, as well as those other member countries of the European Monetary Agreement with which there is no such agreement in force (United Kingdom, Eire and Iceland), provided that settlement is effected through the European Monetary Agreement, i.e. through the clearing agreement with one of the participating countries, or by exchange on London.
- (b) Countries not participating in the European Monetary Agreement, but with which Greece has concluded bilateral agreements: Bulgaria, Brazil, Chile, Czechoslovakia, Eastern Germany, Egypt, Hungary, Israel, Poland, Rumania, USSR and Yugoslavia, provided settlement is effected through the respective clearing agreements.
- (c) The United States and Possessions, as well as Canada, if settlement is effected with State exchange, i.e. free dollars, (that is not on the basis of Procurement Authorization under American Aid).

Procedure "D"

For importations under Procedure "D", any authorized commercial bank may issue a formal import approval, by registering the application with the Greek Central Bank. Procedure "D" applies in the cases of the following imports:

- (a) Commodities which will be paid for by American Aid funds (ICA), irrespective of the country they come from.

Imports paid for with American Aid funds are effected on the basis of Procurement Authorization of the International Cooperation Administration (ICA). The ICA authorities in Washington have established the general rules under which these imports may be effected and the Procurement Authorizations issued by these authorities contain the respective special conditions. Special regulations apply to the documents (of which the most important one is ICA-Form 280), as well as to marking and shipping conditions.

- (b) Commodities which originate in and are consigned from countries other than those mentioned under Procedure "E", or where payment of the goods will be effected in a different manner from that mentioned under Procedure "E".
- (c) If any change in the general provisions concerning the terms of shipment, method of settlement, terms of payment, etc., is demanded by the importer.
- (d) Items imported by Government Services, Public Entities, Public Utility Companies, and the Agricultural Bank of Greece, provided the c.i.f. value of these items exceeds US\$5,000 - in this case a public tender is required, which must be approved by the Ministry of Commerce.

Tolerances

A 5 per cent tolerance is permitted only on the quantity (and consequently total value) of all commodities imported.

If the final total value is higher than 5 per cent, the resulting difference, beyond the 5 per cent tolerance, is considered as merchandise shipped prior to the issuance of the import approval and is liable to the relative fine (see page 17).

Amendments of import approvals

Whenever essential terms of imports to be effected are to be altered (increase or decrease in the quantity - and consequently total value - of goods exceeding the tolerance of 5 per cent etc.) it is necessary that the original approval be amended.

If commodities are to be imported under Procedure "E", the approval of the amendment may be given by the intervening commercial bank. If the import is to be effected under Procedure "D", the amendment should be approved by the Greek Central Bank.

Moreover, approvals of amendments are granted by the Greek Central Bank in certain other cases, e.g. when an exceptional term is requested, or formalities have not been complied with.

