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THE IMPACT OF GREECE'S ENTRY INTO THE EEC
ON GREEK-AMERICAN ECONOMIC RELATIONS

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Note: Center Discussion Papers are preliminary materials circulated to stimulate discussion and critical comment. References in publications to Discussion Papers should be cleared with the author to protect the tentative character of these papers.

Introduction

According to all indications, the negotiations between Greece and the Economic Community (EC) will be completed by the end of this year. Joining the EC implies acceptance of the following commitments on the part of the participants: (a) the eventual abolition of all impediments to trade among member countries and the adoption of the Common External Tariff (CET) vis-a-vis non-EC countries, (b) complete freedom of factor movements among members and (c) harmonization of macro policies. If in addition, the recent move towards monetary integration proves successful, then the macro-policy harmonization part of the agreement will become even more stringent as each country's flexibility with respect to the exercise of exchange rate policy will be severely limited.

Given the above, Greece's entry into the Common Market is expected to have profound implications for the country's internal economic and political development as well as for its future relationships with other EC-members and third countries such as the United States. Whether or not such expectations are warranted is the subject of a heated debate both internally and abroad. The absence of a systematic analysis of Greek trade relationships as well as the lack of information on the current status of the negotiations compound the usual problems inherent in a forecasting exercise of this type. Thus this paper is restricted to an attempt to highlight some of the issues that could potentially become important in the economic relationships of Greece with its trading partners and specifically the United States. The paper is organized in two sections. The first section deals with issues pertaining to the current account balance. It attempts to foresee some of the implications of Greece's entry both with regard to future trade patterns between Greece and the United States as well as to the ensuing changes in factor

movements between the two countries. The methodology employed is primarily historical in character. The emphasis is placed on the nature of past Greek-American trade relationships which would hopefully enable us to better define the areas where future changes will be critical for meeting internal and external-balance targets. The second section of the paper focuses on the capital account of the Greek balance of payments and, in a way methodologically similar to that of Section 1, it focuses on past Greek-American financial relationships. It also attempts to forecast some potential changes in those relationships as a result of Greece's entry in the EEC.

The above framework of analysis is admittedly limited in scope since many important economic and political elements are left out of the study altogether. These would include, for example, the presence of American multinationals in Europe which makes the national identification of direction-of-trade patterns difficult. The effects of possible internal structural changes both in the political and economic arena in Greece, are also omitted. Even when viewed from this narrow perspective, Greece's entry into the Common Market poses some interesting questions regarding the country's future relationships with the United States, which are worth examining. More importantly perhaps, the study of the adjustments required by Greece's entry into the EC brings to the fore some fundamental economic and political trade-offs which will confront policy-makers.

Section I

PAST AND PROSPECTS OF GREEK-AMERICAN ECONOMIC RELATIONSHIPS

One of the major restraining forces in Greek economic development has been the foreign exchange constraint. The trade balance deficit exceeded \$3 billion in 1977 (approximately 15 percent of Gross National Product), even though during the last decade, the average annual growth rate of exports in real terms has exceeded 10 percent.¹ Table 1 presents comparative figures on the Greek balance of payments for five selected years. As can be readily seen, the high trade-balance deficit has traditionally been partially offset by high surpluses on invisibles which tend to reduce the deficit on current account to approximately 5 percent of GNP. Invisibles, which include tourism, shipping and emigrant remittances, constitute the most important source of foreign exchange receipts. From Table 1, one can also note the increasing dependence of the Greek economy on capital inflows channeled through commercial and central bank operations; by 1977, these were, in value terms, even higher than emigrant remittances.

Table 2 compares key balance-of-payments indicators for five Mediterranean countries, three of which (Greece, Spain and Portugal) are negotiating their admission into the EC. The reliance of the Greek economy on emigrant remittances and capital inflows becomes more evident when contrasted to that of other Mediterranean economies. Whereas Greece's trade deficit as a percentage of GNP is one of the highest in the area, the current account deficit is proportionally lower. On the other hand, at least in 1976, the

Table 1

BALANCE OF PAYMENTS
(Million U.S. dollars)

Items	1960	1965	1970	1975	1977
Imports	497.1	1,016.5 ^{a/}	1,696.1	5,065.6	6,409.8
Private	448.1	...	1,499.6	3,854.5	5,053.3
State	49.0	...	196.5	1,211.1	1,356.5
Exports	208.6	330.9	612.2	2,029.9	2,522.4
TRADE BALANCE	-288.5	-685.6	-1,083.9	-3,035.7	-3,887.4
(as % of GNP) ^b			.1068	.1553	.1464
INVISIBLE RECEIPTS	273.2	549.4	940.4	2,725.1	3,497.3
Tourism	49.3	107.6	193.6	643.6	980.6
Shipping	76.5	163.8	269.8	844.8	1,126.6
Remittances	90.4	207.0	342.9	781.5	924.8
Interest-Dividends- Profits		8.0	11.5	95.3	78.0
N.A.T.O. Infrastructure	15.5	6.9	15.0	359.9	387.3
Other	41.5	56.1	107.6		
INVISIBLE PAYMENTS	65.5	136.8	266.9	764.7	876.9
Foreign Travel	18.8	41.5	55.3	154.6	164.0
Government	12.3	27.7	45.3	67.1	98.8
Interest-Dividends- Profits	4.0	13.1	55.9	195.1	215.8
Transportation	30.4	18.3	42.0	172.4	155.1
Other		36.2	68.4	175.5	243.2
BALANCE ON INVISIBLES	207.7	412.6	673.5	1,960.4	2,620.4
BALANCE OF CURRENT ACCOUNT	80.8	-273.0	-410.4	-1,075.3	-1,267.0
(as % of GNP)			.0404	.0550	.0477
CAPITAL MOVEMENT (net)	39.4	234.3	384.7	1,140.4	1,531.1
Private Venture Capital	15.3	84.4	156.1	198.6	273.4
Other Private Capital	31.8	58.0	88.7	321.9	439.1
Capital belonging to banks and other institutions	- 4.9	5.8	92.2	284.9	718.9
Central Bank				331.1	272.6
Government loans		25.7	30.4	93.7	116.7
Public Entity and Public Enterprise Loans	15.1	29.6	13.7	15.9	88.9
Amortization (Repayment of debt)	-22.2	-18.6	-80.8	-348.8	-387.4

Balance of Payments (continued)

Item	1960	1965	1970	1975	1977
Foreign Suppliers' Credit ^{c/}	7.8	37.8	82.6	229.5	8.2
Aid-Restitutions-Reparations	42.6	11.6	1.8	13.6	.7
Errors and Omissions	4.2	1.9	9.6	-225.4	-97.0
BALANCE OF EXTERNAL TRANSACTIONS	5.4	-36.8	-16.1	-160.3	167.1
Non-Monetary Gold	-1.4				
IMF			-10.6	-186.0	42.3
Change in Bank of Greece Official Reserve Holdings	15.9	-31.0	-16.4 ^{d/}	7.0	140.7
Change in SDRs				-12.1	-3.3
Change in Clearing Accounts	-9.1	-5.8	6.5	30.8	-12.6
Official Reserves					
(end of period)	223.5			910.6	1,045.7
SDRs			16.8	20.6	16.3
Clearing Accounts				26.8	-39.0
Foreign Suppliers' Credit (Change	7.8	37.8	82.6	229.5	8.2
Suppliers Credit (Stock)				1,286.4	1,298.4

a/ Suppliers' credit is included

b/ Exchange rate used for conversion purposes: 30.00 drchs/\$ till and including 1970; 35.65 drchs/\$ for the year 1975 and 37.00 drch/\$ for 1977. The source for GNP statistics is the IMF, International Financial Statistics, 1977, 1978.

c/ Foreign suppliers' credit was not included in the Capital Account in the official statistics of 1960.

d/ The accounts are not properly balanced for this year.

Sources: Bank of Greece, Annual Report for 1965, 1970, 1977.

IMF, International Financial Statistics, 1978.

Table 2

COMPARISON OF KEY BALANCE-OF-PAYMENTS
INDICATORS FOR FIVE MEDITERRANEAN COUNTRIES

Countries	GNP per capita		Trade Balance as % of GNP 1976	Current Account Balance as % of GNP 1976	Debt Service ^{a/} As % of:	
	U.S. dollars 1976	Average Annual Growth (%) 1960-1976			GNP 1976	Exports of Goods and Services 1976
Turkey	990	4.2	-.0943	-.0590	0.7	11.2
Portugal	1,690	6.5	-.1523	-.0748	0.7	5.1
Greece	2,590	6.1	-.1472	-.0459	2.2	11.2
Spain	2,920	5.5	-.0838	-.0426	0.5	3.6
Israel	3,920	4.3	-.1234	-.0731	4.0	12.1

^{a/} Debt service is the sum of interest payments and repayments of principal on external public and publicly guaranteed debt. In these calculations private debt or debt contracted for the purchase of military equipment is not included.

Sources: World Bank, World Development Report, 1978.

proportion of debt service to either GNP or exports of goods and services was higher than that of all of the above countries with the exception of Israel and Turkey.

Turning now to trade diversification and the development of new sources of foreign exchange generation, Greece's development can be considered as "asymmetric" on the export and import side. During the past decade there has been wide diversification of export towards new and more highly processed commodities; imports, however, have become significantly more concentrated. Tables 3 and 4 respectively present comparative figures for the ten highest in value exports and imports. Between 1965 and 1976, a number of new export goods appear on the list. These include intermediate industrial products such as textile yarn and thread, lime, cement, aluminium and pig iron, refined petroleum products and final consumer goods such as outer garments and other knitted articles. While in 1965 the two highest in value exports, namely tobacco and dried fruit, accounted for 48.27 percent of the total value of exports, by 1976, 50.56 percent of the total value of exports can be attributed to ten rather than two commodities. On the import side, however, the situation is reversed. As can be seen from Table 4, the composition of imports has not changed much during the last decade so that the same goods appear on the list for both years. In 1976 the two imports which were highest in value accounted for 36.43 percent of total import value which is almost exactly equal to the share of the ten highest in value imports in 1965. The rise in oil payments partly accounts for that change. Whereas crude and partly refined oil was only 4 percent of total imports in 1965, the ratio of petroleum imports to total imports rose to 17.21 percent by 1976. More surprising,

TEN HIGHEST IN VALUE EXPORTS ACCORDING TO 3-DIGIT SITC CLASSIFICATION

Category	1965		1976	
	Value in Million drchms	% of Total Exports	Value in Million drchms	% of Total Exports
(121) Tobacco, unmanufactured	3,387.33	.3444	(057) Fruit & nuts, fresh and dried	8,476.819 .0904
(052) Dried fruit	1,360.29	.1383	(121) Tobacco, unmanufactured	6,537.719 .0697
(051) Fruit, fresh and nuts	717.35	.0730	(651) Textile yarn and thread	5,913.064 .0630
(263) Raw cotton, other than linters	601.30	.0611	(334) Petroleum products, refined	5,298.574 .0565
(283) Non-ferrous ores and concentrates	378.73	.0385	(661) Lime, cement	4,586.692 .0489
(211) Hides and skins	358.87	.0365	(684) Aluminium	3,797.264 .0405
(276) Other crude mineral	273.15	.0278	(845) Outer garments and other articles knitted or crocheted	3,782.300 .0403
(055) Vegetables, preserved or prepared	223.66	.0227	(056) Vegetables, roots and tubers, prepared or preserved	3,479.643 .0371
(053) Fruit prepared and preserved	206.76	.0210	(058) Fruit, preserved and fruit preparations	3,143.542 .0335
(613) Fur skins, tanned or dressed	185.78	.0189	(671) Pig iron, sponge iron	2,410.650 .0257

Sources: National Statistical Service of Greece, Statistical Yearbook of Greece, 1977; United Nations, Yearbook of International Trade Statistics, 1966.

Table 4

TEN HIGHEST IN VALUE IMPORTS ACCORDING TO THE 3 DIGIT SITC CLASSIFICATION

Category	1965			Category	1976		
	Value in Million drchms	% of Total Imports			Value in Million drchms	% of Total Imports	
(735) Ships and boats other than warships	2,468.3	.0726		(735) Ships, boats and floating structures	42,173.720		.1901
(732) Road motor vehicles	1,868.89	.0549		(333) Petroleum oils, crude and crude oils obtained from bituminous minerals	38,173.480		.1721
(011) Meat fresh, etc.	1,610.91	.0474		(732) Passenger motor cars	6,874.595		.0310
(331) Petroleum, crude and partly refined	1,274.40	.0375		(334) Petroleum products refined	5,271.969		.0238
(332) Petroleum products	1,257.82	.0369		(782) Motor vehicles for transport of goods	4,890.157		.0220
(712) Agricultural machinery	864.33	.0254		(717) Textile and leather machinery and parts thereof	4,782.111		.0216
(718) Machine for special Industries	829.36	.0244		(011) Meat fresh, etc.	4,626.168		.0209
(711) Power generating machinery	756.29	.0222		(641) Paper and paperboard	3,475.524		.0157
(243) Wood, shaped or simply worked	732.29	.0215		(045) Maize, unmilled	3,441.604		.0155
(541) Medicinal & pharmaceutical products	730.14	.0215		(541) Medicinal and pharmaceutical products	3,415.965		.0154

Source: National Statistical Service of Greece, Statistical Yearbook of Greece, 1977; United Nations, Yearbook of International Trade Statistics, 1966.

however, is the dramatic increase in total imports of ships and boats which rose to 19.01 percent of total imports in 1976.² This higher concentration of imports implies not only greater vulnerability of the economy to fluctuations in the price of any single commodity but also lower effectiveness of simple deflationary macro-policies to correct any given balance-of-trade deficit. The higher the degree of concentration, the more corrective policies should aim at the sector which is the source of the problem. This makes focused micro policies relatively more effective than restrictive macro policy.

Table 5 presents a more comprehensive picture of Greece's structure of trade in 1965 and 1976. The increased diversification of exports is again apparent. While beverage and tobacco exports declined dramatically within the decade, manufactured-good exports rose from 8.28 percent of total exports in 1965 to 31.60 percent in 1976. Textile goods and fabrics rose in value terms from 2.56 percent of total exports to 9.60 percent; construction materials from less than 1 percent to 5.34 percent; iron and steel goods from 10.94 percent to 20.51 percent; finally, basic metals rose from .54 percent to 4.31 percent of total exports. Over the same period, the ratio of total food exports to total exports showed only a small decline from 28.71 percent to 22.50 percent.

This table is also useful for underlining the extent and magnitude of potential foreign exchange constraints. Even though the composition of trade can be easily explained along lines of comparative advantage³, the balance of trade is not always positive even for those groups of goods within the broad 3 digit classification framework, which are the major exports of the economy. Taking manufactured goods for example, in 1965, the balance

TABLE 5

EXTERNAL TRADE ACCORDING TO THE SECTIONS
OF THE STANDARD INTERNATIONAL TRADE CLASSIFICATION
SELECTED YEARS AND SELECTED GOODS

(% of Total Exports and Imports
and % of Total Category for the 3-digit nos.)

SITC Sections	1965		(Value million drchms.)	
	Exports	Imports	Exports	Imports
Total	9,833.26	34,012.17	93,811.517	221,820.615
	1.00	1.00	1.00	1.00
0. Food and Live Animals	.2871	.1407	.2250	.0760
Live Animals (001)	n.s. ^a	.0620	n.s.	.0253
Meat (011+012+014)	n.s.	.3367	n.s.	.1730
Dairy Products (022-025)	n.s.	.1435	n.s.	.1250
Wheat and Cereals (041-048)	n.s.	.1557	.0934	.2373
Fruit and Vegetables (051-058)	.9450	.0309	.8092	.0315
Sugar and Honey (061-062)	n.s.	.0317	.0219	.0034
Coffee, Tea and Related Products (071-074)	n.s.	.0798	n.s.	.1312
Animal Feed (081)	n.s.	.0397	.0386	.0780
Edible Products & Preparations (098)	n.s.	n.s.	n.s.	.0174
1. Beverages and Tobacco	.3646	.0009	.0860	.0020
Beverages (111-112)	.0530	.8188	.1761	.7333
Tobacco (121-122)	.9449	n.s.	.8239	.2667
2. Crude Materials, inedible, except Fuels	.1976	.1005	.1000	.0690
Hides & Skins (211-212)	.1847	.0538	.1692	
Cork & Wood Products (244-251)	n.s.	.3668	.0109	.2844
Cotton & Textile Fibers (263-269)	.3406	.3726	.1858	.1614
Fertilizers & Other Crude Minerals (271-278)	.1826	.0560	.3007	.1294
Iron, Steel & Base Metals (281-289)	.3968	.0479	.2878	.0630
3. Mineral Fuels, Lubricants	.0004	.0842	.0580	.2040
Oil & Oil Products (331, 332, 335)	1.00	.8841	.9865	.9730

TABLE 5 cont.

SITC Sections	(Value million drchms.)			
	1965		1976	
	Exports	Imports	Exports	Imports
4. Animal and Vegetable Oils and Fats	.0120	.0001	.008	.002
5. Chemicals	.0215	.0904	.040	.082
Medicinal & Pharmaceutical Products (541)	n.s.	.2375	.1300	.1870
Miscellaneous chemical products (598-599)	.6362	.1071	.3524	.0845
6. Manufactured Goods Classified by Raw Materials	.0828	.1906	.3160	.124
Fur Skins (613)	.2281	n.s.	.0622	n.s.
Cork, Wood & Paper Products (633-642)	n.s.	.0895	.0333	.1644
Textile Goods & Fabrics (651-659)	.3223	.2057	.2990	.1650
Construction Materials (661-662)	.0753	.0648	.1690	.0148
Iron & Steel Goods (671-679)	.1094	.2945	.2051	.2918
Basic Metals (682-689)	.0651	.0780	.1365	.1064
7. Machinery & Transport Equipment	.0196	.3515	.049	.414
Electrical Machinery (72)	n.s.	.1671	.4072	.0502
Private Cars, Motor Vehicles and Accessories (732)	n.s.	.1563	n.s.	.1657
Ships, Boats & Floating Structures (735)	n.s.	.2065	.1896	.4589
8. Miscellaneous Manufactured Articles	.0143	.0316	.118	.026
Clothing & Accessories (841-848)	.1009	n.s.	.6662	.0572
Footwear (851)	n.s.	n.s.	.1947	n.s.
9. Commodities and Transactions Not Classified According to Kind	0.00	.0002	0.00	.001

a/ Not significant

Sources: National Statistical Service of Greece, Statistical Yearbook of Greece, 1977; United Nations, U.N. Yearbook of Trade Statistics, 1966.

of trade for textiles, construction materials, iron and steel goods and metals was negative; by 1976 it had become positive only for textiles and construction materials. This suggests that apart from possible heterogeneity of goods within each category, differences in tastes might be an important determinant of trade patterns especially in some categories such as textiles. In other categories such as refined petroleum products where imports are by nature intermediate goods, domestic value added in production is in fact negative. Thus, regardless of issues related to entry into the EC, the structure of trade must be readjusted and policies to promote exports need to be devised and implemented if the foreign exchange constraint is not to become permanently binding. Whether or not such policies which possibly entail some subsidization of specific sectors on the part of the government, will be open to policymakers following Greece's entry into the EC, will depend on the outcome of the negotiations. More importantly perhaps, one should investigate the implications of the Athens agreement of 1961⁴ for the subsequent development of Greece's trade both with regard to its composition as well as to its direction. Such a study is unfortunately much beyond the scope of this paper.

Most of Greece's trade in the past decade has been with the EC. As can be seen from Table 6, by 1976, 49.9 percent of total exports and 39.7 percent of total imports were directed to and originated from the nine members of the EEC. Trade with the United States was relatively limited in 1976, accounting for 5.7 percent of total exports and 6.8 percent of total imports even though, as can be seen from Table 7, the growth of imports from

Table 6

IMPORTS AND EXPORTS BY SELECTED CONTINENTS
AND COUNTRIES OF ORIGIN AND DESTINATION
(% OF TOTAL VALUE)

Country	<u>1965</u>		<u>1975</u>		<u>1976</u>	
	Imports	Exports	Imports	Exports	Imports	Exports
ECC Countries (6 members) ^a	<u>41.4</u>	<u>37.2</u>	<u>36.9</u>	<u>44.2</u>	<u>34.5</u>	<u>45.1</u>
France	8.5	5.2	6.0	7.3	5.6	6.7
Belgium-Luxemburg	3.6	1.0	2.8	1.9	2.6	2.6
Netherlands	2.9	3.1	4.0	5.6	3.5	5.3
Germany F.R.	17.3	22.8	15.9	21.1	14.5	21.3
Italy	9.1	5.1	8.2	8.3	8.3	9.2
ECC Countries (new members) ^b	<u>10.1</u>	<u>8.0</u>	<u>5.6</u>	<u>5.5</u>	<u>5.2</u>	<u>4.8</u>
EFTA Countries ^c	<u>8.2</u>	<u>4.5</u>	<u>7.3</u>	<u>3.8</u>	<u>8.9</u>	<u>3.6</u>
Eastern Europe	<u>9.0</u>	<u>22.8</u>	<u>5.2</u>	<u>11.5</u>	<u>6.7</u>	<u>11.3</u>
Other Europe ^d	<u>4.5</u>	<u>6.0</u>	<u>2.8</u>	<u>5.3</u>	<u>2.6</u>	<u>3.1</u>
United States	<u>9.9</u>	<u>9.5</u>	<u>7.3</u>	<u>5.1</u>	<u>6.8</u>	<u>5.7</u>
Africa	<u>3.6</u>	<u>3.4</u>	<u>5.4</u>	<u>11.9</u>	<u>5.9</u>	<u>10.4</u>
Libya	1.0	0.9	0.3	5.7	0.8	5.1
Egypt	1.0	1.6	0.1	1.4	1.3	2.4
Asia	<u>8.2</u>	<u>7.2</u>	<u>24.9</u>	<u>11.3</u>	<u>25.9</u>	<u>14.1</u>
Iran	1.5	0.2	0.7	1.0	2.7	0.9
Saudi Arabia	1.8	0.2	8.3	1.2	6.9	4.4
Kuwait	-	-	-	0.6	0.0	0.6
Japan	3.4	2.4	8.3	1.6	12.2	0.9
Australia and Oceania	<u>2.0</u>	<u>0.5</u>	<u>2.3</u>	<u>0.3</u>	<u>1.3</u>	<u>0.4</u>
Total	34,012	9,833	172,041	74,441	221,820	93,811

^{a/} These include: France, Belgium-Luxemburg, Netherlands, Germany F.R., Italy.

^{b/} These include: United Kingdom, Ireland, Denmark.

^{c/} These include: Norway, Sweden, Finland, Switzerland, Austria, Portugal

^{d/} These include: Finland, Spain, Yugoslavia, Turkey and others.

Source: National Statistical Service of Greece, Statistical Yearbook of Greece, 1969, 1977.

Table 7

DISTRIBUTION OF GREEK COMMODITY EXPORTS AND
IMPORTS BY ORIGIN AND DESTINATION

Total Value Indices (1970 = 100)

Year	Import Value Indices				Export Value Indices			
	EEC(6)	U.K.	EEC(9)	U.S.	EEC(6)	U.K.	EEC(9)	U.S.
1961	104.0	89.3		86.1	83.2	81.6		79.4
1962	102.6	88.8		85.9	88.7	78.9		91.9
1963	102.9	91.7		76.7	99.1	83.4		104.4
1964	105.6	94.0		78.2	98.3	97.9		97.2
1965	107.3	93.9		84.9	97.1	100.8		89.2
1966	107.7	96.3		84.0	97.8	113.9		93.4
1967	104.3	95.8		88.5	96.1	105.9		92.4
1968	100.4	91.8		91.3	91.8	98.9		93.0
1969	96.9	94.1		96.6	97.4	103.4		96.9
1970	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1971	101.1	104.7	101.6	100.1	101.2	105.5	108.1	93.9
1972	110.4	107.0	110.3	103.9	106.5	108.1	106.6	90.3
1973	130.6	118.0	129.5	113.6	140.3	172.1	143.8	102.1
1974	163.0	138.9	160.6	168.9	179.1	252.6	185.6	130.5
1975	187.0	174.0	185.9	199.4	198.7	246.2	202.7	142.4
1976	208.1	189.7	206.8	230.8	215.9	216.2	216.0	198.8

Source: National Statistical Service of Greece, Bulletin of External Commercial Statistics, Athens, June 1977. pp. XIV-XX.

the United States has been higher during recent years than the growth of imports from EC members. Table 6 also points to the fact that Greece's trading with the EC primarily involves trading with Germany. The Federal Republic of Germany absorbed 21.3 percent of total Greek exports in 1976 and provided 14.5 percent of total Greek imports. The other most important trading partners of Greece during that same year were the Middle Eastern and Eastern European countries on the export side, and Japan on the import side. As Greece's exports have become more diversified some of the traditional markets, such as the Eastern European countries, have declined in importance, and new markets, especially within the Mediterranean area, have appeared. The rise of Japan in world markets has also meant the redirection of some Greek imports away from other sources (partly EC sources) to this cheaper source of supply. Overall, Greek trade with the United States has been limited, with slightly greater dependence on the import rather than the export side.

Even though trade with the United States per se has been limited, the role of the dollar as a reserve currency adds an important dimension to Greek-American economic relations due to the fact that many payments or receipts are in fact denominated in dollars. Tables 8 and 9 vividly illustrate this point. Whereas in 1975 total exports to the United States amounted to 5.0 of total exports, in that same year, total export receipts in dollars amounted to 14.95 percent of total receipts. Exports to the United States or the dollar currency area have primarily been miscellaneous manufactured goods, beverages, tobacco and inedible crude materials. Even though dollar receipts substantially exceeded the value of trade with the United States itself, even trade with the dollar currency area, at least in 1975, was never over 20 percent

Table 8

DESTINATION OF EXPORTS ACCORDING TO THE NINE SECTIONS OF THE SITC, 1975

SITC section	TOTAL		EEC - 9		Countries out- side EEC-9		Countries out- side EEC-12		USA		CANADA		JAPAN	
	mio US \$	%	mio US \$	%	mio US \$	%	mio US \$	%		%	mio US \$	%	mio US \$	%
0	508.1	22.3	300.9	59.2	207.2	40.7	206.5	40.6	9.1	1.7	2.6	0.5	1.7	0.3
1	185.8	8.1	65.6	35.3	120.2	64.6	120.0	64.5	27.1	14.5	0.8	0.4	24.2	13.0
2	199.8	8.7	83.3	41.6	116.5	58.3	103.0	51.5	16.0	8.0	5.2	2.6	1.0	0.5
3	251.5	11.0	150.4	59.8	101.1	40.1	99.7	39.6	11.3	4.4	0.2	-	2.7	1.0
4	42.0	1.8	29.4	70.0	12.7	30.2	12.3	29.2	1.1	2.6	0.6	1.4	0.1	0.2
5	133.4	5.8	58.4	43.7	74.9	56.1	67.7	50.7	0.4	0.2	-	-	-	-
6	652.9	28.6	286.4	43.8	366.6	56.1	346.8	53.1	9.0	1.3	2.6	0.3	7.0	1.0
7	88.8	3.8	23.6	26.5	65.2	73.4	65.1	73.3	2.6	2.9	0.1	0.1	-	-
8	215.7	9.4	133.9	62.0	81.8	37.9	81.7	37.8	39.1	18.1	3.0	1.3	0.3	0.1
0-9	2,278.3	100.0	1,132.0	49.6	1,146.4	50.3	1,103.1	48.4	115.7	5.0	15.1	0.6	36.8	1.6

Source: Commission of the European Communities, Economic and Sectoral Aspects, 1978.

Table 9

EXPORTS BY CURRENCY AREA ACCORDING TO BASIC CATEGORIES, 1975

Value in Million \$

Categories ^{a/}	Total	%	EEC(6)	% ^{b/}	EEC(9)	%	USA	%	Eastern Europe ^{c/}	%
I	493.4	.2517	206.8	.4191	247.5	.5016	37.2	.0754	116.7	.2365
II	160.4	.0818	47.0	.2930	47.6	.2968	33.6	.2095	36.0	.2244
III	110.2	.0562	32.5	.2949	35.1	.3185	9.2	.0835	43.2	.3920
IV ^{d/}	134.2	.0685	54.9	.4091	62.5	.4657	24.2	.1803	17.6	.1311
V	87.0	.0444	7.2	.0828	7.5	.0862	--	--	10	.1149
VI	944.6	.4820	300.6	.3182	324.4	.3434	186.4	.1973	39.3	.0416
VII	29.6	.0151	5.8	.1959	6.5	.2196	2.5	.0845	3.6	.1216
Total	1,959.6 ^{e/}	100.0	654.9	.3342	731.2	.3731	293.0	.1495	256.4	.1308

Notes: a/ I. Food and beverages

II. Tobacco

III. Raw materials and semi-manufactured goods

IV. Minerals and ores

V. Petroleum products

VI. Industrial and Handicraft products

VII. Other

b/ This calculates the amount exported to the country or

group of countries in question as a percentage of total

exports from each category.

c/ Includes Albania, Bulgaria, East Germany, Hungary, Poland,

Rumania, USSR, Czechoslovakia.

d/ These include Bauxite, Magnesia and others.

e/ Data calculated at old parities of approximately 37.9878 drchs/\$.

Source: Bank of Greece, Bulletin of External Transactions, 1975, Preliminary Data.

of total receipts for any given category of exports. Tables 8 and 9 also underline the appearance and importance of third markets such as that of Japan in the tobacco market and Eastern European countries in the market for agricultural goods.⁵

A more detailed analysis of the destination of Greek industrial exports by commodities reconfirms the earlier conclusions regarding the secondary role of the United States in Greece's export markets. The only noteworthy exception, which again has to do more with the role of the dollar as a reserve currency rather than the domestic U.S. market, is the case of nickel and ferronickel exports for which payments are denominated almost entirely in dollars. As can be seen in Table 10, however, at least in 1975, nickel and ferronickel receipts were only a small percentage of total export receipts. Table 10 also highlights the function of the United States as the major importer of a whole cluster of industrial commodities which are only minor exports for Greece but whose importance might grow in the future. These include aluminium and alumina, machinery and transport equipment, furskins, footwear and handicrafts. In contrast, the United State's share of trade in textiles, cement and metals which are the most significant industrial exports of the Greek economy, is less than 6 percent.

Greece's imports from the dollar currency area have been much higher than her exports to it; in 1975 this resulted in a trade deficit of \$517.8 million. Table 11 presents a detailed account of imports by currency area

Table 10

EXPORTS OF PRINCIPAL INDUSTRIAL AND HANDICRAFT
PRODUCTS BY CURRENCY AREA, 1975

Value in Million \$

Category	Total	%	EEC(6)	%	USA	%	EASTERN EUROPE	%
Textiles	232.1	.2457	172.8	.7445	12.6	.0543	10.4	.0448
Cement	131.6	.1393	.5	.0038	3.2	.0243	1.0	.0076
Other chemicals & pharmaceuticals	65.6	.0694	6.6	.1006	12.0	.1829	4.7	.0716
Aluminium-Alumina	57.8	.0612	28.2	.4879	16.6	.2872	.8	.0138
Nickel-Ferronickel	57.8	.0612	.1	.0017	57.7	.9982	-	-
Other metals and metal manufactures	137.6	.1457	14.6	.1061	8.0	.0581	10.1	.0734
Machinery and transport	24.7	.0261	2.9	.1174	4.0	.1619	.1	.0040
Electrical instruments	12.0	.0127	6.7	.5583	.3	.025	-	-
Furskins	66.0	.0699	24.5	.3712	35.1	.5318	.2	.0030
Footwear & leather articles	35.3	.0374	7.3	.2068	22.0	.6232	1.6	.0453
Other handicrafts	8.2	.0087	4.1	.5000	2.5	.3049	-	-
Other	68.0	.0720	17.2	.2529	6.2	.0912	3.5	.0515
Total	944.6	100.0	300.6	.3182	186.4	.1973	39.3	.0416

Source: Bank of Greece, Bulletin of External Transactions, 1975.

Table 11

IMPORTS BY CURRENCY AREA ACCORDING TO BASIC CATEGORIES, 1975
 PAYMENTS AND SUPPLIERS' CREDIT
 (Value in Million \$)

Categories	Total	%	EEC (6)	%	EEC (9)	%	U.S.A.	%	Eastern Europe	%
I. Food	529.7	.1140	132.3	.2498	169.9	.3207	173.9	.3283	20.1	.0379
1. Basic ^a	463.4	.0997 ^{g/}	107.5	.2320 ^{i/}			164.6	.3552	16.1	.0347
2. Non Basic	66.3	.0143	24.8	.3741			9.3	.1403	4.0	.0603
II. Raw Materials	839.0	.1806	299.1	.3565	351.0	.4184	138.7	.1653	71.4	.0851
1. Consumption ^b Materials	484.2	.1042	180.0	.3717			93.2	.1925	26.4	.0545
2. Construction ^c Materials	354.8	.0764	119.0	.3354			45.5	.1282	44.9	.1266
III. Fuels-Lubricants ^d	819.9	.1765	22.8	.0278	27.6	.0337	68.7	.0838	162.2	.1978
IV. Capital Goods	1,385.9	.2983	821.9	.5930	911.0	.6573	253.2	.1827	55.8	.0403
1. Machinery	840.5	.1809	493.7	.5874			114.0	.1356	39.8	.0474
2. Transport Equipment	449.9	.0968	267.6	.5948			130.5	.2901	5.7	.0127
3. Electrical Equipment	95.5	.0206	60.6	.6346			8.7	.0911	10.2	.1068
V. Manufactured Consumer Goods	1,038.8	.2236	522.9	.5034	604.0	.5814	159.4	.1534	37.2	.0358
1. Intermediate	139.1	.0299	87.0	.6254			18.8	.1352	1.7	.0122
2. Basic ^e	414.3	.0892	189.3	.4569			62.1	.1499	10.1	.0244
3. Non Basic ^f	485.4	.1045	246.6	.5080			78.5	.1617	25.4	.0523
VI. Freight	33.0	.0071	17.1 ^{h/}	.5182	21.9	.6636	1.7	.0515	.6	.0182
Total	4,646.2	1.00	1,937.3 ^{h/}	.4170	2,223.9	.4786	811.8	.1747	367.2	.0790

- a/ Includes meat and live animals, dairy products, cereals, coffee, vegetable oils, animal feed.
- b/ Includes cotton and textile fibers, other chemicals, raw minerals.
- c/ Includes iron and steel, timber.
- d/ Crude oil accounts for most of that item.
- e/ Includes automobile parts and accessories, paper and paper articles, medical and pharmaceutical products.
- f/ Includes textile products, electrical appliances and private cars.
- g/ % out of total imports.
- h/ Includes total payments plus suppliers' credit.
- i/ % out of total imports in that category.

Source: Bank of Greece, Bulletin of External Transactions, 1975.

according to basic categories. The United States has been the main supplier of basic foodstuffs as well as a primary supplier of capital goods, manufactured consumer goods and raw materials. With the only exception of basic foodstuffs however, trade with the nine members of the EEC has been much more extensive on the import side as well.

The conclusions of our schematic analysis regarding Greece's relationships with its major trading partners can be briefly summarized below:

1. The growing trade deficit in Greece's balance of payments places a significant constraint on the country's future economic development and has increased the country's dependence on such cyclically variable sources of foreign exchange as tourism, shipping and emigrant remittances. In the last couple of years there has also been a shift towards increasing borrowing in the international financial markets by the Greek banking community which has resulted in higher debt service ratios for the country in comparison to commitments undertaken by most neighboring countries.
2. Whereas during the past decades there has been substantial diversification of Greece's exports, imports have tended to become more concentrated. By 1976, agricultural goods, textiles, construction materials, iron and steel goods and basic metals accounted for approximately 50 percent of total exports, while oil imports and imports of floating structures² rose to almost 40 percent of total imports. Even though the composition of exports has shifted towards industrial goods this does not necessarily imply that Greece became a net exporter of such goods. Due to a number of factors, such as different factor intensities in production, product differentiation or differences in tastes, there has been extensive two-way trading in each category of commodities making the analysis of trade patterns along simple lines of comparative advantage quite complicated.

3. Trade with the United States has been traditionally limited in comparison to trade with the European Economic Community or other groups of countries. Imports from the United States have traditionally exceeded exports to that country and have consisted mainly of basic foodstuffs, capital goods and raw materials. The largest single export of Greece to the United States has traditionally been tobacco and there has been a growing market in the United States for miscellaneous manufactured goods such as footwear, furskins, handicrafts and other commodities.
4. The role of the dollar as the international reserve currency is by far the most important aspect of Greek-American trade relationships. On the one hand, fluctuations in the price of the dollar have had adverse implications for the purchasing power of dollar receipts, especially given the fact that most of Greece's trade is with the EC and other currency areas; on the other hand, the recent series of dollar devaluations vis-a-vis the major European currencies, have enhanced the competitiveness of Greek exports since the drachma was allowed to follow the dollar in its downward trend.
5. Finally, the large presence of Greek emigrants in the United States and American tourism in Greece cannot be ignored. Even though the existing evidence is fragmented, invisible receipts due to emigrant remittances and tourism might turn out to be one of the most important aspects of Greek-American economic relationships. Foreign exchange receipts in dollars due to emigrant remittances and/or tourism have depended to a large extent on the level of economic activity in both countries. Taking a cursory view, it seems that the income elasticity of such invisibles is considerably higher than that for goods. Given the relative magnitudes involved, this would make Greece's traditional dependence on the United States' level of economic activity much greater than what is immediately apparent from

simply looking at trade figures.

What will now be the impact of Greece's entry into the Common Market on Greek-American trade relationships? Some hypotheses are presented below in view of the conclusions derived above:

1. Greece's entry into the Common Market will not necessarily imply a reduction in the trade deficit. Even if there is complete elimination of tariffs between the EEC countries and Greece, the Greek trade deficit vis-a-vis the EEC might increase or decrease as tariffs are lowered, depending on the relative price elasticities of demand and supply for export and import goods and the change in support prices.⁶ Furthermore, if World Bank estimates are correct, the projected income growth of Western and Northern Europe for 1975-85 is approximately 3.5 percent per year, much lower than the average 4.7 percent annual growth rate realized between 1960 and 1970; it is also lower than the corresponding projected income growth for the United States which is estimated to be 4.3 percent. This suggests that at least until the mid-1980's there is no reason to expect a improvement in the Greek balance of trade situation, at least on entry grounds; this in turn implies that Greece's financing needs will not be reduced.
2. The trade deficit might even deteriorate, at least in the short run, if the recent quotas imposed by the EEC on Greek textile exports persist. This of course will depend on the length of the intermediate stage preceding Greece's full membership, as well as, on the current outcome of the negotiations. It is interesting to note that, whereas the EC countries have succeeded, through the use of quotas, to limit not only the growth of textile imports from third countries but also their absolute levels, the United States has held the quotas of its largest suppliers at the same

level in 1978 as in 1977.⁷ This might pose an interesting twist in Greek-American trade relationships for the time prior to full membership or even during the adjustment period. If higher protectionist measures and slower economic growth persist in Europe relative to the United States, then there might be some short-run redirection of trade away from the traditional European markets towards the United States or other third markets.

3. In the long-run however, the adoption of the common external tariff and increased trade within the EC will probably limit the already small amount of trade between Greece and the United States.⁸ On the import side there may be some trade diversion away from the United States towards the EEC, while on the export side and primarily in the industrial goods sector, the United States market will probably serve as a dumping ground for Greek export goods for which there is excess supply.
4. The impact of entry on emigrant remittances and tourism from the United States is even harder to ascertain. The flow of remittances from the U.S. will depend on a multitude of factors such as: (a) the impact of free factor movements between Greece and other EEC members on Greek emigration to the United States, (b) the level of economic activity in both countries and (c) the future price of the drachma in terms of the dollar which will determine the domestic purchasing power of emigrant remittances. The last two factors will also partially determine future American tourist expenditures in Greece.

5. Monetary developments within the EEC will have important implications for the trade relationships of Greece both with regard to other EEC members and the United States. Recent negotiations aim at the creation of a European unit of account whose parity vis-a-vis the dollar will be determined partly through market forces but also managed through the use of a pool of member-country reserves. In such a system, each Central Bank will then be responsible for maintaining a fixed parity with other member-country currencies by pegging its currency to that of every other currency or to a weighted basket. If such a scheme proves successful, Greece's flexibility in using either exchange rate policy or monetary policy to reduce the trade deficit will be severely limited, possibly resulting, at least in the short-run, in a worsening of the current account deficit.

Apart from the probable reduction in direct trade relationships between the United States and Greece due to Greece's entry in the EEC, the preceding analysis points to continuing imbalances in Greece's foreign trade which in turn imply increasing needs for foreign exchange. Section 2 of the paper analyzes the United States' prominent role in financing the recurrent Greek current-account deficits and attempts to predict some of the implications of entry for the nature of future Greek-American financial relationships.

Section 2

PAST AND PROSPECTS OF GREEK-AMERICAN
FINANCIAL RELATIONSHIPS

Even though trade relationships have been limited, financial relationships between the United States and Greece have been extensive. Ever since the end of the Second World War the financial presence of the United States in Greece has been widely felt and has rapidly evolved from unilateral aid transfers to reciprocal commercial dealings and finally to direct competition between Greek and American commercial banks for a share of the Greek commercial market. Table 12 presents capital inflow figures by category and currency area origin for a number of selected years. Two facts deserve special attention: the dominant position of the United States and the changing composition of total inflow. In 1965, 75 percent of the total inflow was accounted for by investment for the purchase of real estate (25.06 percent of total capital inflow), public external debt (25.61 percent) and deposits in foreign exchange (22.76 percent of total capital inflow). By 1977, convertible deposits and loans from other banks and credit institutions alone accounted for 66.29 percent of total capital inflow while the share of private investment for real estate to total inflow was significantly reduced. In both years, however, the United States provided the largest share of the total capital inflow as compared to the EC countries or international institutions. This share has declined from 59.31 percent in 1965 to 43.51 percent in 1977, but is still significant. Given the change in the composition of capital inflow, one can deduce that the presence of the United States has not only been extensive but multidimensional as well. Greece, on the other hand, has

Table 12

CAPITAL INFLOW BY CATEGORY AND CURRENCY AREA
(In Million \$)

Year	Country of Origin	Total Capital Inflow (64)	(641) Deposits According to In.D.2687/53	(642) Deposits in Foreign Exchange	(643) Private Investment for Purchase of Real Estate	(644) Other Private non-Business Investment	(645) Private Business Institutions	(646) Banks and Commercial Institutions	(647) Public External Debt (Government and Other Public Enterprises)
1965	Total	217.5	7.4 (.0304) b/	49.5 (.2276)	54.5 (.2506)	9.4 (.0432)	38.8 (.1784)	2.1 (.0097)	55.7 (.2561)
	U.S.A.	129.0 (.5931) b/	5.0	35.3	23.6	1.6	17.7	.9	44.9
	Sterling Area	22.7	.1	1.6	10.4	1.5	8.8	.3	--
	EEC (6)	40.8 (.1044)	.4	10.1	10.5	1.4	10.6	.4	7.4
	International Institutions	--	--	--	--	--	--	--	--
	Total	408.7	5.7 (.0139)	11.1 (.0272)	73.8 (.1806)	22.8 (.0558)	145.0 (.3548)	106.4 (.2603)	44.0 (.1077)
1970	U.S.A.	206.6 (.5055)	4.6	8.9	36.3	11.1	77.7	40.3	27.8
	Sterling Area	64.3 (.1573)	.3	--	13.4	2.7	22.6	25.3	--
	EEC(6)	99.8 (.2442)	.1	1.9	13.9	6.1	31.5	30.5	15.6
	International Institutions	--	--	--	--	--	--	--	--
	Total	2,637.5	15.2 (.0058)	8.8 (.0033)	284.1 (.1077)	110.8 (.0420)	264.6 (.1003)	1,748.4 (.6629)	205.6 (.0780)
	U.S.A.	1,147.6 (.4351)	5.4	5.1	165.9	78.4	192.7	600.6	99.5
1977	EEC(9)	990.1 (.3754)	7.8	.4	85.7	20.1	58.1	742.9	75.1
	International Institutions	400.0 (.1517)	--	--	--	--	--	260.1	8.4

Notes on Table 12

a/ Includes deposits in drachmas (6461), loans and credit of other credit institutions (6462) and deposits from Foreign Banks.

b/ % of total capital inflow.

Source: Bank of Greece, Bank of Greece Data--Unpublished.

traditionally maintained more than one third of its foreign exchange reserves in dollars since, as we have seen in Section 1, international payments are often denominated in dollars. As can be seen in Table 13, dollar holdings were approximately 35.06 percent of total reserves in 1966, 50.58 percent in 1969 and 35.45 percent in 1974. The recent series of dollar devaluations have adversely affected Greece on that count, since the purchasing power of dollar holdings in terms of European currencies has declined. Thus, regardless of Greece's entry into the EEC, one would expect the Central Bank to further diversify its asset portfolio to minimize risk due to exchange rate fluctuations. This trend would probably be enhanced by increased trade between the members of the community and by monetary developments within the EC. If monetary union is achieved within Europe, then, the Greek Central Bank would have to intervene in the exchange market in order to peg the drachma to each one of or to a basket of European currencies. Thus, demand for dollar holdings for intervention purposes is expected to decline, and an increasing portion of total Greek reserves will be kept in European currencies.

The probable shift in reserve composition away from dollar holdings might have severe implications for the willingness of American commercial banks to expand their presence in Greece at the same rate as they have done in the past. If dollar deposits with U.S. Banks are drastically reduced while commercial dealings with European banks increase, then, financial incentives for greater exposure in Greece on the part of American banks should diminish. This tendency could be partly offset of course, by the perceived reduction of overall risk due to the fact that Greece would be a full member of the EEC. If Greek-American financial relationships do in fact diminish, then both trade and financial relationships will revolve around the EC, which would then have to assume the burden of financing future Greek current-account deficits. Such concentration might have important implications

Table 13

FOREIGN EXCHANGE RESERVE COMPOSITION

SELECTED YEARS

(In million \$)

Year	Foreign Exchange Reserves			Total	Gold Holdings	Total Available Reserves	% of \$ Holdings Out of Total Reserves
	U.S. \$	Other Currencies	Branch Offices of Bank of Greece				
1966	86.8	40.2	.9	127.9	119.7	247.6	.3506
1967	128.4	1.7	.9	131.0	130.1	261.1	.4918
1968	121.8	34.7	.7	157.2	139.7	296.9	.4102
1969	176.9	15.6	.9	162.2	129.8	292.0	.6058
1970	126.6	30.9	1.6	159.1	116.5	275.6	.4594
1971	225.0	142.3	2.8	370.1	98.2	468.3	.4805
1972	502.0	324.2	7.4	833.6	132.8	966.4	.5195
1973	380.7	436.3	9.8	826.8	147.9	974.7	.3906
1974	320.4	419.2	9.4	749.0	154.7	903.7	.3545

Source: Bank of Greece, Bulletin of Foreign Transactions, 1975.

for the independent exercise of macro policy within the country. If the analysis of Section 1 is correct, so that the trade deficit as a fraction of GNP is not likely to decline, then potential unwillingness to assume the resulting financial burden might be an important source of friction between the members and the incoming country. Power relationships within the augmented EC will then determine the outcome with possible severe repercussions for the Greek side. It is not entirely inconceivable to expect great pressure by the EC on the Greek government to curtail domestic expenditures and thus force a slowdown in economic activity so that the trade deficit can be improved and domestic inflation reduced. This might provide terms-of-trade benefits for the community as well as improve its financial relationships with Greece. The Commission of the European Communities Report on that matter might be prophetic:

... The question arises of direct Community intervention to provide ad hoc balance of payment support. A distinction must be drawn here between a situation in which such aid would be clearly temporary or exceptional, and a serious situation requiring strict internal austerity measures. In the first situation, Community action could be more easily based on medium-term financial support or an extension of the Community loan. The second situation would be much more difficult in that there might, at least in appearance, be a contradiction between the austerity

measures to be imposed and the objectives of ensuring growth and reducing unemployment.

The Community could then find itself in a difficult political situation, if it were acting alone not only as lender but also as the authority imposing conditions and subsequently monitoring their implementation. The situation would be quite different if the Community was acting with other bodies, for example, the International Monetary Fund.⁹

Footnotes

- 1/ World Bank, World Development Report, (Washington, D.C., 1978), p. 87.
- 2/ It has been pointed out to me following the completion of this paper that these figures for ship imports do not reflect actual purchases but rather registration of already existing ships under the Greek flag. This item is apparently excluded from foreign exchange statistics. If this is the case, then, our argument about increasing import concentration will have to rest on the increased share of oil payments.
- 3/ Both the agricultural products and the manufactured goods exported are either labor intensive or country-specific products; most imports are highly capital-intensive or human-capital intensive goods.
- 4/ This is the agreement which made Greece an Associate Member of the EEC.
- 5/ In 1975 Eastern European countries absorbed 74.55 percent of total quantity of sultanas and rozaki exports and 35.32 percent of total olive exports (in tons). Source: National Statistical Service of Greece, Statistical Yearbook of Greece, 1977.
- 6/ For a more complete analysis see, Papaefstratiou L., "Enlargement of the European Community and the Common Agricultural Policy", October 1978, unpublished.
- 7/ World Bank, World Development Report, (Washington, D.C. 1978), p. 15.
- 8/ The effects of enlargement on Greek-American trade balance will be different depending upon the commodity in question. Apart from other considerations the CET will in fact be lower than the corresponding Greek tariff for a number of goods.
- 9/ Commission of the European Communities, Economic and Sectoral Aspects; Commission analysis supplementing its views on enlargement, Com (78) 200 final, April 27, 1978, p. 85.