

**EMBASSY OF INDIA
ATHENS**

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Economic and Commercial Report for August 2011

Executive Summary

- The **second EU bailout package** (109 billion euro) deal was under discussion, after several EU countries joined **Finland, demanding collateral from Greece** in exchange for their fund contribution. As announced by Finland in the mid-August, Greece agreed to deposit hundreds of millions of euros in a Finnish state account before Finland contributes towards the second bailout. The deposited funds would generate the interest which would cover Finland's contribution to the bailout. As soon as this was published, fears within the euro-zone were raised that the collateral payment will undermine the bailout fund overall, as Greece diverts money to the Finnish account instead of paying its debts and public servants' salaries. A provision for the Finnish deal was apparently included **on the sidelines of the 21 July Summit agreement signed by euro-zone leaders**, but its enactment has been **heavily criticised by many EU member countries, especially by Estonia and Austria. Slovenia, Slovakia and the Netherlands** were then also pursuing their own collateral agreements with Greece. Also, in a meeting with CDU MPs, the German Chancellor Angela Merkel voiced her opposition to the Greek-Finnish agreement saying that "*It can't be that one country gets extra collateral.*" **Greek Finance Minister Mr. Evangelos Venizelos defended the agreement** with Finland to offer them collateral in exchange for participating in Greece's bailout. Mr. Venizelos said in his interviews to the media that Athens was obligated to hold bilateral talks with Finland as part of the July 21 agreement by euro-zone leaders on a new bailout package. The spokesman of European Union Economic Affairs Commissioner Olli Rehn warned against "*excessive collateralization*" and putting too many conditions on the bailout plan. Following the reactions, Finland threatened to withdraw Greek bailout support, with Finnish Prime Minister Jyrki Katainen noting that the specific agreement was "*our parliament's decision that we demand it as a condition for us joining in*". As it was made known by the press/media, the deal between Greece and Finland will have to be ratified by all euro-zone governments, since the collateral will probably come from the bailout funds, thus, it will be other euro-zone countries that actually will underwrite the collateral that Finland has demanded.
- The "**Troika**" (**ECB/EU/IMF**) arrived in Athens on August 22 (technical team) and in full membership on 29 August for **negotiations with the Greek government** on the release of **6th installment** in Greece.
- At the meeting of PASOK's Parliamentary Labour Sector of Finance on 25 August, the Greek Deputy Prime Minister and Finance Minister Mr. Evangelos Venizelos said that the next two months will be difficult for the State's economy, due to the **continuing recession**. According to governmental sources, the Greek Finance Minister left an open possibility for renegotiation of the timetable and the objectives of the Medium-term Fiscal Strategy Framework with the "Troika" because of the recession. He informed the ruling party (PASOK) members that he would send a letter to his European counterparts, in consultation with the Eurogroup, asking them to ratify the agreement of July 21 as soon

as possible. The Greek Finance Minister defended the negotiations with Finland, as they are required by the EU decisions and according to the same sources, said that New Democracy's stance is immoral, since the leader of the main opposition party (ND) Mr. Antonis Samaras knew the attitude of Finland, having discussed the issue with them some months ago, when the latter were still the opposition. According to reports, he appeared troubled regarding the immediate privatization of state-owned enterprises already listed on the stock market because the index is very low. During the debate, MP Ms. Vasso Papandreou and other members asked Mr. Venizelos not to increase the VAT on catering to 23%, and he promised to look at the tax rates again during the drafting of the National Tax Plan. According to information, Ms. Vasso Papandreou expressed her concern as to whether the implementation of the EU decisions of July 21 will proceed, citing the recent statement by the Finance Minister of Italy that they are borrowing at almost 7% and will lend Greece at 3,5%.

- On 30 August, a meeting between the Finance Minister Mr. Evangelos Venizelos and the main opposition **New Democracy (ND) party leader Mr. Antonis Samaras** took place. Mr. Venizelos was the one who had asked for the private meeting with the two politicians. The Finance Minister informed Mr. Samaras about the course of the economy. At the same time, Mr. Venizelos asked the ND leader to fully cooperate with the government; the previous day, ND spokesman said that as a party they will never assent to the PASOK handlings. Mr. Venizelos told Mr. Samaras that there is always fertile ground to work on and what matters most is the cooperation between the government and the opposition. He further underlined that what is needed in the present frame of events is common engagement on a serious matter such as the Greek financial crisis. As reported by the Greek Finance Minister later to the media, they had a long and essential discussion that covered a broad range of issues such as the debt, the taxation system and the role of the Troika.
- According to the data available for the seven months **January – July 2011**, the State Budget **deficit** amounted to **€15,571 million** compared to the new target of €16,475 million set in the 2011 Medium Term Fiscal Strategy (MTFS). During the same period in 2010, the State Budget deficit was €12,449 million. For the period January – July 2011, **net revenues** (€26,846 million) of the ordinary budget declining by **6.4%** as compared to the same period of 2010, while ordinary budget **expenditures** increased by **7.1%** as compared to the same period of 2010.
- From January to July 2011, revenues from the **Public Investment Budget (P.I.B.)** decreased by 8.1% (€104 million) vis-à-vis the seven months of 2010, while P.I.B. expenditures declined by 37.6% (€1,581 million).
- On 5 August 2011, the British Newspaper "The Guardian" published an article with the Greek Finance Minister and Deputy Prime Minister Mr. Evangelos Venizelos. According to the author of the article, who met with Mr. Venizelos at his office in Athens, the Greek Finance Minister said that, "***It's very important for us to act on our commitments to the EU and IMF. And, we will be true to our word. We will make a superhuman effort to be true to our word***". When the reporter commented that there are only a few who envy him the post, the Greek Minister replied, "*Someone has to do the job. It's my duty to Greece and to Europe to do what I can*". Also, Mr. Venizelos said that tax evasion will be dealt with mercilessly. He said that the collapse of Lehman Brothers, the bank that triggered the global financial crisis in 2008, is a spectre that still haunts the EU and added that, "*It is broadly accepted that from 2008 when the crisis began, the European Union could have moved faster and more effectively*". He refused to be drawn on criticism of the deficit-reducing programme by the Main Opposition New Democracy (ND)

Party; *“This country has to be united and speak with a single voice. I am necessarily optimistic”*.

- According to quarterly provisional data by the Hellenic Statistical Authority, in the **2nd quarter of 2011** in comparison to the 2nd quarter of 2010, **Gross Domestic Product** (at base prices 2000) **decreased by 7.3%**.
- The **Consumer Price Index (CPI)** increased by **2.4%** in **July 2011**, as compared to July 2010. Similarly, the **Harmonized Index of Consumer Prices (HICP)** increased by **2.1%** in July 2011 as compared to July 2010.
- Greek **unemployment rate** in **July 2011** was **16.5%** (820,276 unemployed) compared to 12.0% in July 2010 and 16.0% in June 2011. In July 2011, the number of employed decreased by 299,289 persons compared with July 2010 (a 6.7% rate of decrease) and increased by 21,118 persons compared with June 2011 (a 0.5% rate of decrease). In the age groups, the highest unemployment rate was recorded among young people in the **age of 15-24 years (42.4%)** and the age of **25-34 years (23.3%)**. A year earlier, in July 2010, for the same age groups, unemployment was 32.6% for the group of 15-24 years, and, 15.8% for the group of 25-34 years.
- According to data announced by the Hellenic Statistical Authority (EL.STAT.) and processed by Export Research Centre (KEEM), **Greek exports to India** in the period **January-June 2011 decreased** by **3.5%** amounting to **25.2 million Euros** compared to 26.2 million Euros for the corresponding period of 2010. **Greek imports from India** in the same period **decreased** by **24.6%** amounting to **198.7 million euros** compared to 263.6 million euros for the corresponding period of 2010.
- According to **estimates** announced by the Hellenic Statistical Authority (EL.STAT.), the total value of **imports**, excluding oil products, in **August 2011** was **2,368.6 million euros** against 2,334.6 million euros in August 2010, recording an increase of **1.5%**. The total value of **exports**, excluding oil products, in August 2011 was **1,098.4 million euros** against 1,069.8 million euros in August 2010 recording an **increase of 2.7%**. The **deficit of the trade balance**, excluding oil products, in August 2011 (1,270.2 million euros) recorded an increase of **0.4%**. The total value of **imports**, excluding oil products, in the **8-month period from January to August 2011** was **21,571.0 million euros** against 24,630.7 million euros in the corresponding period of 2010, recording an increase of **12.4%**. The total value of **exports**, excluding oil products, in the 8-month period from January to August 2011 was **10,238.2 million euros** against 9,189.4 million euros in the corresponding period of 2010, recording an **increase of 11.4%**. The **deficit of the trade balance**, excluding oil products, in January-August 2011 (11,332.8 million euros) recorded a drop of **26.6%**.

I. GDP and its growth during the most recent quarter and previous years

Gross Domestic Product (Non-seasonally adjusted figures) In million euros

	<i>At constant prices</i>	<i>% (1)</i>	<i>At current prices</i>	<i>% (1)</i>
2007				
I	41922	5.4	51517	7.8
II	45507	4.2	56713	7.3
III	48151	4.1	60234	7.7
IV	46592	3.6	58609	7.1
2008				
I	42641	1.7	54003	4.8
II	46252	1.6	59581	5.1
III	48679	1.1	63205	4.9
IV	46463	-0.3	60129	2.6
2009				
I	40736	-4.5	52356	-3.0
II	45807	-1.0	59438	-0.2
III	47233	-3.0	61783	-2.2
IV	45954	-1.1	60711	1.0
2010				
I	41036	0.7	54509	4.1
II	43962	-4.0	58737	-1.2
III	44977	-4.8	60394	-2.2
IV	41930	-8.8	56700	-6.6
2011				
I	37697	-8.1	51248	-6.0
II	40736	-7.3	55515	-5.5

Source: Hellenic Statistical Authority (EL.STAT.)

*Percent change against the same quarter of the preceding year

II. Inflation

<i>y-o-y change</i>	NBG Inflation Projections	
	CPI	Core
Average 2009	1.2	2.5
Q1:2010 (p.a)	3.0	1.7
Q2:2010 (p.a)	5.2	3.2
Q3:2010f(p.a)	5.5	3.6
Q4:2010f (p.a)	4.8	3.4
Average 2010 (1)	4.6	3.0
Average 2011 (2)	2.1	1.6

1) Assuming oil prices at 79\$/bbl and \$/€ of 1.30 for 2010

2) Assuming oil prices at 88\$/bbl and \$/€ of 1.34 for 2011

Source: National Bank of Greece

II i) Total trade in Euros and its growth during the most recent quarter and the previous years (overall)

Non-seasonally adjusted figures - At constant prices 2000

(In million €)

Goods and Services						
Exports			Imports			
Quarterly Exports		% change vis-à-vis previous year	Quarterly Imports		% change vis-à-vis previous year	
<i>2009</i>			<i>2009</i>			
II	9532	-19.4%	II	14266		-18.2%
III	10835	-20.5%	III	13783		-18.8%
IV	7813	-19.6%	IV	12913		-26.3%
<i>2010</i>			<i>2010</i>			
I	7551	2.2%	I	16213		0.5%
II	9833	3.2%	II	13062		-8.4%
III	10740	-0.9%	III	12558		-8.9%
IV	8813	12.8%	IV	12494		-3.2%
<i>2011</i>			<i>2011</i>			
I	7359	-2.6%	I	14132		-12.8%
II	9699	-1.4%	II	12073		-7.6%

Source: Hellenic Statistical Authority (EL.STAT.)

III ii) Trade balance in Euros & US\$

January-June 2011 (In million €)

	<i>Merchandise Trade Balance (preliminary data)</i>		
	<i>2010</i>	<i>2011</i>	<i>% change 2011/2010</i>
A. Imports			
I. Ship imports included	24,933.2	21,384.2	-14.2%
II. Ship imports excluded	23,126.2	20,617.5	-10.8%
III. Petroleum products excluded and ship imports included	19,407.2	16,502.6	-15.0%
B. Exports			
I. Ship imports included	7,500.0	10,530.7	40.4%
II. Ship imports excluded	7,438.3	10,493.5	41.1%
III. Petroleum products excluded and ship imports included	6,871.8	7,671.1	11.6%
C. Trade Balance Ship imports included (=B.I-A.I)	-17,433.2	-10,853.5	-37.7%
D. Trade Balance Ship imports excluded (=B.II-A.II)	-15,687.9	-10,124.0	-35.5%
E. Trade Balance Petroleum products excluded and ship imports included (=B.III-A.III)	-12,535.4	-8,831.5	-29.5%

January-June 2011 (In million US\$*)

	<i>Merchandise Trade Balance (preliminary data)</i>		
	<i>2010</i>	<i>2011</i>	<i>% change 2011/2010</i>
A. Imports			
I. Ship imports included	33,029.6	29,978.7	-9.2%
II. Ship imports excluded	30,635.8	28,903.9	-5.7%
III. Petroleum products excluded and ship imports included	25,709.2	23,135.1	-10.0%
B. Exports			
I. Ship imports included	9,935.4	14,763.1	48.6%
II. Ship imports excluded	9,853.7	14,710.9	49.3%
III. Petroleum products excluded and ship imports included	9,103.2	10,754.2	18.1%
C. Trade Balance Ship imports included (=B.I-A.I)	-23,094.2	-15,215.6	-34.1%
D. Trade Balance Ship imports excluded (=B.II-A.II)	-20,782.1	-14,192.9	-31.7%
E. Trade Balance Petroleum products excluded and ship imports included (=B.III-A.III)	-16,605.9	-12,381.0	-25.4%

Source: Hellenic Statistical Authority (EL.STAT.)
Data processed by Export Research Centre (KEEM)

IV. Total trade in Euros by regions, 10 major countries (in descending order) and India

*January-June 2011 * (In million €)*

<i>Regions</i>	<i>2011</i>			<i>2010</i>			<i>11/10</i>	
	<i>Exports</i>	<i>Imports</i>	<i>Total</i>	<i>Exports</i>	<i>Imports</i>	<i>Total</i>	<i>Exports % Change</i>	<i>Imports % Change</i>
TOTAL	10,350.7	21,384.2	31,734.9	7,500.0	24,933.2	32,433.3	40.4%	-14.2%
OECD (29)	5,638.8	12,481.6	18,120.4	4,361.0	15,072.3	19,433.3	29.3%	-17.2%
E. U. (25)	4,617.3	10,698.1	15,315.4	4,098.8	11,901.1	15,999.9	12.7%	-10.1%
E. U. (15)	3,613.8	9,804.8	13,418.6	3,231.4	11,093.1	14,324.5	11.8%	-11.6%
NORTH AMERICA	662.2	431.8	1,094.0	321.7	865.3	1,187.0	105.8%	-50.1%
OTHER DEVELOPED COUNTRIES	60.2	197.9	258.1	57.7	327.8	385.5	4.3%	-39.6%
OTHER OECD (exc. S. Korea)	950.0	947.3	1,897.3	477.2	1,087.9	1,565.1	99.1%	-12.9%
BALKAN COUNTRIES	1,533.6	990.7	2,524.3	1,309.2	921.7	2,230.9	17.1%	7.5%
COMMON. OF IND. STATES (CIS)	255.5	2,874.7	3,130.2	196.7	3,198.3	3,395.0	29.9%	-10.1%
N. AFRICA & MIDDLE EAST	1,093.7	2,166.1	3,259.8	527.8	2,375.0	2,902.8	107.2%	-8.8%
AFRICAN COUNTRIES(exc. S.Africa)	54.6	60.4	115.0	50.1	51.7	101.8	9.0%	16.8%
SOUTH EAST ASIA	379.5	881.6	1,261.1	95.7	1,558.1	1,653.8	296.6%	-43.4%
LATIN AMERICA	44.4	190.5	234.9	24.4	406.2	430.6	82.0%	-53.1%
OTHER COUNTRIES	879.8	1,945.1	2,824.9	340.7	2,240.0	2,580.7	158.2%	-13.2%
Major Import Countries (GREEK EXPORTS)								
1. Italy	1,043.7			819.5			27.4%	
2. Turkey	866.6			383.0			126.3%	
3. Germany	849.3			882.5			-3.8%	
4. Cyprus	628.6			549.8			14.3%	
5. USA	581.1			252.8			129.9%	
6. Bulgaria	571.4			472.2			21.0%	
7. United Kingdom	436.4			433.6			0.6%	
8. Ship (onboard): various flags	409.1			143.5			185.0%	
9. France	345.2			310.4			11.2%	
10. Romania	288.9			312.5			-7.6%	
Major Export Countries (GREEK IMPORTS)								
1. Germany		2,335.1			2,632.4			-11.3%
2. Russian Federation		2,333.5			2,432.5			-4.1%
3. Italy		2,018.8			2,386.9			-15.4%
4. China		1,301.6			1,598.1			-18.6%
5. France		1,198.4			1,190.1			0.7%
6. Netherlands		1,140.0			1,291.6			-11.7%
7. Belgium		790.1			873.9			-9.6%
8. Spain		705.3			763.2			-7.6%
9. South Korea		655.1			1,223.6			-46.5%
10. United Kingdom		614.8			735.8			-16.4%
INDIA	25.2	198.7	223.9	26.2	263.6	289.8	-3.5%	-24.6%

Source: Export Research Centre (KEEM)

*Data for both years are preliminary

January-June 2011 * (In million €)

<i>Regions</i>	<i>% Structure</i>	<i>% Structure</i>	<i>% Structure</i>	<i>% Structure</i>
	<i>Exp.2011</i>	<i>Imp.2011</i>	<i>Exp.2010</i>	<i>Imp.2010</i>
OECD (29)	53.5%	58.4%	58.1%	60.5%
E. U. (25)	43.8%	50.0%	54.7%	47.7%
E. U. (15)	34.3%	45.9%	43.1%	44.5%
NORTH AMERICA	6.3%	2.0%	4.3%	3.5%
OTHER DEVELOPED COUNTRIES	0.6%	0.9%	0.8%	1.3%
OTHER OECD (exc. S. Korea)	9.0%	4.4%	6.4%	4.4%
BALKAN COUNTRIES	14.6%	4.6%	17.5%	3.7%
COMMON. OF IND. STATES (CIS)	2.4%	13.4%	2.6%	12.8%
N. AFRICA & MIDDLE EAST	10.4%	10.1%	7.0%	9.5%
AFRICAN COUNTRIES (exc. S. Africa)	0.5%	0.3%	0.7%	0.2%
SOUTH EAST ASIA	3.6%	4.1%	1.3%	6.2%
LATIN AMERICA	0.4%	0.9%	0.3%	1.6%
OTHER COUNTRIES	8.4%	9.1%	4.5%	9.0%
<i>Major Import Countries (Greek Exports)</i>				
1. Italy	9.9%		10.9%	
2. Turkey	8.2%		5.1%	
3. Germany	8.1%		11.8%	
4. Cyprus	6.0%		7.3%	
5. USA	5.5%		3.4%	
6. Bulgaria	5.4%		6.3%	
7. United Kingdom	4.1%		5.8%	
8. Ship (onboard): various flags	3.8%		1.9%	
9. France	3.3%		4.1%	
10. Romania	2.7%		4.2%	
<i>Major Export Countries (Greek Imports)</i>				
1. Germany		10.9%		10.6%
2. Russian Federation		10.9%		9.8%
3. Italy		9.4%		9.6%
4. China		6.1%		6.4%
5. France		5.6%		4.8%
6. Netherlands		5.3%		5.2%
7. Belgium		3.7%		3.5%
8. Spain		3.3%		3.1%
9. South Korea		3.1%		4.9%
10. United Kingdom		2.9%		3.0%
INDIA	0.2%	0.9%	0.3%	1.1%

Source: Export Research Centre (KEEM)

*Data for both years are preliminary

V i) Total trade in Euros and its configuration by product- MAIN SITC DIVISION (1-digit level)
EXPORTS

January-June 2011* (In million €)

SITC CODE	Product Categories	Value		% Change	% Structure	
		2011	2010	11/10	2011	2010
0+1+4	AGRICULTURAL PRODUCTS	1,969.6	1,870.7	5.3%	18.7%	24.9%
2	RAW MATERIALS	405.7	415.0	-2.2%	3.9%	5.5%
3	FUELS	2,909.5	656.3	343.4%	27.6%	8.8%
5-8	INDUSTRIAL PRODUCTS	4,900.8	4,362.3	12.3%	46.5%	58.2%
9	OTHER	345.1	195.8	76.2%	3.3%	2.6%
	<i>Products</i>					
0	Food and live animals	1,574.7	1,479.6	6.4%	15.0%	19.7%
1	Beverages and tobacco	228.5	246.7	-7.4%	2.2%	3.3%
4	Animal and vegetable oils and fats	166.4	144.3	15.3%	1.6%	1.9%
2	Crude materials inedible, except fuels	405.7	415.0	-2.2%	3.9%	5.5%
3	Mineral fuels, lubricants, etc.	2,909.5	656.3	343.4%	27.6%	8.8%
5	Chemicals and related products	1,082.9	1,171.7	-7.6%	10.3%	15.6%
6	Manufactured goods classified chiefly by raw material	2,082.3	1,569.9	32.6%	19.8%	20.9%
7	Machinery and transport equipment	1,013.8	869.2	16.6%	9.6%	11.6%
8	Miscellaneous manufactured articles	721.9	751.4	-3.9%	6.9%	10.0%
9	Commodities and transactions not classified by category	345.1	195.8	76.2%	3.3%	2.6%
0-9	TOTAL EXPORTS	10,530.7	7,500.0	40.4%	100.0%	100.0%

Source: KEEM calculations based on original preliminary data of EL.STAT.

IMPORTS

January-June 2011* (In million €)

SITC CODE	Product Categories	Value		% Change	% Structure	
		2011	2010	11/10	2011	2010
0+1+4	AGRICULTURAL PRODUCTS	2,877.4	2,774.2	3.7%	13.5%	11.1%
2	RAW MATERIALS	827.2	575.7	43.7%	3.9%	2.3%
3	FUELS	4,972.1	5,632.3	-11.7%	23.3%	22.6%
5-8	INDUSTRIAL PRODUCTS	12,700.4	15,929.0	-20.3%	59.4%	63.9%
9	OTHER	7.0	22.0	-68.1%	0.0%	0.1%
	<i>Products</i>					
0	Food and live animals	2,496.5	2,323.8	7.4%	11.7%	9.3%
1	Beverages and tobacco	268.2	345.2	-22.3%	1.3%	1.4%
4	Animal and vegetable oils and fats	112.7	105.1	7.3%	0.5%	0.4%
2	Crude materials inedible, except fuels	827.2	575.7	43.7%	3.9%	2.3%
3	Mineral fuels, lubricants, etc.	4,972.1	5,632.3	-11.7%	23.3%	22.6%
5	Chemicals and related products	3,679.3	3,762.9	-2.2%	17.2%	15.1%
6	Manufactured goods classified chiefly by raw material	2,467.0	2,630.3	-6.2%	11.5%	10.5%
7	Machinery and transport equipment	4,262.2	6,624.8	-35.7%	19.9%	26.6%
8	Miscellaneous manufactured articles	2,291.8	2,911.0	-21.3%	10.7%	11.7%
9	Commodities and transactions not classified by category	7.0	22.0	-68.1%	0.0%	0.1%
0-9	TOTAL IMPORTS	21,384.2	24,933.2	-14.2%	100.0%	100.0%

Source: KEEM calculations based on original preliminary data of EL.STAT. (Ship imports included)

V ii) Total trade in Euros and its growth in services (Three main categories)

January-June 2011 (In million €)

	<i>Commercial Services' Balance (preliminary data)</i>		
	<i>2009</i>	<i>2010</i>	<i>2011</i>
<i>Commercial Services' Balance (I-II)</i>	4,366.1	4,528.0	4,732.8
<i>I. Exports</i>	11,289.9	12,136.4	11,854.5
Transportation Services	3,158.8	2,851.4	3,209.3
Travel Services	6,731.7	7,724.7	6,877.6
Other Commercial Services	1,399.3	1,560.3	1,767.7
<i>II. Imports</i>	6,923.8	7,608.4	7,121.7
Transportation Services	1,158.2	1,076.2	1,077.9
Travel Services	3,422.3	4,111.8	3,763.7
Other Commercial Services	2,343.3	2,420.5	2,280.1

Source: Bank of Greece

January-June 2011 (In million €)

	<i>Merchandise Trade Balance (preliminary data)</i>				
	<i>2009</i>	<i>2010</i>	<i>% change 10/09</i>	<i>2011</i>	<i>% change 11/10</i>
<i>I. Exports of goods</i>	7,440.5	7,793.1	4.7%	9,466.9	21.5%
<i>II. Imports of goods</i>	22,803.5	23,059.2	1.1%	23,675.8	2.7%
<i>Trade Balance (I-II)</i>	-15,363.0	-15,266.1		-14,208.9	

Source: Bank of Greece

VI (i) Top ten export items from Greece to India (product, 8-digit level)

January-June 2011

VI (i)	CN Code	Top 10 export items from Greece to India	VALUE (EURO €)
1	76.02.00.90	Aluminium waste and scrap : – Scrap	2,974,286
2	85.17.70.90	Telephone sets, including telephones for cellular networks or for other wireless networks; other apparatus for the transmission or reception of voice, images or other data, including apparatus for communication in a wired or wireless network (such as a local or wide area network), other than transmission or reception apparatus of heading 8443, 8525, 8527 or 8528 : – Parts : – – Other	2,144,600
3	68.02.21.00	Worked monumental or building stone (except slate) and articles thereof, other than goods of heading 6801; mosaic cubes and the like, of natural stone (including slate), whether or not on a backing; artificially coloured granules, chippings and powder, of natural stone (including slate) : – Other monumental or building stone and articles thereof, simply cut or sawn, with a flat or even surface : – – Marble, travertine and alabaster	1,668,650
4	74.04.00.10	Copper waste and scrap : – Of refined copper	1,373,861
5	76.02.00.19	Aluminium waste and scrap : – Waste : – – Other (including factory rejects)	1,236,055
6	40.10.11.00	Conveyor or transmission belts or belting, of vulcanised rubber : – Conveyor belts or belting : – – Reinforced only with metal	1,131,012
7	84.43.19.70	Printing machinery used for printing by means of plates, cylinders and other printing components of heading 8442; other printers, copying machines and facsimile machines, whether or not combined; parts and accessories thereof : – Printing machinery used for printing by means of plates, cylinders and other printing components of heading 8442 : – – Other : – – – Other	1,050,000
8	74.04.00.99	Copper waste and scrap : – Of copper alloys : – – Other	1,013,541
9	72.04.29.00	Ferrous waste and scrap; remelting scrap ingots of iron or steel : – Waste and scrap of alloy steel : – – Other	990,390
10	38.16.00.00	Refractory cements, mortars, concretes and similar compositions, other than products of heading 3801	882,584
		TOTAL EXPORTS TO INDIA	25,232,805

Source: Hellenic Statistical Authority (EL.STAT.)

VI (ii) Top ten import items of Greece from India (product 8-digit level)

January-June 2011

VI (ii)	CN Code	Top 10 import items of Greece from India	VALUE (EURO €)
1	27.10.19.41	Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included, containing by weight 70 % or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations; waste oils : -- Other : ---- Heavy oils : ----- Gas oils : ----- For other purposes : ----- With a sulphur content not exceeding 0,05 % by weight	50,326,034
2	87.03.22.10	Motor cars and other motor vehicles principally designed for the transport of persons (other than those of heading 8702), including station wagons and racing cars : -- Of a cylinder capacity exceeding 1000 cm ³ but not exceeding 1500 cm ³ : ---- New	16,065,082
3	12.07.40.90	Other oil seeds and oleaginous fruits, whether or not broken : - Sesamum seeds : -- Other	7,809,766
4	23.04.00.00	Oilcake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of soya-bean oil	7,496,451
5	85.04.21.00	Electrical transformers, static converters (for example, rectifiers) and inductors : - Liquid dielectric transformers : -- Having a power handling capacity not exceeding 650 kVA	7,254,787
6	03.07.49.38	Molluscs, whether in shell or not, live, fresh, chilled, frozen, dried, salted or in brine; aquatic invertebrates other than crustaceans and molluscs, live, fresh, chilled, frozen, dried, salted or in brine; flours, meals and pellets of aquatic invertebrates other than crustaceans, fit for human consumption : - Cuttle fish (<i>Sepia officinalis</i> , <i>Rossia macrosoma</i> , <i>Sepiola</i> spp.) and squid (<i>Ommastrephes</i> spp., <i>Loligo</i> spp., <i>Nototodarus</i> spp., <i>Sepioteuthis</i> spp.) : -- Other : ---- Frozen : ----- Squid (<i>Ommastrephes</i> spp., <i>Loligo</i> spp., <i>Nototodarus</i> spp., <i>Sepioteuthis</i> spp.) : ----- <i>Loligo</i> spp. : ----- Other	3,794,100
7	87.03.21.10	Motor cars and other motor vehicles principally designed for the transport of persons (other than those of heading 8702), including station wagons and racing cars : - Other vehicles, with spark-ignition internal combustion reciprocating piston engine : -- Of a cylinder capacity not exceeding 1000 cm ³ : ---- New	3,288,516
8	85.04.23.00	Electrical transformers, static converters (for example, rectifiers) and inductors : - Liquid dielectric transformers : -- Having a power handling capacity exceeding 10000 kVA	2,911,940
9	72.10.70.80	Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, clad, plated or coated : - Painted, varnished or coated with plastics : -- Other	3,132,111
10	29.34.99.90	Nucleic acids and their salts, whether or not chemically defined; other heterocyclic compounds : -- Other : ---- Other	2,828,319
TOTAL IMPORTS FROM INDIA			198,714,750

VII. Major investments within and outside the country

- The US “**SPI Solar**” (www.solarpowerinc.net) has successfully completed the **acquisition** of the necessary contracts and permits to serve as **developer of a 4.4 megawatt fixed-ground-mount solar energy facility (SEF)** which will be **located in Evros**, in the North Eastern region of Greece. SPI became the developer of record for the project by acquiring a 100% limited partnership interest in the project, which was already in early-phase planning with another entity. The SEF will be a fixed-tilt ground-mount utility-scale facility (on approximately 25 acres) selling power to the Greek Public Power Corporation (“PPC”) through a 20-year Power Purchase Agreement (PPA). The SEF will be located in Evros, in Northeastern Greece, approximately 100 miles north of Alexandroupolis and just 6 miles from the Turkish border. Construction is scheduled to begin in November 2011. Consistent with SPI’s business plan as a SEF developer, it is the Company’s **intention to sell the project during the construction phase or upon commissioning**. *“This is our first project in Greece and we are excited about initiating what we believe will be the first of several projects there,”* said Stephen Kircher, CEO of SPI.
- The four largest banks in Greece bought **Proton Bank**. The banks are the following: the **National Bank of Greece, Alpha Bank, Piraeus Bank and Eurobank**. The four banks will produce a **bond-loan** of about **50 million euros**, which will be turned into stocks. The whole operation was co-ordinated by the CEO of Proton Bank George Taniskides in collaboration with the Bank of Greece. The new board of Proton Bank will comprise members who are trusted absolutely by the new shareholders. Amongst them, according to sources, will be the former top member of Alpha Bank Mr. George Saxonis. According to the statement issued by the Bank of Greece, among others, “all the above measures and initiatives have been taken in order for Proton Bank to see a new chapter which will steer the bank onto a new healthy direction”.

VIII. India’s investment interests

- As in July, the **ANT1 Greek TV channel** (www.antenna.gr) continued broadcasting **Bollywood** movies every Saturday at 21.00 hrs for the whole month of August, under the campaign “August goes Bollywood”. The channel broadcasted on first view the following four movies: LOVE AAJ KAL (6/8), OM SHANTI OM (13/8), KUCH NA KAHO (20/8), and, BACHNA AE HASEENO (27/8). According to a press release on the website of ANT1, the Greek TV channel also organised an event at the shopping center THE MALL ATHENS where visitors had the opportunity to get a taste of Mumbai! The visitors had their bodies painted with henna tattoos while the women wore bindies. Relative links: <http://www.antenna.gr/webtv/search?q=bollywood>
<http://www.antenna.gr/tv/pressRelease?aid=246045>

IX. Other news items of interest (Any other factor impacting on trade and economic relations)

- The **Atlantic supermarket chain**, the 15th largest employer in both the public and private sector in 2009 in Greece, **declared bankruptcy** on 3 August 2011. The company had been struggling during the last year, selling dozens of shops to the competition, closing others and pushing hundreds of employees out of work. So with decision 208/2011 of the First Instance Court, Atlantic supermarkets chain declared

bankrupt. According to daily news, the total current debts of the company reached €200 million, while only €40 million will be repaid within five years. Atlantic had a capacity of 30 branches and 800 employees.

- The **maximum consumer price for 95-octane unleaded petrol** in the **Dodecanese, Cyclades and Chios**, as well as on the highest wholesale price in those areas, was decided by the Hellenic Ministry of Development and Shipping, effective from August 6th, and for as long as is deemed necessary. The Ministry along with the Regulatory Authority for Energy (RAE) are brought back the ceiling for wholesale and retail priced in three regions of the country where those are unreasonably high, although they are subject to the low VAT status (16%). Specifically, after removing the cap (4/7/2011) and for one month, unreasonably high prices in these areas were recorded, which reached €1.90 per liter in the Dodecanese, €1.890 per liter in the Cyclades and €1.849 € per liter in Chios. Under the joint decision of deputy Minister of Development, Competitiveness and Shipping Mr. Socrates Xynidis, and Environment Minister Mr. Giorgos Papaconstantinou, the maximum consumer prices are as follows: Dodecanese: 1.704 € per liter, Cyclades: 1.705 € per liter, Chios: 1.719 € per liter. At the same time, the maximum wholesale prices in two of these regions are as follows: Dodecanese: 1.634 € per liter, and, Chios: 1.649 € per liter.
- Taking advantage of 2005 legislation allowing recreational diving throughout Greece, with the exception of designated archaeological areas, local government administrations throughout Greece have launched a **campaign to attract "diving tourists"**. Some **250,000 divers from abroad**, with their families, are expected to visit Greece through the end of October 2011; the number from June to mid-August had already reached 115,000 divers, according to Society for the Protection and Promotion of the Submarine Environment and its Surroundings president George Tzanakis. Around 70% of the divers who have already visited Greece this year are from **Germany, Russia, Spain, France and Italy**, and the rest 30% are from the **U.S.A.** According to Mr. Tzanakis, Greece was selected as the favored diving destination by 95% of a total of 7,500 divers who responded to questionnaires in the period 2006-2007. Greece earned this "title" for three main reasons cited by the respondents to the survey: "theme," given that there are more than 20,000 shipwrecks in the Greek seabed, of which 6,000 have been formally recognised; "price," as diving in Greece costs about one-third of that in other diving destinations such as Malta, Italy, Croatia, Turkey and Cyprus; and "family," since the families of the divers are quite happy to accompany them to Greece, which offers a plethora of other activities for an enjoyable holiday. Greece has an impressive 16,500 kilometers of coastline suitable for diving, with the main destinations of foreign divers being the islands of Kos, Corfu, Zakynthos and Crete, while the recent approval of the re-delimitation of the Northern Sporades area, with 14 new diving spots, creates a new momentum to the Greek market for diving tourism.
- **Greek taxi drivers** continued their **strikes** also in August. Taxi drivers appeared to be divided, since impact upon **tourism** was very strong and seasonal businesses were pressuring them to end strikes as tourism was their only hope in order to avoid closing down because of the economic crisis. According to the press, perhaps the **biggest financial blow was delivered in Crete**, after thousands of tourists refrained from visiting the island, since ships could not embark because strikers blocked access to ports and airports and cancellations of hotel bookings were unprecedented. Taxi drivers in Rhodes and Kos islands decided to suspend their

strikes. **Journalists, students and workers in tourism** also went to strikes in the same month.

- The “**Indignant Citizens**” **protests** at Syntagma Square weakened in August. Due to the very hot weather and holiday period, they agreed to re-gather in September.

Somnath Halder
First Secretary (HOC)

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