



## EMBASSY OF INDIA ATHENS

No.ATH/COM/201/3/16

### Economic and Commercial Report for March 2016

- The Greek government is planning **to raise taxes even more** in its efforts to close a **Euro 2-billion gap** in the ongoing negotiations with the EU institutions and the IMF ('Quartet') in order **to get a positive review** on the reforms agreed upon last year. Changes in direct and indirect taxes seem imminent for small and medium businesses and employees. While the expressed 'red lines' of the Greek government in its talks with the Quartet is to maintain the minimum wages untouched, it is apparent that tax hikes might act as a counter measure to get the creditors' green light. Measures on the table by the Greek government include rise in the **special petrol consumption tax**, a hike in **special mobile phone levy**, and the imposition of a **special cable TV fee**.
- The Greek government proposed **to impose a new tax for bank transactions** of 1 per thousand in order to avoid tax hikes in other areas and cover the fiscal gap and the gap in social security. However, the Quartet did not accept the plan with European Central Bank expressing its strong opposition. It is the third time that the Hellenic Ministry of Finance submitted this plan and institutions rejected it claiming that it could be catastrophic for the banking system.
- President of the **Hellenic Bank Association** and National Bank of Greece, Mrs Luca Katseli, **ruled out the possibility of a deposits haircut and new banks recapitalization**. "Greek systemic banks just came out from a successful recapitalization process and offer a very strong capital base," she reassured on 20 March in an interview with Kathimerini newspaper. Regarding the non-performing loans, she said that this "is a priority for the Greeks and important initiatives are being taken in that direction". Mrs. Katselli also estimated that capital controls can be lifted in 2016 provided all conditions are met.
- According to data published by the Public Revenue Services, 4.3 million Greek tax payers out of a total 8.6 million, have **outstanding debts** worth **Euro 86 billion** which is 14.7% more as compared to a year ago (Euro 75 billion). The full report of the General Secretariat for the Public Revenue is available at [http://www.publicrevenue.gr/kpi/static/doc/apologistiki\\_ekthesi2016.pdf](http://www.publicrevenue.gr/kpi/static/doc/apologistiki_ekthesi2016.pdf)
- Greek Prime Minister Alexis Tsipras received **OECD** Secretary General Angel Gurría on 10 March. In its latest survey on Greece, OECD said that **poverty has risen since the crisis** and covers more than one third of the population. The survey predicts recovery recovery in 2017 as ongoing reforms and external demand benefit



investment and jobs. It stresses that **successful negotiations to address public debt sustainability are critical to improve the outlook**. The survey added that the **refugee crisis** could pose major problems for the Greek economy, particularly if the EU contribution turns to be insufficient.

- **ELSTAT** announced that (a) Greek **unemployment rate** in January 2016 was **24.4%** (1,169,119 unemployed persons) compared to 25.7% in the January 2015. The number of employed increased by 59,789 persons compared with January 2015. Higher unemployment rate was recorded among young people **up to age of 24 years** at **51.9%**; (b) **Consumer Price Index (CPI)** in **March 2016** compared to March 2015 **decreased** by **1.5%**; and (c) In **February 2016 Greek imports** were **€3,556.7 million** against €3,491.8 million in February 2015 (**increased by 1.9%**); The **exports** in February 2016 were **€1,904.8 million** against €2,047.1 million in February 2015 (**decreased by 7.0%**); and trade deficit amounted to €1,651.9 million compared to €1,444.7 million in the corresponding month in 2015 (**increased by 14.3%**).

**Total Greek trade and its growth in services****COMMERCIAL SERVICES' BALANCE**

(In million €)

	January (preliminary data)		
	2014	2015	2016
<b>Commercial Services' Balance (I-II)</b>	<b>432.2</b>	<b>448.0</b>	<b>230.3</b>
<b>I. Exports</b>	<b>1,516.6</b>	<b>1,597.5</b>	<b>884.4</b>
Transportation Services	155.5	169.0	161.1
Travel Services	1,038.9	1,051.7	479.4
Other Commercial Services	322.2	376.8	243.9
<b>II. Imports</b>	<b>1,084.4</b>	<b>1,149.5</b>	<b>654.2</b>
Transportation Services	150.4	157.6	129.0
Travel Services	525.3	592.2	316.7
Other Commercial Services	408.7	399.7	208.5

Source: Bank of Greece

**MERCHANDISE TRADE BALANCE**

(In million €)

	January (preliminary data)				
	2014	2015	% change 2015/2014	2016	% change 2016/2015
<b>I. Exports of goods</b>	2,083.5	1,841.6	<b>-11.6%</b>	1,668.3	<b>-9.4%</b>
<b>II. Imports of goods</b>	3,859.6	3,274.2	<b>-15.2%</b>	2,807.2	<b>-14.3%</b>
<b>Trade Balance (I-II)</b>	<b>-1,776.1</b>	<b>-1,432.6</b>		<b>-1,138.9</b>	

Source: Bank of Greece

**GREEK MERCHANDISE TRADE**

January 2016 (In Euro million)

	2015	2016	% change 2016/2015
<b>A. Imports</b>			
<b>I. Ship imports included</b>	3,143.4	2,922.2	-7.0%
<b>II. Ship imports excluded</b>	3,141.0	2,821.8	-10.2%
<b>III. Petroleum products excluded and ship imports included</b>	2,441.1	2,415.9	-1.0%
<b>B. Exports</b>			
<b>I. Ship imports included</b>	1,872.4	1,716.6	-8.3%
<b>II. Ship imports excluded</b>	1,870.4	1,713.4	-8.4%
<b>III. Petroleum products excluded and ship imports included</b>	1,389.3	1,335.2	-3.9%
<b>C. Trade Balance Ship imports included (=B.I-A.I)</b>	<b>-1,271.0</b>	<b>-1,205.6</b>	<b>-5.1%</b>
<b>D. Trade Balance Ship imports excluded (=B.II-A.II)</b>	<b>-1,270.6</b>	<b>-1,108.4</b>	<b>-12.8%</b>
<b>E. Trade Balance Petroleum products excluded and ship imports included (=B.III-A.III)</b>	<b>-1,051.8</b>	<b>-1,080.7</b>	<b>2.7%</b>

Preliminary data

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

**Total Greek trade by regions**

January 2016\* (In Euro million)

Regions	EXPORTS		Exports %Change	%Structure	
	2016	2015	2016/2015	2016	2015
<b>TOTAL</b>	<b>1,677.1</b>	<b>1,850.8</b>	<b>-9.4%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>OECD</b>	<b>1,039.2</b>	<b>1,071.8</b>	<b>-3.0%</b>	<b>62.0%</b>	<b>57.9%</b>
<b>E. U. (28)</b>	<b>1,032.0</b>	<b>1,048.1</b>	<b>-1.5%</b>	<b>61.5%</b>	<b>56.6%</b>
Eurozone	732.6	753.1	-2.7%	43.7%	40.7%
<b>G7</b>	<b>591.0</b>	<b>572.9</b>	<b>3.2%</b>	<b>35.2%</b>	<b>31.0%</b>
North America	84.9	71.2	19.3%	5.1%	3.8%
BRICS	28.1	30.4	-7.8%	1.7%	1.6%
M. East & N. Africa	195.1	241.4	-19.2%	11.6%	13.0%
OPEC	71.7	102.3	-29.8%	4.3%	5.5%
Gulf Countries	51.5	68.2	-24.5%	3.1%	3.7%
Black Sea Economic Cooperation	258.4	336.8	-23.3%	15.4%	18.2%
Eurasian-EEU	11.1	11.0	0.7%	0.7%	0.6%
North Africa	67.3	95.2	-29.3%	4.0%	5.1%
Sub-Saharan African Countries	14.5	10.0	45.0%	0.9%	0.5%
MERCOSUR	6.4	5.4	19.1%	0.4%	0.3%
Ship Supplies	0.2	53.2	-99.6%	0.0%	2.9%

January 2016\* (In Euro million)

Regions	IMPORTS		Exports %Change	%Structure	
	2016	2015	2016/2015	2016	2015
<b>TOTAL</b>	<b>2,837.6</b>	<b>3,086.8</b>	<b>-8.1%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>OECD</b>	<b>1,661.8</b>	<b>1,752.7</b>	<b>-5.2%</b>	<b>58.6%</b>	<b>56.8%</b>
<b>E. U. (28)</b>	<b>1,547.7</b>	<b>1,663.8</b>	<b>-7.0%</b>	<b>54.5%</b>	<b>53.9%</b>
Eurozone	1,194.2	1,305.4	-8.5%	42.1%	42.3%
<b>G7</b>	<b>826.6</b>	<b>929.4</b>	<b>-11.1%</b>	<b>29.1%</b>	<b>30.1%</b>
North America	59.5	49.2	20.9%	2.1%	1.6%
BRICS	432.9	562.4	-23.0%	15.3%	18.2%
M. East & N. Africa	294.1	375.3	-21.6%	10.4%	12.2%
OPEC	231.8	297.1	-22.0%	8.2%	9.6%
Gulf Countries	49.9	42.4	17.8%	1.8%	1.4%
Black Sea Economic Cooperation	423.1	541.9	-21.9%	14.9%	17.6%
Eurasian-EEU	250.2	329.9	-24.2%	8.8%	10.7%
North Africa	71.7	86.2	-16.8%	2.5%	2.8%
Sub-Saharan African Countries	22.0	19.9	10.0%	0.8%	0.6%
MERCOSUR	27.5	48.6	-43.4%	1.0%	1.6%
Ship Supplies	0.1	0.0	2762.3%	0.0%	0.0%

\* Data for both years are preliminary.

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

**Total Greek trade by country: 20 major importing and exporting countries, and India****GREEK EXPORTS***January 2016\* (In Euro million)*

<b>Top Major Importing Countries (Descending order)</b>	<b>Exports</b>		<b>Exports %Change</b>	<b>%Structure</b>	
	<b>2016</b>	<b>2015</b>	<b>2016/2015</b>	<b>2016</b>	<b>2015</b>
1. Italy	256.6	262.7	-2.3%	15.3%	14.2%
2. Germany	129.4	133.5	-3.0%	7.7%	7.2%
3. Cyprus	97.5	97.4	0.1%	5.8%	5.3%
4. Turkey	85.9	154.0	-44.2%	5.1%	8.3%
5. United Kingdom	83.3	65.9	26.5%	5.0%	3.6%
6. Bulgaria	76.5	81.0	-5.7%	4.6%	4.4%
7. USA	64.5	52.9	21.8%	3.8%	2.9%
8. Lebanon	55.3	62.0	-10.8%	3.3%	3.3%
9. Romania	53.1	52.2	1.6%	3.2%	2.8%
10. Spain	49.5	85.3	-41.9%	3.0%	4.6%
11. France	46.1	47.2	-2.2%	2.8%	2.5%
12. Egypt	43.2	45.6	-5.2%	2.6%	2.5%
13. Netherlands	41.8	33.7	24.0%	2.5%	1.8%
14. Singapore	36.1	26.1	38.2%	2.2%	1.4%
15. Poland	34.0	27.7	22.9%	2.0%	1.5%
16. FYROM	31.9	32.9	-2.8%	1.9%	1.8%
17. S. Arabia	30.3	47.6	-36.2%	1.8%	2.6%
18. Gibraltar	29.0	47.3	-38.7%	1.7%	2.6%
19. Belgium	24.1	21.1	14.0%	1.4%	1.1%
20. Slovenia	23.2	5.3	335.3%	1.4%	0.3%
<b>INDIA</b>	<b>3.5</b>	<b>3.4</b>	<b>4.2%</b>	<b>0.2%</b>	<b>0.2%</b>

\* Preliminary data.

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

**GREEK IMPORTS***January 2016\** (In €uro million)

<b>Top Major Importing Countries (Descending order)</b>	<b>Imports</b>		<b>Imports %Change</b>	<b>%Structure</b>	
	<b>2016</b>	<b>2015</b>	<b>2016/2015</b>	<b>2016</b>	<b>2015</b>
<b>1. Germany</b>	335.6	378.2	-11.2%	11.8%	12.3%
<b>2. China</b>	236.5	261.8	-9.6%	8.3%	8.5%
<b>3. Italy</b>	220.9	228.1	-3.2%	7.8%	7.4%
<b>4. Iraq</b>	146.0	210.2	-30.6%	5.1%	6.8%
<b>5. Russia</b>	168.9	267.3	-36.8%	6.0%	8.7%
<b>6. Netherlands</b>	164.1	162.7	0.9%	5.8%	5.3%
<b>7. France</b>	133.1	183.9	-27.6%	4.7%	6.0%
<b>8. Spain</b>	106.0	100.3	5.7%	3.7%	3.2%
<b>9. Belgium</b>	105.6	113.3	-6.8%	3.7%	3.7%
<b>10. Turkey</b>	97.6	76.5	27.6%	3.4%	2.5%
<b>11. Bulgaria</b>	91.6	100.3	-8.7%	3.2%	3.2%
<b>12. Kazakhstan</b>	81.1	62.6	29.5%	2.9%	2.0%
<b>13. United Kingdom</b>	74.1	84.6	-12.5%	2.6%	2.7%
<b>14. S. Korea</b>	56.5	17.3	226.7%	2.0%	0.6%
<b>15. USA</b>	48.3	41.3	16.9%	1.7%	1.3%
<b>16. Romania</b>	40.7	34.0	19.8%	1.4%	1.1%
<b>17. Denmark</b>	40.6	28.5	42.5%	1.4%	0.9%
<b>18. Poland</b>	38.9	37.5	3.8%	1.4%	1.2%
<b>19. Egypt</b>	38.6	41.9	-7.9%	1.4%	1.4%
<b>20. S. Arabia</b>	37.1	36.4	1.8%	1.3%	1.2%
<b>INDIA</b>	<b>18.5</b>	<b>20.5</b>	<b>-9.8%</b>	<b>0.7%</b>	<b>0.7%</b>

\* Preliminary data.

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



**Greek merchandise trade by product- MAIN SITC DIVISION (1-digit level)**

**EXPORTS**

January 2016\* (In Euro million)

SITC CODE	Product Categories	Value		% Change	% Structure	
		2016	2015	2016/2015	2016	2015
0+1+4	<b>AGRICULTURAL PRODUCTS</b>	413.9	400.6	3.3%	24.7%	21.6%
2	<b>RAW MATERIALS</b>	77.1	92.3	-16.4%	4.6%	5.0%
3	<b>FUELS</b>	389.1	488.3	-20.3%	23.2%	26.4%
5-8	<b>INDUSTRIAL PRODUCTS</b>	758.9	810.6	-6.4%	45.3%	43.8%
9	<b>OTHER</b>	38.1	59.2	-35.6%	2.3%	3.2%
0	Food and live animals	280.1	271.2	3.3%	16.7%	14.7%
1	Beverages and tobacco	42.6	34.9	22.2%	2.5%	1.9%
4	Animal and vegetable oils and fats	91.2	94.5	-3.5%	5.4%	5.1%
2	Crude materials inedible, except fuels	77.1	92.3	-16.4%	4.6%	5.0%
3	Mineral fuels, lubricants, etc.	389.1	488.3	-20.3%	23.2%	26.4%
5	Chemicals and related products	186.7	184.3	1.3%	11.1%	10.0%
6	Manufactured goods classified chiefly by raw material	270.3	299.0	-9.6%	16.1%	16.2%
7	Machinery and transport equipment	190.6	202.2	-5.7%	11.4%	10.9%
8	Miscellaneous manufactured articles	111.3	125.0	-11.0%	6.6%	6.8%
9	Commodities and transactions not classified by category	38.1	59.2	-35.6%	2.3%	3.2%
0-9	<b>TOTAL EXPORTS</b>	<b>1,677.1</b>	<b>1,850.8</b>	<b>-9.4%</b>	<b>100.0%</b>	<b>100.0%</b>

**IMPORTS (Ship imports included)**

January 2016\* (In Euro million)

SITC CODE	Product Categories	Value		% Change	% Structure	
		2016	2015	2016/2015	2016	2015
0+1+4	<b>AGRICULTURAL PRODUCTS</b>	421.1	433.0	-2.8%	14.8%	14.0%
2	<b>RAW MATERIALS</b>	73.1	86.6	-15.6%	2.6%	2.8%
3	<b>FUELS</b>	538.8	749.5	-28.1%	19.0%	24.3%
5-8	<b>INDUSTRIAL PRODUCTS</b>	1,802.0	1,816.5	-0.8%	63.5%	58.8%
9	<b>OTHER</b>	2.6	1.2	110.0%	0.1%	0.0%
0	Food and live animals	367.4	379.9	-3.3%	12.9%	12.3%
1	Beverages and tobacco	40.8	32.2	26.7%	1.4%	1.0%
4	Animal and vegetable oils and fats	12.9	20.9	-38.3%	0.5%	0.7%
2	Crude materials inedible, except fuels	73.1	86.6	-15.6%	2.6%	2.8%
3	Mineral fuels, lubricants, etc.	538.8	749.5	-28.1%	19.0%	24.3%
5	Chemicals and related products	514.9	516.5	-0.3%	18.1%	16.7%
6	Manufactured goods classified chiefly by raw material	353.9	378.0	-6.4%	12.5%	12.2%
7	Machinery and transport equipment	599.7	571.7	4.9%	21.1%	18.5%
8	Miscellaneous manufactured articles	333.6	350.2	-4.8%	11.8%	11.3%
9	Commodities and transactions not classified by category	2.6	1.2	110.0%	0.1%	0.0%
0-9	<b>TOTAL IMPORTS</b>	<b>2,837.6</b>	<b>3,086.8</b>	<b>-8.1%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Export Research Centre (KEEM) based on Hellenic Statistical Authority (ELSTAT) preliminary data.



## India's trade and investment interests

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- ✓ Ms Abbie Economopoulou, General Manager, Roula Rouva- RR Luxury Agency (Corfu, 49100, Greece, Tel: +30 2661023032, 2661086025, E-mail: [info@rrltravel.com](mailto:info@rrltravel.com)) showed interest in contacting Indian tour operators to cooperate with them on outgoing tourism.
- ✓ Mr Polycarpos Nicolaou, Nicolaou P and S O.E. (Kolokotroni 42, Piraeus, Tel: +30 2104177302, Mobile: +30 6972717991, E-mail: [gallis1987@gmail.com](mailto:gallis1987@gmail.com), Website: [www.pomola.gr](http://www.pomola.gr)) showed interest in importing porcelain knobs from India to Greece.

## Major investments/ disinvestments within and outside the country

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- ✓ **Greek dairy producer FAGE** (<http://international.fage.eu>) decided to **withdraw** from the **domestic milk market**, saying that the sector is non-profitable. The company started negotiations to sell all its properties, plants and equipment in Amyntaio, Florina. FAGE will focus on yogurt products with new investments abroad to cover the needs of international markets. According to the economic results announced by FAGE International, its sales in Greece declined by 11.1% in 2015 compared with the previous year. (Source: Greek Press)

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

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- ✓ Mr George Koutsolioutsos, CEO of **Folli Follie Group** was named **EY ('Ernst & Young') Greek "Entrepreneur of the Year" 2015**. Award Ceremony took place on 16 March 2016 at Megaron Athens International Conference Centre. Judging Panel consisted of: Chairman Mr Spyros Theodoropoulos, CEO, Chipita S.A. (*Greek "Entrepreneur of the Year" 2011, "Internationally Developing Entrepreneur" 2011, Chairman of the Judging Panel 2013, 2015*) and Members Mr Nikos Vettas, General Director of the Foundation for Economic and Industrial Research (IOBE), Professor at the Athens University of Economics and Business, Mr Harry David, Chairman, Frigoglass S.A., Ms Artemis C. Theodoridis, General Manager, Wholesale Banking & International Network, Alpha Bank, Ms Nelly Katsou, Vice President & Managing Director, Pharmathen S.A, Mr Konstantinos Macheras, Group Executive Vice President & CEO of Southeastern Europe, Delhaize Group, Ms Lara Bazari, CEO, Kefalonia Fisheries, Mr Babis Papadimitriou, Journalist, Mr Dimitris Papalexopoulos, CEO, Titan Cement Company S.A. (Source: Greek Press)
- ✓ **The Athens Chamber of Commerce & Industry (ACCI)** issued a leaflet in its effort to shed light on the dire economic environment for Greek businesses. The leaflet, titled **'Who is driving Greek business away'**, highlights some of the key factors that contribute to the suffocating conditions for businesses in Greece, including **excessively high tax rates**, the **economic recession**, and **lack of liquidity in the market**. Hundreds of businesses were forced to either shut down or relocate abroad to survive, according to the data. In addition to that, employer social security





contributions stand at 24.6% which is 10% more than competing companies in neighbouring countries, while the Value Added Tax (VAT) is 3% more than the average of the Balkan countries. President of ACCI, Mr Konstantinos Michalos, said that the business tax in Greece stands at 29% which is the highest in the wider Balkan area, including Turkey and Italy. (Source: Greek Press)

- ✓ According to the annual report of the Greek Shipping Cooperation Committee in London, **Greek-owned merchant shipping fleet** totaled **4,092 vessels** on 23 February 2016, recording an increase of 35 vessels compared with the same period last year, with a combined capacity of 320,597,574 deadweight tons (dwt). The number of vessels includes 347 ships of various types that are still under construction at shipyards around the world. The Committee said, however, that vessels under the Greek flag fell by 30 to 809 vessels in the same period. (Source: Greek Press)

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R. K. Verma  
First Secretary (HOC)

Distribution: As per the standard list