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Dear Mr. Geryano,

As promised, I am sending you a copy of the first  
Page of the note to the Monetary Committee, together  
with the statistical annex.

Yours truly

**SIGNATURE**

REPLIR EN CARACTERES IMPRIMES S.V.P.



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P.03

COMMISSION  
OF THE  
EUROPEAN COMMUNITIES  
DIRECTORATE-GENERAL  
FOR ECONOMIC AND FINANCIAL AFFAIRS  
II-D-3

Brussels 7 July 1986  
II/354/86-EN

THE GREEK ECONOMIC RECOVERY PROGRAMME: A PROGRESS REPORT

(Note for the attention of the Monetary Committee)

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Table 1

## GREECE - ECONOMIC INDICATORS

|                                                       |                |  | 1960-70 | 1970-80 | 1980 | 1981  | 1982 | 1983 | 1984  | 1985 <sup>1)</sup> | 1986 <sup>1)</sup>  |
|-------------------------------------------------------|----------------|--|---------|---------|------|-------|------|------|-------|--------------------|---------------------|
| 1. real GDP growth: % p.a.                            | Greece         |  | 7,6     | 4,7     | 1,8  | -0,3  | -0,2 | 0,3  | 2,6   | 2,1                | -0,4                |
|                                                       | 19 partners    |  | 4,8     | 3,1     | 1,8  | 1,0   | -0,2 | 1,4  | 3,2   | 2,4                | 2,7                 |
| 2. population: % p.a.                                 | Greece         |  | 0,6     | 0,9     | 1,0  | 0,9   | 0,6  | 0,6  | 0,6   | 0,5                | 0,5                 |
|                                                       | EC             |  | 0,8     | 0,4     | 0,3  | 0,3   | 0,2  | 0,1  | 0,1   | 0,2                | 0,2                 |
| 3. real GDP/head in Greece, EC-10 = 100 <sup>2)</sup> |                |  | 42,1    | 54,1    | 56,0 | 55,6  | 55,1 | 54,4 | 54,4  | 54,1               | 52,3                |
| 4. population of working age % p.a. Greece            |                |  |         | 1,0     | 1,6  | 1,7   | 0,9  | 0,9  | 1,2   | 1,0                | 0,5                 |
| 5. unemployment %                                     | Greece         |  |         |         | 2,8  | 4,1   | 5,8  | 7,9  | 8,1   | 8,5                | 9,4                 |
| 6. inflation: consumer price deflator % p.a.          | Greece         |  | 5,2     | 15,1    | 21,2 | 23,3  | 21,2 | 18,6 | 18,0  | 18,4               | 22,5                |
|                                                       | EC             |  | 6,1     | 12,1    | 15,2 | 13,2  | 10,1 | 7,9  | 6,2   | 5,8                | 3,5                 |
| 7. wages per head % p.a.                              | Greece         |  | 9,8     | 18,2    | 14,4 | 24,8  | 27,8 | 20,3 | 22,6  | 22,0               | 15,2                |
| 8. general government net borrowing % GDP             | Greece         |  |         |         |      | -11,9 | -9,4 | -8,9 | -10,1 | -13,9              | -9,5                |
|                                                       | EC             |  |         |         |      | -5,3  | -5,4 | -5,5 | -5,4  | -5,2               | -4,6                |
| 9. balance of payments current account % GDP          | Greece         |  | -3,2    | -4,7    | -5,5 | -6,6  | -5,0 | -5,4 | -6,4  | -10,0              | -4,8 <sup>3)</sup>  |
|                                                       | EC             |  | 0,4     | -0,1    | -1,3 | -0,6  | -0,5 | 0,1  | 0,1   | 0,5                | 1,1                 |
| 10. growth of M3 (average) % p.a.                     | Greece         |  | 17,7    | 21,9    | 19,8 | 30,4  | 32,9 | 21,7 | 25,1  | 30,2               | 22,0                |
| 11. growth of liquidity ratio % p.a.                  | Greece         |  | 5,9     | 2,3     | 0,0  | 9,0   | 6,8  | 1,1  | 1,7   | 8,8                | 0,5                 |
| 12. exchange rate (average) 1 USD = DR ...            |                |  | 30,0    | 32,7    | 42,6 | 55,3  | 66,6 | 87,7 | 112,2 | 138,0              | 140,7 <sup>4)</sup> |
|                                                       | 1 ECU = DR ... |  | 31,8    | 38,4    | 59,3 | 61,6  | 65,3 | 78,1 | 88,1  | 104,8              | 135,3 <sup>4)</sup> |
| 13. effective (19 partners) 1970 = 100                |                |  | 99,7    | 78,8    | 51,9 | 46,6  | 42,9 | 35,2 | 30,2  | 25,5               | 20,4 <sup>4)</sup>  |

1) Commission staff economic forecasts of April/May 1986

2) on the basis of purchasing power parities

3) official projection

4) June average



Table 2

## STRUCTURE OF PRODUCTION

|                                                        | Average growth rates (%) at constant prices : |         |         |      | % Share of output at current prices |      |      |      |      |               |
|--------------------------------------------------------|-----------------------------------------------|---------|---------|------|-------------------------------------|------|------|------|------|---------------|
|                                                        | 1960-70                                       | 1970-80 | 1980-84 | 1985 | GREECE                              |      |      |      |      | EC-10<br>1981 |
|                                                        |                                               |         |         |      | 1960                                | 1970 | 1980 | 1984 | 1985 |               |
| 1. agriculture                                         | 4.7                                           | 2.5     | -0,6    | -0,6 | 22.8                                | 18.2 | 17.7 | 17,9 | 17,4 | 3.6           |
| 2. manufacturing, of which:                            | 10.3                                          | 6.1     | -1,2    | 1,3  | 16.3                                | 19.1 | 19.5 | 18,1 | 17,9 | 27.3          |
| 2.1 food, beverages and tobacco                        | 8.5                                           | 6.2     | -0,1    | 4,6  | 3.9                                 | 3.6  | 3.4  | 3,4  | 3,5  |               |
| 2.2 textiles, clothing and leather                     | 8.1                                           | 7.4     | -3,2    | 1,6  | 4.9                                 | 4.5  | 4.9  | 4,5  | 4,3  |               |
| 2.3 wood, paper, publishing                            | 10.1                                          | 3.0     | -3,5    | 2,4  | 1.7                                 | 2.1  | 2.0  | 1,8  | 1.8  |               |
| 2.4 chemicals                                          | 13.9                                          | 7.6     | 2,2     | 1,3  | 1.5                                 | 2.1  | 2.3  | 2.2  | 2.2  |               |
| 2.5 fabricated metal products, machinery and equipment | 9.9                                           | 5.1     | -1,8    | 0,6  | 2.6                                 | 3.5  | 3.5  | 3.2  | 3.1  |               |
| 2.6 other                                              | 15.6                                          | 5.9     | -0,7    | -2,4 | 1.7                                 | 3.3  | 3.4  | 3,1  | 3,0  |               |
| 3. construction                                        | 6.7                                           | 1.4     | -4,4    | 2,6  | 6.8                                 | 8.9  | 8.5  | 6,4  | 6,6  | 7.1           |
| 4. other industry                                      | 11.5                                          | 8.7     | 2,5     | 4,7  | 2.6                                 | 3.4  | 3.1  | 4,4  | 4,5  | 6.4           |
| 5. services, of which                                  | 7.0                                           | 5.5     | 2,3     | 2,9  | 51.5                                | 50.4 | 51.2 | 53,2 | 53,6 | 59.8          |
| 5.1 wholesale and retail trade                         | 8.4                                           | 5.0     | 0,9     |      | 12.5                                | 12.0 | 12.9 | 12,9 |      |               |
| 5.2 financial                                          | 6.2                                           | 6.1     | 3,1     |      | 12.5                                | 10.5 | 8.7  | 7,9  |      |               |
| 5.3 transport, storage, communication                  | 8.8                                           | 7.3     | 3,6     |      | 7.0                                 | 7.7  | 7.8  | 7,9  |      |               |
| 5.4 other                                              | 6.2                                           | 4.7     | 1,9     |      | 19.5                                | 20.2 | 21.8 | 24,5 |      |               |



Table 3

## COSTS AND PRODUCTIVITY

|                                                          | 1960-70 | 1970-80 | 1980  | 1981  | 1982  | 1983  | 1984  | 1985 <sup>1)</sup> | 1986 <sup>1)</sup> |
|----------------------------------------------------------|---------|---------|-------|-------|-------|-------|-------|--------------------|--------------------|
| <b>A. whole economy</b>                                  |         |         |       |       |       |       |       |                    |                    |
| 1. wages per head % change                               | 9,8     | 18,2    | 14,4  | 24,8  | 27,8  | 20,3  | 22,6  | 22,0               | 15,2               |
| 2. productivity % change                                 | 8,3     | 4,1     | 0,1   | -0,4  | 1,1   | 1,3   | 2,9   | 1,8                | -0,2               |
| 3. unit labour costs (ULC: 1÷2) % change                 | 1,3     | 13,6    | 14,4  | 25,4  | 26,4  | 18,7  | 19,1  | 19,9               | 15,4               |
| 4. GDP prices % change                                   | 3,2     | 13,7    | 17,7  | 20,0  | 24,7  | 19,9  | 19,9  | 17,1               | 21,8               |
| 5. labour income <sup>2)</sup> share % change (3 ÷ 4)    | -1,8    | -0,1    | -2,8  | 4,5   | 1,3   | -1,0  | 0,7   | 2,4                | -5,3               |
| 6. export prices (goods and services)                    | 1,2     | 15,0    | 34,2  | 21,1  | 22,4  | 15,4  | 21,3  | 16,3               | 14,7               |
| <b>B. industry</b>                                       |         |         |       |       |       |       |       |                    |                    |
| 1. output per occupied person, current ECU               |         |         |       |       |       |       |       |                    |                    |
| a) Germany                                               |         |         | 22000 | 22900 | 25800 | 29100 | 31300 | 33300              |                    |
| b) Greece                                                |         |         | 7877  | 9045  | 9936  | 10164 | 11158 | 11499              |                    |
| 2. real output growth per occupied person, % p.a. Greece |         |         | -4,5  | -3,1  | -3,7  | 1,8   | 4,5   | 2,7                |                    |
| 3. wholesale prices, industrial products                 | 1,8     | 15,2    | 30,4  | 24,2  | 16,8  | 20,8  | 18,3  | 19,8               |                    |
| <b>C. manufacturing</b>                                  |         |         |       |       |       |       |       |                    |                    |
| unit labour costs % p.a.                                 |         | 15,5    | 25,6  | 26,8  | 37,6  | 18,4  | 23,7  | 21,1               | 14,7               |
| <b>D. competitiveness, 1970 = 100</b>                    |         |         |       |       |       |       |       |                    |                    |
| 1. 19 partners:                                          |         |         |       |       |       |       |       |                    |                    |
| a) GDP prices                                            | 105,0   | 90,7    | 81,7  | 81,3  | 86,2  | 79,7  | 78,2  | 73,9               | 65,8               |
| b) ULC (whole economy)                                   | 116,0   | 84,4    | 77,5  | 80,6  | 86,9  | 80,2  | 79,2  | 77,2               | 65,7               |
| c) ULC (manufacturing)                                   |         |         | 100,1 | 106,0 | 125,2 | 117,8 | 123,1 | 122,6              | 105,7              |
| 2. EC10 partners:                                        |         |         |       |       |       |       |       |                    |                    |
| a) GDP                                                   | 105,4   | 88,5    | 75,5  | 80,1  | 86,6  | 81,3  | 82,1  | 77,8               | 66,8               |
| b) ULC                                                   | 116,4   | 82,1    | 71,8  | 78,9  | 87,5  | 81,9  | 83,1  | 81,3               | 66,9               |

1) Commission staff economic forecasts of April-May 1986

2) Adjusted for changes in the structure of the working population.



Table 4.

## EXCHANGE RATES AND COMPETITIVENESS

(period averages)

|         | market exchange rate |            | indices 1970 = 100              |                                    |                 |                  |                 |                   |               |
|---------|----------------------|------------|---------------------------------|------------------------------------|-----------------|------------------|-----------------|-------------------|---------------|
|         |                      |            | nominal effective exchange rate | unit labour costs in manufacturing |                 |                  |                 | competitiveness   |               |
|         |                      |            |                                 | competitors USD terms              | Greece DR terms | Greece USD terms | competitiveness | ULC whole economy | GDP deflators |
|         | 1 USD=DR..           | 1 ECU=DR.. |                                 |                                    |                 |                  |                 |                   |               |
| 1980    | 42.6                 | 59.2       | 51.9                            | 299.4                              | 425.4           | 299.7            | 100.1           | 77,6              | 81,7          |
| 1981    | 55.3                 | 61.6       | 46.6                            | 276.2                              | 539.5           | 292.8            | 106.0           | 80,6              | 81.3          |
| 1982    | 66.6                 | 65.3       | 42.9                            | 267.0                              | 742.1           | 334.3            | 125.2           | 86,9              | 86.1          |
| 1983    | 87.7                 | 78.1       | 35.2                            | 255.2                              | 878.6           | 300.6            | 117.8           | 80,2              | 79,7          |
| 1984    | 112.2                | 88.3       | 30.2                            | 234.7                              | 1080.5          | 288.9            | 123.1           | 79,2              | 78,2          |
| 1985    | 138.0                | 104.5      | 25.4                            | 231.9                              | 1308,4          | 284,4            | 122,6           | 77,2              | 73,9          |
| 1985 Q1 | 134.4                | 92.1       | 28.3                            | 211.8                              | 1176,7          | 276,2            | 130,4           | 82,4              | 79,0          |
| Q2      | 135.6                | 98.3       | 26.9                            | 222.4                              | 1284,5          | 285,1            | 127,7           | 81,1              | 77,1          |
| Q3 1)   | 133.1                | 104.8      | 25.8                            | 237.6                              | 1332,6          | 300,4            | 126,4           | 79,9              | 76,1          |
| Q4      | 156,0                | 129,6      | 20,9                            | 254,9                              | 1382,9          | 265,9            | 104,3           | 66,2              | 63,4          |
| 1986 Q1 | 144,2                | 133,3      | 20,7                            | 279,9                              | 1428            | 297,0            | 106,1           |                   |               |
| Q2      | 140,7                | 135,0      | 20,5                            | 284,6                              | 1475            | 306,8            | 107,8           |                   |               |
| April   | 141,8                | 134,8      | 20,5                            |                                    |                 |                  |                 |                   |               |
| May     | 139,7                | 134,7      | 20,5                            |                                    |                 |                  |                 |                   |               |
| June..  | 140,7                | 135,3      | 20,4                            |                                    |                 |                  |                 |                   |               |

(1) At exchange rates of 14.10.85, i.e. immediately after the Greek dévaluation



Table 5

## A. ORDINARY BUDGET EXPENDITURE

DRS bn

|                                    | 1985<br>(provisional) | 1986<br>(budgeted)        | absolute<br>change | nominal<br>% change | real % change* |        |
|------------------------------------|-----------------------|---------------------------|--------------------|---------------------|----------------|--------|
| 1. defence <sup>1)</sup>           | 249,1                 | 288,7                     | 39,8               | 15,9                | -4,8           | (-1,4) |
| 2. education                       | 147,0                 | 180,5                     | 33,5               | 22,8                | 0,8            | (4,5)  |
| 3. health                          | 97,2                  | 126,0                     | 28,8               | 29,7                | 6,4            | (10,4) |
| 4. other social<br>services        | 31,4                  | 37,5                      | 6,1                | 19,3                | -2,0           | (1,5)  |
| 5. social security                 | 90,9                  | 108,3                     | 17,4               | 19,1                | -2,2           |        |
| 6. agriculture                     | 109,6                 | 115,5                     | 5,9                | 5,4                 | -13,5          |        |
| 7. refunds                         | 100,6                 | 93,0                      | -7,6               | -7,6                | -24,1          |        |
| 8. current expan-<br>diture n.i.e. | <u>351,9</u>          | <u>388,2<sup>2)</sup></u> | <u>36,3</u>        | 10,3                | -9,4           |        |
| 9. sub-total                       | 1177,4                | 1337,7                    | 160,3              | 13,6                | -6,7           |        |
| 10. interest<br>payments           | 235,8                 | 315,7                     | 79,9               | 33,9                | 9,9            |        |
| 11. debt repayment                 | 44,4                  | 59,2                      | 14,8               | 33,3                | 9,4            |        |
| 12. payments to EC                 | <u>39,7</u>           | <u>74,6</u>               | <u>34,9</u>        | <u>87,9</u>         | <u>54,3</u>    |        |
| 13. total                          | 1497,3                | 1787,2                    | 289,9              | 19,4                | -2,0           |        |

1) including servicing of defence debt

2) includes a contingency provision of DRS 20 bn.

\*) figures in brackets have been deflated by the government consumption deflator. Otherwise the GDP deflator is used.

## B. MAIN ITEMS OF AGRICULTURAL EXPENDITURE IN CURRENT BUDGET

|                                                                 | 1985<br>(estimates) | 1986<br>(budgeted) | absolute<br>change | nominal<br>% change | real<br>% change |
|-----------------------------------------------------------------|---------------------|--------------------|--------------------|---------------------|------------------|
| 1. orientation/<br>structural<br>assistance                     | 18,6                | 22,0               | 1,4                | 18,2                | -0,9             |
| 2. production and<br>processing grants                          | 31,0                | 27,0               | -4,0               | -12,9               | -27,0            |
| 3. Community<br>policies<br>financed by na-<br>tional resources | 3,8                 | 1,5                | -1,3               | -60,5               | -66,9            |
| trading accounts:                                               |                     |                    |                    |                     |                  |
| 4. - fertilizers                                                | 20,0                | 32,0               | 12,0               | 60,0                | 34,1             |
| 5. - tobacco                                                    | 9,0                 | 7,0                | -2,0               | -22,2               | -34,5            |
| 6. total, items 1-5                                             | <u>82,4</u>         | <u>89,5</u>        | <u>6,1</u>         | <u>8,6</u>          | <u>-9,0</u>      |
| Memorandum: PEOGA<br>guarantee operations                       | 105,2               | 112,0              | 6,9                | 6,5                 | -10,7            |



Table 6

## ORDINARY BUDGET EXPENDITURES - ACCRUALS BASIS

DRS bn

| EXPENDITURE                                                         | 1985<br>(provisional) | 1986<br>(budget) | Absolute<br>change | Nominal<br>% change | Real <sup>1)</sup><br>% change | Outcome: Jan. - April |       |                     |
|---------------------------------------------------------------------|-----------------------|------------------|--------------------|---------------------|--------------------------------|-----------------------|-------|---------------------|
|                                                                     |                       |                  |                    |                     |                                | 1985                  | 1986  | Nominal<br>% change |
| Personnel outlays                                                   | 570,3                 | 659,3            | 89,0               | 15,6                | -5,1                           | 169,6                 | 207,1 | 22,1                |
| Other consumer expenditure                                          | 174,1                 | 216,6            | 42,5               | 24,4                | 2,1                            | 62,9                  | 40,8  | -35,1               |
| Payments to EC                                                      | 39,7                  | 74,6             | 34,9               | 87,9                | 54,3                           | 11,6                  | 28,7  | 147,4               |
| Public debt servicing                                               | 280,2                 | 374,9            | 94,7               | 33,8                | 9,8                            | 64,8                  | 91,1  | 40,6                |
| Restitution of revenue in<br>favour of third parties                | 75,7                  | 82,0             | 6,3                | 8,3                 | -11,1                          | 27,2                  | 28,0  | 2,9                 |
| Tax refunds                                                         | 37,1                  | 37,0             | -0,1               | -0,3                | -18,1                          | 14,0                  | 18,0  | 28,6                |
| Rebates on export financing<br>costs and interest rate<br>subsidies | 63,5                  | 56,0             | -7,5               | -11,8               | -27,6                          | 26,0                  | 17,0  | -34,6               |
| Agricultural subsidies                                              | 91,7                  | 91,5             | -0,2               | -0,2                | -18,1                          | 13,1                  | 18,5  | 41,2                |
| Grants                                                              | 165,0                 | 175,3            | 10,3               | 6,2                 | -12,8                          | 35,9                  | 36,8  | 2,5                 |
| Reserve                                                             | -                     | 20,0             | -                  | -                   | -                              |                       |       |                     |
| Total expenditure                                                   | 1497,3                | 1787,2           | 289,9              | 19,4                | -1,8                           | 425,1                 | 486,0 | 14,3                |

(1) Based on GDP deflator

(2) Excluding debt repayment



Table 7

## ORDINARY BUDGET REVENUE AND DEFICIT - ACCRUALS BASIS

DRS.bn

|                                        | 1985<br>(prov.) | 1986<br>(budget) | Absolute<br>change | Nominal<br>% change | Real <sup>1)</sup><br>% change | Outcome: Jan. - March |        |                     |
|----------------------------------------|-----------------|------------------|--------------------|---------------------|--------------------------------|-----------------------|--------|---------------------|
|                                        |                 |                  |                    |                     |                                | 1985                  | 1986   | Nominal<br>% change |
| I <u>Direct taxes</u>                  |                 |                  |                    |                     |                                |                       |        |                     |
| Income tax on households               | 196,1           | 266,5            | 70,4               | 35,9                | 14,5                           | 36,4                  | 39,2   | 7,7                 |
| Income tax on corporations             | 37,0            | 54,3             | 17,3               | 46,8                | 20,5                           | 2,0                   | 3,3    | 65,0                |
| Extraordinary taxes                    | 2,8             | 26,0             | 23,2               | -                   | -                              | -                     | 14,6   | -                   |
| Tax arrears                            | 31,1            | 90,0             | 58,9               | 189,4               | 137,6                          | 5,8                   | 5,9    | 1,7                 |
| Other                                  | 35,9            | 45,0             | 9,1                | 25,3                | 2,9                            | 5,4                   | 6,8    | 25,9                |
| Total                                  | 302,9           | 481,8            | 178,9              | 59,1                | 30,6                           | 49,6                  | 69,8   | 40,7                |
| II <u>Indirect taxes</u>               |                 |                  |                    |                     |                                |                       |        |                     |
| Customs duties and levies              | 20,9            | 19,7             | -1,2               | -5,7                | -22,6                          | 4,2                   | 3,9    | -7,1                |
| Consumption taxes on imports           | 178,3           | 190,0            | 11,7               | 6,6                 | -12,5                          | 38,7                  | 44,0   | 13,7                |
| Consumption taxes on<br>domestic goods | 304,5           | 387,5            | 83,0               | 27,3                | 4,5                            | 71,3                  | 94,8   | 33,0                |
| Stamp duty                             | 184,0           | 241,5            | 57,5               | 31,3                | 7,8                            | 48,2                  | 60,8   | 26,1                |
| Other                                  | 34,5            | 51,3             | 16,8               | 48,7                | 22,1                           | 7,1                   | 8,7    | 22,5                |
| Total                                  | 722,2           | 890,0            | 167,8              | 23,2                | 1,1                            | 169,5                 | 212,2  | 25,2                |
| III Non-tax revenue                    | 85,7            | 117,7            | 22,0               | 37,3                | 12,7                           | 219,1                 | 282,0  | 28,7                |
| Total revenue                          | 1110,8          | 1489,5           | 368,7              | 34,1                | 10,1                           | 240,0                 | 307,2  | 28,0                |
| (% GDP)                                | (24,6)          | (27,2)           | (2,6)              |                     |                                | (21,3)                | (22,5) |                     |
| Total expenditure                      | 1497,2          | 1787,2           | 289,9              | 19,4                | -1,8                           | 296,6                 | 334,0  | 12,6                |
| (% GDP)                                | (33,2)          | (32,7)           | (-0,5)             |                     |                                | (26,3)                | (24,4) |                     |
| Ord.budget deficit (gross)             | 386,5           | 297,7            |                    |                     |                                | 56,6                  | 26,8   |                     |
| Less debt repayment                    | 44,4            | 59,2             |                    |                     |                                | 0,0                   | 7,2    |                     |
| Ordinary budget deficit (net)          | 342,1           | 238,5            | 103,6              | -30,3               | -42,7                          | 56,6                  | 19,6   | -65,4               |
| (% GDP)                                | (7,6)           | (4,4)            | (-3,3)             |                     |                                | (5,0)                 | (1,4)  |                     |

(1) Based on GDP deflator



|                                      |             |              |             |       |       |
|--------------------------------------|-------------|--------------|-------------|-------|-------|
| land improvement                     | 14,0        | 15,0         | 1,0         | 7,5   | -11,7 |
| energy, manufacturing                | 19,0        | 49,31)       | 30,3        | 159,5 | 113,1 |
| communications                       | 33,8        | 36,0         | 2,2         | 6,5   | -12,6 |
| education                            | 18,4        | 23,1         | 4,7         | 25,3  | 2,9   |
| health and other                     |             |              |             |       |       |
| social services                      | 11,2        | 14,0         | 2,8         | 25,0  | 2,6   |
| water and sewerage                   | 7,9         | 8,4          | 0,5         | 7,0   | -12,2 |
| regional programmes                  | 71,3        | 71,0         | -0,3        | -0,4  | -18,2 |
| programme to combat unemployment     | 6,0         | 6,0          | 0,0         | 0,0   | -17,9 |
| other works and studies              | <u>55,2</u> | <u>64,2</u>  | <u>9,0</u>  | 16,3  | -4,5  |
| total works and studies              | 236,8       | 287,0        | 50,2        | 21,2  | -0,5  |
| management expenses                  | 6,5         | 3,2          | -3,3        | -50,8 | -59,6 |
| interest payments                    | 9,4         | 7,8          | -1,6        | -17,0 | -31,9 |
| debt repayment                       | <u>21,8</u> | <u>20,0</u>  | <u>-1,8</u> | -8,3  | -24,7 |
| total expenditure                    | 274,5       | 318,0        | 43,5        | 13,8  | -4,9  |
| less investment budget income        | <u>11,5</u> | <u>41,2)</u> | <u>29,5</u> |       | 6,3   |
| investment budget investment (gross) | 263,0       | 277,0        | 14,0        |       |       |
| less debt repayment                  | <u>21,8</u> | <u>20,0</u>  | <u>-1,8</u> |       |       |
| investment budget deficit (net)      | 241,2       | 257,0        | -15,8       | 6,6   | -12,5 |
| (% GDP)                              | (5,3)       | (4,7)        | (-0,8)      | 6,6   | -12,5 |

\*) on basis of GDP deflator

1) includes 29 for reorganization of problem firms

2) includes 35 from EC operations, of which 15 (ECU 105 mn) are assumed for the part of the Integrated Mediterranean Programmes which falls in the general government sector.



Table 9

## SUMMARY DATA FOR PUBLIC ENTERPRISES AND ENTITIES

DRS.bn

|                                                                        | <u>1985</u><br>estimates | <u>1986</u><br>budget | outcome first quarter<br><u>1985</u> | <u>1986</u> |
|------------------------------------------------------------------------|--------------------------|-----------------------|--------------------------------------|-------------|
| <u>Workers' social security fund (IKA)</u>                             |                          |                       |                                      |             |
| Operating result                                                       | 55,9                     | 57,5                  | 3,3                                  | 1,5         |
| Gross investment                                                       | 2,1                      | 0,5                   | 0,1                                  | 0,7         |
| Grants and internal resources                                          | 8,8                      | 7,2                   | 2,3                                  | 1,7         |
| Overall position                                                       | 49,2                     | 50,8                  | 1,1                                  | 0,5         |
| <u>Farmers social security fund (OGA)</u>                              |                          |                       |                                      |             |
| Operating result                                                       | 32,7                     | 43,5                  | 8,9                                  | 13,8        |
| Gross investment                                                       | 0,3                      | 0,8                   | 0,0                                  | 0,0         |
| Grants and internal resources                                          | 29,0                     | 44,3                  | 9,1                                  | 12,8        |
| Overall position                                                       | 4,0                      | 0,0                   | -0,2                                 | 1,0         |
| <u>48 Other public enterprises<br/>and public entities</u>             |                          |                       |                                      |             |
| Operating result                                                       | 45,5                     | 0,0                   | 5,2                                  | -8,1        |
| Gross investment                                                       | 220,0                    | 236,7                 | 46,6                                 | 46,1        |
| Grants and internal resources                                          | 165,7                    | 177,4                 | 32,4                                 | 34,9        |
| Overall position                                                       | 99,8                     | 59,3                  | 19,4                                 | 3,1         |
| <u>Overall position, 50 public<br/>enterprises and public entities</u> | 153,0                    | 110,1                 | 20,3                                 | 4,6         |



Table 10

## Main(1) public enterprises and public entities other than social security institutions

|                          | 1985 (estimates) |                   |                 |                  |                     | 1986 (budgeted)  |                   |                 |                  |                     |
|--------------------------|------------------|-------------------|-----------------|------------------|---------------------|------------------|-------------------|-----------------|------------------|---------------------|
|                          | operating result | current transfers | current balance | gross investment | overall(2) position | operating result | current transfers | current balance | gross investment | overall(2) position |
| DEE (electricity)        | 1.5              | -                 | 1.5             | -80.5            | -49.3               | 14.3             | -                 | 14.3            | -93.0            | -36.9               |
| ELDA (oil refinery)      | 1.2              | -                 | 1.2             | -11.0            | -7.8                | 3.0              | -                 | 3.0             | -16.0            | -12.2               |
| OTE (telecommunications) | 2.7              | -                 | 2.7             | -22.0            | -1.8                | 12.0             | -                 | 12.0            | -21.0            | 12.0                |
| OSE (railways)           | -11.5            | 10.0              | -1.5            | -11.0            | -6.4                | -11.2            | 10.0              | -1.2            | -9.0             | -2.0                |
| Olympic Airways          | -9.9             | -                 | -9.9            | -13.0            | -10.3               | -0.9             | -                 | -0.9            | -4.0             | -0.9                |
| OAS (urban transport)    | -30.5            | 8.8               | -21.7           | -3.2             | -21.7               | -32.5            | 8.8               | -23.7           | -2.6             | -23.7               |
| OEK (workers' housing)   | 15.7             | 0.1               | 15.8            | -6.8             | 8.9                 | 20.5             | 0.1               | 20.6            | -5.0             | 15.9                |
| EYDAP (water, Athens)    | -3.1             | -                 | -3.1            | -7.4             | -1.2                | -1.0             | -                 | -1.0            | -8.5             | -3.3                |
| EAV (aerospace)          | -14.0            | -                 | -14.0           | -0.3             | -12.4               | -15.8            | -                 | -15.8           | -0.4             | -14.2               |
| AEROPLOIA (aviation)     | -                | -                 | -               | -1.0             | -0.7                | 0.1              | -                 | -0.1            | -5.1             | -4.7                |
| OPAP (football pool)     | 7.1              | -7.1              | 0.0             | -                | 0.0                 | 8.2              | -7.7              | 0.5             | -0.1             | 0.5                 |
| OSK (school buildings)   | -0.8             | 0.5               | -0.3            | -8.5             | -0.3                | -0.7             | 0.5               | -0.2            | -11.2            | -0.2                |
| TEO (roads)              | -0.1             | -                 | -0.1            | -28.0            | 0.0                 | 0.2              | -                 | 0.2             | -32.2            | 0.0                 |
| EOPH (pharmaceuticals)   | 4.2              | -                 | 4.2             | -1.0             | -1.0                | 4.4              | -                 | 4.4             | -1.0             | 3.4                 |
| Total of the above       | -37.5            | 12.3              | -25.2           | -193.7           | -104.0              | 0.6              | 11.7              | 12.3            | -209.1           | -66.3               |

(1) Bodies having an operating surplus greater than DR 3 bn or an operating deficit greater than DR 5 bn or making investments greater than DR 5 bn in either 1985 or 1986.

(2) Overall position = current balance plus investments + internal resources + capital transfers.



Table 11

## BUDGET DEFICIT AND PSBR

IRS.bn

|                                                                   | Year            |                |                    | First quarter     |        |
|-------------------------------------------------------------------|-----------------|----------------|--------------------|-------------------|--------|
|                                                                   | 1985<br>Outcome | 1986<br>Budget | 1986<br>Projection | 1985              | 1986   |
| 1. government budget deficit: <sup>1)</sup>                       |                 |                |                    |                   |        |
| 1.1 current                                                       | 342,1           | 238,5          | 190                | 56,6              | 19,6   |
| 1.2 capital                                                       | 241,2           | 257,0          | 260                | 27,6              | 23,7   |
| 1.3 total                                                         | 583,3           | 495,5          | 450                | 84,2              | 43,3   |
| (% GDP)                                                           | (12,9)          | (9,0)          | (8,2)              | (7,5)             | (3,1)  |
| 2. public enterprises and entities:<br>overall budgetary position | 153,0           | 110,2          | 110                | 20,3              | 4,6    |
| (% GDP)                                                           | (3,4)           | (2,1)          | (2,0)              | (11,8)            | (0,3)  |
| 3. sub total = 1 + 2                                              | 736,3           | 605,6          | 560                | 104,5             | 47,9   |
| (% GDP)                                                           | (16,3)          | (11,1)         | (10,2)             | (9,3)             | (3,5)  |
| 4. off-budget                                                     |                 |                |                    |                   |        |
| 4.1 trading accounts                                              |                 |                |                    |                   |        |
| 4.1.1 oil                                                         | 63,6(2)         |                | 10                 | 6,2 <sup>2)</sup> | 7,1    |
| 4.1.2 fertilizer                                                  | -3,9            |                | -10                | 3,1               | 1,0    |
| 4.1.3 other                                                       | -10,3           |                | 10                 | -18,3             | -17,1  |
| 4.1.4 total                                                       | 49,4            | 0,0            | 10                 | -9,0              | -9,0   |
| 4.2 public enterprises and<br>entities (off-budget)               | 6,4             | -1,0           | 4                  | -9,2              | -11,3  |
| 4.3 current finance of local<br>authorities                       | 8,0             | 6,0            |                    |                   |        |
| 4.4 other identified                                              | 13,6            | -              | -                  | -                 | -      |
| 4.5 total off-budget                                              | 77,4            | 34,1           | 14                 | -18,2             | -20,3  |
| (% GDP)                                                           | (1,7)           | (0,6)          | (0,3)              | (1,6)             | (-1,5) |
| 5. timing differences                                             |                 |                |                    |                   |        |
| 5.1 carry-over from previous year                                 | -               | -              | -                  | 4,1               | 43,6   |
| 5.2 net carry-over effect                                         | -39,5           | 0,0            | 20-40              | -                 | -      |
| 6. unidentified items                                             | 42,3            | 0,0            | 30-50              | 21,5              | 10,7   |
| 7. PSBR                                                           | 816,5           | 610,6          | 624-664            | 68,9              | 81,8   |
| (% GDP)                                                           | (18,1)          | (11,2)         | (11,4-12,2)        | (6,1)             | (6,0)  |

(1) Net of debt repayment: for some purposes Greek officials also use figures including debt repayment

(2) The annual deficit was more that covered by (off-budget) transfers of IRS 72 bn. in 1985 as a whole and IRS 25 bn. in the first quarter from central government.



Table 12

## DOMESTIC CREDIT EXPANSION ANNUAL DATA

IRS.bn

|                                                       | 1983            | 1984            | 1985             | 1986            | 1987            | First quarter<br>1985 1986  |                             |
|-------------------------------------------------------|-----------------|-----------------|------------------|-----------------|-----------------|-----------------------------|-----------------------------|
| 1. net PSBR <sup>1)</sup><br>(% GDP)                  | 353<br>(11,6)   | 584<br>(15,5)   | 817<br>(18,1)    | 645<br>(11,8)   | 570<br>(9,3)    | 69<br>(6,1)                 | 82<br>(6,0)                 |
| 2. public sector bonds sold<br>to resident non-banks  | 0               | 0               | 11               | 80              | 100             | 0                           | 1                           |
| 3. "public sector DCE"                                | 353             | 584             | 806              | 565             | 470             | 69                          | 81                          |
| 4. bank lending to<br>private sector                  | 221<br>(+17,3%) | 287<br>(+19,2%) | 369<br>(+20,7%)  | 334<br>(+15,5%) | 270<br>(+10,9%) | 79<br>(+4,4%)               | 70<br>(+3,8%)               |
| 5. DCE                                                | 574<br>(+18,7%) | 871<br>(+23,8%) | 1175<br>(+26,2%) | 899<br>(+15,9)  | 740<br>(+11,3%) | 148<br>(+3,3%)              | 151<br>(+2,7%)              |
| 6. Reserve                                            | -               | -               | -                | 50              | -               | -                           | -                           |
| <u>Resources</u>                                      |                 |                 |                  |                 |                 |                             |                             |
| 7. direct public sector<br>external borrowing         | 122             | 169             | 277              | 14              | -84             | 77                          | 20                          |
| 8. community loan                                     | 0               | 0               | 0                | 115             | 138             | 0                           | 115                         |
| 9. other external operations<br>of the banking sector | 66              | 103             | 90               | 60              | 80              | 19                          | -9                          |
| 10. bank bonds                                        | 29              | 51              | 59               | 50              | 65              | 1                           | 1                           |
| 11. import deposits                                   | 0               | 0               | 19               | 25              | -44             | 0                           | 34                          |
| 12. other                                             | -14<br>371      | -86<br>634      | -30<br>760       | -30<br>680      | -25<br>610      | 36<br>-15                   | 67<br>-77                   |
| 13. public sector sight<br>deposits                   | 5               | 23              | 13               | 0               | 0               | -3                          | 12                          |
| 14. change in M3                                      | 376<br>(+20,3%) | 657<br>(+29,5%) | 773<br>(+26,8%)  | 680<br>(18,6%)  | 610<br>(+14,0%) | -18<br>(-0,6%)<br>(+24,7%)* | -65<br>(-1,8%)<br>(+14,3%)* |
| <u>Memorandum: % change in</u>                        |                 |                 |                  |                 |                 |                             |                             |
| M1                                                    | 13,7            | 21,6            | 22,5             |                 |                 | -12,0                       | -13,0                       |
| M0                                                    | 13,0            | 20,3            | 26,2             |                 |                 | -10,7                       | -16,7                       |

(1) Ignoring revaluation effects on the stock of external debt outstanding at the end of 1984

\* Seasonally adjusted at an annual rate



**MONETARY PROGRAM 1986**  
(in billions of drachmae)

Table 13

| SOURCES OF FUNDS                              |  | 1985 (a)    | 1986 (b)    | USES OF FUNDS                           |  | 1985 (a)    | 1986 (b)    |
|-----------------------------------------------|--|-------------|-------------|-----------------------------------------|--|-------------|-------------|
| 1. <u>Broad money (M3)</u>                    |  | <u>755</u>  | <u>710</u>  | 1. <u>Credit to private sector</u>      |  | <u>370</u>  | <u>334</u>  |
|                                               |  | (26,8%)     | (19,9%)     |                                         |  | (20%)       | (15%)       |
| a. Currency in circulation                    |  | 105         | 100         | a. Bank lending                         |  | 360         | 324         |
|                                               |  | (26,2%)     | (19,8%)     |                                         |  | (20,1%)     | (15%)       |
| b. Private bank deposits                      |  | 650         | 610         | Commercial banks                        |  | 170         | 163         |
|                                               |  | (26,9%)     | (19,9%)     |                                         |  | (17%)       | (14%)       |
|                                               |  |             |             | Specialized credit institutions         |  | 190         | 161         |
| 2. <u>Bonds and treasury bills</u>            |  | <u>75</u>   | <u>130</u>  |                                         |  | (23,5%)     | (16%)       |
| a. Bank bonds                                 |  | 60          | 50          | b. Investment in firms' shares          |  | 10          | 10          |
| b. Treasury bills sold to public              |  | 15          | 30          |                                         |  |             |             |
| c. Public sector bonds sold to public         |  | 0           | 50          | 2. <u>Credit to public sector</u>       |  | <u>883</u>  | <u>721</u>  |
| 3. <u>Foreign borrowing and other sources</u> |  | <u>423</u>  | <u>265</u>  | % GDP                                   |  | 19,4%       | 13,2%       |
| a. Foreign borrowing                          |  | 442         | 250         | % change in stock                       |  | 31%         | 17,2%       |
| (in billions of US \$)                        |  | (\$3,2)     | (\$1,7)     | a. Central government                   |  | 680         | 569         |
| b. Other sources                              |  | -19         | 15          | b. Public enterprises and Organizations |  | 203         | 152         |
| (Import deposits)                             |  | (21)        | (25)        | 3. <u>Reserve for contingency</u>       |  | -           | <u>50</u>   |
| TOTAL                                         |  | <u>1253</u> | <u>1105</u> | TOTAL                                   |  | <u>1253</u> | <u>1105</u> |
| % change in stock                             |  | (26,4%)     | (17,2%)     | % change in stock                       |  | (26,4%)     | (17,2%)     |

(a) Outturn, provisional data

(b) Program



## BALANCE OF PAYMENTS - CURRENT ACCOUNT (US \$ Mio)

| 1981        | 1982         | 1983         | 1984         | 1985         | 1986 <sup>1)</sup> | 4 months : USD |              | 4 months : %GDP |             |
|-------------|--------------|--------------|--------------|--------------|--------------------|----------------|--------------|-----------------|-------------|
|             |              |              |              |              |                    | 1985           | 1986         | 1985            | 1986        |
| 3968        | 3493         | 3381         | 3501         | 3459         | 4050               | 1029           | 1178         | 3.1             | 3.1         |
| 7783        | 7290         | 6844         | 6665         | 7373         | 7850               | 2401           | 2606         | 7.2             | 6.8         |
| 3395        | -3797        | -3463        | -3164        | -3914        | -3800              | -1373          | -1428        | -4.1            | -3.8        |
| 2902        | -2130        | -1923        | -2187        | -2354        | -1200              | -772           | -578         | -2.3            | -1.5        |
| <u>5697</u> | <u>-5927</u> | <u>-5386</u> | <u>-5351</u> | <u>-6268</u> | <u>-5000</u>       | <u>-2144</u>   | <u>-2006</u> | <u>-6.4</u>     | <u>5.3</u>  |
| 5421)       | (-5702)      | (-5199)      | (-4829)      | (-5653)      |                    |                |              |                 |             |
| 1881        | 1527         | 1176         | 1313         | 1428         | 1600               | 192            | 211          | 192             | 211         |
| 1826        | 1657         | 1308         | 1095         | 1039         | 1030               | 303            | 302          | 303             | 302         |
| 1057        | 1016         | 912          | 898          | 801          | 850                | 225            | 248          |                 |             |
| 148         | 550          | 834          | 715          | 869          | 1051               | 260            | 416          |                 |             |
| 234         | 137          | 81           | 136          | 121          |                    | 40             | 30           |                 |             |
| 1136        | 1211         | 1218         | 1132         | 1003         | 1220               | 333            | 328          |                 |             |
| 5482        | 6098         | 5529         | 5289         | 5261         | 5750               | 1353           | 1535         | 4.0             | 4.0         |
| 361         | 374          | 362          | 339          | 368          |                    | 100            | 133          |                 |             |
| 372         | 261          | 230          | 170          | 205          |                    | 56             | 68           |                 |             |
| 702         | 641          | 728          | 922          |              |                    | 365            | 389          |                 |             |
| 121         | 143          | 146          | 160          | 1237         | 1250               |                |              |                 |             |
| 650         | 637          | 553          | 477          | 458          |                    | 160            | 177          |                 |             |
| <u>2206</u> | <u>2056</u>  | <u>2019</u>  | <u>2068</u>  | <u>2268</u>  | <u>2450</u>        | <u>681</u>     | <u>767</u>   | <u>2.0</u>      | <u>2.0</u>  |
| <u>1276</u> | <u>4042</u>  | <u>3510</u>  | <u>3221</u>  | <u>2993</u>  | <u>3300</u>        | <u>672</u>     | <u>768</u>   | <u>2.0</u>      | <u>2.0</u>  |
| <u>2421</u> | <u>-1885</u> | <u>-1876</u> | <u>-2130</u> | <u>-3275</u> | <u>-1700</u>       | <u>-1472</u>   | <u>-1238</u> | <u>-4.4</u>     | <u>-3.3</u> |
| -6.6)       | -(5.0)       | (-5.4)       | (-6.4)       | (-10.0)      | (-4.8)             |                |              |                 |             |
| 2.3%        | 84.5%        | 83.7%        | 82.0%        | 74.4         | 85.8%              | 64.9%          | 70.%         |                 |             |



Table 14

## BALANCE OF PAYMENTS - CURRENT ACCOUNT (US \$ MLo)

|                                                                    | 1978           | 1981            | 1982            | 1983            | 1984            | 1985             | 1986 <sup>1)</sup> | 4 months : USD<br>1985 1986 |       | 4 months : %GDP<br>1985 1986 |      |
|--------------------------------------------------------------------|----------------|-----------------|-----------------|-----------------|-----------------|------------------|--------------------|-----------------------------|-------|------------------------------|------|
| 1. <u>Merchandise trade</u>                                        |                |                 |                 |                 |                 |                  |                    |                             |       |                              |      |
| 1.1 non oil-exports                                                | 2768           | 3988            | 3493            | 3381            | 3501            | 3459             | 4050               | 1029                        | 1178  | 3.1                          | 3.1  |
| 1.2 non oil-imports                                                | 6136           | 7783            | 7290            | 6844            | 6665            | 7373             | 7850               | 2401                        | 2606  | 7.2                          | 6.8  |
| 1.3 non-oil net                                                    | -3368          | -3395           | -3797           | -3463           | -3164           | -3914            | -3800              | -1373                       | -1428 | -4.1                         | -3.8 |
| 1.4 oil balance                                                    | -975           | -2902           | -2130           | -1923           | -2187           | -2354            | -1200              | -772                        | -578  | -2.3                         | -1.5 |
| 1.5 merchandise balance<br>(merchandise balance,<br>customs basis) | -4343          | -6697           | -5927           | -5386           | -5351           | -6268            | -5000              | -2144                       | -2006 | -6.4                         | 5.3  |
| 2. <u>Invisibles</u>                                               |                | (-4421)         | (-5702)         | (-5199)         | (-4829)         | (-5653)          |                    |                             |       |                              |      |
| 2.1 <u>Receipts:</u>                                               |                |                 |                 |                 |                 |                  |                    |                             |       |                              |      |
| a) travel                                                          | 1326           | 1881            | 1527            | 1176            | 1313            | 1428             | 1600               | 192                         | 211   | 192                          | 211  |
| b) transport                                                       | 1177           | 1826            | 1657            | 1308            | 1095            | 1039             | 1030               | 303                         | 302   | 303                          | 302  |
| c) migrants' remittances                                           | 951            | 1057            | 1016            | 912             | 898             | 801              | 850                | 225                         | 248   |                              |      |
| d) EC transfers                                                    | 0              | 148             | 550             | 834             | 715             | 869              | 1051               | 260                         | 416   |                              |      |
| e) IPD                                                             | 127            | 234             | 137             | 81              | 136             | 121              |                    | 40                          | 30    |                              |      |
| f) other                                                           | 841            | 1136            | 1211            | 1218            | 1132            | 1003             | 1220               | 333                         | 328   |                              |      |
| g) total                                                           | 4422           | 6482            | 6098            | 5529            | 5289            | 5261             | 5750               | 1353                        | 1535  | 4.0                          | 4.0  |
| 2.2 <u>payments</u>                                                |                |                 |                 |                 |                 |                  |                    |                             |       |                              |      |
| a) travel                                                          | 224            | 361             | 374             | 362             | 339             | 368              |                    | 100                         | 133   |                              |      |
| b) transport                                                       | 177            | 372             | 261             | 230             | 170             | 205              |                    | 56                          | 68    |                              |      |
| c) official interest<br>payments                                   | 202            | 702             | 641             | 728             | 922             |                  |                    | 365                         | 389   |                              |      |
| d) other IPD                                                       | 67             | 121             | 143             | 146             | 160             | 1237             | 1250               |                             |       |                              |      |
| e) other                                                           | 367            | 650             | 637             | 553             | 477             | 458              |                    | 160                         | 177   |                              |      |
| f) total                                                           | 1037           | 2206            | 2056            | 2019            | 2068            | 2268             | 2450               | 681                         | 767   | 2.0                          | 2.0  |
| 2.3 <u>Invisible balance</u>                                       | 3385           | 4276            | 4042            | 3510            | 3221            | 2993             | 3300               | 672                         | 768   | 2.0                          | 2.0  |
| 3. <u>Current account balance</u><br>(as % GDP)                    | -958<br>(-3.0) | -2421<br>(-6.6) | -1885<br>(-5.0) | -1876<br>(-5.4) | -2130<br>(-6.4) | -3275<br>(-10.0) | -1700<br>(-4.8)    | -1472                       | -1238 | -4.4                         | -3.3 |
| ratio of current receipts<br>to current payments                   | 88.6%          | 82.3%           | 84.5%           | 83.7%           | 82.0%           | 74.4             | 85.8%              | 64.9%                       | 70.7% |                              |      |

Source: Bank of Greece (cash basis)

(1) Official projection, May 1986



Table 16

## BALANCE OF PAYMENTS - CAPITAL ACCOUNT (US \$ mto)

|                                                            | 1978        | 1979        | 1980        | 1981        | 1982        | 1983        | 1984        | 1985 <sup>2)</sup> | 4 months<br>1985 1986 <sup>2)</sup> |             |
|------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------------|-------------------------------------|-------------|
| <b>1. Non-bank private sector</b>                          |             |             |             |             |             |             |             |                    |                                     |             |
| 1.1 entrepreneurial                                        | 284         | 329         | 444         | 317         | 208         | 180         | 148         | 243                | 55                                  | 78          |
| 1.2 real estate                                            | 410         | 592         | 599         | 488         | 399         | 423         | 474         | 431                | 129                                 | 116         |
| 1.3 other                                                  | 57          | 52          | 17          | 24          | 23          | 46          | 26          | -32                | 0                                   | -5          |
| 1.4 total                                                  | <u>751</u>  | <u>973</u>  | <u>1060</u> | <u>829</u>  | <u>630</u>  | <u>649</u>  | <u>646</u>  | <u>642</u>         | <u>184</u>                          | <u>189</u>  |
| <b>2. Commercial banks and special credit institutions</b> |             |             |             |             |             |             |             |                    |                                     |             |
| 2.1 short term                                             | 387         | 46          | 116         | 271         | 123         | 275         | 339         | 77                 | 27                                  | 57          |
| 2.2 other                                                  | 49          | 159         | 195         | 155         | 84          | 190         | -118        | 131                | 96                                  | 18          |
| 2.3 total                                                  | <u>436</u>  | <u>205</u>  | <u>311</u>  | <u>426</u>  | <u>207</u>  | <u>465</u>  | <u>221</u>  | <u>208</u>         | <u>123</u>                          | <u>75</u>   |
| <b>3. Official</b>                                         |             |             |             |             |             |             |             |                    |                                     |             |
| 3.1 public enterprises                                     | 37          | 95          | 108         | 304         | 351         | 773         | 881         | 656                | 227                                 | -66         |
| 3.2 central government                                     | 50          | -33         | -94         | -12         | -89         | 18          | -17         | 28                 | -48                                 | 834         |
| 3.3 Bank of Greece long term                               | 205         | 78          | 677         | 340         | 387         | 512         | 403         | 1354               | 738                                 | -54         |
| 3.4 Bank of Greece short term                              | -60         | 50          | -101        | 55          | 421         | -100        | 433         | 255                |                                     |             |
| 3.5 total                                                  | <u>232</u>  | <u>190</u>  | <u>590</u>  | <u>687</u>  | <u>1070</u> | <u>1203</u> | <u>1600</u> | <u>2293</u>        | <u>917</u>                          | <u>714</u>  |
| <b>4. Trade credit</b>                                     | <u>-71</u>  | <u>175</u>  | <u>311</u>  | <u>-6</u>   | <u>-127</u> | <u>-15</u>  | <u>11</u>   | <u>7</u>           | <u>164</u>                          | <u>69</u>   |
| <b>5. Total capital flows</b>                              | <u>1348</u> | <u>1543</u> | <u>2272</u> | <u>1936</u> | <u>1780</u> | <u>2302</u> | <u>2478</u> | <u>3150</u>        | <u>1388</u>                         | <u>1047</u> |
| <b>Memorandum Items</b>                                    |             |             |             |             |             |             |             |                    |                                     |             |
| a) errors and omissions                                    | -107        | 494         | 40          | 330         | -40         | -357        | -312        | 20                 | 12                                  | 2           |
| b) current account                                         | -958        | -1882       | -2216       | -2421       | -1885       | -1876       | -2130       | -3275              | -1472                               | -1238       |
| c) reserves (increase <sup>1)</sup> )                      | 282         | 156         | 95          | 159         | -146        | 70          | 35          | -105               | -72                                 | -193        |
| d) reserve level (end of period) (1)                       | 1477        | 1518        | 1517        | 1189        | 1011        | 1042        | 1103        | 1734               | 1041                                | 1690        |
| e) spontaneous capital flows=1.4+2.1                       | 1138        | 1019        | 1176        | 1100        | 753         | 924         | 985         | 719                | 211                                 | 246         |

Source: Bank of Greece

(1) item (c) excludes and item (d) includes an increase of USD 705m in the published value of the reserves resulting from a year-end revaluation of the gold element at 65% of the average market price of December 1985. A revaluation of USD 130 m in the first part of 1985 following the gold/ECU swap with FEOOM is similarly treated.