COMMISSION

COMMISSION DECISION

of 22 November 1988

renewing and amending Decision 85/594/EEC authorizing the Hellenic Republic to take certain protective measures under Article 108 (3) of the EEC Treaty

(Only the Greek text is authentic)

(88/600/EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 108 (3) thereof,

Whereas, by Decision 85/594/EEC [1], the Commission on a temporary basis authorized the Hellenic Republic to take certain protective measures in support of a programme of economic stabilization implemented by the Greek Government from the end of 1985 in order to deal with serious balance of payments difficulties and to restore an acceptable situation;

Whereas since then, and in line with the improvement in the external equilibrium of Greece, several of these protective measures have been revoked or amended in accordance with the provisions of Commission Decision 85/594/EEC; whereas this Decision was amended by Commission Decision 86/614/EEC [2] and 87/152/EEC [3] and lastly by Decision 88/438/EEC [4].

Whereas the Hellenic Republic has claimed balance of payments difficulties persist; whereas it has requested an extension of certain protective measures in respect of the movement of capital and transfers relating to tourist expenditure of Greek residents abroad, in accordance with the provisions of Article 9 (5) of Commission Decision 85/594/EEC; whereas, nevertheless, the Greek authorities have relaxed the restrictions originally authorized in this area; whereas they intend to continue to do so in line with the results achieved in the recovery of the balance of payments;

Whereas it emerges from the examination of the overall economic situation of Greece undertaken by the Commission that the improvement in the external position of Greece since 1986 makes it possible to ease the restrictions originally authorized with regard to the movement of capital and the tourist expenditure of Greek residents abroad; whereas the Greek balance of payments situation nevertheless remains fragile and whereas if its recovery is to continue and to be consolidated, in particular by the restoration of a sound public finance situation, the retention of certain protective measures in this area on a provisional basis is justified;

Whereas there are grounds for renewing and accordingly amending the authorization to apply these protective measures; whereas, however, the evolution of the economic situation in Greece should be monitored attentively so that the measures authorized may possibly be amended or repealed if the conditions justifying them were no longer to obtain;

Whereas, for the sake of transparency it is appropriate to present in a single text the complete enacting terms of Decision 85/594/EEC as last amended by this Decision,

HAS ADOPTED THIS DECISION:

Article 1

The enacting terms of Decision 85/594/EEC are replaced by the following text:

(1) OJ No L 373, 31. 12. 1985, p. 9.
(2) OJ No L 357, 18. 12. 1986, p. 28.
(3) OJ No L 63, 6. 3. 1987, p. 38.
(4) OJ No L 218, 9. 8. 1988, p. 19.

Article 1

Greece is hereby required to phase out the export aid granted under Decision No 1574/70 of the Greek Monetary Committee, as amended by Decision 350/82, in four equal steps, to take effect on 1 January 1987, 1 January 1988, 1 January 1989, 1 January 1990. This phasing-out shall be implemented as follows. The figure resulting on 16 December 1986 from the application of the formula applied in calculating the rebate due under CCD 1574/70 and 350/82, or in cases where a fixed rate is applied, shall be reduced by 40 % to allow for the effects of the introduction of VAT. The said remaining figure (60 % of the rate currently paid) shall then be eliminated in four equal steps of 25 % each of this figure at the dates indicated above.

As and from 4 February 1988, no aid shall be granted for the export of candied fruit peel (NIMEXE codes 20.04-30 and 2006.00.-39 as from 1 January 1989).

Article 2

The Greek Government within four weeks of the end of the relevant period, i.e. up to 30 June and 31 December for each year, shall send the Commission a six monthly report on the granting of the export aid broken down by the number of transactions showing their value and the aid granted, by sector, to allow the Commission to carry out a six-monthly monitoring procedure to ensure correct application of this Decision.

The Commission reserves the right at any time to request the Greek Government to furnish, and the Greek Government shall so provide within two weeks of such a request, the relevant form used for the calculation of aid given in any particular case of an export transaction, needed by the Commission to control the application of this Decision.

Article 3

Should evidence be presented to the Commission which, upon examination and after consultation with the interested parties, shows that the grant of the export aid to any particular sector is causing, or threatens to cause, major changes in traditional trade flows and that these changes are causing, or threaten to cause, serious material injury to an established industry in other Member States to a degree contrary to the common interest, the Commission shall amend this Decision so as to reduce or exclude all aid to the sector in question.

Article 4

1. Greece is hereby authorized, temporarily and within the limits and conditions laid down in the Annex to this Decision, to prohibit or to make subject to prior authorization the conclusion or execution of transactions and transfers relating to movement of capital liberalized at the time of this Decision in accordance with the provisions of the Council Directive of 11 May 1960 for the implementation of Article 67 of the Treaty [1], as last amended by Directive 86/566/EEC [2].

2. Greece is hereby temporarily authorized to limit transfers relating to the tourist expenditure of Greek residents to 840 ECU per person and per journey. In addition to this basic allowance, residents shall, however, be allowed to use payment or credit cards abroad for the purposes of holiday expenses to the amount of 300 ECU per person per year.

3. Except where otherwise indicated in the Annex to the present decision and without prejudice to the provisions of Article 5, the authorizations contained in this Article shall be valid until 31 December 1989.

Article 5

1. The Commission shall attentively monitor the evolution of the economic situation in Greece. The Commission reserves the right to amend or repeal all or part of this Decision, after consulting the Member State concerned, particularly if it finds that the circumstances which led to its adoption have changed or that its effects are more restrictive than they need be in order to achieve their objectives.

2. If, before the date of expiry of the derogations permitted up to 31 December 1989 under Article 4, Greece claims that balance of payments difficulties persist, or that there is a serious likelihood of their recurring, the Commission shall examine the overall economic situation in order to determine whether an extension of all or part of the protection measures in force is appropriate.

Article 6

This Decision is addressed to the Hellenic Republic.

[1] OJ No 43, 12. 7. 1960, p. 921/60.
[2] OJ No L 332, 26. 11. 1986, p. 22.

ANNEX

Operation	Type of restriction authorized by way of derogation from Community obligations
Direct investment	The participation by residents in new or existing firms established in other Member States with a view to establishing or maintaining lasting economic links, as well as long term loans granted by residents to non-residents with the same objective, may be submitted to prior authorization up to 30 June 1989. This authorization shall be granted if at least 25 % of the investment concerned is financed by borrowing in foreign currency.
Investments in real estate	Investments in real estate abroad made by residents may be subject to prior authorization. This shall be granted to residents emigrating under the heading of the free movement of employed and self-employed persons in respect of investments related to their installation or establishment.
Operations in securities	The acquisition by residents of foreign securities, or of domestic securities issued on a foreign market, may be prohibited or made subject to prior authorization. However : — residents shall be authorized to acquire securities issued by the Communities and by the European Investment Bank up to the limit of a global annual amount of 50 million on ECU, — resident collective investment undertakings shall be authorized to invest in foreign securities up to 20 % of their net assets, in the case of unit trust funds and 20 % of their paid-up capital in the case of investment companies.

Article 2

This Decision is addressed to the Hellenic Republic.

Done at Brussels, 22 November 1988.

For the Commission

The President

Jacques DELORS