



GREECE

Greece is a market of 10.6 million people. Its economy is characterized by a strong service sector and a relatively small industrial one. The country has adapted well to the stringent requirements of accession to the Maastricht convergence criteria, and, consequently, Greece became part of the European Monetary Union on January 1, 2001. The European Union (EU) is its main trading partner.

Recently, Greece has adopted a convergence plan, focussing on budget cuts, reforms of public-sector and social programs, wider privatization and the creation of a more flexible workforce. The overall business climate is generally positive. Although most economic activity is currently centred around Athens, as is most of the population, investment incentives are provided for the relocation to the rest of Greece. The Greek economy has been characterized by a stronger than expected growth rate, compared to other European countries, with 3.2% in

1997, and 3.5% in 1998 and 1999. The Greek government is now predicting 3.7% for 2000.

Trade between Canada and Greece has seen a steady growth over the last few years. Canadian exports to Greece in 1998 were \$154 million, an increase of 26% over 1997. In 1999, Canadian exports to Greece reached \$198 million, a further increase of 29%. In 1999, the sale of 10 Canadair water bombers by Bombardier, and the signing of a contract with a consortium (in which Bombardier was included) for the building of the Thessaloniki subway system, should augment these figures over the coming years. Main export items include transportation equipment, pulp and paper, furs, lentils, general purpose machinery, and information and communication technologies hardware and software. Greece will be the recipient of significant EU funding over the next five years, under the third Community Support Framework. In addition, excellent opportunities for Canadian companies will be offered by the construction that Greece will have to undertake in anticipation of hosting the 2004 Olympic Summer Games and by Greece's position as a "gateway" for many of the supplies that will be necessary for reconstruction in the Balkans.