

because of: the increasing number of vehicles; the high average age of cars; poor maintenance of cars; inadequate transport networks, traffic control and parking spaces; and the inefficiency of public transportation.

It is estimated that 79 per cent of pollutants in the Athens area are due to traffic pollution, mainly from old private cars -- 2 million cars in this area have an average age of twelve years. In this context, in May 1989, a law introduced an incentive scheme to encourage the purchase of new cleaner cars with catalytic converters and consuming lead-free gasoline. It corresponds to an average reduction of 15 per cent of the purchase tax on new cars. In addition, in February 1991, the new law 1921/91 was adopted by Parliament to accelerate the rate of renewal of the car fleet. According to this law, the following incentives are granted:

- reduction of the Special Consumption Tax by 60 per cent for cars with a cylinder capacity up to 1 400 cm<sup>3</sup> and by 50 per cent for cars with a cylinder capacity from 1 401 to 2 000 cm<sup>3</sup>, but not more than Drs. 2 000 000;
- abolition of the Additional Special Tax; and
- abolition of the road tax for five years for the new car.

The above incentives are granted in the case of purchase of a new clean passenger car or a light duty truck with a gross weight up to 2.5 tonnes and only on the condition that an old car is withdrawn from circulation. It is estimated that 400,000 polluting vehicles will be replaced by cleaner vehicles over a two-year period (1990-1992).

Various specific measures to reduce pollution have been adopted -- such as reduction of the sulphur content of heavy fuel oil and diesel oil, restriction of the lead content in gasoline -- but they are judged absolutely ineffective by public opinion as atmospheric pollution increases continuously.

The most important indigenous production in Greece is lignite, mainly used for electricity generation. In 1989, lignite inputs represented 73.6 per cent in electricity generation. Although there is no serious problem related to sulphur dioxide in northern Greece since the sulphur content of lignite is only 0.4-0.6 per cent and, moreover, its high calcium content helps emissions to be kept to a low level, environmental considerations have resulted in a decision to import natural gas from the Soviet Union and Algeria. In addition, the strong interest shown by the Public Power Corporation in the development of renewable energy mainly in the islands -- wind energy and geothermal -- is also partly motivated by environmental considerations.