Chapter 5

Chemicals and rubber, electrical equipment, paper and printing

Manufacture and wholesale trade of chemicals and rubber products, electrical equipment, paper and paper products, and printing and reproduction of recorded media are covered in this chapter. Regulatory barriers to competition are identified in the detergents and biocides industries, especially in terms of product trading (i.e. selling in bulk, prevention of umbrella-branding) and the licensing of manufacturing facilities. For cosmetics, products' primary and secondary functions should be recognised by Greek legislation in line with EU guidance, helping suppliers and enhancing product mix. Abolishing excise duty on isopropyl alcohol would result in lower prices and in an increase of the competitiveness of Greek manufacturers that use it as a raw material. The alignment of the administrative registration and conformity marks of sockets and plugs will facilitate suppliers' operations and enhance consumer protection. The cumulative effect of the recommendations will be to make markets more open and competitive, to the benefit of consumers.

This chapter covers the manufacture of chemicals and rubber products, electrical equipment, paper and paper products, and printing and reproduction of recorded media in Greece. It describes the sectors' findings of the competition assessment, as well as the sectors' overview. It is noted that the assessment of the legislation covered both manufacturing and wholesale trade activities.

The aforementioned sectors[1] accounted for 1.2% of GDP in Greece in 2013, compared with a figure of 3.2% for the European Union on average. When measured in terms of employment, the sector represents 1.4% of the Greek economy; the corresponding figure for the European Union is 2.7% on average.

The main restrictions identified in the manufacturing sectors assessed in this project, as traced in the Greek legislation, are described in detail in the following sections. Their harm to competition and recommendations are also set out. The benefits of these recommendations are estimated to amount to EUR 17 million. This includes an estimated consumer benefit of EUR 3.6 million, as a result of abolishing excise duty on isopropyl alcohol, passed onto the final price; see the analysis outlined in Box 5.4. The OECD has considered whether recommendations would be expected to have an impact on either consumer benefit, through lower prices, or on economic activity, in terms of greater efficiency and additional revenue. In the former case, the framework described in Annex A was applied; in the latter, we have made a conservative assumption on an overall improvement in the efficiency of operation.[2]

5.1. Chemicals and rubber products

The sub-sectors examined in this section include the following codes:

- Manufacture of basic chemicals, fertilisers and nitrogen compounds, plastics and synthetic rubber in primary forms (NACE code 20.1)
- Manufacture of pesticides and other agrochemical products (NACE code 20.2)
- Manufacture of soap and detergents, cleaning and polishing preparations, perfumes and toilet preparations (NACE code 20.4)
- Manufacture of other chemical products (NACE code 20.5)
- Manufacture of man-made fibres (NACE code 20.6)
- Manufacture of rubber products (NACE code 22.1)

It is also noted that manufacture of paints, varnishes and similar coatings, printing ink and mastics (NACE code 20.3), as well as manufacture of plastics products (NACE code 22.2), were not part of this project, as their relevant regulatory framework was examined during the first OECD Competition Assessment of Laws and Regulations in Greece project in 2013[3].

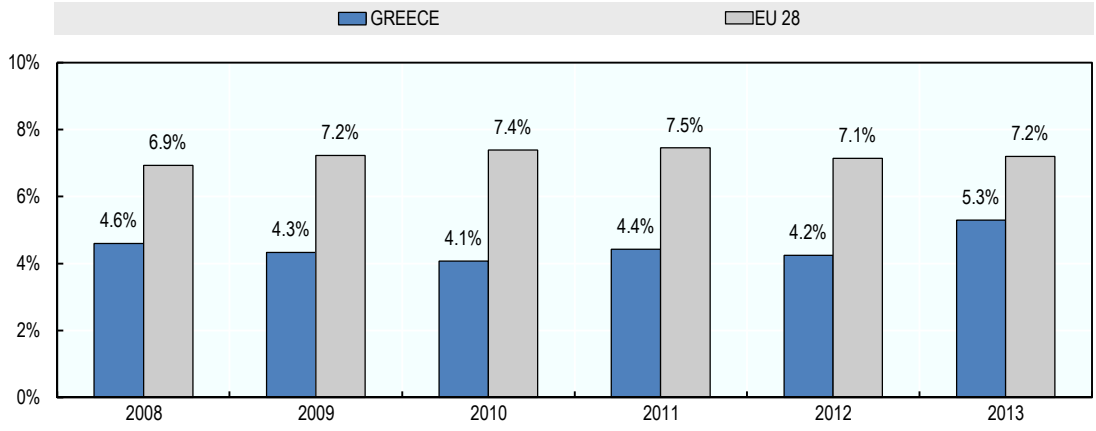
Although the review of the legislation has covered chemicals and rubber products both at manufacturing and at wholesale trade level, due to data limitations the sector overview that follows deals only with the manufacturing level.

Economic overview

Chemicals as primary raw materials are mostly imported in Greece. Manufacturing companies operating in the domestic market mostly deal with processing them into end products.

Figure 5.1 compares the value added of chemicals and rubber products as a percentage of the total manufacturing in Greece and in the EU[4] for the six-year period of 2008-2013. During this time, the sub-sector's contribution to the overall manufacturing sector amounts to 4.5% on average in Greece, compared to 7.2% at EU level.

Figure 5.1. **Value added as a percentage of manufacturing for chemicals and rubber products (2008-2013)**

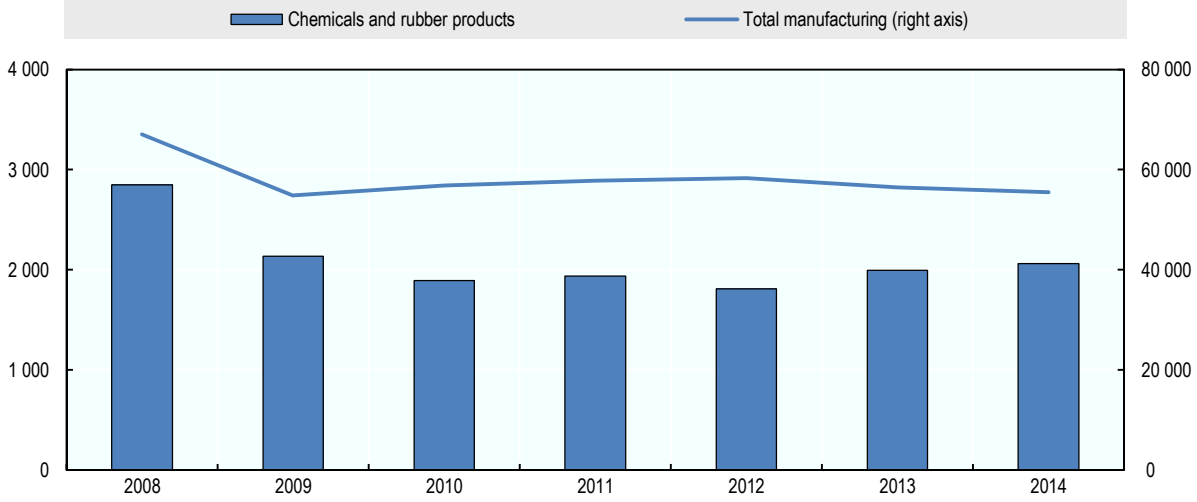


Note: Value added at factor cost

Source: Eurostat, Annual detailed enterprise statistics for industry (NACE Rev. 2, B-E), Database [sbs_na_ind_r2], *http://ec.europa.eu/eurostat* (accessed 24 August 2016).

Figure 5.2 depicts the turnover of manufacturing of chemicals and rubber products and total manufacturing for Greece, for the period 2008-2014. The sector's turnover amounts to EUR 2 062 million in 2014, showing gradual increase over the three-year period of 2012-2014 (14.0%), despite the recession, which has affected the manufacturing sector as a whole (-4.9% during the same period).

Figure 5.2. **Turnover of manufacturing chemicals and rubber products in Greece (2008-2014)**

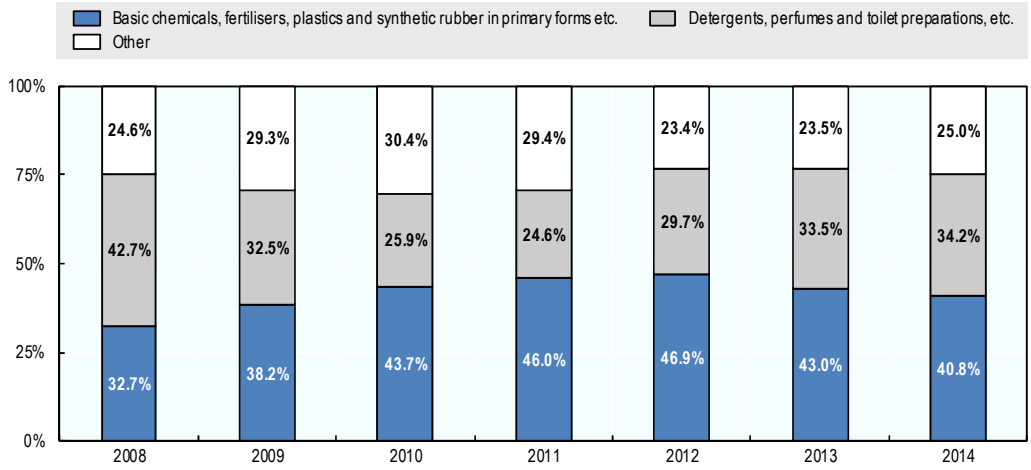


Note: Turnover in EUR millions

Source: Eurostat, Annual detailed enterprise statistics for industry (NACE Rev. 2, B-E), Database [sbs_na_ind_r2], *http://ec.europa.eu/eurostat* (accessed 24 August 2016)

Figure 5.3 shows the structure of the turnover of manufacturing of chemicals and rubber products per category. Manufacture of basic chemicals, fertilisers and nitrogen compounds, plastics and synthetic rubber in primary forms and manufacture of soap and detergents, cleaning and polishing preparations, perfumes and toilet preparations cover more than 70% of total turnover during the seven-year period 2008-2014.

Figure 5.3. **Share of manufacturing chemicals and rubber products turnover per category in Greece (2008-2014)**



Source: Eurostat, Annual detailed enterprise statistics for industry (NACE Rev. 2, B-E), Database [sbs_na_ind_r2], *http://ec.europa.eu/eurostat* (accessed 24 August 2016).

The number of manufacturing companies in the sector has fallen from 1001 companies in 2008 to 686 companies in 2014, of which one third operates in the soap and detergents, cleaning and polishing preparations, perfumes and toilet preparations sub-sector.[5]

Employment has shrunk from 13 288 in 2008 to 10 636 persons in 2014. The soap and detergents, cleaning and polishing preparations, perfumes and toilet preparations sub-sector ranks first in terms of employment, with an average share of 39.1% of total employment in the chemicals sector over the same period.

After extensive screening of the legislation, the OECD team identified obstacles to competition in the following sub-sectors.

Detergents

The detergents sub-sector (NACE code 20.41) generated gross value added of EUR 79.0 million in 2013, down from EUR 239.8 million in 2008.[6] During the same period, turnover contracted by 72.6% overall, to EUR 256.9 million. The number of manufacturing enterprises fell from 225 in 2008 to 164 in 2013 and the total number of employees was reduced from 2 827 to 1 705 workers during the same period.

Pesticides

The pesticides[7] sub-sector (NACE code 20.20) generated gross value added of EUR 29.4 million in 2013, remaining stable overtime, and a total turnover of EUR 151.2 million, increased by 5.6% on an annual basis since 2008.[8] The number of manufacturing enterprises was 21 in 2013, employing a total of 552 workers.

Fertilisers

The fertilisers sub-sector (NACE code 20.15) generated gross value added of EUR 50.6 million in 2013, losing over half of its value since 2008 (EUR 113.0 million).[9] Total turnover amounted to EUR 282.7 million in 2013, a decline of 2.9% on an annual basis since 2008. The number of operating enterprises in the sub-sector rose from 36 in 2008 to 41 companies in 2013; total employment, however, decreased from 1 032 workers in 2008 to 831 in 2013.

Cosmetics

The cosmetics sub-sector (NACE code 20.42) generated gross value added of EUR 180.9 million in 2013, an increase of 10.4% on an annual basis since 2008.[10] Total turnover amounted to EUR 412.4 million in 2013, while previous years averaged around EUR 270 million. Despite the fall in the number of operating enterprises in the sub-sector (from 105 in 2008 to 72 in 2013), total employment increased from 2 269 in 2008 to 2 963 in 2013.

Overview of the legislation

The mapping of the legislation for the sector included 137 sector-specific laws and regulations, as well as framework and horizontal legislation covering manufacturing as a whole. Out of the 137 regulations:

- 17 pieces of regulations are framework legislation and concern the classification, packaging and labelling of dangerous substances and preparations;
- 69 laws and regulations are relevant to agricultural inputs, of which 3 regulations are applicable to all relevant goods, 50 applicable to plant protection products and 16 applicable to fertilisers;
- 38 regulations are relevant to different categories of chemical products, such as detergents, biocidal products, dispersants, cosmetics, explosives, pyrotechnics and tyres;
- 8 laws and regulations concern taxation issues, mainly excise duties on alcohol products used by the chemical industry as raw materials (e.g. isopropyl alcohol), as well as regulations that include provisions on the establishment and function of tax warehouses;
- 5 pieces of laws and regulations are relevant to chemicals, mainly the bottling of compressed (pressurised) gas.

With regard to detergents, the core legislative framework originates from the EU, consisting mainly of EU Regulation 648/2004.[11] Regarding national legislation, Presidential Decree 111/2014,[12] setting out the organisational structure of the Ministry of Finance and, subsequently the competencies of the General Chemical State Laboratory (GCSL), assigns the latter as the competent authority for the control of detergents. The control mechanisms, the fees and the penalties for the violation of the relevant legislation are left to Ministerial Decisions. More particularly, Ministerial Decisions 1233/1991 and 172/1992[13] provide the legal framework for the licensing of manufacturing facilities of detergents and Joint Ministerial Decision 381/2005[14] introduces the necessary national provisions for the implementation of EU Regulation 648/2004.

The legislative framework for biocides is more complex, due to recent legislative changes on national and EU level. EU Regulation 528/2012[15] introduced new licensing procedures for biocidal products whose active ingredients have been approved at an EU level, yet national implementing measures were issued only in May 2016, through Joint Ministerial Decision 4616/52519/2016.[16] Until

EU Regulation 528/2012 covers all active ingredients included in biocides, the products are regulated under Law 721/1977[17] for those falling under the competency of the Ministry of Rural Development and Food, and under Ministerial Decision 7723/1993[18] for those falling under the competency of the National Organisation for Medicines (EOF).

As far as agricultural chemical inputs are concerned, Law 4036/2012[19] and Presidential Decree 159/2013[20] constitute the core legislation for plant protection products, regulating their production, usage, control and circulation. Concerning fertilisers, Law 1565/1985[21] sets the basic legal framework. Both plant protection products and fertilisers are intensely regulated, with substantive part of the legislation having EU origin. However, EU Regulations and Directives leave room for important national interventions, many of which impose restrictions that have been identified.

The core legislation for cosmetics that are placed and circulated in the EU market consists of EU Regulation 1223/2009, which provides for a centralised notification procedure before the circulation of the products in the market and further streamlines the framework for all operators in the sector. In addition, under the Greek legislative framework, Ministerial Decision A6/2880/1980 provides for specific rules on good manufacturing practices and control of cosmetics specifying the requirements cosmetic manufacturers shall comply with.

As regards isopropyl alcohol (also called isopropanol), the imposition of excise duty and its exemption procedure, the National Customs Code and Ministerial Decisions 811/337/2008[22] and 812/338/2008[23] constitute the main regulatory framework. These regulations set out the terms and conditions for the denaturation establishment and function of tax warehouses of isopropyl alcohol either domestically produced or coming from EU countries.

Detergents

Selling detergents in bulk

Description of the provisions

According to Article 84 paragraph 3 of Ministerial Decision A2/718/2014 on Rules for the supply and distribution of products and the provision of services,[24] selling detergents and cleaning products in bulk is forbidden and is subject to penalties (see paragraph 5 of Article 84). Since there is no clarification in the Ministerial Decision or in any other piece of relevant legislation, this prohibition seems to cover both wholesale and retail trade of detergents.

Objective of the provisions

There is no official recital. However, following communication with the GCSL, it is OECD's understanding that this provision aims to facilitate the control of detergent quality on grounds of consumer protection and traceability, since it is more difficult to control the composition and quality of chemical products traded in bulk. Additionally, packaged goods are easily classified and labelled.

Harm to competition

In general, the prohibition of wholesale trade of detergents in bulk restricts the ability of companies to exploit economies of scale and raises the cost of operations, potentially leading to higher consumer prices. Moreover, EC regulations do not forbid the trading of detergents in bulk, but introduce provisions in order to safeguard consumer protection. In particular, Regulation 648/2004, when referring to the necessary information that has to be labelled on the packaging, indicates that the same information must

appear on all documents accompanying detergents transported in bulk.[25] It is, therefore, evident that the EU legal framework does not restrict the selling of detergents in bulk, as long as the necessary conditions are met. The national legislation may therefore create regulatory uncertainty.

Recommendation and benefits

Given the considerations above, we recommend **abolishing the restriction of trading in bulk** for the case of wholesale trade, as long as accompanying documentation is available. As a result, suppliers will be able to exploit economies of scale and benefit from reduced costs.

Licensing of detergent manufacturers

Description of the provisions

The legal framework for manufacturing facilities of detergents is regulated by Ministerial Decisions 1233/1991 and 172/1992 on the Registration System for detergents and cleaning products. These Ministerial Decisions introduce the obligation for manufacturers of detergents to obtain a special licence from the GCSL and set out the conditions for the issuance of such a licence. The justification for such restriction is public health and the protection of the environment.

In the relevant legislation the following restrictive provisions have been identified.

- Article 6 paragraph 4 of Ministerial Decision 1233/1991 and 172/1992 regulates minimum square metres of the premises of the industries or professional laboratories where the manufacture of detergents takes place. More specifically, this provision requires a surface of at least 100m^2 for each establishment, as a prerequisite for the operator to be granted the necessary operation licence.

- Article 6 paragraph 6 of Ministerial Decisions 1233/1991 and 172/1992[26] sets out that the special licence granted by the GCSL will be abolished or revoked if the ownership status of the manufacturing facility changes.

The objective of these provisions is not clear, since there are no official recitals. However, following communication with the GCSL, the OECD has concluded that:

- Article 6 paragraph 4: the minimum surface guarantees an adequate space where all activities can take place for health and safety reasons, as well as to guarantee the quality of the product;

- Article 6 paragraph 6: the objective is to safeguard against the illegal operation of a manufacturing facility by any legal or natural person who is not the owner.

Harm to competition

From a competition point of view, a minimum -surface requirement imposes an extra cost and may discourage potential entrants, thus acting as a barrier to entry in the market, especially for small-scale operators. Even if this minimum requirement is not that restrictive, since the threshold is low, the provision does not appear necessary. The operator's liability is sufficient to ensure all health and safety requirements, and these can be safeguarded by other means. For example, the authorities have the power to inspect premises ex post and so ensure that health and safety requirements are met.

The revocation of licences in the case of ownership changes may cause harm to competition, since it restricts entrepreneurship and business strategies. In particular, it may discourage operators from entering or exiting the market, in their search for profitable investments. The obligation to re-issue the special licence in case of change of ownership status is disproportionate, as the production facilities are not altered.

Recommendations and benefits

The OECD recommends:

- abolishing minimum dimensions, in order to give greater flexibility to potential investors, and possibly encourage entry;
- abolishing the ownership rule since it goes beyond what is necessary to achieve the policy maker's objective. However, a notification procedure to the competent authority in case of change in the ownership status of an enterprise could be established. As a result, operators will avoid unnecessary costs and procedures.

Withdrawal of detergents from the market

Description of the provisions

According to Article 1 paragraph 1 of Joint Ministerial Decision 381/2005 on the Determination of competent authority and of the control mechanisms, fees and penalties for the application of EU Regulation 648/2004 on detergents,[27] the Directorate of Raw Materials and Industrial Products of the GCSL is the competent authority for the application of Regulation 648/2004 on detergents. Article 3 paragraph 4 foresees that if a detergent is not in compliance with the provisions of Regulation 648/2004, the Directorate of Raw Materials and Industrial Products should withdraw from the market the detergent in question. Therefore, seizure and withdrawal decisions concerning detergents are issued by the Directorate of Raw Materials and Industrial Products.

There is no official recital for this provision. However, it is the OECD's understanding that it aims to protect public health and the environment by allocating responsibility of controls of detergents circulating in the market to the competent Directorate of the GCSL. Compliance with the European and Greek legislative framework is ensured through market inspections implemented by the competent national authorities.

Harm to competition

Following communication with the Directorate of Raw Materials and Industrial Products of the GCSL, the OECD understands that decisions about the withdrawal of detergents from the market are currently not published or made public, and only the company that produces or imports the product in question is notified. This limits information available to consumers, as well as their ability to decide from whom to purchase. This is especially important when products are withdrawn on the grounds of protecting public health. Finally, publication of product-withdrawal decisions is extremely important, since it promotes transparency and fosters competition.

Table 5.1 shows that both withdrawal decisions and non-compliant samples of detergents and cleaning products have been reduced, in absolute terms, during the period 2013-2015.

Table 5.1. **Withdrawal decisions for detergents and cleaning products by the GCSL (2013-2015)**

	2013	2014	2015
Samples	205	172	118
Non-compliant samples	78	41	36
Percentage of non-compliant samples	38.0%	23.8%	30.5%
Inspections	162	172	129
Products checked	587	799	586
Withdrawal decisions	73	36	27

Source: Annual Activity Reports, GCSL of Greece.

Recommendation and benefit

The OECD recommends that decisions of the Directorate of Raw Materials and Industrial Products of the GCSL on withdrawal of detergents should be made public, in order to foster consumer protection, transparency and competition. Other national bodies and authorities competent for the circulation of products in the market, which carry out inspections and have the authority to withdraw tested products if not found appropriate to circulate, already publish their decisions, either on their websites, i.e. National Organisation for Medicines (EOF) or as press releases, i.e. National Food Authority (EFET). In all cases, the objective is consumer protection and better comparative decision making between products, by delivering the information consumers would value.

Biocides

Introduction

Annex V of EU Regulation 528/2012[28] concerning the making available on the market and use of biocidal products, distinguishes between 22 product-types of biocides. According to Article 81 of that Regulation, Member States shall designate a competent authority, or competent authorities, responsible for its application. They should have a sufficient number of suitably qualified and experienced staff so that the obligations laid down in the Regulation can be carried out efficiently and effectively.

Greece has divided the competency for biocides between two national authorities, the National Organisation for Medicines and the General Directorate of Sustainable Plant Production of the Ministry of Rural Development and Food. This is mainly due to historical reasons. Disinfectants or personal and pet hygiene products, which under the current EU legislation are categorised as biocidal products, have fallen under the competency of the National Organisation for Medicines since its establishment in 1983,[29] while the Ministry of Rural Development and Food has been responsible for the licensing and control of pest-control products (rodenticides, vermicides, insecticides, etc.), since 1977, as introduced by Law 721/1977.

Description of the provisions

Both national and EU legislation require an authorisation procedure for making biocides available on the market and their use. Biocides that fall under the jurisdiction of the National Organisation for Medicines are authorised pursuant either to Regulation 528/2012 or Ministerial Decision 7723/1994,[30] whereas those that fall under the jurisdiction of the Ministry of Rural Development and Food are authorised in accordance with either to Regulation 528/2012 or Law 721/1977.[31]

All these procedures require an application accompanied by supporting documents, e.g. identification and contact details of the person responsible for the circulation of the product; chemical and technical characteristics of the product; and trade name of the product, etc. It should also be noted

that neither the EU nor the Greek legal framework for biocides sets any restrictions on the use of the trade name of the product in relation to the active ingredient it contains.

When considering applications for the authorisation of biocides, the National Organisation for Medicines does apply a combination of pharmaceutical provisions, in order to prevent producers from marketing products with different qualitative chemical composition in terms of active ingredients under the same brand name ("umbrella branding" or "family branding"[32]). Specifically, the National Organisation for Medicines applies Article 10 paragraph 2 of Legislative Decree 96/1973[33] on the marketing of pharmaceutical products to biocides, according to which the brand name of a pharmaceutical product must mandatorily change upon any amendment in the active substance. Moreover, the National Organisation for Medicines applies Joint Ministerial Decision Δ.ΥΓ3α/Γ.Π.32221/2013[34] on the production and circulation of medicinal products for human use when evaluating dossiers for authorisation of biocides and more specifically the following provisions:

- Article 2 recital 23 on the name of the medicinal product, according to which the name given to a medicinal product may be either an invented name or a common or scientific name, together with a trademark or the name of the manufacturer; the invented name shall not be liable to confusion with the common name; and
- Article 9 paragraph 3 on the application for authorisation, according to which the application shall be accompanied by the following particulars and documents, among others: "(b) name of the medicinal product".

According to the National Organisation for Medicines, since the authorisation is unique for each product, the trademark accompanying the product, as part of its authorisation documents, is also unique. Therefore, biocidal products with different qualitative chemical composition in terms of active ingredients cannot circulate under the same brand name. The OECD team understands that this is a new interpretation of the legislation and that new products are not being authorised under the same brand name.

Objective of the provisions

It was not possible to identify the objective of these specific provisions through the official recital. However, following communication with the National Organisation for Medicines, the OECD understands that the objective of these provisions is to avoid consumer confusion over different biocidal products circulating under the same brand name, and so to protect public health.

Harm to competition

If these provisions are interpreted as completely preventing umbrella branding, then they could hamper suppliers' ability to compete and prevent them from exploiting economies of scope in advertising. Developing a brand name usually involves significant advertising expenses, so if a company cannot use the same brand name on slightly different products with small additions (such as the clarification that the product is to be used for hands or for the floor), it will have to invest more in brand development.

In addition, products authorised until recently were allowed to bear the same brand, despite their different chemical composition. The new interpretation of the provisions would block the entry of new products and possibly discriminate against some suppliers over others.

Box 5.1. **Umbrella branding**

Umbrella branding, also known as family branding, is a type of marketing tactic which involves the use of one brand name for the sale of several related products. For example, a company may use one brand to market soap, lotion, hair shampoo and nail polish, instead of creating a different brand name and identity for every product.

Extending brands beyond the original product category is perceived to have various advantages.

First, it is considered to be more profitable, as it requires lower expenses such as advertising costs, trade deals, and price promotions. Umbrella branding is a form of economies of scope, as it economizes on the costs of creating a new brand (Cabral, 2007). At the same time, it also lowers the risk for firms in introducing new products, increasing product variety for consumers.

Second, umbrella branding tends to incentivise the brand owner to sustain consistent quality, alleviating producer moral hazard issues (Andresson, 2002; Cabral, 2007). Firms may hesitate to offer low-quality products as these may harm the brand's overall image.

Third, umbrella branding can help consumers in their decision-making for new products when quality information is missing. Consumers make inferences from the characteristics observed in one product, particularly with respect to quality, to form their expectations of the characteristics of others products under the same umbrella brand (Hakenes and Peitz, 2008).

Fourth, umbrella branding can have pro-competitive effects and result in lower prices, under certain conditions. The main intuition behind this result is that if switching costs are relatively low, the strategic effect of attracting and retaining customers in a competitive market can outweigh the "harvest" incentive that firms may have to extract a larger consumer surplus from consumers of a product under the umbrella brand (Dube, Hitsch and Rossi, 2009).

Sources: *http://definitions.uslegal.com/f/family-branding/.* Andersson, F. (2002), "Pooling Reputations," International Journal of Industrial Organization, 20(5), 715-730. Dube, J.P., G.Hitsch and P.Rossi (2009), "Do Switching Costs Make Markets Less Competitive?", Journal of Marketing Research, Vol. 46, No. 4, p. 435. Cabral L. M. B. (2007), "Optimal brand umbrella size. Technical report", New York University. Hakenes H. and M. Peitz (2008), "Umbrella branding and external certification", Preprints of the Max Planck Institute for Research on Collective Goods, Bonn.

Furthermore, these provisions create differential treatment between biocides authorised by the National Organisation for Medicines and those authorised by the Ministry of Rural Development and Food, since the latter body does not apply these provisions or any other regulation that impedes the authorisation of biocides with different qualitative chemical composition in terms of active ingredients under the same brand name.

The differential treatment of biocidal products depending on the competent authority can also be observed in other issues, such as control mechanisms, manufacturing practices, and duration of the approval procedure.

The European legal framework on biocides leaves it up to member states to decide whether competencies are best split or exercised by one competent authority. However, best practice suggests that there should be a single supervising authority for biocides, instead of responsibilities being split between two different authorities.

Table 5.2 shows that 22 out of 31 member states of the European Chemicals Agency have only one competent national authority for the application of the Regulation on biocidal products and that only nine member states, among them Greece, have more than one competent national authority. In these cases, the combination of competent national authorities varies; for example, in Lithuania, Portugal and Spain, competency is split between Ministries of Health and Agriculture.

Table 5.2. **Competent authorities for biocides**

	Member states	Number
One competent authority for biocides	AT, BE, BG, CH, CY, CZ, DK, EE, FI, FR, HR, IE, IS, IT, LV, MT, NO, PL, SE, SI, SK, UK	22
More than one competent authority for biocides	DE, EL, ES, HU, LT, LU, NL, PT, RO	9

Source: European Chemicals Agency, *https://echa.europa.eu/contacts-of-the-member-state-competent-authorities.*

Recommendation and benefit

The National Organisation for Medicines should halt applying these provisions to biocidal products and allow suppliers to use the same brand name for different products, if their specific uses are clearly shown. As a result, suppliers will be able to reduce marketing and advertising costs and have more efficient positioning of their products. This could lead to increased competition between suppliers, as well as lower prices and greater choice and variety for consumers.

Plant protection products

Requirement for responsible scientist and prescription system

Description of the provisions

Provision (a): According to Article 35 paragraph 1a of Law 4036/2012, wholesale and retail trade of plant protection products can take place following a notification procedure only in specialised stores that comply with specific requirements set out in the law and which operate with a "responsible scientist". Paragraph 1b of the same article sets special requirements for the "responsible scientist" (e.g. he or she must hold a university degree in a relevant specialisation obtained from an EU or third-country university). Moreover, paragraph 1c foresees that the sales of plant protection products can be executed by either the "responsible scientist" or an "employee-salesperson"; the latter should either comply with the requirements of responsible scientist or be the holder of a professional certificate for trading on plant protection products, according to EU regulatory requirements (i.e. EU Directive 2009/128, Article 5). Finally, according to paragraph 4 of this Article, either the "responsible scientist" or the "employee-salesperson" should be present at the time of selling of plant protection products (in line with EU Directive 2009/128, article 6 par. 1).

Provision (b): Article 35, paragraph 5 of Law 4036/2012 sets out the prescription as a prerequisite for the selling of plant protection products. The prescription is issued by a scientist/professional who meets the criteria to become a "responsible scientist", but is not necessarily the one notified for the trading store that sells the products in question. Also, responsible for the proper execution of the prescription at the trading store is the "responsible scientist" and/or the "employee-salesperson" (Article 35 paragraph 1 d of Law 4036/2012). It is noted that Ministerial Decision 9497/104760/2014[35] provides the legal framework for the prescription for the use of plant protection products and, in particular, Article 3 foresees an electronic system. However, this system is not yet in force.

Provision (c): Article 7 of Presidential Decree 159/2013, provides for the requirements for notification of wholesale trade enterprises of plant protection products, which to a great extent coincide with the requirements for notification for retail enterprises (Articles 5 and 6). More precisely, for the case

of both natural and legal persons, this article foresees that the "responsible scientist" can be notified for no more than one store and physical and continuous presence at the establishment is required. Moreover, concerning legal persons, the "responsible scientist" notified, if not an employee, must participate in the capital share of the company with a minimum share of at least 20%.

Objective of the provisions

Provision (a): According to the official recital, the objective of the provision is to set requirements for the wholesale and retail trade of plant protection products. Following further communication with the Ministry, the OECD understands that another objective is the secure sustainable use and storage of plant protection products, so as to reduce the risks and impact on human health and the environment, as stated by EU Directive 2009/128. These products should therefore be traded with caution and the notification of a "responsible scientist", as well as the presence of the latter or an "employee-salesperson" at the time of selling in specialised stores guarantees their proper use. This provision is also in line with EU Directive 2009/128.[36]

Provision (b): The provision introduces a prescription system in order to assure the proper use of plant protection products. This provision is also in line with Articles 1, 3 and 14 of EU Directive 2009/128 on sustainable use of pesticides.[37]

Provision (c): There is no official recital. However, following communication with the Ministry, these requirements were introduced in order to secure the sustainable use of plant protection products, thus reducing the risks and impact on human health and the environment, as EU Directive 2009/128 dictates. The notification of a "responsible scientist" guarantees that these products are traded with caution. Furthermore, the requirement for participation in the capital share of the company with a minimum share of at least 20% is introduced for control purposes, in order to ensure responsible scientist's active involvement in the company and the trading of plant protection products. The provision also foresees an alternative; an employment contract between the "responsible scientist" and the undertaking that also serves control purposes and guarantees physical and continuous presence of the "responsible scientist" at the establishment.

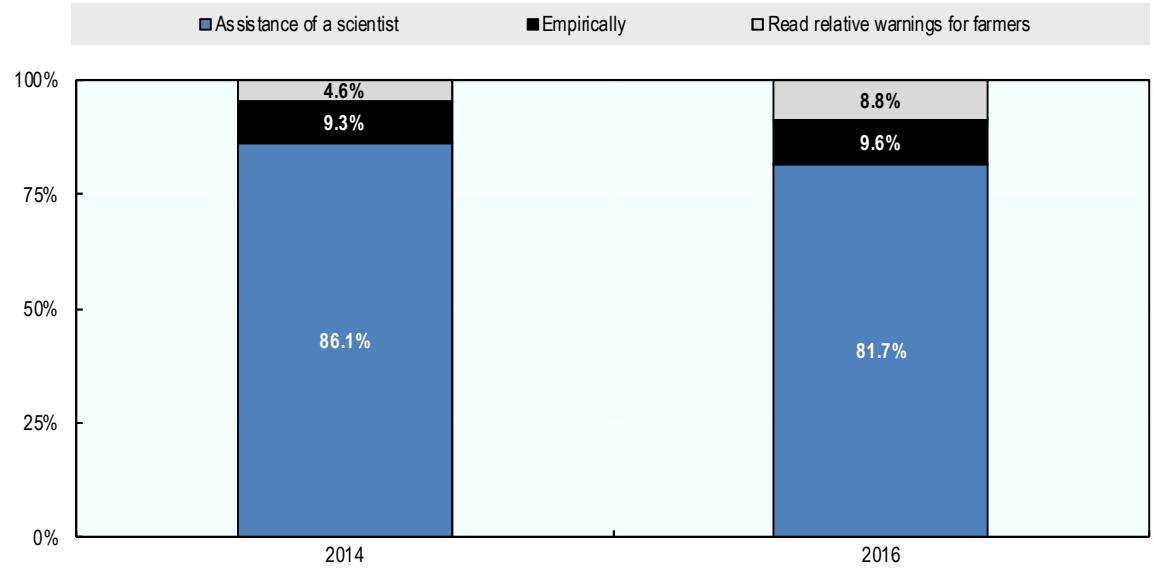
The importance of appropriately educated or trained personnel being involved in the trading of plant protection products can also be supported by the data.

Figure 5.4 shows that more than 80% of professional users follow the advice of a scientist on the use of plant protection products.

Participation of professional users in training programmes has improved over time, but over 50% of farmers have still not yet received any kind of training with respect to plant protection products (Figure 5.5).

Lastly, according to data from the Ministry of Rural Development and Food, there were 922 poisonings from plant protection products in 2012 and 2013 (combined) and 387 poisonings in 2014. Figure 5.6 depicts that the majority of poisonings occur during professional use.

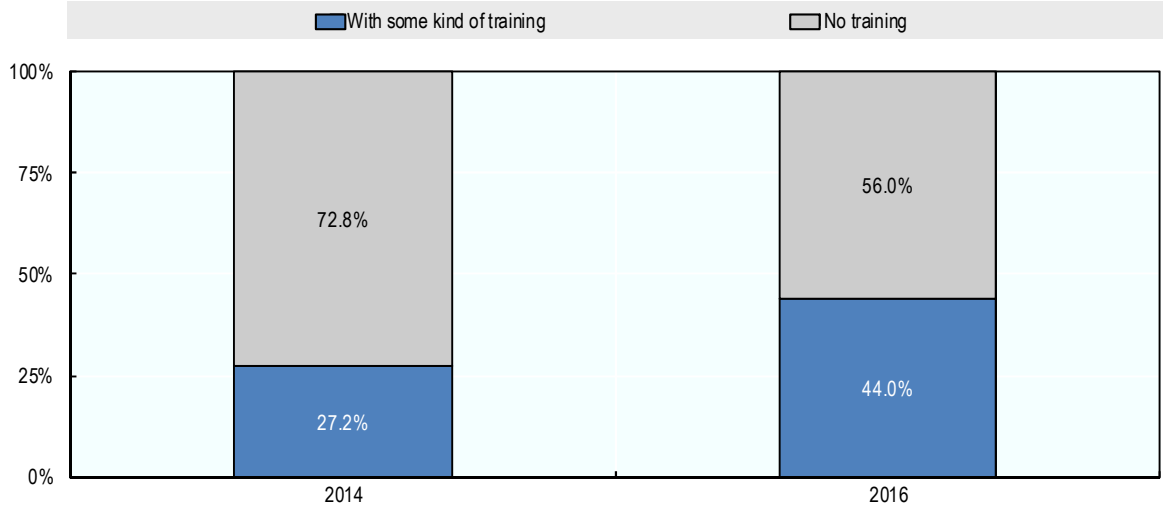
Figure 5.4. **Share of decision-making process in the correct use of a plant protection product (2014, 2016)**



Notes:
"Assistance of a scientist" includes employee at a specialised store, consultant, or other. Percentages may not always add up due to rounding.
Annual survey conducted by the Ministry of Rural Development and Food. In 2014, sample size was 2 815 professional users; in 2016, it was 3 190 professional users. *www.minagric.gr/index.php/el/for-farmer-2/crop-production/fytoprostasiamenu/elenxoifitoprostateytikonmenu/540-statistika-fytorosta.*

Source: Annual survey on sustainable use of plant protection products, Ministry of Rural Development and Food.

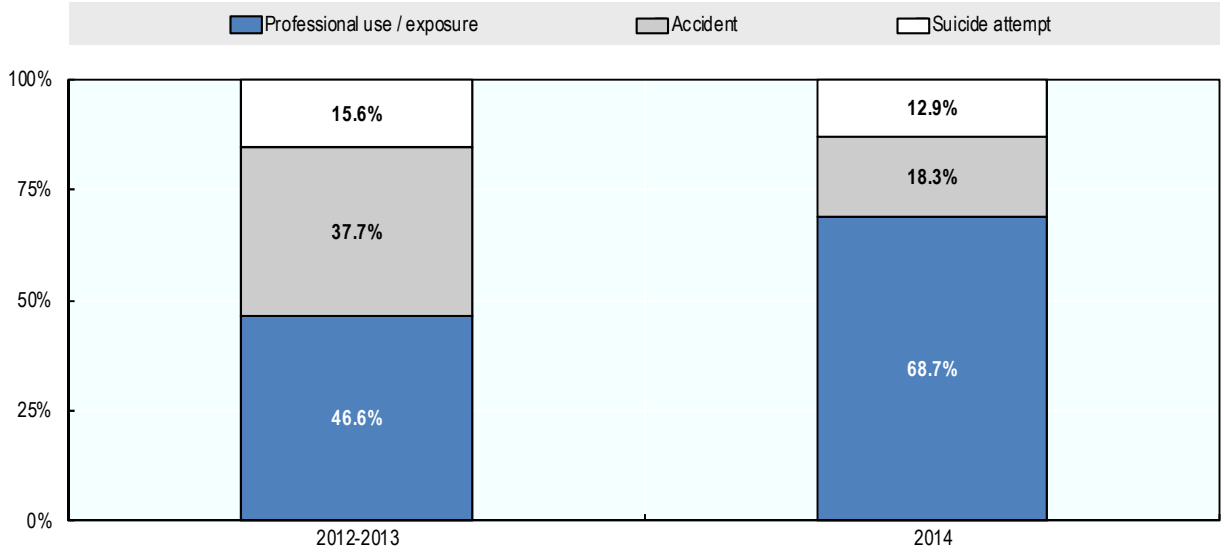
Figure 5.5. **Share of professional users with training on use of plant protection products (2014, 2016)**



Note: Annual survey conducted by the Ministry of Rural Development and Food. In 2014, sample size was 2 815 professional users; in 2016, it was 3 190 professional users. *www.minagric.gr/index.php/el/for-farmer-2/crop-production/fytoprostasiamenu/elenxoifitoprostateytikonmenu/540-statistika-fytorosta.*

Source: Annual survey on sustainable use of plant protection products, Ministry of Rural Development and Food.

Figure 5.6. **Structure of poisonings from plant protection products by cause (2012-13, 2014)**



Note: Percentages may not always add up due to rounding.

Source: Ministry of Rural Development and Food, *www.minagric.gr/images/stories/docs/agrotis/Georgika_Farmaka/elenxoi/ENHMERWSH_KOINOY_OXEIA_DHLHTHRIASH220416.pdf.*

Harm to competition

Provision (a): No harm to competition has been identified, since the requirements set are proportionate to the objective of safeguarding proper distribution and use of plant protection products.

Provision (b): This provision causes no harm to competition. The implementation of the prescription system, as well as the requirement for a scientist/professional, in order to prescribe plant protection products, is justified.

Provision (c): The provision that restricts the ability of notifying the "responsible scientist" in more than one store is superseded, since the previous regime, according to which the sales of plant protection products could only be executed by a "responsible scientist", was abolished. More specifically, Law 4036/2012 was amended in 2014 (Article 44, paragraph of Law 4235/2014[38]), allowing for an employee-salesperson to also execute sales. Therefore, the provision that demands the notification of a "responsible person" for each trading store, in order to ensure his/her presence at the time of sales, goes beyond what is necessary. In addition, the requirement for the participation of the responsible scientist with at least 20% capital share in the trading company restricts business practices. Finally, the provisions on physical and continuous presence of the responsible scientist both for natural and legal persons are also inactive, since the employee-salesperson that can also execute sales was introduced in 2014.

Recommendation and benefits

Provision (a): No recommendation for change is made for the specific provisions.

Provision (b): Recommendation to start enforcing use of the electronic prescription system, which is expected to guarantee safe and sustainable use of plant protection products.

Provision (c): Abolish the requirement of the notification of a responsible scientist for not more than one store, since it is superseded by the current legislative framework, and thus eliminate sources of regulatory uncertainty. Moreover, abolish the minimum capital share requirement, as well as the requirement for the physical and continuous presence of the responsible scientist. The partnership or work relationship between the responsible scientist and the trading company should be more flexible and correspond to the needs of the contractual parties, in the light of the introduction of the "employee-salesperson" who can also execute sales.

Storage requirements

Description of the provisions

The legal framework for storage requirements of plant protection products by wholesale trade enterprises is set by Article 11 of Presidential Decree 159/2013.[39] In particular, the following provisions have been identified.

- Paragraph 1a sets out minimum square metres for the premises of storage facilities. More specifically, it requires that each storage facility has a surface of at least 100m^2 and be located only on the ground floor.

- Paragraph 1e states that extra storage can only be established in a basement or a half-basement.

In addition, other requirements in Presidential Decree 159/2013 focus on the characteristics of the ventilation systems; fireproofing and safety; construction materials of floor and shelves; special storage rooms for unsuitable products; separate and secure storage (classified by category) to other agricultural inputs; and proper labelling.

The provision aims to meet the conditions set out in Article 13 of Directive 2009/128, which states that, "Member States shall ensure that storage areas for pesticides for professional use are constructed in such a way as to prevent unwanted releases; particular attention shall be paid to location, size and construction materials", taking into account that plant protection products are chemicals and flammable.

Harm to competition

Restrictive surface and floor building requirements may act as barriers to entry and constrain suppliers' strategy and business practices, discouraging potential entrants and possibly reducing the number of suppliers. While the OECD understands from the competent authorities that the requirements are not considered restrictive for current participants, they may limit future entry.

Based on international practice, the OECD understands that other Member States do not impose minimum surface requirements. The same applies to floor requirements; e.g. in Italy,[40] a provision states that the trading store must not be located in underground or basement floors (the contrary to Greek legislation).

Generally, other Member States and accepted international practice place the emphasis on other qualitative characteristics for securing safe and proper storage of products, and *not* on surface area and floor building requirements.

Recommendation and benefit

Abolish minimum dimensions and floor restrictions for both operation and extra storage to allow new entrants to freely choose their locations, on the condition that all other qualitative characteristics of wholesale-trade facilities are met (e.g. ventilation system, fireproofing and safety, separate and secure storage). More emphasis should be placed on targeted controls.

Box 5.2. **Storage requirements of plant protection products**

Ireland

There are a number of general building-related requirements (e.g. stores can be adjacent to buildings, be attached to other buildings or comprise compartments within buildings, but must either have separate entrances or exits to the exterior, and stores must not have residential accommodation over storage areas). In addition, other requirements exist in relation to site selection, storage capacity, storage cabinets and cages, design and construction of floors, walls, roofs, rainwater systems, bunds, doors, emergency exits, windows, lighting, heating and electrical fittings, and ventilation facilities.

United Kingdom

Stores may range from major buildings or stores within buildings to small self-contained or prefabricated stores including suitable chests, bins or vaults, or vehicles used for storage. In all cases, stores should be:

- suitably sited;
- of adequate capacity;
- soundly constructed of fire-resistant materials;
- provided with suitable access and exits (this excludes chests bins and vault-type storage);
- capable of containing 110% of the total amount of pesticides likely to be stored at any time (or 185% in "pollution risk or environmentally sensitive areas");
- dry and protected from frost;
- well-lit and ventilated;
- marked with appropriate warning signs and secured against theft and vandalism;
- equipped, organised and staffed to accommodate intended contents.

Belgium

A checklist form is used to control the following characteristics: separate and locked storage of plant protection products, proper ventilation, good condition and cleanness of storage room, as well as proper warning signalling.

Sources: Ireland, Irish Agricultural Supply Industry Standards (2013), "Requirements for the Design and Construction of Pesticides Stores", *www.pcs.agriculture.gov.ie/sud/pesticidedistributors/distributionstoresandsalesdisplayareas;* UK, Department for Environment, Food and Rural Affairs, "Code of Practice for suppliers of pesticides to agriculture, horticulture and forestry", *www.hse.gov.uk/pesticides/resources/Y/yellow_code.pdf,* p. 28-29; Belgium, Agence fédérale pour la sécurité de la chaîne alimentaire, "Détention de pesticides, pulvérisateurs" *www.favv-afsca.be/checklists-fr/_documents/FAVVChecklist-2438v1fr.pdf.*

Fertilisers

Responsible scientist

Description of the provisions

According to Article 47 of recent Law 4384/2016[41], trading enterprises of fertilisers are required to employ a responsible scientist, who must meet specific requirements, on a full-time dependent work contract at each of its establishments.

The objective of this provision is that the responsible scientist ensures the correct use of fertilisers (which not only are chemical products, but can also have potentially explosive properties, such as those of ammonium nitrate) and minimises the risk of environmental burden and degradation (e.g. nitrate pollution, eutrophication).

Under the provisions of Law 4152/2013,[42] which was previously in force, micro[43] or small fertiliser trading enterprises could employ responsible scientists on a part-time basis to reduce labour costs. In addition, Joint Ministerial Decision 4166/51687/2014[44] and Presidential Decree 159/2014[45] specified the details of part-time employment in these cases and the appropriately trained personnel who should be employed additionally.

This was preceded by Hellenic Competition Commission Opinion 19/VI/2012,[46] which considered that the full-time employment of the responsible scientist was disproportionate to the objective in the case of small and micro size enterprises, and suggested part-time employment.

Harm to competition

The presence of a responsible scientist during the operation hours of the business is justified to achieve the policy objective. However, a full-time dependent work contract may raise the cost of operation (labour cost) for smaller firms, which may not operate full-time; thus this requirement may act as a barrier to entry for smaller operators, while not necessarily achieving the policy maker's objective.

Recommendations and benefits

Abolish the requirement of the full-time dependent work contract for the responsible scientist, and explicitly repeal obsolete provisions. The responsible scientist is important and should remain as a prerequisite for the notification of operation, in order to ensure proper use of fertilisers and protection of the environment. Nevertheless, suppliers should have the flexibility to decide on the type of employment (i.e. part-time employment), as long as safety objectives are fulfilled.

Permit of operation

Description of the provisions

Law 1565/1985[47] and Joint Ministerial Decision 9748/100747/2012[48] state that the necessary permit of operation for trading enterprises of fertilisers is renewable and has a duration of five years for Type A enterprises (retail traders) and three years for Type B trade enterprises (wholesale and retail traders). According to the relevant Registry[49] of the Ministry of Rural Development and Food, 2,450 Type A enterprises and 220 Type B enterprises are currently in operation. The provisions' objective is to set specific durations of operation, so that the necessary thorough and periodical checks of enterprises' operational requirements can be undertaken.

Harm to competition

These provisions create differential treatment between the two types of trading enterprises, as both can make retail sales, but have different durations for their operational permits. As a result, these provisions may discourage operators to enter the market, particularly as Type B enterprises.

Recommendation and benefits

Align the duration of both permits to five years to remove differential treatment.

Cosmetics

Harmonisation with EU rules

Description of the provisions

EU provides for harmonised rules in the sector of cosmetic products. EU Regulation 1223/2009[50] is the main regulatory framework for the centralised notification procedure[51] (which must be followed before cosmetics can enter the market) and streamlines the framework for all operators in the sector. The National Organisation for Medicines is the competent authority for market surveillance at national level, monitoring compliance with the requirements laid down in the Regulation.

Before the Regulation entered into force in July 2013, the main legislation governing the sector was Directive 76/768/EEC.[52] This Directive was transposed into Greek legislation by Joint Ministerial Decision ΔΥΓ3α/ΓΠ. 132979/2005,[53] which was later updated several times in order to incorporate the amendments of the EU Directive. The Ministerial Decision was last amended in 2011, and so is not in line with Regulation 1223/2009.

In addition, within the Greek legislative framework, Ministerial Decision A6/2880/1980 provides for specific rules on good manufacturing practices and control of cosmetics, which specify the requirements with which cosmetic manufacturers must comply. However, under the EU Regulation, it is ISO 22716 on Good Manufacturing Practices (GMP) – Guidelines on Good Manufacturing Practices, published in 2007, that provides for the relevant European harmonised standard for the GMP requirements of the Regulation.[54]

Harm to competition

Since EU Cosmetics Regulation is now applicable, existing Ministerial Decisions are not applicable in practice and may cause uncertainty as to the regulatory framework governing good manufacturing practices of cosmetics. These provisions therefore could deter new entrants and act as a barrier to entry.

Recommendation

Both Ministerial Decisions should be explicitly abolished, in order to eliminate sources of regulatory uncertainty. Any new Ministerial Decision issued in the context of the national framework should be in line with the provisions of EU Regulation 1223/2009.

Borderline products

Description of the provisions

According to Circular 92428/2009[55] issued by the National Organisation for Medicines regarding the legal circulation of cosmetic products, labelling and packaging leaflets of cosmetic products must not include claims on antibacterial, antimicrobial or antiseptic use. Any such terms should be removed from the labelling and package leaflets of cosmetics. In case suppliers wish to market their products with antibacterial, antimicrobial or antiseptic claims, they must apply for a market authorisation pursuant to the biocides regulatory framework. The Circular refers to and interprets the requirements set out in Ministerial Decision ΔΥΓ3α/ΓΠ.132979/2005.

Innovation in cosmetics has led to "borderline" products that combine cosmetic and biocidal characteristics and so cannot be easily categorised. Drawing a clear borderline and defining a classification of products falling into the scope of Cosmetic Products Regulation 1223/2009 or the

Biocidal Products Regulation 528/2012 is crucial for the proper implementation of Regulations by the competent national authorities. After several cases of borderline products were identified, the EU Commission has provided guidance documents on the relevant applicable framework.[56] According to Commission guidance, the categorisation can be accomplished through the detailed definition of the products under classification, with emphasis given on the purposes of their use.

The definitions of cosmetic and biocidal products are provided in the relevant EU frameworks governing each sector. The EU Cosmetics Regulation states that products with a mainly or exclusively cosmetic purpose should be classified as cosmetic products and so fall under the requirements of the Cosmetic Products Regulation 1223/2009. This allows for secondary biocidal claims in cases where the primary function of the product is cosmetic, but clearly states that the assessments of whether a product is a cosmetic product has to be made on a case-by-case basis, taking into account each product's characteristics.[57] Accordingly, the EU Biocides Regulation recognises that where a product's biocidal function is inherent to its cosmetic function, or where that biocidal function is considered to be a secondary claim of a cosmetic product, the function and the product should remain outside the scope of this Regulation.[58]

Therefore, within the EU framework, a cosmetic product with secondary claims about additional functions of its ingredients not necessarily related to the primary function of the product can circulate in the market. National competent authorities must assess on a case-by-case basis whether a product falls within the scope of the Cosmetics Products Regulation or the Biocides Regulation.

Circular 92428/2009 is intended to help companies intending to market cosmetic products by reminding them of the different market-authorisation procedures to be followed in cases of products classified as cosmetics or biocides.[59] It results, however, in a strict classification of products without taking into consideration the cases of borderline products.

Harm to competition

According to the EU Cosmetics Regulation, a biocidal claim is permitted for cosmetic products provided that the biocidal function is secondary to the cosmetic function. Circular 92428/2009 has the effect of treating interchangeable cosmetic products circulating in the market differently. Greek legislation, unlike EU regulation, does not recognise products' primary and secondary functions, resulting in regulatory uncertainty with regard to their legal circulation in the market. The provision may constitute a barrier to entry for new suppliers wishing to place their products in the Greek market and so limit the variety of cosmetic products available to consumers.

Recommendation

Circular 92428/2009 issued by the National Organisation for Medicines should be rephrased to bring it into line with the EU legislative framework. The primary and secondary functions of products should be recognised as foreseen in the EC Note for Guidance CA-Jul 13-Doc.5.1.h and relevant EU documents concerning borderline products. In addition, any references to the Ministerial Decision ΔΥΓ3α/ΓΠ. 132979/2005 should be eliminated from Greek legislation.

Levy of 1% on the wholesale price of cosmetics

Description of the provisions

Law 1316/1983 assigned the responsibility of the market surveillance of cosmetic products to the National Organisation for Medicines. To cover the associated costs, it imposes a levy of 1% on the wholesale price of cosmetics, payable by companies operating in the sector and based on the value of

their sales.[60] The National Organisation for Medicines Circular 13898/2011 provides practical guidance on the relevant legal provisions. The levy must be paid on a monthly basis to the National Organisation for Medicines by persons in Greece or abroad (another Member State or in a third country) responsible for placing cosmetic products on the Greek market.

Compliance with EU Cosmetics Regulation is controlled by national competent authorities in EU Member States. It is accepted that legislation may levy fees intended to cover the costs of the tasks carried out by these agencies. According to the National Organisation for Medicines, the 1% levy is used to fund the costs of market surveillance and so must be directly related to the specific verification procedures undertaken by the Organisation for products circulating in the Greek market.

Box 5.3. **Cosmetics notification fee in Sweden**

The Swedish Medical Products Agency's (SMPA) provisions on cosmetic products (*Läkemedelsverkets föreskrifter (LVFS 2013:10) om kosmetiska produkter*) specify the procedure and the costs related to the circulation of cosmetics products in Sweden. It states that fees payable to the Agency are used to cover the costs incurred by its surveillance of cosmetic products.

For the purposes of fee payment, the SMPA categorises the companies operating in the cosmetics sector into two categories. The first includes the manufacturers of cosmetics, importers, distributors changing cosmetics or other designated responsible persons. These companies are obliged to notify to the Cosmetic Product Notification Portal (CPNP) their products and pay two fees: a lump-sum annual fee of SEK 4 000 (€427) and an annual fee for each product of SEK 600 (€63) (up to 200 products). The second category includes only distributors that do not have to alter the product to fulfil Swedish labelling requirements. These companies are not obliged to notify to the CPNP, but they are required to pay an hourly fee of SEK 750 (€79) for the actual surveillance work. Alternatively, they are given the option of joining the first category (and its fee structure) on the condition that the product is voluntarily notified to the SMPA at the time surveillance work begins.

The notification of cosmetics to the SMPA became optional and voluntary from the 11 July 2013. The possibility of notifying cosmetics described above is voluntarily and may be alternatively done directly in the CPNP.

Exchange rate: EUR 1 = SEK 9.538, *www.ecb.europa.eu/stats/exchange/eurofxref/html/eurofxref-graph-sek.en.html* (accessed 13 September 2016).

Source: Swedish Medical Products Agency (2016), *https://lakemedelsverket.se/english/product/Cosmetic-products/Legislation/* (accessed 24 August 2016).

Harm to competition

The levy on cosmetics aims to finance the National Organisation for Medicines' work of quality checks and market supervision. Such a levy should be set in a way that does not create perverse incentives for firms' marketing and pricing strategies. The current scheme, requiring companies to pay a fee proportional to their revenues, benefits from the marketing and brand building of the firms. For example, a company that sells a few units of a very expensive cosmetic will pay the same levy as a company that markets various products sold at a low price. Given the market surveillance purpose of the levy, the latter company imposes a much higher burden than the former, as random checks need to be performed across its multiple product lines. The relative higher burden on the more expensive cosmetics (holding sales constant) may distort firms' advertising and pricing strategies as an unintended consequence. Instead, if the levy is proportional to the number of products marketed by each firm and the number of units sold, this would be proportional to the burden imposed on the surveillance authority without affecting the way companies compete in the market.

Recommendation

The administration should consider the introduction of an alternative scheme based on the number of products marketed by each firm and the number of units sold. This way the burden on suppliers will not impact upon their price strategy. The new scheme should be designed in a way that is revenue neutral for the National Organisation for Medicines (i.e. its revenues remain unchanged under the new scheme).

Excise duty on isopropyl alcohol

Introduction

Over the past 20 years, revenues from excise duties in OECD countries have been relatively stable, accounting for about 8% of total tax revenue in 2011 (OECD 2014). OECD notes that there is great divergence between member countries, with excise accounting for 2.8% of total tax revenue in New Zealand and 17.8% in Turkey. In Greece, this percentage is more than 10% of total tax revenue.

While the main characteristics and objectives ascribed to excise duties are approximately the same across EU and OECD countries, their implementation gives rise to significant differences between countries. The aforementioned divergence concerns not only the tax rate imposed on goods, but also the choice of goods on which each member country imposes excise duties. Pursuant to Council Directive 2008/118/EC[61] concerning the general arrangements for excise duty, which repealed Directive 92/12/EEC,[62] EU Member States have the possibility of imposing excise duty on products other than the ones mentioned in the Directive. Based on this discretionary power, Greece chose to impose excise duty on isopropyl alcohol (also known under its chemical name, isopropanol).

Description of the provision and objective

Law 2960/2001,[63] the National Customs Code, introduces an excise duty on isopropyl alcohol of EUR 2.93 per kilogram of net weight whether produced domestically or imported from EU Member States or third countries. Ministerial Decision 811/337/2008[64] elaborates upon this provision and sets down the terms and conditions for the denaturation procedure, as well as the exemption from excise duty of isopropyl alcohol if used as a raw material for industrial purposes. Moreover, Ministerial Decision 812/338/2008[65] concerns the establishment and function of tax warehouses of isopropyl alcohol whether domestically produced or coming from EU countries.

There is no official objective for these particular provisions. In principle, "while the original reason for introducing excise duties was to raise revenue, they are also used to discourage consumption of certain products because they are considered harmful to health or the environment" (OECD 2014). Moreover, the imposition of excise duties on goods reflects countries' policies and governmental objectives. With reference to this specific excise duty, it is the OECD's understanding that the objective is the general legal practice according to which excise duties are imposed on alcohols, except when they are used as raw material for industrial purposes and so denatured.

In particular, alcohol not intended for human consumption is exempt from excise duties (European Commission 2016). However, in order to benefit from this exemption, the alcohol must be denatured in accordance with methods laid down by Ministerial Decisions. Denaturation[66] of alcohol is therefore an important anti-fraud measure that helps prevent the criminal circumvention of excise duties. Denaturation must take place in tax warehouses in order to ensure proper oversight of the process and prevent isopropyl alcohol on which excise duty has not been paid from being released into circulation and illegally sold for consumption.

Box 5.4. **The estimated consumer benefits from removing the tax on isopropyl alcohol**

Isopropanol is mainly used for industrial purposes, typically as raw material for detergents and cleaning products, and is unfit for human consumption. Despite that, legislation in Greece imposes an excise duty on isopropanol. Firms can be exempt only if they follow a specific procedure, called denaturation, in accordance to methods laid down by Ministerial Decisions. It is the OECD's understanding that some firms choose to follow the exemption procedure, which is a costly, administrative complex and cumbersome process, whereas others prefer to bear the cost of the excise duty than follow the exemption procedure. Hence, this excise duty unnecessary raises the marginal cost for the whole industry.

Based on data provided by the Ministry of Finance, Table 5.3 depicts the income from the excise duty imposed on isopropyl alcohol for the years 2005-2015 in Greece. The average annual cost per operator amounts to EUR 4 425, ranging from EUR 1 590 in 2007 to EUR 8 927 in 2015. The fact that some firms prefer to pay the excise duty cost instead of following the exemption procedure indicates that this procedure is significantly more costly than the excise duty cost itself. In what follows, we use the excise duty as a conservatively lower bound of the cost incurred by firms.

Table 5.3 depicts the income from the excise duty imposed on isopropyl alcohol for the period 2005-2015 in Greece. The average annual cost per operator amounts to EUR 4 424.74.

Table 5.3. **Income from excise duty imposed on isopropyl alcohol (2005-2015)**

Year	Income from excise duty imposed (in EUR)	Number of operators that attribute the excise duty
2005	97 695.49	34
2006	106 772.03	37
2007	49 294.91	31
2008	70 468.77	26
2009	82 719.23	23
2010	139 344.32	36
2011	148 390.03	29
2012	119 454.96	22
2013	118 601.83	23
2014	149 858.23	23
2015	178 531.02	20

Source: General Secretariat of Customs and Excise Duties, Ministry of Finance.

The OECD recommends abolishing the provision that introduces excise duty on isopropyl alcohol. Abolishing this provision would lower the marginal cost for all firms. Based on the work of Weyl and Fabinger (2013), the absolute pass-through of an industry-wide marginal cost change *t* can be expressed as:

$$\frac{dp}{dt} = \frac{1}{1 + \theta(1 + \varepsilon_s)}$$

where ε_s is a measure of the demand curvature (technically the elasticity of slope of the inverse demand)* and θ is the conduct parameter that measures the intensity of competition (θ ranges from 0 for the case of perfect competition to 1 in the case of monopoly). Hence, assuming constant marginal costs, a reduction in the tax would translate to a reduction in prices that would range from 100% in the case of perfect competition to 50% in the case of monopoly, with a mid-point of 75% in the case of oligopoly.

The marginal cost reduction, following the excise duty abolition, is assumed at 1%. Following from the above, in the case of perfect competition this would translate into a 1% drop in final prices. In the case of monopoly, this would translate into a 0.5% drop in final prices. In the perhaps more realistic case of oligopoly, the corresponding price drop would be 0.75%.

For the benefit with reference to detergents, one of the main products for which isopropyl alcohol is used, in 2015, detergents manufacturers' sales were EUR 477.4 million. In the case of perfect competition, based on the methodology outlined in Annex A (Box A.2) and assuming an elasticity of demand equal to 2, the change in consumer benefit is estimated to be EUR 4.8 million. In the more conservative case of oligopoly, the consumer benefit is estimated to be EUR 3.6 million (i.e. a 0.75% price drop – assuming a 1% cost reduction and based on a 75% pass-through rate, as explained above).

* This elasticity captures the percentage change in the slope of demand arising from a 1% increase in quantity. It equals zero for linear, positive for concave and negative for convex demand. For our calculations here we assume a linear demand.

Source: Weyl, E. G., and M. Fabinger (2013), "Pass-Through as an Economic Tool: Principles of Incidence under Imperfect Competition", *Journal of Political Economy*, Vol.121, No.3, pp.528-583. Eurostat, Prodcom Annual Data 2015, http://ec.europa.eu/eurostat/web/prodcom/data/excel-files-nace-rev.2 (accessed 24 August 2016).

However, since isopropyl alcohol is already unfit for human consumption and mainly used for industrial purposes, usually as a raw material for detergents and cleaning products, it should not be subject to excise duty in the first place. Particularly as isopropyl alcohol cannot be substituted by other alcohols and cannot be used as consumable alcohol. Therefore, since this substance is mostly used by industry, these provisions introduce an excise on a good that is generally exempt from excise duty.

Harm to competition

From an economic perspective, an excise duty raises the marginal cost of the raw material. The higher cost of the raw material hurts consumers in multiple ways, mostly resulting in higher consumer price and possibly leading to reduction of output for producers and restriction of the market.

The legal framework for the excise duty on isopropyl alcohol provides for an exemption procedure – through denaturation – for industrial users of isopropyl alcohol. Due to the complexity of the denaturation procedure, however, there are manufacturers that prefer to bear the cost of the excise duty rather than follow the exemption procedure. Bigger manufacturers can absorb the cost of the denaturation and exemption procedure and can benefit from the exemption possibility provided by the legislation, whereas smaller manufacturers with less steady production schedules are forced to pay the excise duty. This leads to differential treatment, since it raises costs for some market participants but not others.

Furthermore, domestic Greek manufacturers that use isopropyl alcohol as raw material are at a disadvantage compared to other EU-based manufacturers who are not faced with the excise duty. Another reason is that the denaturation process introduces other components into the isopropyl alcohol (e.g. smelling agent, foul-tasting agent or analytical marker), which changes the composition of the final product. This means that Greek products with isopropyl alcohol domestically produced are not the same as the equivalent ones produced in other EU countries, and that manufacturers operating both in Greece and other EU countries have to alter their international products in order to comply with the Greek legislation on excise duty.

Recommendation and benefits

As well as abolishing the provision that introduces excise duty on isopropyl alcohol, the OECD recommends abolishing the Ministerial Decisions that provide for an exemption, the denaturation procedure, and regulate the function of tax warehouses of isopropyl alcohol. Abolishing this excise duty should result in lower prices as the final industrial product will not be burdened either with excise duty or the cost of the denaturation procedure. It will also lower production costs and increase of the competitiveness of Greek manufacturers using isopropyl alcohol as a raw material. In addition, lowering costs may encourage the entry of more suppliers. The consumer benefit from abolishing this provision is estimated to be EUR 3.6 million annually.

5.2. Electrical equipment

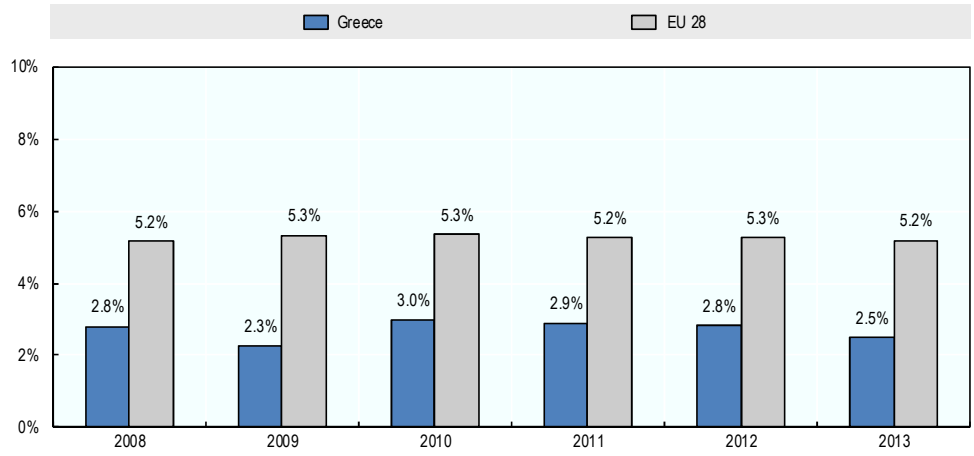
The sub-sector of electrical-equipment products (NACE code 27) includes the manufacture of products that generate, distribute and use electrical power. Examples of such products include electric motors, generators, transformers, electricity distribution and control apparatus, batteries and accumulators, wiring and wiring devices, electrical-lighting equipment, and domestic appliances.

The review of the legislation covered electrical equipment both at manufacturing and at wholesale trade level. Due to a lack of data, the sector overview deals only with the manufacturing level.

Economic overview

Figure 5.7 compares the value added of electrical equipment as a percentage of the total manufacturing in Greece and in the EU[67] for the years 2008-2013. The sub-sector's contribution to the overall manufacturing sector averages 2.7% in Greece, compared to 5.3% at the EU level, during the six-year period 2008-2013.

Figure 5.7. **Value added as a percentage of manufacturing for electrical equipment (2008-2013)**

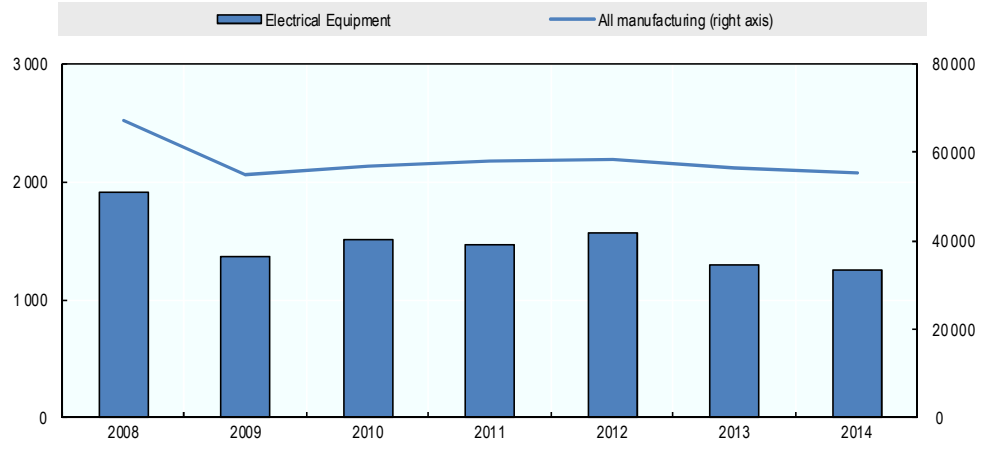


Note: Value added at factor cost

Source: Eurostat, Annual detailed enterprise statistics for industry (NACE Rev. 2, B-E), Database [sbs_na_ind_r2], *http://ec.europa.eu/eurostat* (accessed 24 August 2016).

Figure 5.8 shows the turnover of manufacturing of electrical equipment and manufacturing as a whole for Greece for the seven-year period 2008-2014. The sub-sector's turnover amounts to EUR 1 248 million in 2014, down from EUR 1 911 million in 2008.

Figure 5.8. **Turnover of manufacturing electrical equipment in Greece (2008-2014)**

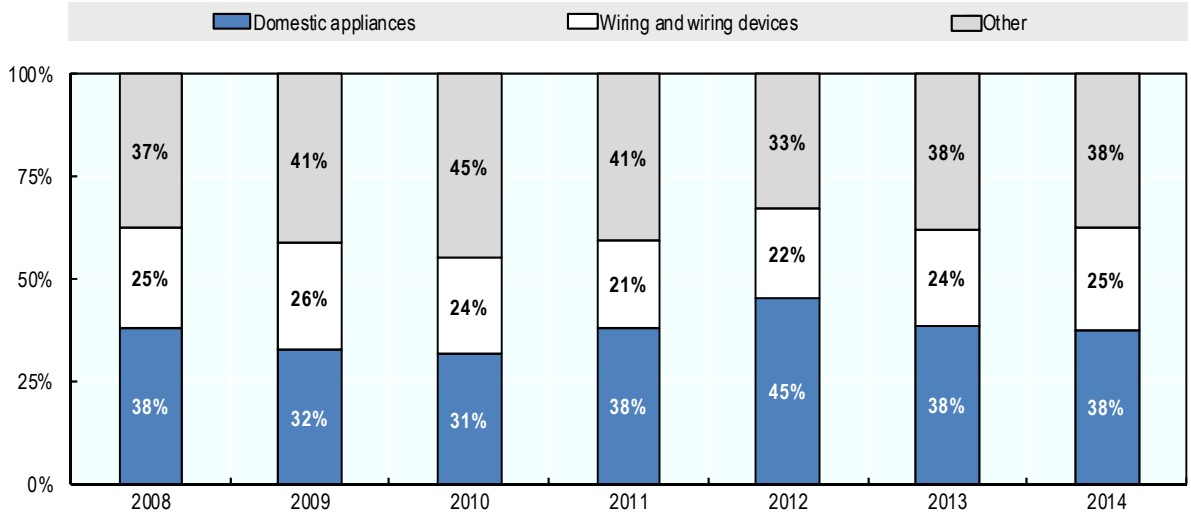


Note: Turnover in EUR millions.

Source: Eurostat, Annual detailed enterprise statistics for industry (NACE Rev. 2, B-E), Database [sbs_na_ind_r2], *http://ec.europa.eu/eurostat* (accessed 24 August 2016).

The majority of total turnover of manufacturing of electrical equipment comes from two sub-categories: "Manufacturing of domestic appliances" and "Manufacturing of wiring and wiring devices" (Figure 5.9). Together they account for more than 55% of total turnover throughout the period 2008-2014.

Figure 5.9. **Share of manufacturing of electrical equipment turnover per category in Greece (2008-2014)**



Note: Percentages may not always add up due to rounding.

Source: Eurostat, Annual detailed enterprise statistics for industry (NACE Rev. 2, B-E), Database [sbs_na_ind_r2], *http://ec.europa.eu/eurostat* (accessed 24 August 2016).

The number of manufacturing companies fell from 1446 companies in 2008 to 953 companies in 2014, while employment dropped from 10400 to 6498 workers[68] over the same time period. In terms of number of manufacturing companies, the highest share belongs to the category of electric lighting equipment (33.7% in 2014), whereas the domestic appliances category ranked first in employment (30.4% in 2014).

Overview of the legislation

The mapping of this sector's legislation includes 11 laws and regulations, plus the framework and horizontal legislation covering all sectors. Out of the 11 regulations:

- three regulations concern batteries and accumulators, more specifically, legislation introducing health and safety regulations for the lead-accumulator industry, as well as distribution and waste management for these products;
- two regulations deal with marking energy-related products, their labelling and eco-design requirements, both transposing EU legislation;
- one Ministerial Decision refers to the making available in the market and the installation of sockets and plugs; and

- five regulations deal with various issues regarding electrical equipment, such as alternative management of electrical and electronic waste, low -voltage electrical equipment, electrical installations, and electromagnetic compatibility.

From a legal point of view, the electrical equipment sector is mostly an EU harmonised sector. The only field for divergence is in sockets and plugs, since member states follow different technical standards and harmonisation would be extremely difficult.

Main recommendations

Sockets and plugs

Description of the provision

According to Article 3 of Ministerial Decision 529/2000,[69] sockets and plugs can circulate in the market only if they:

- are registered at the designated Registry of the General Secretariat of Industry; and
- have acquired a conformity mark proving they meet the standards of the Hellenic Organisation for Standardisation (ELOT) or any other technically equivalent international standard.

In addition, pursuant to Article 6 of the aforementioned Ministerial Decision, the duration of the registration of these products in the Registry of the General Secretariat of Industry lasts three years and is renewable for another three years upon application by the supplier before the competent authority. The technical standards of the conformity marks are usually renewed by the Standardisation Organisation every five years, a renewal necessary to keep pace with technological progress. Therefore, the conformity mark based on each certificate should also be renewed by the supplier, so that the products in question are in conformity with the valid (renewed) certificate.

The objective of this provision is to monitor effectively the trade of sockets and plugs, via a registration process, so that the safety of internal electrical installations is guaranteed.

Harm to competition

The obligation to renew the registration of sockets and plugs at the Ministry's Registry every three years is an administrative procedure that calls for an additional cost for each type of registered socket and plug and therefore may discourage new entrants or smaller operators.

In addition, it is noted that conformity marks (granted either by the Hellenic Organisation for Standardisation or by any other international organisation) may be valid for a shorter or a longer time period than the three-year registration, depending on their renewal. For example, should a product still comply with the standardisation-certificate requirements after three years and the registration is not renewed, there is no threat to public safety. On the contrary, if the three-year registration obligation has not lapsed, but the product circulates in the market without being compliant with a conformity mark, public safety will not be protected.

Recommendations and benefits

The Ministry should review this provision to align the respective durations of the registration and the conformity mark granted by the Hellenic Organisation for Standardisation (ELOT) or any other technically equivalent international standardisation organisation. The Ministry should also introduce an updated electronic Registry for this purpose, to follow any changes in the approved standardisation certificates. As a result, suppliers' operation will be facilitated and the administration will profit from easier and more efficient monitoring, safeguarding consumer protection.

5.3. Paper and paper products

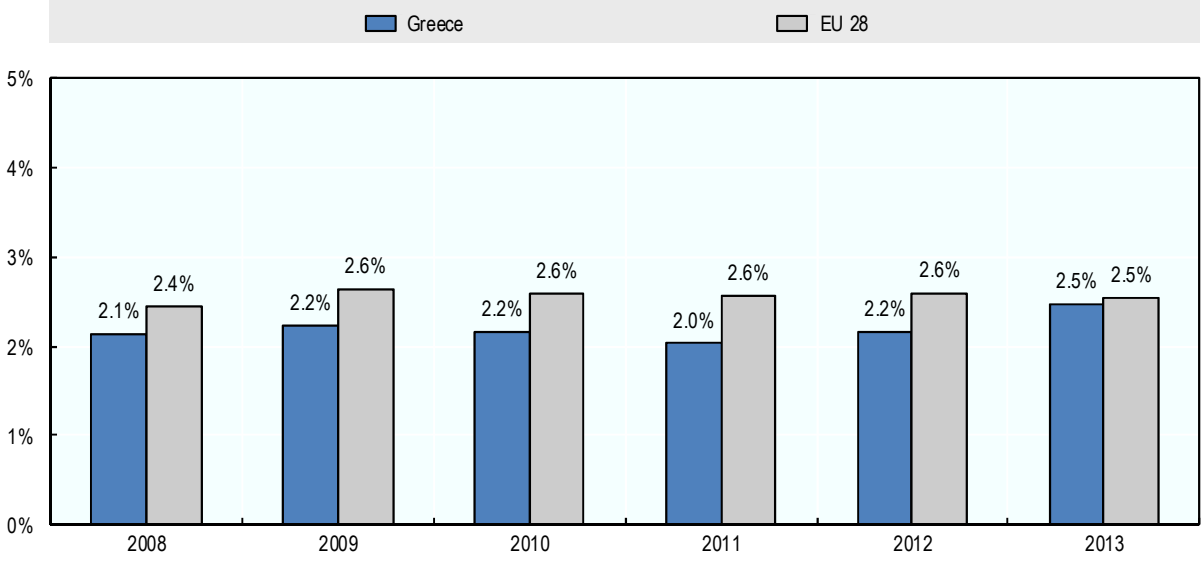
The manufacture of paper and paper products sub-sector (NACE code 17) includes the manufacture of pulp, paper and paperboard, as well as a wide variety of converted paper products (e.g. household and personal hygiene paper products, paper stationery, and wallpaper).

The review of the legislation has covered paper and paper products both at manufacturing and at wholesale trade level. Due to data limitations, the sector overview deals only with the manufacturing level.

Economic overview

Figure 5.10 compares the value added of paper and paper products as a percentage of the total manufacturing in Greece and in the EU[70] for the six-year period 2008-2013. The sub-sector represents a small, relatively constant, percentage of the manufacturing sector, both in Greece and at the EU level.

Figure 5.10. **Value added as a percentage of manufacturing for paper and paper products (2008-2013)**

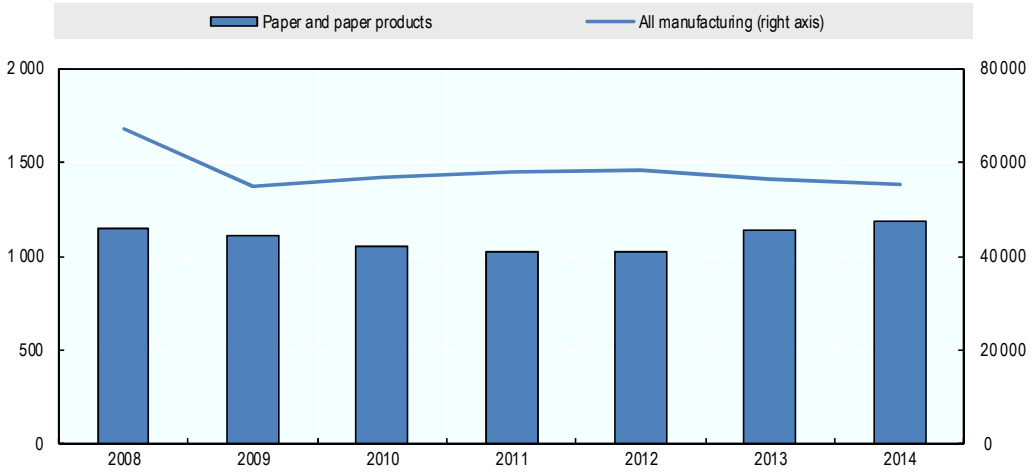


Note: Value added at factor cost

Source: Eurostat, Annual detailed enterprise statistics for industry (NACE Rev. 2, B-E), Database [sbs_na_ind_r2], *http://ec.europa.eu/eurostat* (accessed 24 August 2016).

A comparison of the turnover of the paper and paper products and those of the manufacturing sector as a whole is presented in Figure 5.11. The sub-sector's turnover amounts to EUR 1184 million in 2014, showing gradual increase over the four-year period 2011-2014 (15.5%), despite the recession, which has affected the manufacturing sector as a whole (-4.1% over the same time period).

Figure 5.11. **Turnover of manufacturing paper and paper products in Greece (2008-2014)**



Note: Turnover in EUR millions

Source: Eurostat, Annual detailed enterprise statistics for industry (NACE Rev. 2, B-E), Database [sbs_na_ind_r2], *http://ec.europa.eu/eurostat* (accessed 24 August 2016).

The sector is made up mostly of small and medium-sized enterprises. They have been negatively affected by the recession of the last few years in Greece, in terms of number of operating companies and employment. In particular, during the seven-year period 2008-2014, the number of manufacturing companies fell from 878 to 646 companies and employment was reduced from 9503 to 7094 workers.[71]

Overview of the legislation

No sector-specific legislation has been identified. However, it is noted that the general legal framework on the establishment of industrial activities, as part of the horizontal legislation, applies to paper and paper-products manufacturing enterprises.

Recommendations

No specific competition problems have been identified following the review of the legislation.

5.4. Printing and reproduction of recorded media

The printing and reproduction of recorded media sub-sector (NACE code 18) includes printing of products (e.g. newspapers, books, periodicals, business forms, greeting cards), as well as associated support activities (e.g. bookbinding, plate-making services, and data imaging). It also includes the reproduction of recorded media (e.g. compact discs, video recordings, software on discs or tapes, records). This sub-sector excludes publishing activities.

The review of the legislation has covered printing and reproduction of recorded media both at manufacturing and at wholesale trade level, where applicable. Due to a lack of data, the sector overview deals only with the manufacturing level.

Economic overview

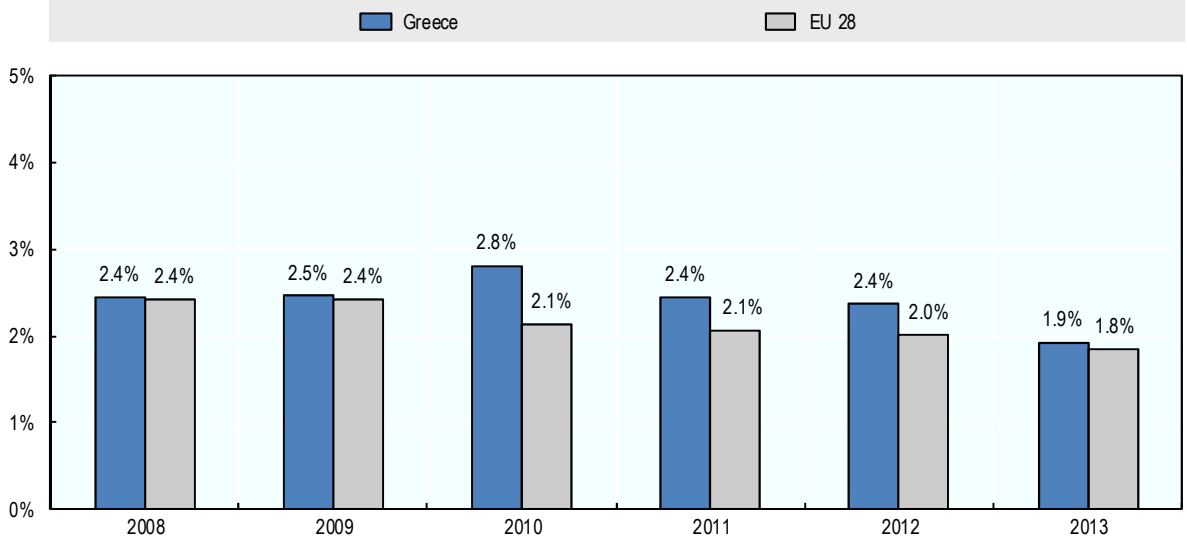
Figure 5.12 depicts the value added of printing and reproduction of recorded media companies, as a percentage of the overall manufacturing sector in Greece and in the EU[72] for the six-year period 2008-2013. The sub-sector's share is small (less than 3% over time) and also follows a downward trend, similar to conditions at an EU level.

Figure 5.13 shows the turnover of printing and reproduction of recorded media and manufacturing as a whole for Greece, for the seven-year period 2008-2014. The sub-sector's turnover amounts to EUR 521 million in 2014, losing almost half of its value compared to 2008. On the contrary, turnover of total manufacturing remains relatively constant over the six-year period 2009-2014.

Printing and service activities related to printing (NACE code 18.1) amount to more than 95% of the total turnover value, whereas the share of reproduction of recorded media (NACE code 18.2) is limited.

This sub-sector is made up of mostly small and medium-sized enterprises. Their number has decreased from 3393 companies in 2008 to 2318 companies in 2014.[73] Average employment in each company during this period is four people.

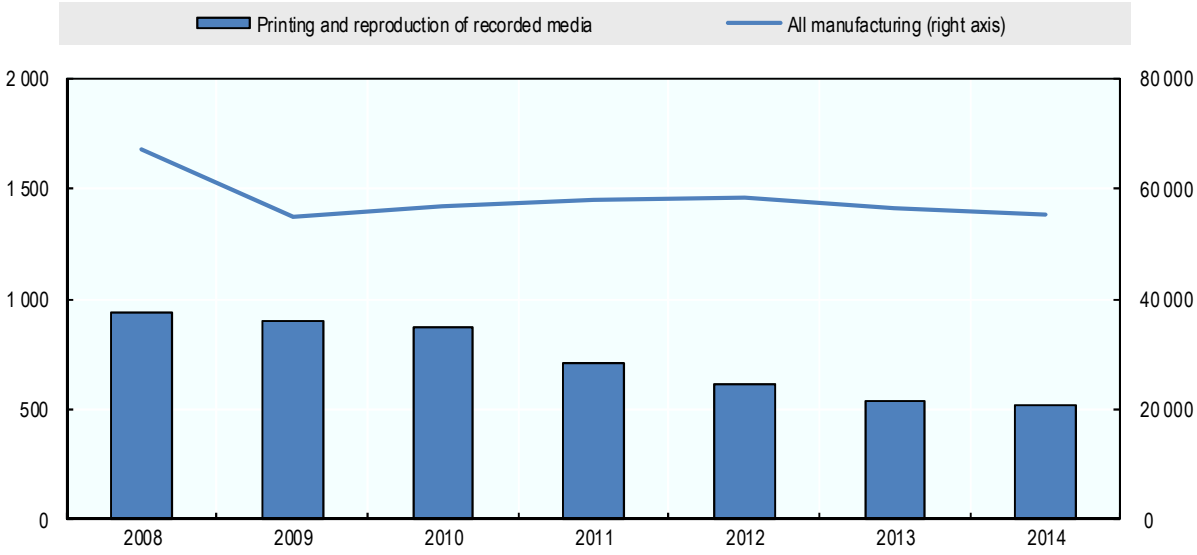
Figure 5.12. **Value added of printing and reproduction of recorded media as a percentage of manufacturing (2008-2013)**



Note: Value added at factor cost

Source: Eurostat, Annual detailed enterprise statistics for industry (NACE Rev. 2, B-E), Database [sbs_na_ind_r2], *http://ec.europa.eu/eurostat* (accessed 24 August 2016).

Figure 5.13. **Turnover of printing and reproduction of recorded media in Greece (2008-2014)**



Note: Turnover in EUR millions

Source: Eurostat, Annual detailed enterprise statistics for industry (NACE Rev. 2, B-E), Database [sbs_na_ind_r2], *http://ec.europa.eu/eurostat* (accessed 24 August 2016).

Overview of the legislation

The mapping of the legislation for the sector included four sector-specific regulations.

- Joint Ministerial Decision 1110/1988[74] and Decision of the Supreme Chemical Council of the General Chemical State Laboratory 1196/1989[75] on the classification, packaging and labelling of paints, varnishes, printing inks, adhesives and similar products, both transposing European legislation.
- Royal Decree 464/1968[76] introducing a Regulation for health and safety at printing facilities.
- Circular 1244/2015 of the Ministry of Finance on VAT on printing of books, newspapers and journals along with their delivery.[77]

In addition, the OECD has identified a provision in Law 2121/1993,[78] setting out the basic legal framework for Intellectual Property Rights, according to which a fair remuneration is imposed, in favour of intellectual -property collecting societies, on the value of photocopying machines, scanners and photocopy paper, whether produced domestically or imported. Due to the fact that this provision derives from Directive 2004/48/EC, however, no further analysis was executed. Apart from this provision, no other restriction has been identified.

Recommendations

No specific competition problems have been identified following the review of the legislation.

Notes

1. Data refer to “Manufacture of paper and paper products”, “Printing and reproduction of recorded media”, “Manufacture of electrical equipment”, “Manufacture of chemicals and chemical products” and “Manufacture of plastic and rubber products”.

2. When recommendations are expected to have an impact both on wholesale trade and manufacturing, their effect is split between the affected levels of the supply chain.

3. OECD (2014), "Building materials", in OECD Competition Assessment Reviews: Greece, OECD Publishing, Paris. *http://dx.doi.org/10.1787/9789264206090-9-en*,

4. The data for the period 2008-2010 refer to EU 27.

5. Eurostat, Annual detailed enterprise statistics for industry (NACE Rev. 2, B-E), Database [sbs_na_ind_r2], *http://ec.europa.eu/eurostat* (accessed 24 August 2016).

6 Eurostat, Annual detailed enterprise statistics for industry (NACE Rev. 2, B-E), Database [sbs_na_ind_r2], *http://ec.europa.eu/eurostat* (accessed 24 August 2016).

7. The term “pesticide” is often used interchangeably with “plant protection product”; however, pesticide is a broader term that also covers non plant/crop uses, for example biocides. See *http://ec.europa.eu/food/plant/pesticides/index_en.htm*

8. Eurostat, Annual detailed enterprise statistics for industry (NACE Rev. 2, B-E), Database [sbs_na_ind_r2], *http://ec.europa.eu/eurostat* (accessed 24 August 2016).

9. Eurostat, Annual detailed enterprise statistics for industry (NACE Rev. 2, B-E), Database [sbs_na_ind_r2], *http://ec.europa.eu/eurostat* (accessed 24 August 2016).

10. Eurostat, Annual detailed enterprise statistics for industry (NACE Rev. 2, B-E), Database [sbs_na_ind_r2], *http://ec.europa.eu/eurostat* (accessed 24 August 2016).

11. See Regulation (EC) No 648/2004 of the European Parliament and of the Council of 31 March 2004 on detergents (Official Journal L104/08.04.2004).

12. See Presidential Decree 111/2014 on Organisational structure of the Ministry of Finance (Official Gazette, A’178/29.08.2014).

13. See Ministerial Decision 1233/1991 and 172/1992 on Registration System for detergents and cleaning products (Official Gazette, B’277/20.04.1992).

14. See Joint Ministerial Decision 381/2005 on Determination of competent authority and of the control mechanisms, fees and penalties for the application of Regulation 648/2004 on detergents (Official Gazette, B’539/02.05.2006).

15. See Regulation (EU) No 528/2012 of the European Parliament and of the Council of 22 May 2012 concerning the making available on the market and use of biocidal products (Official Journal L 167, 27.6.2012).

16. See Joint Ministerial Decision 4616/52519/2016 on Supplementary measures for the application of Regulation 528/2012 on marketing and use of biocidal products (Official Gazette, B’1367/16.5.2016).

17. See L. 721/1977 on Circulation approval and control of plant protection products and relevant issues (Official Gazette, A'298/07.10.1977).

18. See Ministerial Decision 7723/1993 on Circulation of disinfectants (Official Gazette, B'961/23.12.1994).

19. As amended by L. 4351/2015 (Art.18) and 4235/2014 (Art.44).

20. See Presidential Decree 159/2013 on Trading and store functionality requirements of plant protection products (Official Gazette, A'251/18.11.2013).

21. As amended by Laws 2040/1992 (Art.17), 2326/1995 (Art.1), 2732/1999 (Art.6), 2945/2001 (Art.35), 3147/2003 (Art.32), 4235/2014 (Art.49) and 4351/2015 (Art.33).

22. Ministerial Decision 811/337/2008 (Official Gazette, B'1380/15.07.2008).

23. Ministerial Decision 812/338/2008 (Official Gazette, B'1380/15.07.2008).

24. See Art.84 par.3 of Ministerial Decision A2/718/2014 on Rules for the supply and distribution of products and the provision of services (Official Gazette, B'2090/31.07.2014).

25. See Art.11 par.2 of Regulation (EC) 648/2004 of the European Parliament and of the Council of 31 March 2004 on Detergents (Official Journal, L104/08.04.2004).

26. The MD also provides for abolishing or revoking the special licence granted by the GCSL, in case of termination of production, or relocation of production facilities, or alteration in meeting the required terms of operation. This provision is proportionate to the objective of safeguarding proper production process.

27. See Art.1 par.1 of Joint Ministerial Decision 381/2005 on Determination of competent authority and of the control mechanisms, fees and penalties for the application of Regulation 648/2004 on detergents (Official Gazette, B'539/02.05.2006).

28. See Regulation (EU) No 528/2012 of the European Parliament and of the Council of 22 May 2012 concerning the Making available on the market and use of biocidal products (Official Journal L167, 27.6.2012); EU biocides regulation entered into force in September 2013.

29. See Art.2 par.2 of L. 1316/1983 on the Establishment of the National Organisation for Medicines: "The following products fall under the competency of the Organisation: […] (ιστ) Disinfectants, antiseptics and air fresheners" (Official Gazette, A'11/11.1.1983).

30. See Ministerial Decision 7723/1994 on Circulation of disinfectants (Official Gazette, B'961/1994).

31. See L. 721/1977 on Circulation approval and control of plant protection products and other relevant provisions (Official Gazette, A'298/07.10.1977).

32. Umbrella branding involves the same brand being associated with various products in various markets (e.g. Yamaha, Virgin, Palmolive), which enables firms to make scale savings, as all their products and all their communications contribute to their notoriety. See OECD (2009), *Trademarks as an Indicator of Product and Marketing Innovations*, OECD Publishing, Paris. *www.oecd-ilibrary.org/science-and-technology/trademarks-as-an-indicator-of-product-and-marketing-innovations_224428874418.*

33. See Legislative Decree 96/1973 on Trade of pharmaceutical products (Official Gazette, A'172/3-8.8.1973).

34. See Joint Ministerial Decision Δ.ΥΓ3α/Γ.Π.32221/2013 on Harmonisation of Greek legislation with EU legislation in the sector of production and circulation of medicinal products for human use in compliance with Directive 2001/83/EC on the Community Code relating to medicinal products for human use as amended by Directive 2011/62/EU as regards the prevention of the entry into legal supply chain of falsified medicinal products (Official Gazette, B'1049/29.04.2013).

35. See Ministerial Decision 9497/104760/2014 on the Prescription of plant protection products (Official Gazette, B'2310/28.08.2014).

36. According to Art.6 par.1 of Directive 2009/128/EC of the European Parliament and of the Council of 21 October 2009 establishing a framework for Community action to achieve the sustainable use of pesticides: "Member States shall ensure that distributors have sufficient staff in their employment holding a certificate referred to in Article 5(2). Such persons shall be available at the time of sale to provide adequate information to customers as regards pesticide use, health and environmental risks and safety instructions to manage those risks for the products in question". See (Official Journal, L309/24.11.2009).

37. Art.14 of Directive 2009/128/EC ibid. states that, "Member States shall take all necessary measures to promote low pesticide-input pest management, giving wherever possible priority to non-chemical methods, so that professional users of pesticides switch to practices and products with the lowest risk to human health and the environment among those available for the same pest problem".

38. See L.4235/2014 on Food, animals, animal feed, plant protection products etc (Official Gazette, A'32/11.02.2014).

39. See L.4235/2014 on Food, animals, animal feed, plant protection products etc (Official Gazette, A'32/11.02.2014).

40. Italy's National Action Plan for the Sustainable Use of Plant Protection Products, *http://ec.europa.eu/food/plant/pesticides/sustainable_use_pesticides/nap/index_en.htm.*

41. See Law 4384/2016 on Agricultural Cooperatives, forms of collective organisation of rural areas and other provisions (Official Gazette, A'78/26.04.2016).

42. See Section E.10 par. 1 of Law 4152/2013 on Implementing measures for Laws 4046/2012, 4093/2012 και 4127/2013 (Official Gazette, A'107/09.05.2013).

43. According to the EU Recommendation 2003/361 (Official Journal L124, 20.05.2003), a micro enterprise is defined as "an enterprise which employs fewer than 10 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 2 million" and a small enterprise is defined as "an enterprise which employs fewer than 50 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 10 million".

44. According to the EU Recommendation 2003/361 (Official Journal, L124/20.05.2003), a micro enterprise is defined as "an enterprise which employs fewer than 10 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 2 million" and a small enterprise is defined as "an enterprise which employs fewer than 50 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 10 million".

45. See Art.2 of Presidential Decree 159/2014 on Part-time employment of responsible scientist in small and micro enterprises of production and trade of seeds and propagating material and trade of fertilisers (Official Gazette, A'241/05.11.2014).

46. See paragraph 3 of Opinion 19/VI/2012 of the Hellenic Competition Commission (Official Gazette, B'3114/26.11.2012).

47. See Art.4 par.3β of L.1565/1985 on Fertilisers (Official Gazette, A'164/25-26.09.1985).

48. See Art.3 par.5 of Ministerial Decision 9748/100747/2012 on Determining the requirements and procedure for getting a licence for type A and B trade of fertilisers (Official Gazette, B'2692/ 04.10.2012).

49. Ministry of Rural Development and Food, registry database, wwww.minagric.gr/pol_yliko/py_companies_lipasmata.aspx, (accessed 4 September 2016).

50. Regulation (EC) No.1223/2009 of the European Parliament and of the Council of 30 November 2009 on cosmetic products (Official Journal, L342/22.12.2009). The "EU Cosmetics Regulation" entered into force in July 2013.

51. According to Art.13 of the Regulation (EC) No 1223/2009 ibid., all cosmetic products marketed in the EU must be registered in the Cosmetic Products Notification Portal (CPNP) before being placed on the market. See https://webgate.ec.europa.eu/cpnp/faq/?event=faq.show (accessed 4 September 2016). After a product has been registered in the CPNP, no further notification at national level is required.

52. Council Directive 76/768/EEC of 27 July 1976 on the approximation of the laws of the Member States relating to cosmetic products (Official Journal, L262/27.9.1976, p.169). The Directive had been amended several times and was recast in a single text into Regulation (EC) No.1223/2009 ibid.

53. See Joint Ministerial Decision ΔΥΓ3α/ΓΠ. 132979/2005 on the Adaptation of Greek legislation to Community Directives in cosmetics sector (Official Gazette, B'352/18.03.2005).

54. Compliance with the requirements of EU Regulation is presumed if ISO 22716:2007 is applied.

55. See National Organisation for Medicines Circular 92428/28.12.2009 on the Legal circulation of cosmetic products.

56. EC Guidance documents, available at http://ec.europa.eu/growth/sectors/cosmetics/products/borderline-products.

57. See recitals 6 and 7 of the Preamble of EU Regulation 1223/2009, ibid.

58. See recital 20 of the Preamble of EU Regulation 528/2012, ibid.

59. It was not able to identify the objectives of the Circular. The objective as described is based on the OECD's understanding of an exchange with the National Organisation for Medicines.

60. See Art. 11, par.1ζ of L.1316/1983 ibid.

61. Council Directive 2008/118/EC of 16 December 2008 concerning the General arrangements for excise duty and repealing Directive 92/12/EEC (Official Journal L9, 14.1.2009).

62. Council Directive 92/12/EEC of 25 February 1992 on the General arrangements for products subject to excise duty and on the holding, movement and monitoring of such products (Official Journal L076, 23.03.1992).

63. See National Customs Code, Law 2960/2001, Art.81 par.4 (Official Gazette, A'265/22.11.2001).

64. See Ministerial Decision 811/337/2008 ibid.

65. See Ministerial Decision 812/338/2008 ibid.

66. Denaturation of alcohol is a process that renders alcohol unfit for human consumption. Three components are commonly used to prevent the product from being consumed either accidentally (for example by children) or on purpose: (1) a smelling agent, (2) a foul-tasting agent, and (3) an analytical marker, which remains present (even in trace quantities) even if fraudulent attempts are made to remove agents 1 and 2.

67. The data for the period 2008-2010 refer to EU-27.

68. Eurostat, Annual detailed enterprise statistics for industry (NACE Rev. 2, B-E), Database [sbs_na_ind_r2], *http://ec.europa.eu/eurostat* (accessed 24 August 2016).

69. See Ministerial Decision 529/2000 on Circulation in the market and installation of sockets and plugs (Official Gazette, B'67/28.01.2000).

70. The data for the period 2008-2010 refer to EU-27.

71. Eurostat, Annual detailed enterprise statistics for industry (NACE Rev. 2, B-E), Database [sbs_na_ind_r2], *http://ec.europa.eu/eurostat* (accessed 24 August 2016).

72. The data for the period 2008-2010 refer to EU-27.

73. Eurostat, Annual detailed enterprise statistics for industry (NACE Rev. 2, B-E), Database [sbs_na_ind_r2], *http://ec.europa.eu/eurostat* (accessed 24 August 2016).

74. See Joint Ministerial Decision 1110/1988 on Classification, packaging and labelling of paints, varnishes, printing inks and related products (Official Gazette, B'733/05.10.1988).

75. See Decision of the Supreme Chemical Council of the General Chemical State Laboratory 1196/1989 on Classification, packaging and labelling of paints, varnishes, printing inks and related products (Official Gazette, B'51/30.01.1990).

76. See Royal Decree 464/1968 on Regulation on health and safety of workers in printing industries or graphic arts and paper processing industries (Official Gazette, A'153/28.06-12.07.1968).

77. Circular 1244/2015 of the Ministry of Finance on VAT on printing of books, newspapers and journals along with their delivery, issued on 03.11.2015.

78. See Art.18 par.3 of L. 2121/1993 on Copyright, Related Rights and Cultural Matters (Official Gazette, A'25/04.03.1993).

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