

Executive summary

The OECD was asked to carry out an independent policy assessment to identify rules and regulations that may hinder the competitive and efficient functioning of markets in five sectors of the Greek economy: e-commerce, construction, media, wholesale trade, and selected sub-sectors of manufacturing, such as chemicals and pharmaceuticals.

The project proceeded in five stages. Stage 1 defined the exact scope of all sectors. A list consisting of about 1 290 sector-relevant legislation was made with the help of government experts. In Stage 2, this legislation was screened, using the OECD's Competition Assessment methodology, to identify potential competition barriers. The review included both national provisions and pieces of legislation transposing EU directives. In Stage 3, we researched the policy makers' objectives for each provision. An in-depth analysis was carried out qualitatively. In Stage 4, we developed draft recommendations for those provisions that were found to restrict competition, taking into account EU legislation and equivalent provisions in comparable countries, notably other EU Member States. In the final stage, recommendations were finalised. At the same time, several workshops with ministerial experts were held to build the Greek administration's competition assessment capabilities.

As a result of this work, the report makes 356 recommendations on specific legal provisions that should be abolished or amended. In some cases, the restrictive provision was removed or modified during the course of the project following OECD comments on draft legislation, and hence no recommendation was made in the final report. All final recommendations are detailed in Annex B.

Summary of the legal provisions analysed by sector

	E-commerce	Construction	Media	Pharmaceuticals	Other manufacturing	Wholesale trade	Total
Pieces of legislation	71	251	251	155	268	292	1 288
Potential restrictions identified	15	61	68	88	80	265	577
Recommendations made	10	42	68	54	48	134	356

Throughout the project, we have sought to identify the sources of the benefits brought by the recommendations and, where possible, provide quantitative estimates. Our estimates were based either on a bottom-up quantification of specific regulations, where possible; or on conservative estimates of efficiency gains and an expansion of the business activity affected. If the restrictions identified in the project are lifted, the OECD conservatively estimates a positive impact on the Greek economy of around EUR 414 million. This amount is the total of the estimated positive effects on consumer surplus and higher turnover in all the sectors, as a result of removing current regulatory barriers to competition.

In addition, the rationalisation of the body of legislation in these sectors – if the recommendations are fully implemented – will also positively affect the ability of businesses to compete in the longer term. As a result, we consider that the cumulative, long-term impact on the Greek economy of lifting all the restrictions identified as harmful will be significant. In this report we do not attempt to estimate this effect.

Key recommendations

- Repeal the obsolete and outdated legislation identified, a task which the public administration began before the end of our project.
- Abolish barriers to entry for the sectors analysed. These barriers include strict licensing requirements in the wholesale trade of fuel, such as minimum capital requirements and minimum requirements for storage.
- The regulation of exclusive contracts between fuel wholesalers and retailers should be reviewed to ensure that the duration of the agreements cannot be extended beyond the legal terms, to encourage more competition among wholesalers.
- Simplify the rules and lift restrictions on the operation of pharmaceutical warehouses to reduce costs and administrative burden for wholesalers.
- In the construction sector, bidders should be able to participate in a tender irrespective of their classification within the Registries provided they satisfy the criteria described in the call for tenders.
- Engineers and designers should be allowed the flexibility to register in a greater number of categories than currently allowed.
- In the construction sector, guidelines or standardised documents should be issued to provide guidance to contracting authorities and encourage more uniform implementation.
- Regarding e-procurement and e-monitoring of public works and designs, authorities should apply e-procurement processes and consider the introduction of e-monitoring mechanisms that consolidate all the information on each contract, either in a single integrated system or easily accessible through interoperable systems.
- The legal framework for the advertisement of over-the-counter (OTC) medicines should be updated and clearly aligned with recent amendments in the liberalisation of the distribution channels of commonly used medicines (Γενικής Διάθεσης Φάρμακα – ΓΕΔΙΦΑ / General Sale Medicines – GEDIFA) as a special category of OTCs.
- The pricing rules for pharmaceuticals impose a maximum price reduction for generics and foresee price equation between off-patent and generic medicines in certain cases. This deprives generics of their price advantage compared to the original branded product, leaving no room for competition or for generics' further penetration in the market. The rule should be amended to preserve the price difference between generic and branded products.

- The licensing and regulatory framework for radio stations is fragmented and largely not implemented in practice. The Greek authorities should ensure that economic operators have legal certainty and can make informed business choices based on a clear regulatory framework.
- The regulatory framework for pay TV should be reviewed and made more flexible, specifically on licence fees, corporate structure and cross-ownership rules. The report does not include the assessment of Law 4339/2015 and of Joint Ministerial Decision 7577/2016 in relation to digital free-to-air TV licences, due to the administrative and legal procedures ongoing during the project.
- The definition of independent audiovisual producer should be reviewed in line with the EU Audiovisual Media Services Directive and the provisions regarding production and supply of media content should be streamlined.
- Remove the excise duty on isopropyl alcohol, which forces economic operators to incur complex and costly processes.
- Streamline the legislation on consumer protection, including the provision of a uniform definition of consumer and the clarification of the framework on guarantees.
- The authorities should allow trading detergents in bulk at wholesale level, enabling companies to save on packaging and potentially lowering prices of detergents for final consumers.
- The legal framework on cosmetics and biocides should be aligned with the relevant EU regulatory framework in order to recognise the primary and secondary functions of borderline products.
- The restrictions identified on freight transport by road, such as constraints on business operation and differential treatment between transport operators, should be removed. This reform would benefit wholesalers and the transport sector.



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