

ANNUAL REPORT ON COMPETITION POLICY DEVELOPMENTS IN GREECE

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Recent Amendments to the Greek Competition Act 703/77 on the Control of Monopolies and Oligopolies and the Protection of Free Competition.

1. The amendments came into force on August 3rd, 2000 by Act 2837/3.8.2000-

2. The objective of the recent amendments is of a twofold nature, first the effective enforcement of the Competition Law and secondly the increase of the Competition Committee's institutional role as well as its independent functioning.

Having this objective the provisions relating to the post merger notification were abolished while the thresholds triggering the prior notification of mergers were increased. As a result a proposed merger is found to fall under the pre merger procedure when:

- i) the resulting market share of the products or services to which the concentration is concerned, represents within the national market or in a substantial, with respect to the particular characteristics of the products or services, part of it at least a 35% of the combined aggregate turnover of the products or services which are regarded as identical because of their properties, their prices and their intended use; or
- ii) the combined aggregate turnover within the national market, of all the undertakings concerned, is at least equal to the equivalent to drachmae amount of 150 million Euro, and the aggregate national turnover of each of at least two of the undertakings concerned is more than the equivalent to drachmae to drachmae amount of 15 million Euro.

3. This increase of thresholds came as a correction to the situation, which stemmed from the introduction in 1995 of merger control regulations providing for pre and post merger notifications triggered by very low turnover thresholds. The bulk of work accumulated resulted to the blocking of the operations of the Competition Committee and in effect deprived it of its efficiency to deal with horizontal and vertical restrictive agreements and abuses of dominance.

4. By setting these new merger thresholds the Competition Committee will be able to concentrate on those mergers that may actually have anti-competitive effects while more staff will make it possible to focus on cases of anti competitive agreements, concerted practices and abuses of dominant positions.

5. Aiming at the same direction the provision for the abuse of economic dependence was abolished since most of the cases examined so far were of civil rather nature

Having as an additional objective, the enhancement of the Competition Committee's institutional role as well as its independent functioning, the amending Law establishes an independent source of funding for the Competition Committee's budget. The funding will proceed from a levy of 0.001 calculated either upon the capital of newly established companies or their respective increment.

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6. Additional Amendments:

- Following the EEC merger control model, the new law provides that the creation of a joint venture performing on lasting basis all the functions of an autonomous economic entity shall constitute a concentration. In case the creation of a joint venture leads to the co-ordination of the competitive behaviour such co-ordination will be appraised in accordance with Article 1 of the Act 703/77
- the advocacy provision has been broadened, giving the Competition Committee the ability to deliver opinions on its own initiative.
- The opinion of the Parliament is being requested for the nomination of the President., thus giving him greater legitimacy and independence from the government.
- The maximum number of the staff positions has been doubled
- A provision relating to the co-operation of the Competition Committee with the other regulatory bodies has been introduced.
- The time period of the thirty days (30) within which agreements should be notified in order to be granted an Individual exemption has been abolished .