

Unclassified

DAF/COMP/AR(2014)17

Organisation de Coopération et de Développement Économiques
Organisation for Economic Co-operation and Development

16-Jun-2014

English - Or. English

Directorate for Financial and Enterprise Affairs
COMPETITION COMMITTEE

DAF/COMP/AR(2014)17
Unclassified

ANNUAL REPORT ON COMPETITION POLICY DEVELOPMENTS IN GREECE

-- 2013 --

18-19 June 2014

This report is submitted by Greece to the Competition Committee FOR INFORMATION at its forthcoming meeting to be held on 18-19 June 2014.

JT03359400

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EXECUTIVE SUMMARY

1. Notwithstanding the economic crisis still affecting Greece, the Competition Commission (HCC) sought to strengthen and further diversify its enhanced enforcement record and advocacy role.
2. During the course of 2013, collusive practices notably in the context of trade associations, as well as abuse of dominance cases continued to be at the centre of the Commission's attention. The HCC focused on sectors such as transmission of natural gas, basic consumer goods, building materials and provision of services by driving schools and foreign language schools. The HCC's diversified record also included an obstruction of dawn raids decision, while the Authority also issued Statement of Objections for abuse of dominance in the market of baby diapers and the beer market as well as a statement of objections on anticompetitive practices within a franchise distribution system of electronic goods. As an aside, considerable fines were imposed, notwithstanding the constraints due to the severe economic downturn.
3. The Commission further sought to consolidate its monitoring initiatives, by continuing work on 2 sector inquiries and by initiating 1 new sector inquiry focused on super markets. In October 2013, it also released its findings on the fruits & vegetables inquiry, which examined the formation and variation of prices, costs and profit margins in the different stages of the supply chain, as well as the degree and speed of price transmission mechanisms, while also making recommendations for legislative change.
4. Furthermore, the HCC continued its review of complex mergers, which raised more competition concerns and prompted a more intense competition analysis (and ensuing remedial action). In particular, the HCC faced successfully the wave of merger notifications regarding the banking sector, thus contributing to the smooth and timely restructuring of the sector.
5. As an aside, the administrative court of appeal upheld all HCC decisions reviewed in the course of 2013, albeit with some reductions in total fines.
6. The advocacy role of the Authority has expanded considerably in recent years as a result of the ongoing financial crisis and the sustained role of the HCC in promoting structural reforms in the context of Greece's economic adjustment program. Advocacy work amounted to 15% of total output during 2013, thus maintained at record levels. In this context, the HCC issued 3 new formal opinions aimed at identifying and removing regulatory obstacles as regards the access and exercise of a number of professions, and 1 additional Opinion concerning regulatory restrictions in the cement market.
7. 2013 also saw the successful completion of the most intense advocacy project in recent years, Greece's OECD Competition Assessment Project, as coordinated by the OECD Competition Team and supported by the HCC (under the auspices of the Ministry of Development and Competitiveness). During the course of 10 months, a core project team comprising competition experts from both the OECD and the HCC undertook an assessment of the costs and benefits of regulations potentially restricting competition in four designated sectors of the Greek economy (namely retail trade, food processing, building materials and tourism), with the assistance of delegated staff from the respective line ministries involved. The project identified 555 problematic regulations and made more than 320 recommendations on legal provisions that should be amended or repealed. The partnership with the OECD on this project is a testament to the Authority's capabilities and commitment in further strengthening its advocacy role.
8. Finally, on the institutional front, the Commission focused its efforts during the second semester of 2013 on the adoption of the EU Directive on damages actions for infringements of competition law, in view of the upcoming Greek Presidency of the EU Council. These efforts yielded successful results in the first semester of 2014.

9. The HCC also adapted its procedures to the requirements of the Revised Competition Act (Law 3959/2011) through the adoption of new Rules of Procedure to the aim of facilitating the overall efficiency, transparency and effectiveness of competition processes.

10. Overall, the Authority's commitment and sustained efforts continued to turn the crisis into an opportunity, by adapting swiftly to the situation and further solidifying its role in promoting a genuine competition culture in Greece.

2013 Highlights

1. In 2013, the HCC expanded its enforcement record notably with regard to (a) abuse of dominance cases, (b) horizontal collusion practices (notably in the context of trade associations) and (c) advocacy.
2. Enforcement action is increasingly diversified, with the HCC further consolidating its practice on sector inquiries; (2 sector inquiries were concluded on fuel and on fruits & vegetables and 2 others underway in 2013 involving pasta/cereals and super markets. Key antitrust and merger enforcement decisions included (see Sections 2.1.2 & 2.2.2 below):
 - a) Hellenic Gas Transmission System Operator SA (DESFA) decision (infringement decision addressed to DESFA for abusing its dominant position in the primary market of natural gas transmission by way of denying access to the network which constitutes an essential facility).
 - b) Professional associations of foreign language school owners' decision (infringement decision addressed to a number of professional associations for price-fixing and other restrictions in the exercise of professional activities of their members).
 - c) Professional associations and undertakings active in the market of driving schools in Greece (infringement decision addressed to a number of professional associations for collusive practices - price-fixing -limitation in the provision of services).
 - d) Poultry producers cartel (infringement decision addressed to a number of producers for price-fixing and customer allocation arrangements)
 - e) Professional association of building constructors (infringement decision addressed to the Greek Buildings Constructors' Association for imposing limitations in construction of private projects).
 - f) Restructuring of the banking sector (complex review of at least six (6) new consecutive mergers & acquisitions involving Greece's systemic banks – all notified and assessed in the second half of 2013).
 - g) Approval of a merger between two companies operating in the market of aquaculture, Dias Aquaculture S.A and Selonda Aquaculture S.A, subject to commitments undertaken by the parties.
 - h) Approval of a merger subject to remedies, between two companies operating in the market of provision of waste management services, PPC S.A and TERNA ENERGY S.A.
 - i) Decision imposing fines for obstructing HCC's on-site inspection for suspected infringements.
 - j) Statement of objections addressed to Germanos for suspected anticompetitive practices within its franchise distribution system for electronic goods (resale price maintenance and a restriction of cross-supplies)
 - k) Statement of objections addressed to Procter & Gamble for suspected abuse of dominance in the market for baby diapers.
 - l) Statement of Objections addressed to Athenian Brewery S.A, a subsidiary of Heineken, for suspected abuse of dominance in the Greek beer market.
3. Considerable fines were also imposed, notwithstanding the ongoing financial crisis.

4. Advocacy work accounted for approx. 15% of total output during 2013, setting a new record (see Section 3 below). In this context:
 - a) The HCC's Task Force on liberal professions continued in 2013 with the review of regulatory restrictions regarding the entry and exercise of a number of regulated professions. Three (3) Formal Opinions issued in the course of 2013.
 - b) The OECD's Competition Assessment Project, with the support of the HCC, was successfully completed in November 2013, to assess the costs and benefits of regulations restricting competition in designated sectors and to propose specific recommendations for change. This assessment identified distortions to competition in Greek legislation and proposes recommendations for the remove of regulatory barriers to competition in four key areas of the Greek economy: food processing, retail trade, building materials and tourism, with additional investigation of cross-cutting legislation that concerns these four areas.
 - c) The HCC further issued a Formal Opinion concerning the legal framework for the production, testing, certification and marketing of cement (in bulk or bagged).
 - d) The HCC completed in October 2013 a sector inquiry into the fruits & vegetables sector with the release of an executive summary (including the formation and variation of prices, costs and profit margins in the different stages of the supply chain, as well as the degree and speed of price transmission from the level of producers to that of end-consumer as well as proposals aimed at removing regulatory restrictions that impede effective competition).
5. In view of the upcoming Greek Presidency of the EU Council (1st semester 2014), the HCC participated in the negotiating team for the adoption of the EU Directive on damages. The same team, acting subsequently on behalf of the EU Council's rotating Presidency, brought negotiations with the Parliament to a successful outcome.
6. Favorable performance assessments of the HCC made by the OECD and the European Commission in the context of reviewing Greece's economic adjustment program.

1. CHANGES TO COMPETITION LAWS AND POLICIES

1.1 New Rules of Procedure

11. No changes have been made to the organization and structure of the HCC. However, following the adoption of Law 3919/2011, the Authority adopted new Rules of Procedure in January 2013 (Ministerial Decree 117/16.01.2013), which aim at adapting HCC's procedures to the requirements of the Revised Competition Act (as of April 2011).

12. The new Rules of Procedure reflect HCC's best practices in competition proceedings and aim at facilitating, where possible, the overall efficiency, transparency, effectiveness of competition processes, notably in the context of due process rights.

1.2 *New Guidelines adopted by the Hellenic Competition Commission- Merger Notification Forms (Decision No. 558/VII/2013)*

13. In the context of enhancing efficiency, HCC also issued new guidelines for Mergers Notifications forms (short form, form reasoned submission and form relating to the information concerning commitments), specifying more explicitly the criteria under which the short form of notification should be completed, based upon the experience HCC has gained from previous merger cases.

2. ENFORCEMENT OF COMPETITION LAWS AND POLICIES

14. The HCC's 2013 enforcement action focused on investigations pertaining to abuses of dominance cases, horizontal collusion practices notably in the context of trade associations, as well as the revision of concurrent mergers & acquisitions involving Greece's systemic banks following the restructuring of the banking sector.

15. For an overview of the HCC's enforcement record in the course of 2013, see Executive Summary above.

2.1 *Anticompetitive Practices*

2.1.1 *Summary of Activities regarding Anticompetitive Practices*

16. The HCC issued sixteen (16) decisions enforcing articles 1 of Law 703/1977 and/or 101 TFEU. In five (5) decisions it concluded that an infringement had in fact been committed, while in eleven (11) decisions it concluded that no infringement was committed and/or substantiated within the meaning of the above articles, thereby issuing summary dismissal decisions. Moreover, the Authority also issued two (2) statements of objections in this area (see also Executive Summary above).

17. The Authority conducted sixty (60) dawn raids (the number indicates the number of companies raided) for the investigation of fourteen (14) new cases.

18. As an aside, the HCC's continued emphasis on investigations pertaining to abuse of dominance resulted in sixty one (61) abuses of dominance investigations underway in 2013, of which nineteen (19) new investigations. Overall, the HCC issued thirty six (36) decisions enforcing articles 2 of Law 703/1977 and/or 102 TFEU. In one (1) decision it concluded that an infringement had in fact been committed, while in thirty three (33) decisions it concluded that no infringement was committed and/or substantiated within the meaning of the above articles, thereby issuing summary dismissal decisions. Moreover, the Authority also issued two (2) statements of objections in this area (see also Executive Summary above).

2.1.2 *Description of Significant Antitrust Decisions*

2.1.2.1 DESFA – natural gas

19. By the said decision, the HCC has fined the "Hellenic Gas Transmission System Operator SA" (DESFA), a wholly owned subsidiary of DEPA, the incumbent provider of natural gas in Greece, was found to be abusing its dominant position in the primary market of natural gas transmission, by way of denying access to the gas transmission network (an essential facility) to the complainant (ALUMINIUM S.A), an aluminium manufacturer and electricity producer, client to DEPA.

20. According to the infringement decision, DESFA's abusive conduct took place from November 2009 until May 2010, when DESFA initially denied the complainant access to the pipeline entry point dedicated to its facilities (AdG) and subsequently to the liquefied natural gas (LNG) terminal in

Revithousa, the sole entry point of LNG into the Greek transmission grid. As a result of DESFA's practices, the complainant was effectively denied free access to the national natural gas transmission network and, consequently, the opportunity to source natural gas from an alternative supplier competing with DEPA and to compete with DEPA on the market of natural gas supply.

2.1.2.2 Foreign Language School Owners' Associations

21. By virtue of this infringement decision, the HCC has fined five associations of foreign language school owners mainly active in Northern Greece and Crete, for infringing Article 1 of the Greek Competition Act. Another professional association, the Panhellenic Association of Language School Owners, referred to as the "Europalso Association", although found to have infringed the abovementioned article, was not fined, since the competition concerns raised were addressed with a warning decision.

22. According to the decision, the associations' practices infringed competition rules either by way of fixing prices (the fees charged to students by their members, e.g. minimum fees and/or discount terms) or by coordinating other important parameters of their members' commercial activity (e.g. non-compete clauses, exclusionary or non exclusionary clauses regarding students' participation in foreign language examinations, excessive advertising restrictions, geographical restrictions in terms of establishing another language school center, conditions regarding the provision of the said services such as teaching hours schedules). In some cases, the association's rules provided for monitoring mechanisms and/ or the imposition of fines or other sanctions in order to enforce the desired conduct, which aggravated the violation of Article 1.

23. By virtue of the same decision, the HCC made binding a commitment offered by one of the above professional associations, namely the Panhellenic Federation of Language School Owners, referred to as the "Palso Federation", in order to address the concerns expressed regarding a non-compete clause included in the Statute of the association. According to the Statement of Objections, the said clause which prohibited foreign language schools members to the association from enlisting their students at competitive foreign language examinations violated both Article 1 of the Greek Competition Act (competition law 703/1977 replaced by law 3959/2011) and Article 101 TFEU. In particular, it was assessed that the above clause aimed at eliminating competition from rival institutions organizing foreign language examinations and resulted, by effect, to hindering the effective entry of such institutions to the market. The Palso Federation offered to amend the above statutory clause so that its members may participate at foreign language examinations for all skill levels, organised by the State or recognised by the competent Greek or non-Greek accreditation bodies.

2.1.2.3 Driving schools

24. In this case, HCC found that certain trade associations and individual undertakings active in the market for driving schools in Greece infringed competition rules and imposed fines. By the same decision, the Commission addressed recommendations and threatened with sanctions in case of non-compliance.

25. In particular, the Commission concluded that certain trade associations and undertakings throughout Greece engaged in collusive practices, notably price-fixing and, occasionally, limitation in the provision of services, for a significant time period, by means of decisions and agreements restricting competition within the meaning of Article 1 of Law 703/77 (as was applicable) and current Law 3959/2011.

26. Finally, the Commission found an infringement committed by COOPERATIVE BANK OF LAMIA for facilitating the above anticompetitive practices.

2.1.2.4 Poultry infringement decision

27. By virtue of this decision, the HCC found that a number of undertakings active in the production and distribution of poultry-meat in Greece infringed Article 1 of Law 703/1977 (now Article 1 of Law 3959/2011), and Article 101 TFEU, by engaging in price-fixing and customer allocation collusive practices, and imposed considerable fines.

28. The ex officio investigation at issue was launched upon market information concerning a simultaneous price increase of poultry-meat products by a number of undertakings in the sector. According to the said infringement decision, the evidence gathered throughout the investigation substantiated, inter alia, that the implicated undertakings coordinated to fix the selling prices of their products (fresh and frozen poultry meat) towards downstream suppliers (namely wholesalers, super-markets, butchers, rotisseries), and further engaged in market-sharing by allocating customers. The collusive scheme was implemented through regular meetings of representatives of the poultry-meat producers in the context of their trade association and elsewhere. Based on the statement of objections, the said anti-competitive practice existed for over a decade (from as early as 1996 until 2010), although not all parties were found to be involved for the entire period.

2.1.2.5 Greek Buildings Constructors' Association

29. With this decision, the HCC ruled that the Greek Buildings Constructors' Association (E.K.E.E.), which represents construction companies operating mainly in the Attica Prefecture, contributed – through ongoing decisions/recommendations to its members during the years 2002 to 2009 – to the limitation of production (construction) for private project, thus indirectly fixing their price. A fine was imposed for the infringement of Article 1 of Law 703/77 (now Article 1 of Law 3959/2011).

2.1.2.6 Obstruction of an on-site inspection

30. In this case, HCC found that companies active in the construction and in the concrete production sectors), infringed article 26 par. 6 l. 703/1977, by jointly obstructing the Authority's on-site inspection for suspected infringements of competition rules, and imposed fines. In particular, it was found that during the inspection, a large number of electronic files had been remotely deleted from the desktop computer of a high-ranking official and member of the board of the undertakings concerned, with the aim of concealing the said files from the inspection team. The fact that the computer had been tampered with was later confirmed by the forensics expert to whom it was assigned by the Authority to evaluate the confiscated hard disk of the computer in question and to retrieve the deleted files.

31. According to the decision, the undertakings thus committed obstruction of the investigation, in breach of their obligation to fully subject to the investigation and to actively cooperate with the HCC officials during such inspections and in particular to disclose all documents relevant to the investigation..

2.1.2.7 Statement of objections addressed to Procter & Gamble

32. Following the issuing of a statement of objections, the Hellenic Competition Commission convened in the beginning of September on a case of alleged infringements of Articles 1 and 2 of Law 703/77 and of Articles 101 and 102 TFEU (in particular, abuse of a dominant position) in connection with commercial practices employed by P&G with regard to baby diapers and related baby care products in Greece.

33. According to the statement of objections, P&G has adopted and implemented during the investigated period 2003 - 2011 abusive practices aimed at maintaining and/or strengthening its dominant

position in the market for baby diapers, thereby excluding competitors and limiting their growth possibilities. The alleged abusive conduct included, inter alia, individualized target rebates, mixed bundling rebates, rebates conditional upon the commitment of excessive shelf space for its products, as well as the imposition of unfair trading conditions.

34. The statement of objections is not binding for the HCC Board. A decision is expected in the course of 2014.

2.1.2.8 Statement of objections addressed to Athenian Brewery investigation

35. Following the issuing of a statement of objections on December 2013, the HCC convened to hear a case of alleged infringements of Article 2 L. 703/1977, and of Article 102 TFEU (in particular, abuse of a dominant position) in connection with commercial practices employed by Athenian Brewery S.A, a subsidiary of Heineken, in the Greek beer market.

36. According to the statement of objections, the dominant company Athenian Brewery S.A. has adopted and implemented a single, multi-faceted, long-standing and targeted policy that sought to exclude its competitors from HORECA chains and small retail outlets, and to limit their growth possibilities. To achieve this objective, Athenian Brewery S.A. employed various commercial practices, including exclusivity agreements, target rebates, as well as various types of significant payments conditional upon exclusivity or the banning of competitive brands. The statement of objections further maintains that Athenian Brewery S.A. engaged in a series of acts aimed at excluding competitors at the wholesale level through a multitude of significant economic motives in exchange for exclusivity as well as threat of retaliatory measures in case wholesalers traded or introduced competitors' products.

37. The statement of objections is not binding for the HCC Board. A decision is expected in the course of 2014.

2.1.2.9 Statement of objections addressed to GERMANOS

38. Following the issuing of a statement of objections, the HCC convened in mid-September to a case of alleged infringements of Articles 1 of Law 3959/2011 and 101 TFEU in connection with the franchise system operated by the telecommunications retail sales chain GERMANOS, a subsidiary of telecoms incumbent OTE, in the Greek territory.

39. According to the statement of objections, GERMANOS engaged in practices which amount to resale price maintenance and a restriction of cross-supplies between distributors/franchisees within its selective distribution system.

40. The statement of objections is not binding for the HCC Board. A decision is expected in the course of 2014.

2.2 *Merger Enforcement*

2.2.1 *Statistics on Notified Mergers*

41. In 2013 the HCC received 19 filings pursuant to Article 6 of the New Competition Act, of which six (6) led to an in-depth review (phase II merger investigations), i.e three (3) in banking sector, one (1) in aquaculture, one (1) in provision of waste management services and one (1) in the wholesale energy market.

42. Three of the above mergers were resolved with remedies, namely one (1) in the banking sector, one (1) in aquaculture and one (1) in the provision of waste management services), while one (1), also in the banking sector, was abandoned following the notification of the statement of objections to the parties.

43. The Authority continued reviewing in 2013 the restructuring of the banking sector which entail the examination of complex mergers in a sector further consolidating by each new merger. Its swift response to the restructuring of the banking sector set new grounds for its merger control work.

2.2.2 *Description of Significant Merger Cases*

2.2.2.1 Restructuring of the banking sector

44. During the course of 2012-2013, the Greek banking sector underwent a swift restructuring process, as a result of the severe economic downturn and the need for recapitalization.

45. During 2013, the HCC reviewed a series of mergers & acquisitions in the banking sector, notably six (6) consecutive concentrations involving Greece's systemic banks (National Bank of Greece, Piraeus Bank, Alpha Bank and Eurobank). The process had to be completed in a very timely manner, in order to ensure the timely recapitalization of the systemic banks (as provided for in the context of the loan extension agreements between the EU-ECB-IMF and the Greek government). In addition, the competitive assessment of those notifications was complicated by nature, given that the underlying transactions were both contemplated and concluded in parallel (with the HCC analyzing the competitive landscape of more than thirty (30) relevant markets under alternative scenarios).

46. Three (3) out of six (6) mergers were challenged by the HCC and parallel phase-II investigations were initiated. One (1) out of the three (3) mergers challenged was resolved by structural and behavioral remedies, notably in the markets for (a) card merchant acquiring and (b) mortgage loans.

47. During the investigations, the HCC cooperated with the European Commission and the Central Bank of Greece (which dealt with the state-aid and financial aspects of the deals respectively).

2.2.2.2 Merger between Dias Aquaculture S.A. and Selonda Aquaculture S.A.

48. In this case, the HCC cleared, subject to commitments undertaken by the parties, the proposed merger between the companies Dias Aquaculture S.A. and Selonda Aquaculture S.A. The commitments concerned stand-still and suspension-of-voting-rights provisions aimed at preventing the exercise of decisive influence by the merged entity over a third competing aquaculture entity (Nireus). :

2.2.2.3 Merger between PPC SA and TERNA ENERGY SA

49. This merger case was similarly resolved with remedies. In order to address the serious doubts raised, in the course of an in-depth investigation, as to the compatibility of the concentration with the requirements of the functioning of competition in the market for the provision of waste management services and the wholesale energy market, the parties undertook pertinent commitments aimed at (a) preventing the dissemination of sensitive competitive information amongst PPC SA, TERNA ENERGY SA and Waste Syclo SA), and (b) ensuring access to the facilities of PPC SA on fair and equal terms .

2.3 *Court Judgments*

50. The Athens Administrative Court of Appeals (AACA), which reviews all HCC's decisions on the merits, has issued fourteen (14) final judgments in 2013 following appeals filed against thirteen (13) decisions of the HCC.

- Out of those HCC decisions, all thirteen (13) were upheld on appeal (in four (4) of those the Court confirmed the findings on the infringement, but adjusted the fine imposed by the Authority);
- None of the HCC decisions was annulled.

3. The role of the hcc in the formulation and implementation of other policies – advocacy

3.1 Liberal professions

51. The advocacy role of the Authority has expanded considerably in recent years as a result of the ongoing financial crisis and the sustained role of the HCC in promoting structural reforms in the context of Greece's economic adjustment program. Advocacy work amounted to 15% of total output during 2013, thus maintained at record levels compared with OECD average. Additionally, the HCC, following the adoption of Law 3919/2011 on the liberalisation of regulated professions, was called to examine whether maintaining and/ or re-instating limited prior authorisation requirements and/ or certain restrictions for specific professions were necessary and proportional for the attainment of overriding policy objectives and issued eighteen (18) formal opinions in 2011-2012.

52. In this context, in 2013 the HCC's Task Force on liberal professions continued its advocacy work and issued three (3) new formal opinions aimed at identifying and removing regulatory obstacles as regards the access and exercise of a number of professions.

53. Following an assessment for each profession or economic activity under review, the HCC proposed the abolition of prior administration authorization where public interest reasons did not justify the maintenance of such a system (e.g. regarding the profession of geotechnique). The opposite was the case e.g. for licensed professions and economic activities in the petroleum/gas sector regarding the operation of companies on the supply of liquid gas, for which public interest reasons of safety did justify the maintenance of the system of prior administration authorization.

3.2 Cement Market

54. The HCC on November 2013, in the context of its advisory/consultative powers, issued Opinion No 32/VII/2013 with a view to identifying and removing regulatory-type restrictions concerning the production, testing, certification and marketing of cement, particularly focusing on the regulatory requirement that the distribution of cement (bulk or bagged in large-size bags), either produced in EU member states and distributed by intermediaries or produced in third countries, should take place through "dispatching centres" ("κέντρα διανομής") located in Greece. The Opinion aimed at removing unnecessary restrictions to cement distribution by lifting the above obligation in specific predetermined cases and at simplifying prior administrative authorisation requirements for establishing a dispatching centre.

3.3 Sector inquiry on fruit and vegetables

55. By the said sector inquiry, HCC aimed at analysing the competitive conditions prevailing into the production, marketing, distribution and retail of fresh fruits and vegetables, covering the period from 2005 to 2011. The executive summary of the final report was published on December 2013.

56. The sector inquiry examined the structure of the supply chain for fresh fruits and vegetables and the regulatory framework governing its operation, the formation and variation of prices, costs and profit margins in the different stages of the supply chain, as well as the degree and speed of price transmission from the level of producers to that of end-consumers. Following an extensive inquiry, the HCC addressed

to the government recommendations for reform (see detailed press release: http://www.epant.gr/img/x2/news/news599_1_1386162734.pdf).

57. The HCC further sought to consolidate its monitoring initiatives, by continuing work on two (2) sector inquiries, on pasta/cereals and on super markets.

3.4 OECD Competition Assessment Project

58. 2013 also saw the successful completion of the most intense advocacy project in recent years, Greece's OECD Competition Assessment Project, as coordinated by the OECD Competition Team and supported by the HCC (under the auspices of the Ministry of Development and Competitiveness).

59. During the course of 10 months, a core project team comprising competition experts from both the OECD and the HCC undertook an assessment of the costs and benefits of regulations potentially restricting competition in four designated sectors of the Greek economy (namely retail trade, food processing, building materials and tourism), with the assistance of delegated staff from the respective line ministries involved. The project identified 555 problematic regulations and made more than 320 recommendations on legal provisions that should be amended or repealed (see further <http://www.oecd.org/greece/greececompetitionassessment.htm> and <http://www.oecd.org/greece/greece-competition-review-2013.htm>).

60. The partnership with the OECD on this project is a testament to the Authority's capabilities and commitment in further strengthening its advocacy role

3.5 HCC subject to performance assessments and reviews pertaining to advocacy

61. In the context of reviewing Greece's economic adjustment program, the HCC had been subject to the following assessments:

3.5.1 European Commission Review of Greece's Second Economic Adjustment Programme, Occasional Papers 159 (July 2013) & IMF Third Review (July 2013)

62. The report records the fact that structural reforms in the area regulated professions & services were based on the HCC's recommendations-formal opinions issued by the HCC in the context of its advocacy/advisory function (see e.g. references to HCC Formal Opinions in paragraphs 88, 96 and Box MoU 6.4.2. and MoU targets of the Report).

3.5.2 OECD "Economic Surveys of Greece November 2013" (this is the latest survey on Greece)

63. The report records the fact that structural reforms in the area Greece's economic adjustment program were based on the HCC's recommendations (in the context of its exercise of advisory / advocacy powers, notably regarding liberal professions).

3.6 EU Directive on damage actions – HCC's Participation in the legislative procedure

64. Finally, on the institutional front, the Commission focused its efforts during the second semester of 2013 on the adoption of the EU Directive on damages actions for infringements of competition law, in view of the upcoming Greek Presidency of the EU Council. These efforts yielded successful results in the first semester of 2014.

4. HCC resources

4.1 Annual budget

65. Regarding the amount of the annual budget for 2013, please refer to the table below:

| Competition – related Budget (€) | | |
|---|-------------|-------------|
| 2012 | 2013 | 2014 |
| 8,854,386 | 9,112,097 | 9,632,150 |

NB 1: Excluding sums earmarked for the purchase of a new building and sums remitted to the state budget (from HCC's surplus each year).

NB 2: Albeit the ongoing financial crisis, the budget allotted to salary expenses is somewhat increased for 2013 to reflect the fact that 38 new members of staff (competition specialists) were recruited since 2011. This recruitment represented a significant increase (of about 35%) in the overall number of specialized personnel, but the corresponding increase in budget allocation (and the ensuing impact on the overall expenditure) was essentially outweighed by the reduction in salaries, as a result of financial adjustment measures taken by the Government (horizontally, across the public sector).

4.2 HCC Employees – Human Resources

66. The Directorate-General of the HCC (the investigative arm of the Authority) is organized in Units by reference to sectors of the economy (as we consider this to be optimal in the circumstances of our Authority). Within those Units, all non-administrative staff contributes to all areas of competition enforcement (mergers, anti-cartel, anti-competitive agreements, dominance-related issues, advocacy etc), according to their individual field of sectoral expertise and depending on the actual needs of the Authority and overall resources available (on a case-by-case basis).

67. Total number of staff is 105¹, out of which 66 is non-administrative staff working on competition enforcement².

| HCC staff working on competition enforcement Year End 2013 | |
|---|------------------------|
| Staff Category | Number of staff |
| Competition specialists (economists) | 37 |
| Competition specialists (lawyers) | 22 |
| Competition specialists (cost analysts) | 5 |
| Competition specialists (statisticians) | 2 |
| Total (enforcement) | 66 |
| Administrative support, incl. IT experts, and staff on secondment to other public sector entities | 39 |
| Total | 105 |

¹ This figure excludes the Members of the HCC Board (the decision-making arm of the authority), the members of staff seconded from the HCC to other departments of the public administration, as well as few members of staff currently on unpaid leave.

² Five (5) senior IT experts qualify as “administrative” staff, although they have a central role in conducting dawn raids and handling the electronic data of the investigations.