Experience of Greece in designing pro-competition reforms

Launch of OECD Product Market Regulation Indicators 2023-2024

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Hybrid event – OECD, Paris
Greece’s Convergence 2019 - 2024

During the last 5 years Greece:

- has exited Enhanced Surveillance Mechanism in 2022, after completing 11 successful assessment reports from 2019
- secured the highest RRP Funds/GDP ration in EU (16.7%), it was the second country to submit a NRRP to the Commission in April 2021, and it lies at the top of the member state list regarding disbursement/GDP ratio (6.07%)
- was upgraded to investment grade by rating agencies (S&P and Fitch among them)
- completed an early payment of all outstanding IMF credit
- had a pivotal role in EU during all crises (the pandemic, energy crisis, Ukraine)
- reports issued by EC, OECD, IMF record progress in areas related to the economy, the rule of law, transparency in institutions functions

IMF: Recent Trends of Informality in Greece – aggregate informality reduced from 30% in 2030 to 16% in 2021
OECD: Anti-Corruption and Integrity Outlook 2024 – 77% of OECD recommendations fulfilled
Economist: Country of the year – economic performance: Greece topped the list in both 2022 and 2023
Economist Intelligence Unit: Democracy Index Greece was upgraded to a full democracy, improving its ranking by 5 positions
Greece Moving Forward – Reforms
Over 400 bills pass parliament in 5 years

Market and Labour Reforms:
- 50 tax cuts, Fighting tax evasion, Electronic transaction enhancement measures (VAT gap | 23.9% in 2019 -> 15% in 2023, targeting 9% by 2027) (more than 400 mn electronic transactions in 2023)
- Incentivization regime for productivity and extroversion of enterprises (total exports/GDP ratio | 19% in 2009 -> 45% in 2023)
- Reform of passive & active labour market policies, Expanding labour force participation, Modernization of Public Unemployment Agency (unemployment rate | 17.2% in 05/2019 -> 10.6% in 05/2024)
- Strategic plan for reforming vocational education
- Pension reform, shifting to defined contribution, fully funded supplementary pensions

Green and Digital Transition:
- Digitisation and digital transformation of state (more than 1500 services available online and more than 1.4 bn transactions in 2023 from 8.8mn in 2018)
- Renewable energy reform (RES production at 21.35 TWh in 2023, 47% of total annual electricity mix)
- Urban and Spatial plans in more than 300 municipalities, new framework for arbitrary buildings

Social Reforms:
- Primary healthcare, Family doctor reform, clawback, rationalization of healthcare expenditure
- Personal Assistant program for persons with disabilities, Disability Register and Card, Digital KEPA
- Education: non profit universities & reform of technical schools

Institutional Reforms:
- New Judicial map, Digital Justice Strategy, Just stat - Office for the Collection of Statistics for Justice, (targeting an average reduction of 450 days (30%) per judicial case by 2027)
- National Anti-Corruption Strategic Plan 2022-2025
Structural Interventions in Product Markets

A crucial tool for boosting growth

What and how
### Horizontal public policy interventions:

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<th>1. Removing Administrative Burdens</th>
<th>2. Standardizing and Simplifying Regulatory Processes</th>
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<td>Reforming and codifying all major business regulation frameworks:</td>
<td>Business effective regulation principles &amp; coherent legislative process:</td>
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| o From Business Licensing to Notify Business  
Simplifying more than 2,524 business activities affecting more than 350,000 businesses (last 550 activities on track to pass to the new regime) | o Applying a set of business friendly principles  
e.g. risk-proportionality, silence is consent, Once-Only in any new licensing provision |
| o Implementing online one stop shop for company registration (e-Y.M.S)  
Abolishing more than 10 sets of requirements for starting a business | o The Executive State Law: A new robust and coherent policy design and regulation production process  
Handbook for Legal Drafting Methodology, Public Consultation Process. |
| o Strategic Investments Framework & New Law for Development  
Simplified & faster submission, evaluation & approval process for new investment plans. Process limited at 60 days. Leading to acceleration of approvals for private investment plans.  
Reduced bureaucracy, progress reporting and audit & inspections process optimization, leading to acceleration of disbursements |  
Presidency of the Government in charge of coordinating public policy planning, monitoring & reporting AND of efficient legislative planning, promoting & reporting on regulatory quality issues |
Public Procurement

First wave of interventions aiming at simplification, efficiency, publicity and fair competition conditions

- Simplification of public tenders’ law
- All tender documents published online, bids can be submitted online
- Entry requirements proportional to the value or complexity of the tender
- No extra requirements for foreign firms to participate

Next round of reforms in public contract framework aiming at centralizing procurement authorities & services

- Centralizing procurement of Public Health by establishing EKAPY, a central procurement agency
- Professionalization of the Public Procurement domain, Revised National Strategy for Public Procurement, Portfolio Management Information System for technical work and assets at MoI
- Establishing a special unit in HRADF, Project Preparation Facility matures and executes public tenders of strategic importance. (PPF portfolio of pipelined projects at 8bn. Key factor for the successful implementation of Greek RRP, executing more than 100 tenders in timely manner)
- Introducing administrative cost proportionalities in judicial appeals for public tenders
Retail trade

High level of deregulation in the majority of retail subsectors

- **Sunday openings** - maximum number of Sundays outlets can be open per year: 8 Sundays.
  *In 2023 all Sunday openings were allowed from May to October in Athens, Piraeus, the south suburbs of Athens metropolitan area, the zone around Athens International Airport and the historical Centre of Thessaloniki.*

- **Store surface thresholds** not applied in Athens, Piraeus and Thessaloniki.
  *For the rest of the country there is a system of store surface threshold, differentiated according to municipalities and regions*

- **Seasonal sales deregulation.**
  *No specific requirements for a retail outlet to engage in seasonal sales. No special regulations restricting sales below cost outside seasonal sales periods. No limits on discounts maximum value*

- **National Product Market Surveillance Strategy.**
  *Main tool: e-katanalotis (e-consumer) price monitoring system for more than 3,000 product categories*

Next Steps in retail trade liberalization

- **Further expansions in working hours are scheduled.** Further deregulation on surface thresholds is scheduled.

- **Mitigating market distortions -**
  *Reinforcement of market inspection inter-agency unit and mixed teams for market inspections*
# Digital Transition, Digital Services & Telecoms

## Strategy for Digital Transition

### Government
- [www.gov.gr](http://www.gov.gr) | Public administration’s single digital portal, more than 1800 public services and procedures have gone online
- Extended RRP pillar for the digital transformation of Public Sector

Public archives digitization, central interoperability infrastructure and interfaces, modern IT systems, cybersecurity and data governance strategies, cloud computing etc.

### Infrastructure
- Conclusion of 5G spectrum auction & new framework for the development of modern 5G wireless networks
- RRP finances the deployment of very high capacity networks

Small-satellites, fibre optics in buildings, submarine cables

### Businesses
- Tax incentives for digital transformation (super-depreciations scheme)
- Subsidies scheme (RRP) for Digital Transformation of SME

Electronic payments and sales, industrial data platforms, cash registers and POS
- 20.8% of RRF Loan Facility to support digital transition of private sector

## Market Structure

- **Competitive markets**
- **No impediments for entering telecom market**
- **Dominant players provide access to their fixed line and mobile network infrastructure**
- **Market regulated by an independent authority, Hellenic Telecommunications & Post Commission (EETT)**
- **Digital Markets Act (Regulation 2022/1925/EU), a regulatory regime aiming at promoting competition in digital markets**
Energy Markets – Electricity and Natural Gas

**Market Structure:**
- Imports and exports freely allowed
- third-party access (TPA) to transmission and distribution grids
- Active electricity exchange market (trading volume at 40% of total annual production) & natural gas exchange commenced its operation in 2022
- Independent regulatory authority – RAE

**RES:**
- Simplification and acceleration of the RES licensing process - Law 4951/2022
- Legislation for the development of offshore wind farms

**Consumers:**
- Consumers choose freely their retail electricity & gas supplier
- Independent retail price comparison tool available in daily basis
- Billing includes clear information on customers’ annual consumption and on retail tariffs charged

**Next Steps:**
- Repower EU Reforms
  Licensing framework for renewable hydrogen and sustainable bio-methane
  Framework for carbon capture, usage, and storage technologies (decarbonization)
  Optimization of land and sea space usage for the development of RES and offshore wind energy development, Special Spatial Frameworks for RES
  Grid and storage capacity – fostering of storage investments
  Regulatory framework towards a smart grid
  Toolset to promote energy sharing, self-consumption and renewable Energy Communities
  Roadmap for innovative energy efficiency interventions
- Continued dynamic development of RES
Spatial planning & terms of land use

- Spatial and Urban Planning Legislation Reform
- Special Spatial Frameworks for RES, Mining, Tourism, Manufacturing and Aquaculture
- Regional Spatial Frameworks of North Aegean Islands, Ionian Islands, Central Macedonia and Western Greece
- Completion of cadaster & forest maps, “Digital Land Bank”
- Institutional and administrative integration of forest services within the Ministry of Environment and Energy
- Next steps - Completion of national urban & spatial planning, spatial mapping (2026) & cadaster (2025)

Environment

- Simplification of environmental licensing process, aiming to reduce administrative burden and improve transparency
- Modernization of framework for conducting environmental inspections
- New framework for waste management. Unifying provisions on alternative waste management. Implementation of Pay-as-you-throw framework
- Next steps - Water resource management policy, joint management of potable and irrigation water

Resulting in:
 Increased investment attractiveness,
 Predictability in terms of land use,
 Further enhancement of property rights
Next Steps – Ongoing Structural Reforms

**Measures enhancing market competition & economic competitiveness**

- Measures to strengthen competition in the telecommunications, shipping and food industries
- Strengthening competition in the oil, natural gas, RES markets
- Reviewing regulations of professional services, focusing on reducing barriers to entry in service markets
- New round of reforms to facilitate business and simplify business regulation
- Introduction and revision of rules for fast track spatial planning procedures and new investments
- Arrangements for simplification of zoning, licensing, inspection mechanisms and public procurement procedures
- Simplification and application of One in/ One out rule
- Evaluation and enhancement of incentives for mergers and acquisitions between small businesses
- Enhancing incentives to create ecosystems that include a large or medium-sized central enterprise, and smaller independent satellite enterprises
- Fairer Taxation System
Next Steps – Ongoing Structural Reforms

**Structural interventions supporting markets infrastructure, value chains and ecosystems**

- Implementation of National Strategy for Public Procurement
- Implementation National Industrial Strategy, Supply Chain & Logistics Strategy
- Improving human capital and expanding vocational training reforms. Strategy and diagnostics for labor market needs
- Reform of unemployment and social benefits
- Mitigating market distortions - Reinforcement of inter-agency unit of market inspections and creation of mixed teams for market inspections
- Repower EU Reforms & continued dynamic development of RES
- Completion of national urban & spatial planning strategy
- Water resource management policy
- Implementation of new judicial map and digitalization of judicial procedures
- Organizational reform of OSE – ERGOSE
- Implementation of framework for the offering of public urban and regional passenger transportation services