



President of the European Commission

President

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Dear President,

The Association of Greek Publishers and Booksellers (ENELVI) is deeply concerned about the recent developments related with the book pricing policy in Greece.

VAT. On top of our efforts to survive under the hectic economical situation we currently have to fight to keep VAT on books low.

But why do Greece's lenders (EU, ECT, IMF) demand a reform of the VAT without provisioning the VAT on books to be kept low?

Why raise the VAT on books when special VAT treatment for publications remains the norm among most of the European countries?

The following facts come from the "Global Survey on Books & E-Books: Europe, Latin America and Canada" (attached herein) which was conducted by PricewaterhouseCoopers on behalf of the IPA (International Publishers' Association):

- 0% VAT applies in Ireland, Norway, United Kingdom
- 0% VAT applies in many emerging markets in Latin America (e.g. Argentina, Brazil).
- Special VAT/GST treatment for publications remains the norm among the countries surveyed. The vast majority (92.16%) continues to apply favourable tax regimes for printed books. Of the 51 countries surveyed, only four (Bulgaria, Chile, Denmark and Guatemala) do not apply a special VAT treatment for printed books.
- The 19% VAT rate on books in Chile has led to increased piracy levels in the country. This means a loss for legitimate Chilean publishers and tax authorities.

- All major publishing markets surveyed (France, Germany, Italy, Spain, UK) provide for reduced VAT rates or exemptions, at least for printed books. This is also the case in emerging markets in Latin America (e.g. Argentina, Brazil).

Argentina, Brazil and France (like in Luxembourg) also provide an equal, special VAT/GST treatment for e-books.

- Specific regulations of VAT/GST on e-books are gaining further ground.

0% VAT on books in Greece (as in Ireland, Norway and United Kingdom) or the lowest possible VAT rate would increase employment in the publishing industry, boost sales and provide inexpensive books for the readers. There is no reason Greece should be exception among all European countries on the VAT treatment for publications (please find attached the cartoon that accompanies our campaign for VAT, adapted in English).

Fixed Book Price. Last year, by an amendment of the 1997 law, the Fixed Book Price applies only to the first print run of a book or the first two years following the first edition (by the 1997-version of the law, Fixed Book Price applied for two years after the last reprint). In addition to that, the 2014-amendment applies only to literary and children's books. The maximum discount allowed is 10%.

Research done by the National Book Centre in the late 2000s indicates that the Fixed Book Price law in Greece has contributed to slow down the growth in book prices (lower than the average consumer price index). This decrease in their price has helped strengthening the competitiveness of the books among other educational and cultural goods.

However, since 2014, the Fixed Book Price situation in Greece is threatened by the recent changes in the law, and several booksellers have already been engaged in price wars that will potentially lead to a market turmoil and jeopardize books' cultural impact as such. The newly elected government has expressed willingness to reinstate the FBP law, but for the moment this remains an unfulfilled promise.

It is our firm belief that your support is vital in persuading the Greek government to reinstate the Fixed Book Price system and keep books under the lowest VAT rate.

Yours faithfully,



Ioannis Konstantaropoulos