Network Meeting
Vienna, June 8-9th, 2015

NETWORK MEETING FOR DECISION MAKERS

PATAKIS PUBLISHERS
• Founded in 1974 by Stefanos and Melpomeni Pataki
• Leading general publisher in the Greece
• Publishing from educational books, dictionaries, encyclopedias and scientific books to fiction and non-fiction for both adults and children
• Approx. 400 new titles annually
• General catalogue with 6,000 titles in print
• Cooperation with the Greek Pedagogical Institute of the Greek Ministry of Education

• Founded in 1974 by Stefanos and Melpomeni Pataki
• An established and leading general publisher in the Greek market
• First publications in the area of educational books
• Now publishing from educational books, dictionaries, encyclopedias and scientific books to fiction and non-fiction for both adults and children
• Approx. 400 new titles published annually
• General catalogue counts 6,000 titles in print, as well as other educational material.
• Cooperation with the Greek Pedagogical Institute of the Greek Ministry of Education with over 100 book titles and other educational materials approved for the official schoolbooks lists.
<table>
<thead>
<tr>
<th>Categories</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Educational books</td>
<td>15,32%</td>
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<tr>
<td>Dictionaries - Encyclopedias</td>
<td>1,79%</td>
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<tr>
<td>Books on literature and philosophy</td>
<td>14,87%</td>
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<tr>
<td>Books on science and engineering</td>
<td>0,69%</td>
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<tr>
<td>Children's and Young Adult's books</td>
<td>38,40%</td>
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<tr>
<td>Fiction/ Novels etc.</td>
<td>17,92%</td>
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<tr>
<td>Biographies - Documentaries</td>
<td>1,82%</td>
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<tr>
<td>Foreign language educational books</td>
<td>1,43%</td>
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<tr>
<td>Diaries</td>
<td>0,60%</td>
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<tr>
<td>Albums</td>
<td>3,70%</td>
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<tr>
<td>Practical guides</td>
<td>2,69%</td>
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<tr>
<td>Politics &amp; economics</td>
<td>0,36%</td>
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<tr>
<td>Psychology - psychiatry</td>
<td>0,42%</td>
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In Greece the educational books follow a different reality, as they can be categorized in two areas: School text books, used in all primary and secondary education schools, and Educational companions, which supplement the text books and are sold separately to individuals, if interested, just as any other type of books.
School text books

• Ministry of Education holds tender via Pedagogical Institute
• Usually there are tender issues.
  ➢ Tendering phase duration
  ➢ Low budget

Educational companion books

• Published privately by individual publishers
• Usual book publishing rules apply

School text books are being published by the state through public tenders. In these tenders, the competing publishing houses choose and write the contents. There is a very small upfront payment. The state uses the published school text books for as long as it likes. By law, the state can use any third party material in its school text books (texts, paintings, photos, music pieces etc.) free without any prior consent of any copyright owners. Sometimes there is very little time from the RFT (Request For Tender) to its submission with the smallest being as little as 3 months. The educational companion books are widely used by primary and secondary school education pupils and are not used in the school syllabus. However, they are an important part of education as they complement the textbooks. The usual rules of publishing, like royalties in the form of sales income percentage to authors, artists etc.
Most pressing issues in Greece

Financial struggle since 2008; Turnover down 30%; Recently government stopped paying private companies

Fixed Price Law abandoned in 2014 by previous government; Still waiting for the law to be restored; The market has suffered from a price war

New threat! VAT to be raised; currently it is 6,5% for books.
Fixed Price law ceased to exist in 2014. It only applies to newly published fiction only books for two 2 years.

Gives advantage to very large bookshops and struggles local market. Suffocates publishers and diminishes the national book market.
VAT on printed books 6.5%. 23% on e-books. To be raised from 6.5% to 10%, change VAT category and books to be sold in the upper VAT category of 23%.
VAT on books to increase in Greece

- 0% VAT in Ireland, Norway, United Kingdom
- 0% VAT applies many cases in emerging markets in Latin America (e.g. Argentina, Brazil).

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0% VAT applies many cases in emerging markets in Latin America (e.g. Argentina, Brazil).
51 countries surveyed; only 4 (BG, CL, DK, GT) do not apply special VAT treatment for printed books

92.16% of countries continues to apply favorable tax regimes for printed books

Special VAT/GST treatment for a publications is the norm

Of the 51 countries surveyed, only four (Bulgaria, Chile, Denmark and Guatemala) do not apply a special VAT treatment for printed books.
The vast majority (92.16%) continues to apply favourable tax regimes for printed books.
Special VAT/GST treatment for publications remains the norm among the countries surveyed.
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 (FR, DE, IT, ES, UK) provide reduced VAT rates or exemptions.

Same applies in emerging markets in Latin America (e.g. AR, BR).

AR, BR and FR (like in LU) special VAT/GST treatment for e-books.
Standard VAT rates continue to increase around the globe, and in particular in Europe.

Since previous survey, 6 European countries raised their standard VAT rate by 1.66 %.

Only 2 countries (i.e. CY and FI) raised the VAT applied to books.

Standard VAT rates continue to increase around the globe, and in particular in Europe.

Since publication of the previous VAT/GST survey, six European countries raised their standard VAT rate by an average of 1.66 %.

However, only two of these countries (i.e. Cyprus and Finland) raised the VAT rate applied to books.
Specific regulations of VAT/GST on e-books are gaining further ground.
Thank you