

**Question for written answer E-012627/2011
to the Commission**
Rule 117
Michail Tremopoulos (Verts/ALE)

Subject: Reduced VAT rates and islands

Because of their various disadvantages, especially their isolation or limited size, islands are areas that are disadvantaged at territorial level or, often, at economic and social level. ¹Article 174 of the Treaty of Lisbon, which defines the purpose of economic, social and territorial cohesion, recognises this fact and emphasises that special attention must be paid to islands, with actions to reduce the backwardness of the least favoured regions and contribute towards social cohesion.

In Greece, to date, according to Article 17(4) of Law ²2093/1992, in all the islands in the regions of the North and South Aegean and on the islands of the Northern Sporades, Skyros, Samothrace and Thasos, VAT rates are reduced by 30% compared with the rest of Greece. ³⁴According to articles published recently, the Ministry of Finance is moving towards the abolition of reduced VAT rates on the Aegean islands and of all tax benefits for taxpayers habitually domiciled on small Greek islands with a population of up to 3 100 inhabitants.

Will the Commission answer the following:

1. Is the abolition of reduced VAT rates and tax benefits on the Aegean islands representative of the position of the Commission and its representative in the Troika?
2. Have the repercussions of such a move on the local economy, tourism, social cohesion and employment been considered?
3. What further action does it intend to take to support island communities which have been particularly hard hit by the current economic crisis?

¹ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2010:083:0047:0200:EL:PDF>

² <http://nomothesia.ependyseis.gr/eu-law/getFile/%CE%9D+2093+1992.pdf?bodyId=372109>

³ <http://www.forologikanea.gr/news/sto-trapezi-i-katargisi-tou-meiomenu-fpa-sta-nisia/>

⁴ <http://www.tanea.gr/latestnews/article/?aid=4679676>