EC/Czech Republic Europe agreement: public aid for restructuring the steel products sector, additional protocol

2002/0213(CNS) - 22/07/2002 - Initial legislative proposal

PURPOSE : to present an Additional Protocol to the Europe Agreement establishing an Association between the European Communities and their Member States and the Czech Republic with regard to an extension of the period laid down in Article 8(4) of Protocol 2 for an additional 8 years. CONTENT : to recall, a Europe Agreement establishing an association between the European Communities and their Member States, of the one part, and the Czech Republic, of the other part, was signed on 4 October 1993. Article 8(4) of Protocol 2 to the above Europe Agreement lays down that during the first five years after the entry into force of the Agreement, and by way of derogation from paragraph 1 (iii) of that Article, the Czech Republic may exceptionally, as regards ECSC steel products grant public aid for restructuring purposes, provided that this leads to the viability of the benefiting firms under normal market conditions at the end of the restructuring period. Moreover, the amount and intensity of such aid are strictly limited to what is absolutely necessary in order to restore such viability and are progressively reduced. There shall be a restructuring programme which is linked to a global rationalisation and reduction of capacity in the Czech Republic. The initial period of five years expired on 31 December 1996. The Czech Republic requested the extension of the above-mentioned period in February 1998. It is appropriate to grant an extension of this period for an additional period of 8 years starting on 1 January 1997 or until the date of the Czech Republic's accession to the European Union, whichever comes first. The Czech Republic shall submit to the Commission of the European Communities a restructuring programme and business plans that meet the requirements listed in Article 8(4) of Protocol 2, and that have been assessed and agreed by its National State Aid Monitoring Authority (the Competition Council). The Commission shall provide a final assessment of whether the restructuring programme and business plans meet these requirements. The Council of the European Union shall decide whether the programme and the plans are in compliance with the requirements of the abovementioned Article.