EC/Bulgaria Europe agreement: public aid to restructuring the steel products sector, additional protocol

2002/0214(CNS) - 22/07/2002 - Initial legislative proposal

PURPOSE : to present the additional Protocol to the Europe Agreement establishing an association between the European Communities and their Member States, of the one part, and the Republic of Bulgaria, of the other part, with regard to an extension of the period laid down in Article 9(4) of Protocol 2 to the Europe Agreement. CONTENT : Article 9(4) of Protocol 2 to the Europe Agreement stipulates that during the first five years after the entry into force of the Agreement, and by way of derogation from paragraph 1(iii) of the same Article, Bulgaria may exceptionally, as regards ECSC steel products grant public aid for restructuring purposes, provided that it leads to the viability of the benefiting firms under normal market conditions at the end of the restructuring period. 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. The restructuring programme should be linked to a global rationalisation and reduction of overall production capacity in Bulgaria. The initial period of five years expired on 31 December 1997. Bulgaria requested the extension of the above mentioned period in October 1997. This extension should be granted for an additional period of 8 years starting on 1 January 1998 or until the date of Bulgaria's accession to the European Union, which ever comes first. The Commission shall regularly monitor the implementation of the plans on behalf of the Community and the National State Aid Monitoring Authority (the Competition Council) shall do so for the Republic of Bulgaria.