Competition: state aid, 1994-1998. 8th survey

2000/2211(COS) - 01/03/2000 - Document attached to the procedure

This report, on the implementation in 1999 of Commission Decision 2496/96/EC of 18 December 1996 establishing Community rules for State aid to the steel industry (Steel Aid Code), covers all Commission decisions in the third year of application of the sixth Steel Aid Code. The implementation of individual decisions taken under Article 95 of the ECSC treaty (the last taken in 1994-95) are the object of a separate monitoring report according to the rules of such decisions. The Commission took a total of 19 decisions under the Code, concerning 15 steel companies in five Member States (Belgium, Germany, Greece, France and Italy) and three cases of environmental tax law, in Germany, Finland and Sweden, Italy and Belgium were the Member States with the most individual cases. Germany remains however the country where most aid was reported, in spite of the fact that only 2 individual companies were concerned, because the amounts of aid involved in each of them are far much higher than in any other case. The Commission found that there was no aid in the State intervention in three cases. In two of them, the State acted as a private investor by taking a minority shareholding in the capital of the company (HUGB in Belgium and Acciaerie Sicilia in Italy). In the other (NMH, Germany) the State compensated for environmental expenses for which the company was found not to be responsible. There were six decisions initiating proceedings: - against aid to Sidmar and Cockerill in Belgium; - Salzgitter in Germany; - Myriad in France; - Siderumbra together with Ilva Lamiere Tubi and Ferriere Nord in Italy. In one decision (Gröditzer, Germany), the Commission approved part of the aid and took a final negative decision for the remainder of it and ordered its recovery. In the remaining 9 decisions the Commission approved the aid under consideration without initiating proceedings. In two cases where the Commission initiated proceedings (Sidmar and Ferriere Nord), the problem in question was a different interpretation by the Member States of the specific rules of the Steel Aid Code/relevant guidelines applicable to the case. In the Sidmar case the problem relates to the determination of eligible costs when the investment has an effect on environmental protection but also contributes to reducing the company's production costs. In the Ferriere Nord case the problem resides in the interpretation of the scope of the Environmental Framework and whether certain measures can be considered as measures for environmetal protection. Furthermore, in the other four cases, the problem resides not so much in a different interpretation of a given rule but rather of which set of rules should apply, i.e the ECSC or the EC Treaty, to the investments to be aided. This is the case of Cockerill, where the State did not take account of the different status of the company and granted (employment) aid that the Commission had approved under the EC Treaty. This is also the case for the German companies Saltzgitter and Gröditzer and the French enterprise Myriad, where investment aid was paid as if the companies were subject to the EC Treaty rules. Also in the Italian case of Siderumbra and IlvaLamiere Tubi, the States considers that, although the company is subject to the ECSC Treaty, the particular investments they want to help finance should be subject to the EC Treaty rules.