Competition: state aid. 9th report

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PURPOSE: to present the Ninth survey on State Aid in the European Union. CONTENT: The results of the Survey show that overall levels of State aid in the European Union have continued to fall. Moreover the disparities between Member States in the resources allocated to national State aid are diminishing. The results also show that the process of major restructuring in productive industries that took place in some Member States during the 1990s is coming to a close. The overall level of national State aid in the EU has dropped from an annual average of EUR 102 billion during 1995-1997, to EUR 90 billion during 1997-1999. Whilst the decreases in aid to manufacturing, transport and agriculture contributed most to this EUR 12 billion drop, decreases were also seen in levels of aid granted to the coal sector. In contrast with the overall downward trend, when comparing the two reporting periods, increases were seen in aid to fisheries and to the service sector. In the period 1997-1999, sector-specific aid is still relatively high in Belgium (railways), Germany (coal and railways, but declining in absolute terms), Greece (railways), Spain (railways, coal and shipbuilding) and France (railways and financial services). In order to support Member States' compliance with the commitment made in Stockholm on the necessity to reduce levels of State aid, an instrument is needed that will transcend the objectives of this Survey. A much more detailed level of monitoring and follow-up of State aid measures is needed. Moreover the experience gained by 15 Member States in the implementation of national, regional and local State aid policies needs to be shared. The objective of these new transparency instruments is threefold. Firstly they should provide further the understanding of the Community's State aid system and raise awareness in the need for a central State aid control. They should also contribute to the availability of information on the Commission's decisional processes whilst providing information on how Member States implement Commission decisions. Most importantly they must provide all Member States with a means to facilitate the exchange of information and experience on their respective State aid policies. In the short term these two instruments will complement information currently provided by way of the Annual Surveys on State aid in the Union. At a later stage they will replace the Surveys. As a matter of fact, the framework of the current structural fund and therefore co-financing of Community support with national State aid has already been defined until 2006. As witnessed in the previous Surveys, a relatively large but continually decreasing volume of aid falling outside schemes promoting horizontal, sectorial or regional objectives is granted on an ad-hoc basis to individual enterprises. In parallel with the development of new transparency instruments, there is still a need to address other more traditional issues. There is a continued need to maintain an ongoing refinement of State aid control that currently finds expression in a number of ways. New Community guidelines and frameworks are being drawn up not only to address developing market needs, but also to fine-tune existing Community State aid control rules. A new environmental protection framework has been published and its impact on State aid levels will be closely followed up. Arevision of the current Multi-sectorial, Employment and R&D guidelines is ongoing and rules on the provision of State aid to stimulate the provision of venture capital to provide an important boost to the development of companies and employment have been developed. Work also continues on identifying harmful tax measures in the form of State aid.