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

2000/2211(COS) - 11/10/2000

The committee adopted the report by Jonathan EVANS (EPP-ED, UK) on the eighth survey on state aid in the EU. The report pointed out that EU state aid control was centred on the principle that, while state aid was incompatible with the common market, the granting of such aid by Member States could be justified in exceptional circumstances. On the thorny issue of aid granted to the coal sector, the report said that the significant aid given had not secured the medium-term prospects for the industry, because there had been no major structural change in coal-producing firms, nor was the sector subject to competitive pressure. The report also expressed concern about the European shipbuilding industry and in particular about the impact of the state aid granted to the South Korean shipbuilding industry. As far as the motor vehicle industry was concerned, the committee pointed to the growing overcapacity in this sector in the EU, while acknowledging nevertheless that the level of aid to the industry had gone down. Other points raised by the report included the need to investigate whether tax schemes in the Member States could be distorting competition. Lastly, the committee recommended that the Commission continue to be responsible for monitoring state aid and pointed out that state aid could increase further in the Member States if monitoring activity was decentralised.