Steel industry: aid code (implementing dec. 2496 /96/ECSC). 1998 Report

1999/2107(COS) - 18/01/2000 - Text adopted by Parliament, single reading

The European Parliament adopted its resolution, drafted by Mr. LANGEN (EPP/ED, D), on the Commission report on state aid to the steel industry. The European Parliament welcomes the Commission's report on the implementation of the Steel Aid Code in 1998, but notes, however, that not all aspects of steel aid are treated. It stresses that restricting state aids to R&D, environmental protection, plant closures and special aids to Greece represents a sensible framework for the prevention of distortions of competition. The EP calls on the Member States to comply with their reporting requirement more promptly in future. It criticises the Commission because, in spite of the clear wording of the Steel Aid Code, which applies to all types of aid, it has on several occasions authorised aid for steel undertakings which do not fall into the categories set out in the Code. The Parliament calls for a thorough assessment of this unequal treatment, inter alia in the light of the judgments of the European Court of Justice. The EP recalls that the Court accepted that the iron and steel industry is particularly sensitive to disturbances to its competitive operation, the purpose of the system of aids to this industry being to ensure the survival of successful companies, and points out that this rigid aid system is accurately defined in the current Steel Aid Code and should continue after the ECSC Treaty expires. It calls for clarification of whether the Steel Aid Code applies to all aids and for a number of decisions to be examined as to whether they might require authorisation pursuant to Article 95 of the ECSC Treaty. The Parliament invites the Commission, in its 1999 Report, to detail the active role it plays in the elaboration of restructuring plans and authorised exceptional cases. It considers that the Commission must decide justly and equitably when it authorises - or even itself suggests - exceptions to the ban on aid in individual cases, while in others it does not even consider the application of Article 95 of the ECSC Treaty. Parliament calls for an expert assessment of aid in connection with the privatisation of state steel undertakings and considers a review and an assessment of the Steel Aid Code to be desirable in the interests of equal treatment if the Commission intends to permit aids other that those hitherto referred to at the end of the Steel Aid Code. It therefore calls on the Commission to propose amendments to that effect on connection with the regulations which are to succeed the ECSC Treaty from 2002. It considers that, after the expiry of the ECSC Treaty, only a Council Regulation can guarantee the necessary legal certainty and ensure that the strict ban on all types of aid not covered by the Code is binding. The Parliament shares the view of the ECSC Consultative Committee that admissible aids should give the EU's steel sector advantages comparable to those enjoyed by other sectors of industry, but that any distortion of competition among companies in the EU's steel sector should be avoided, it being understood that the rules should be sufficiently strict to ensure that aid cannot be used for purposes other than those specified in the Code.