Basic information

1999/2107(COS) COS - Procedure on a strategy paper (historic)	Procedure completed
Steel industry: aid code (implementing dec. 2496/96/ECSC). 1998 Report **Subject** 2.60.03 State aids and interventions 3.40.02 Iron and steel industry, metallurgical industry	

Key players

European Parliament	**Committee responsible**	**Rapporteur**	**Appointed**
	ECON Economic and Monetary Affairs	LANGEN Werner (PPE-DE)	27/07/1999

Council of the European Union	**Council configuration**	**Meetings**	**Date**
	Industry	2214	1999-11-09

Key events

Date	Event	Reference	Summary
03/03/1999	Non-legislative basic document published	COM(1999)0094	Summary
13/09/1999	Committee referral announced in Parliament		
09/11/1999	Debate in Council		
24/11/1999	Vote in committee		Summary
24/11/1999	Committee report tabled for plenary	A5-0073/1999	
18/01/2000	Decision by Parliament	T5-0012/2000	Summary
18/01/2000	Debate in Parliament		
18/01/2000	End of procedure in Parliament		
24/10/2000	Final act published in Official Journal		

Technical information

Procedure reference	1999/2107(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper

Legal basis	Rules of Procedure EP 148
Stage reached in procedure	Procedure completed
Committee dossier	ECON/4/10811

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		A5-0073/1999 OJ C 296 18.10.2000, p. 0007	24/11/1999	
Text adopted by Parliament, single reading		T5-0012/2000 OJ C 304 24.10.2000, p. 0023-0076	18/01/2000	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(1999)0094	03/03/1999	Summary
Document attached to the procedure	COM(2001)0151	21/03/2001	Summary
Document attached to the procedure	COM(2002)0145	18/03/2002	Summary

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

1999/2107(COS) - 03/03/1999 - Non-legislative basic document

PURPOSE : presentation of the Commission's Report on the Implementation in 1998 of Commission Decision 2496/96/ECSC of 18/12/1996 establishing Community rules for State aid to the steel industry. CONTENT : this report covers the second year of application of the Sixth Steel Aid Code. The Commission took a total of 27 decisions under the Code. Amongst these decisions, in 2 instances, the Commission declared that the operations in question did not constitute state aid (the SWB capital increase and the takeover of Preussag); and in 2 other cases, concerning ESF Feralpi and the Luxembourg steel research programme, the Commission terminated proceedings when the notification was withdrawn by the national authorities. In 4 other cases, the Commission declared aid incompatible and required their repayment (GMH, Feralpi, Italian tax legislation and ProfilArbed). There was one partially negative decision, in relation to Acciaierie di Bolzano. Other than the 2 decisions initiating proceedings with regard to aid to Neue Maxhutte; the remaining decisions all approved the aid under consideration.

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

1999/2107(COS) - 21/03/2001

This report covers all decisions in 2000 of the Steel Aid Code. Under the code, the Commission took decisions concerning 17 cases, five of which were approved wihtout opening the investigating procedure, eight were the object of final decisions and the other four of a decision to initiate proceedings. The cases that the Commission approved without raising any objections concerned research and development activities carried out by undertakings in Belgium and in Germany and two cases consisted of environmental tax schemes, in Germany and Sweden. The cases that proved to be more problematic were those of investment aid for environmental protection. In three of those cases, the Commission took an initial decision to initiate proceedings and in one case involving five companies it took a final negative decision. It also took two partially negative decisions in two other such cases. The Commission also took a new decision concerning the Spanish company Tubacex revising its initial decision taken in 1997, which had been annulled by the European Court of Justice. It now decided that the debt rescheduling made in favour of the company by public institutions was in line with the practice of a private creditor in similar circumstances and that no aid was involved. In the case of the French company, Myriad, the Commission decided to close proceedings taking note that, in the time since the opening of the procedure, the company has paid back credit unduly received aid and accrued with due interest. In two of the cases of tax credits for foreign investments made by steel companies, it took a negative

decision concerning the Spanish law and initiated proceedings in the case of the French law. The Commission also took note of a final negative decision concerning the regional aid that Germany has granted to Salzgitter. In the case of Cockerill, it took a final negative decision, considering that the employment aid granted by Belgium was illegal and incompatible with the common market.

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.

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

1999/2107(COS) - 18/03/2002

Article 8 of the Commission Decision establishing Community rules for State aid to the steel industry obliges the Commission to file this annual report. It covers decisions taken by the Commission in 2001 under the Steel Aid Code. The Commission took decisions concerning 24 cases, ten of which were approved without opening the investigating procedure, ten were subject to final decisions and the other four were decisions to initiate proceedings. The cases in which no objections were raised related to research and development activities in Belgium, Germany, Italy and the Netherlands as well as aid towards investments for environmental protection in Spain and Austria. Similarly, the participation by Belgium in the capital of a new company raised no objections. In four cases, the Commission opened new procedures concerning a case of non-notified intervention in Spain of a new company, two cases of research and development in Spain and in Italy, and a case of environmental tax law in the United Kingdom. The Commission took a final negative decision concerning the French law on tax credits for foreign investments made by steel companies, as it had done the year before in the case of a similar Spanish law. It took a final negative decision concerning the aid notified by Germany in favour of Brema Warmwalzwerk (environment) and of Eko-Stahl (R&D) and a partially negative decision concerning aid notified by Belgium in favour of Sidmar (environment). Three cases were closed taking note of the withdrawal of the aid notifications made by Germany and by Italy. Lastly, the Report notes that not all Member States have complied with Article 7 obliging them to report to the Commission on aid paid to the steel industry in 2000.