Basic information

2000/2211(COS) COS - Procedure on a strategy paper (historic)	Procedure completed
Competition: state aid, 1994-1998. 8th survey **Subject** 2.60.03 State aids and interventions	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ECON Economic and Monetary Affairs	EVANS Jonathan (PPE-DE)	23/11/1999

Committee for opinion	Rapporteur for opinion	Appointed
ITRE Industry, External Trade, Research, Energy	The committee decided not to give an opinion.	

Council of the European Union

European Commission

Commission DG	Commissioner
Competition	

Key events

Date	Event	Reference	Summary
03/05/2000	Non-legislative basic document published	COM(2000)0205	Summary
08/09/2000	Committee referral announced in Parliament		
11/10/2000	Vote in committee		Summary
11/10/2000	Committee report tabled for plenary	A5-0281/2000	
23/10/2000	Debate in Parliament		
24/10/2000	Decision by Parliament	T5-0458/2000	Summary
24/10/2000	End of procedure in Parliament		
12/07/2001	Final act published in Official Journal		

Technical information	
Procedure reference	2000/2211(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/5/12754

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		A5-0281/2000 OJ C 197 12.07.2001, p. 0007	11/10/2000	
Text adopted by Parliament, single reading		T5-0458/2000 OJ C 197 12.07.2001, p. 0025-0101	24/10/2000	Summary

European Commission

Document type	Reference	Date	Summary
Document attached to the procedure	COM(2000)0083	01/03/2000	Summary
Non-legislative basic document	COM(2000)0205	03/05/2000	Summary

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

2000/2211(COS) - 24/10/2000 - Text adopted by Parliament, single reading

The Parliament voted 267 to 51 with 228 abstentions in favour of the resolution drafted by Mr Jonathan EVANS (EPP/ED, UK) on the Commission's eighth survey on state aid in the European Union with a number of amendments, including one that takes the view that the government can be justified in order to redress market failures. In addition to the recommendations expressed by the committee responsible (refer to the previous stage in the legislative process), the Parliament reiterates that EU State aid control is centred on the principle that while State aid is incompatible with the common market, the granting of such aid by Member States can be justified in exceptional circumstances. It equally regrets that the eighth survey reveals that the levels of State aid granted by Member States have increased in the majority of EU countries. The Commission is called upon to continue to pursue a rigorous policy, particulary in controlling sector specific and adhoc state aid. The Parliament also insists that the Commission present proposals aimed to ensure that all Member States introduce fiscal instruments for CO2 emissions, thus avoiding possible distortions of competition. Lastly, the Commission is called upon to review the presentation of the ninth survey of State aid to include a more detailed assessment of the application of State aid control to the financial services sector, recognising that the sums of State aid granted in this sector can have disproportionate effects upon competition.

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

2000/2211(COS) - 03/05/2000 - Non-legislative basic document

PURPOSE : to present the Eighth Survey on State aid in the European Union. CONTENT : the need to maintain free and undistorted competition is recognised as being one of the basic principles upon which the European Union is built. By way of Community Competition policy the Commission aims to help strengthen the competitiveness of the European industry, ensure effective competition in the internal market and create the conditions for markets to function well whilst accounting for Europe's particular social market economy. A key element of competition is Community State aid control,

the benefits of which are clear. State aid can frustrate free competition by preventing the most efficient allocation of resources and pose a threat to the unity of the single market. In many cases the grant of State aid reduces economic welfare and weakens the incentives for firms to improve their efficency. There is a unique system of control that exists throughout the European Union and the European Economic Area which is aimed at attenuating the inefficiencies related to State Aid control. This system of control makes an important contribution towards fully realising the benefits of the internal market and single currency. However, in order to ensure that State Aid policy remains fair and equitable, the practical application of its basic principles must evolve to keep pace with economic and technological change and with the emergence of new political priorities. In addition, Member States have at their disposal a number of instruments and it is essential that the economically most efficient be used to achieve the objective at hand. And in the event that State aid is demonstrated as being the most efficient instrument, its award must still respect the continually evolving Community State aid rules. Monitoring and follow-up of national State aid expenditure are essential parts of the Commission's States aid policy that is accompanied by a policy of transparency in the control and use of State aid. The publication of this Eight Survey underlines the continued commitment of the Commission and all Member States to this policy. Compiling and publishing data on the amounts of compatible aid that are awarded is one primary means by which the COmmission demonstrates that it is constantly keeping a close watch one the results of its control policy. This SUrvey is a good basis for orienting the Commission's State aid control policy even though and with the exception of aid that is not yet reimbursed, it does not analyse aid that because of its incompatibiltiy with the Common Market was not approved by the Commission. When in the future the new instruments of States aid register and scoreboards are set up, the Commission would then have at its disposal a set of tools that will allow continued fine-tunig of its State aid policy. In conclusion, bilateral obligations have been established by way of the Europe Agreements concluded with the Central and Eastern European countries that are now candidates to become members of the EU. These agreements contain a clear obligation to follow the EU rules on State aid and full complaince with these rules is still needed with transparency being the first step that should be taken to enforce them. Bilateral agreements have been signed with other countries and in most cases a State aid control dimension has been concluded. The provisions on transparency are essential and should therefore be implemented at an early stage. This Survey therefore provides an example of what we should expect in terms of transparency from all our trading partners.

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.