Basic information

2001/2269(COS) COS - Procedure on a strategy paper (historic)	Procedure completed
Competition: state aid. 9th report **Subject** 2.60.03 State aids and interventions	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ECON Economic and Monetary Affairs	RAPKAY Bernhard (PSE)	28/08/2001

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

Council configuration	Meetings	Date
Energy	2394	2001-12-04

European Commission

Commission DG	Commissioner
Competition	

Key events

Date	Event	Reference	Summary
18/07/2001	Non-legislative basic document published	COM(2001)0403	Summary
04/12/2001	Debate in Council		Summary
04/12/2001	Resolution/conclusions adopted by Council		
10/12/2001	Committee referral announced in Parliament		
08/01/2002	Vote in committee		Summary
08/01/2002	Committee report tabled for plenary	A5-0002/2002	
05/02/2002	Debate in Parliament		
06/02/2002	Decision by Parliament	T5-0045/2002	Summary

06/02/2002	End of procedure in Parliament		
21/11/2002	Final act published in Official Journal		

Technical information	
Procedure reference	2001/2269(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/5/14709

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		A5-0002/2002	08/01/2002	
Text adopted by Parliament, single reading		T5-0045/2002 OJ C 284 21.11.2002, p. 0122-0194 E	06/02/2002	Summary

European Commission

Document type	Reference	Date	Summary
Document attached to the procedure	COM(2001)0151	21/03/2001	Summary
Non-legislative basic document	COM(2001)0403	18/07/2001	Summary
Document attached to the procedure	COM(2001)0412	20/07/2001	Summary

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2001/2269(COS) - 06/02/2002 - Text adopted by Parliament, single reading

The European Parliament adopted the resolution drafted by Bernhard RAPKAY (PES, D) and welcomed the decline in State aid. It called on the Member States to live up to the commitment they made at the Stockholm European Council to reduce state aid as a proportion of GNP and reallocate aid to horizontal objectives. It warned against returning regional policy to national control, since that would be at the expense of economically weaker states. Parliament welcomed the Commission's intention to merge the annual aid survey and aid scoreboard as of next year, thereby making a comprehensive reference document available on the situation, development and trends in state aid in the European Union. The state-aid scoreboard will play an especially constructive part as a forum for the exchange of information between Member States. Parliament remarked that in any Commission investigation of national company tax arrangements, the tax sovereignty of Member States must not be called into question.

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2001/2269(COS) - 04/12/2001

Taking account of the Commission's presentation of its latest report on State aid in the European Union, the Council adopted the reaffirming the need to continue efforts to reduce this aid. The Council invites the Member States to: - continue their efforts to reduce aid levels, in terms of percentage of GDP; - reduce, by way of priority, with a view to eliminating, aid which has the greatest distortive effects; - reorient aid towards horizontal objectives, including cohesion and, where appropriate, small and medium-sized enterprises (SMEs); - further develop the use of "ex ante" and "ex post" evaluations of aid schemes, so as to rebalance them in a more effective way; such evaluations should focus on the quality of aid packages, their effects on competition and their impact; - improve the transparency and the quality of reporting to the Commission, particularly by national control and follow-up procedures as well as, where possible, by the provision of relevant statistics; The Commission is invited to: - develop, together with the Member States, statistical tools enabling these Conclusions to be followed up and devise indicators of effectiveness and efficiency; those indicators should thereafter, where appropriate, supplement the Scoreboard; - intensify the assessment of the impact of aid on competition, on the basis of economic criteria; - encourage exchanges of experience and concerted evaluation exercises, in order to benchmark the effectiveness of instruments on a European scale; - continue its efforts to simplify European rules on State aid, to modernise them and clarify them in order to make them more effective, particularly in terms of the length of processes; - submit an initial assessment of progress in 2002.

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2001/2269(COS) - 20/07/2001 - Document attached to the procedure

This document presents the State Aid Scoreboard. Strict control of State aid is essential for the proper functioning of the Internal Market. In recent years the Commission has significantly tightened State aid control, thus ensuring that Member States only award aid that really serves the common interest. Yet the annual level of overall aid in the EU was still more than 79 Billion Euro in 1999. Whilst each individual grant of aid is awarded under conditions accepted by the Commission, it is undeniable that the cumulative effect of all the aid has a considerable distortive effect on competition in the Internal Market. In order to assess the possibility of reducing the distortive effect on competition in the Internal Market caused by the cumulative effect of overall State aid levels, Member States should ascertain their room for manoeuvre in the choice of the most appropriate Government intervention. State aid is essentially justified to rectify market failures. If there is a need for intervention, State aid is only one of the possible instruments that may be used and which also include regulation, direct government provision of certain goods or services, taxation, etc. There may, therefore, be situations where Member States could use measures other than State aid and that are more adapted to the objective pursued. Action based on an improved assessment of the effectiveness and the efficiency of State aid policies could enhance the functioning of the Internal Market. It might also lead to the improved targeting of State aid and a shift away from State aid to better-suited and less distortive instruments thereby reinforcing the current downward trend of overall aid in relation to GDP. In order to generate this wider debate and an accelerated exchange of experience between the Member States, the Commission initiated two new tools to increase transparency on State aid issues: a State aid Register, already available on the Union's Internet server EUROPA, and the present State aid Scoreboard. The Scoreboard is a transparent and publicly accessible source of information on the overall State aid situation in the European Union and on the Commission's current State aid control activities. The Scoreboard is shared with Member States and will benefit from their contributions. This first edition comprises a series of indicators that describe different State aid situations. This first version of the Scoreboard asks questions rather than answering them. It points out differences, but does not necessarily explain them. The questions raised and the differences described will certainly be a thorough basis for discussion between the Member States and the Commission, but also, it is hoped, between the Member States themselves. It will raise awareness on State aid matters and will, not least, increase the often lacking understanding for the necessity of the Commission's State aid control. The present Scoreboard consists of five parts: 1) an overview of State aid in the European Union over the last ten years and in the recent past; 2) a Member State forum; 3) procedural performance in the European Union; 4) current State aid policy and 5) State aid in the Internal Market. In addition, a technical annex presents the underlying data foreach graph and table. Figures presented in the Scoreboard and annex are expressed in constant 1998 values. The first part of the present Scoreboard shows State aid expenditure in the Union since 1990 expressed as a percentage of GDP and in absolute values. Overall aid expressed as a percentage of GDP in each Member State for the period 1997, 1998 and 1999 are also given. The shares of aid are then given according to the main purposes pursued: fostering horizontal objectives like research and development, small and medium-sized enterprises, environmental protection and energy saving or training and employment, helping agriculture and fisheries, assisting the transport sector, aiding other specific sectors like coal mining, shipbuilding or steel production, supporting regions that lag behind. The second part provides seminal ideas for a Member State forum that will offer information on their levels of transparency and should act as a catalyst for discussion between Member States. In the third part, an indication of Member States' success in complying with procedural rules is given in order to identify problems and therefore indicate where improvements might be necessary. In addition, information on the recovery of illegally granted State aid is included. With a view to identifying possible areas where future action by the Commission under State aid rules might be necessary or desirable, the fourth part of the Scoreboard highlights some issues and situates Member States accordingly. The Member States are encouraged to discuss certain spending trends and patterns that might have a positive impact upon the functioning of the Internal Market. The final part of the Scoreboard attempts to situate State aid in the broader context of the Internal Market and the structural reforms undertaken by the Member States. State aid, even if complying with EC competition policy rules, affect, among others, the competitive process in the Internal Market, economic policy co-ordination and the adjustment of the EU economy to new competitive conditions. In light of the broader implications of State aid and beyond the mere respect of EC competition rules, Member States may wish to consider re-evaluating their State aid policies for reasons of economic effectiveness and efficiency. The Scoreboard will be developed gradually in response to the needs of its various future user constituencies. It will be based on a core set of indicators that will, over time, demonstrate policy shifts and State aid spending patterns.

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2001/2269(COS) - 18/07/2001 - Non-legislative basic document

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.

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2001/2269(COS) - 21/03/2001 - Document attached to the procedure

This report from the Commission concerns the implementation in 2000 of Commission Decision 2496/96/ECSC of 18 December 1996 establishing Community rules for State aid to the steel industry (Steel Aid Code). Article 8 of Commission Decision 2496/96/ECSC of 18 December 1996 establishing Community rules for State aid to the steel industry1 (hereinafter referred to as the Steel Aid Code) requires the Commission to draw up annual reports on the implementation of this Decision to the Council and, for information, for the European Parliament and the Consultative Committee. 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 without 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, reversing 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 had paid back the unduly received aid accrued with the due interests. In two 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 a final negative decision concerning the regional aid that Germany had 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.