

Multisectoral framework on regional aid for large investment projects

(98/C 107/05)

(Text with EEA relevance)

1. Need for and scope of the measure

1.1. The need for more systematic controls on regional aid to large-scale mobile investment projects has been widely acknowledged in recent years. The completion of the single market makes it more important than ever to maintain tight controls on State aid for such projects, since the distortive effect of aid is magnified as other government-induced distortions of competition are eliminated and markets become more open and integrated. At the same time, it is important to strike an appropriate balance between three core objectives of EU policy, namely undistorted competition in the internal market, economic and social cohesion and industrial competitiveness.

1.2. Investors in large projects often consider alternative sites in different Member States, which may lead to a spiral of increasingly generous promises of aid. Such subsidy auctions carry a considerable risk of distorting competition in the single market. In addition, they clearly favour the richer Member States and/or regions with larger regional aid budgets. The Commission is therefore introducing this framework, initially for a trial period only, with the aim of limiting aid for large-scale projects to a level which avoids as much as possible adverse effects on competition but which at the same time maintains the attraction of the assisted area. The Commission's intention to adopt a horizontal framework on State aid to large-scale investment projects in all sectors of industry was first announced in its Communication to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions on '*An industrial competitiveness policy for the European Union*' ⁽¹⁾.

1.3. Several sensitive industrial sectors are already subject to special rules on aid, notably agriculture, fisheries, steel, shipbuilding, synthetic fibres, the motor industry, transport and the coal industry. During the trial period these sectors will continue to be covered exclusively by their own existing sectoral codes and frameworks (with the exception of the textile and clothing sector which will

will be subject solely to the provisions of this framework ⁽²⁾). This situation will be reviewed after an evaluation has been carried out of the efficacy of this framework. In other sectors the only current restriction on regional investment aid is that the amount of aid must not exceed the ceilings authorised by the Commission for the regional scheme in question. However, the regional ceilings are in general designed to provide an incentive for the type of investment facing the biggest problems and are usually in excess of the average regional handicaps. The purpose of this framework is to limit this net incentive for large projects to a level which avoids as much as possible adverse sectoral effects caused by the project.

1.4. Under this framework the Commission will decide on a case-by-case basis a maximum allowable aid intensity for projects which are subject to the notification requirement. This might lead to aid intensities below the applicable regional ceiling. This framework does not apply to restructuring aid cases, which will continue to be covered by the Community guidelines on State aid for rescuing and restructuring firms in difficulty ⁽³⁾. Similarly, this framework will not affect the operation of the existing horizontal frameworks, such as the Community framework for State aid for research and development ⁽⁴⁾ and the Community guidelines on State aid for environmental protection ⁽⁵⁾.

1.5. The Commission would stress that it has no intention of seeking to interfere unnecessarily with the discretion of Member States in the field of regional policy. Nor does it seek to weaken the application of Article 92(3)(a) and (c) of the Treaty, which aims to encourage companies to invest in disadvantaged areas, despite the structural handicaps that they face there. On the contrary, the intention is strictly to limit the scope of the new rules to those large-scale projects, often capital intensive in nature, which could have a serious impact on unaided competitors located

⁽²⁾ This framework consequently replaces the Community framework for aid to the textile industry SEC(71) 363 final, July 1971.

⁽³⁾ OJ C 283, 19.9.1997, p. 2.

⁽⁴⁾ OJ C 45, 17.2.1996, p. 5.

⁽⁵⁾ OJ C 72, 10.3.1994, p. 3.

⁽¹⁾ COM(94) 319 final.

elsewhere in the EEA; and to examine more critically the planned levels of aid for those projects which do not have, directly or indirectly, a significant impact on employment in the region concerned, which is an important objective of regional policy. Member States will continue to be able freely to decide on the aid intensity in the vast majority of cases, within the terms of the approved regional aid schemes.

- 1.6. In drawing up this framework, the Commission has attempted to ensure that, as far as possible, it is clear and unambiguous, predictable, certain and efficient and that the additional administrative burden it entails is kept to a minimum.

2. Notification requirement

- 2.1. Under this framework Member States are required to notify pursuant to Article 93(3) of the Treaty any proposal to award regional investment aid ⁽⁶⁾ within the scope of an approved scheme ⁽⁷⁾, where either of the following two criteria are met:

- (i) the total project cost is at least ECU 50 million ⁽⁸⁾, and the cumulative aid intensity ⁽⁹⁾ expressed as a percentage of the eligible investment costs is at least 50 % of the regional aid ceiling for large companies in the area concerned and aid per job created or safeguarded amounts to at least ECU 40 000 ⁽¹⁰⁾; or

- (ii) the total aid is at least ECU 50 million.

Notification format

- 2.2. The standard notification form is contained in the Annex. This form should be sent directly to the Directorate-General for Competition.

3. Assessment rules

- 3.1. The Commission will determine, in accordance with the calculation formula set out in point 3.10,

a maximum allowable aid intensity for a proposal to award aid. It will begin by identifying the maximum aid intensity (regional aid ceiling) which a large company could obtain in the assisted area concerned within the context of the authorised regional aid system valid at the moment of notification (unless it is *ad hoc* aid in which case the aid ceiling fixed for the region concerned will be applied). A range of adjustment factors will then be applied to that percentage figure, in accordance with three specific assessment factors (see below), in order to calculate a maximum allowable aid intensity for the project in question. In the case of the third criterion, the regional impact indicator, a positive factor or bonus may be applied, depending on the degree of benefit the project is likely to confer on the region concerned. The question of the viability of an individual project will be for Member States themselves to determine. However, the Commission will be entitled, if it deems it to be necessary, to request information on a project's viability. Finally, the Commission will, where appropriate, utilise independent external data to assess the likely impact on competition in the relevant market; where this is not easily obtainable, however, the Commission will give full weight to representations made by Member States.

The three assessment criteria

(i) Competition factor

- 3.2. The authorisation of aid to companies operating in sectors which are in structural overcapacity poses particular risks for the distortion of competition. Any capacity expansion which is not compensated by capacity reductions elsewhere will exacerbate the problem of structural overcapacity. If such expansion is aided, the aid recipient may be left with excess capacity that it will not be able to use in the future or it may start a price-war in order to drive other producers out of the relevant market. It is also likely to threaten jobs elsewhere. Thus the competition factor will involve an analysis of whether the proposed project would take place in a sector or subsector suffering from structural overcapacity.

- 3.3. In determining whether structural overcapacity exists in the sector or subsector concerned, the Commission will consider, at the Community level, the difference between the average capacity utilisation rate for manufacturing industry as a whole and the capacity utilisation rate of the relevant sector or subsector. In order to allow for cyclical

⁽⁶⁾ Regional investment aid awarded solely for the creation of jobs as described in the Community regional aid guidelines is not covered by this framework.

⁽⁷⁾ The notification requirement also applies, of course, to proposals to award *ad hoc* aid.

⁽⁸⁾ ECU 15 million in the case of projects carried out in the textile and clothing sector.

⁽⁹⁾ Including any co-financing from the Structural Funds.

⁽¹⁰⁾ ECU 30 000 in the case of projects carried out in the textile and clothing sector.

fluctuations in relative capacity utilisation rates, the reference period will be the last five years for which data are available.

investment project in question and can thus be assessed in terms of investment aid, as opposed to employment aid.

3.4. In the absence of sufficient data on capacity utilisation, the Commission will consider whether the investment takes place in a declining market. For this purpose, the Commission will compare the evolution of apparent consumption of the product(s) in question (that is, production plus imports minus exports) with the growth rate of EEA manufacturing industry as a whole.

3.8. This criterion would also take account of the possible distorting effect of the aid on the price of the final product. Undertakings with a relatively high share of capital in total costs realise an important reduction of their unit cost through the aid and could obtain thereby a considerable competitive advantage over non-aided competitors. The higher the capital intensity of the supported investment project, the more distorting the effects of capital grants on competition are likely to be.

3.5. For the purpose of determining whether the investment will result in a capacity expansion, the relevant capacity is the total viable capacity of the prospective beneficiary (and/or, if appropriate, the Group to which it belongs) for the relevant product. In all cases, viable capacity would include temporarily idle capacity (that is, capacity that would be reactivated when sales improve) but would exclude obsolete and inactive capacity (that is, idle capacity that cannot be reused without substantial additional investment).

(iii) Regional impact factor

3.6. Wherever a company, prior to making an application for aid, already has a high market share for the product(s) concerned, which for the purpose of this framework will be assumed to be at least 40 %, there is a risk that the award of maximum levels of aid normally permitted in the region concerned will unduly distort competition. In such circumstances the company should, in principle, receive less aid than would otherwise be the case, even if its investment contributes to regional development. There could, however, be exceptions to this general rule, for example where the company creates, through genuine innovation, a new product market.

3.9. Whereas the competition and capital-labour factors look at the project's potentially distorting effects, the regional impact factor takes account of the beneficial effects on the economies of the assisted regions. The Commission considers that job creation can be used as an indicator of a project's contribution to the development of a region. Where a capital-intensive investment creates only a limited number of direct jobs, it may nevertheless create a significant number of indirect jobs in the assisted region concerned and any adjacent assisted region(s). Job creation in this context refers to jobs created directly by the project together with jobs created by first-tier suppliers and customers in response to the aided investment. When applying this factor to the calculation formula to arrive at an allowable aid intensity, the Commission will give a higher positive weighting to the indirect creation of jobs by aid recipients located in Article 92(3)(a) regions than in Article 92(3)(c) regions in recognition of the more severe economic problems faced by the former.

(ii) Capital-labour factor

3.7. Since regional aid is usually granted in the form of capital subsidies, there is a natural tendency for capital intensive projects to locate in assisted areas. While this is a positive development, such a policy does not necessarily contribute to the creation of many new jobs and the reduction of unemployment. Only highly capital-intensive projects will be captured by this factor. The notion of jobs safeguarded will only be relevant where it is demonstrated that they are directly linked to the

Calculation formula

3.10. The complete calculation formula is obtained by multiplying the regional aid ceiling by the coefficients that result from the examination of the three factors mentioned above, which are represented by the following symbols:

R = authorised maximum aid intensity for large companies in the assisted area concerned (regional ceiling),

T = competition factor,

I = capital-labour factor,
M = regional impact factor.

The formula of the maximum allowable aid intensity is then: $R \times T \times I \times M$.

The following adjustment factors will apply to each of the three assessment criteria:

1. Competition factor

- | | |
|--|------|
| (i) Project which results in a capacity expansion in a sector facing serious structural overcapacity and/or an absolute decline in demand | 0,25 |
| (ii) Project which results in a capacity expansion in a sector facing structural overcapacity and/or a declining market and which is likely to reinforce high market share | 0,50 |
| (iii) Project which results in a capacity expansion in a sector facing structural overcapacity and/or a declining market | 0,75 |
| (iv) No likely negative effects in terms of (i)-(iii) | 1,00 |

2. Capital-labour factor

New capital/jobs ⁽¹⁾ (ECU 000s)	Factor
< 200	1,0
200 to 400	0,9
401 to 700	0,8
701 to 1 000	0,7
> 1 000	0,6

⁽¹⁾ Total amount of proposed capital divided by number of jobs created or safeguarded.

3. Regional impact indicator

	Article 92(3)(a) regions	Article 92(3)(c) regions
(i) High degree of indirect job creation ⁽¹⁾ for each job created by the aid recipient (more than 100 %)	1,5	1,2
(ii) Medium degree of indirect job creation for each job created by the aid recipient (between 50 %-100 %)	1,25	1,1
(iii) Low degree of indirect job creation for each job created by the aid recipient (less than 50 %)	1,0	1,0

⁽¹⁾ That is, jobs created with first-tier suppliers and customers in the assisted region where the company is located or in any adjacent assisted regions (i.e. Article 92(3)(a) or (c) regions).

NB: No project would of course be allowed to receive aid above the regional ceiling.

4. Date of introduction and period of validity

- 4.1. This framework will be applicable from 1 September 1998 for an initial trial period of three years. Before the end of the trial period, the Commission will carry out a thorough review of the utility and scope of the framework, which will *inter alia* consider the question of whether it should be renewed, revised or abolished.

5. Procedure for assessment of cases by the Commission

- 5.1. The Commission aims, in principle, to take a decision either to authorise the aid or to open the Article 93(2) procedure within a period of two months following the receipt of a complete notification, which should follow the standard format set out in the Annex. (In the case of incomplete notifications, the Commission will send a request for additional information to the Member State within ten working days). The two-month time-limit may only be extended with the consent of the Member State concerned.
- 5.2. In the event that the Commission initiates an Article 93(2) procedure, the Commission will take a final decision within four months following the decision to open the procedure. The Commission

will take account of all the evidence which can be gathered during that period, including information from interested third parties and any additional elements not considered during the initial investigation. Thus the maximum period for investigation into an individual case would normally not exceed six months.

6. *Ex-post monitoring*

6.1. In view of the sensitive nature of the large mobile investments involved, it is essential that a mechanism exists which helps to ensure that the level of aid actually disbursed to the beneficiary conforms with the Commission decision.

6.2. For each aided project approved by the Commission under this framework, the Commission will require either that any aid contract between the relevant authority of the Member State and the aid recipient contains a reimbursement provision in the event of non-compliance with the contract or that the final significant payment of the aid (e.g. 25 %) will be made only when the aid beneficiary has satisfied the Member State that execution of the project is in compliance with the Commission decision and on condition that the Commission, on the basis of information provided by the Member State concerning implementation of the project, has, within 60 working days, indicated its agreement or raised no objections to the final payment of the aid.

6.3. A copy of any aid contract between the Member State and the aid beneficiary must be communicated to the Commission immediately after it has been signed by the parties.

6.4. In order to ensure compliance with the Commission decision, the Member States, in cooperation with the aid beneficiaries, must provide the Commission with an annual report on the project, including information on the subsidies already paid, any interim report on the execution of the aid contract, and a final report indicating the objectives in terms of the timetable, the investments, and compliance with any specific conditions laid down by the authority granting the aid.

7. **Definition of terms used**

7.1. The following definitions of the terms used in this framework will apply.

Investment project

7.2. 'Investment project' means an initial investment in fixed assets in the creation of a new establishment, the extension of an existing establishment or engaging in an activity involving a fundamental

change in the product or production process of an existing establishment (by means of rationalisation, diversification or modernisation). It may also take the form of the takeover of an establishment which has closed or which would have closed had such a takeover not taken place, but does not include the acquisition of assets from a company in financial difficulties (for which the Community guidelines on State aid for rescuing and restructuring firms in difficulty apply).

An investment project should not be artificially divided into sub-projects in order to escape the notification obligation.

Total project cost

7.3. 'Total project cost' means the total expenditure on tangible and non-tangible new assets which are purchased by an undertaking to carry out an investment project and will be depreciated (or leased) over the lifetime of the assets concerned.

Eligible expenses

7.4. 'Eligible expenses' mean expenditure on those tangible and non-tangible assets permitted under the Community regional aid guidelines⁽¹¹⁾.

Jobs

7.5. 'Job' means a permanent full-time job or its part-time equivalent. It may be a new job or the safeguarding of an existing job to the extent that the latter is directly associated with the investment project, would require a significant amount of re-training and would no longer exist at the start of the new production if not for that investment.

Relevant market

7.6. The relevant product market(s) for determining market share comprises the products envisaged by the investment project and, where appropriate, its substitutes considered by the consumer (by reason of the products' characteristics, their prices and their intended use) or by the producer (through flexibility of the production installations)⁽¹²⁾. The

⁽¹¹⁾ Adopted on 16 December 1997 (OJ C 74, 10.3.1998).

⁽¹²⁾ If the investment concerns the production of intermediates, the relevant market may be the market for the final product if most of the production is not sold on the open market.

relevant geographic market comprises usually the EEA or, alternatively, any significant part of it if the conditions of competition in that area can be sufficiently distinguished from other areas of the EEA. Where appropriate the relevant market(s) may be considered to be global.

Structural overcapacity

- 7.7. Structural overcapacity is deemed to exist when, on average over the last five years, the capacity utilisation rate of the relevant sector or subsector⁽¹³⁾ is more than two percentage points below that of manufacturing as a whole. Serious

⁽¹³⁾ The sector or subsector will be established at the lowest available segmentation of the NACE classification.

structural overcapacity is deemed to exist when difference with respect to the average for manufacturing is more than five percentage points.

Declining market

- 7.8. The market for the product(s) in question will be deemed to be declining if, over the last five years, the average annual growth rate of apparent consumption of the product(s) in question is significantly (more than 10 %) below the annual average of EEA manufacturing industry as a whole, unless there is a strong upward trend in the relative growth rate of demand for the product(s). An absolutely declining market is one in which the average annual growth rate of apparent consumption over the last five years is negative.

*ANNEX***Standard notification form pursuant to the multisectoral framework on regional aid for large investment projects****Introduction**

This form specifies the information to be provided by a Member State when notifying the European Commission of an investment project to be located in an assisted area which is subject to the notification rules of the multisectoral framework on regional aid for large investment projects.

The Member States should note that:

- (a) all information requested by this form must be provided. However if notifying parties, in good faith, are unable to provide a response to a question or can only respond to a limited extent on the basis of available information they should indicate this and give reasons;
- (b) unless all sections are completed in full or adequate reasons are given explaining why it has not been possible to answer the questions in full, the notification will be incomplete and will become effective only on the date on which all the information is received;
- (c) the Commission may request the Member State and the aid recipient concerned to provide additional information and/or explanation on the information supplied in this form in order to facilitate the initial assessment, which should be provided within ten working days and may form the subject of a technical meeting to be arranged by the Directorate-General for Competition with the competent public authority.

Supporting documentation

- (a) a copy of the draft aid agreement or, if that is unavailable, a copy of the envisaged aid offer letter. If the draft aid agreement is unavailable at the time of the notification, it should be submitted as soon as possible and not later than when it is posted to the aid recipients;
- (b) copies of the most recent annual reports and accounts of the aid recipient(s), and if the recipient is part of a larger group, the most recent annual reports and accounts of the group;
- (c) a list and short description of the contents of all other analyses, reports, studies and surveys prepared by or for the aid recipient(s) for the purpose of assessing or analysing the proposed aided investment with respect to competitive conditions, competitors (actual and potential), and market conditions. Each item in the list must include the name and position of the author.

How to notify

The notification must be completed in an official language of the European Union appropriate for the Member State concerned. This language will thereafter be the language of the proceeding for all notifying parties.

Supporting documents must be submitted in their original language; where this is not an official language of the European Union they must be translated into the language of the proceeding.

The financial data requested must be provided in local currency or ecu/euro indicating the conversion rates used.

The notification should be sent to:
European Commission,
Directorate-General for Competition,
(DG IV),
State Aid Directorate,
(Cort. 150),
rue de la Loi/Wetstraat 200,
B-1049 Brussels,

or delivered by hand during normal Commission
working hours to the following address:
European Commission,
Directorate-General for Competition,
(DG IV),
State Aid Directorate,
avenue de Cortenberg/Kortenberglaan 150
B-1040 Brussels.

Secrecy

The Member State and/or the aid recipient concerned should take note that any of the information requested may be used as a basis to prepare a decision on the case. Notifying parties should indicate that part of the information submitted in this notification which should not be published or otherwise divulged to other parties by marking it 'Business secrets'. They should also set out the reasons why this information should not be divulged or published. However, if sensitive information is needed in the preparation of the decision, the Commission would first consult the Member State and/or the aid recipient about the publication of the parts of the decision containing sensitive information.

Ex-post control

The Commission acknowledges that part of the information requested in this notification form cannot be given entirely accurately in advance. The Member State and/or the aid recipient concerned are requested to give their best estimate and to provide a justification of the information to be provided. The aided investment project will be subject to *ex-post* control by which the Commission can verify the accuracy of the information provided in the context of the notification.

SECTION 1

MEMBER STATE

1.1. *Information on notifying public authority*

1.1.2. name and address of notifying authority;

1.1.3. name, telephone, fax and e-mail address of, and position held by, the person(s) to be contacted in case of further inquiry.

1.2. *Information of contact in permanent representation*

1.2.1. name, telephone, fax and e-mail address of, and position held by, the person to be contacted in case of further inquiry.

SECTION 2

AID RECIPIENT

2.1. *Structure of a company or companies investing in the project*

2.1.1. identity of aid recipient;

2.1.2. if the legal identity of the aid recipient is different from the undertaking(s) that finance(s) the project or that receive(s) the aid, describe also these differences;

2.1.3. identify the parent group of the aid recipient, describe the group structure and ownership structure of each parent company.

2.2. *For a company or companies investing in the project, provide the following data for the last three financial years:*

2.2.1. worldwide turnover, EEA turnover, turnover in Member State concerned;

2.2.2. profit after tax and cash flow (on a consolidated basis);

2.2.3. employment worldwide, at EEA level and in Member State concerned;

2.2.4. market breakdown of sales in the Member State concerned, in the rest of the EEA and outside the EEA.

2.3. *If the investment takes place in an existing industrial location, provide the following data for the last three financial years of that entity*

2.3.1. total turnover;

2.3.2. profit after tax and cash flow;

2.3.3. employment;

2.3.4. market breakdown of sales: in the Member State concerned, in the rest of the EEA and outside the EEA.

SECTION 3

PROVISION OF PUBLIC ASSISTANCE

For each measure of proposed public assistance, provide the following:

3.1. *Details*

3.1.1. scheme title (or indicate if it is an 'ad-hoc' aid);

3.1.2. legal basis (law, decree, etc.);

3.1.3. public entity providing the assistance;

3.1.4. if the legal basis is an aid scheme approved by the Commission, provide the date of the approval and the State aid case reference number.

3.2. *Form of the proposed assistance*

3.2.1. is the proposed assistance a grant, interest subsidy, reduction in social security contributions, tax credit (relief), equity participation, debt conversion or write off, soft loan, deferred tax provision, amount covered by a guarantee scheme, etc.?

3.2.2. provide the conditions attached to the payment of the proposed assistance.

3.3. *Amount of the proposed assistance*

3.3.1. nominal amount of support and its gross and net grant equivalent;

3.3.2. is the assistance measure subject to corporate tax (or other direct taxation)? If only partially, to what extent?

3.3.3. provide a complete schedule of the payment of the proposed assistance.

For the package of proposed public assistance, provide the following:

3.4. *The characteristics of the assistance measures*

3.4.1. are any of the assistance measures of the overall package not yet defined? If yes, specify;

3.4.2. indicate which of the abovementioned measures does not constitute State aid and for what reason(s).

3.5. *Financing ⁽¹⁾ from Community sources (EIB, ECSC instruments, Social Fund, Regional Fund, other)*

⁽¹⁾ The notion of State aid may include Community financing.

- 3.5.1. are some of the abovementioned measures to be co-financed by Community funds? Explain;
- 3.5.2. is some additional support for the same project to be requested from any other European or international financing institutions? If so, for what amounts?
- 3.6. *Cumulation of public assistance measures*
- 3.6.1. estimated gross grant equivalent (before taxation) of the combined aid measures;
- 3.6.2. estimated net grant equivalent (after taxation) of the combined aid measures.

SECTION 4

ASSISTED PROJECT

(The information to be given in this section is used *inter alia* to determine the outcome of the application of the capital-labour assessment factor.)

4.1. *Location of the project*

- 4.1.1. Specify the region and the municipality as well as the address.

4.2. *Duration of the project*

- 4.2.1. Specify the start date of the investment project as well as the completion date of the investment.
- 4.2.2. Specify the planned start date of the new production and the year by which full production may be reached.

4.3. *Description of the project*

- 4.3.1. Specify the type of the project and whether it is a new establishment or a capacity expansion or other.
- 4.3.2. Provide a short general description of the project.

4.4. *Breakdown of the project costs*

- 4.4.1. Specify the total cost of capital expenditure to be invested and depreciated over the lifetime of the project;
- 4.4.2. Provide a detailed breakdown of the capital and non-capital⁽²⁾ expenditure associated with the investment project by filling in the following table:

	Total expenditure				Eligible expenditure			
<i>Capital</i>	Year 1	Year 2	Year 3	Etc.	Year 1	Year 2	Year 3	Etc.
land								
buildings								
installations, machines								
tools								
intangibles ⁽¹⁾								
other (specify)								
<i>Non-capital</i>								
additional working capital								
R&D								
launching costs								
other (specify)								
Total								

⁽¹⁾ For large enterprises, certain categories of intangible investments can be included in the eligible capital expenditure, however, not exceeding 25 % of the total eligible capital expenditure (cf. Regional aid guidelines, point 4.6).

⁽²⁾ Investment expenditure that cannot be depreciated over the lifetime of the investment project.

4.5. *Financing of total project costs*

4.5.1. Indicate the financing of the total cost of the investment project by filling in the following table:

	Amount			
	Year 1	Year 2	Year 3	Etc.
Internal resources				
Equity contributions				
Borrowing from private institutions				
Borrowing from public institutions				
Public assistance (national and Community)				
Other (specify)				
Total				

4.6. *Employment creation*

4.6.1. Does the project create new permanent jobs (full-time equivalent)? If yes, provide a number of the jobs to be created and over which period as well as a description of the jobs to be created.

4.7. *Safeguard of existing employment*

4.7.1. Does the project safeguard existing permanent jobs? If yes, provide a number of the jobs to be safeguarded and over which period as well as a description of the jobs to be safeguarded;

4.7.2. explain in detail the re-training in average number of hours and cost (excluding the salaries of the trainees) necessary to safeguard these permanent jobs;

4.7.3. explain why these jobs would be at imminent risk if the project was not realized.

SECTION 5

CAPACITY CONSIDERATIONS AND AFFECTED MARKET(S)

(The information to be given in this section is used to determine the outcome of the application of the competition assessment factor. A definition of the relevant market(s) as well as a definition of structural overcapacity and market(s) in decline are given in the appendix.)

5.1. *Characterisation of product(s) envisaged by the project*

5.1.1. Specify the product(s) that will be produced in the aided facility upon the completion of the investment (indicate the CN code) and the relevant (sub-)sector(s) to which the product(s) belong(s) (indicate the NACE code);

5.1.2. what product(s) will it replace? If these replaced products are not produced at the same location, indicate where they are currently produced;

5.1.3. what other product(s) can be produced with the same new facilities at little or no additional cost?

5.2. *Characterisation of relevant geographic market(s)*

5.2.1. Specify the relevant geographic market(s) where different from EEA;

5.2.2. why is the geographic market considered to be different from EEA?

5.3. *Capacity considerations*

5.3.1. Quantify the impact of the project on the aid recipient's total viable capacity in the EEA (including at Group level) for each of the product(s) concerned (in units per year in the year preceding the start year and on completion of the project).

5.3.2. Provide an estimate of the total EEA (or of the relevant geographic market) capacity utilisation rate of the relevant (sub-)sector(s) for the last five years. What proportion of this capacity during this period is accounted for by the aid recipient and what has been its rate of capacity utilisation in the relevant (sub-)sector?

5.4. *Market data*

5.4.1. Provide for each of the last five financial years data on apparent consumption ⁽³⁾ of the product(s) concerned. If available, include statistics prepared by other sources to illustrate the answer;

5.4.2. provide for the next three financial years a forecast of the evolution of apparent consumption of the product(s) concerned. If available, include statistics prepared by other sources to illustrate the answer;

5.4.3. is the relevant market in decline and for what reasons? If not, why?

5.4.4. An estimate of the market share (in value) of the aid recipient or of the group to which the aid recipient belongs in the year preceding the start year and on completion of the project.

SECTION 6

REGIONAL IMPACT

(The information to be given in this section is used to determine the outcome of the application of the regional impact assessment factor.)

6.1. *Information on the employment created with first-tier suppliers and customers of the aid recipient*

6.1.1. In the opinion of the Member State and/or aid recipient, which of the three options below best describes the degree of jobs created with first-tier suppliers and customers resulting from the project:

(i) high degree of job creation for each job created by the aid recipient (more than 100 %);

(ii) medium degree of job creation for each job created by the aid recipient (between 50 %-100 %);

(iii) low degree of job creation for each job created by the aid recipient (less than 50 %)?

6.1.2. Justify and explain your answer to the previous question.

6.1.3. Provide as complete a list as possible of the prospective first-tier suppliers for the new production within the assisted region and/or assisted regions.

6.1.4. Provide as complete a list as possible of the prospective customers for the new production within the assisted region and/or assisted regions.

⁽³⁾ Production plus imports minus exports.