

D E C I S I O N N O . 1 3

of 9.01.2004

regarding the authorization of the State aid specific allocation granted to SC “Brem Company” SA as part of the State aid scheme contained by art. 7 of GO no. 65/2001 regarding the establishment and functioning of industrial parks

The Competition Council’s Plenum,

Based on:

- 1.** Decree no. 1075/2001 on the appointment of the members of the Competition Council;
- 2.** The provisions of the Competition Law no. 21/1996, published in the Official Gazette no. 88, Part I, of 30.04.1996, amended by GEO no. 121/04.12.2003, published in the Official Gazette no. 875, Part I, of 10.12.2003;
- 3.** The provisions of the Law no. 143/1999 on state aid, published in the Official Gazette no. 370, Part I, of 03.08.1999, with subsequent amendments and completions;
- 4.** The Regulation regarding the organization, functioning and procedure of the Competition Council, published in the Official Gazette no. 50 bis, Part I of 25.03.1997 with subsequent amendments;
- 5.** The Regulation on the form, content and other details of the state aid notification, published in Official Gazette no.125, Part I of 24.03.2000;
- 6.** The Regulation on regional state aid and the State aid for SMEs (hereinafter the Regulation), published in the Official Gazette, Part I, no. 470/02.07.2002;
- 7.** The notification of the intention to grant the State aid, submitted by the Ministry of Administration and Interiors under Note no. 716587 of 10.12.2003, registered at the Competition Council as no. RS-AS 74/11.12.2003. The notification became effective at the date of its registration;

8. The Note of the Department for State aid Authorisation concerning the notified state aid.

Based on the following:

1. According to the provisions of art. 12 of GO no. 65/2001 on the establishment and functioning of Industrial Parks and of the Law no. 490/2002 for the approval of GO no. 65/2001 on the establishment and functioning of Industrial Parks, the industrial parks established on their basis benefited from the facilities provided by art. 7 of this Ordinance.

2. The State aid notified by the Ministry of Administration and Interiors represents a State aid specific allocation within the existing State aid scheme represented by art. 7 of GO no. 65/2001, with subsequent amendments.

3. The beneficiary of the notified State aid is SC “Brem Company” SA, which is the administrator of the Industrial Park Tohan - Zarnesti.

4. The Industrial Park is established in the view of capitalizing the material and human potential within the area in which is being established. By the State aid granting it will be incentive the achievement of the infrastructure necessary to the Industrial Park aiming at increasing the number of jobs and the foreign and Romanian capital investments.

5. The State aid is granted to overcome some regional disadvantages for ensuring the development of the Center area of Romania. The granting of the State aid offers an official recognition of the technique and financial project worked out by the applicant, supporting him in his investment effort and also encourages other trading companies to invest in this park. .

6. The establishment of this Industrial Park will contribute substantially to the local development, both of Zarnesti City and of its adjacent area, by an economic concentration and important businesses. Developing certain economic activities in a certain area, capitalizing material and human

resources do not distort the competitive environment but contribute to its incentive.

7. According to the feasibility study attached to the notification form, the investments to be achieved within the Industrial Park Tohan-Zarnesti consist of: rehabilitation of the existing roads, creation of new access roads, repairs of rail roads within plants, building the administrative office, re-qualification and exhibition center, building the water supply pipe, sewerage, building its own electric power network, building the distribution network of methane gas, building a telephone exchange, improvement of the green area, repairs of the adjacent spaces. The total value of the investments is of ROL **274,381,241,535** (EURO 7,408,701); thus, there are met all the conditions provided under art.2 and art.5 of the Regulation for this aid to be considered regional State aid for the initial investment.

8. The investments carried out for the establishment of the Industrial Park Tohan - Zarnesti shall be maintained during the existence of the park, namely minimum 15 years, being thus observed the condition to maintain the respective investment for a minimum period of 5 years, provided under art. 11 of the Regulation.

9. The estimated total value of the eligible costs for the investments to be carried out is of ROL **274,381,241,535** while the estimated value of the State aid is of ROL **13,719,062,077**. Following the calculation it results an intensity of **5%**. As a consequence, it is observed the art.9 of the Regulation on regional state aid and State aid for SMEs, which states that the gross intensity of the regional State aid for large companies must not exceed 50%.

10. The investment Program will be carried out in percentage of **95%** with the beneficiary's contribution, being thus observed the provision of the art.8 of the Regulation on regional state aid and State aid for SMEs, stipulating that the beneficiary's contribution destined to finance the investments must be at least 25%.

11. The data presented in the notification submitted to the Competition Council lead to the conclusion that the State aid specific allocation to be granted to SC "Brem Company" SA does not significantly affect the normal competitive environment and does not breach the correct application of the international treaties to which Romania is a party.

12. Under art. 13 (1) of the Law no. 143/1999 on State aid, the Competition Council shall permanently survey all existing aids. If it will be noticed that this State aid scheme or the State aid specific allocation significantly distort the normal competitive environment and the application of the international agreements to which Romania is a party, the Competition Council shall request the state aid grantor to take the appropriate measures to eliminate its incompatibility with the Law no. 143/1999 on State aid.

DECIDES

Art.1. Within the meaning of art. 12 par. 2 let. b) read in conjunction with art. 14 par. 1 let. f) of the Law no. 143/1999 on State aid, the Competition Council authorizes the State aid to be granted to SC “Brem Company” SA as State aid for regional development.

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Art.2. The estimated value of the State aid to be granted is of ROL **13,709,062,077.**

Art.3. The present Decision becomes effective at the date of its communication.

Art.4. The present Decision shall be communicated by the Secretariat General of the Competition Council to:

- the Ministry of Administration and Interiors, 1, Piata Victoriei, sector 1, Bucharest;
- SC “Brem Company” SA, 1, Aleea Uzinei Street, Brasov County.

Art.5. According to the provisions of art. 29 of the Law no. 143/1999 on State aid, the present Decision can be appealed within 30 days as of its communication before the Bucharest Court of Appeal, Division Contentious Administrative

Art.6. The Secretariat General and the Directorate for State Aid Authorization of the Competition Council shall pursue the fulfillment of the present Decision.

PRESIDENT

THEODOR VALENTIN PURCAREA