

DECISION NO 148
of 06.05.2004

**regarding the authorisation of the amendment of the existing state aid scheme
contained by the regional development program “Industrial Parks”**

THE PRESIDENT OF THE COMPETITION COUNCIL,

On the base of:

1. Decree no. 57/2004 for appointing the Competition Council's members;
2. The provisions of the Competition Law no. 21/1996, published in the Official Journal no. 88, Part I, of 30.04.1996, with subsequent amendments and completions;
3. The provisions of the Law no. 143/1999 on state aid, published in the Official Journal 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 Journal no. 288, Part I of 01.04.2004;
5. The Regulation on the form, content and other details of the state aid notification, published in Official Journal no.125, Part I of 24.03.2000;
6. The Regulation on regional state aid (hereinafter the Regulation), published in the Official Journal, Part I, no. 340/19.04.2004;
7. The notification of the intention to amend the state aid scheme contained by the regional development program “Industrial Parks”, submitted by the Ministry of Administration and Interiors by letter no. 5145/02.03.2004, registered at the Competition Council with no. RS-AS 20/03.03.2004, that became effective on the date when the information was complete, respectively 22.04.2004;
8. The Notice of the Directorate for Authorizing State Aids regarding the notified State Aid.

On the basis of the following grounds:

1. The regional development program “Industrial Parks” constitutes a system for granting state aids that is applicable to some economic operators generally and abstractly defined, being met the conditions provided by art. 2, para. (6) of Law no. 143/1999 with subsequent amendments and completions, in order to be considered a state aid scheme.

2. By Decision no. 275/29.06.2001, the Competition Council authorized the state aid scheme for regional development contained by the program “Industrial Parks”. By the Competition Council decisions no. 138/25.04.2002, respectively 265/13.06.2003 there were authorized amendments to this scheme.

3. The objectives of the program “Industrial Parks” are:

- General objectives:
 - Stimulating the local and regional economic development;
 - Attracting the firms capable to carry out productive activities generating products with high added value.
- Specific objectives:
 - Creating attractive conditions for carrying out economic activities, under conditions of efficiency, by settling industrial, scientific and technological parks, as delimited territorial areas, with adequate infrastructure, utilities and auxiliary services;
 - Developing economic activities that may determine, with priority, the employment of high qualified personnel, job creation in accordance with the evolutions on domestic and international markets;
 - Increasing the investments volume;
 - Stimulating the partnerships between the private, university, research and public administration sectors.

4. By the Regional Development Program “Industrial Parks”, there are financed the following types of assistance:

- a) **Non-reimbursable financial aids** for the trade companies administrators of the industrial parks (component A) and of the scientific and technological parks (component B), thus:

A. **For industrial parks (component A)** there are granted financial aids for:

1. co-financing the goods and services necessary for carrying out the infrastructure works that consist of new investments/ modernizations/ developments/ general reparations/improvements for:
 - electric energy supply;
 - telecommunication networks;
 - gas supply network;
 - water supply;
 - thermo-installations, installations for ventilation and acclimatization;
 - sewerage, including pluvial;
 - treatment for waste waters and waste products;
 - connection roads to the national road;
 - internal roads, parking areas, ramps and diverse improvements with industrial character;
 - public lighting;
 - buildings within the industrial park.
2. co-financing the endowment with equipments necessary for providing services to the inhabitants of the industrial park.

B. **For scientific and technological parks (component B)** there are granted financial aids for:

1. co-financing the goods and services necessary for carrying out the infrastructure works that consist of new investments/ modernizations/ developments/ general reparations/ improvements for:

- electric energy supply;
 - telecommunication networks;
 - gas supply network;
 - water supply;
 - thermo-installations, installations for ventilation and acclimatization;
 - sewerage, including pluvial;
 - treatment for waste waters and waste products;
 - connection roads to the national road;
 - internal roads, parking areas, ramps and diverse improvements with industrial character;
 - public lighting;
 - buildings within the industrial park.
2. co-financing the endowment with equipments necessary for providing services to the inhabitants of the industrial park.

b) technical assistance for implementing and monitoring the program.

5. By the notification submitted by the Ministry of Administration and Interiors there are brought modifications to the authorized scheme referring to: the legal basis for granting the state aid, the total budget allocated to the program, the breakdown on years and the scheme prolongation until 2007. These modifications are generated by the provisions of Law no. 507/2003 of the state budget for 2004 providing that the development program “Industrial Parks” will also be implemented during 2007.

6. The total value of the state aid to be granted within the program “Industrial Parks” during 2003-2007 is of 857 billion ROL.

7. The non-reimbursable financial aid that can be requested for goods and services representing eligible costs within the project, may be:

- at most 30% of total eligible costs for industrial parks (component A of the program), representing maximum 20 billion ROL for an industrial park project;
- at most 50% of total eligible costs for scientific and technological parks (component B of the program), representing maximum 10 billion ROL for an scientific and technological park project.

8. In order to be eligible and to receive a non-reimbursable finance within the development program “Industrial Parks”, the applicants must fulfil the following conditions:

- to be companies, Romanian natural persons owning industrial park bonds and investing in infrastructure development of the administered industrial parks;
- to be companies, Romanian natural persons administering scientific and technological park, authorized under law provisions and investing in infrastructure development of these parks;
- to have experience and to be able to prove its capacity in managing projects;
- to have no debts to the state.

9. The state aid is granted to all the eight development regions of Romania for carrying out projects proposed to be financed after the assessment and selection of the projects, to which all economic operators that fulfil the eligibility conditions mentioned by the program, may participate.

10. The state aid granted within this scheme is destined to the initial investment having as finality the achievement/modernisation of the infrastructure afferent to industrial, scientific and technological parks, as to facilitate the carrying out of the economic activity. Thus, there are met the characteristics provided by art.2 and art.5 of the Regulation, in order to be considered regional state aid for the initial investment.

11. The condition for maintaining the investment for a minimum 5 years period, as provided in the Regulation, is fulfilled as follows: the financing contracts concluded within the program contain clauses according to which the state aid beneficiary obliges itself to maintain the destination of the financed goods and works for at least 10 years period from the finalization of the project execution both for industrial parks and scientific and technological parks. In the situation in which the beneficiary does not maintain the investment at least 10 years, the Ministry for Administration and Interiors shall request the total reimbursement on the financing.

12. The state aid intensity is maximum 30% of the total eligible expenses for industrial parks (component A) and maximum 50% for scientific and technologic parks (component B), framing in the ceiling of 50% provided by the Regulation.

13. The contribution of each beneficiary of a specific allocation within the scheme, at the investment financing, is at least 70% of the total eligible expenses for the investment carried out in an industrial park, respectively 50% of the total eligible expenses for the investment carried out in scientific and technological parks.

14. The data presented in the notification submitted to the Competition Council lead to the conclusion that the proposed modifications of the state aid scheme represented by the Development Program “Industrial Parks” do not distort significantly the normal competitive environment and do not infringe the appropriate application of the international Treaties to which Romania is part.

15. The Ministry of Administration and Interiors shall observe that the state aid granted within this Program, cumulated with the aid granted within other programs for the same objective not to exceed the maximum admissible intensity resulting from the Regional Map on state aid.

16. Within the meaning of art. 13 para. (1) of Law no.143/1999, with subsequent amendments and completions, Competition Council shall permanently survey all the existing state aids. If it will be found that this state aid scheme or the specific allocations within it distort significantly the normal competitive environment and the correct application of the international agreements to which Romania is part, Competition

Council will request the state aid granter to take appropriate measures for eliminating its incompatibility with the Law no. 143/1999 on state aid.

DECIDES

Art.1. Within the meaning of art. 12 para. (2) let. b) corroborated with art. 12 para. (1) let. f) of Law no. 143/1999 state aid, with subsequent completions and amendments, there are authorized the modifications brought to the state aid contained by the Regional Development Program “Industrial Parks”, as state aid for regional development.

Art.2. The state aid value is of 857 billion ROL. The breakdown on years of the amounts destined to state aid granted within the program is the following one:

- 207 billion ROL in 2003 ;
- 190 billion ROL in 2004;
- 190 billion ROL in 2005;
- 240 billion ROL in 2006;
- 30 billion ROL in 2007.

Art. 3. The present Decision becomes effective on its communication date.

Art.4. In accordance with the provisions of art. 24 of the Law no.143/1999 on state aid, with subsequent completions, the Ministry of Administration and Interiors shall submit information regarding the state aids granted, for their inventorying and monitoring.

Art.5. In accordance with the provisions of art.29 of the Law no.143/1999 on state aid, with subsequent amendments and completions, the present Decision may be appealed to the Bucharest Court of Appeal, division Contentious Administrative, in 30 days from its communication date.

Art. 6. The present decision will be communicated by the Secretariat General of the Competition Council to the Ministry of Administration and Interiors.

Art.7. The General Secretariat and the Department for State Aid Authorisation of the Competition Council shall pursue the fulfilment of this Decision.

PRESIDENT

MIHAI BERINDE