

**DECISION No. 278  
FROM 05.10.2004**

**CONCERNING THE STATE AID GRANTED TO S.C. INDUSTRIAL PARC S.R.L.  
GALATI, NOTIFIED BY THE  
MINISTRY OF ADMINISTRATION AND DOMESTIC AFFAIRS**

**THE COMPETITION COUNCIL,**

Having regard to the provisions of the Decree no. 57/2004 on the appointment of the members of the Competition Council;

Having regard to the provisions of the Competition Law no. 21/1996, published in the Romanian Official Gazette no. 88, Part I, of 30,04,1996, amended and completed by Government Emergency Decree no. 121/2003, approved by Law no. 184/2004;

Having regard to the provisions of the Law no. 143/1999 on State aid, published in the Romanian Official Gazette no. 370, Part I, of 03,08,1999, amended and completed by Law no. 603/2003 and by Government Ordinance no. 94/2004 on the regulation of some financial measures;

Having regard to the provisions of the European Agreement establishing an association between the European Communities and their Member States, on the one part, and Romania, on the other part, ratified by Law no. 20/1993, published in the Romanian Official Gazette, Part I, no. 73 of 12,04,1993;

Having regard to the provisions of the Regulation on regional state aid, published in the Romanian Official Gazette, Part I, no. 340 of 19,04,2004,

**On the following grounds:**

**1. DESCRIPTION OF THE LEGAL FRAMEWORK**

**1.1. LEGAL BASIS FOR THE GRANT OF THE STATE AID**

(1) The State aid is granted to S.C. INDUSTRIAL PARC S.R.L. Galati ("limited company") as part of the state aid scheme provided for under Article 7 of the Government

Ordinance no. 65/2001 on the setup and functioning of industrial parks and Article 24 (13), 250 (1) point 9 and Article 257 (1) point 1 of the Law no. 571/2003 on the Fiscal Code.

## **1.2. THE NOTIFICATION PROCEDURE**

(2) By note no. 12.172/01,07,2004, registered at the Competition Council by no. RS-AS 73/06,07,2004, the Ministry of Administration and Domestic Affairs notified, on the basis of Article 6 and Article 14 (1) f) of the Law no. 143/1999 on State aid, with subsequent modifications and completions, herein from referred to as “law”, the specific allocation for S.C.INDUSTRIAL PARC S.R.L. Galati.

(3) By note no. DAAS/592/26,07,2004 supplementary information was requested on the total value of the facilities from which the company will benefit, the calculation of some economic-financial indicators to evidence the efficiency of the investments to be made, the breakdown per year of the accomplishment of the investments, as well as details on the contribution of the state aid beneficiary. The Ministry of Administration and Domestic Affairs submitted the information requested by note no. 170,211/02,08,2004, registered by the Competition Council by no. RG/5300/04,08,2004.

(4) The notification became effective on the date when all information was precise and complete, that is 04,08,2004.

## **2. THE BENEFICIARY OF THE STATE AID MEASURES**

(5) The local public administration, represented by the Local Council of Galati and the District Council of Galati, in cooperation with the „Dunarea de Jos” University Galati, the R.A. Management of the Galati Free Zone, decided to setup and develop the Industrial Park Galati, considering the opportunities linked to its geographical position.

(6) The Industrial Park Galati lies in the South-East of Galati town, on the left side of the Danube, 80 km far from the Black Sea in the South-East Development Region. The location proposed for the industrial park has direct access to DB 2B, Galati – Giurgiulesti and to the railway with normal and broad gauge. 20 km from the park location it is foreseen to build an international airport for the passenger and goods transport.

(7) From the interpretation of the provisions of the Government Decree no. 65/2001 on the setup and functioning of industrial parks, it comes out that the beneficiary of the state aid scheme may be the association owing the title of industrial park or, if the case, the association together with other undertakings which owe the land inside the park area and which commit themselves to carry out the activities for which the facilities provided for under Article 7 of the Government Ordinance are granted.

(8) In the case assessed, the beneficiary of the financial measures granted by the state is S.C. INDUSTRIAL PARC S.R.L. Galati as the management company of the Industrial Park Galati.

(9) S.C. INDUSTRIAL PARC S.R.L. Galati is registered in the Trade Register by no. J-17/458/03,04,2003, unique identification number 15339073. The share capital is in amount of ROL 100,000,000, owed 100% by the Local County of Galati.

(10) The land corresponding to the industrial park, of 21.8 ha, is the public property of the town Galati, administered by the Local County of Galati and transmitted for use to S.C. INDUSTRIAL PARC S.R.L. Galati. Now, the land is free of any obligations, in the stage of “green field”. The life period of the industrial park is not specified.

(11) The company was set up in 2003, did not carry out economic activities up to now, and according to its organisational diagram there are 26 employees, so that it could be registered as SME.

(12) The main field of activity of S.C. INDUSTRIAL PARC S.R.L. Galati is “other service activities provided especially for the enterprises – including the administration of industrial parks, rental and subrental of imovable or rented goods, reparation and maintenance of the infrastructure and utilities in the park area, provision of services of local utility and business consultancy.”

(13) The fields of specialization of the park are the following:

- manufacturing industry, in which production and/or processing activities will have predominance, with the possibility to concentrate on different top industries: industry of processing steel products, bio-technology, audio-video industry, food industry, ship industry;
- business, in which the consultancy, research-development and business administration activities will have predominance;
- distribution, in which activities of goods storage and logistics will have predominance;
- provision of services.

(14) The Ministry of Administration and Domestic Affairs mentions that, in the South-East Development Regions and in Galati County there are two projects to set up industrial parks, in Mangalia and Navodari, as well as an infrastructure Phare 2000 Project in Braila. In Galati a scientific and technological park exists already.

### **3. MEASURES OF FINANCIAL SUPPORT GRANTED BY THE STATE TO S.C. INDUSTRIAL PARC S.R.L. GALATI**

(15) Government Decree no. 65/2001 regulates the regime of setting up and functioning industrial parks. According to the provisions of Article 1 (2) of this decree, “The industrial park represents a delimited area in which are carried out economic, scientific research, and/or

technological development activities, in the view to value the human resources and material potential of the area.”

(16) The setup of the industrial park is based on association in sharing among the authorities of the public central and local administration, undertakings, research and development institutes and/or other interested partners.

(17) The industrial park is administered by a company set up according to the provisions of the Law no. 31/1990 on companies, republished, with subsequent modifications; the shareholders may be the associates who set up the industrial park. No undertaking which is a shareholder, which uses the utilities and/or infrastructure of the industrial park may control the administrator company.

(18) According to the provisions of Article 12 of the Government Ordinance no. 65/2001, industrial parks may be set up by Government decisions, on the lands of the industrial platforms. According to Article 8 of the Ordinance, „The industrial park is run on the basis of commercial contracts between the administrator company and Romanian legal persons or subsidiaries/agencies of the companies abroad, respectively, which may carry out activities that are specific for the industrial parks”.

(19) The administrator company - S.C. INDUSTRIAL PARC S.R.L. Galati – benefits from the facilities provided for under Article 7 of the Government Ordinance no. 65/2001 on the setup and functioning of industrial parks, with the subsequent modifications, as follows:

- tax reductions granted by the local public administration based on decisions of the local or county councils on whose territory the industrial park lies, for the immovable assets and lands transmitted for use to the industrial park;
- other facilities may be granted, according to the law, by the local public administration.

(20) According to Article 24 (13) of the Law no. 571/2003 on the Fiscal Code, for the investments made in the industrial parks until 31.12.2006, a supplementary reduction of the taxable profit is granted, which is 20% of the value of the investments in buildings or building rehabilitation, internal infrastructure and the connection to the public utilities network, taking into account the legal provisions in force concerning the classification and normal durations of using the depreciable fixed assets.

(21) As provided in Article 250 (1) point 9 of the Fiscal Code, the tax on buildings is not owed for the buildings in the industrial, scientific and technological parks.

(22) According to the provisions of Article 257 (1) of the Law no. 571/2003, the land tax is not owed for the lands of the industrial, scientific and technological parks.

(23) The state aid from which S.C.INDUSTRIAL PARC S.R.L. Galati benefits is split as follows:

- supplementary deduction from the gross profit of 20% from the value of investments in buildings and infrastructure (Article 24 (13) from the Law no. 571/2003 on the Fiscal Code), respectively:

$$\text{ROL } 100,150,695,000 * 20\% = \text{ROL } 20,030,139,000$$

In this conditions, the administrator company will benefit as follows:

$$\text{Year I+II+III: gross profit } \text{ROL } 9,000,000,000 * 25\% * 3 \text{ years} = \text{ROL } 6,750,000,000;$$

$$\textbf{\textit{TOTAL FACILITY YEARS I+II+III = ROL 6.75 billion.}}$$

- facilities granted by the local public administration, according to the law (Article 7 from the G.O. no. 65/2001)

$$\textbf{\textit{TOTAL FACILITY YEARS I+II+III = ROL 3.05 billion.}}$$

- annual exemption from the payment of land tax (Article 257 (1) point 1 from the Law no. 571/2003) :  $218,000 \text{ m}^2 * 1,200 \text{ ROL/m}^2 = 261,600,000 \text{ ROL/year}$ ;

$$\textbf{\textit{TOTAL FACILITY } 261,600,000 \text{ ROL/year} * 10 \text{ years} = \text{ROL 2.61 billion.}}$$

- facility consisting in reduction of the tax on buildings (Article 250 (1) point 9 from the Fiscal Code):

$$\text{The value of buildings} = \text{ROL } 16,913,706,000$$

$$\text{Reduction of the tax} = \text{of } 1\%$$

$$\text{Facility value} = 16,913,706,000 * (1.5\% - 0.5\%) =$$

$$= 169,137,060 \text{ ROL/year.}$$

$$\textbf{\textit{TOTAL FACILITY } 169,137,060 \text{ ROL/year} * 10 \text{ years} = \text{ROL 1.7 billion.}}$$

- annual exemption from the payment of tax on road:

$$8.5 \text{ km} * 200,000 \text{ ROL/year} = 1,740,000 \text{ ROL/year};$$

$$\textbf{\textit{TOTAL FACILITY } 1,700,000 \text{ ROL/year} * 10 \text{ years} = \text{ROL 0.017 billion.}}$$

- annual exemption for using railway:  $1.25 \text{ km} * \text{ROL } 390,000 = 487,500 \text{ ROL/year}$ ;

$$\textbf{\textit{TOTAL FACILITY } 487,500 \text{ ROL/year} * 10 \text{ years} = \text{ROL 0.004 billion.}}$$

(24) The total facilities from which S.C. INDUSTRIAL PARC S.R.L. Galati can benefit is up to ROL 14.131 billion, split as follows:

Year I	ROL 2.6831 billion
Year II	ROL 5.7331 billion
Year III	ROL 2.6831 billion
Year IV	ROL 0.4331 billion
Year V	ROL 0.4331 billion
Year VI	ROL 0.4331 billion
Year VII	ROL 0.4331 billion
Year VIII	ROL 0.4331 billion
Year IX	ROL 0.4331 billion
Year X	ROL 0.4331 billion
<b>TOTAL FACILITY</b>	<b>ROL 14.131 billion</b>

(25) According to the Article 10 (1) and (2) of the Government Ordinance no. 65/2001, with the subsequent modifications, the Ministry of Administration and Domestic Affairs may annul by order the title of industrial park if inside its area economic activities, scientific research, industrial production and services are not carried out or provided, or scientific research and/or technological development to value the human resources and material potential of the area where it is located.

#### **4. THE STATE AID CHARACTER OF THE FINANCIAL SUPPORT MEASURES GRANTED TO THE COMPANY**

(26) If S.C.INDUSTRIAL PARC S.R.L. Galati received assistance from public resources that no private investor would have granted, this would give the company an advantage over its competitors and could thus distort competition. This would in turn affect trade between Romania and the EU if the products in question are actively traded. The financial measures would therefore constitute State aid within the meaning of Article 2 of Law no. 143/1999 on State aid, modified and completed by Law no. 603/2003 and the Competition Council would have to analyze their compatibility with a normal competitive environment.

(27) The facilities from which S.C.INDUSTRIAL PARC S.R.L. Galati may benefit are: tax reductions granted by the local public administration based on decisions of the local or county councils on whose territory the industrial park lies, for the immovable assets and lands transmitted for use to the industrial park, supplementary reductions of the taxable profit of 20% of the value of the investments in buildings or building rehabilitation, internal infrastructure and the connection to the public utilities network (for the investments made until 31,12,2006), exemptions from the tax on land and buildings, other facilities that may be granted by the local public administration, with the observance of the law.

(28) In the assessment of the measures of financial support, the Competition Council found out that there is no doubt that these are financed by state resources, they have a selective character and confer an advantage to S.C.INDUSTRIAL PARC S.R.L. Galati. Also, there is no doubt that the taken financial measures shall affect the trade with the EU member states.

(29) In conclusion, the measures of financial support are considered state aids and fall within the scope of Law no. 143/1999 on State aid, modified and completed by Law no. 603/2003.

(30) The purpose of setting up the industrial park from Galati is to incentivize the economic regional and local development, by attracting companies able to carry out production activities generating goods with a high level of added value. The state aid is Granted in connection with the initial investment in the view to overcome some regional disadvantages for ensuring the development of the South-East zone.

(31) In conclusion, the state aid must be assessed according to the criteria to grant state aid provided under the Regulation on regional state aid.

#### **5. ASSESSMENT OF STATE AID MEASURES TO BE GRANTED TO S.C. INDUSTRIAL PARC S.R.L. Galati**

##### **5.1. PREFACE**

(32) In view of the modernization of the local and regional industrial structure, the setting up of the Industrial Park Galati aims at generating an adequate climate for the functioning of SMEs capable of operating at maximum yield the material, power and labor resources.

(33) The necessity to achieve such an economic development entity in the city of Galati is undisputable also because of the wave of lay-offs triggered by the restructuring, privatization and liquidation programs. The self-declared aim is also creating an alternative on the labor market by incentivizing the setting up of small enterprises and by incentivizing the development of the existing ones and the creation of jobs.

(34) Under these circumstances, industrial branches and sub-branches should be enhanced especially by the development of industries with low energy consumption and which produce high value-added products for which modern technology is needed, as well as highly qualified labor force.

(35) The Industrial Park Galati shall generate an environment of innovation and research in the S-E region due to the cooperation between the research personnel, the undertakings and the public local administration.

## **5.2. EVALUATION OF THE AID ACCORDING TO THE REGULATION ON REGIONAL AID**

(36) According to Article 14 paragraph 1 (f) of Law no. 143/1999 with the subsequent modifications and completions, the Competition Council can authorize measures that are State aids according to the Regulation on aid for regional development. For the purpose of this Regulation, aid can be granted for initial investment (Chapter II) or the creation of jobs (Chapter III). In exceptional this also applies to operating aid (Chapter IV).

### **5.2.1. AID FOR INITIAL INVESTMENT**

(37) The Aid in question can be qualified as aid for initial investment in the sense of Chapter II of the Regulation.

(38) The Concept of initial investment is defined in Art. 5 of the Regulation on Regional Aid. According to Art.5 - (1) of the Regulation, initial investment means an investment in fixed capital relating to the setting-up of a new establishment, the extension of an existing establishment, or the starting-up of an activity involving a fundamental change in the product or production process of an existing establishment through rationalization, diversification or modernization.

(39) In the concerned case, the investments will start after the decision of the Competition Council will be issued. The state aid is for the purpose of an investment in fixed capital relating to the setting-up of a new establishment, in the sense of the definition mentioned above.

(40) According to the plausible feasibility study attached to the notification form, the investments to be made within the Industrial Park Galati shall be finalized in 18 months and shall consist in the basic infrastructure of the necessary and desirable utilities; roads, electric and heating power, water, pipeline system, telecommunications – met at the disposal of potential undertakings who could set up appropriate production and service premises.

(41) Through the creation of the industrial park, also trading companies operating in the surrounding will have reliable access to the infrastructure they need in the operation of their economic activities.

(42) The general project estimate amounts at ROL 106,827,516,000 divided as such:

- <u>Expenses to obtain and manage land</u>	<u>2,500,000,000 ROL</u>
- <u>Expenses to ensure utilities necessary for the project</u>	<u>64,307,008,000 ROL</u>
- <u>Expenses for technical design and assistance</u>	<u>14,445,000,000 ROL</u>
- <u>Expenses for the basic investment</u> , from which:	<u>20,810,026,000 ROL</u>
- construction and installations	16,913,705,000 ROL
- installation of technological tools	77,902,000 ROL
- operating and technological tools and equipment	1,279,019,000 ROL
- tools without installation and other equipment	360,000,000 ROL
- equipment	2,179,400,000 ROL
- <u>Other expenses</u> , from which:	<u>4,765,482,000 ROL</u>
- organization of work site	591,980,000 ROL
- commissions, taxes, legal costs, financing costs	219,879,000 ROL
- various expenses and	3,953,623,000 ROL

**TOTAL PROJECT BUDGET**

**106,827,516,000 ROL**

(43) As stated above, the measures qualify as aid for initial investment, specifically as aid relating to the setting-up of a new establishment, under the provisions of the Regulation on the regional state aid.

(44) The cases exempted under Art. 5 (2) a) “Replacement investment for preserving production potential” and b) “Measures for the financial restructuring of a firm in difficulty” do not apply.



(45) Granting the state aid confers an official recognition to the technical and financial project drafted by the applicant, and his investment efforts, and also determines the decision to invest in the park by other undertakings.

(46) Thus, setting up the Industrial Park Galati will have the following effects:

- creation of attractive conditions to perform economic activities, under efficient terms, by organizing the industrial park land and connecting it to the utility network;
- increase of Romanian and foreign investment level;
- development of economic activities which may trigger highly qualified personnel especially;
- creation of new jobs in consistency with the evolution of domestic and international markets;
- incentives for partnerships between the private sector, the universities, the research and design sector, and the local and central public administration.

(47) Creation of synergy between small companies, universities and research centers stands for the most appropriate way to contribute to the economic development of the region and implicitly to the increase in the number of jobs in the industrial park.

(48) In the first stage of operation of the industrial park, it is expected that in the Industrial Park Galati companies will operate of 15 employees/company on average, and within three years as of the finalization of the project, the over 30 undertakings performing activities in the industrial park will create over 1,000 jobs.

(49) The plausible Feasibility Study attached to the notification form estimates that the beneficiary shall obtain an average annual gross profit of around ROL 9,000,000,000, relative to an average annual turnover of ROL 19,000,000,000 (the calculation was made for the first 10 years of activity of the park).

(50) The calculation of a series of economical and financial indexes such as actual liquidities (values between 100.9% and 135.8%), general liquidities (with values between 10.44 and 120.79), general solvency (99%), gross sales margin (approximately 47.99%), return of capital employed (with values between 5.5% and 7.8%) reflects the fact that the beneficiary's activity is profitable and that the investment is able to financially self-sustain itself.

(51) Given the above, one can conclude that the achievement of this industrial park will significantly contribute to the local development of both the city of Galati, and of the adjacent region, through a major economic and business concentration. The concentration of several economic activities in one area, while developing local material and human resources, does not distort the competitive environment, but on the contrary, it incentivize it.

### **5.2.2 ELIGIBLE COSTS**

(52) The investments in question are solely tangible investments. Therefore the rules on eligible costs for tangible investments apply.

(53) According to Article 6 (1) of the Regulation on regional aid, aid for initial investment is calculated as a percentage of the investment's value. Paragraph (2) stipulates, that this value is to be established on the basis of a uniform set of items of expenditure corresponding to the elements of the investment, namely land, buildings and plant/machinery which represents the standard base defined in Annex 2 to the regulation on regional aid.

(54) In the event of a purchase, only the costs of buying the three asset elements from the standard base should be taken into consideration, provided that the transaction is taking place under market conditions. Assets for whose acquisition aid has already been granted prior to the purchase should be deducted (paragraph 3).

(55) Where a purchase is accompanied by other initial investment, the expenditure relating to the latter should be added to the cost of the purchase (paragraph 4).

(56) From the total value of the investment project, the following are eligible costs:

- <u>Expenses to obtain and manage land</u>	<u>2,500,000,000 ROL</u>
- <u>Expenses to ensure utilities necessary for the project</u>	<u>64,307,008,000 ROL</u>
- roads	39,312,000,000 ROL
- railway	2,507,933,400 ROL
- water supplies	1,673,548,000 ROL
- drain net	10,578,900,000 ROL
- water building	5,565,000,000 ROL
- electrical equipment	3,290,000,000 ROL
- heating plant	1,379,626,600 ROL
- <u>Expenses for the basic investment, from which:</u>	<u>20,810,026,000 ROL</u>
- construction and installations	16,913,705,000 ROL
- installation of technological tools	77,902,000 ROL
- operating and technological tools and equipment	1,279,019,000 ROL
- tools without installation and other equipment	360,000,000 ROL
- equipment	2,179,400,000 ROL

**TOTAL ELIGIBLE COSTS** **87,617,034,000 ROL**

(57) The total value of eligible costs is ROL 87,617,034,000 and it stands for tangible investments necessary for the infrastructure of the industrial park (land, buildings and equipment which form the standard basis), thus the condition under Article 6 of the Regulation is complied.

### **5.2.3. CONTRIBUTION OF THE BENEFICIARY**

(58) To ensure that the productive investment benefiting from aid is viable and sound, the recipient's contribution to its financing must be at least 25%, (Art.8 - (1) of the Regulation on regional aid). This minimum contribution of 25% must not contain any aid (Article 8 - (2)).

(59) The state aid recipient shall contribute to the achievement of this investment project with an amount of ROL 73,486,034,000, standing for 83.87% of the total eligible costs (ROL 87,617,034,000). This value is higher than the 25% imposed by Article 8 of the Regulation on the regional state aid.

### **5.2.4. AID INTENSITY**

(60) According to Article 9 of the Regulation on regional aid, the gross intensity of regional aid must not exceed the rate of 50% Net Grant Equivalent provided for in Annex 2.

(61) The value of the aid is ROL 14,131,000,000 of the total eligible costs of the project, amounting at ROL 87,617,034,000. Our calculations show an intensity of 16.13%. Consequently, Article 9 of the Regulation on regional state aid is observed, which provides that the gross aid intensity for regional aid should not exceed 50%.

### **5.2.5. MAINTAINING THE INVESTMENT**

(62) According to Article 11 of the regulation on regional aid for initial investment must be made conditional, through its method of payment or through the conditions associated with its acquisition, on the maintenance of the investment in question for a minimum period of five years.

(63) In order to realize the investment project, the beneficiary of the state aid has allocated already, for the year 2004, the amount of ROL 1,600,000,000. Also, as it was mentioned at the paragraph (40), the investments will be finished within 18 months after the decision of the Competition Council will be issued. Within this period, S.C. INDUSTRIAL PARC S.R.L. Galati will benefit about 59% from the total amount of the state aid, the remainder will be granted after the investments will be finished.

(64) The investments achieved in view of setting up the Industrial Park Galati shall be maintained throughout the existence of the park, which is indefinite, and thus the condition under Article 11 from the Regulation on maintaining the investment for at least 5 years is observed.

### **5.3. THE AID CUMULATION RULE**

(65) The aid intensity ceilings laid down in Article 9 and Article 10 of the Regulation on Regional Aid apply to the total aid where for assistance is granted concurrently under several

regional schemes regardless of whether the aid comes from local, regional, national or Community sources (Article 16 thereof).

(66) The investment aid provided under Chapter II and the job creation aid described in Chapter III may be cumulated, subject to the intensity ceiling laid down for the region in Regional Aid Map for Romania.

(67) This condition is deemed to be met if the sum of the aid for initial investment, expressed as a percentage of the investment, and of the job creation aid, expressed as a percentage of wage costs, does not exceed the most favorable amount resulting from application of either the ceiling set for the region in accordance with the criteria indicated under Articles 9 and 10, or the ceiling set for the region in accordance with the criteria indicated in percentage provided under Article 13.

(68) The most favorable amount resulting from the Application of Article 9 of the Regulation is 50 %.

(69) The Ministry for Administration and Domestic Affairs shall monitor the activity of S.C. INDUSTRIAL PARC S.R.L. Galati, seeking that the state aid granted, cumulated with the state aids granted for the same objective within other schemes, should not exceed the maximum admissible intensity of 50% provided for under the Regulation on regional state aid.

(70) S.C. INDUSTRIAL PARC S.R.L. Galati has not benefited from other state aids until the present time. The rules on the cumulation of aid are thus obeyed.

## **6. CONCLUSION**

(71) The information in the notification before the Competition Council lead to the conclusion that the state aid intended to be awarded to S.C. INDUSTRIAL PARC S.R.L. Galati is not capable of significantly affecting a normal competitive environment and does not infringe the appropriate application of the international treaties Romania is a part of.

(72) Our analysis shows that the state aid amounting at ROL 14,131,000,000, consisting in payment facilities granted under the provisions of Article 7 of the GO 65/2001 regarding the setting up and operation of industrial parks and of Article 24 par. 13, Article 250 par. 1 section 9, and of Article 257 par. 1 of Law 571/2003 on the Fiscal Code, meets the award criteria under the Regulation on regional state aid, enacted by Order of the President of the Competition Council 55/2004.

## **DECIDES**

**Art. 1** The measure notified by the Ministry for Administration and Domestic Affairs for the recipient S.C. INDUSTRIAL PARC S.R.L. Galati constitutes state aid for the purposes of Article 2 of Law 143/1999, amended and completed by Law 603/2003 and by Go 94/2004 on regulation of financial measures.

**Art. 2** Under Article 12 par. 2 section (c), read in conjunction with Article 14 par. 1 section (f) of Law 143/1999, with subsequent amendments and completions, we authorize the state aid for regional development which is about to be granted to S.C. INDUSTRIAL PARC S.R.L. Galati, provided that the conditions under Articles 3 and 4 of this decision are met.

**Art. 3** The company must commit itself to maintain the investment at issue for a period of minimum five years. Contrary, the state aid will be recovered.

**Art. 4** The Ministry for Administration and Domestic Affairs shall monitor that the intensity of the aid granted to S.C. INDUSTRIAL PARC S.R.L. Galati must commit itself not to exceed the maximum admissible admitted by the regulations in force, provided that the conditions for state aid cumulating for the same objective and recipient are observed.

**Art. 5** The maximum value of the state aid S.C. INDUSTRIAL PARC S.R.L. Galati may benefit from is ROL 14,131,000,000.

**Art. 6** This Decision is applicable as of the date it is communicated.

**Art. 7** Under Article 24 of Law 143/1999, with subsequent modifications and completions, the Ministry for Administration and Domestic Affairs shall annually convey to the Competition Council information on the granted state aid, in order to make their inventory.

**Art. 8.** According to the provisions of Article 29 of the Law no. 143/1999 on state aid, with subsequent amendments and completions, the present Decision may be appealed by concerned persons before the Bucharest Court of Appeal, the Administrative Section, within 30 days from the publication, or depending on the case, from the date it was communicated by administrative procedure.

**Art. 9** The present Decision shall be communicated by the Secretariat-General of the Competition Council to:

- the Ministry for Administration and Domestic Affairs, 1, Piata Victoriei, sector 1, Bucharest;
- S.C. INDUSTRIAL PARC S.R.L., 38, Domneasca st., Galati, jud. Galati.

**Art. 10.** The Secretariat-General and the Directorate for State Aid Authorization of the Competition Council shall pursue the fulfillment of the present Decision.

**PRESIDENT**

**MIHAI BERINDE**