

DECISION No. 295 Of 28.10.2004

CONCERNING THE STATE AID GRANTED TO S.C. ROMPETROL INDUSTRIAL PARKS S.A. NAVODARI, 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. ROMPETROL INDUSTRIAL PARKS S.A. Navodari 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. 170.169/17.08.2004, registered at the Competition Council by no. RS-AS 77/20.08.2004, 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. ROMPETROL INDUSTRIAL PARKS S.A. Navodari.

(3) By note no. DAAS/693/09.09.2004 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 split on years and objectives of the investments program stating deadlines and the cost for each objective, as well as details on the contribution of the state aid beneficiary. The requested information were submitted by notes registered at the Competition Council by no. DAAS/765/08.10.2004 and no. DAAS/765/08.10.2004 si no. DAAS/794/15.10.2004.

(4) The notification became effective on the date when all information was precise and complete, that is 15.10.2004.

2. THE BENEFICIARY OF THE STATE AID MEASURES

(5) S.C. Rompetrol Rafinare S.A., the company owning the land on which it is established the Industrial Park Petromidia, S.C. Romiserv S.A., S.C. Ecomaster – Ecological Services S.A., S.C. Rompetrol Logistics S.A., the local public administration, represented by the Navodari Local Council and Corbu Local Council, in cooperation with Termoelectrica Plant Midia S.A., S.C. Global Security Sistem S.A., Local Development Agency Foundation Navodari, Commerce, Industry, Navigation and Agriculture Chamber Constanta and Rompetrol Petrochemicals S.R.L., decided the establishment and development of the Petromidia Industrial Park, due to the oportunities related to the geographical location as well as to the business environment existing in the area of Petromidia Platform.

(6) The Industrial Park Petromidia is located in the Navodari city, Constanta County, the South- East Development Region. The Industrial Park Petromidia is placed on Petromidia Platform, on the Black Sea seashore and in the proximity of the Navodari end-point of the Danube - Black Sea Channel. The proposed location for the industrial park has access to DJ 226, which links the area of the main road access ways, as well as of the railway serving the Petromidia Platform. In the same time, the park's location is at 30 km of the Mihail Kogalniceanu Airport.

(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. ROMPETROL INDUSTRIAL PARKS S.A. Navodari as the management company of the Industrial Park Petromidia.

(9) S.C. INDUSTRIAL PARKS S.A. Navodari is registered in the Trade Register by no. J-13/2924/2003, unique identification number 15822107. The share capital is in amount of ROL 100,000,000, owed as follows:

- | | |
|---|-------|
| • S.C. Rompetrol Rafinare S.A. | 23%; |
| • S.C. Romiserv S.A. | 23%; |
| • S.C. Ecomaster – Ecological Services S.A. | 23%; |
| • S.C. Rompetrol Logistics S.A. | 23%; |
| • Termoelectrica Plant Midia S.A. | 1%; |
| • S.C. Global Security Sistem S.A. | 1,5%; |
| • Navodari Local Concil | 1%; |
| • Corbu Local Council | 1%; |
| • Local Development Agency Fundation Navodari | 1%; |
| • Commerce, Industry, Navigation and Agriculture
Chamber Constanta | 1%; |
| • Rompetrol Petrochemicals S.R.L. | 1,5%. |

(10) The land corresponding to the industrial park, of 50 ha, is the property of S.C. Rompetrol Rafinare S.A. and transmitted for use to S.C. ROMPETROL INDUSTRIAL PARKS S.A. Navodari. Now, the land is free of any obligations. The life period of the industrial park is 30 years.

(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 22 employees, so that it could be registered as SME.

(12) The main field of activity of S.C. ROMPETROL INDUSTRIAL PARKS S.A. Navodari is „rental and sub rental of immovable own goods or rented goods”.

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

- the manufacturing industry, where it shall prevail production activities and/or processing activities centred on the chemical/ petrochimistry field, with the possibility to concentrate on different industries: production/processing of plastic substances, bio-pharmaceutical industry, building materials;
- business, in which the consultancy, design, research-development and business administration activities will have predominance;
- distribution, in which activities of goods storage and logistics will have predominance.

(14) The Ministry of Administration and Domestic Affairs mentions that, in the South-East Development Region, the county authorities suggested a number of locations for establishing industrial parks. This way, in Galati, there is a scientific and technological park and an industrial one, and in Braila there is a Phare 2000 infrastructure project, similar to industrial

parks. Until now, in Constanta County there is only one establishing project for an industrial park, at Mangalia.

3. MEASURES OF FINANCIAL SUPPORT GRANTED BY THE STATE TO S.C. INDUSTRIAL PARKS S.A. NAVODARI

(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 may benefit 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 Ministry of Administration and Domestic Affairs notified the financial support for S.C. ROMPETROL INDUSTRIAL PARKS S.A. Navodari under the form of 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:

$$\text{ROL } 114,603,710,000 * 20\% = \text{ROL } 22,920,742,000$$

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

$$\text{Year I+II+III: gross profit ROL } 47,000,000,000 * 25\% = \text{ROL } 11,750,000,000 ;$$

$$\textbf{\textit{TOTAL FACILITY YEARS I+II+III}} = \textbf{\textit{ROL 11.75 billion.}}$$

S.C. ROMPETROL INDUSTRIAL PARKS S.A. Navodari will benefit only by state aid granted in form of supplementary deduction from the gross profit of 20% from the value of investments in buildings and infrastructure.

(24) The total facilities from which S.C. ROMPETROL INDUSTRIAL PARKS S.A. Navodari can benefit is up to ROL 11.750 billion, split as follows:

$$\text{Year I} \quad \text{ROL } 7.912 \text{ billion (gross profit)*25\%} \quad = \text{ROL } 1.978 \text{ billion;}$$

$$\text{Year II} \quad \text{ROL } 15.668 \text{ billion (gross profit)*25\%} \quad = \text{ROL } 3.917 \text{ billion;}$$

$$\text{Year III} \quad \text{ROL } 23.42 \text{ billion (gross profit)*25\%} \quad = \text{ROL } 5.855 \text{ billion;}$$

$$\textbf{\textit{TOTAL FACILITIES}} = \textbf{\textit{ROL 11.750 billion.}}$$

(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. ROMPETROL INDUSTRIAL PARKS S.A. Navodari 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. ROMPETROL INDUSTRIAL PARKS S.A. Navodari 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. ROMPETROL INDUSTRIAL PARKS S.A. Navodari. 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 Navodari is to incentive 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. ROMPETROL INDUSTRIAL PARKS S.A. NAVODARI

5.1. PREFACE

(32) In view of the modernization Navodari industrial area, objective with special regional interest, the setting up of Petromidia Industrial Park aims at generating an adequate business climate for performing industrial activities, for large enterprises as well as for SME's capable of operating at maximum yield the material, power and labor resources.

(33) The necessity of accomplishing this industrial park in the Navodari-Constanta area, is undisputable also because of the fact that following to the restructuring of the companies in the area and to the wave of lay-offs triggered by the restructuring, it was created an excess of labor force highly specialized in the industrial field. The self-declared aim is also to create an alternative on the labor market by attracting investors in Petromidia Industrial Park area to absorb the unemployed labor force existing on the local market.

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

(35) Petromidia Industrial Park shall generate an entrepreneurial development environment in the South - East Development Region, by cooperating with the interested bodies (universities, CCINA, Local Development Agency Navodari etc.) in developing of business incubators, projects which would support the free - initiative and the research –development activities in the area.

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 assessed case, the investments will start after the decision of the Competition Council will be issued. The investment project encloses the rehabilitation of already existing buildings and utility networks but also their extension by building a new infrastructure absolutely necessary for the industrial park's well functioning. The state aid shall be designated for a new investment in fix capital for extending an existing unit, 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 Petromidia shall be finalized in 48 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 114,603,709,375 divided as such:

- fitting workshop	5,948,218,125.00
- platform storehouse	3,463,062,500.00
- pillar shed	1,547,700,000.00
- merge workshop	14,563,664,375.00
- hearth C3	13,754,136,875.00
- hearth C4	14,337,874,375.00
- pumping Station	1,381,414,375.00
- shed for small fabricated	2,264,600,000.00
- Transforming Stations PT1-PT3	8,610,798,125.00
- heating plant	412,468,750.00
- semifinished geom polygon	134,000,000.00
- cimenth Silo 81 To	100,500,000.00
- fitting workshop Platform	100,500,000.00
- roads	20,443,375,000.00
- railway lines	14,425,937,500.00
- water networks	1,025,644,375.00
- drainage networks	3,175,213,750.00
- electrical networks	2,206,226,250.00
- enclosure area	1,243,687,500.00
- natural gas pipe trestle	3,915,312,500.00
- natural gases exterior equipment	1,549,375,000.00

TOTAL INVESTMENT PROJECT'S BUDGET

ROL 114,603,709,375

(43) As stated above, the measures qualify as aid for initial investment, specifically as aid relating to the extension of an existing 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 Petromidia will have the following effects:

- creating attractive conditions for developing the economical activities, in efficiency conditions, by creating the arrangement of the industrial park's area as territorial limited area with linked infrastructure, utilities and services;

- improving and developing the regional potential by increasing the Romanian and foreign investment level;
- accomplishing long term incomes by attracting companies which produce high value-added products;
- developing economic activities which can determine with priority the employment of high qualified personnel;
- creating new jobs;
- stimulating the partnerships between the private sector and the local and central public administration sector.

(47) It is estimated that in the industrial park shall be attracted at least 30 new companies, from which 10 shall be large industrial companies, being forecasted that will be created at least 1000 new jobs in the area.

(48) From the supplementary information attached to the notification form, the beneficiary estimates that it will obtain, in the first three years of activity, an annual gross profit of around ROL 47 billion, and in the years after the investment will be finalise, an average gross profit of ROL 25 billion, related to an average annual turnover of ROL 41 billion (the calculation was made for the first 10 years of activity of the industrial park).

(49) The calculation of a series of economical and financial indexes such as actual liquidities (values between 101.4% and 293.13%), general liquidities (with values between 32.11 and 141.5), general solvency (approx 99%), gross sales margin (60.9%), the involved capital's rentability (between 6.1 and 11%), return of capital employed (27%) reflects the fact that the beneficiary's activity is profitable and that the investment is able to financially self-sustain itself.

(50) 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 Navodari, 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 incentives it.

5.2.2 ELIGIBLE COSTS

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

(52) 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.

(53) 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).

(54) 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).

(55) In order to calculate the eligible costs, from the total value of the investment project (ROL 114,603,709,375), there were deducted the costs of the rehabilitation (non-eligible for granting the state aid). Only the eligible costs related to the extending of the existing infrastructure (which is absolutely necessary for the well running of the industrial park) were taken into account. This way, we can distinguish the following eligible costs:

Table no.1

ELIGIBLE COSTS	ROL
a) Expenses for utilities necessary for the objective, from which	56,733,296,875
- POMPING STATIONS	1,381,414,375
- TRANSFORMING ELECTRICITY STATIONS PT1-PT3	8,610,798,125
- ROADS	20,443,375,000
- RAILROADS	14,425,937,500
- WATER NETWORKS	1,025,644,375
- DRAINAGE NETWORKS	3,175,213,750
- ELECTRICAL NETWORKS	2,206,226,250
- NATURAL GAS PIPE TRESTLE	3,915,312,500
- NATURAL GASES EXTERIOR EQUIPMENT	1,549,375,000
b) Expenses for fitting out the location, from which::	1,243,687,500
- ENCLOSURE AREA	1,243,687,500
TOTAL ELIGIBLE COSTS (a+b)	57,976,984,375

Source: Ministry Of Administration And Domestic Affairs and beneficiary

(56) The total value of eligible costs is ROL 57,976,984,375 and it stands for tangible investments necessary for the infrastructure of the industrial park (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

(57) 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)).

(58) The state aid recipient shall contribute to the achievement of this initial investment in form of the extension of an existing establishment with an amount of ROL 46,226,984,375,

standing for **79.73%** of the total eligible costs (ROL 57,976,984,375). This value is higher than the 25% imposed by Article 8 of the Regulation on the regional state aid.

5.2.4. AID INTENSITY

(59) 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.

(60) The value of the aid is ROL 11,750,000,000 of the total eligible costs of the project, amounting at ROL 57,976,984,375. Our calculations show an intensity of 20.27%. 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

(61) 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.

(62) In order to realize the investment project, the beneficiary of the state aid has allocated already, for the period September 2004 – March 2005, the amount of ROL 14,900,000,000, the amount representing a part of the beneficiary's contribution to support the investment project. Also, as it was mentioned at the paragraph (40), the investments will be finished within 48 months after the decision of the Competition Council will be issued.

(63) The investments achieved in view of setting up the Industrial Park Petromidia shall be maintained throughout the existence of the park, which is 30 years 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

(64) 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).

(65) 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.

(66) 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.

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

(68) The Ministry for Administration and Domestic Affairs shall monitor the activity of S.C. ROMPETROL INDUSTRIAL PARKS S.A. Navodari, 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.

(69) S.C. ROMPETROL INDUSTRIAL PARKS S.A. Navodari has not benefited from other state aids until the present time. The rules on the cumulating of aid are thus obeyed.

6. CONCLUSION

(70) The information in the notification before the Competition Council lead to the conclusion that the state aid intended to be awarded to S.C. ROMPETROL INDUSTRIAL PARKS S.A. Navodari 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.

(71) Our analysis shows that the state aid amounting at ROL 11,750,000,000, 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. ROMPETROL INDUSTRIAL PARKS S.A. Navodari 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. ROMPETROL

INDUSTRIAL PARKS S.A. Navodari, 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. ROMPETROL INDUSTRIAL PARKS S.A. Navodari 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. ROMPETROL INDUSTRIAL PARKS S.A. Navodari may benefit from is ROL 11,750,000,000.

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. Rompetrol Industrial Parks S.A., DJ 226, km. 23, cod 905700, Navodari, Constanta County.

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