

**DECISION NO. 34**  
**of 21.01.2004**

**regarding the authorization of the State aid specific allocation that is intended to be granted to S.C ROVA S.A. Rosiorii de Vede as part of the existing State aid scheme contained by Governmental Emergency Ordinance no. 40/2002 on recovering the budgetary arrears approved and amended by Law no. 491/2002**

**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, with subsequent amendments and completions;
- 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 provisions of the Governmental Decision no. 599/2000 for the approval of the procedures for reporting, monitoring and informing in the application of the Law no. 143/1999 on State aid, published in the Official Gazette no. 340, Part I of 21.07.2000;
- 5.** 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 and completions;
- 6.** 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;
- 7.** The Regulation on State aid for rescue and restructuring the firms in difficulty, published in the Official Gazette, Part I, no. 470/02.07.2002;
- 8.** The notification of the State aid specific allocation to be granted to S.C. ROVA S.A. Rosiorii de Vede as part of the existing State aid scheme contained by the GEO no. 40/2002 for the recovery of the budgetary arrears, approved and amended by Law no. 491/2002, submitted by the Ministry of Labour, Social Solidarity and Family by letter no. 6831.8730-MC/16.12.2003, registered at the Competition Council under the no. RS-AS 84/17.12.2003, and letter of Ministry of Public Finance no. 292609/12.2003

registered at the Competition Council under no. RS-AS 80/17.12.2003, became effective on 19.12.2003;

**9.** The Note of the Department for State aid Authorization concerning the notified State aid.

Based on the following:

1. The notified State aid represents a State aid specific allocation within the existing State aid scheme, contained by GEO no. 40/2002 on recovering the budgetary arrears.
2. The State aid represents exemption from the payment of increased value and penalties due to delay payment as well as exemption from the payment of interests and penalties afferent to overdue debts; the purpose of the granting is realization of investment program for the period 2003-2008.
3. The value of exemptions from the payment of overdue obligations is presented as follows:
  - a) Exemption from the payment of interests and penalties due to delay payment afferent to debts due to State budget at 31.12.2001 and calculated to 08.04.2002, is of ROL 80,726,120,691;
  - b) Exemption from the payment of increased value and penalties due to delay payment afferent to the contributions due to Social Insurance Budget, is of ROL 94,186,839,097.
4. Non-observance of payment time limit and of conditions under which the facilities were approved, attract the annulment of them and continuation, on a case by case basis, of forced execution for entire unpaid sum, and the obligation of payment of interests calculated from the date to which the terms and/or conditions were not observed.
5. SC ROVA SA Rosiorii de Vede did not benefit anymore of other State aids.
6. The relevant market affected by the granting of State aid is reparation of goods and passenger trucks market.
7. The granting of State aid is related to initial investment destined to overcome the regional disadvantages, to ensure the development of Teleorman county that is an area disadvantaged from the industrial point of view; the investment is destined to acquisition of new and modern equipments, introduction of new technologies, improvement of environment protection.

8. The beneficiary's contribution, respectively SC ROVA SA Rosiorii de Vede, to the financing the investment is of 60%, thus the minimum limit provided by the Regulation is exceeded and it guarantees a viable and efficient level of investment.
9. The State aid intensity represents 40% of the total eligible cost of the project and is under the ceiling of 50% provided by the Regulation.
10. The investments to be made according to the investment program will be maintained for a period of minimum 5 years.
11. The value of eligible costs for the investment is of ROL 437,282,397,500 and represents the eligible costs for the investments in tangible assets (in this case, equipments that constitutes standard basis).
12. The effects and benefits that are supposed to be obtained as result of granting State aid are:
  - achievement of investments in view of re-technologization and modernization of company, reduction of production costs and improvement of environment protection;
  - overcome of regional disadvantages by contribution to the reduction of unemployment – the company being situated in an disadvantaged county from industrial point of view;
13. The information included in the notification submitted to the Competition Council lead to the conclusion that the State aid specific allocation as part of the existing scheme contained by GEO no. 40/2002 for the recovery of the budgetary arrears approved and amended by Law no. 491/2002 does not significantly affect the normal competitive environment and does not infringe the proper application of the international agreements to which Romania is party.
14. In the meaning of art.13 par. (1) of Law no. 143/1999 on State aid, the Competition Council will permanently survey all the existing State aids, and if it is noticed that the State aid scheme contained by GEO no. 40/2002 on recovering the budgetary arrears or specific allocations within this distort significantly the normal competitive environment and the proper application of the international treaties to which Romania is party, will request the State aid grantor 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 par. (2) let. b) corroborated with art. 14 (1) let. f) of Law no. 143/1999 on State aid, it is authorized the State aid specific allocation intended to be granted to S.C. ROVA S.A. Rosiorii de Vede as part of the existing State aid scheme contained by the GEO no. 40/2002 for the recovery of the budgetary arrears approved and amended by Law no. 491/2002, as regional State aid.

**Art.2.** The value of the State aid to be granted is of ROL 174,912,959,788 and represents exemption from the payment of interests and penalties afferent to overdue debts (80,726,120,691 ROL) and exemption from the payment of increased value and penalties due to delay payment afferent to contribution to State Social Insurance Buget ( 94,186,839,097 ROL).

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

**Art.4.** According to the provisions of art. 23 of the Law no. 143/1999 on State aid and the provisions of GO no. 599/2000 for approving reporting, monitoring and informing procedures in the application of Law no. 143/1999, the Ministru of Public finance, Ministry of Labour, Social Solidarity and State aid beneficiary will submit the information on State aid granted/ received in view of inventorying and monitoring them

**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 from its communication.

**Art.5.** The present Decision shall be communicated by the Secretariat General of the Competition Council to:

- the Ministry of Public Finances, 17 Apolodor Street, sector 5, Bucharest;
- the Ministry of Labour and Social Solidarity, Dem. I. Dobrescu Street no.2 , sector 1, Bucharest
- S.C.ROVA S.A., Uzina de Vagoane Street , no.1 Rosiorii de Vede, Teleorman

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

**PRESIDENT**

**THEODOR VALENTIN PURCAREA**