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27. Is concerned that in certain individual cases aid to maritime transport has been mixed with aid to shipbuilding, which forms part of manufacturing industry and the limits on which have been laid down in a separate directive;

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28. Instructs its President to forward this resolution to the Commission, the Council, the Committee of the Regions and the Economic and Social Committee.

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## 12. Report on state aid to the steel industry (1998)

A5-0073/1999

**European Parliament resolution on the Commission Report on the implementation in 1998 of Commission Decision No 2496/96/ECSC of 18 December 1996 establishing Community rules for State aid to the steel industry (Steel Aid Code) (COM(1999) 94 – C5-0104/1999 – 1999/2107(COS))**

*The European Parliament,*

- having regard to the Commission Report (COM(1999) 94 – C5-0104/1999),
  - having regard to Article 8 of Decision No 2496/96/ECSC of 18 December 1996 <sup>(1)</sup>,
  - having regard to the Treaty establishing the European Coal and Steel Community, which expires in 2002,
  - having regard to the report of the Committee on Economic and Monetary Affairs (A5-0073/1999),
- A. whereas the Commission Report relates to the second year of the sixth Steel Aid Code,
- B. whereas efforts should continue to be made in future to eliminate obstacles to competition and serious distortions of the market balance,
- C. whereas under Article 4(c) of the ECSC Treaty, subsidies or aids granted by States to the iron and steel industry or special charges imposed by States, in any form whatsoever, are prohibited,
- D. whereas the rules allow the granting of aid to the steel industry in certain clearly defined cases as an emergency measure,
1. Welcomes the Commission's report on the implementation of the Steel Aid Code in 1998; notes, however, that not all aspects of steel aid are treated;
  2. Stresses that restricting state aid to research and development, environmental protection, plant closures and special aids for Greece represents a sensible framework for the prevention of distortions of competition;
  3. Supports the Commission's decision of 9 December 1998 pursuant to Article 88 of the ECSC Treaty to initiate a procedure on the basis of Decision No 2496/96/ECSC;
  4. Calls on the Member States to comply with their reporting requirement more promptly in future;
  5. Criticises the Commission because, in spite of the clear wording of the Steel Aid Code, which applies to all types of aid, it has on several occasions authorised aid for steel undertakings which do not fall within the categories set out in the Code;
  6. Calls for a thorough assessment of this unequal treatment, *inter alia* in the light of the judgments of the European Court of Justice;

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<sup>(1)</sup> OJ L 338, 28.12.1996, p. 42.

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7. Recalls in this context that in its order of 3 May 1996 the Court accepted that the iron and steel industry is particularly sensitive to disturbances to its competitive operation, the purpose of the system of aids to this industry being to ensure the survival of successful companies; points out that this rigid aid system is accurately defined in the current Steel Aid Code and should continue after the ECSC Treaty expires;
  8. Calls for clarification of whether the Steel Aid Code applies to all aids;
  9. Calls for a number of decisions to be examined as to whether they might require authorisation pursuant to Article 95 of the ECSC Treaty;
  10. Calls on the Commission, in its 1999 Report, to detail the active role it plays in the elaboration of restructuring plans and authorised exceptional cases;
  11. Considers that the Commission must decide justly and equitably when it authorises — or even itself suggests — exceptions to the ban on aid in individual cases, while in others it does not even consider the application of Article 95 of the ECSC Treaty;
  12. Calls for an expert assessment of aid in connection with the privatisation of state steel undertakings;
  13. Considers a review and amendment of the Steel Aid Code to be desirable in the interests of equal treatment if the Commission intends to permit aids other than those hitherto referred to at the end of the Steel Aid Code;
  14. Calls on the Commission to propose amendments to that effect in connection with the regulations which are to succeed the ECSC Treaty from 2002;
  15. Considers that, after the expiry of the ECSC Treaty, only a Council Regulation can guarantee the necessary legal certainty and ensure that the strict ban on all types of aid not covered by the Code is binding;
  16. Calls, therefore, for aids to the steel industry to be governed by a Council Regulation pursuant to Article 94 of the EC Treaty;
  17. Shares the view of the ECSC Consultative Committee that admissible aids should give the EU's steel sector advantages comparable to those enjoyed by other sectors of industry, but that any distortion of competition among companies in the EU's steel sector should be avoided, it being understood that the rules should be sufficiently strict to ensure that aid cannot be used for purposes other than those specified in the Code;
  18. Instructs its President to forward this resolution to the Council, the Commission and the governments of the Member States.
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