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State Aid Scoreboard, second edition

(presented by the Commission)

State Aid Scoreboard 2001, second edition

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1. INTRODUCTION

This second edition of the State aid Scoreboard intends to further increase transparency and to raise awareness for the need of State aid control. A control, that has been significantly tightened by the Commission in recent years, thus ensuring that Member States only award aid that really serves the common interest. Although each individual grant of aid is awarded under conditions accepted by the Commission, it is undeniable that the cumulative effect of still more than 79 Billion Euro in 1999 has a considerable distortive effect on competition in the Internal Market. This is recognised by the Member States and the European Parliament. In March 2001, the Stockholm European Council therefore *asked Member States to demonstrate a downward trend in State aid in relation to GDP by 2003, taking into account the need to redirect aid towards horizontal objectives of common interest, including cohesion objectives*.¹ In December 2001, the Energy and Industry Council reconfirmed these goals and emphasised the relevance and usefulness of the State aid Scoreboard.

Whilst the Commission will continue to maintain a strict State aid control policy, to increase transparency and closely monitor the levels of aid, action has to be taken by Member States themselves in order to reduce State aid and redirect them towards horizontal objectives in particular the Lisbon conclusions which aim at making the European Union the most dynamic and competitive knowledge society of the world. Their action should be aimed at reviewing national aid policies, assessing whether the grant of State aid is always the most appropriate instrument to correct certain market failures and evaluating the effectiveness of the aid that is awarded and concentrate public support measures in areas where market failure has clearly been identified. With this second edition of the Scoreboard, the Commission aims at encouraging this re-evaluation process in the Member States.

Member States have already contributed to the Scoreboard and some of their comments and those of the European Parliament on the first edition of the Scoreboard have already been incorporated in this edition, other observations will be included in later editions. An integral part of the Scoreboard is the Member State Forum that already provides a tangible example of how Member States can exchange information on their support policies and their respective ex ante and ex post evaluation of the aid awarded. Member States are encouraged to continue their support of this initiative.

2. STRUCTURE AND LIMITATIONS OF THE SCOREBOARD

2.1. Structure

The Scoreboard now contains five parts: The first part provides a general overview of the State aid situation in Member States. In the second part of the Scoreboard an analysis of horizontal, regional and sectorial aid is given that is, for the time being, limited to manufacturing and service sectors. The third part contains data on State aid control procedures of both, the Commission and the Member States. The fourth part attempts to situate State aid in the broader context of the Internal Market and the structural reforms

¹ SN 100/01 point 20 and 21.

undertaken by the Member States. In the light of the broader implications of State aid and beyond the mere respect of EC competition rules, Member States may wish to consider re-evaluating their State aid policies for reasons of economic effectiveness and efficiency. The fifth part, the State aid Forum, collects sources and Internet-links for supplementary information. Finally, a technical annex is added that presents the underlying data for each graphs and table contained in the Scoreboard. All data are in constant 1998 values.

Future editions will maintain this structure. The fourth part, dedicated to State aid in the broader context of the Internal Market will in subsequent editions focus on State aid within other selected policy frameworks such as environment, SME or regional development, with a view to measure, where possible, its effectiveness and efficiency.

In this second edition of the Scoreboard the first part shows the change of State aid as a percentage of GDP between 1997 and 1999 and the level of State aid as a percentage of GDP in 1999 in Member States broken down into main areas of the economy. The second part provides graphs and tables that show Member States' relative success in redirecting aid from specific sectors to horizontal and regional objectives. In the third part, data on the State aid control procedure, in particular the average length of certain procedures, is provided. In addition, information on the recovery of illegally granted State aid is included. The fourth part of the Scoreboard, dedicated to State aid as an economic instrument in the Internal Market, highlights in this edition the role of State aid in general R&D policy. The final part, the Forum, provides further information on activities of Member States and now in addition of the European Parliament.

2.2. Limitations

This second edition of the Scoreboard covers the period of 1997 to 1999 that predates the Stockholm European Council in 2001. The following data restraints have to be considered when the objectives set in Stockholm will be revisited in 2003. Data for the year 2000 will be available in early 2002. A full set of State aid data for the year 2003 will only be available in early 2005 as Member States, together with the Commission, require up to one year to collect and analyse State aid data.

State aid data collected for the Scoreboard are grouped according to primary objectives. It has to be noted that primary objectives cannot always give a completely accurate picture of the final beneficiaries: e.g. a part of regional aid is in fact paid to small and medium size enterprises, aid for R&D goes to particular sectors, and so on. Therefore, the Commission will continue to improve the detail of the data it collects.

Throughout the Scoreboard a series of indicators is presented. It has to be underlined that the purpose of these indicators is to highlight factual developments, without attempting to establish causal links. In this way, the Scoreboard does not make judgements but is offering factual data, which should encourage a debate without prejudging its outcome. It is important to keep this limitation in mind when using the Scoreboard data.

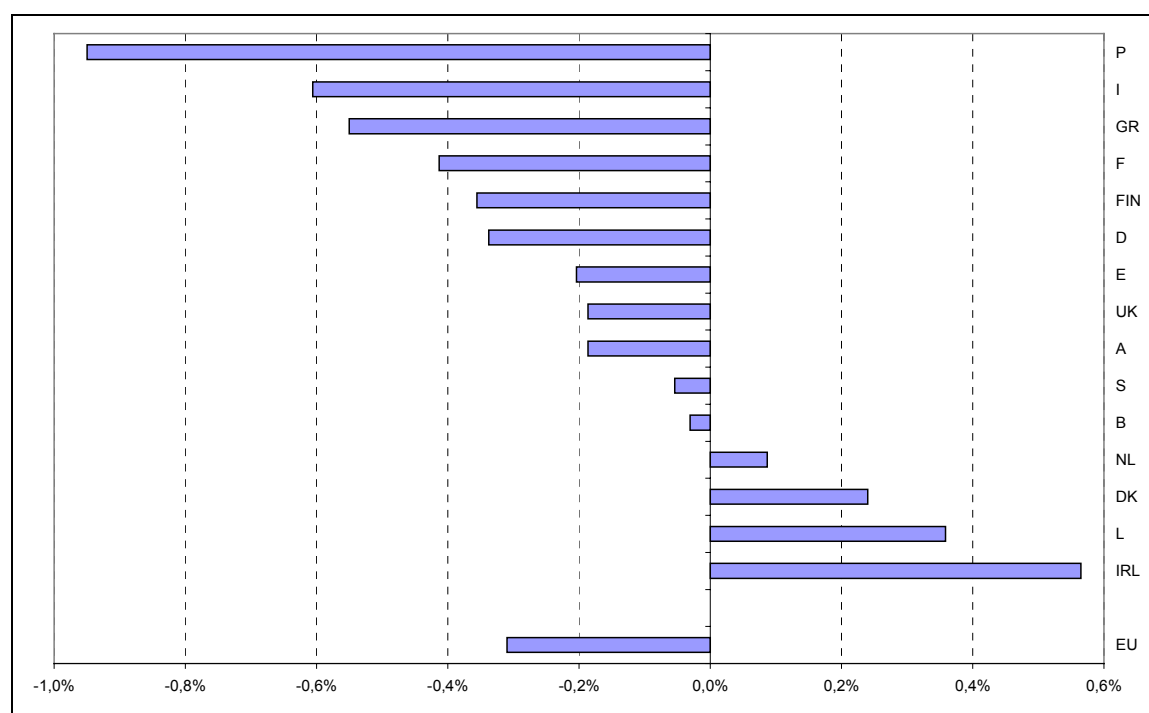
3. OVERVIEW OF STATE AID IN THE EUROPEAN UNION

The chapter gives an overview on the evolution of aid granted in the European Union from 1997 to 1999 and a breakdown of aid granted in 1999 according to main areas of the economy.

3.1. Stockholm indicator – Do Member States demonstrate a downward trend in granting aid?

The Stockholm European Council in 2001 *asked Member States to demonstrate a downward trend in State aid in relation to GDP by 2003*. Graph 1 provides for an indicator to verify the efforts that have been made by Member States to meet the demand of the Council. The ‘Stockholm indicator’ shows for each Member State reductions in State aid before the Stockholm Council between 1997 and 1999. The Commission will update this indicator annually. Using this indicator all Member States should be able to demonstrate a downward trend of State aid in relation to GDP by 2003.

Graph 1: The majority of Member States show a downward trend in State aid in relation to GDP between 1997 and 1999.



Note: Percentage point change of State aid by Member State as a percentage of national GDP between 1997 and 1999. Source: DG Competition and Eurostat.

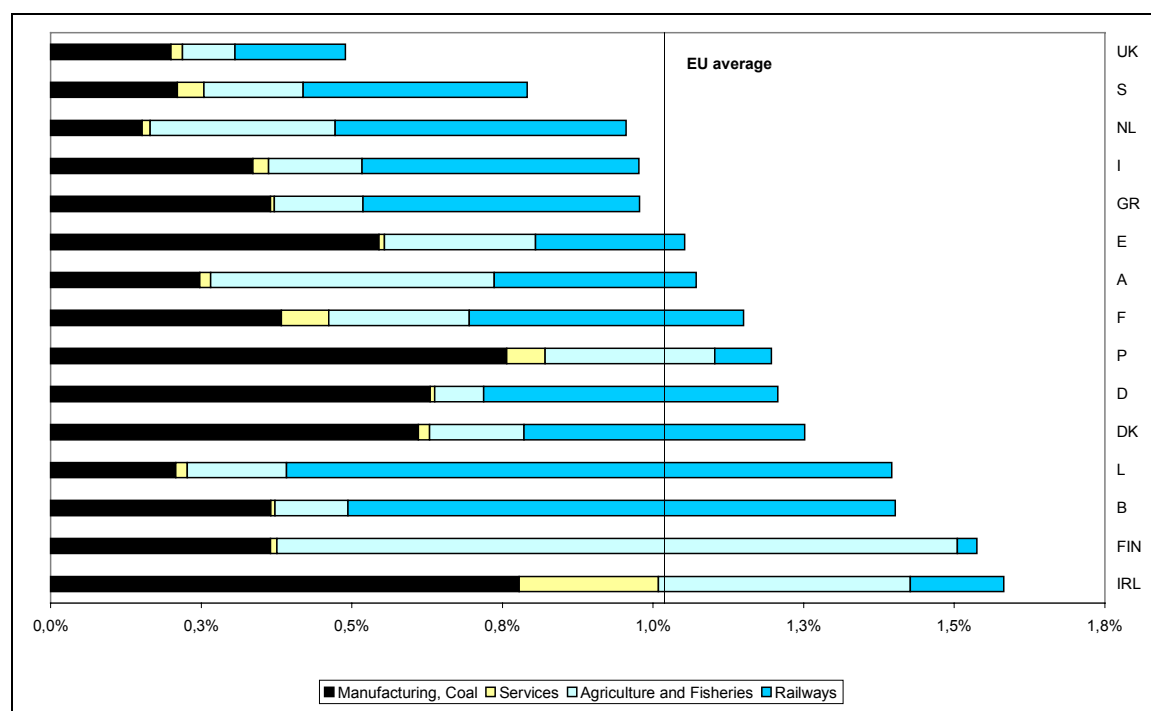
State aid as a percentage of GDP has been reduced in eleven Member States. In the remaining four Member States, State aid as a percentage of GDP increased. The increases of overall aid in Luxembourg, the Netherlands and Denmark are due to higher levels of aid granted to railway transport. The sharp increase of the aid level in Ireland is a result of the Commission considering since 1998 the reduced Irish Corporation Tax, which is now being phased out, as State aid.

3.2. Distribution of State aid among Member States and main areas of the economy

The EU level of overall State aid expressed as a percentage of GDP has been steadily decreasing since 1993. Between 1997 and 1999, it has fallen by over 30%. However, with the latest data of 1999 indicating an aid level of 1% of EU GDP, there may still be scope for further reductions in the future.

Moreover, significant disparities remain between Member States in their award of overall levels of aid. In addition, the extent to which main areas of the economy benefit from such aid varies widely among Member States. Graph 2 provides an overview of the distribution of aid among Member States and main areas of the economy.

Graph 2: Highly variable distribution of State aid within the EU in 1999.



Note: Distribution of State aid to main areas of the economy by Member States in 1999 as a percentage of national GDP. State aid granted to specific service sectors includes airline and financial services, tourism, media and culture. Source: DG Competition and Eurostat.

Whilst in Ireland and Finland, State aid as a percentage of GDP exceeds 1.5% in 1999, in the United Kingdom State aid as a percentage of GDP is less than 0.5%. Together with the United Kingdom, Sweden, the Netherlands, Italy and Greece have also aid levels below the EU average.

The share of aid to manufacturing, coal and service sectors as a percentage of overall aid ranged from 16% in Luxembourg to 69% in Portugal. Aid to the agricultural and fisheries sectors accounted for only 7% of overall aid in Germany while in Finland agricultural aid was as high as 73%. The share of aid to the railway sector was highest in Luxembourg and lowest in Finland. Additional information on State aid per person employed is shown in the technical annex (see Table 0).

4. THE NEED TO REDIRECT AID TO HORIZONTAL, REGIONAL AND COHESION OBJECTIVES

At the Stockholm and the Lisbon European Council, Member States subscribed to the need to redirect aid from supporting individual companies or sectors to horizontal objectives of common interest, including cohesion objectives. The Scoreboard will therefore concentrate on these objectives.

The current edition focuses on the pursuit of these objectives in the context of the manufacturing, coal and service sectors. Large parts of the agricultural and fisheries sector traditionally receive substantial support from the Community budget. A separate analysis will be made in future editions of the Scoreboard. Financial support for railway transport is usually granted to undertakings as a compensation for public service obligations. Such compensation benefits from a legal exemption² from the obligatory State aid assessment requested by Article 88 EC Treaty. Aid to agriculture, fisheries and railway transport is therefore not included in this chapter.

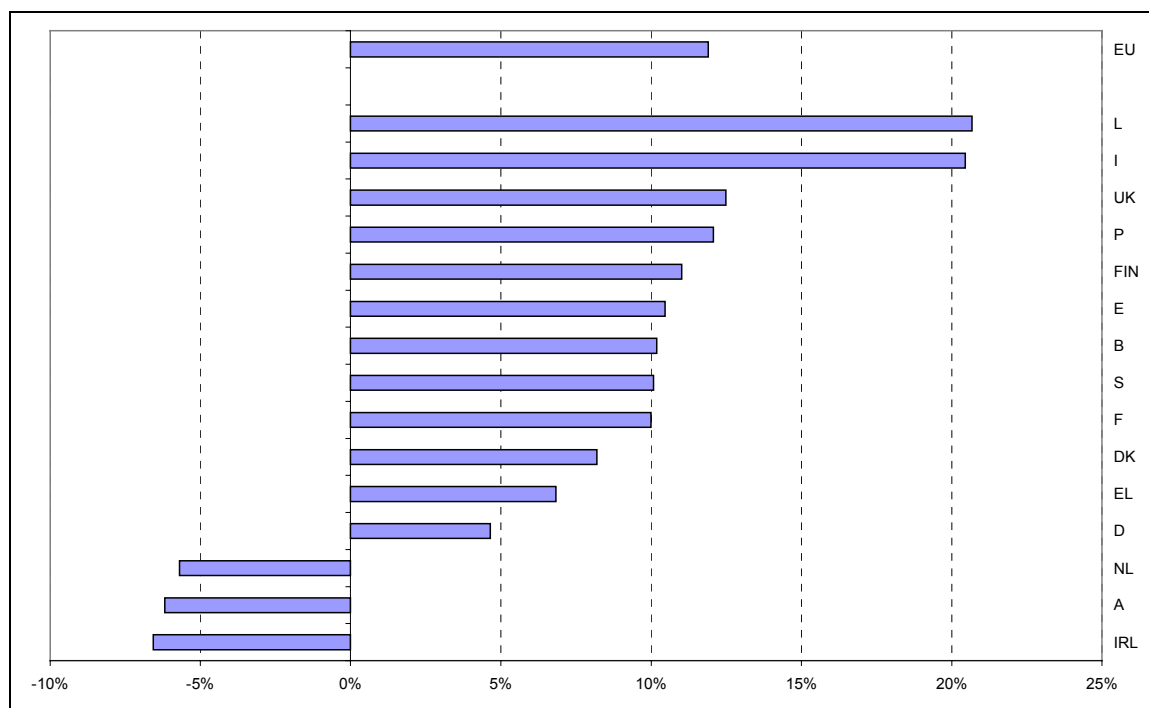
² Article 17 of Council regulation 1191/69.

4.1. Redirecting aid to horizontal objectives

State aid for horizontal objectives, i.e. aid that is not targeted towards specific sectors or geographic areas, is usually considered as being less distortive than sectorial and *ad hoc* aid, such as aid for rescue and restructuring. Aid granted horizontally to all sectors is less selective than the other kinds of aid. Its positive effect in addressing market failures is therefore more likely to outweigh its negative impact on competition. Research and development, safeguarding the environment and energy saving and support to small and medium-sized enterprises are the most prominent horizontal objectives pursued with State aid.

Both the Stockholm and the Lisbon European Councils have asked for Member States to redirect aid away from sector specific and *ad hoc* aid towards these horizontal objectives of Community interest. Graph 3 indicates the degree to which Member States have redirected aid to horizontal objectives between 1997 and 1999. The Commission will update this indicator annually in order to follow the developments in Member States.

Graph 3: Most Member States redirected aid to horizontal objectives between 1997 and 1999.

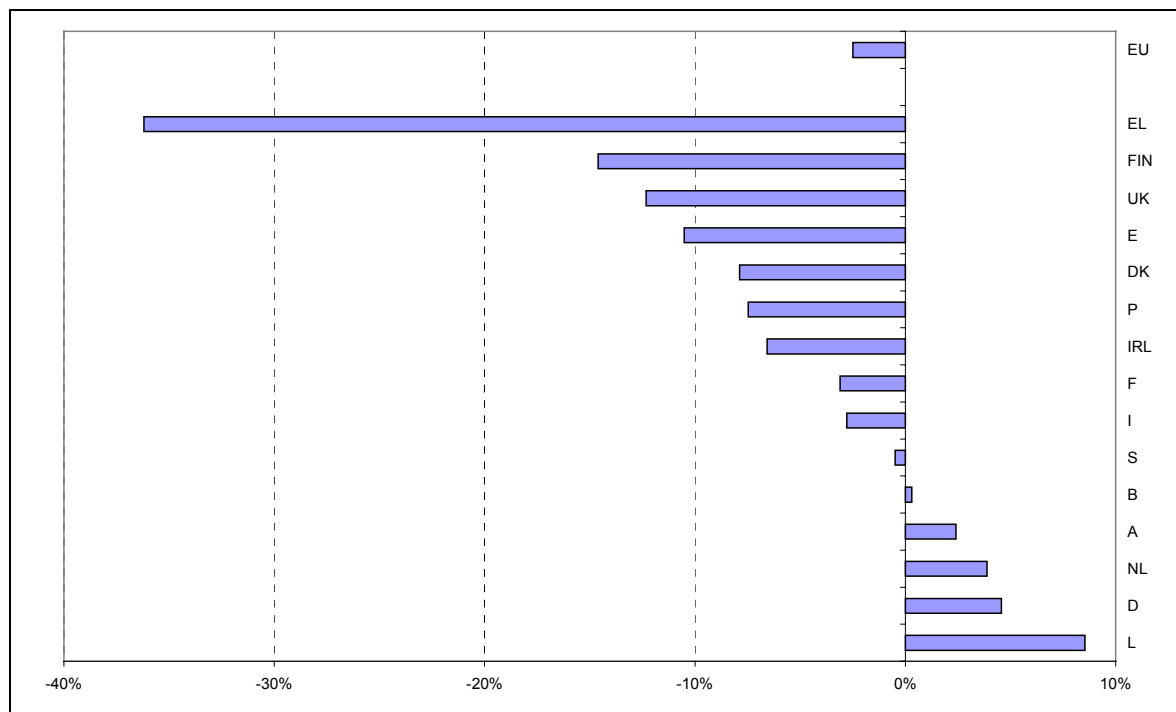


Note: Percentage point change of State aid for horizontal objectives (SME, R&D, environment and energy saving, commerce of SMEs, employment and training) in total aid less agriculture, fisheries and railway transport between 1997 and 1999. Source: DG Competition.

The relative share of aid granted for horizontal objectives in the EU, as opposed to regional or sectorial objectives, has increased by almost 12% from 1997 to 1999. In contrast, the relative share decreased in the Netherlands, Austria and Ireland.

Graph 4 shows that the share of aid granted to specific sectors in the EU, as opposed to regional or horizontal objectives, has decreased by 1.6% from 1997 to 1999, although this share increased in Luxembourg, Germany, the Netherlands, Austria and Belgium.

Graph 4: A decreasing share of aid went to individual sectors between 1997 and 1999.



Note: Percentage point change of State aid granted to coal mining and to individual manufacturing and service sectors in total aid (less agriculture, fisheries and railway transport) between 1997 and 1999. Source: DG Competition.

At EU level, the development over time is already going in the direction sought by the European Council. However, in 1999 aid for coal mining and to individual service and manufacturing sectors still accounted for over 30% of total aid. Increased efforts by Member States are therefore still needed if the desired reallocation of aid from sectorial to horizontal objectives is to be achieved.

4.2. State aid supporting regional development and cohesion

Both the Stockholm and the Lisbon European Councils also called upon Member States to shift emphasis towards regional development and cohesion objectives. This chapter shows, on the one hand, national regional aid granted under Article 87(3)a and direct support to companies granted under the Community's Regional fund (objective 1) and, on the other hand, the relative economic growth of assisted regions. Regional aid that is granted under Article 87(3)c is not included in Table 1.

Table 1: Regional aid and regional development

Member State	GDP growth of assisted regions under Art.87(3)a with respect to national average	National regional aid as % of GDP of assisted regions under Art.87(3)a	Direct support to companies granted under Regional fund (objective 1 interventions) as % of GDP of assisted regions under Art.87(3)a
A	-	0,78	0,10
D	-	3,49	0,11
EL*	+	0,55	0,27
E	-	0,04	0,18
F	+	3,59	0,16
IRL*	+	0,29	0,12
I	+	2,51	0,14
P*	+	0,90	0,34
UK	-	0,35	0,07
EU	+	1,50	0,17

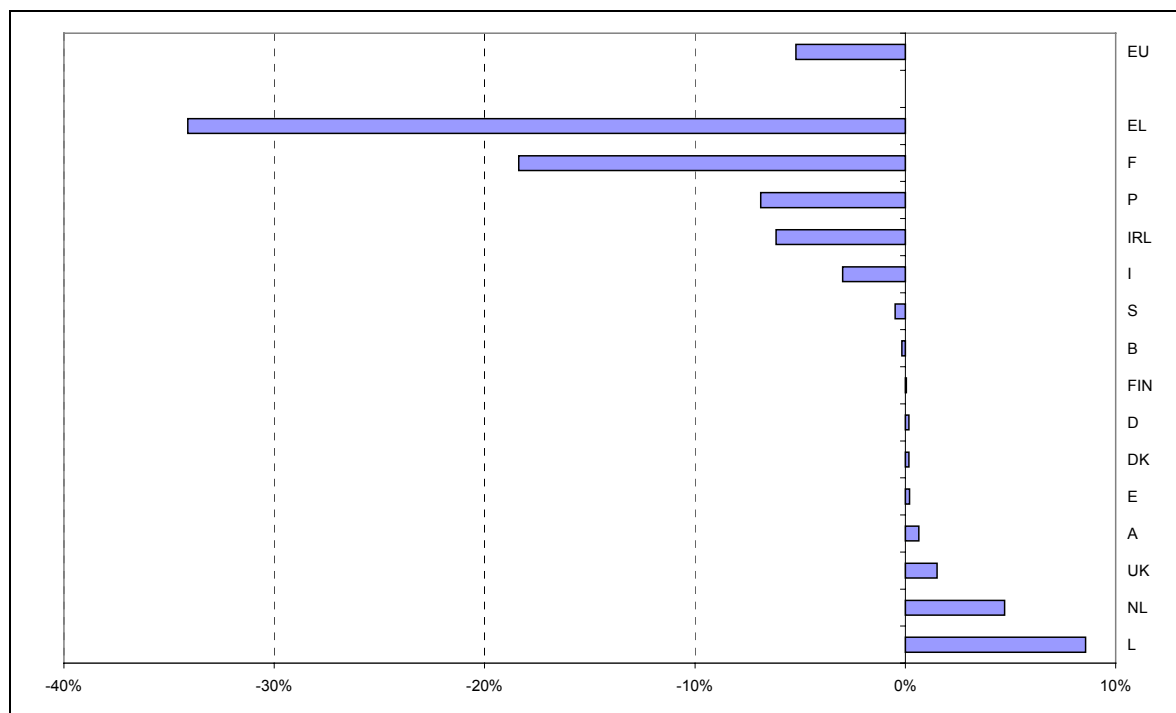
Note: All data are 1996-1998 averages. A positive GDP growth differential (+) indicates that the national assisted regions grow faster than the national average, whereas a negative sign (-) indicates that growth in assisted regions is lower than the national average. (*) In the absence of any non-assisted regions in Portugal, Greece and Ireland the growth differential of national GDP to the EU average is indicated. The table contains regional aid that has been granted under Article 87(3)a and aid granted under the Regional fund (objective 1 interventions) in assisted regions. Assisted regions are regions within the meaning of Article 87(3)a valid until 31/12/1999. Source: DG Competition, DG Regional Policy and Eurostat.

Table 1 shows that during the period 1996 to 1998 national regional aid as a percentage of GDP of assisted regions is above the EU average in France, Germany and Italy. In addition, direct support to companies granted under the Regional fund as a percentage of the assisted regions' GDP is above EU average in Portugal, Greece and Spain. In Greece, France, Ireland, Italy and Portugal assisted regions grew faster than non-assisted regions between 1996 and 1998.

4.3. State aid to specific service sectors

Aid to support specific service sectors, in particular when it is granted as rescue and restructuring aid, is likely to distort competition to a larger degree than aid that is directed towards horizontal objectives. The bulk of aid that is directed towards specific service sectors, namely airline and financial services, tourism, media and culture³, favours those areas of activity that continue to grow in importance, such as tourism or, sectors that have recently been liberalised such as air transport and financial services. Graph 5 presents the relative change of State aid granted specifically to service sectors in Member States in comparison to overall aid (excluding agriculture, fisheries and railway transport).

Graph 5: Seven Member States reduced aid to specific service sectors.



Note: Percentage change of State aid granted specifically to airline services, tourism, financial services, media and culture in total aid less agriculture, fisheries and railway transport by Member State between 1997 and 1999. Source: DG Competition.

Between 1997 and 1999, seven Member States reduced their relative share of aid to specific service sectors whereas the other eight increased it. Since, however, the volume of the aid reduction, particular in Greece and France, outweighs the increase - although significant - in the Netherlands and Luxembourg, the overall share in the European Union clearly decreases.

³ As far as media and culture are concerned, it must however be noted that a significant part of support that is granted in these sectors is a compensation for public service obligations and State aid in support of cultural objectives as defined by Article 87 3 d) EC Treaty.

5. PROCEDURAL PERFORMANCE IN THE EUROPEAN UNION

5.1. Decision Process

The Commission controls the Member States' granting of State aid by means of a formal and transparent procedure, Council regulation No 659/1999⁴. Currently, the average time to approve notified aid cases is around four months. This duration is a result of the fact that in many cases relevant information is lacking during the first notification received from Member States and has subsequently to be requested explicitly by the Commission.

If the Commission has doubts whether an aid measure of Member States is compatible with the EC Treaty, it opens a formal investigation procedure under Article 88(2). At present, it takes on average nine months until the Commission opens such a formal investigation on notified aid.

The Commission is currently in a process of streamlining State aid rules and control procedures which will help to reduce these periods, particularly in providing Member States with improved and concise information on what they have to submit to the Commission. Improving the quality of Member States' notifications of aid cases will significantly accelerate the Commission's decision process. A further element that will reduce the evaluation periods for aid is the recent introduction of group exemption regulations for SME⁵ and training aid⁶. Their effects will be analysed in future Scoreboards.

⁴ See OJ 83/1 of 27.03.1999.

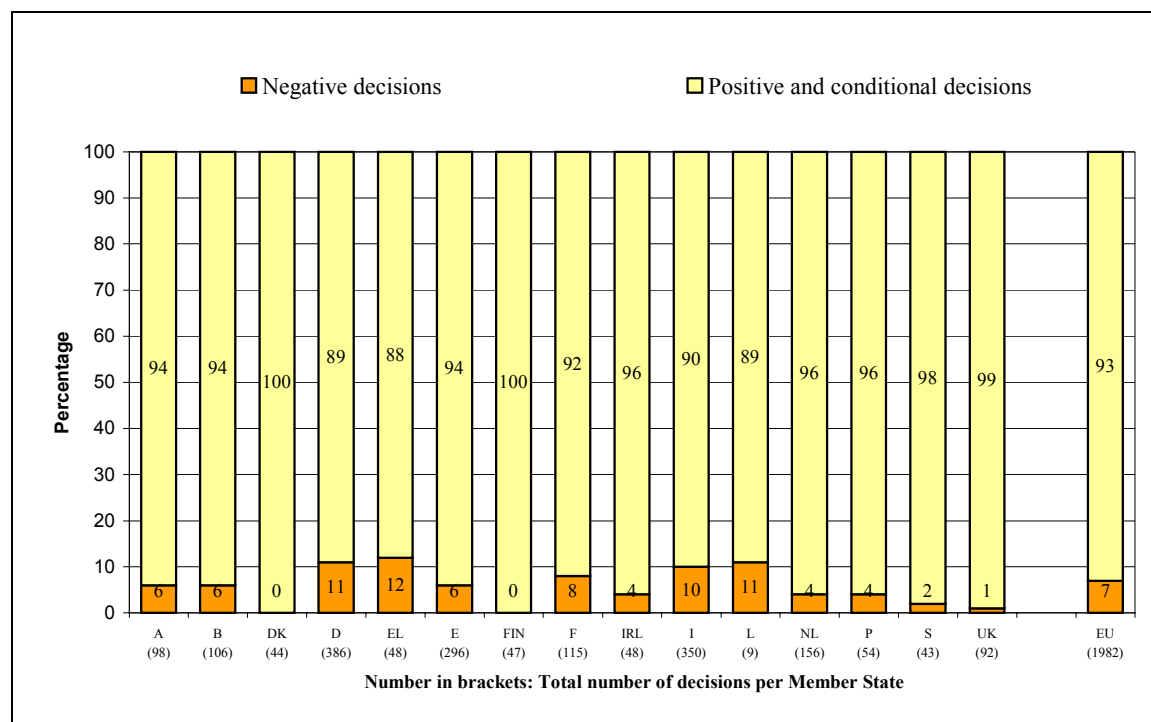
⁵ Commission Regulation (EC) No 70/2001 of 12 January 2001 on the application of Articles 87 and 88 of the EC Treaty to State aid to small and medium-sized enterprises *OJ L 010*, 13/01/2001 P. 0033 – 0042.

⁶ Commission Regulation (EC) No 68/2001 of 12 January 2001 on the application of Articles 87 and 88 of the EC Treaty to training aid *OJ L 010*, 13/01/2001 P. 0020 – 0029.

5.2. Negative decisions and recovery of State aid

When the Commission comes to the conclusion that an aid does not fulfil the criteria to be compatible with the EC Treaty, it takes a negative decision. Graph 6 gives a breakdown of the share of negative decisions by Member States during the period 1998-2000.

Graph 6: Share of negative decisions by Member State.



Note: State aid decisions on all sectors except fisheries. Source: DG Agriculture, DG Competition and DG Transport and Energy.

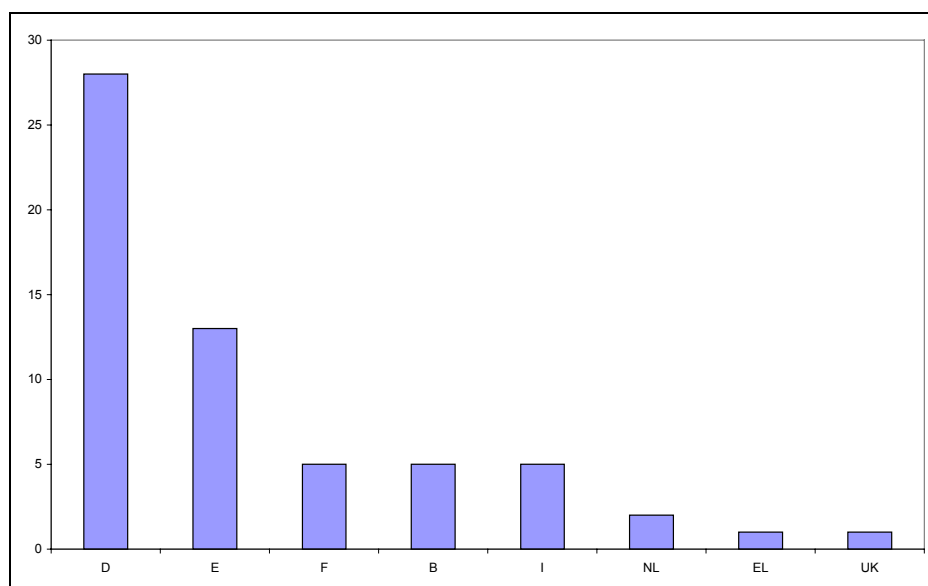
In case of a negative decision the Commission orders, as a general rule, the Member State to recover aid from the beneficiary if the aid has been already awarded. Table 2 and Graph 7 give an overview of the present situation of these recovery orders.

Table 2: Recovery orders pending at 10.09.2001.

In process of execution	Forming part of bankruptcy procedures	Currently object of National court procedures	Currently object of European court procedures	Total number pending
32	14	8	6	60

Note: State aid recovery procedures in sectors other than agriculture, fisheries and transport. Court procedures do not necessarily have a suspensive effect on recovery. Source: DG Competition.

Graph 7: Pending recovery orders in the Member States.



Note: Number of State aid recovery procedures in sectors other than agriculture, fisheries and transport pending at 10/09/2001 by Member State. Source: DG Competition.

Table 3 provides a breakdown of the amounts of incompatible aid that have to be recovered in Member States. In some cases where the number of beneficiaries is high, it is not possible to specify the exact amount of incompatible aid before it has been reimbursed by the beneficiaries. About half of the amount to be recovered in Germany is attributed to one case that is pending before the European Court of Justice.

Table 3: Recovery orders pending and amounts to be recovered by Member State.

Situation at 10.09.2001	Recovery orders pending	Amount to be recovered in million €	Number of cases where the amount is not specified
D	28	1.739	3
E	13	143	10
I	5	65	2
F	5	59	1
B	5	40	2
EL	1	8	0
UK	1	2	0
NL	2	<1	1
EU	60	2.055	19

Note: State aid recovery procedures in sectors other than agriculture, fisheries and transport by Member State. Source: DG Competition.

6. STATE AID FOR R&D AND THE INTERNAL MARKET

6.1. State aid for R&D

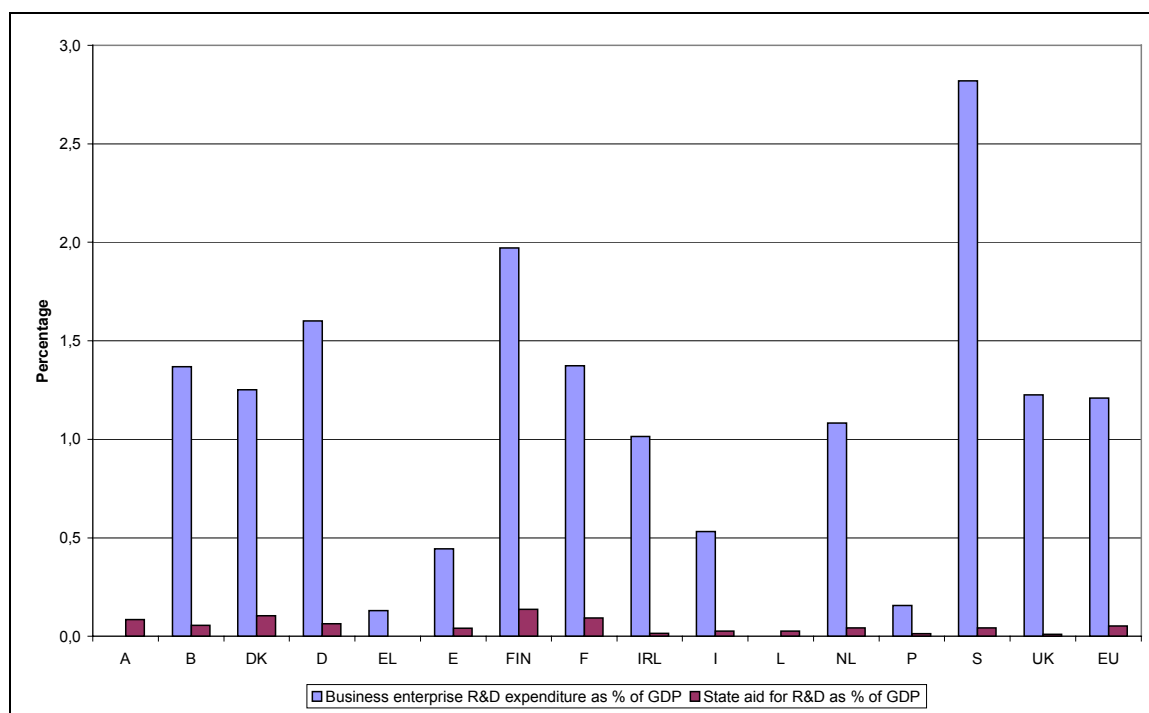
Market forces alone may not ensure a socio-economic optimal level of research and development effort. The investment decisions of firms are above all determined by their own private benefits, but the total benefits to society of an R&D programme may be significantly greater than these private benefits because of spillover effects (externalities). These externalities can occur through a number of channels: conversations between employees of different firms, mobility of research personnel, technical publications and conferences, disclosure in patent documents and imitation. Furthermore, research results that do not lead directly to new products or processes can not be protected by patents. Even when the results can be patented, the period of validity of the patent may be shorter than the time needed to earn an adequate return on the investment. In addition, small firms in particular may have difficulty in finding external sources of finance for R&D projects, because of the high level of risk attached to them. The amount of R&D undertaken by a firm therefore tends to be limited by its internal financial resources. Thus, the impossibility for firms to reap the profit from the spilled over research results, which they nevertheless have to finance, and the financial limitation tend to lead firms to do less R&D than could be desirable.

Public support to lower the cost for business of carrying out R&D can therefore enhance total welfare. However, when this support has distortive effects on competition, it falls under State aid rules of the EC Treaty. The Commission has therefore to carefully control these effects. Although the Commission in accordance with the general policy objective to redirect aid to horizontal objectives, traditionally takes a favourable view on State aid to R&D, such aid can only be allowed if it serves as an incentive for firms to undertake R&D activities in addition to their normal day-to-day operations (additionality principle).

6.2. State aid for R&D as a part of overall Business enterprise R&D expenditure

Traditionally, an important part of R&D in the Community has been financed by enterprises. R&D aid is one means by which Member States can support the R&D activities of the business sector. Therefore, Graph 8 compares Business Enterprise R&D expenditure with the provision of R&D aid.

Graph 8: State aid for R&D is relatively small compared to Business Enterprise R&D expenditure.



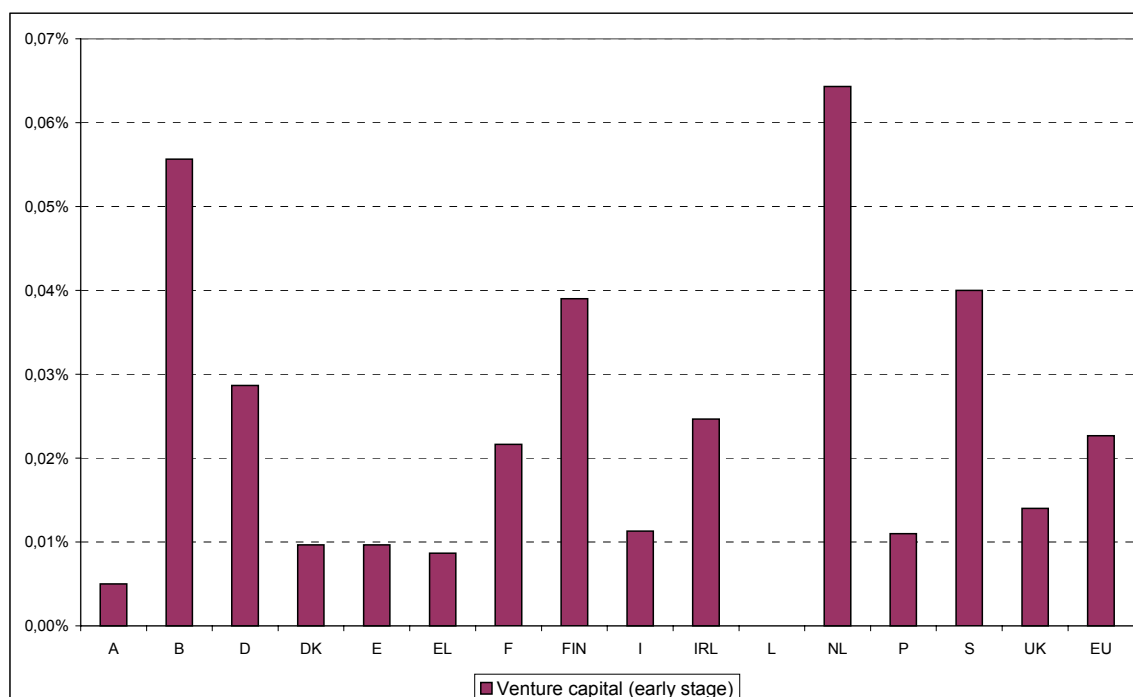
Note: All data are 1997-1999 averages. State aid data on R&D are not collected within the regular guidelines and standards of R&D surveys (Frascati Manual) and any comparison might therefore contain inaccuracies. R&D aid that is given in the context of regional aid is not included. Data on Business enterprise R&D expenditure (BERD) for Austria and Luxembourg are not available. Data on R&D expenditure for some Member States are based on Eurostat estimates. Source: DG Competition and Eurostat (structural indicators).

State aid for R&D accounts for only 0.05% of GDP in the EU. Finland, Denmark and Austria have the highest shares..

6.3. Venture capital helps high-tech start-up firms

In certain cases, firms have difficulty in finding external sources of finance for business plans, because of the high level of risk attached to them. In particular, high-tech companies in their start-up and development stages⁷ face these difficulties because of the higher uncertainty of their business success compared to well-established firms. Start-up firms that are engaged in high-tech and R&D face considerable difficulties in finding sufficient funding to master the high risks involved in the immediate commercialisation of R&D results. The provision of early-stage venture capital can, at least partially, disentangle this limiting factor. Graph 9 shows the relative importance of early stage venture capital in Member States.

Graph 9: Early stage venture capital.



Note: Venture capital (early stage - seed and start-up phase) as percentage GDP (1997-1999 averages). Data on venture capital are not available for Luxembourg. Source: DG Competition, Eurostat (structural indicators) and European Venture Capital Association.

Venture capital as a percentage of GDP is highest in Belgium, the Netherlands, Sweden and Finland. In the EU as a whole, early stage venture capital accounts for only 0.02 percent of GDP.

6.4. State aid for R&D and innovation in the Internal Market

Given the relatively limited contribution of R&D aid to overall business expenditure in R&D in Member States, the effects of the overall volume of R&D aid on innovation in the Internal Market might only be partially assessable. Nonetheless, Table 4 presents State aid to R&D as a percentage of GDP and overall R&D expenditure as a percentage

⁷ Commission definition for venture capital in: "Risk capital: a key to job creation in the European Union" (SEC(1998) 552 final, 31 March 1998)

of GDP together with some results of R&D activities, here reflected in the number of patents and labour productivity growth. The growth in labour productivity measures the efficiency of production. At least a considerable part of the increase in efficiency of production is assumed to reflect the impact of R&D. Even though the relevance of these indicators is clearly limited, their comparison allows some observations. Both the level of patenting and the growth of labour productivity vary considerably from one Member State to another. There is no apparent correlation between either of these indicators and the level R&D aid. For example, Member States with a relatively high level of R&D aid do not necessarily generate a large number of patents or enjoy a high rate of labour productivity growth. It should be noted that generating patents is not the primary objective of R&D aid and the number of patents is strongly dependent on the sector in which the industrial research is conducted. Hence, the number of patents is also influenced by the strong or weak position of certain industries in Member States.

Table 4: State aid for R&D and selected innovation indicators.

	Patents per million inhabitants	Labour productivity - average annual growth, 1995-2000 (in %)		Overall R&D expenditure as % of GDP	R&D aid as % of GDP
A	131	2,53	A	1,78	0,09
B	133	1,72	B	1,92	0,05
D	261	1,46	D	2,35	0,06
DK	151	1,31	DK	1,99	0,11
E	20	0,69	E	0,87	0,04
EL	7	2,56	EL	0,51	0,00
F	121	1,50	F	2,19	0,06
FIN	277	2,04	FIN	2,93	0,14
I	63	0,73	I	1,00	0,03
IRL	56	4,24	IRL	1,39	0,01
L	161	4,12	L	n.a.	0,03
NL	180	0,62	NL	1,99	0,04
P	3	2,70	P	0,69	0,01
S	293	0,89	S	3,74	0,04
UK	101	0,01	UK	1,85	0,01
EU	126	1,07	EU	1,88	0,05

Note: All data, with the exception of labour productivity, are averages for 1997-1999. Only patents that have been registered at the European Patent Office are considered. Data on overall R&D expenditure are not available for Luxembourg. State aid data on R&D are not collected within the regular guidelines and standards of R&D surveys (Frascati Manual) and any comparison might therefore contain inaccuracies. Data on R&D aid exclude R&D aid given in the context of regional aid. Source: DG Competition, Research and Eurostat.

A future further in-depth analysis of the effectiveness of R&D aid might also take advantage of some of the indicators, which were collected as part of the first phase of benchmarking of national research policies. In particular, a wider range of the indicators used to benchmark national research policies related to public and private investment into R&D and to benchmark scientific and technological productivity could be helpful to achieve a better understanding of possible interactions between R&D aid and economic performance.

The following publications should be consulted in order to obtain a deeper analysis of general R&D policy in the Member States: European Commission (2001): 'Towards a European Research Area: Key figures 2001; Special edition; Indicators on benchmarking of national research policies' and European Commission (2001): 'European Innovation Scoreboard'. Internet addresses:

<http://europa.eu.int/comm/research/area/benchmarking2001.pdf>

http://www.cordis.lu/innovation-smes/scoreboard/scoreboard_2001.htm

7. STATE AID FORA

This chapter contains internet-links to information on State aid policy issues of the Member States and the European Parliament.

An overview of the legal framework of State aid control is provided on the Union's Internet server EUROPA:

http://europa.eu.int/comm/competition/state_aid/legislation/

7.1. Member State Forum

An important component of a peer review process that the Commission wishes to encourage by way of the Scoreboard is a transparent exchange of information between Member States on various aspects of their respective State aid/Competition policies. The Scoreboard is therefore designed to provide links to relevant Internet sites operated by or on behalf of the Member States. In this way the profile of information already provided to the public by Member States on their aid policies should be increased.

In addition to information already published in the Member State Forum in the first edition of the Scoreboard, the latest developments in Member States are described below.

France has created one national and various regional commissions whose mission is both to evaluate the economic and social impacts of State aid awarded to undertakings and to control its use with a view to improve its effectiveness (Loi no. 2001-7 du 4 Janvier 2001 relative au contrôle des fonds publics accordés aux entreprises, publiée au Journal Officiel no. 4 du 5 Janvier 2001 page 218; Décret no. 2001-483 du 6 Juin 2001 relatif à la Commission nationale et aux commissions régionales des aides publiques aux entreprises, publiée au Journal Officiel du 7 Juin 2001 page 8999). These legislative acts can be consulted on the internet-site of the "Journal Officiel de la République Française":

<http://www.legifrance.gouv.fr/>

Germany has recently published its 18th biannual Report on Subsidies.

<http://www.bundesfinanzministerium.de/Anlage6738/Beiheft-zum-18.-Subventionsbericht.pdf> and <http://www.bundesfinanzministerium.de/Anlage6737/18.-Subventionsbericht-der-Bundesregierung.pdf>.

7.2. European Parliament Forum

Documents of the European Parliament on State aid policy can be found under the following Internet address: http://www.europarl.eu.int/committees/econ_home.htm.

Technical annex

All State aid data refer to the implementation of Commission decisions and not cases that are still under examination, which once decided upon, may have an effect on historical data. State aid expenditure is attributed to the year it was made. In cases that result in expenditure over a number of years, the total amount is attributed to each of the years in which expenditure took place.

Graph 1

Source: DG Competition database on State aid expenditure in the Member States. Gross Domestic Product at market prices taken from the Eurostat database Newcronos.

Remarks: All data are expressed in million Euro at constant 1998 values.

Data:

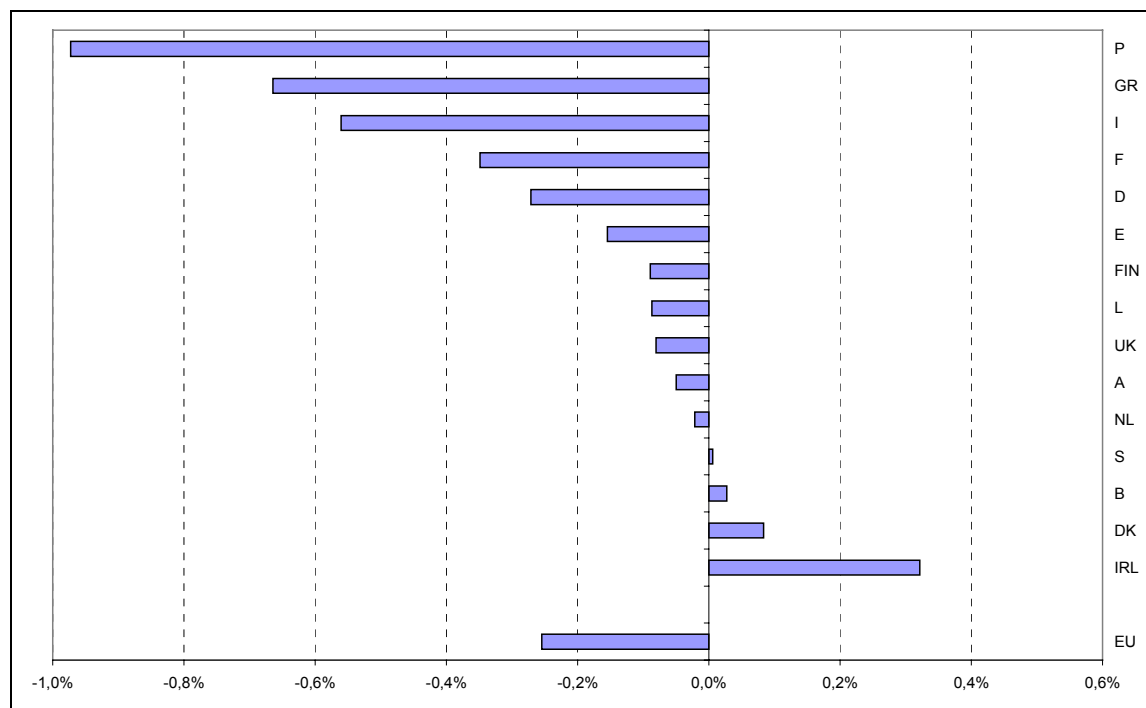
Total State aid			
	1997	1998	1999
A	2.304	2.175	2.061
B	3.122	3.117	3.217
DK	1.531	1.536	1.975
D	29.089	27.503	23.555
EL	1.608	1.210	1.096
E	6.307	6.219	5.734
FIN	2.074	2.060	1.848
F	19.617	18.559	15.311
IRL	722	1.133	1.339
I	16.580	13.700	10.537
L	162	245	246
NL	2.935	3.054	3.489
P	2.054	1.331	1.219
S	1.739	1.899	1.739
UK	8.291	8.121	6.294
EU	98.133	91.863	79.660

GDP			
	1997	1998	1999
A	183.183	188.452	192.378
B	217.870	223.749	229.432
DK	151.336	155.190	157.790
D	1.883.194	1.921.864	1.951.751
EL	105.249	108.464	112.108
E	501.967	523.647	544.715
FIN	109.539	115.532	120.177
F	1.254.607	1.293.104	1.330.890
IRL	70.979	77.052	84.627
I	1.047.752	1.063.825	1.078.948
L	15.606	16.389	17.618
NL	337.875	351.620	365.215
P	95.693	99.004	101.879
S	205.933	212.003	220.023
UK	1.226.739	1.259.035	1.286.225
EU	7.383.993	7.610.830	7.817.449

Graph 1a: Percentage change of State aid less agriculture, fisheries and railway transport by Member State between 1997 and 1999.

Source: DG Competition database on State aid expenditure in the Member States. Gross Domestic Product at market prices taken from the Eurostat database Newcronos.

Remarks: All data are expressed in million Euro at constant 1998 values.



Data:

State aid to manufacturing and services			
	1997	1998	1999
A	578	522	511
B	752	807	854
DK	825	938	992
D	17.112	15.629	12.436
EL	1.090	544	416
E	3.557	3.644	3.017
FIN	509	489	451
F	10.168	9.770	6.144
IRL	488	904	854
I	9.659	6.959	3.900
L	49	52	40
NL	632	592	604
P	1.716	1.006	836
S	512	559	559
UK	3.665	4.101	2.810
EU	51.313	46.517	34.424

GDP			
	1997	1998	1999
A	183.183	188.452	192.378
B	217.870	223.749	229.432
DK	151.336	155.190	157.790
D	1.883.194	1.921.864	1.951.751
EL	105.249	108.464	112.108
E	501.967	523.647	544.715
FIN	109.539	115.532	120.177
F	1.254.607	1.293.104	1.330.890
IRL	70.979	77.052	84.627
I	1.047.752	1.063.825	1.078.948
L	15.606	16.389	17.618
NL	337.875	351.620	365.215
P	95.693	99.004	101.879
S	205.933	212.003	220.023
UK	1.226.739	1.259.035	1.286.225
EU	7.383.993	7.610.830	7.817.449

Graph 2

Source: DG Competition database on State aid expenditure in the Member States.
Gross Domestic Product at market prices taken from the Eurostat database
Newcronos.

Remarks: All data are expressed in million Euro at constant 1998 values.

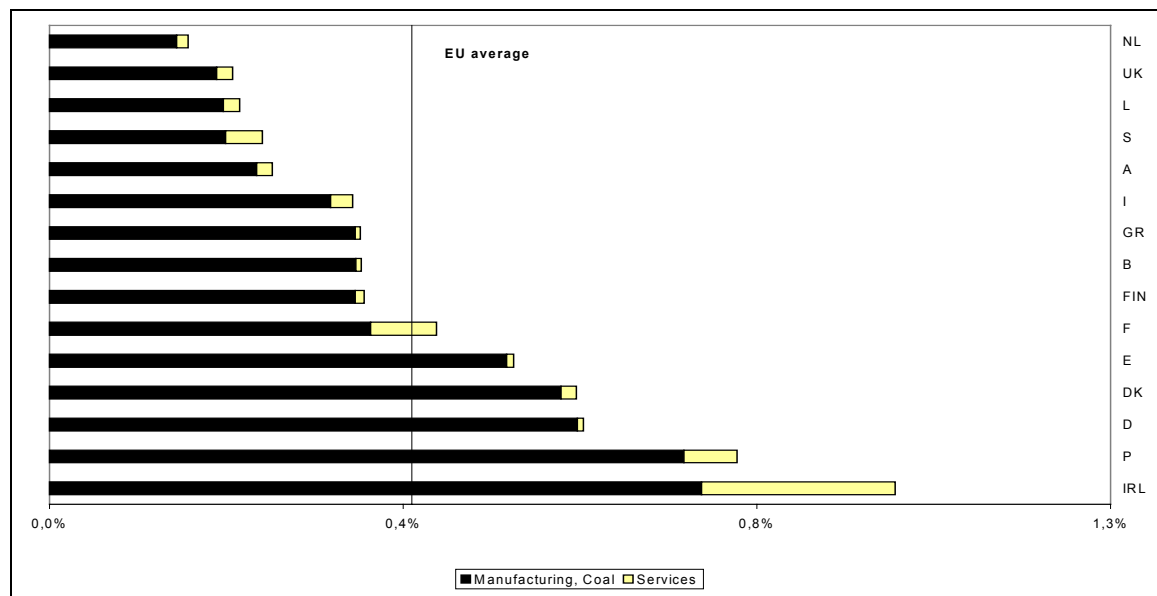
Data:

State aid data for 1999				
A	Total state aid	2.061	IRL	1.339
	Agriculture and Fisheries	905		354
	Railways	646		131
	Manufacturing and Coal	475		658
	Services	36		196
B	Total state aid	3.217	I	10.537
	Agriculture and Fisheries	278		1.675
	Railways	2.085		4.962
	Manufacturing and Coal	838		3.620
	Services	16		280
DK	Total state aid	1.975	L	246
	Agriculture and Fisheries	248		29
	Railways	735		177
	Manufacturing and Coal	963		37
	Services	29		3
D	Total state aid	23.555	NL	3.489
	Agriculture and Fisheries	1.598		1.121
	Railways	9.520		1.764
	Manufacturing and Coal	12.291		555
	Services	145		49
EL	Total state aid	1.096	P	1.219
	Agriculture and Fisheries	165		287
	Railways	515		96
	Manufacturing and Coal	409		771
	Services	7		65
E	Total state aid	5.734	S	1.739
	Agriculture and Fisheries	1.367		363
	Railways	1.349		818
	Manufacturing and Coal	2.971		462
	Services	46		97
FIN	Total state aid	1.848	UK	6.294
	Agriculture and Fisheries	1.358		1.123
	Railways	39		2.361
	Manufacturing and Coal	439		2.564
	Services	12		246
F	Total state aid	15.311	EU	79.660
	Agriculture and Fisheries	3.102		13.972
	Railways	6.065		31.263
	Manufacturing and Coal	5.096		32.149
	Services	1.048		2.275

Graph 2a: Distribution of State aid to main areas of the economy less agriculture, fisheries and railway transport as percentage of national GDP.

Source: DG Competition database on State aid expenditure in the Member States. Gross Domestic Product at market prices taken from the Eurostat database Newcronos.

Remarks: All data are expressed in million Euro at constant 1998 values.



Data:

State aid data for 1999

A	State aid to manufacturing, coal and services	511	IRL	854
	Manufacturing and Coal	475		658
	Specific Services	36		196
B	State aid to manufacturing, coal and services	854	I	3.900
	Manufacturing and Coal	838		3.620
	Specific Services	16		280
DK	State aid to manufacturing, coal and services	992	L	40
	Manufacturing and Coal	963		37
	Specific Services	29		3
D	State aid to manufacturing, coal and services	12.436	NL	604
	Manufacturing and Coal	12.291		555
	Specific Services	145		49
EL	State aid to manufacturing, coal and services	416	P	836
	Manufacturing and Coal	409		771
	Specific Services	7		65
E	State aid to manufacturing, coal and services	3.017	S	559
	Manufacturing and Coal	2.971		462
	Specific Services	46		97
FIN	State aid to manufacturing, coal and services	451	UK	2.810
	Manufacturing and Coal	439		2.564
	Specific Services	12		246
F	State aid to manufacturing, coal and services	6.144	EU	34.424
	Manufacturing and Coal	5.096		32.149
	Specific Services	1.048		2.275

Table 0: State aid in Euro per person employed

Source: DG Competition database on State aid expenditure in the Member States.
Data on employment are taken from the Eurostat database Newcronos.

Remarks: All data are expressed in Euro at constant 1998 values.

State aid per person employed	
in Euro	1997 -1999
A	550
B	830
DK	622
D	712
EL	338
E	416
FIN	914
F	772
IRL	706
I	607
L	912
NL	406
P	326
S	436
UK	280
EU	563

Graph 3

Source: State aid data are taken from the DG Competition database on State aid expenditure in the Member States.

Remarks: All data are expressed in million Euro at constant 1998 values.

State aid granted for horizontal objectives

		1997	1998	1999		1997	1998	1999
A	R&D	177	155	146	IRL	14	10	13
	Environmental protection	50	55	55		0	0	0
	SME	88	62	53		5	3	4
	Energy saving	4	1	2		3	2	5
	Commerce of SME	0	0	0		5	3	3
	Employment	30	4	21		72	73	112
	Training	0	0	0		24	19	21
	Total of the above	349	278	277		122	112	158
	Total aid less agriculture, fisheries and railways	578	522	511		488	904	854
B	R&D	129	99	148	I	340	186	306
	Environmental protection	2	10	5		11	21	15
	SME	110	127	213		820	599	647
	Energy saving	1	1	0		45	15	21
	Commerce of SME	8	4	3		6	2	0
	Employment	106	101	98		12	340	307
	Training	10	46	33		0	0	0
	Total of the above	363	387	500		1.234	1.163	1.296
	Total aid less agriculture, fisheries and railways	752	807	854		9.659	6.959	3.900
DK	R&D	163	166	157	L	3	4	6
	Environmental protection	223	259	248		2	2	2
	SME	24	7	8		8	11	11
	Energy saving	138	140	162		0	0	0
	Commerce of SME	46	37	25		0	0	0
	Employment	2	128	146		0	0	0
	Training	105	148	183		0	0	0
	Total of the above	703	883	929		14	17	19
	Total aid less agriculture, fisheries and railways	825	938	994		49	52	40
D	R&D	1.206	1.260	1.239	NL	141	152	149
	Environmental protection	129	142	114		80	93	74
	SME	1.415	1.328	1.061		21	20	24
	Energy saving	153	152	148		187	155	151
	Commerce of SME	7	3	4		30	34	7
	Employment	78	185	183		0	0	0
	Training	48	32	35		0	0	0
	Total of the above	3.035	3.101	2.784		460	455	405
	Total aid less agriculture, fisheries and railways	17.112	15.629	12.436		632	592	604
EL	R&D	0	0	0	P	13	12	12
	Environmental protection	0	0	2		0	0	0
	SME	0	23	17		10	26	32
	Energy saving	0	0	0		11	8	8
	Commerce of SME	0	10	9		1	0	0
	Employment	0	0	0		27	33	43
	Training	0	0	0		69	75	69
	Total of the above	0	33	29		130	155	164
	Total aid less agriculture, fisheries and railways	1.090	544	416		1.716	1.006	836
E	R&D	234	200	219	S	88	98	81
	Environmental protection	15	15	19		30	101	148
	SME	244	257	220		44	41	27
	Energy saving	23	25	27		26	23	39
	Commerce of SME	2	2	1		0	0	0
	Employment	97	86	175		27	5	0
	Training	544	616	638		22	17	19
	Total of the above	1.159	1.201	1.299		237	285	314
	Total aid less agriculture, fisheries and railways	3.557	3.644	3.017		512	559	559
FIN	R&D	152	157	166	UK	158	105	97
	Environmental protection	5	5	7		1	10	9
	SME	77	72	59		333	296	280
	Energy saving	10	54	57		24	22	22
	Commerce of SME	55	35	33		100	89	87
	Employment	49	50	37		0	0	0
	Training	0	0	0		1.301	1.139	1.325
	Total of the above	347	373	357		1.917	1.662	1.821
	Total aid less agriculture, fisheries and railways	509	489	451		3.665	4.101	2.810
F	R&D	1.251	1.145	1.159	EU	4.067	3.750	3.897
	Environmental protection	31	30	30		580	744	729
	SME	297	238	270		3.495	3.111	2.925
	Energy saving	21	21	48		646	619	689
	Commerce of SME	107	138	136		367	358	309
	Employment	6	6	6		507	1.010	1.127
	Training	0	0	0		2.122	2.092	2.325
	Total of the above	1.713	1.578	1.649		11.783	11.684	12.001
	Total aid less agriculture, fisheries and railways	10.168	9.770	6.144		51.313	46.517	34.427

Graph 4

Source: State aid data are taken from the DG Competition database on State aid expenditure in the Member States.

Remarks: All data are expressed in million Euro at constant 1998 values.

Data:

State aid granted to specific sectors								
		1997	1998	1999		1997	1998	1999
A	Manufacturing	12	13	12	IRL	5	4	4
	Services	28	43	36		142	157	196
	Coal mining	0	0	0		0	0	0
	Total of the above	40	55	47		146	162	200
	Total aid less agriculture, fisheries and railways	578	522	511		488	904	854
B	Manufacturing	2	1	1	I	357	289	152
	Services	10	11	16		980	1.457	280
	Coal mining	0	0	0		0	0	0
	Total of the above	12	12	17		1.337	1.746	432
	Total aid less agriculture, fisheries and railways	752	807	854		9.659	6.959	3.900
DK	Manufacturing	84	13	21	L	0	0	0
	Services	22	27	29		0	3	3
	Coal mining	0	0	0		0	0	0
	Total of the above	107	40	50		0	3	3
	Total aid less agriculture, fisheries and railways	825	938	994		49	52	40
D	Manufacturing	584	439	346	NL	21	23	15
	Services	170	158	145		22	23	49
	Coal mining	5.379	4.787	4.535		0	0	0
	Total of the above	6.133	5.384	5.026		43	46	65
	Total aid less agriculture, fisheries and railways	17.112	15.629	12.436		632	592	604
EL	Manufacturing	23	21	0	P	62	16	25
	Services	390	43	7		251	41	65
	Coal mining	0	0	0		0	0	0
	Total of the above	413	64	7		313	57	90
	Total aid less agriculture, fisheries and railways	1.090	544	416		1.716	1.006	836
E	Manufacturing	778	874	220	S	0	0	0
	Services	47	43	46		91	97	97
	Coal mining	1.084	1.159	1.036		0	0	0
	Total of the above	1.909	2.076	1.302		91	97	97
	Total aid less agriculture, fisheries and railways	3.557	3.644	3.017		512	559	559
FIN	Manufacturing	85	33	9	UK	12	10	0
	Services	14	15	12		265	262	246
	Coal mining	0	0	0		495	1.317	0
	Total of the above	98	48	21		772	1.590	246
	Total aid less agriculture, fisheries and railways	509	489	451		3.665	4.101	2.810
F	Manufacturing	206	460	672	EU	2.231	2.195	1.478
	Services	3.603	4.510	1.048		6.036	6.891	2.275
	Coal mining	967	999	975		7.924	8.262	6.546
	Total of the above	4.775	5.969	2.695		16.191	17.348	10.298
	Total aid less agriculture, fisheries and railways	10.168	9.770	6.144		51.313	46.517	34.427

Table 1

Source: State aid data are taken from the DG Competition database on State aid expenditure in the Member States. Regional GDP data at market prices taken from the Eurostat database Newcronos. Data on aid granted under Regional Fund (objective 1 interventions) are taken from the Structural Funds Annual Reports 1996, 1997 and 1998.

Remarks: All data are expressed in million Euro at constant 1998 values. Regional GDP data have been selected at NUTS 3 level. GDP data for Italy are only available at NUTS 2 level.

Data:

Regional aid		1996	1997	1998
A	Aid under 87(3)a	31	30	31
	Aid under 87(3)c	93	134	141
	Total regional aid	124	163	172
B	Aid under 87(3)c	258	229	214
DK	Aid under 87(3)c	13	15	15
D	Aid under 87(3)a	8.868	7.165	6.339
	Aid under 87(3)c	742	727	768
	Total regional aid	9.609	7.891	7.107
EL	Aid under 87(3)a	601	677	447
E	Aid under 87(3)a	90	85	88
	Aid under 87(3)c	197	219	239
	Total regional aid	287	303	327
FIN	Aid under 87(3)c	67	63	68
F	Aid under 87(3)a	506	650	847
	Aid under 87(3)c	766	1.300	1.341
	Total regional aid	1.272	1.950	2.188
IRL	Aid under 87(3)a	206	197	175
I	Aid under 87(3)a	6.398	6.548	3.593
	Aid under 87(3)c	127	128	184
	Total regional aid	6.524	6.676	3.778
L	Aid under 87(3)c	31	35	32
NL	Aid under 87(3)c	82	77	71
P	Aid under 87(3)a	633	1.187	706
S	Aid under 87(3)c	208	185	177
UK	Aid under 87(3)a	210	256	253
	Aid under 87(3)c	725	719	595
	Total regional aid	935	976	849
EU	Aid under 87(3)a	17.543	16.794	12.480
	Aid under 87(3)c	3.309	3.832	3.845
	Total regional aid	20.851	20.625	16.325

Aid element of the Regional Fund, Objective 1 interventions			
	1996	1997	1998
A	0,0	6,7	5,1
D	152,6	240,9	339,9
EL	196,8	290,2	369,7
E	468,6	459,7	328,6
F	22,6	16,5	50,6
IRL	100,6	18,8	128,2
I	278,8	335,6	307,6
P	311,7	275,8	376,6
UK	42,0	52,0	42,7
EU	1.573,7	1.696,2	1.949,0

GDP data							
	1996	1997	1998		1996	1997	1998
A				IRL			
total GDP	182363	181819	188723	total GDP	57514	70581	77052
of which				of which			
total GDP of assisted regions	50755	50832	53119	total GDP of assisted regions	57514	70581	77052
Totally assisted regions under Art. 87.3.a	3907	3879	3995	Totally assisted regions under Art. 87.3.a	57514	70581	77052
Totally assisted regions under Art. 87.3.c	13994	14113	14878	Totally assisted regions under Art. 87.3.c	0	0	0
Partially assisted regions under Art. 87.3.c	32855	32840	34247	Partially assisted regions under Art. 87.3.c	0	0	0
Non assisted regions	131608	130987	135604	Non assisted regions	0	0	0
B				I			
total GDP	211910	215305	223569	total GDP	971065	1028273	1063828
of which				of which			
total GDP of assisted regions	137087	138923	144255	total GDP of assisted regions	950092	1006357	1040762
Totally assisted regions under Art. 87.3.a	0	0	0	Totally assisted regions under Art. 87.3.a	209537	223789	231255
Totally assisted regions under Art. 87.3.c	1283	1301	1351	Totally assisted regions under Art. 87.3.c	0	0	0
Partially assisted regions under Art. 87.3.c	135804	137622	142904	Partially assisted regions under Art. 87.3.c	740555	782569	809508
Non assisted regions	74823	76382	79314	Non assisted regions	20973	21916	23065
DK				L			
total GDP	144155	148586	155191	total GDP	14339	15409	16389
of which				of which			
total GDP of assisted regions	57681	59352	61801	total GDP of assisted regions	14339	15409	16389
Totally assisted regions under Art. 87.3.a	0	0	0	Totally assisted regions under Art. 87.3.a	0	0	0
Totally assisted regions under Art. 87.3.c	11986	12214	12732	Totally assisted regions under Art. 87.3.c	0	0	0
Partially assisted regions under Art. 87.3.c	45695	47138	49069	Partially assisted regions under Art. 87.3.c	14339	15409	16389
Non assisted regions	86474	89234	93390	Non assisted regions	0	0	0
D				NL			
total GDP	1878200	1866496	1921866	total GDP	324479	332654	351621
of which				of which			
total GDP of assisted regions	512915	505883	515934	total GDP of assisted regions	69381	70610	73148
Totally assisted regions under Art. 87.3.a	214792	211985	214826	Totally assisted regions under Art. 87.3.a	0	0	0
Totally assisted regions under Art. 87.3.c	298123	293898	301108	Totally assisted regions under Art. 87.3.c	11029	11180	11740
Partially assisted regions under Art. 87.3.c	0	0	0	Partially assisted regions under Art. 87.3.c	58352	59430	61408
Non assisted regions	1365289	1360615	1405935	Non assisted regions	255095	262046	278469
EL				P			
total GDP	97972	107009	108464	total GDP	88828	93568	99124
of which				of which			
total GDP of assisted regions	97973	107010	108465	total GDP of assisted regions	88828	93568	99125
Totally assisted regions under Art. 87.3.a	97973	107010	108465	Totally assisted regions under Art. 87.3.a	88828	93568	99125
Totally assisted regions under Art. 87.3.c	0	0	0	Totally assisted regions under Art. 87.3.c	0	0	0
Partially assisted regions under Art. 87.3.c	0	0	0	Partially assisted regions under Art. 87.3.c	0	0	0
Non assisted regions	0	0	0	Non assisted regions	0	0	0

E				S			
total GDP	480535,6	494672,1	523646,3	total GDP	206273	210815	213702
of which				of which			
total GDP of assisted regions	480536	494672	523647	total GDP of assisted regions	90578	89775	90042
Totally assisted regions under Art. 87.3.a	232492	237943	250908	Totally assisted regions under Art. 87.3.a	0	0	0
Totally assisted regions under Art. 87.3.c	40382	41691	44761	Totally assisted regions under Art. 87.3.c	20490	20977	21029
Partially assisted regions under Art. 87.3.c	207662	215038	227977	Partially assisted regions under Art. 87.3.c	70088	68799	69013
Non assisted regions	0	0	0	Non assisted regions	115695	121040	123660
FIN				UK			
total GDP	100523	108072	115257	total GDP	929049	1163365	1259035
of which				of which			
total GDP of assisted regions	100523	108072	115256	total GDP of assisted regions	447544	554555	595596
Totally assisted regions under Art. 87.3.a	10294	10946	11485	Totally assisted regions under Art. 87.3.a	57735	71435	76434
Totally assisted regions under Art. 87.3.c	6946	7436	7766	Totally assisted regions under Art. 87.3.c	21164	26639	28223
Partially assisted regions under Art. 87.3.c	83284	89690	96005	Partially assisted regions under Art. 87.3.c	368645	456482	490939
Non assisted regions	0	0	0	Non assisted regions	481506	608810	663440
F				EU			
total GDP	1224606,3	1241129,2	1293104	total GDP	6911813	7277758	7610570
of which				of which			
total GDP of assisted regions	737398	749570	783455	total GDP of assisted regions	3893143	4115169	4298046
Totally assisted regions under Art. 87.3.a	18120	18306	19137	Totally assisted regions under Art. 87.3.a	991191	1049441	1092681
Totally assisted regions under Art. 87.3.c	75457	76892	80505	Totally assisted regions under Art. 87.3.c	500853	506341	524093
Partially assisted regions under Art. 87.3.c	643820	654372	683814	Partially assisted regions under Art. 87.3.c	2401099	2559387	2681273
Non assisted regions	487208	491560	509649	Non assisted regions	3018670	3162590	3312524

Graph 5

Source: State aid data are taken from the DG Competition database on State aid expenditure in the Member States.

Remarks: All data are expressed in million Euro at constant 1998 values.

Data:

Total aid granted to specific service sectors			
	1997	1998	1999
A	28	28	28
B	10	10	10
DK	22	27	29
D	170	158	145
EL	390	43	7
E	47	43	46
FIN	14	15	12
F	3.603	4.510	1.048
IRL	142	157	196
I	980	1.457	280
L	0	3	3
NL	22	23	49
P	251	41	65
S	91	97	97
UK	265	262	246
EU	6.036	6.875	2.261

Graph 6

Source: Commission's registration register
XXVIIIth Report on Competition policy 1998.
XXVIXth Report on Competition Policy 1999.

Remarks: The following decision types, according to the Procedural Regulation 659/99 (OJ 83/1 of 27.03.1999), have not been taken into account for this table:

- Injunction decisions
- Decisions to open proceedings
- Decisions to close proceedings because of withdrawal of notification
- Appropriate measures to modify existing aid measures
- Referral to the Court of Justice or Council

State aid decisions concerning the fisheries sector are not included in this table.

Data

		Approval without objections	Closing of proceedings with a:			Closing decisions as % of total	Negative decisions as % of total
			Positive decision	Conditional decision	Negative decision		
A	1998	33	0	1	4	13,2	10,5
	1999	25	0	0	2	7,4	7,4
	2000	31	2	0	0	6,1	0,0
	Average	30	1	0	2	9,2	6,1
B	1998	29	0	0	1	3,3	3,3
	1999	47	1	0	0	2,1	0,0
	2000	23	0	0	5	17,9	17,9
	Average	33	0	0	2	6,6	5,7
DK	1998	16	2	0	0	11,1	0,0
	1999	14	1	0	0	6,7	0,0
	2000	11	0	0	0	0,0	0,0
	Average	14	1	0	0	6,8	0,0
D	1998	120	8	1	16	17,2	11,0
	1999	94	15	1	14	24,2	11,3
	2000	95	9	1	12	18,8	10,3
	Average	103	11	1	14	19,9	10,9
H	1998	18	1	0	2	14,3	9,5
	1999	11	3	0	3	35,3	17,6
	2000	9	0	0	1	10,0	10,0
	Average	13	1	0	2	20,8	12,5
E	1998	73	1	0	6	8,8	7,5
	1999	92	3	0	5	8,0	5,0
	2000	104	3	1	8	10,3	6,9
	Average	90	2	0	6	9,1	6,4
FIN	1998	11	0	0	0	0,0	0,0
	1999	11	1	0	0	8,3	0,0
	2000	22	2	0	0	8,3	0,0
	Average	15	1	0	0	6,4	0,0
F	1998	21	2	2	2	22,2	7,4
	1999	21	2	0	3	19,2	11,5
	2000	58	0	0	4	6,5	6,5
	Average	33	1	1	3	13,0	7,8
IRL	1998	5	5	0	1	54,5	9,1
	1999	16	1	0	0	5,9	0,0
	2000	17	2	0	1	15,0	5,0
	Average	13	3	0	1	20,8	4,2
I	1998	87	2	4	7	13,0	7,0
	1999	110	10	1	14	18,5	10,4
	2000	92	7	1	15	20,0	13,0
	Average	96	6	2	12	17,4	10,3
L	1998	1	0	0	1	50,0	50,0
	1999	3	0	0	0	0,0	0,0
	2000	4	0	0	0	0,0	0,0
	Average	3	0	0	0	11,1	11,1
NL	1998	56	1	0	1	3,4	1,7
	1999	39	2	1	1	9,3	2,3
	2000	48	1	1	5	12,7	9,1
	Average	48	1	1	2	8,3	4,5
P	1998	18	1	0	0	5,3	0,0
	1999	16	0	0	1	5,9	5,9
	2000	16	1	0	1	11,1	5,6
	Average	17	1	0	1	7,4	3,7
S	1998	16	1	0	0	5,9	0,0
	1999	10	1	0	0	9,1	0,0
	2000	13	1	0	1	13,3	6,7
	Average	13	1	0	0	9,3	2,3
UK	1998	31	0	0	0	0,0	0,0
	1999	30	2	0	1	9,1	3,0
	2000	28	0	0	0	0,0	0,0
	Average	30	1	0	0	3,3	1,1
EU	1998	535	24	8	41	12,0	6,7
	1999	539	42	3	44	14,2	7,0
	2000	571	28	4	53	13,0	8,1
	Average	548	31	5	46	13,1	7,3

Table 2, Graph 7, Table 3 and decision process

Source: DG Competition.

Remarks: Notified aid: A sample of 96 recent decisions not to raise objections on notified aid cases in the sectors other than agriculture, fisheries and transport was taken.

Non-notified aid: All decision to launch the formal investigation procedure for cases in sectors other than agriculture, fisheries and transport which were published in the Official Journal between June 2000 and June 2001 were analysed.

Graph 8

Source: State aid data are taken from the DG Competition database on State aid expenditure in the Member States. R&D expenditure data taken from the Eurostat database.

Remarks A fourth sector (the private non-profit sector) is generally of negligible significance with the exception of Portugal where the sector accounted for more than 10% in 1999. The breakdown has been calculated without this sector. The averages have been calculated on the basis of the available data. A breakdown of R&D expenditure by institutional sector is not available for Austria and Luxembourg.

Data:

R&D expenditure as a percentage of GDP							
	1997	1998	1999		1997	1998	1999
B				IRL			
Total R&D expenditure	1,88	1,90	1,98	Total R&D expenditure	1,39	n.a.	n.a.
- Business	1,34	1,35	1,42	- Business	1,01	n.a.	n.a.
- Government	0,06	0,07	0,07	- Government	0,10	0,09	0,07
- Higher education	0,45	0,46	0,47	- Higher education	0,27	0,27	n.a.
DK				I			
Total R&D expenditure	1,94	2,02	2,00	Total R&D expenditure	0,99	0,99	1,04
- Business	1,19	1,32	1,25	- Business	0,52	0,52	0,56
- Government	0,30	0,29	0,31	- Government	0,20	0,22	0,22
- Higher education	0,43	0,41	0,42	- Higher education	0,26	0,25	0,26
D				NL			
Total R&D expenditure	2,29	2,31	2,44	Total R&D expenditure	2,04	1,94	n.a.
- Business	1,54	1,57	1,69	- Business	1,11	1,05	n.a.
- Government	0,34	0,34	0,34	- Government	0,37	0,36	n.a.
- Higher education	0,41	0,40	0,41	- Higher education	0,56	0,53	n.a.
EL				P			
Total R&D expenditure	0,51	n.a.	n.a.	Total R&D expenditure	0,62	n.a.	0,76
- Business	0,13	n.a.	n.a.	- Business	0,14	n.a.	0,17
- Government	0,12	n.a.	0,15	- Government	0,15	n.a.	0,21
- Higher education	0,26	n.a.	0,34	- Higher education	0,25	n.a.	0,29
E				S			
Total R&D expenditure	0,82	0,90	0,89	Total R&D expenditure	3,68	3,75	3,80
- Business	0,40	0,47	0,46	- Business	2,75	2,85	2,86
- Government	0,14	0,15	0,15	- Government	0,13	0,13	0,13
- Higher education	0,27	0,27	0,27	- Higher education	0,79	0,76	0,81
FIN				UK			
Total R&D expenditure	2,72	2,89	3,19	Total R&D expenditure	1,84	1,83	1,87
- Business	1,79	1,94	2,18	- Business	1,20	1,21	1,27
- Government	0,37	0,36	0,39	- Government	0,25	0,24	0,20
- Higher education	0,54	0,57	0,63	- Higher education	0,36	0,36	0,38
F				EU			
Total R&D expenditure	2,22	2,17	2,19	Total R&D expenditure	1,86	1,87	1,92
- Business	1,39	1,35	1,38	- Business	1,19	1,19	1,25
- Government	0,41	0,40	0,40	- Government	0,28	0,28	0,27
- Higher education	0,39	0,38	0,38	- Higher education	0,39	0,38	0,39

R&D aid as % of GDP			
	1997	1998	1999
A	0,10	0,08	0,08
B	0,06	0,04	0,06
DK	0,11	0,11	0,10
D	0,06	0,07	0,06
EL	0,00	0,00	0,00
E	0,05	0,04	0,04
FIN	0,14	0,14	0,14
F	0,10	0,09	0,09
IRL	0,02	0,01	0,01
I	0,03	0,02	0,03
L	0,02	0,03	0,03
NL	0,04	0,04	0,04
P	0,01	0,01	0,01
S	0,04	0,05	0,04
UK	0,01	0,01	0,01
EU	0,06	0,05	0,05

Graph 9

Source: State aid data are taken from the DG Competition database on State aid expenditure in the Member States. Venture capital (early stage) data taken from the Eurostat database.

Data:

Venture capital as % of GDP			
	1997	1998	1999
A	0,00%	0,01%	0,01%
B	0,01%	0,06%	0,09%
DK	0,00%	0,01%	0,02%
D	0,01%	0,02%	0,05%
EL	0,01%	0,00%	0,02%
E	0,00%	0,01%	0,02%
FIN	0,01%	0,05%	0,06%
F	0,01%	0,02%	0,04%
IRL	0,00%	0,03%	0,05%
I	0,01%	0,01%	0,01%
L	n.a.	n.a.	n.a.
NL	0,05%	0,05%	0,10%
P	0,01%	0,01%	0,01%
S	0,00%	0,01%	0,11%
UK	0,01%	0,01%	0,02%
EU	0,01%	0,02%	0,04%

Table 4

Source: State aid data are taken from the DG Competition database on State aid expenditure in the Member States. Data on patents, R&D expenditure and labour productivity taken from the Eurostat database.
