

Communication Commission on the submission to individual notification of the application of all regional investment aid schemes to the shipbuilding sector and proposal of appropriate measures pursuant to Article 88 paragraph 1 of the EC Treaty

(2003/C 263/02)

(Text with EEA relevance)

The Commission has decided that the application of all regional investment aid schemes to the shipbuilding sector as defined in the Annex shall be notified as from 1 January 2004 to 31 December 2006, in order to allow the Commission to assess the compatibility of such aid on the basis of the rules applicable to the shipbuilding sector as from 1 January 2004.

The Commission has proposed, as an appropriate measure under Article 88(1) of the Treaty, the same notification requirement for the application of all existing regional investment aid schemes to the shipbuilding sector.

ANNEX

DEFINITION OF SHIPBUILDING SECTOR

The shipbuilding sector shall encompass all undertakings engaged in 'shipbuilding', 'ship repair' or 'ship conversion', as well as all 'related entities'.

- (a) 'shipbuilding' shall mean the building, in the Community, of 'self-propelled seagoing commercial vessels';
- (b) 'ship repair' shall mean the repair or reconditioning in the Community of 'self-propelled seagoing commercial vessels';
- (c) 'ship conversion' shall mean the conversion, in the Community, of 'self-propelled seagoing commercial vessels' of not less than 1 000 gt, on condition that conversion operations entail radical alterations to the cargo plan, the shell, the propulsion system or the passenger accommodation;
- (d) 'self-propelled seagoing commercial vessels' shall mean:
 - vessels of not less than 100 gt used for the transportation of passengers and/or goods,
 - vessels of not less than 100 gt for the performance of a specialised service (for example, dredgers and ice breakers),
 - tugs of not less than 365 kW,
 - fishing vessels of not less than 100 gt for export outside the Community,
 - unfinished shells of the abovementioned vessels that are afloat and mobile.

For the purposes of the above, 'self-propelled seagoing vessel' shall mean a vessel that, by means of its permanent propulsion and steering, has all the characteristics of self-navigability on the high seas. Military vessels (i.e. vessels which according to their basic structural characteristics and capability are specifically intended to be used exclusively for military purposes, such as warships and other vessels for offensive or defensive action) and modifications made or features added to other vessels exclusively for military purposes shall be excluded, provided that any measures or practices applied in respect of such vessels, modifications or features are not disguised actions taken in favour of commercial shipbuilding inconsistent with State aid control;

- (e) 'related entity' shall mean any natural or legal person who:
 - (i) owns or controls an undertaking engaged in shipbuilding, ship repair or ship conversion; or
 - (ii) is owned or controlled, directly or indirectly, whether through stock ownership or otherwise, by an undertaking engaged in shipbuilding, ship repair or ship conversion.

Control shall be presumed to arise once a person or undertaking engaged in shipbuilding, ship repair or ship conversion owns or controls an interest of more than 25 % in the other or vice versa.
