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*(Announcements)*PROCEDURES RELATING TO THE IMPLEMENTATION OF THE COMPETITION
POLICY

COMMISSION

State aid — The Netherlands**State Aid C 5/09 (ex N 210/08)****Exemption from environmental taxes for ceramic producers in The Netherlands****Invitation to submit comments pursuant to Article 88(2) of the EC Treaty***(Text with EEA relevance)**(2009/C 96/07)*

By means of the letter dated 11 February 2009 reproduced in the authentic language on the pages following this summary, the Commission notified The Netherlands of its decision to initiate the procedure laid down in Article 88(2) of the EC Treaty concerning the abovementioned measure. The Commission also invited The Netherlands pursuant to Article 11(1) of Regulation (EC) No 659/1999 to submit comments on the Commission's intention to initiate the formal investigation procedure.

Interested parties may submit their comments on the measure within one month of the date of publication of this summary and the following letter, to:

European Commission
Directorate-General for Competition
State Aid Registry
1049 Bruxelles/Brussels
BELGIQUE/BELGIË
Fax: +32 22961242

These comments will be communicated to The Netherlands. Confidential treatment of the identity of the interested party submitting the comments may be requested in writing, stating the reasons for the request.

SUMMARY

Assessment**Description of the measure**

The case concerns a tax exemption by the Dutch State for the delivery of natural gas used in installations for the production of ceramic products. The proposed tax exemption only regards natural gas used by the Dutch ceramic industry for production purposes and does not apply to gas used for other mineralogical processes carried out in The Netherlands.

The duration of this measure would be from 1 January 2008 to 1 January 2030. The annual budget amounts to EUR 4 million for the years 2008-2013.

The Commission takes the view that the proposed tax exemption involves State aid within the meaning of Article 87(1) of the EC Treaty in favour of the ceramic industry in The Netherlands.

The exemption by the Dutch State for the delivery of natural gas used in installations for the production of ceramic products only regards natural gas used by the Dutch ceramic industry and will not apply to other mineralogical processes carried out in The Netherlands.

The Commission is of the view that such a differentiation in favour of the ceramic industry is not justified on the basis of the nature and logic of the national tax system. The measure is selective, since only the Dutch ceramic industry would benefit from it, and is financed through State resources.

The Commission considers that the measure distorts or threatens to distort competition and has an impact on intra-community trade. The tax exemption has a direct impact on production costs and therefore improves the beneficiaries' competitive position on the relevant product markets in the ceramic sector where they are active, and which are fully open to intra-community trade.

The Commission has doubts that the proposed aid would be compatible with the common market. The aid for the Dutch ceramic sector constitutes operating aid, which can be authorized only in exceptional circumstances, for example when it is related to environmental protection.

However, The Netherlands have not demonstrated compliance with the relevant provisions of the Community Guidelines on State Aid for Environmental Protection (OJ C 82, 1 April 2008, p. 1-33).

In the lights of these doubts, the Commission has decided to initiate the procedure laid down in Article 88(2) of the EC Treaty.
