Authorisation for State aid pursuant to Articles 87 and 88 of the EC Treaty

Cases where the Commission raises no objections

(2003/C 126/04)

(Text with EEA relevance)

Date of adoption of the decision:	23.4.2003
Member State:	United Kingdom
Aid No:	N 658/02
Title:	Aid scheme for export promotion and advertising and for the regional food
Objective:	The proposed aid scheme is designed to help companies producing or processing food or drink in the United Kingdom to access and develop export markets, both in the EU and in third countries, and to support the development of the quality regional food sector. The measures cover participation in exhibitions and fairs, information about United Kingdom products, organisation of competitions and award ceremonies, marketing of quality products, training and advertising
Legal basis:	The Agricultural Marketing Act 1983, as amended, and the Regional Development Agencies Act 1998
Budget:	GBP 52,5 million (EUR 79,1 million) for 2002 and 2003 to 2007 and 2008
Aid intensity or amount:	Variable
Duration:	Indefinite

The authentic text(s) of the decision, from which all confidential information has been removed, can be found at

http://europa.eu.int/comm/secretariat_general/sgb/state_aids

NOTIFICATION OF DISTRIBUTION AGREEMENTS

(Case COMP/F-2/38 730 — BP Lubricants)

(2003/C 126/05)

(Text with EEA relevance)

On 29 April 2003 the Commission received a notification of standard distribution agreements pursuant to Articles 2 and 4 of Council Regulation No 17, which BP plc or its subsidiary companies within the BP group have concluded or intend to conclude with motor vehicle repairers across the European Union.

These Agreements can be categorised into three different types of agreement. The first of these is a loan/supply agreement, the second is an equipment/supply agreement and the third is a simple supply agreement. The economic effects of the loan/supply and equipment/supply agreements are the same: in both cases, BP takes on a significant degree of risk on behalf of the repairer, by way of providing a loan or equipment. The repairer receives the benefit of this support and is obliged to maintain minimum purchasing levels in return. The third type of agreement, the simple supply agreement, may or may not offer the repairer the same kind of support, but the repairer is free to terminate at any time with notice.

These agreements are usually of a five year duration. Within each type of agreement, there are some variations and these differences are outlined below.

Loan/supply Agreement

Under this type of agreement, the loans are either provided by BP directly, or they are provided by a bank, with BP acting as a guarantor. The size of loans guaranteed or offered by BP under this type of agreement varies but the loan is generally re-payable over a five year period (either directly through capital payments or through rebates derived from purchases of lubricants throughout the term of the agreement).

In terms of the capital, unless a rebate element is present (see below), the repairer repays the outstanding sum to either the bank or BP in annual instalments (depending on the variant of the agreement in question). Depending on the variant of the agreement in question, interest may be payable by the repairer either directly to the bank, or directly or through purchases to BP.

This type of agreement sometimes operates a rebate system. This means that where BP makes the loan, loan repayments are paid to BP by way of product purchases (rather than by direct repayment). When BP sets the price of the contract goods, it will take account of the cost of the loan. When the repairer makes its purchases during the year, BP will reserve an amount equivalent to the capital repayments due. At the end of each year when the annual repayment is contractually due, BP will provide payment for the full amount repaid. This means that repayment of the capital sum loaned will be made entirely through product purchases. Similarly, where BP acts as a guarantor of a loan, it sometimes repays the principal sum by way of credit note to the customer provided purchasing obligations are met.

Under this type of agreement, BP is obliged to supply specified amounts of lubricants to the repairer. Similarly, the repairer is obliged to take certain minimum volumes of its lubricants requirements from BP. In some cases, liquidated damages are payable by the repairer for failure to comply with minimum purchasing obligations.

This type of agreement is terminable by BP only, at any time, and sometimes with notice, depending on the grounds for termination.

Equipment/supply agreement

As mentioned above, the economic effect of an equipment/supply agreement is identical to a loan/supply agreement. The sole difference between the arrangements is that equipment is supplied as opposed to cash.

Under this type of agreement, BP grants the repairer free use of the contract equipment for a five year period in return for minimum purchasing obligations. There are essentially two variations with this type of agreement. When equipment is provided to a repairer, the repairer may or may not have the possibility to take ownership on expiry of the agreement if contractual obligations are complied with. As with the loan/supply agreement, this type of agreement is terminable by BP only, at any time, and sometimes with notice, depending on the grounds for termination.

Simple supply agreement

Under the simple supply agreement, BP does not offer a trade loan or substantial pieces of equipment. Although minimum purchasing obligations may be imposed, the customer has the right to terminate the arrangement at any time on notice, and thus switch supplier.

Upon preliminary examination, the Commission finds that the notified agreements could fall within the scope of Regulation 17.

The Commission invites interested third parties to submit their possible observations on the agreements to the Commission.

Observations must reach the Commission not later than 10 days following the date of this publication. Observations should be sent to the Commission by fax (No (32-2) 296 98 00) and by post under reference number **Case COMP/F-2/38 730 — BP Lubricants** to the following address:

Commission of the European Communities
DG Competition
Antitrust Registry
B-1049 Brussels