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and Countervailing Measures

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SUBSIDIES

New and Full Notifications Pursuant to Article XVI:1
of the GATT 1994 and Article 25 of the Agreement
on Subsidies and Countervailing Measures

EUROPEAN COMMUNITIES

Addendum

The following addendum to the notification of the European Community relates to subsidy programmes of **Spain**.

SPAIN

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1. Fisheries

1997 budget - cofinanced part of national aid

Pursuant to Regulation 3699/93 setting out the criteria and conditions for the Community's structural measures in fisheries, aquaculture and the processing and marketing of their products, IFOP (Royal Decree 798/1995 of 19 May), the following aid has been granted:

Individual compensatory premiums:

Ptas 147.3 million. Transferred to the Autonomous Communities.

Subsidies for the improvement of fishing:

Ptas 69.6 million. Contributions received from the European Social Fund.

Promotion of Aquaculture:

Ptas 200 million. Transferred to the Autonomous Communities.

Marine cultivation plans:

Ptas 90 million. Transferred to the Autonomous Communities.

Reorganization and renovation of the fishing fleet:

- Building: Ptas 235.4 million
- Modernization: Ptas 5.6 million
- Definitive stoppage: Ptas 18.9 million
- Definitive stoppage in the Basque Country: Ptas 1,135 million
- Transfers to Autonomous Communities: Ptas 4,181 million
- Temporary stoppage: Ptas 768.2 million. Under this heading Ptas 392.9 million were also transferred to the General Treasury of Social Security for aid to crews affected by the biological halt.

Conversion of the fishing fleet:

- Temporary business associations: Ptas 491.9 million
- Establishment of joint ventures: Ptas 2,360.3 million

Compensatory early retirement as a result of the reorganization of the fishing fleet:

Ptas 75 million transferred to the Autonomous Communities.

Aid to shipowners and crews affected by the stoppage of fishing1. Title of the subsidy programme

Special economic aid to shipowners and crews affected by the stoppage of fishing.

2. Period covered by the notification

1997 financial year

3. Policy objective and/or purpose of the subsidy

In accordance with Article 14 of Council Regulation 3699/93, the requisite aid is provided for owners and crews of fishing vessels fishing for cephalopods and trawling for black hake in the Moroccan fishing grounds, under the fishing agreement between the European Union and the Kingdom of Morocco, on account of the biological halt to fishing during March and April 1997.

4. Authority

Order of 20 March 1997 (BOE, 25 March)

5. Form of the subsidy

Non-repayable subsidies

6. To whom the subsidy is provided

Shipowners and crews in the fishing sector

7. Amount of the subsidy

Aid to shipowners

Number of vessels

Ptas 768.19 million

110

Aid to crews

Number of crews

Ptas 477.43 million

1,284

8. Duration of the subsidy

From 1 March to 30 April 1997

9. Statistical data permitting an assessment of the trade effects of the subsidy

No effect on trade

2. Industry and energy

Promotion of the economic and social sectors of the agri-food industry

1. Title of the subsidy programme

Promotion of the economic and social sectors of the agri-food industry

2. Period covered by the notification

1997

3. Policy objective and/or purpose of the subsidy

To promote the implementation of technical assistance and management plans for the economic and social sectors of the food industry.

4. Authority

Order of 4 July 1985 establishing subsidies for technical assistance and management plans for agri-food industries.

5. Form of the subsidy

Non-repayable grant

6. Recipients/beneficiaries

Associations of firms in the agri-food sector, associations of agricultural producers, trade unions in the agri-food industry, professional associations, foundations and other organizations whose objectives are connected with the agricultural and food industry.

7. Amount of the subsidy

Total amount for 1997: Ptas 92 million.

8. Duration of the subsidy

Specific, when the requirements are fulfilled.

9. Statistical data permitting an assessment of the trade effects of the subsidy

No information is available to permit such an assessment, but the effect would appear to be minimal in any case.

Mining (other than energy)

1. Title of the subsidy programme

Development of non-energy mining

2. Period covered by the notification

1997

3. Purpose of the subsidy

Development of the non-energy mining sub-sector, ore prospecting, mining and processing, as well as R&D in these fields and, in some cases, environmental rehabilitation of former mining sites.

4. Authority

Ministerial Order of 8 April 1997 (BOE, 24 April 1997)

5. Form of the subsidy

Non-repayable subsidy

6. To whom and how the subsidy is provided

Enterprises, associations of enterprises or institutions whose object is to promote and develop the use of non-energy mineral raw materials are eligible for the subsidy.

Mining investment subsidies are confined to zones defined by the EU Commission as Objective 1, since the assistance under this programme in this case is for regional development.

This aid is contingent on the applicants meeting their tax and social security obligations, and the recipients must produce documents showing that the subsidized activity has been carried out.

7. Amount of the subsidy

Ptas 1,009 million

The maximum aid is 20 per cent of subsidizable investment.

8. Duration of the subsidy

The programme lasts for five years, until 31 December 2001.

9. Statistical data on the trade effects of the subsidy

The programme has no trade effects because of the small amount compared with the size of the sector (annual turnover between Ptas 200,000 million and Ptas 300,000 million) and the high number of recipients, since the programme covers 54 enterprises.

Energy saving and efficiency plan1. Title of the subsidy programme

Energy Saving and Efficiency Plan

2. Period covered by the notification

1997

3. Purpose of the subsidy

The Plan's objectives are to promote energy efficiency in industry, transport and public buildings; to develop the use of renewable energy sources, such as wind, solar (thermal and photovoltaic energy), use of the biomass and waste (urban, industrial, forest and agricultural) and small-scale hydraulic power (up to 10 MVA).

This is done in accordance with the objectives of Law 82/80 on energy conservation and of the National Energy Plan, which defines the energy objectives for the decade 1991-2000.

4. Authority

Law 82/80 on energy conservation, Ministerial Order of 6 February 1997, which establishes the regulatory bases for subsidies under this programme for the period 1997-1999, and sets the subsidies for 1997.

5. Form of the subsidy

Non-repayable subsidy

6. To whom and how the subsidy is provided

The following are eligible for such subsidies:

- Public or private enterprises;
- groups of such enterprises;
- condominium owners' associations;
- non-profit making institutions;
- local corporations;
- natural persons engaging in activities covered by the Plan.
- neighbourhood associations and groups of such associations which submit integrated programmes for the supply of services to a minimum of 150 housing units.

To receive this subsidy, the beneficiary must show that he has met his current tax and social security obligations and that the subsidized activity has been carried out.

7. Amount of the subsidy

For the 1997 financial year, subsidies under this programme amounted to Ptas 3,655 million.

8. Duration of the subsidy

This programme covers the period 1997-1999.

9. Statistical data on the trade effects of the subsidy

Since the subsidy is for all energy users, this question does not apply.

Aid to shipbuilding

- Shipbuilding Subsidies

1. Title of the subsidy programme

Shipbuilding subsidies

2. Period covered by the notification

1997

3. Purpose of the subsidy

The fundamental aim of Community and national policy is to ensure that the shipbuilding sector remains competitive on the world market.

Since third countries continue to apply aid and/or measures that distort free competition in the shipbuilding sector, in order to compete on the international market Community shipyards must have access to operational aid (limited by a common ceiling: 9 per cent or 4.5 per cent, depending on whether or not the value of the ship to be built exceeds ECU 10 million) and restructuring aid (for investments which do not imply an increase in capacity, total or partial closure of facilities and research and development).

4. Authority

Royal Decree 442/1994, of 11 March, on shipbuilding subsidies and financing, amended by Royal Decrees 1395/1995 and 1562/1997.

5. Form of the subsidy

Non-repayable subsidy

6. To whom and how the subsidy is provided

The subsidy is paid to shipyards building metal-hull vessels of over 100 gross registered tonnes with the exception of fishing vessels since 19 October 1997.

The subsidy is provided once the relevant construction or conversion contract has come into effect. Payments are made as the ship is built or converted, subject to provision being made in the annual budget, which means an average delay in payments of approximately six months to one year.

7. Amount of the subsidy

Total subsidy granted in 1997:	Ptas 27,048 million
Number of subsidies granted in 1997:	59
Average subsidy per unit:	Ptas 466 million

Of the Ptas 27,048 million, Ptas 13,365 million are for operating aid and Ptas 13,683 for restructuring aid, as defined in Section 3 above.

8. Duration of the subsidy

The period of application of the programme is the same as that of the Seventh Directive, which, in principle, extends up until the entry into force of the OECD Agreement and not later than 31 December 1998.

9. Statistical data on the trade effects of the subsidy

The subsidies are granted under the Seventh Directive on aid to shipbuilding applicable in all countries of the European Union. Nevertheless, in 1997 shipbuilding in the European Union represented 14.4 per cent of the global total, whereas in 1996 it had amounted to 19.4 per cent, while at the same time the shares of Japan and Korea rose from 36 per cent and 21.4 per cent respectively in 1996 to 39.1 per cent and 27.5 per cent in 1997. Consequently, these subsidies have not increased the European Union's share of the global market.

Interest Subsidy for Shipbuilding Loans

1. Title of the subsidy programme

Interest Subsidy for Shipbuilding Loans

2. Period covered by the notification

1997

3. Purpose of the subsidy

The same objectives as those described in section 3 above.

4. Authority

Royal Decree 442/1994, of 11 March, on shipbuilding subsidies and financing, amended by Royal Decrees 1395/1995 and 1562/1997.

5. Form of the subsidy

Interest subsidy

6. To whom and how the subsidy is provided

Domestic shipbuilders or those domiciled in the European Economic Area and, since 19 October 1997, under certain conditions, shipbuilders domiciled outside the European Economic Area are eligible for this subsidy. It consists of payment of up to 3 percentage points of the interest on shipbuilding loans granted by domestic or foreign financial entities.

The subsidy is paid throughout the term of the loan (8.5 to 14 years) subject to provision being made in the annual budget, which means that there is a three to nine months delay in payments.

7. Amount of the subsidy

Total subsidy granted in 1997:	Ptas 62,721 million
Number of subsidies granted in 1997:	67
Average subsidy per unit:	Ptas 873 million
Period for repayment of loans:	8.5 to 14 years
Average annual subsidy per unit (approx.):	Ptas 78 million

8. Duration of the subsidy

The period of application of the programme is the same as that of the Seventh Directive, which, in principle, extends up until the entry into force of the OECD Agreement and not later than 31 December 1998.

9. Statistical data on the trade effects of the subsidy

The comments made in A.9 also apply to this section as the subsidy under the interest rate subsidy is deducted from the common maximum ceiling, 9 per cent to 4.5 per cent according to whether the value of the vessel to be built exceeds ECU 10 million.

Support initiative for technology, quality and industrial safety (ATYCA)

1. Title of the subsidy programme

Support Initiative for Technology, Quality and Industrial Safety (ATYCA)

2. Period covered by the notification

1997

3. Purpose of the subsidy

The basic objective of the ATYCA initiative is to enhance the technological and innovative capacity, as well as the safety and industrial quality, of Spanish enterprises in conformity with the European Union's policy on aid for technological research and development, and the incorporation of quality and safety in industrial processes.

The ATYCA initiative consists of two main lines of action: the Industrial Technology Development Programme (PFTI) and the Quality and Industrial Safety Programme (PCSI).

4. Authority

Aid under the ATYCA initiative is granted under the Order by the Ministry of Industry and Energy of 25 April 1997 approving the regulatory bases and the budget for the 1997/1999 triennium under this initiative (BOE, 6 May 1997).

5. Form of the subsidy

Non-repayable subsidy

6. To whom and how the subsidy is provided

Public or private enterprises and bodies, groups of such enterprises and non-profit-making institutions are eligible.

The annual amount of ATYCA aid is available to potential beneficiaries which apply for subsidies in order to carry out projects in various technological areas. The aid is granted subject to the study and assessment of the applications by a committee. The amount of the subsidy in relation to the costs of projects may not exceed the limits of State aid authorized under European Union directives.

The aid is contingent on compliance by applicants with their tax and social security obligations and proof that the activity has actually been carried out.

7. Annual amount of the subsidy

In 1997, subsidies paid under the ATYCA initiative amounted to Ptas 21,551 million, of which Ptas 16,305 million were under the Industrial Technology Development Programme.

8. Duration of the subsidy

The ATYCA initiative remains in force from 1997 to 1999 and the subsidies are granted annually.

9. Statistical data on the trade effects of the subsidy

Because of the nature of this programme, which mainly concerns the development of technology and industrial quality and is open to enterprises in all industrial sectors, including building, the trade effects are minimal since the aid is distributed over virtually the whole of industry.

Additional note

The majority of the subsidies granted under the ATYCA initiative are used to support R&D projects under the Industrial Technology Development Programme, therefore, the subsidies under this Programme are non-actionable subsidies according to Article 8.2 of the SCM Agreement, notified pursuant to Article 25 as granted in 1997.

R&D plan for the aeronautical sector

1. Title of the subsidy programme

R&D plan for the aeronautical sector

2. Period covered by the notification

1997

3. Purpose of the subsidy

Aeronautical basic research and development projects

4. Authority

Decision of the Government Commission for Economic Affairs and Cooperation Agreements with enterprises.

5. Form of the subsidy

Repayable advances

6. To whom and how the subsidy is provided

Aircraft companies which have signed a Cooperation Agreement. The repayable advances are paid out annually.

7. Amount of the subsidy

Ptas 4,164 million

8. Duration of the subsidy

It is a five-year R&D plan and ends on 31 December 1998.

9. Statistical data on the trade effects of the subsidy

Since the Programme covers basic industrial research, which is far removed from the marketing stage, it has no trade effects.

Additional note

The Plan is for basic research projects and is therefore regarded as a programme of "non-actionable" aid within the meaning of Article 8.2(a) of the SCM Agreement. It is notified under Article 25, having been in force in 1996.

Aid under technological programmes connected with the SEAT Modernization Plan

1. Title of the subsidy programme

Aid under technological programmes connected with the SEAT Modernization Plan (1994-1997)

2. Period covered by the notification

1997

3. Purpose of the subsidy

The aid is intended for innovation, technological development and training projects in the SEAT company, a subsidiary of the Volkswagen Group, under a plan that will mean a 29 per cent reduction in SEAT's capacity and a 5 per cent capacity reduction of the VW Group, at the Community level.

4. Authority

Commission Decision EC 96/257, of 31 October 1995, concerning aid granted by Spain to SEAT, a member of the VW Group.

5. Form of the subsidy

Non-repayable subsidy

6. To whom and how the subsidy is provided

The subsidy is payable exclusively to the SEAT company, which must produce evidence to the Spanish authorities that the innovation, technological development and training projects have been implemented.

7. Amount of the subsidy

The amount in 1997 was Ptas 9,601 million.

8. Duration of the subsidy

The Modernization Plan covers the period 1994-1997 and subsidies may be granted in the years 1995-1998.

9. Statistical data on the trade effects of the subsidy

The subsidy has no adverse affects on trade for SEAT's competitors since it fulfils the requirements under the Agreement on Subsidies and Countervailing Measures for aid for this purpose (R&D, Article 8.2(a)); furthermore, the Modernization Plan for which the aid is intended involves reduction of 29 per cent in production capacity and of 49 per cent in employment by the end of the Plan, so that by the end of 1997 SEAT's technical capacity will not exceed 2,125 units per day, compared with 3,000 units per day at the end of 1993.

3. Small and medium enterprises (SMEs)

Small and medium enterprises industrial development initiative

1. Title of the subsidy programme

Small and Medium Enterprises Industrial Development Initiative: Aid and Promotion

2. Period covered by the notification

1997

3. Purpose of the subsidy

The SMEs Industrial Development Initiative incorporates a number of activities for small and medium enterprises (SMEs) and includes the following subprogrammes:

3.1 Business cooperation

Purpose: The official aid is intended to finance some of the cost for national partners of concluding cooperation agreements and the cost of cooperation awareness and promotion plans.

The activities must not lead to restrictive business practices, must offer guarantees of permanence and stability and must be directed at promoting and supporting inter-business cooperation.

3.2 Promotion of information services

Purpose: The aid is granted to facilitate cooperation among information centres which, using telematics, promote and reinforce the supply of sophisticated business information services.

3.3 Industrial design

Purpose: The implementation of design projects by companies to be used to incorporate, include or apply innovative and/or design technology in SMEs so as to provide information on the product, marketing, corporate identity, and to disseminate, promote and make businesses and consumers aware of the importance of design and innovation as tools for improving the competitiveness of businesses.

3.4 Financing

Purpose: To facilitate access by small and medium enterprises to various sources of financing, to assist investment, lower the cost, and improve the economic and financial structure of such enterprises.

3.5 Networks of intermediate organizations supporting innovation

Purpose: Assistance to businesses for action plans or project start-up, principally those intended to install mechanisms used for innovation management, utilize

technological resources or improve internal technology learning processes within the business.

Spreading ideas, experience, practical improvements, results and techniques involving innovation management, including joint training activities to reinforce the human resources of SMEs and/or intermediate organizations.

Study and introduce commercial and technological monitoring systems in appropriate sectors, to improve the formulation of technological and trade plans and strategies by the SMEs.

Support for studies on the incorporation of innovation in the strategies of intermediate organizations and their integration into supranational organizations.

4. Authority

Royal Decree 937/1997 of 20 June 1997 (BOE, 11 July 1997)

5. Form of the subsidy

Non-repayable subsidy

6. To whom and how the subsidy is provided

Small and medium enterprises and intermediate organizations are eligible for this aid.

For the purposes of this Royal Decree, a small or medium industrial enterprise (SME) is deemed to be an economic unit with natural or legal personality which, at the time of the application, meets the following requirements:

- (a) Employs not more than 250 workers;
- (b) either: an annual turnover of not more than ECU 40 million, or an overall balance of not more than ECU 27 million;
- (c) 25 per cent or more of their shares are not held by companies that do not meet the aforesaid requirements, unless they are State investment enterprises, risk capital enterprises or institutional investors, provided they do not exercise control.

For the purposes of this Royal Decree, an intermediate organization is deemed to be:

- Any public, semi-public or private organization which, regardless of the way it is established or whether it has legal personality, on a non-profit making and habitual basis, provides support services for small and medium enterprises by carrying out joint assistance programmes or supplying services to promote and help improve the management of SMEs.
- Organizations which, for profit-making purposes and in which the majority of the capital is State owned, pursue the objectives set out in the previous paragraph.
- Financial bodies, excluding credit bodies, engaged in activities covered by the financial support programmes in the Royal Decree, as well as bodies whose purpose

is to grant loans to SMEs and/or contribute towards the risk capital/capital investment, either from their own resources or from resources managed by them.

Before receiving this subsidy, beneficiaries must show that they have complied with their tax and social security obligations.

They must also show that the subsidized activity has actually been carried out.

7. Amount of the subsidy

Ptas 10,161 million, allocated according to the territorial scope laid down in Article 153 of the General Budget Law, as implemented by Law 13/1996 of 30 December on administrative tax and social order measures. There are commitments for a total of Ptas 7,091 million of the amount allocated.

Breakdown of commitments by subprogramme:

Business cooperation	13.10%
Business information	17.23%
Design	31.34%
Innovation networks	11.47%
Financing	26.85%

8. Duration of the subsidy

The Programme is for three years until 31 December 1999.

9. Statistical data permitting an assessment of the trade effects of the subsidy

Given the nature of this aid programme, there is no effect on trade.

ARTE/SME programme

1. Title of the subsidy programme

ARTE/SME Programme under the operational programme of the Community SME initiative.

2. Period covered by the notification

1997

3. Purpose of the subsidy

Aid for the financing of advance telecommunication services projects of common interest to small and medium enterprises.

4. Authority

Ministerial Order of 31 July 1995 (BOE, 29 August 1995).

5. Form of the subsidy

Non-repayable subsidy

6. To whom the subsidy is provided

Only legally established non-profit-making public or private entities are eligible for the subsidy.

Zones classified as objective 1 under the European Regional Development Fund (ERDF) are priority zones for action.

Action may also be undertaken in objective 2 and 5-B zones, although to a lesser degree. Some residual allocations go to non ERDF zones.

The aid is contingent on the applicants meeting their tax and social security obligations and the recipients must produce documents showing that the subsidized activity has been carried out and the relevant costs have been paid.

7. Amount of the subsidy

Subsidies approved in 1997: Ptas 711 million

Around 70 per cent of this amount was used to acquire computer equipment (hardware and software), to develop software as telecommunications terminals (modems, PCs) were purchased for use by SMEs. The remainder was used for communications costs and costs related to feasibility studies, promoting the use of advanced telecommunications services and providing technical assistance.

8. Duration of the subsidy

The ARTE/SME programme is for five years and will remain in effect until June 1999 for the submission of new projects. Subsidized projects may be terminated after this date.

9. Statistical data permitting an assessment of the trade effects of the subsidy

The aid regime has no trade effects due to its small scale in comparison with the scale of trade and the large number of SMEs that have indirectly benefited from this aid, estimated at 3,600 in various economic sectors as the programme is multisectoral.

4. Environmental subsidies

Protection and enhancement of the environment

1. Title of the subsidy programme

443 D "Protection and Enhancement of the Environment"

2. Period covered by the notification

1997 ... 370 million

3. Purpose of the subsidy

Management and reutilization of used oils.

4. Authority

Ministerial Order of 30 October 1996 (BOE, 8 November 1996) EEC Directive 75/439

5. Form of the subsidy

Non-repayable subsidy

6. To whom and how the subsidy is provided

Natural or legal persons who have carried out or intend to carry out activities for the management of used oils in terms of the Ministerial Order of 30 October 1996 during the 1996 financial year.

7. Amount of the subsidy

Ptas 15/kg. of recycled oil.

Ptas 5/kg. of oil treated in recycling or elimination centres. These amounts may be increased by 10 per cent if inter-island transport is included.

8. Duration of the subsidy

The aforementioned activities carried out during 1996 are eligible for the subsidy.

9. Statistical data permitting an assessment of the trade effects of the subsidy

Pursuant to EEC Directive 75/439, subsidies may be granted for these activities in order to compensate the recipients for the services supplied, provided that the aid does not exceed the annual costs not covered by the enterprises, taking into account a reasonable profit. Consequently, these subsidies have little or no trade effects.

5. Regional subsidies

Regional economic incentives scheme

1. Title of the subsidy programme

Regional Economic Incentives Scheme

2. Period covered by the notification

1997

3. Policy objective and/or purpose of the programme

The purpose is to promote the economic development of the most disadvantaged areas. The objective of regional incentives is to foster entrepreneurship and encourage firms to locate in previously determined areas, so as to reduce economic disparities on Spanish territory, secure a more equitable spread of economic activities and strengthen the regions' potential for internally generated development.

4. Authority

The mandate under the Spanish Constitution, which sets out in Article 40.1 an obligation on the authorities to foster favourable conditions for a more equitable distribution of regional income. Similarly, Article 138 lays down that the State shall establish a suitable and fair economic balance among the various parts of Spanish territory.

The legislative basis is:

- Law 50/1985 of 27 December, on regional economic incentives to remedy inter-regional economic imbalances.
- Regulation approved by Royal Decree 1535/1987 of 11 December and amended by Royal Decree 897/1991 of 14 July, Royal Decree 302/1993 of 26 February, Royal Decree 2315/1993 of 29 December and Royal Decree 78/1997 of 24 January. It was approved by the EU Commission's Decision of 1 June 1987.
- 13 Royal Decrees delimiting the Economic Promotion Areas, some amended.

5. Form of the subsidy

Non-repayable subsidies, granted for productive investments and calculated on the investment approved by the Administration.

6. To whom and how the subsidy is provided

Once it is approved, the subsidy is notified individually to the persons concerned in an Individual Resolution establishing the basic data for the project, including the name of the recipient enterprise that has applied for it.

The aid is paid once the relevant Autonomous Community has issued a report substantiating full execution of the project and on fulfilment, within the specified periods, of the conditions required in the relevant Individual Resolution, accepted by the beneficiary beforehand. Enterprises may apply to receive the subsidy in instalments provided they produce evidence that the part of the investment for each instalment has been made together with adequate guarantees against failure to complete.

7. Amount of the subsidy

General State Budget for 1997: Ptas 14,413 million.

8. Duration of the subsidy

The scheme will continue as long as the reason for introducing it, namely the imbalance in regional development, persists.

9. Statistical data permitting an assessment of the trade effects of the subsidy

As to the statistical data permitting an assessment of the programme's trade effects, it should be noted that, since the subsidies take the form of capital for productive investment in disadvantaged regions, the principle of free competition is not deemed to be jeopardized.

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AUTONOMOUS COMMUNITY: ANDALUSIA

1. Programme of Aid for the Technological and Corporate Modernization of the Industrial Sector

1. Title

Programme of Aid for the Technological and Corporate Modernization of the Industrial Sector

2. Period covered by the notification

1997

3. Policy objective and/or purpose of the subsidy

- (a) To build, modernize and improve the industrial, technological and energy infrastructure of the Andalusian industrial sector; and
- (b) to install and strengthen safety conditions in and improve the quality of equipment, processes and industrial plant in the Autonomous Community of Andalusia.

4. Background and authority for the subsidy

Order of 12 July 1995 regulating an aid programme for the technological and corporate modernization of the industrial sector (BOJA No. 101, of 18 July 1995).

5. Form of the subsidy

Non-repayable subsidy

6. Beneficiaries

Preference will be given as beneficiaries to small- and medium-sized enterprises (SMEs) and to non-profit-making associations and institutions situated in Andalusia and connected with industry, which make investments designed to improve competitiveness and productivity in the various areas of industrial activity.

Investments in the following areas are regarded as eligible for the subsidy:

- Renewing or modernizing production machinery and equipment;
- encouraging innovation and technological development;
- improving the industrial quality system;
- infrastructure and equipment for and promotion of the use by SMEs of advanced telecommunications services;
- equipment and energy efficiency;
- promoting industrial safety; and
- business investigation and analysis.

The minimum investment in fixed assets eligible for the subsidy will be Ptas 5 million, the maximum amount of aid being 30 per cent of the investment, with a ceiling of Ptas 100 million. In

the case of current expenditure, the subsidy may cover up to 70 per cent of the cost generated, with a ceiling of Ptas 10 million.

The composition of the Appraisal Committee and the criteria to be used are published in the same Order.

7. Subsidy per unit

The total amount budgeted for 1997 was Ptas 100 million.

8. Duration of the subsidy

1995-1997

9. Statistical data permitting an assessment of the trade effects of the subsidy

No statistical data are available which would permit an assessment to be made of the trade effects of the subsidy.

2. Programme of Aid for the Promotion and Development of the Industrial Sector

1. Title

Programme of Aid for the Promotion and Development of the Industrial Sector

2. Period covered by the notification

1997

3. Policy objective and/or purpose of the subsidy

- (a) To invest in production processes for the conversion of primary products into products having a greater added value;
- (b) to invest in the change-over to or widening of industrial products regarded as emerging, that will gradually replace those already mature ones whose marketing has been rendered difficult by competition from developing countries with cheaper labour costs; and
- (c) to invest in the adaptation, generation and acquisition of the new technologies needed to achieve the above objectives.

4. Background and authority for the subsidy

Order of 4 December 1995, regulating a programme of aid for the promotion and development of the industrial sector (BOJA No. 158, of 14 December 1995).

State Aid No. 153/97. Spain (Andalusia).

5. Form of the subsidy

Non-repayable subsidy

6. Beneficiaries

The subsidies will be available to those industrial enterprises that were already in existence and located in Andalusia when the Order came into force and which are implementing projects or actions connected with the activities regarded as eligible for the subsidy (investment in productive assets and those activities associated with the planning and investment phase, the production phase or research and development).

The amounts will vary according to the scales and criteria established in the Order but may in no case exceed the following percentages:

- Investment in productive assets: up to 30 per cent of the investment in fixed assets which is regarded as eligible for the subsidy;
- activities associated with the planning and investment phase: up to 50 per cent of the external collaboration expenses associated with such activities and regarded as eligible for the subsidy;
- activities associated with the production phase: up to 30 per cent of the investment in fixed assets which is regarded as eligible for the subsidy, and up to 50 per cent of the external collaboration expenses derived from the implementation of activities included in this group which are regarded as eligible for the subsidy; and
- activities associated with research and development: up to 30 per cent of the investment in fixed assets (instruments and equipment) directly ascribable to the R&D project. For the subsidization of the costs of research and development activities, the maximum aid limits are: up to 65 per cent for basic research projects and up to 35 per cent for applied research projects.

7. Annual amount budgeted for the subsidy

For 1997, the total amount budgeted was Ptas 2.264 million, for a total of 16 projects submitted during the year.

8. Duration of the subsidy

1995-1999

9. Statistical data permitting an assessment of the trade effects of the subsidy

No statistical data are available which would permit an assessment to be made of the trade effects of the subsidy.

3. Aid to Investment in Energy Infrastructure and Equipment

1. Title

Aid to Investment in Energy Infrastructure and Equipment

2. Period covered by the notification

1997

3. Policy objective and/or purpose of the subsidy

To promote the rational use of energy and the utilization of renewable forms of energy, to improve energy efficiency and to extend the electricity supply infrastructure in rural areas.

4. Background and authority for the subsidy

The Energy Plan for Andalusia (PLEAN 1995-2000), Operative Programme for Andalusia 1995-2000 of the MAC.

Order of 16 May 1997, regulating the granting of subsidies to investment in energy infrastructure and equipment (BOJA No. 66, of 10 June 1997).

5. Form of the subsidy

Non-repayable subsidy

6. Beneficiaries

In the case of aid to utilize forms of renewable energy, private companies;

In the case of aid to improve energy efficiency, preference is given to private companies in the industrial sector; and

In the case of aid to rural electrification, exclusively small- and medium-sized enterprises that distribute electric power.

The subsidy is given to the owner of the installation once the investment in the installation has been carried out.

The subsidies rise to a maximum of 30 per cent of the investment in fixed assets, with a ceiling per project of Ptas 200 million.

7. Annual amount budgeted for the subsidy

There is no subsidy per unit, in view of the fact that the aid is focused not on promoting production processes but on supporting the installation of energy infrastructure and equipment.

The amount budgeted for 1997 was Ptas 640 million, but no expenditure was committed in that financial year since the applications submitted under the Order of 6 May 1997 were assessed in the first months of the 1998 financial year.

8. Duration of the subsidy

The support line covers actions eligible for the subsidy during the period 1997-1999.

9. Statistical data permitting an assessment of the trade effects of the subsidy

No statistical data are available which would permit an assessment to be made of the trade effects of the subsidy.

4. Aid for the Promotion of Cooperative Activities

1. Title

Aid for the Promotion of Cooperative Activities

2. Period covered by the notification

1997

3. Policy objective and/or purpose of the subsidy

Promotion and development of entrepreneurial activity and collective self-employment within the framework of the social economy and the promotion of the cooperative movement in Andalusia.

4. Background and authority for the subsidy

Decree No. 79/1995, of 21 March 1995, concerning measures for the promotion of cooperative activities (BOJA No. 70, of 13 May 1995).

Order of 5 May 1995, following up Decree No. 79/1995 of 21 March concerning measures for the promotion of cooperative activities (BOJA No. 71, of 16 May 1995).

5. Form of the subsidy

Non-repayable subsidies.
Interest-rate subsidies.
Financial guarantees.
Repayable subsidies.

6. Beneficiaries

Subsidies and aids for the promotion of cooperative activities can be provided to the following types of entities:

- Andalusian cooperative societies;
- labour corporations;
- federations and/or associations of Andalusian cooperatives and labour corporations;
- local corporations; and
- natural persons engaged in various activities for the promotion of the cooperative movement.

7. Total amount or the annual amount budgeted for the subsidy

Amount budgeted for the 1997 financial year: Ptas 3,592,366,473 subdivided into the following activities corresponding to the two groups of programmes into which this line of aid is divided:

1. Business promotion programmes

Ptas

- Investment subsidies:	1,750,792,473
- Repayable subsidies:	64,150,000
- Interest subsidies:	164,800,000
- Financial guarantees:	241,751,000
- Subsistence income:	202,100,000

2. Instruments for the development of the cooperative movement and the social economy

Ptas

- Business schools:	422,500,000
- Local social economy projects:	74,265,000
- Cooperatives with corporate practices:	-
- Young graduates:	-
- Community action:	12,000,000
- Training:	562,258,000
- Promotion of associations:	30,000,000

8. Duration of the subsidy

1997

9. Statistical data permitting an assessment of the trade effects of the subsidy

No statistical data are available which would permit an assessment to be made of the trade effects of the subsidy.

5. Programme of Aid from the Andalusian Promotion Institute (IFA)

1. Title

Programme of Aid from the Andalusian Promotion Institute (IFA)

2. Period covered by the notification

1997

3. Policy objective and/or purpose of the subsidy

Regional: the business support instruments of the Andalusian Promotion Institute (IFA) have proved essential for making progress towards the economic and social development of the Autonomous Community of Andalusia. The weak business structure, consisting essentially of small and medium-sized enterprises which have difficulty in obtaining access to financing, has necessitated support from the Public Administration which, in some cases, is assisting the start-up and, in others, the consolidation of Andalusian entrepreneurial activities.

On the other hand, in this region with a high rate of unemployment and an abnormally low standard of living, there is a need for specific action in support of the enterprises, since this will help to guarantee an improvement in the Andalusian social situation.

4. Background and authority for the subsidy

Act No. 3/1987 of 13 April 1987 establishing the Andalusian Promotion Institute.

5. Form of the subsidy

Interest subsidies
Loans
Equity participation
Guarantees
Subsidies

6. Beneficiaries

The aid is intended for entrepreneurial investment projects or operations for the refinancing of liabilities, especially current liabilities, linked to a recent investment, thus supporting enterprises that invest in Andalusia. In no circumstances are export operations supported. Determination of the aid results in a fixed sum.

7. Total amount or the annual amount budgeted for that subsidy

	<u>Ptas</u>
- Interest subsidies:	4,670.13 million
- Loans:	904.48 million
- Equity participation:	211.00 million
- Guarantees:	86.00 million
- Subsidies:	10,385.71 million
- TOTAL:	16,257.32 million

8. Duration of the subsidy

The aid programme has a multi-year duration up to 31 December 1999, although there are annual budgets.

9. Statistical data permitting assessment of the trade effects of the subsidy

No statistical data are available which would permit an assessment to be made of the trade effects of the subsidy.

AUTONOMOUS COMMUNITY: BALEARIC ISLANDS

1. Normative framework for aid to the commercial, industrial and service sectors

1. Title of subsidy programme

Decree No. 29/1997, of 18 February 1997, establishing the normative framework for aid to the commercial, industrial and service sectors in the Balearic Islands.

2. Period covered by the notification

From 1 January 1997 to 31 December 1997.

3. Purpose of the subsidy

(a) *De minimis* aid operations:

- Investments in fixed assets and financing of circulating capital for industrial enterprises;
- investments in fixed assets and financing of circulating capital for commercial and services operations;
- promotion of craft enterprises;
- promotion of quality and industrial design;
- commercial promotion of industrial enterprises;
- creation of industrial enterprises;
- transfer, installation or extension of enterprises in industrial estates.

(b) Aid covered by the Commission's SME Directives:

- Renovation and modernization of the productive structure;
- Objective 2 Zone;

(c) Aid covered by other Commission Directives:

- Industrial technological development.

4. Authority for the subsidy

Decree No. 29/1997, published in the Official Gazette of the Autonomous Community of the Balearic Islands (BOCAIB) No. 29 of 8 March 1997.

5. Form of the subsidy

Non-repayable subsidies and interest subsidies.

6. Beneficiaries

All small- and medium-sized enterprises located in the Balearic Islands are beneficiaries if they are connected with trade, industry and services and meet the following conditions:

- (a) They have an annual turnover not exceeding 40 million ECUs;
- (b) they have a workforce of less than 250 employees; and
- (c) they have no equity participation exceeding 25 per cent held by one or more enterprises which do not meet the two previous conditions.

Exceptionally, such aid may be extended to enterprises which, without meeting the above requirements submit projects which are accepted by the Autonomous Government.

7. Amount of the subsidy

The subsidy budgeted for by the Autonomous Community of the Balearic Islands amounts to Ptas 811,761,455.

In this aid scheme, which is co-financed by the European Union, individual aid operations must be in keeping with one of the following possibilities:

- (a) Aid of up to 80 per cent of the cost, when the *de minimis* clause is invoked, and not exceeding 100,000 ECU, in three years per beneficiary;
- (b) aid of up to 15 per cent of the cost, with a ceiling of 200,000 ECU;
- (c) in accordance with the European Union Directives, aid may not amount to more than 50 per cent and 200,000 ECU per beneficiary in cases of R & D; and
- (d) in any case, interest-rate subsidies on a loan must always come within the *de minimis* clause, as set out in paragraph (a) of this article.

8. Duration of the subsidy

Indefinite

9. Statistical data permitting an assessment of the trade effects of the subsidy

No trade effects owing to the insignificant amounts of aid involved and the large number of small enterprises to which it was directed.

2. The Foner II Operational Programme in Rural Areas of Objective 5b

1. Title of subsidy programme

Decree No. 3/1995 regulating the granting of aid for the implementation of the FONER II Operational Programme in rural areas of Objective 5B of the Balearic Islands.

2. Period covered by the notification

From 1 January 1997 to 31 December 1997.

3. Purpose of the subsidy

Aid for productive activities and investment;

aid for non-productive activities and investment; and

aid for professional training and job creation.

4. Authority for the programme

Decree No. 3/1995, published in BOCAIB No. 13 of 31 January 1995.

5. Form of the subsidy

Percentage of the eligible investment.

6. Beneficiaries

Provided to production and marketing enterprises which have justified their investment, in the form of a percentage thereof.

This concept includes individual entrepreneurs, trading companies, agri-business companies, agricultural cooperatives and any other enterprise which has a legal form provided for in current legislation as well as local public bodies. All of these entities must fulfil each of the following requirements:

- (a) Undertake an investment project within the rural areas of Objective 5B of the Balearic Islands in order to carry out an activity eligible for aid;
- (b) have a maximum workforce of 50 employees, a turnover of less than Ptas 800 million and a general balance not exceeding Ptas 320 million; and
- (c) be up to date with the payment of their tax and social security contributions or else have been granted a postponement or moratorium.

7. Amount of the subsidy

Subsidy from the budget of the Autonomous Community of the Balearic Islands amounting to Ptas 110,580,702.

This aid scheme, which is co-financed by the European Union, can cover a maximum of 30 per cent of the amount of the approved investment. There are also the following ceilings per beneficiary:

- (a) Ptas 7,500,000 over a three-year period for each of the following types of cost:
 - investment cost for any purpose except R & D; and
 - other costs.

- (b) Ptas 15,000,000 over a three-year period; and
- (c) Ptas 25,000,000 during the entire period of application of the Operational Programme, while in any case respecting the above limits.

8. Duration of the subsidy

From 1 January 1995 to 31 December 1999.

9. Statistical data permitting an assessment of the trade effects of the subsidy

The programme has no trade effects.

AUTONOMOUS COMMUNITY: CANARY ISLANDS

1. Provision of Radio Communication Facilities for Boats Engaged in Inshore Fishing

1. Title of subsidy programme

Subsidies not Co-Financed by the European Union for the Modernization or Restructuring of the Fishing Fleet of the Canary Islands and Provision of Radio Communication Facilities for Boats Engaged in Inshore Fishing.

2. Period covered by the notification.

1997

3. Policy objective and/or purpose of the subsidy

The installation of equipment and facilities together with certain kinds of work and modifications on boats engaged in inshore fishing.

4. Authority for the subsidy

Basic regulation: Decree No. 114/95 of 2 April 1995 (BOC No. 64 of 24 May 1996).

Community regulation: SG (95) 6795, Aid No. 246/95 on modernization and restructuring of the fishing fleet, of 30 May 1995.

Official Notice for 1997: Order of 14 April 1997 (Official Gazette of the Canaries (BOC) No. 56 of 2 May 1997).

5. Form of the subsidy

Non-repayable subsidy

6. Beneficiaries: to whom and how the subsidy is provided

Any boat which meets the requirements within the limits of the Autonomous Community of the Canary Islands.

The granting of such aid is contingent on the applicants meeting their tax and social security obligations and the recipients must provide evidence that the subsidized activity has been carried out.

7. Subsidy per unit or total amount of the subsidy

Ptas 30 million

8. Duration of the subsidy

Indefinite

9. Statistical data permitting an assessment of the trade effects of the subsidy

The programme has no trade effects.

2. Subsidies to Investment in Projects to Develop Craft Industry

1. Title of subsidy programme

Subsidies to Investment in Projects to Develop Craft Industry

2. Period covered by the notification

1997

3. Policy objective and/or purpose of the subsidy

To encourage investment in projects to develop craft industry in the Canary Islands.

4. Authority for the subsidy

The subsidy has been approved by the European Commission under a *de minimis* rule.

Notice for 1997: Order of 31 March 1997 (BOC No. 50 of 18 April 1997).

5. Form of the subsidy

Non-repayable subsidy

6. Beneficiaries: to whom and how the subsidy is provided

Natural persons who, being craftsmen resident in the Canary Islands, make investments to establish new craft workshops or to extend, improve and modernize existing craft workshops within the territorial limits of the Autonomous Community of the Canary Islands.

This aid is contingent on the applicants meeting their tax and social security obligations, and the recipients must produce documents showing that the subsidized activity has been carried out.

7. Subsidy per unit or total amount of the subsidy

Ptas 50 million.

Maximum extent of aid: 90 per cent for investment projects of less than Ptas 700,000, 75 per cent for investment projects greater than Ptas 700,000.

8. Duration of the subsidy

Indefinite

9. Statistical data permitting an assessment of the trade effects of the subsidy

The programme has no trade effects.

3. Subsidies to Business Cooperation Projects

1. Title of subsidy programme

Subsidies to Business Cooperation Projects

2. Period covered by the notification

1997

3. Policy objective and/or purpose of the subsidy

To promote business cooperation in the development of ventures of a productive commercial, technological or joint capital investment nature calculated to increase their competitiveness.

4. Authority for the subsidy

Basic regulation: Decree No. 231/93 of 29 July 1993.

Community regulation: State Aid No. 749/93, SG (94)D/2294, of 17 February 1993.

Notice for 1997: Order of 19 May 1997 (BOC No. 70 of 30 May 1997)

4. Form of the subsidy

Non-repayable subsidy

5. Beneficiaries: to whom and how the subsidy is provided

Small- and medium-sized industrial enterprises, or industrial support services enterprises, which propose to carry out cooperation activities at the national or international level, which operate within the territorial limits of the Autonomous Community of the Canary Islands.

This aid is contingent on the applicants meeting their tax and social security obligations and the recipients must produce documents showing that the subsidized activity has been carried out.

6. Subsidy per unit or total amount of the subsidy

Ptas 20 million

Maximum extent of aid: 50 per cent

7. Duration of the subsidy

Indefinite

8. Statistical data permitting an assessment of the trade effects of the subsidy

The programme has no trade effects.

4. Subsidies for the Economic Promotion of Craftsmanship in the Canary Islands

1. Title of subsidy programme

Subsidies for the Economic Promotion of Craftsmanship in the Canary Islands

2. Period covered by the notification

1997

3. Policy objective and/or purpose of the subsidy

To stimulate and consolidate craftsmanship, organize vocational training courses, hold fairs and other commercial promotion activities, support initiatives to form associations and, in general, carry out activities to promote craftsmanship.

4. Authority for the subsidy

The subsidy has been approved by the European Commission under the *de minimis* clause.

Notice for 1997: Order of 12 May 1997 (BOC No. 65 of 23 May 1997).

5. Form of the subsidy

Non-repayable subsidy

6. Beneficiaries: to whom and how the subsidy is provided

Natural persons who are craftsmen resident in the Canary Islands, professional associations of craftsmen active in the Autonomous Community of the Canary Islands and institutions, both public and private, that develop projects in support of craftsmanship within the Autonomous Community of the Canary Islands.

This aid is contingent on the applicants meeting their tax and social security obligations, and the recipients must produce documents showing that the subsidized activity has been carried out.

7. Subsidy per unit or total amount of the subsidy

Ptas 35 million

Maximum extent of aid: 50 per cent of the investment

8. Duration of the subsidy

Indefinite

9. Statistical data permitting an assessment of the trade effects of the subsidy

The programme has no trade effects.

5. Subsidies for Industrial Development and Technological Modernization Projects

1. Title of subsidy programme

Subsidies for Industrial Development and Technological Modernization Projects, Establishing to that End the Bases for their Period of Application

2. Period covered by the notification

1997

3. Policy objective and/or purpose of the subsidy

To encourage investment by SMEs in the Canary Islands

4. Authority for the subsidy

Basic regulation: Regional Incentives Programme Act No. 50/85 REGIS II. Action 2.IB.1

Community regulation: State Aid No. 199/96 of 31 July 1996 SG(96) d7014

Notice for 1997: Order of 1 July 1997 (BOC No. 87 of 7 July 1997)

5. Form of the subsidy

Non repayable subsidy

6. Beneficiaries: to whom and how the subsidy is provided

To industrial or industrial support services SMEs, existing or newly established, whose activities take place within the Autonomous Community of the Canary Islands.

This aid is contingent on the applicants meeting their tax and social security obligations, and the recipients must produce documents showing that the subsidized activity has been carried out.

7. Subsidy per unit or total amount of the subsidy

Ptas 1,189,500,000

Maximum extent of aid: 50 per cent of the investment

8. Duration of the subsidy

Indefinite

9. Statistical data permitting an assessment of the trade effects of the subsidy

The programme has no trade effects.

6. Subsidies for Projects to Save and Diversify Energy and to Utilize Sources of Renewable Energy

1. Title of the subsidy programme

Subsidies for Projects to Save and Diversify Energy and to Utilize Sources of Renewable Energy

2. Period covered by the notification

1997

3. Policy objective and/or purpose of the subsidy

To subsidize feasibility studies for projects to save and diversify energy and installations designed to secure a reduction in energy consumption and an improved environmental impact in the various sectors of production.

4. Authority for the subsidy

Basic regulation: Ministerial Order of 6 February 1997 (BOE No. 34)

Community regulation: Directives in favour of the environment (94/C 72/03, published on 10 March 1994) clearly relate to this type of aid.

Notice for 1997: Order of 16 May 1997 (BOC No. 69 of 29 May 1997).

5. Form of the subsidy

Non-repayable subsidy

6. Beneficiaries: to whom and how the subsidy is provided

Private or public enterprises, natural persons, non-profit-making institutions, neighbourhood associations and local corporations within the Autonomous Community of the Canary Islands.

This aid is contingent on the applicants meeting their tax and social security obligations, and the recipients must produce documents showing that the subsidized activity has been carried out.

7. Subsidy per unit or total amount of the subsidy

Ptas 47 million

Maximum extent of the aid: 50 per cent of the investment

8. Duration of the subsidy

Indefinite

9. Statistical data permitting an assessment of the trade effects of the subsidy.

The programme has no trade effects.

7. Procasol Project

1. Title of subsidy programme

Single or Specific Subsidy to the Procasol Project

2. Period covered by the notification

1997

3. Policy objective and/or purpose of the subsidy

To provide incentives to the market for low-temperature solar energy in the Canary Islands.

4. Authority for the subsidy

The Community Directives on State Aid to the Environment (94/C 72/03 published on 10 March 1994) clearly relate to this kind of aid.

Charged to the "REGIS II" Programme (FEDER)

5. Form of the subsidy

Non-repayable subsidy

6. Beneficiaries: to whom and how the subsidy is provided

Private or public enterprises, natural persons, non-profit-making institutions, neighbourhood associations and local corporations within the Autonomous Community of the Canary Islands.

This aid is contingent on the applicants meeting their tax and social security obligations, and the recipients must produce documents showing that the subsidized activity has been carried out.

7. Subsidy per unit or total amount of the subsidy

Ptas 47 million

Maximum extent of the aid: 50 per cent of the investment

8. Duration of the subsidy

Indefinite

9. Statistical data permitting an assessment of the trade effects of the subsidy

The programme has no trade effects.

AUTONOMOUS COMMUNITY: CANTABRIA

1. Reindustrialization and Organization Aid Fund (FARO)

1. Title of subsidy programme

Reindustrialization and Organization Aid Fund (FARO)

2. Period covered by the notification

1997

3. Purpose of the subsidy

Its purpose is to grant temporary aid to enterprises. Temporary aid means assistance which, motivated by serious company difficulties, is designed to resolve an immediate short-term liquidity squeeze or technical insolvency by granting emergency aid to the financial situation which will enable the beneficiary enterprise to carry out a recovery plan.

A further objective is to grant the restructuring aid, justified by the needs of regional development, required to launch a strategic plan for industrial SMEs including the necessary adjustments to reorganize and rationalize activities, abandoning the non-viable ones and developing new activities or streamlining them.

4. Authority for the subsidy

Decree No. 58/1997 of 6 June 1997 regulating the Reindustrialization and Organization Aid Fund (FARO).

5. Form of the subsidy

The aid may take the form of loans, loan guarantees and equity participation, but must not exceed 45 per cent of the shareholding.

6. Beneficiaries

Potential beneficiaries of the plan are "small- and medium-sized enterprises having management difficulties" which are active within the Autonomous Community of Cantabria.

Enterprises may also take advantage of the plan, without meeting the above requirements regarding the size and the percentage of shareholding, if they submit applications in the context of this agreement which are considered to be of special interest for the social or regional industrial policy of Cantabria, because of the expediency of maintaining a competitive market structure.

"Small and medium-sized industrial enterprises having management difficulties" are those which, because of their latest results, the deterioration in their current situation, their limited development potential or poor prospects for future profits, are unable to finance from their own resources the achievement of the aims and purposes for which the aid provided for the present agreement has been established.

This aid is contingent on the applicants meeting their tax and social security obligations, and the recipient must produce documents showing that the subsidized activity has been carried out.

7. Amount of the subsidy

The total amount budgeted for in the 1997 financial year was Ptas 500 million.

8. Duration of the subsidy

The programme is scheduled to remain in force for four years.

9. Statistical data permitting an assessment of the trade effects of the subsidy

In 1997, aid was granted through this programme to ten enterprises and this has exhausted the initial amount allocated.

2. Incentives for the renewal of industry and services (IRIS)

1. Title of subsidy programme

Incentives for the Renewal of Industry and Services (IRIS)

2. Period covered by the notification

1997

3. Policy objective and/or purpose of the subsidy

The promotion of activities for the establishment of new industries, the renewal of production assets and those supporting and consolidating the labour markets as well as the establishment of enterprises to support the industrial sector, focused on the creation, design, production and sale of industrial goods, without overlooking the necessary attention to quality and the environment.

4. Authority for the subsidy

Decree No. 19/1995 of 22 June 1995, regulating the Regional Incentives Fund, BOC of 30 June, approved as Aid No. 351/1995 by a letter of the European Commission dated 18 May 1995, amended by Decree No. 19/1997 of 7 March 1997, which replaced the earlier title by that of Incentives for the Renewal of Industry and Services (IRIS).

Order of 14 April 1997 approving the notice of Incentives for the Renewal of the Industry and Services (IRIS) for 1998.

5. Form of the subsidy

Non-repayable subsidy.

6. Beneficiaries

Potential beneficiaries are industrial enterprises, whatever their legal form, which are regarded as SMEs and support services enterprises in the areas of management, market research and services common to enterprises.

The granting and receipt of this aid are contingent on the applicants meeting their tax and social security obligations, and the recipients must produce documents showing that the subsidized activity has been carried out.

7. Subsidy per unit or total amount of the subsidy

The maximum extent of the aid is 40 per cent of the investment.

Total amount budgeted: Ptas 468,480,000.

Investments subsidized: Ptas 3,249,741,805.

Number of applicants: 196

Number of beneficiaries: 119

8. Duration of the subsidy

The programme is scheduled to remain in force for the period 1995-1999.

9. Statistical data permitting assessment of the trade effects of the subsidy

The programme has no trade effects because of its small amount compared with the size of the sector and of its small direct impact on production. Marketing and distribution activities are excluded from this aid. The number of enterprises subsidized is 119.

3. Subsidies for the Craft Sector in Cantabria

1. Title of subsidy programme

Subsidies for the Craft Sector in Cantabria

2. Period covered by the notification

1997

3. Policy objective and/or purposes of the subsidy

To promote activities for the establishment of new craft workshops, their development and modernization as an important factor for creating jobs with a small amount of investment and for helping to create future enterprises and industrial activities.

4. Authority for the subsidy

Decree No. 97/1995 of 9 October 1995, regulating aid to the craft sector and craft activities, Official Gazette of Cantabria (BOC) of 20 October 1995, approved by the European Commission in a letter of 18 May 1995.

Order of 13 May 1997 approving and regulating the notice given of aid to the craft industry for the 1997 financial year.

5. Form of the subsidy

Non-repayable subsidy.

6. Beneficiaries

Potential beneficiaries are individual craftsmen and craft enterprises, whatever their legal form, which are regarded as SMEs and craft associations and institutions which have the objective of promoting and developing craft products.

The granting and receipt of this aid are contingent on the applicants meeting their tax and social security obligations and the recipient must produce documents showing that the subsidized activity has been carried out.

7. Subsidy per unit or total amount of that subsidy

Maximum extent of aid: 40 per cent of the investment.

Total amount budgeted: Ptas 8,000,000.

Subsidies granted: Ptas 7,625,786.

Number of applicants: 16

Number of beneficiaries: 15

8. Duration of the subsidy

The programme is scheduled to remain in force for the period 1995-1999.

9. Statistical data permitting an assessment of the trade effects of the subsidy

The programme has no trade effects because of its small amount compared with the size of the sector and of its small direct impact on production. Marketing and distribution activities are excluded from this aid. The number of enterprises subsidized is 15.

4. Support to the Mining Industry

1. Title of subsidy programme

Support to the Mining Industry and Utilization of Mineral and/or Thermal Waters

2. Period covered by the notification

1997

3. Policy objective and/or purpose of the subsidy

To promote activities in this sector, for example, geological surveys to discover new raw materials or, where appropriate, conserve the existing reserves.

4. Authority for the subsidy

Decree No. 59/1997 of 6 June 1997 regulating support to the mining regime and utilization of mineral and/or thermal waters, BOC of 13 June 1997.

Order of 9 June 1997 of the Regional Ministry of Industry, Tourism, Labour and Communications, approving the notice of aid for the mining regime in the 1997 financial year, BOC of 19 June 1997.

This is *de minimis* aid.

5. Form of the subsidy

Non-repayable subsidy.

6. Beneficiaries

Potential beneficiaries are SMEs whose activities are regulated by the Mining Act and its Regulations and are carried out within the Autonomous Community of Cantabria.

The granting and receipt of this aid are contingent on the applicants meeting their tax and social security obligations, and the recipient must produce documents showing that the subsidized activity has been carried out.

7. Subsidy per unit or total amount of the subsidy

Maximum extent of the aid: 40 per cent of the investment.

Total amount budgeted: Ptas 40 million.

Subsidies granted: Ptas 18,826,447.

Number of applicants: 4

Number of beneficiaries: 4

8. Duration of the subsidy

The programme is scheduled to remain in force for the period 1995-1999.

9. Statistical data permitting an assessment of the trade effects of the subsidy

The programme has no trade effects because of its small amount compared with the size of the sector and of its small direct impact on production. Marketing and distribution activities are excluded from this aid. The number of enterprises subsidized is four.

AUTONOMOUS COMMUNITY: CASTILE-LA MANCHA

1. Decree on Competitiveness and Business Investment Incentives

1. Title of subsidy programme

Decree on Competitiveness and Business Investment Incentives

2. Period covered by the notification

1997

3. Purpose of the subsidy

To help create, adapt, or, as appropriate, improve the regions economic fabric.

4. Authority for the subsidy

Decree No. 13/1995 of the Regional Ministry of Industry and Labour.

5. Form of the subsidy

Non-repayable subsidy and reduced interest rates on loans.

6. Beneficiaries

Industrial and services enterprises and associations of enterprises, especially SMEs, deciding to operate or already operating in Castile-La Mancha.

7. Amount of the subsidy

Number of beneficiaries: 1,313

Amount budgeted: Ptas 2,959,577,855.

Subsidy per unit: Ptas 2,254,058.

8. Duration of the subsidy

Indefinite.

9. Statistical data permitting an assessment of the trade effects of the subsidy

The foreign trade effects of the subsidy are slight because it is basically focused on small- and medium-sized enterprises, which are engaged in domestic trade.

2. Aid under the Retex Community Programme

1. Title of subsidy programme

Aid for economic diversification in regions with textiles-clothing factories under the RETEX Community Programme

2. Period covered by the notification

1997

3. Policy objective and/or purpose of the subsidy

To promote investment in the textiles-clothing sector in Castile-La Mancha, under the Community RETEX Initiative.

4. Authority for the subsidy

Order of 8 February 1995 of the Regional Ministry of Industry and Labour.

5. Form of the subsidy

Non-repayable subsidy and reduced interest rates on loans.

6. Beneficiaries

Existing enterprises, irrespective of their legal status, investing from Ptas 3-75 million, as well as associations of enterprises that are active within the sector.

7. Amount of the subsidy

Number of beneficiaries: 56

Amount budgeted: Ptas 384,230,749.

Subsidy per unit: Ptas 6,861,263.

8. Duration of the subsidy

1994-1997 for the granting of aid.

9. Statistical data permitting an assessment of the trade effects of the subsidy

The impact on foreign trade is minimal since the beneficiaries of this aid are SMEs.

AUTONOMOUS COMMUNITY: CASTILE-LEÓN

1. Projects to Save, Replace and Diversify Energy

1. Title of subsidy programme

Subsidies for projects to save, replace and diversify energy, rational uses of energy and renewable energy

2. Period covered by the notification

1997

3. Purpose of the subsidy

The exploitation of local energy resources (thermal solar energy, photovoltaic solar energy, wind energy, small hydroelectric stations, biomass, passive solar energy), rational use of energy (energy savings, replacement of petroleum-derived products), promotion of activities to make local energy resources better known and to enhance their use.

4. Authority for the subsidy

Order of the Regional Ministry of Industry, Trade and Tourism of 18 December 1997.

5. Form of the subsidy

Non-repayable subsidies for the investment made, to a maximum amount of Ptas 10 million.

6. Beneficiaries

Public or private enterprises, groups of enterprises.

7. Amount of the subsidy

Amount budgeted: Ptas 250,000,000.

8. Duration of the subsidy

Annual

9. Statistical data permitting an assessment of the trade effects of the subsidy

The statistical data available do not reflect the trade effects of this subsidy.

2. Aid for Business Investment. Territorial Incentives

1. Title of subsidy programme

Aid for Business Investment. Territorial Incentives

2. Period covered by the notification

1997

3. Purpose of the subsidy

To boost the endogenous development potential of Castile-León in promotable activities.

4. Authority for the subsidy

Decree No. 151/89 of 20 July 1989 of the Regional Ministry of the Presidency and Territorial Administration and Order of 30 May 1995 of the Regional Ministry of the Economy and Finance.

5. Form of the subsidy

Non-repayable subsidy of between 40 and 50 per cent of the approved investment.

6. Beneficiaries

Enterprises carrying out investment projects in Castile-León that involve the creation of new or expansion of existing establishments.

7. Amount of the subsidy

Ptas 3,295 million

8. Duration of the subsidy

Several years

9. Statistical data permitting assessment of the trade effects of the subsidy

The statistical data available do not reflect the trade effects of this subsidy.

3. Regional and Territorial Incentives

1. Title of subsidy programme

Subsidies through Advance or Bridging Loans for Regional and Territorial Incentives

2. Period covered by the notification

1997

3. Purpose of the subsidy

To speed up the payment of investment subsidies so that they are available immediately a project is launched.

4. Authority for the subsidy

Agreement of 5 March 1997 of the Governing Council of the Castile-León Economic Development Agency.

5. Form of the subsidy

Interest subsidies.

6. Beneficiaries

The potential beneficiaries are those enterprises that have been granted investment subsidies, either from the regional incentives regulated by Royal Decree No. 570/1988, of 3 June 1988, or from the territorial incentives that have been obtained under any of the announcements made by the General Administration of the Autonomous Community of Castile-León for this type of incentive and which, on the date of their application for this aid, had made a significant start with their investments. Enterprises that process or market products included in Annex II to the Treaty of Rome are excluded.

7. Amount of the subsidy

Amount budgeted: Ptas 350,000,000.

8. Duration of the subsidy

Several years.

9. Statistical data permitting an assessment of the trader effects of the subsidy

The statistical data available do not reflect the trade effects of this subsidy.

4. Subsidies for Investment by SMEs

1. Title of subsidy programme

Subsidies for Investment by Small- and Medium-Sized Enterprises (SMEs)

2. Period covered by the notification

1997

3. Purpose of the subsidy

To encourage investment projects in Castile-León in new establishments, the expansion, modernization, rationalization or restructuring of existing establishments which help to promote business investment and to direct them towards previously specified areas within Castile-León.

4. Background and authority for the subsidy

Agreement of 14 November 1996 of the Governing Council of the Castile-León Economic Development Agency.

5. Form of the subsidy

Non-repayable subsidy.

6. Beneficiaries

SMEs, i.e. enterprises that meet the following requirements:

- Employ fewer than 250 workers;
- have an annual turnover that does not exceed 40 million Ecus, or an overall balance that does not exceed 27 million Ecus;
- do not have a participation in their equity by enterprises that do not meet these conditions exceeding 25 per cent, except in the case of public investment companies, risk-capital companies or institutional investments that do not exercise control; and
- have an amount of subsidized investment that is between Ptas 15 and 100 million or, in the case of investment projects, between Ptas 15 and 300 million, provided that these are in special action areas.

The beneficiaries must show that they have paid their tax and social security contributions and have no outstanding debt to the Autonomous Community of Castile-León. They must also provide evidence that the investment that is the object of the subsidy has been made.

7. Amount of the subsidy

Amount budgeted: Ptas 2,313,536,000 million.

8. Duration of the subsidy

Until 31 December 1999.

9. Statistical data permitting an assessment of the trade effects of the subsidy

The statistical data available do not reflect the trade effects of this subsidy.

5. Business Excellence Programme: Business Analyses, Quality and Competitiveness

1. Title of subsidy programme

Business Excellence: Business Analyses, Quality and Competitiveness

2. Period covered by the notification

1997

3. Purpose of the subsidy

- (a) To make integral business analyses and other specific analyses with respect to quality which render it possible to assess the situation of the enterprise and define the strategy to be followed; and

- (b) to introduce the necessary corrective measures to improve competitiveness, including those connected with quality enhancement.

4. Authority for the subsidy

Agreement of the Governing Council of the Castile-León Economic Development Agency of 5 March 1997.

5. Form of the subsidy

The incentive consists of a non-repayable subsidy of up to 50 per cent of the approved subsidizable expenditure, excluding VAT. The ceiling is Ptas 3 million.

6. Beneficiaries

SMEs that operate in Castile-León and belong to the following sectors of activity, according to the designation and structure of the CNAE – 1993 (R.D. No. 1560/1992 of 18 December 1992):

- (a) Mining, quarrying and manufacturing industries in Sections (C) and (D), except subsection DA;
- (b) Services; Section (K), divisions 72, 73 and 74, except classes 7411, 7415 and 7481 and Section (O), class 9211;
- (c) Building and construction; Section F; and
- (d) Hotel services; Section (H), except groups 55.3, 55.4 and 55.5.

The sectors of activity included within the scope of the ECSC Treaty, shipbuilding and ship launching, the transport sector and the production, processing and marketing of products included in Annex II of the Treaty of Rome are excluded from this aid.

7. Amount of the subsidy

Amount budgeted: Ptas 265 million.

8. Duration of the subsidy

Annual

9. Statistical data permitting an assessment of the trade effects of the subsidy

The statistical data available do not reflect the trade effects of this subsidy.

6. Subsidies to Craftsmen and Workshops

1. Title of subsidy programme

Subsidies to Craftsmen and Workshops in Castile-León for the Economic Promotion of this Sector

2. Period covered by the notification

1997

3. Purpose of the subsidy

To enhance the competitiveness of the crafts sector and thus contribute towards its full integration into the current business structure by subsidizing projects involving investment in Castile-León in new workshops, the expansion or modernization of those already existing, and carrying out action to promote this activity and contribute towards improving the production structure, the marketing or further professional training, as a way of promoting the economy of the crafts sector.

4. Authority for the subsidy

Agreement of the Governing Council of the Castile-León Economic Development Agency of 5 March 1997.

5. Form of the subsidy

Non-repayable subsidy.

6. Beneficiaries

Beneficiaries are craftsmen and craft workshops that meet the requirements to be considered as small enterprises:

- Employ less than 50 people;
- have an annual turnover that does not exceed 7 million Ecus or net assets that do not exceed 5 million Ecus;
- have an equity participation by enterprises that do not meet these conditions that does not exceed 25 per cent, except in the case of public investment companies, risk-capital companies or institutional investments that do not exercise control; and
- have technically, economically and financially viable projects, where investments are concerned, which are not greater than Ptas 15 million.

7. Amount of the subsidy

Budgeted amount: Ptas 170 million.

8. Duration of the subsidy

Annual

9. Statistical data permitting an assessment of the trade effects of the subsidy

The statistical data available do not reflect the trade effects of this subsidy.

7. Financial Aid to Credit Operations by SMES

1. Title of subsidy programme

Financial Aid to Subsidize Interest Rates for Credit Operations by SMEs

2. Period covered by the notification

1997

3. Purpose of the subsidy

To reduce the interest rate for loan and financial leasing operations by SMEs for the purpose of investment.

4. Authority for the subsidy

Decree No. 39/96 of 22 February 1996 of the Autonomous Community of Castile-León and Agreements of the Governing Council of the Castile-León Economic Development Agency dated 19 April and 7 October 1996 and 5 March 1997.

5. Form of the subsidy

Interest-rate subsidy up to a maximum amount of three points of interest rate on the loan or lease.

6. Beneficiaries

The beneficiaries are SMEs whose main commercial establishments are in Castile-León.

7. Amount of the subsidy

Amount budgeted: Ptas 500,000,000.

8. Duration of the subsidy

Annual

9. Statistical data permitting an assessment of the trade effects of the subsidy

The statistical data available do not reflect the trade effects of this subsidy.

8. Support for Technological Development Projects in SMEs

1. Title of subsidy programme

Support for Technological Development Projects in SMEs

2. Period covered by the notification

1997

3. Purpose of the subsidy

To provide incentives for the carrying out of technological development projects with the aim of encouraging the incorporation of technological innovation into the enterprises active or about to become active in Castile-León.

The expression "technological development projects" comprises the following types of action:

- Projects which entail a medium technical risk and imply the development and/or improvement of processes and/or products with an eye to their marketing;
- projects having the objective of incorporating and/or creatively adapting new technologies or existing technologies; and
- pre-competitive research projects which may imply a high technical risk and whose results may not be directly marketable.

4. Authority for the subsidy

Agreement of the Governing Council of the Castile-León Economic Development Agency of 5 March 1997.

5. Form of the subsidy

The incentives will consist of a non-repayable subsidy of up to 50 per cent of the costs approved as eligible.

6. Beneficiaries

The beneficiaries will be small and medium-sized enterprises.

7. Amount of the subsidy

Amount budgeted: Ptas 300,000,000.

8. Duration of the subsidy

Annual

9. Statistical data permitting an assessment of the trade effects of the subsidy

The statistical data available do not reflect the trade effects of this subsidy.

9. Support for Technological Support Services to SMEs

1. Title of subsidy programme

Support for Technological Support Services to SMEs

2. Period covered by the notification

1997

3. Purpose of the subsidy

The purpose of this programme is to facilitate the establishment of an environment of interpellations and media at the service of the SMEs of Castile-León for the development of technological activities.

4. Authority for the subsidy

Agreement of the Governing Council of the Castile-León Economic Development Agency of 5 March 1997.

5. Form of the subsidy

In order to hire outside services for the purpose of preparing applications for aid to national and/or European programmes in support of technological research and development, such as requests for aid to the Centre for Industrial Technological Development (CDTI), the Ministry of Industry and Energy programmes in support of corporate R&D, the Marco R&D Programme of the European Union, the Eureka Programme and others of a similar nature and of preparing technological analyses and/or action plans in the area of technological innovation, the incentives will consist of a non-repayable subsidy of up to 70 per cent of the amount invoiced by the consultant enterprise or entity, excluding value added tax (VAT), with the following ceilings:

- For the preparation of applications for aid to national programmes supporting technological R&D: up to Ptas 1,500,000 per action;
- for the preparation of aid applications to European programmes supporting technological R&D: up to Ptas 2,500,000 per action; and
- for the preparation of action plans in the matter of technological innovation: up to Ptas 2,000,000 per action.

In order to encourage non-profit-making institutions, located in Castile-León, to engage in technological revitalization services such as: the carrying out of sectoral technological analyses for the purpose of identifying SMEs in Castile-León with the capacity to develop R&D projects and/or to participate in national and/or European programmes in support of corporate R&D; the preparation of databases of innovatory enterprises; the undertaking of publicity activities aimed at the SMEs of Castile-León with a view to the preparation of applications for aid to national and/or European programmes in support of R&D, and activities of a similar nature, the incentives will consist of a non-repayable subsidy of up to 100 per cent of the approved expenses. The maximum cost per action planned shall not exceed Ptas 16 million. Not more than two actions by a single non-profit-making institution will be subsidized under this scheme.

6. Beneficiaries

The beneficiaries will be small- and medium-sized enterprises and non-profit-making institutions.

7. Amount of the subsidy

Amount budgeted: Ptas 155,000,000.

8. Duration of the subsidy

Annual

9. Statistical data permitting assessment of the trade effects of the subsidy

The statistical data available do not reflect the trade effects of this subsidy.

AUTONOMOUS COMMUNITY: CATALONIA

1. Aid under Technological Programmes Connected with the SEAT Modernization Plan

1. Title of subsidy programme

Aid under Technological Programmes Connected with the SEAT Modernization Plan (1994-1997)

2. Period covered by the notification

1996

3. Purpose of the subsidy

The aid is intended for innovation, technological development and training projects in the SEAT company, a subsidiary of the Volkswagen Group, under a plan that will mean a 29 per cent reduction in SEAT's capacity and a five per cent capacity reduction of the VW Group, at the Community level.

4. Authority for the subsidy

Commission Decision No. 96/257/EC of 31 October 1995 concerning aid granted by Spain to SEAT S. A., a member of the VW Group.

5. Form of the subsidy

Non-repayable subsidy.

6. Beneficiaries

The subsidy is payable exclusively to the SEAT company, which must produce evidence to the Spanish authorities that the innovation, technological development and training projects have been implemented.

7. Amount of the subsidy

The amount for the 1997 financial year was Ptas 105.7 million.

8. Duration of the subsidy

The Modernization Plan is for the period 1994-1997 and subsidies may be granted in the years 1995-1998.

9. Statistical data permitting an assessment of the trader effects of the subsidy

The subsidy has no adverse effects on trade for SEAT's competitors, since it fulfils the requirements under the Agreement on Subsidies and Countervailing Measures for aid for this purpose (R&D, Article 8.2(a)); furthermore, the Modernization Plan for which the aid is intended involves reductions of 29 per cent in production capacity and 49 per cent in employment by the end of the Plan, so that by the end of 1997 SEAT's technical capacity will not exceed 2,125 units per day, compared with 3,000 units per day at the end of 1993.

2. Aid to Enterprises for Technologically Innovative R&D Projects

1. Title of subsidy programme

Aid to Enterprises for Technologically Innovative R&D Projects

2. Period covered by the notification

1997

3. Policy objective and/or purpose of the subsidy

To promote new basic industrial research projects, applied research projects and projects for the development of technologically advanced products in order to encourage technological innovation.

4. Authority for the subsidy

Resolution of 24 May 1995 (Official Gazette of the Generalitat of Catalonia of 5 May 1995).

5. Form of the subsidy

Non-repayable subsidy.

6. Beneficiaries

SMEs with a production plant in Catalonia.

7. Total amount budgeted

Payment made: Ptas 182,613,576.

8. Duration of the subsidy

1997

9. Statistical data permitting an assessment of the trade effects of the subsidy

The programme has no trade effects because of its small amount compared with the size of the sector.

3. CIRIT-CIDEN Aid to R&D Projects Involving University Graduates

1. Title of subsidy programme

CIRIT-CIDEM Aid for the Realization of R&D Projects Involving University Graduates

2. Period covered by the notification

1997

3. Policy objective and/or purpose of the subsidy

To help develop research activities being carried out by enterprises established in Catalonia.

4. Authority for the subsidy

Resolution of 19 July 1996 (Official Gazette of the Generalitat of Catalonia of 6 September 1995).

5. Form of the subsidy

Non-repayable subsidy.

6. Beneficiaries

Enterprises having their registered office or a production plant in Catalonia

7. Total amount of the subsidy

Payments made: Ptas 28,100,000.

8. Duration of the subsidy

1995-1997.

9. Statistical data permitting an assessment of the trade effects of the subsidy

The programme has no trade effects because of its small amount compared with the size of the sector.

4. Quality Promotion Programme

1. Title of subsidy programme

Quality Promotion Programme

2. Period covered by the notification

1997

3. Policy object and/or purpose of the subsidy

Promotion of industrial quality.

4. Authority for the subsidy

Order of 26 May 1992 (Official Gazette of the Generalitat of Catalonia of 26 June 1992).

5. Form of the subsidy

Non-repayable subsidy.

6. Beneficiaries

SMEs with an operational plant in Catalonia.

7. Total amount of the subsidy

Payments made: Ptas 57,798,756.

8. Duration of the subsidy

Until 1997.

9. Statistical data permitting an assessment of the trade effects of the subsidy

The programme has no trade effects because of its small amount compared with the size of the sector and the high number of recipients, since it has involved 458 enterprises.

AUTONOMOUS COMMUNITY: EXTREMADURA

1. Support of Agro-Industry

1. Title of subsidy programme

Subsidies to Agro-Industry

2. Period covered by the notification

1997

3. Policy objective and/or purpose of the subsidy

Its objective is to establish, modernize and approve agro-industry in Extremadura, making it more technical and adapting it to new markets with the primary aim of securing an outlet for the products and a profit for the producers.

4. Authority for the subsidy

Decree No. 16/93 of the Autonomous Community of Extremadura.

5. Form of the subsidy

Non-repayable subsidy and subsidized loan.

6. Beneficiaries: to whom and how the subsidy is provided

The potential beneficiaries are enterprises, associations of enterprises or institutions which have as their object the improvement or establishment of competitive firms. Investment aid is limited to the zones classified by the Commission of the European Union under Objective 1, since the aid under this programme and in this case is designed to promote regional development.

This aid is contingent on the applicants meeting their tax and social security obligations, and the recipient must produce documents showing that the subsidized activity has been carried out.

7. Subsidy per unit or total amount of the subsidy

There are no limits on the subsidy, although there are budgetary conditions and priority for the most sensitive productions.

The maximum subsidy to agro-industry is 40 per cent in Decree No. 16/93, plus loan-interest subsidies where appropriate.

8. Duration of the subsidy

The programme has no date limit, its duration being subject to a decision by the Autonomous Community of Extremadura.

9. Statistical data permitting an assessment of the trade effects of the subsidy

The data are indirect through the marketing of products and the gradual increase in sales and exports that are occurring, with a greater presence on the markets of Extremaduran products.

Denomination of the aid	1997
Subsidies to agro-industry	Ptas 336,207,006 ¹
Loans to SMEs with subsidized interest	Ptas 3,792,994

2. Incentives to Investment by SMEs

1. Title of subsidy programme

Incentives to Investment by SMEs

2. Period covered by the notification

1997

3. Policy objective and/or purpose of the subsidy

To increase the production basis of the region, encouraging the growth of specific productive sectors which are regarded as priorities for the regional economy.

4. Authority for the subsidy

Decree No. 74/1993 of 8 June 1993, DOE of 19 June 1993.

Decree No. 108/1996 of 2 July 1996, DOE of 9 July 1996.

5. Form of the subsidy

Non-repayable subsidy.

6. Beneficiaries: to whom and how the subsidy is provided

The potential beneficiaries are SMEs that invest in the territory of Extremadura in the priority sectors indicated in the rule. The region has been classified in Objective 1 by the European Union, the aid in question being financed by FEDER funds.

For the subsidy to be paid, the enterprise must prove that it has met its tax and social security obligations. It must also produce documents showing that the subsidized activity has been carried out.

7. Total amount of the subsidy

The subsidies granted in the period totaled Ptas 4,172,000,000. The subsidies actually paid amounted to Ptas 1,074,900,000, corresponding to subsidies approved in the financial year covered by this notification and in previous years.

¹ Resolution pending.

8. Duration of the subsidy

Since this action is included in the P.O. FEDER EXTREMADURA 1994/1999 programmes, the scheduled duration runs until 31 December 1999.

9. Statistical data permitting an assessment of the trade effects of the subsidy

The scheme has no trade effects, because of the size of the enterprises to which it is directed, the amount involved and the number of beneficiaries. During the period, 810 applications were granted for an amount of Ptas 4,172,000,000, an average of Ptas 5,150 million/application.

3. Subsidized Interest on Loans or Leasing Operations for SMEs

1. Title of subsidy programme

Subsidized Interest on Loans and Leasing Operations for SMEs

2. Period covered by the notification

1997

3. Policy objective and/or purpose of the subsidy

To establish financing lines of a preferential nature intended for the promotion and economic and financial support of the SMEs.

4. Authority for the subsidy

Decree No. 11/1994 of 8 February 1994, Official Gazette of Extremadura (DOE) of 12 February 1994.

Decree No. 90/1994 of 14 June 1994, DOE of 30 June 1994.

5. Form of the subsidy

Subsidization of interest on operations duly entered into with financial entities.

6. Beneficiaries: to whom and how the subsidy is provided

The potential beneficiaries are SMEs that invest in the territory of Extremadura in the priority sectors indicated in the rule. The region has been classified in Objective 1 by the European Union.

For the subsidy to be paid, the enterprise must prove that it has met its tax and social security obligations. It must also produce documents showing that the subsidized activity has been carried out.

7. Total amount of the subsidy

The subsidies actually paid amount to Ptas 854,000,000, corresponding to subsidies approved during the financial year covered by this notification and in previous years.

8. Duration of the subsidy

There is no time-limit provided.

9. Statistical data permitting an assessment of the trade effects of the subsidy

The scheme has no trade effects because of the size of the enterprises to which it is directed, the amounts involved and the number of beneficiaries. During the period aid was granted in some 4,100 cases, for Ptas 854 million, an average of Ptas 0.2 million/application.

AUTONOMOUS COMMUNITY: GALICIA

1. Non-Repayable Subsidies to Cooperation among Enterprises

1. Title of subsidy programme

Non-Repayable Subsidies to Cooperation Among Enterprises

2. Period covered by the notification

1997

3. Policy objective and/or purpose of the subsidy

The development of projects of a productive, commercial or technological nature or of joint capital investment operations, involving two or more independent enterprises, at the national or international levels, which promote economies of scale, internationalization and improved competitiveness.

4. Authority for the subsidy

Decree No. 309/1995, of 20 November 1995 (Official Gazette of Galicia (DOGA) of 5 December 1995).

Order of 24 July 1996 (DOGA of 8 August 1996).

Order of 13 November 1996 (DOGA of 9 December 1996).

5. Form of the subsidy

Non-repayable subsidy on the amount of the expenditure incurred in concluding agreements or contracts, or prior to the signature of such agreements or contracts (lawyers' fees, travel, maintenance allowances, etc.).

6. Beneficiaries

Trading companies or cooperatives with registered office and tax residence and main business in the Autonomous Community of Galicia that engage in activities eligible for the subsidies and are considered to be SMEs in accordance with the definition by the European Union.

7. Subsidy per unit or total amount of the subsidy

The subsidy can be up to 75 per cent of the eligible costs. The ceiling is Ptas 16 million per enterprise and per project.

8. Duration of the subsidy

The programme is renewable annually.

9. Statistical data permitting an assessment of the trade effects of the subsidy

No data are available which would permit an assessment to be made of the trade effects of this subsidy.

AUTONOMOUS COMMUNITY: MADRID

1. Innovation and Employment Master Plan

1. Title of the subsidy programme

Innovation and Employment Master Plan

2. Period covered by the notification

1997

3. Policy objective and/or purpose of the subsidy

Its objective is to promote industrial research and precompetitive activities, whether individualized or cooperative, for the purpose of giving Madrid enterprises a trans-European dimension so as to improve their competitiveness and viability and/or create employment. It is also designed to promote business innovation and, in some cases, activities connected with emergent technology enterprises in the telecommunications, energy saving and environmental sectors.

4. Authority for the subsidy

Order No. 1335/1997, of 13 May 1997, of the Regional Ministry of Economic Affairs and Employment of the Autonomous Community of Madrid (Official Gazette of the Autonomous Community of Madrid (BOCM) No. 124 of 27 May 1997).

5. Form of the subsidy

Non-repayable subsidy.

6. Beneficiaries: to whom and how a subsidy is provided

Any type of enterprise can be a beneficiary in the case of industrial research or precompetitive development projects while, for the remaining projects, the beneficiaries must come within the provisions of the EC Directives concerning state aid to SMEs (DOCE No. C-213 of 1996).

7. Subsidy per unit or total amount of the subsidy

Ptas 444.6 million.

The ceilings are:

50 per cent for industrial research projects (+ 10 per cent in the case of SMEs);

25 per cent for precompetitive development projects (+10 per cent in the case of SMEs);

50 per cent for innovation projects by SMEs;

15 per cent for material investment projects in the creation of small emergent technology enterprises; and

7.5 per cent for material investment projects for the creation of medium-sized emergent technology enterprises.

8. Duration of the subsidy

The programme is scheduled to continue for three years, up to 31 December 2000.

9. Statistical data permitting an assessment of the trade effects of the subsidy

The programme has no trade effects because of its small amount compared with the size of the business sector in the Autonomous Community of Madrid and the high number of applications received for the programme, which involved 190 enterprises in 1997.

2. Diversification of Activities and Job Creation

1. Title of the subsidy programme

Programme for the Development of Objective 5(b). Rural Areas of Madrid Measure No. 21. Diversification of Activities and Job Creation

2. Period covered by the notification

1997

3. Policy objective and/or purpose of the subsidy

Its objective is to promote non-traditional activities with a view to the diversification of agricultural incomes, the gradual substitution of traditional produce that is in surplus and, finally, to take advantage of the marketing potential of the city of Madrid for processed products of high added value.

4. Authority for the subsidy

Order 1088/97 of 16 April of the Regional Ministry of Economic Affairs and Employment (BOCM No. 97 of 25 April 1997).

5. Form of the subsidy

Non-repayable subsidy

6. Beneficiaries

The beneficiaries must fulfill the following requirements:

1. Present a work plan that reflects the degree of economic viability and the situation before and after the investment;
2. Commit themselves to carrying out the activity for which the aid has been requested for a period of at least five years starting from the date on which the aid was granted;
3. To have fulfilled their tax and social security obligations.

7. Subsidy per unit or total amount of the subsidy

The total amount of the subsidy for 1997 was Ptas 41,163,108.

The maximum amounts and limits are:

Farming activities:

26.25 per cent in immovable property;

15 per cent other types of investment;

33.75 per cent in immovable property (disadvantaged areas);

22.50 per cent other types of investment (disadvantaged areas);

Environmental protection activities:

35 per cent in immovable property;

20 per cent other types of investment;

45 per cent in immovable property (disadvantaged areas);

30 per cent other types of investment (disadvantaged areas).

The maximum amount of investment eligible for aid is Ptas 14,860,000 per job with a maximum of Ptas 29,720,000 per farm.

Activities complementary to farming:

35 per cent in immovable property;

20 per cent other types of investment;

45 per cent in immovable property (disadvantaged areas);

30 per cent other types of investment (disadvantaged areas).

The amount of subsidy per beneficiary cannot exceed 50 ECUs (approximately Ptas 8 million) for a specific item of expenditure over a period of three years, and this limit will be applied to all the subsidies received during that period by the same beneficiary, independently of the source of the subsidies.

8. Duration of the subsidy

The subsidy programme applies until 1999.

The order regulating the subsidy covers the budgetary period of 1998.

9. Statistical data permitting an assessment of the trade effects of the subsidy

The scheme has no effect on trade on account of the small amount involved in comparison with the size of the sector.

3. Aid to Companies for Technological R&D Projects

1. Title of the subsidy programme

Public Notification of "Aid to Companies in the Autonomous Community of Madrid for Technological Research and Development Projects"

2. Period covered by the notification

1997

3. Policy objective and/or purpose of the subsidy

The Order in question regulates the advertising, competitive process and objectives for the granting of aid to enterprises or groups of enterprises to carry out projects of technological research and innovation, with the following aims in view:

- (a) To promote the realization of business initiative projects;
- (b) to increase collaboration by universities and research centres with SMEs within the Autonomous Community of Madrid;
- (c) to encourage in the medium term participation by the small- and medium-sized enterprises of the region in national and European technological research and development programmes.

The subsidies are intended to act as an incentive so that enterprises undertake R&D activities either on their own account or in collaboration with research centres, in accordance with the criteria contained in the Community Framework for State Aid for Research and Development (96/C45/06. Official Journal of the European Communities, No. C45, of 17 February 1996).

4. Authority for the subsidy

Order 840/1997, of 16 April, of the Regional Ministry of Education and Culture of the Autonomous Community of Madrid (BOCM No. 95, of 23 April 1997).

5. Form of the subsidy

The aid covered by the regulations in the Order in question will take the form of subsidies.

6. Beneficiaries: to whom and how the subsidy is provided

This aid is available to small and medium enterprises or groups of such enterprises, as defined in the Community Guidelines on State Aid to Small and Medium Enterprises (96/C213/04, Official Journal of the European Communities of 23 July 1996).

In order to receive the aid envisaged in the Order, the SMEs or groups of SMEs have to fulfill the following requirements:

1. Exercise their activity and carry out the project benefiting from the aid within the territory of the Autonomous Community of Madrid;
2. Have fulfilled their tax and social security obligations or else have been granted a postponement or moratorium;
3. Have their own legal personality and sufficient capacity to act and not be disqualified from obtaining public subsidies or entering into contracts with the State, Autonomous Communities or other public entities.
4. Meet any other conditions required by the relevant laws in force.

In accordance with the provisions of Article 47 of the General Budgetary Law of the Autonomous Community of Madrid for 1997, and in view of the particular characteristics of the projects envisaged in this Order, the payment of the subsidies will be made in advance.

The payment of the aid is conditional upon presentation of a bank guarantee to the General Treasury of the Community of Madrid, guaranteeing the amount corresponding to the first year's subsidy granted for the realization of the project and the delay interest determined in accordance with the provisions of Article 32 of Law 9/90 of 8 November regulating the Finance Department of the Community of Madrid. The time-limit for the presentation of this guarantee and the terms of its constitution will be communicated in the notification referred to in the previous Article and its accreditation before the Directorate-General of Research must take place, in any event, before 15 November 1997.

The second annual payment will be subject to the following conditions:

- (a) The presentation before 15 October 1998 of documentary evidence of the activities carried out and the expenditure incurred in the implementation of the project, together with a favourable assessment from the Administrative Commission responsible for monitoring the projects;
 - (b) the constitution of a guarantee to cover the amount corresponding to the second annual payment, together with the delay interest.
7. Subsidy per unit or the total amount of the subsidy

The amount budgeted for each annual payment is Ptas 675 million.

The financing of the aid in question will come from the funds allocated for that purpose under item 7737 of programme 808 of the Budget of the Regional Ministry of Education and Culture.

The amount of aid granted under this notification will be determined by the existing European Union Regulations, although as a general rule and, more specifically in the case of SMEs, it cannot exceed 60 per cent of the total budget of the project.

The aid will be compatible with other subsidies or aid from the authorities or public bodies, provided that it does not exceed the above-mentioned limits.

8. Duration of the subsidy

The maximum duration of the projects receiving aid under this notification will be two years from the date on which the aid is granted.

9. Statistical data permitting an assessment of the trade effects of the subsidy

The aid programme has no effect on trade.

AUTONOMOUS COMMUNITY: MURCIA

Aid to SME Financing

1. Title of the subsidy programme

Aid to SME Financing (No. 264/94)

2. Period covered by the notification

1997

3. Policy objective and/or purpose of the subsidy

Its objective is to promote business investments by SMEs.

4. Authority for the subsidy

Notification of public aid by the Institute of Development of the Region of Murcia, published in the Official Gazette of the Region of Murcia (BORM) No. 4 of 7 January 1997.

5. Form of the subsidy

Non-repayable subsidy and/or interest rate subsidies on loans.

6. Beneficiaries: to whom and how the subsidy is provided

The beneficiaries may include enterprises and natural or legal persons that do not come within sectors subject to Community Directives and that operate within the Region of Murcia (objective No. 1 region), since the aid for this programme is intended to promote regional development.

This aid is granted subject to the fulfilment by the applicants of their tax and social security obligations, and the beneficiaries are required to provide documentary proof that the activity being subsidized has been carried out.

7. Subsidy per unit or amount of the subsidy

In 1997 subsidies amounting to Ptas 2,237 million were paid out under this programme to 963 enterprises.

The maximum intensities are 50 per cent of the equivalent net subsidy, except in the case of Cartagena where they may reach 60 per cent.

8. Duration of the subsidy

The programme covers the period 1994-1999, remaining in force until 31 December 1999.

9. Statistical data permitting an assessment of the trade effects of the subsidy

The programme has no effect on trade on account of the small amount involved in comparison with the large number of beneficiaries, since the programme covers 963 enterprises.

AUTONOMOUS COMMUNITY: NAVARRE

1. Aid to Anti-Pollution Investment

1. Title of the subsidy programme

Aid to Anti-Pollution Investment

2. Period covered by the notification

1997

3. Policy objective and/or purpose of the subsidy

To prevent, rectify and control the environmental impact of industrial activity and of livestock farms.

4. Authority for the subsidy

Autonomous Decree 168/97 of 23 June(Official Gazette of Navarre (BON) of 16 July 1997).

Autonomous Decree 184/97 of 4 July (BON of 28 July 1997)

5. Form of the subsidy

Non-repayable subsidy

6. Beneficiaries: to whom and how the subsidy is provided

Enterprises, associations, natural persons or institutions that carry out projects or investments eligible for subsidy. Payment is made following production of proof of the expenditure incurred, of the proper operation of the installations and various other formal requirements.

7. Subsidy per unit or amount of the subsidy

Amount budgeted: Ptas 222 million

Amount granted: Ptas 160,906,378

8. Duration of the subsidy

Indefinite

9. Statistical data permitting an assessment of the trade effects of the subsidy, including statistics of production, consumption, imports and exports of the subsidized products or sector

The programme has no effect on trade on account of its small amount in comparison with the size of the sector.

2. Aid to Technological Research and Development

1. Title of the subsidy programme

Aid to Technological Research and Development

2. Period covered by the notification

1997

3. Policy objective and/or purpose of the subsidy

To improve the competitiveness of enterprises by incorporating technology in their products and processes.

4. Authority for the programme

Autonomous Decree 2/1982 of 16 September.

5. Form of the subsidy

Interest-free loans to be repaid in seven years with a two-year grace period, not exceeding 50 per cent of the research and development costs.

6. Beneficiaries: to whom and how the subsidy is provided

Industrial enterprises based in Navarre.

7. Subsidy per unit or amount of the subsidy

In 1997, Ptas 796 million was paid out for 56 projects.

The average amount per project is therefore Ptas 14.21 million.

8. Duration of the subsidy

Indefinite

9. Statistical data permitting an assessment of the trade effects of the subsidy

Such data is not currently available, since the monitoring of the projects is now at the technical stage.

3. Reorganization and Revival of Enterprises in Crisis1. Title of the subsidy programme

Reorganization and Revival of Enterprises in Crisis

2. Period covered by the notification

1997

3. Policy objective and/or purpose of the subsidy

Support for enterprises that are facing a crisis situation and are attempting to implement plans for reorganization and revival that have previously been reviewed and compared.

4. Authority for the subsidy

Autonomous Law 1/1995 of 4 March

5. Form of the subsidy

- Subsidies for reorganization and restructuring;
- advances repayable without interest;
- subsidized interest rates for loans;
- security for obtaining loans.

6. Beneficiaries: to whom and how the subsidy is provided

Enterprises based in Navarre.

7. Subsidy per unit or amount of the subsidy

Type (number) 1997	Annual amount	Average amount
Non-repayable subsidies (1)	3,090	3,090
Advances repayable without interest (2)	50,000	25,000
Interest rate subsidies (20)	161,658	8,082.9
Security (4)	270,000	67,500

8. Duration of the subsidy

There is no time-limit.

9. Statistical data permitting an assessment of the trade effects of the subsidy

Number of new enterprises benefiting from this aid in 1997: 9 enterprises.

4. Investment and Employment Aid. Interest Rate Subsidies for Loan Operations

1. Title of the subsidy programme

Investment and Employment Aid. Interest Rate Subsidies for Loan Operations.

2. Period covered by the notification

1997

3. Policy objective and/or purpose of the subsidy

To promote the creation of new industries and the modernization of existing ones.

4. Authority for the subsidy

Regulation of 23 June 1982 on short-term measures on industrial policy and the promotion of investment and employment.

Autonomous Decree of 24 January 1986 regulating interest rate subsidies for loan operations.

5. Form of the subsidy

- Subsidy not exceeding 20 per cent of the investment;
- subsidy of Ptas 500,000 for each permanent job created that involves an increase in the workforce and Ptas 300,000 for each fixed-term contract, provided that there is no decrease in the workforce.

6. Beneficiaries: to whom and how the subsidy is provided

Manufacturing industry. Activities in divisions C and D of the National Classification of Economic Activities (CNEA 93). Interest-rate subsidies for industrial SMEs with fewer than 250 employees and whose own resources do not exceed Ptas 500 million.

7. Subsidy per unit or amount of the subsidy

Subsidies granted:

For investment	Ptas 4,678.1 million	No. of beneficiaries:	142
For employment	Ptas 286.3 million	Jobs generated:	572
Interest rate subsidies	Ptas 107 million	Number of beneficiaries:	77
		Jobs created:	1

8. Duration of the subsidy

Our regulations are in accordance with EU directives.

9. Statistical data permitting an assessment of the trade effects of the subsidy

These subsidies are of a general nature for the benefit of manufacturing industry and cover activities included in divisions C and D of CNAE 93.

AUTONOMOUS COMMUNITY: BASQUE COUNTRY

1. Access to Ownership of Fishing Boats

1. Title of the subsidy programme

Access to Ownership of Fishing Boats

2. Period covered by the notification

1997

3. Purpose of the subsidy

Aid for the purchase of fishing boats in service.

4. Authority for the subsidy

Decree 228/1996 of the Government of the Basque Country of 24 September (BOPV 2 October 1996).

5. Form of the subsidy

Non-repayable subsidy

6. Beneficiaries

Natural persons that are officially registered in the Historic Territories of the Autonomous Community of the Basque Country.

Legal persons that have their domicile and the management and direction of their business in Euskadi and over 50 per cent of whose turnover is in the Autonomous Community of the Basque Country.

7. Annual amount budgeted

Ptas 454,902,536

8. Duration of the subsidy

Maximum period of implementation: three years

9. Statistical data

In view of the nature of the subsidy it is not possible to assess its effects on trade.

2. Programme of Financial Aid to Investment

1. Title of the subsidy programme

Extension of the programme of Financial Aid to Investment (AFI 97)

2. Period covered by the notification

1997

3. Purpose of the subsidy

The purpose the programme is to aid investment by SMEs by giving them access to sources of finance on acceptable terms in comparison with competitors in the Community and by facilitating long-term financing at moderate rates of interest.

4. Authority for the subsidy

- Decree 95/1994 of 22 February regulating the programme of financial aid to investment in the industrial sector.
- Order of 23 February 1994 of the Regional Minister of Industry and Energy implementing Decree 95/1994 of 22 February regulating the programme of financial aid to investment in the industrial sector.
- Order of 30 March 1995 of the Regional Minister of Industry, Agriculture and Fisheries amending the Order implementing Decree 95/1994 of 22 February regulating the programme of financial aid to investment in the industrial sector.
- Decree 161/97 (BOVP No. 133 of 14 July 1997) amending the Decree regulating the programme of financial aid to investment in the industrial sector.

5. Form of the subsidy

Interest-rate subsidy for loans under the agreement signed with financial entities.

6. To whom and how the subsidy is provided

The subsidy is available to the following:

- Industrial SMEs, and SMEs providing technical services to industrial enterprises.

The beneficiary must show that its investment project meets the following requirements:

- The project must be technically, economically and financially viable;
- 30 per cent of the investment must be self-financed by the enterprise;
- there is a minimum admissible amount of investment of Ptas 10 million.

The investment is made by enterprises which employ at least three workers for a minimum of three years as a result of increasing investment.

In order to benefit from this subsidy the beneficiary must show that it has paid its tax and social security contributions.

It must also provide evidence that the investment in the project has been made and that the financial operation has been carried out according to the terms laid down in the agreement signed with the financial entities.

7. Amount of the subsidy

Subsidy allocated: Ptas 981 million

Subsidy paid: Ptas 656.5 million

8. Duration of the subsidy

This aid programme remains in effect as long as there are sufficient funds for the subsidies.

9. Statistical data permitting an assessment of the trade effects of the subsidy

The accounts are currently being closed and a CNAES table will be sent subsequently, showing that the subsidy affects all industrial sectors and technical services to industrial enterprises.

3. Programme of Support to Research Activities

1. Title of subsidy programme

Programme of Support to Research and Development Activities in the Autonomous Community of the Basque Country

2. Period covered by the notification

1997-2000

3. Policy objective and purpose of the subsidy

The objective is horizontal with a view to encouraging R&D activities and innovation applicable to industrial sectors and related services.

4. Authority for the subsidy

Decree 185/1997 of 29 July, which establishes measures to support activities of technological research and development and innovation in the Autonomous Community of the Basque Country.

5. Form of the subsidy

The aid under this programme is in the form of non-repayable subsidies.

6. Beneficiaries

The subsidies are intended for industrial enterprises and enterprises providing industry-related services. Foundations and inter-enterprise groups set up to carry out the activities eligible for subsidies also qualify. The subsidy is paid in two instalments: 50 per cent paid immediately upon

notification of approval and the remaining 50 per cent once the activity has been completed and evidence for the completion produced.

7. Total amount

Ptas 3,376 million for the financial year 1997.

8. Duration of the subvention and any other time-limits attached to it

The subsidies are paid on a yearly basis and therefore the activities eligible for subsidies are financed during each calendar year.

9. Statistical data permitting an assessment of the trade effects of the subsidy

As this programme mainly concerns the industrial sector and related services, no data on its effects on trade is available.

4. Ekimen programme

1. Title of the subsidy programme

Ekimen Programme of Economic Aid to Investment in Industrial Production that Creates Jobs

2. Period covered by the notification

1996-1998

3. Purpose of the subsidy

The purpose of the Ekimen Programme is to promote and encourage industrial investment projects to be carried out in the Autonomous Community of the Basque Country that lead to the creation of a large number of jobs.

4. Authority for the subsidy

Decree 289/1996 of 17 December regulating the Ekimen Programme of economic aid to investment in production that creates jobs.

5. Form of the subsidy

Non-repayable subsidy and interest-rate subsidy for financial operations.

6. To whom and how the subsidy is provided

This aid is available to industrial mining and/or processing companies or companies providing technical services to the former, whose investment projects receiving aid are situated in the territory of the Autonomous Community of the Basque Country.

Entities that belong to the institutional administration of the Autonomous Community, including public companies and subsidiary technological research bodies, are not eligible as beneficiaries.

The subsidy is paid following fulfilment of the requirements laid down in the programme by the company concerned, including the investment and job creation, by means of the relevant decision on granting the subsidy.

Projects eligible to receive economic aid are those which have met the following requirements over a maximum period of three years:

- (a) The projects have led to the creation of at least 30 jobs and a minimum eligible investment of Ptas 360 million;
- (b) the companies' own resources, excluding subsidies, must represent at least 30 per cent of the total net assets. This requirement must be met and proof provided at the end of the second financial year following the commencement of the investment project and in the financial year in which the project is definitively terminated;
- (c) the investment and the job creation must be made by a single legal entity and, for companies that have various production sites, at a single production site, unless it can satisfactorily be proved that it is a single investment project;
- (d) in any event, the projects eligible for aid must substantiate their technical, economic and financial viability.

The beneficiary must also prove that it has paid its tax and social security contributions.

7. Amount of the subsidy

Subsidy allocated: Ptas 6,106 million

Subsidy paid: Ptas 1,056 million

8. Duration of the subsidy

For the purposes of submitting applications, this aid programme will be in effect during the period 1996-1998.

As the projects must be implemented within a maximum period of three years from the date of approval of the aid, the total investment and the payment of the relevant subsidies may be extended until the financial year 2001.

9. Statistical data permitting an assessment of the trade effects of the subsidy

The programme concerns the promotion of projects to develop processing industries and/or their related technical services which lead to large-scale job creation and will thus be a substantial incentive for Basque industrial activities and, consequently, for economic activity in general in the Autonomous Community of the Basque Country.

AUTONOMOUS COMMUNITY: LA RIOJA

1. Promotion of investment and modernization by SMES in areas of industrial decline

1. Title of the subsidy programme

Promotion of Investment and Modernization by SMEs in Areas of Industrial Decline

2. Period covered by the notification

1997

3. Objective or purpose of the subsidy

To promote the development of areas in industrial decline, as determined in the Community Regional Policy.

4. Authority for the subsidy

Regulatory Order: Aid to the industrial, trade and service sectors in areas in industrial decline. Order of 6 May 1994 as amended by the Order of 20 May 1996.

5. Form of the subsidy

Subsidy for investment

6. Beneficiaries

The subsidy is provided for specific business investment projects.

7. Amount of the subsidy

The total annual amount is Ptas 242,567,460.

8. Duration of the subsidy

The Order regulating the aid is for an indefinite period, but always applies in the context of the La Rioja Operative Programme for Objective No. 2 (1997-1999).

9. Statistical data permitting an assessment of the trade effects of the subsidy

Number of projects: 106. Investment generated: Ptas 3,753,176,446. Jobs: 296.

2. Promotion of investment and modernization by SMES in rural areas

1. Title of the subsidy programme

Promotion of Investment and Modernization by SMEs in Rural Areas

2. Period covered by the notification

1997

3. Objective or purpose of the subsidy

To promote development in rural areas in La Rioja, as determined in the Community Regional Policy.

4. Authority for the subsidy

Regulatory Order: Aid to the industrial, trade and service sectors in rural areas. Date of publication in the Official Gazette of La Rioja: 14 May 1994.

5. Form of the subsidy

Subsidy for investment

6. Beneficiaries

The subsidy is provided for specific business investment projects.

7. Amount of the subsidy

The total annual amount is Ptas 415,189,515.

8. Duration of the subsidy

The Order regulating the aid is for an indefinite period, but always applies in the context of the La Rioja Operative Programme for Objective No. 5(b) (1994-1999).

9. Statistical data permitting an assessment of the trade effects of the subsidy

Number of projects: 214. Investment generated: Ptas 9,053 million. Jobs: 371.

AUTONOMOUS COMMUNITY: VALENCIA

Aid to for España S.A.

1. Title of the subsidy programme

Aid to Ford España S.A. (ZETEC-SE motor), projects 11 to 13

2. Period covered by the notification

1997

3. Policy objective and/or purpose of the subsidy

Projects 11 and 11 *bis*: energy savings and environmental protection;

Project 12; research and development, innovation and regional development;

Project 13: training of staff and maintaining jobs, regional development (improving the professional level of workers in the region).

4. Background and authority for the subsidy

Projects 11 and 11*bis*: Law 82/1980 of 30 December on energy savings and development orders.

Projects 12 and 13: Public Finance Law of the Autonomous Community of Valencia (Legislative Decree of the Valencian Government of 26 June 1991).

5. Form of the subsidy

Non-repayable subsidy

6. Beneficiaries

The beneficiary is Ford España S.A.

The subsidy is paid after the investment has been made and/or the activities eligible for subsidies have been carried out, according to the budget available.

7. Total amount or annual amount budgeted

This is an ad hoc subsidy, so there is no subsidy per unit.

Project 11 "Improvements in energy efficiency through energy savings in the factory and installations and the construction of a new co-generating station".

The enterprise provided proof of an investment of Ptas 1,708,131,905, and was thus eligible for a subsidy of Ptas 94,288,830, which was disbursed in its entirety from the 1997 allocation.

Project 11 bis "Improvements in energy efficiency through energy savings in buildings and machinery".

The enterprise provided proof of an investment of Ptas 624,050,000 and was thus eligible for a subsidy of Ptas 76,400,000, which was disbursed in its entirety from the 1997 allocation.

Project 12 "Innovative investments for the installation of the new engine - manufacturing plant".

The enterprise provided proof of expenditure on innovative investments, product R&D and process R&D amounting to Ptas 24,541,300,000 and was thus eligible for a subsidy of Ptas 3,148,030,000 of which only Ptas 915,343,000 was disbursed from the 1997 allocation.

Project 13 "Project to develop continuing vocational training activities for FORD workers".

Under Project 13: Ptas 63,464,510 to finance training activities in 1996, whose total cost amounted to Ptas 126,929,020; and Ptas 17,937,787 to finance training activities in 1997, whose total cost amounted to Ptas 35,875,574.

8. Duration of the subsidy (inception/commencement)

1996-2003

9. Statistical data permitting an assessment of the trade effects of the subsidy

The purpose of the subsidy paid to date has been to improve the professional level of workers in the region by providing support for the professional training of workers at Ford España S.A. and consequently it is not deemed to have any effect on international trade.
