COMMISSION DECISION

of 8 September 1976

concerning assistance granted by the Italian Government through the Istituto Nazionale per il Commercio Estero for advertising campaigns to expand the sale of exports by certain Italian industries

(Only the Italian text is authentic)

(76/780/EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular the first subparagraph of Article 93 (2) thereof,

After giving interested parties notice, pursuant to the above Article, to submit their comments; having regard to the comments submitted by Member States and other interested parties,

I

Whereas, following complaints or requests for information by certain Member States and verious trade associations, the Commission was informed that the Italian Government was helping, through the Istituto Nazionale per il Commercio Estero (ICE), to finance joint advertising campaigns launched by various Italian industries on the markets of the other Member States;

Whereas, when questioned as to the truth of the allegations, the Italian Government confirmed that such assistance was being granted mainly to the Italian toy, textile, clothing and footwear industries;

Whereas this assistance, of which the Commission was not notified in advance as required by Article 93 (3) of the EEC Treaty, involves the Government paying, through ICE, all or part of the expenditure incurred by the industries concerned in connection with joint advertising campaigns launched on the markets of various Member States to promote the sale of their products;

II

Whereas the Italian Government thus bears costs which should normally be met by the Italian firms concerned; whereas this could give the latter a considerable advantage, estimated, by the Italian authorities themselves at 1 % of the annual turnover of certain Italian industries on the markets concerned;

Whereas, furthermore, the industries of the other Member States selling their products on the same markets do not have the same facilities for financing their advertising budgets; whereas the advertising campaign financed by the Italian Government affects mainly industries currently experiencing serious difficulties in the majority of the Member States;

Whereas the Italian assistance is likely, therefore, to directly affect trade between Member States and threatens to distort competition within the meaning of Article 92 (1) of the EEC Treaty;

III

Whereas, in view of its purpose, the assistance clearly cannot be exempted on any of the grounds listed in Article 92 (2) and (3) (a) and (b) of the EEC Treaty;

Whereas the assistance is intended to promote the export of the products of certain Italian industries to the other Member States; whereas the grant of such assistance for exports in trade between Member States is irreconcilable with the general principles of the Common Market, particularly the free movement of goods;

Whereas the assistance cannot be exempted therefore on the grounds listed in Article 92 (3) (c) of the EEC Treaty, since it is likely to affect trading conditions to an extent contrary to the common interest,

HAS ADOPTED THIS DECISION:

Article 1

The Italian Government shall, without delay, adopt the necessary measures to ensure that the Istituto Nazionale per il Commercio Estero (ICE) discontinues its financial assistance for advertising compaigns designed to promote the sale of the exports of certain Italian industries on the markets of the other Member States.

Article 2

This Decision is addressed to the Italian Republic.

Done at Brussels, 8 September 1976.

For the Commission

G. THOMSON

Member of the Commission