COMMISSION DECISION

of 26 June 1996

authorizing Finland to pay certain aids in the pig- and poultry-breeding sectors

(96/451/EC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to the Act of Accession of Austria, Finland and Sweden, and in particular Article 140 thereof,

Whereas, under the above Article, the Commission is to authorize the payment by Austria and Finland of certain special aids listed in Annex XIV to the Act of Accession, laying down their initial levels and the rate at which they are to be reduced; whereas amongst the aids provided for in the said Annex are aids to investment granted by Finland in the pig, egg and poultry sectors excluded pursuant to Article 6 (4), first subparagraph, and Article 6 (6) of Council Regulation (EEC) No 2328/91 of 15 July 1991 on improving the efficiency of agricultural structures [1], as last amended by Regulation (EC) No 2387/95 [2], but complying with the other provisions of that Regulation; whereas such aid must not, however, give rise to any increase in overall production capacities and must be granted within individual production limits determined in accordance with the procedure laid down in Article 29 of Regulation (EEC) No 2328/91;

Whereas, on 23 February 1996, Finland notified the Commission of the aids it intends to grant in the pig- and poultry-breeding sectors in accordance with the abovementioned provisions; whereas, on 27 March 1996, Finland stated that it would respect the maximum total amount of investment laid down in Article 12 (2) of Regulation (EEC) No 2328/91 and certain other conditions laid down by that Regulation;

Whereas the aids in question, with an estimated annual budgetary cost of FM 15 million and paid in the form of interest-rate subsidies (5 % for a maximum of 30 years on 70 % of the total cost of the investment with a ceiling of 30 % of the total cost of the investment) or capital subsidies (maximum of 30 % of the total cost of the investment) to main-occupation farmers to cover the costs of extending buildings and the costs of equipment necessary to extend production capacity, fulfil the conditions laid down by Regulation (EEC) No 2328/91 with the exception of those laid down in Article 6 (4), first subparagraph, and Article 6 (6);

Whereas the aids in question will respect the individual limits laid down by the Commission Decision C (96) 733 of 19 April 1996 on improving the efficiency of agricultural structures in Finland within the meaning of Regulation (EEC) No 2328/91; whereas, given that there is a suitable system for monitoring the development of production capacities, the aids should not increase the total production capacity available in 1994 and therefore comply with the abovementioned provisions of the Act of Accession; whereas the Commission should, however, be informed of the development of production capacities in the sectors concerned which, not being directly linked to the usable agricultural area, could change rapidly;

Whereas, whilst the initial level of the planned aid in Finland is acceptable, the rate at which they are to be reduced during 1997, 1998 and 1999 and their total abolition by 31 December 1999 should be laid down to permit compliance with the provisions of the Act of Accession while at the same time ensuring that the necessary adjustments to Finnish production structures are made,

HAS ADOPTED THIS DECISION:

Article 1

The aid measures for the pig- and poultry-breeding sectors notified by Finland on 23 February 1996 are hereby approved.

The maximum level of aid, granted in the form of interest-rate subsidies or capital subsidies, shall be as follows:

— 30 % of the total cost of the investment for aid granted under decisions taken by 31 December 1996,

— 27 % of the total cost of the investment for aid granted under decisions taken between 1 January and 31 December 1997,

[1] OJ No L 218, 6. 8. 1991, p. 1.
[2] OJ No L 244, 12. 10. 1995, p. 50.

— 24 % of the total cost of the investment for aid granted under decisions taken between 1 January and 31 December 1998,

— 20 % of the total cost of the investment for aid granted under decisions taken between 1 January and 31 December 1999.

The aid shall be abolished by 31 December 1999.

Article 2

During the period of application of the aid provided for in Article 1, Finland shall notify the Commission:

— twice a year of the pig- and egg-production capacity,

— once a year of the poultry-production capacity,

— once a month of the number of pigs and poultry slaughtered and the number of eggs packed.

Article 3

This Decision is addressed to the Republic of Finland.

Done at Brussels, 26 June 1996.

For the Commission

Franz FISCHLER

Member of the Commission