II

(Acts whose publication is not obligatory)

COMMISSION

COMMISSION DECISION
of 13 May 2003
on the State aid which Belgium is planning to implement for Opel Belgium NV

(notified under document number C(2003) 1486)

(Only the Dutch and French texts are authentic)

(Text with EEA relevance)

(2003/592/EC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community, and in particular the first subparagraph of Article 88(2) thereof,

Having regard to the Agreement on the European Economic Area, and in particular Article 62(1)(a) thereof,

Having called on interested parties to submit their comments pursuant to the provisions cited above [1],

Whereas:

PROCEDURE

(1) The planned aid was notified to the Commission by letter dated 2 July 2002. The Commission requested further information on 20 August 2002. Belgium replied on 23 September 2002.

(2) The Commission decided on 27 November 2002 to initiate proceedings pursuant to Article 88(2) of the Treaty, as it found that doubts were raised as to the compatibility of the aid with the common market. Belgium submitted its comments on the initiation of proceedings by letter dated 28 January 2003.

(3) The Commission decision to initiate proceedings was published in the *Official Journal of the European Communities* [2], with an invitation to interested parties to submit their comments on the aid. However, no comments from interested parties were received.

DETAILED DESCRIPTION OF THE AID

(4) The beneficiary of the aid is to be Opel Belgium NV, which is situated in Antwerp and owned by the General Motors Corporation. The Opel Antwerp plant currently employs 5 914 people and assembles the Opel Astra model. As part of a major restructuring project being implemented by General Motors Europe ('Olympia plan'), General Motors intends to invest around EUR 320 million in the Antwerp plant in order to extend the existing press shop and to retool the plant for the replacement Astra and another new model. According to Belgium, an extensive staff retraining programme is necessary in the context of these investments.

(5) The Belgian authorities propose to grant training aid of EUR 16,93 million (net present value EUR 15,26 million) over a period of three years, from 2003 to 2005. The proposed aid is to be granted as ad hoc aid from the Flemish Community. The total eligible cost of the training project is EUR 46,6 million. According to the notification, the programme includes elements of specific training amounting to EUR 25,54 million and general training measures amounting to EUR 21,06 million.

GROUNDS FOR INITIATING THE PROCEDURE

(6) In its Decision of 27 November 2002 to initiate proceedings, the Commission expressed doubts on the way the Belgian authorities interpreted the definition of general as opposed to specific training. It could not be excluded that an excessively wide definition of general training was being applied to the project.

[1] OJ C 2, 7.1.2003, p. 7.
[2] See footnote 1.

(7) The Commission's doubts as regards the inclusion of specific training measures among measures described as general training measures concerned in particular the training courses 'Theoretical concepts of press shop operations' and 'Preparation and introduction of a new model'. In both cases it seemed that the courses might involve tuition directly and principally applicable to the employee's position in the specific car plant and there were doubts as to what extent the qualifications were transferable to other firms or fields of work.

COMMENTS FROM BELGIUM

(8) In its comments on the initiation of proceedings submitted on 28 January 2003, Belgium stated that the two training courses on which the Commission had expressed doubts should indeed be classified as specific training measures, and it amended its notified aid proposal accordingly.

(9) On this basis, Belgium provided a revised, detailed breakdown of figures on the eligible training costs and planned aid. According to these data, the general training costs amount to EUR 11 964 710 and cover activities related to:

— theoretical training on new machinery: EUR 2 776 438,

— general training: EUR 3 000 000,

— training in lean production principles: EUR 4 955 847,

— general coordination: EUR 1 232 425.

(10) The specific training costs amount to EUR 34 661 609 and cover activities related to:

— press shop training: EUR 5 107 000,

— practical training in new machinery: EUR 5 022 384,

— preparation and introduction of a new model: EUR 18 520 158,

— implementation of lean production: EUR 5 991 067,

— depreciation: EUR 21 000.

(11) On this basis, Belgium amended its notified aid proposal and informed the Commission that it intended to grant EUR 5,98 million for general training (50 % of eligible costs) and EUR 8,66 million for specific training (25 % of eligible costs).

ASSESSMENT OF THE AID

(12) According to Article 87(1) of the EC Treaty, any aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods shall, in so far as it affects trade between Member States, be incompatible with the common market. Pursuant to the established case law of the European Courts, the criterion of trade being affected is met if the recipient firm carries out an economic activity involving trade between Member States.

(13) The Commission notes that the notified training aid is granted through State resources to an individual company, favouring it by reducing the costs it would normally have to bear if it wanted to implement the notified training programme so as to enable its employees to acquire new skills. Moreover, the recipient of the aid, Opel Belgium NV, is a company that designs, manufactures and sells motor vehicles, which is an economic activity involving trade between Member States. The training aid in question therefore falls within the scope of Article 87(1) of the EC Treaty.

(14) Commission Regulation (EC) No 68/2001 of 12 January 2001 on the application of Articles 87 and 88 of the EC Treaty to training aid [1] ('the Regulation') applies to training aid in all sectors and provides that aid fulfilling all the conditions of the Regulation shall be compatible with the common market and shall be exempt from the notification requirement of Article 88(3) of the Treaty, provided that the measure contains an express reference to the Regulation.

(15) Article 5 of the Regulation provides that the notification requirement continues to apply if the amount of aid granted to one enterprise for a single training project exceeds EUR 1 million. The Commission notes that the notified aid in this case amounts to approximately EUR 16,93 million, that it is to be paid to one enterprise and that the training project is a single project. The Commission notes that the notification relates to an individual aid measure that is not granted under an approved scheme. The Commission therefore considers that the notification requirement applies to the proposed aid and, in accordance with recital 4 of the Regulation, that the notification must be assessed in particular in the light of the criteria set out in the Regulation.

[1] OJ L 10, 13.1.2001, p. 20.

(16) Under Article 3(1) of the Regulation, individual aid shall be compatible with the common market within the meaning of Article 87(3)(c) if it fulfils all of the conditions of the Regulation.

(17) The Commission notes that the distinction between specific training and general training is drawn under Article 4 of the Regulation. Specific training is defined in Article 2 as training involving tuition directly and principally applicable to the employee's present or future position in the assisted firm and providing qualifications which are not, or only to a limited extent, transferable to other firms or fields of work.

(18) General training is defined in Article 2 as training involving tuition which is not applicable only or principally to the employees' present or future position in the assisted firm, but which provides qualifications that are largely transferable to other firms or fields of work and thereby substantially improve the employability of the employee. It is linked to the overall activities of the firm and provides qualifications which are largely transferable to other firms or to other fields of work. Training is considered to be general if, for example, it is jointly organised by different independent enterprises, or if employees of different firms may avail themselves of the training; or if it is recognised, certified or validated by public authorities or bodies or institutions on which a Member State or the Community has conferred the necessary powers.

(19) The eligible costs of a training aid project are listed under Article 4(7) of the Regulation. As regards trainees' personnel costs, Belgium confirmed that only hours during which the trainees actually participate in the training have been taken into account. In accordance with Article 4(7)(f) of the Regulation, only trainees' personnel costs have been taken into account up to the amount of the total of the other eligible costs referred to in Article 4(7)(a) to (e). On the basis of the information provided by Belgium, the Commission notes that the total eligible cost of the training programme amounts to EUR 46,6 million.

(20) According to Article 4(2) and (3), training aid is compatible with the common market if it complies with the aid intensities set out therein, in relation to eligible costs. Under the terms of the Regulation, the maximum aid intensities that can be authorised for the project in question, which is carried out by a large firm, are 25 % for specific training and 50 % for general training.

(21) In its decision of 27 November 2002 to initiate proceedings, the Commission expressed doubts on the way the Belgian authorities interpreted the definition of general as opposed to specific training, in particular as regards the training courses 'Theoretical concepts of press shop operations' and 'Preparation and introduction of a new model'. In both these courses, indicated as general training, it seemed that they should in fact be characterised as specific training measures as they seemed to involve tuition directly and principally applicable to the employee's position in the specific car plant and as there were doubts as to what extent the qualifications were transferable to other firms or fields of work.

(22) In its comments on the initiation of proceedings submitted on 28 January 2003, Belgium agreed that the two training courses on which the Commission expressed doubts should indeed be classified as specific training measures. Belgium provided a revised, detailed breakdown of figures on the eligible training costs and planned aid. On this basis, the Commission notes that the general training costs amount to EUR 11 964 710 and the specific training costs to EUR 34 661 609.

(23) The applicable aid intensity ceiling for specific training is 25 % of the eligible costs, and the applicable aid intensity ceiling for general training is 50 % of eligible costs. The allowable aid consequently amounts to EUR 5 982 355 for general training and EUR 8 665 402 for specific training.

(24) The total allowable aid for the project is EUR 14 647 757. This amount comprises a training voucher awarded from the Flemish Community Ministry amounting to EUR 1 500. The Commission notes that the remaining amount of EUR 14 646 257 will be paid in three equal yearly instalments during the period 2003 to 2005.

CONCLUSION

(25) In view of the above, the training aid having a nominal value of EUR 14 647 757, comprising a training voucher of EUR 1 500 and an amount of EUR 14 646 257 payable in three equal yearly instalments during the period 2003 to 2005, fulfils the criteria governing compatibility with the common market pursuant to Article 87(3)(c) of the EC Treaty,

HAS ADOPTED THIS DECISION:

Article 1

The State aid for training which Belgium is planning to implement for Opel Belgium NV amounting to EUR 14 647 757 in nominal terms, comprising a training voucher of EUR 1 500 and an amount of EUR 14 646 257 payable in three equal yearly instalments during the period 2003 to 2005, is compatible with the common market within the meaning of Article 87 of the Treaty.

Article 2

This Decision is addressed to the Kingdom of Belgium.

Done at Brussels, 13 May 2003.

For the Commission
Mario MONTI
Member of the Commission