COUNCIL REGULATION (EEC) No 2914/79

of 20 December 1979

on Community aid for industrial restructuring and conversion operations in the man-made fibres sector

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 235 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament (1),

Having regard to the opinion of the Economic and Social Committee (2),

Whereas a proposal for a Regulation (3) on Community aid for industrial restructuring and conversion operations has been laid before the Council ;

Whereas the situation in the man-made fibres sector justifies immediate action as a priority measure, intended to support the rationalization measures taken by Community industry and to reduce its production capacity,

Whereas such action involves the utilization of a maximum amount of 14 million EUA,

HAS ADOPTED THIS REGULATION :

Article 1

1. The purpose of the aid granted under this Regulation shall be to assist the man-made fibres industry to finance :

— investments to help create, by other undertakings, in the areas concerned (employment catchment areas) and in other fields of activity, new jobs intended primarily for workers made redundant by the reduction of production capacity or by the total or partial closure of industrial undertakings operating in the man-made fibres sector ;

— conversion investments carried out by industrial undertakings operating in the man-made fibres sector for the purpose of changing to types of activity other than the production of man-made fibres for textile purposes ;

— investment in the restructuring carried out by such undertakings, provided that such investment leads to a significant reduction in the production capacity of these undertakings.

2. Any decisions by the Commission to grant such aid shall be taken before 31 December 1979 and shall assist investment complying with the characteristics outlined in paragraph 1 and having received the agreement of the Member State in whose territory the investment is realized.

Article 2

1. The aid referred to in Article 1 shall taken the form of investment premiums.

2. Such premiums shall amount to 5·7 % of the fixed investment ; they shall be raised to 9·5 % where the investment is undertaken in the least-favoured regions or in regions or areas particularly affected by restructuring operations.

3. The investors shall supply any information which the Commission may deem necessary and shall accept the inspections referred to in Article 3 required for checking that the operations are being properly carried out. A contract shall be concluded to this effect between the investor to whom the aid is granted and the Commission. This contract shall also establish the procedures for payment of the aid.

Article 3

1. If an investment project which has received aid has not been carried out as planned, or if the conditions of this Regulation are not fulfilled, the aid may be recovered in whole or in part by the Commission.

2. Member States shall make available to the Commission all information required for the application of this Regulation and shall take all steps likely to facilitate such inspections as the Commission may consider useful, including on-the-spot checks.

3. Notwithstanding the inspections carried out by Member States in accordance with national laws, regulations administrative provisions, and without prejudice to Article 206 of the Treaty or to any inspection arranged pursuant to Article 209 (c) of the Treaty, the competent authorities of the Member State shall, at the request of the Commission and with the agreement of the Member State, carry out on-the-spot checks or enquiries about the financed operations. Agents of the Commission may take part in such checks or enquiries. The Commission may fix time limits for carrying out such checks.

(1) OJ No C 127, 21. 5. 1979, p. 52.
(2) OJ No C 128, 21. 5. 1979, p. 1.
(3) OJ No C 272, 16. 11. 1978, p. 3.

4. The objective of these on-the-spot checks or enquiries about financed operations shall be to establish :

(a) the existence of supporting documentary evidence and its conformity with the financed operations ;

(b) the conditions under which the financed operations are executed and inspected ;

(c) the conformity of the work completed with the financed operations.

Article 4

This Regulation shall not prejudice the application of Articles 92, 93 and 94 of the Treaty. The aid must not alter conditions of competition in a way incompatible with the principles contained in the relevant provisions of the Treaty, as set out in particular in the principles for the coordination of the general regional-aid arrangements.

Article 5

Before 1 July 1980, the Commission shall submit a report to the European Parliament and the Council on the application of this Regulation, also covering the aspect of reduction of production capacity.

Article 6

This Regulation shall enter into force on the day of its publication in the *Official Journal of the European Communities.*

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 20 December 1979.

For the Council

The President

J. TUNNEY