# Official Journal

C 223





English edition

### Information and Notices

Volume 52 16 September 2009

Notice No Contents

II Information

INFORMATION FROM EUROPEAN UNION INSTITUTIONS AND BODIES

#### **Commission**

2009/C 223/01	Authorisation for State aid pursuant to Articles 87 and 88 of the EC Treaty — Cases where the Commission raises no objections (1)	1
2009/C 223/02	Communication from the Commission concerning the criteria for an in-depth assessment of regional aid to large investment projects	3
2009/C 223/03	Non-opposition to a notified concentration (Case COMP/M.5582 — Gonvarri/Severstal/JV) (¹)	11
2009/C 223/04	Non-opposition to a notified concentration (Case COMP/M.5518 — Fiat/Chrysler) (1)	11
2009/C 223/05	Non-opposition to a notified concentration (Case COMP/M.5585 — Centrica/Venture Production) (¹)	12
2009/C 223/06	Non-opposition to a notified concentration (Case COMP/M.5609 — ISP/RDM/Manucor) (¹)	12



Notice No Contents (continued)

IV Notices

NOTICES FROM EUROPEAN UNION INSTITUTIONS AND BODIES

#### Commission

V Announcements

ADMINISTRATIVE PROCEDURES

#### Commission

2009/C 223/08

Training of national judges in EC competition law and judicial cooperation between national judges 14

PROCEDURES RELATING TO THE IMPLEMENTATION OF THE COMPETITION POLICY

#### Commission

2009/C 223/09

OTHER ACTS

#### Commission

Publication of an application pursuant to Article 6(2) of Council Regulation (EC) No 510/2006 on protected geographical indications and designations of origin for agricultural products and foodstuffs 23



2009/C 223/12

<sup>(1)</sup> Text with EEA relevance

II

(Information)

#### INFORMATION FROM EUROPEAN UNION INSTITUTIONS AND BODIES

#### **COMMISSION**

# Authorisation for State aid pursuant to Articles 87 and 88 of the EC Treaty Cases where the Commission raises no objections

(Text with EEA relevance)

(2009/C 223/01)

N 70/09 United Kingdom Northern Ireland Northern Ireland Screen Fund (the 'Screen Fund') Education and Library Services Etc. Grants Regulation (Northern Ireland) 1994 The Industrial Development (Northern Ireland) Order 1982
United Kingdom  Northern Ireland  Northern Ireland Screen Fund (the 'Screen Fund')  Education and Library Services Etc. Grants Regulation (Northern Ireland) 1994
Northern Ireland  Northern Ireland Screen Fund (the 'Screen Fund')  Education and Library Services Etc. Grants Regulation (Northern Ireland) 1994
Northern Ireland Screen Fund (the 'Screen Fund')  Education and Library Services Etc. Grants Regulation (Northern Ireland) 1994
Education and Library Services Etc. Grants Regulation (Northern Ireland) 1994
1994
<del> </del>
Aid scheme
Culture
Soft loan
Annual budget: GBP 12 million; Overall budget: GBP 51,5 million
90 %
1.4.2007-31.3.2012
Recreational, cultural sporting activities
Northern Ireland Screen Alfred House Alfred Street Belfast BT2 8ED Northern Ireland UNITED KINGDOM

The authentic text(s) of the decision, from which all confidential information has been removed, can be found at:

http://ec.europa.eu/community\_law/state\_aids/state\_aids\_texts\_en.htm

Date of adoption of the decision	12.5.2009
Reference number of State Aid	N 241/09
Member State	Ireland
Region	_
Title (and/or name of the beneficiary)	Allied Irish Bank
Legal basis	The Credit Institutions (Financial Support) Act 2008
Type of measure	Individual aid
Objective	Aid to remedy serious disturbances in the economy
Form of aid	Other forms of equity intervention
Budget	Annual budget: EUR 3 500 million
Intensity	_
Duration (period)	12.5.2009-12.11.2009
Economic sectors	Financial intermediation
Name and address of the granting authority	The Minister, acting on behalf of the Government, in accordance with the Act. Department of Finance, Government Building, Upper Merrion Street, Dublin 2, IRELAND
Other information	_

The authentic text(s) of the decision, from which all confidential information has been removed, can be found at:

 $http://ec.europa.eu/community\_law/state\_aids/state\_aids\_texts\_enhtm$ 

## Communication from the Commission concerning the criteria for an in-depth assessment of regional aid to large investment projects

(2009/C 223/02)

#### 1. INTRODUCTION

#### 1.1. General rules for regional aid measures

- 1. The Commission Guidelines on national regional aid for 2007-2013 (¹) ('RAG') clarify the general approach of the Commission regarding regional State aid. In accordance with the conditions laid down in the RAG, and notwith-standing the negative effects that regional State aid may have on trade and competition, the Commission may consider State aid compatible with the common market if it is granted to promote the economic development of certain disadvantaged regions within the European Union.
- 2. In general, the RAG take account of the relative seriousness of the problems affecting the development of the regions concerned by introducing specific regional aid ceilings. These maximum aid intensities are graduated between 10 % and 50 % of eligible costs, based primarily on the GDP per capita of the regions concerned, but also allowing Member States some flexibility to take account of local conditions. The regional aid maps for each Member State are published on the Europa site (2). These graduated aid intensities reflect, in essence, the balancing exercise which the Commission must perform between, on the one hand, the positive effects that regional investment aid can have, in particular in terms of promoting cohesion through attracting investment to disadvantaged areas, and, on the other hand, limiting the potential negative effects that can occur when granting such aid to individual undertakings, for example the negative impact for other economic operators and for regions whose relative competitive advantage is correspondingly diminished.
- 3. A large investment project is an initial investment with an eligible expenditure above EUR 50 million (³). Large investment projects are less affected by the handicaps that characterise disadvantaged areas than investment projects of a lesser scale. There is an increased risk that trade will be affected by large investment projects and thus a risk of a stronger distortion effect vis-à-vis competitors in other regions. Large investments also run the risk of the amount of aid exceeding the minimum necessary to compensate for the regional disadvantages, and there is the risk that State aid for these projects would lead to perverse effects such as inefficient location choices, higher distortion of competition and, since aid is a costly transfer

from taxpayers in favour of aid recipients, net welfare losses, i.e. the cost of the aid exceeds the benefits to consumers and producers.

- 4. The RAG foresee specific rules for regional aid to large investment projects (4). The RAG provide for the automatic, progressive scaling-down of regional aid ceilings for these large investment projects to limit distortions of competition to a level which can generally be assumed to be compensated by their benefits in terms of development of the regions concerned (5).
- 5. Moreover, Member States have to notify individually any aid for investment projects if the aid proposed is more than the maximum allowable amount of aid that an investment with eligible expenditure of EUR 100 million can receive under the applicable rules (notification threshold) (6). For these notified cases, the Commission verifies in particular the aid intensities, the compatibility with the general criteria of the RAG and whether the notified investment represents a major increase of production capacities, while at the same time addressing an underperforming or even declining market, or benefits firms with high market shares.

### 1.2. Regional aid measures subject to an in-depth assessment

- 6. Despite the automatic scaling-down, certain large amounts of regional aid for large investment projects could still have significant effects on trade, and may lead to substantive distortions of competition. For this reason, it was formerly Commission policy not to authorise aid for large investment projects above the following thresholds (7):
  - the aid beneficiary accounts for more than 25 % of the sales of the product(s) concerned on the market(s) concerned, or
  - the production capacity created by the project exceeds
     f of the market, while the growth rate of the market concerned is below the EEA GDP growth rate.

<sup>(1)</sup> OJ C 54, 4.3.2006, p. 13.

<sup>(2)</sup> http://ec.europa.eu/comm/competition/state\_aid/regional\_aid/regional\_aid.html

<sup>(3)</sup> As defined in paragraph 60 and footnotes 54 and 55 of the RAG.

<sup>(4)</sup> Cf. section 4.3 of the RAG.

<sup>(5)</sup> Cf. paragraph 67 of the RAG.

<sup>(6)</sup> Cf. paragraph 64 of the RAG.

<sup>(7)</sup> Cf. paragraph 24 of the 2002 Multisectoral framework on regional aid for large investment projects (OJ C 70, 19.3.2002, p. 8, as amended in OJ C 263, 1.11.2003, p. 3).

- 7. However, under the current RAG, the Commission has opted for a more individualised approach, which allows the cohesion and other benefits that can be derived from such projects to be taken into consideration, in as concrete a fashion as possible. Any such benefits must, however, be weighed against the likely negative effects on trade and competition, which should also be identified in as concrete a manner as possible. Therefore, paragraph 68 of the RAG foresees that the Commission will conduct a formal investigation procedure pursuant to Article 88(2) of the Treaty establishing the European Community for cases above the notification threshold and meeting one or both of the conditions set out in points (a) and (b) of paragraph 68 of the RAG (the in-depth assessment thresholds which are the same as the thresholds described in paragraph 6 of this communication). In these cases, the objective of the formal investigation is to carry out a detailed verification 'that the aid is necessary to provide an incentive effect for the investment and that the benefits of the aid measure outweigh the resulting distortion of competition and effect on trade between Member States' (1).
- 8. In footnote 63 of the RAG, the Commission announced its intention to 'draw up further guidance on the criteria it will take into account during this assessment'. Below, the Commission presents guidance as to the kind of information it may require and the methodology it will follow for measures subject to a detailed assessment. In line with the State Aid Action Plan (²), the Commission will carry out an overall evaluation of the aid based on a balance of its positive and negative effects in order to determine whether, as a whole, the aid measure can be approved.
- 9. The detailed assessment should be proportionate to the potential distortions which may be created by the aid. This means that the scope of the analysis will depend on the nature of the case. Therefore, the nature and the level of the evidence required will also depend on the features of each individual case. Also, while respecting the provisions governing the conduct of the formal investigation as set out in Articles 6 and 7 of Council Regulation (EC) No 659/1999 of 22 March 1999 laying down detailed rules for the application of Article 93 of the EC Treaty (3), the Commission may, inter alia, ask the Member State to provide independent studies to confirm the information contained in the notification, or seek input from other economic operators active in the relevant markets or from experts in regional development. Moreover, comments by interested parties are welcomed during formal investigations. The Commission will identify the key issues on which it is seeking input in the opening of the procedure.
- 10. The present communication is intended to ensure the transparency and predictability of the Commission decision-

(1) Cf. paragraph 68 of the RAG.

(3) OJ L 83, 27.3.1999, p. 1.

making process and equal treatment of Member States. The Commission reserves the possibility to amend and review this guidance in the light of case experience.

#### 2. POSITIVE EFFECTS OF THE AID

#### 2.1. Objective of the aid

- 11. Regional aid has an objective of common interest which reflects equity considerations, namely furthering economic cohesion by helping to reduce the gap between the development levels of the various regions of the Community. Paragraph 2 of the RAG sets out that: 'By addressing the handicaps of the disadvantaged regions, national regional aid promotes the economic, social and territorial cohesion of Member States and the European Union as a whole'. Paragraph 3 of the RAG adds that: 'Regional investment aid is designed to assist the development of the most disadvantaged regions by supporting investment and job creation. It promotes the expansion and diversification of the economic activities of enterprises located in the less-favoured regions, in particular by encouraging firms to set up new establishments there'.
- 12. For those large investment projects that meet the in-depth assessment thresholds, the Member State will be requested to demonstrate that the aid will address the equity objective in question. The Member State will therefore need to substantiate the contribution of the investment project to the development of the region concerned.
- 13. While the primary objective of regional aid is to foster equity concerns as economic cohesion, regional aid may also address issues of market failure. Regional handicaps may be linked to market failures such as imperfect information, co-ordination problems, difficulties for the beneficiary to appropriate investments in public goods or externalities from investments. Where, apart from equity objectives, regional aid also addresses efficiency concerns, the overall positive effect of the aid will be considered greater.
- 14. The following non-exhaustive list of indicative criteria can be used to demonstrate the regional contribution of the aid, in so far as it leads to attracting additional investment and activity in the region. These positive effects of the aid can be both direct (e.g. direct jobs created) and indirect (e.g. local innovation).
  - The number of direct *jobs* created by the investment is an important indicator of the contribution to regional development. The quality of the jobs created and the required skill level should also be considered.

<sup>(2)</sup> Cf. paragraphs 11 and 20 of the SAAP (COM(2005) 107 final).

- An even higher number of new jobs might be created in the local (sub-)supplier network, helping to better integrate the investment in the region concerned and ensuring more widespread spillover effects. The number of indirect jobs created will therefore also be taken into
- A commitment by the beneficiary to enter into wide-spread training activities to improve the skills (general and specific) of its workforce will be considered as a factor that contributes to regional development. Emphasis will also be put on training that improves the knowledge and employability of workers outside the firm. General or specific training for which training aid is approved will not be counted as a positive effect of the regional aid to avoid double counting.
- External economies of scale or other benefits from a regional development viewpoint may arise as a result of proximity (clustering effect). Clustering of firms in the same industry allows individual plants to specialise more which leads to increased efficiency. Physical proximity facilitates the exchange of information, ideas and knowledge between firms. A concentration of economic activities attracts many job seekers, which assures a large pool of workers with different skills available to firms. Access to legal and commercial services is ensured which enhances productivity. In general, a concentration of economic activities may again attract other investments which in turn increase the positive spillover effects (virtuous circle).
- Investments embody technical knowledge and can be the source of a significant transfer of technology (knowledge spillovers). Investments taking place in technology intensive industries are more likely to involve technology transfer to the recipient region. The level and the specificity of the knowledge dissemination are also important in this regard.
- The projects' contribution to the region's ability to create new technology through local innovation can also be considered. Co-operation of the new production facility with local higher education institutions can be considered positively in this respect.
- The duration of the investment and possible future follow-on investments are an indication of a durable engagement of a company in the region.
- 15. The Member States are, in particular, invited to rely on evaluations of past State aid schemes or measures, impact assessments made by the granting authorities, expert

opinions and other possible studies related to the investment project under assessment. The business plan of the aid beneficiary could provide information on the number of jobs created, salaries paid (increase in household wealth as spill-over effect), volume of sales from local producers, turnover generated by the investment and benefiting the region possibly through additional tax revenues.

16. If relevant, the relationship between the planned investment project and the national strategic reference framework, as well as the relationship between the project and the operational programmes co-financed by the structural funds, also have to be considered. In this regard, the Commission might specifically take account of any Commission Decision relating to the measure in the context of the analysis of major projects under the structural funds or the Cohesion Fund (¹). Such a decision is, among other elements, based on 'a cost-benefit analysis, including a risk assessment and the foreseeable impact on the sector concerned and on the social-economic situation of the Member State and/or the region and, when possible and where appropriate, of other regions of the Community'.

#### 2.2. Appropriateness of the aid instrument

- 17. State aid in the form of investment subsidies is not the only policy instrument available to Member States to support investment and job creation in disadvantaged regions. Member States can use general measures such as infrastructure development, enhancing the quality of education and training, or improvements in the general business environment.
- 18. Measures for which the Member State considered other policy options, and for which the advantages of using a selective instrument such as State aid for a specific company are established, are considered to constitute an appropriate instrument. The Commission will in particular take account of any impact assessment of the proposed measure the Member State may have made.

#### 2.3. Incentive effect

19. Analysing the incentive effect of the aid measure is one of the most important elements in the in-depth assessment of regional aid to large investment projects. The Commission will assess whether the proposed aid is necessary to produce 'a real incentive effect to undertake investments which would not otherwise be made in the assisted areas' (2). This assessment will take place at two levels: first, at a general, procedural level, and, second, at a more detailed, economic level.

<sup>(</sup>¹) Cf. section 2 of Council Regulation (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the ERDF, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1260/1999 (OJ L 210, 31.7.2006, p. 25).

<sup>(2)</sup> Cf. paragraph 38 of the RAG.

- 20. In paragraph 38, the RAG contain general criteria to provide a formal assessment of the incentive effect of regional aid. These criteria apply to all regional aid, not only regional aid for large investment projects.
- 21. In the case of regional aid to large investment projects covered by this communication, the Commission will verify in detail 'that the aid is necessary to provide an incentive effect for the investment' (¹). The objective of this detailed assessment is to determine whether the aid actually contributes to changing the behaviour of the beneficiary, so that it undertakes (additional) investment in the assisted region concerned. There are many valid reasons for a company to locate in a certain region, even without any aid being granted.
- 22. Having regard to the equity objective deriving from cohesion policy and as far as the aid contributes to achieving this objective, an incentive effect can be proven in two possible scenarios:
  - 1. The aid gives an incentive to adopt a positive investment decision because an investment that would otherwise not be profitable for the company at any location can take place in the assisted region (2).
  - 2. The aid gives an incentive to opt to locate a planned investment in the relevant region rather than elsewhere because it compensates for the net handicaps and costs linked to a location in the assisted region.
- 23. The Member State should demonstrate to the Commission the existence of an incentive effect of the aid. It will need to provide clear evidence that the aid effectively has an impact on the investment choice or the location choice. It will have to specify which scenario applies. In order to permit a comprehensive assessment, the Member State will have to provide not only information concerning the aided project but also a comprehensive description of the counterfactual scenario, in which no aid would be granted by the Member State to the beneficiary.
- 24. In scenario 1, the Member State could provide proof of the incentive effect of the aid by providing company documents that show that the investment would not be profitable without the aid and that no other location than the assisted region concerned could be envisaged.
- (1) Cf. paragraph 68 of the RAG.
- (2) Such investments may create conditions allowing further investments that are able to survive without additional aid.

- 25. In scenario 2, the Member State could provide proof of the incentive effect of the aid by providing company documents that show a comparison has been made between the costs and benefits of locating in the assisted region concerned with an alternative region. Such comparative scenarios will have to be considered to be realistic by the Commission.
- 26. The Member States are, in particular, invited to rely on risk assessments (including the assessment of location-specific risks), financial reports, internal business plans, expert opinions and other studies related to the investment project under assessment. Documents containing information on demand forecasts, cost forecasts, financial forecasts, documents that are submitted to an investment committee and that elaborate on various investment scenarios, or documents provided to the financial markets could help to verify the incentive effect.
- 27. In this context, and in particular in scenario 1, the level of profitability can be evaluated by reference to methodologies which are standard practice in the particular industry concerned, and which may include: methods to evaluate the net present value of the project (NPV), the internal rate of return (IRR) or the return on capital employed (ROCE).
- 28. If the aid does not change the behaviour of the beneficiary by stimulating (additional) investment in the assisted region concerned, there is a lack of incentive effect to achieve the regional objective. If the aid has no incentive effect to achieve the regional objective, such aid can be considered as free money for the company. Therefore, in an in-depth assessment of regional aid to large investment projects, aid will not be approved in cases where it appears that the same investment would take place in the region even without the aid.

#### 2.4. Proportionality of the aid

- 29. For the regional aid to be proportional, the amount and intensity of the aid must be limited to the minimum needed for the investment to take place in the assisted region.
- 30. The RAG generally ensure that regional aid is proportional to the seriousness of the problems affecting the assisted regions by applying regional aid ceilings in general and an automatic, progressive scaling-down of these regional aid ceilings for large investment projects (see paragraphs 1 and 3).

- 31. For regional aid cases that require an in-depth assessment, a more detailed verification of this general principle of proportionality contained in the RAG is necessary.
- 32. In scenario 1, for an investment incentive, the aid will generally be considered proportionate if, because of the aid, the return on investment is in line with the normal rate of return applied by the company in other investment projects, with the cost of capital of the company as a whole or with returns commonly observed in the industry concerned.
- 33. In scenario 2, for a location incentive, the aid will generally be considered proportionate if it equals the difference between the net costs for the beneficiary company to invest in the assisted region and the net costs to invest in the alternative region(s). All such costs and benefits need to be taken into account, including for example administrative costs, transport costs, training costs not covered by training aid and also wage differences.
- 34. Ultimately, these net costs which are considered to be related to the regional handicaps result in a lower profitability of the investment. For that reason, calculations used for the analysis of the incentive effect, can also be used to evaluate whether the aid is proportionate.
- 35. The Member State needs to demonstrate the proportionality on the basis of appropriate documentation such as that mentioned in paragraph 26.
- 36. In no case can the aid intensity be higher than the regional aid ceilings corrected by the scaling-down mechanism, as indicated in the RAG.

#### 3. NEGATIVE EFFECTS OF THE AID

37. To assess market shares and potential overcapacity in a market in structural decline, the Commission needs to define the relevant product market and geographic market. Thus, usually (¹), the relevant markets will already have been defined for regional aid measures subject to an in-depth assessment.

- 38. Two main indicators of potential negative effects arising from the aid are already identified in paragraph 68 of the RAG, namely high market shares and potential overcapacity in a market in structural decline. They are linked to two theories of harm in a competition context, respectively the creation of market power and the creation or maintenance of inefficient market structures. A prima facie measurement of these two indicators will already have taken place before the opening of the investigation procedure. In order to provide all the elements for the final balancing exercise, the assessment of the two indicators will be refined in the in-depth assessment. A third indicator of potential negative effects arising from the aid that will be assessed in depth is the influence of the aid on trade. Although these three indicators are considered as the main negative effects potentially arising from regional aid to a large investment project, the Commission does not exclude that other indicators might also be relevant in specific cases.
- 39. The Commission will place particular emphasis on the negative effects linked with the notion of market power and overcapacity in cases where the aid gives an incentive to change the investment decision, so that without the aid no investment would take place (scenario 1 of the incentive effect).
- 40. If, however, the counterfactual analysis suggests that without the aid the investment would have gone ahead in any case, albeit possibly in another location (scenario 2), and if the aid is proportional, possible indications of distortions such as a high market share and an increase in capacity in an underperforming market would in principle be the same regardless of the aid.

#### 3.1. Crowding-out of private investment

#### 3.1.1. Market power

- 41. When establishing its optimum investment level, in markets with a limited number of market players (a situation typical for large investment projects) each firm takes into account the investment carried out by its competitors. If aid induces a particular company to invest more, competitors may react by reducing their own expenditure in that area. In that case aid leads to a crowding-out of private investment. If, as a result, such competitors are weakened or even have to exit, the aid distorts competition. In this regard, as discussed in paragraph 38, the RAG distinguishes between cases where the aid beneficiary has market power and cases where the aid leads to a significant capacity expansion in a declining market.
- 42. In general, any aid to one beneficiary in a concentrated market is more likely to distort competition, since the decision of each firm is likely to affect its competitors

<sup>(1)</sup> Where doubts remain as to the appropriate definition of the relevant markets, the Commission will identify these in the decision to initiate the formal investigation procedure pursuant to Article 88(2) Treaty.

more directly. This is especially the case if a dominant market player is subsidised. As a result, if, due to the aid, the beneficiary can maintain or increase its market power (¹), regional aid for large investment projects may have a deterrent effect on competitors' investment decisions and thereby generate distortions of competition. This would be to the detriment of consumers. Therefore, the Commission wants to limit State aid to companies with market power.

- 43. For all regional aid cases that trigger the notification threshold (paragraph 64 of the RAG), the Commission needs to assess (paragraph 68(a) of the RAG) the share of the aid beneficiary (or the group to which it belongs) of the sales of the product or products concerned on the relevant product market(s) and geographic market(s). However, market shares can only give a preliminary indication of possible problems. Therefore, in an in-depth assessment, the Commission will also take account of other factors, where relevant, including for example the market structure by looking at the concentration in the market (²), possible barriers to entry (³), buyer power (⁴) and barriers to exit.
- 44. The Commission will take account of the market shares and other related factors before and after the investment (normally the year before the investment starts and the year after full production is reached). When assessing negative effects in detail, the Commission will take into account that, while some investment projects are carried out over a relatively short time-scale of one or two years, most large investment projects have a much longer duration. Therefore, in most cases, long-term analyses of the evolution of markets are necessary. However, the Commission will acknowledge the fact that those longterm analyses are more speculative, particularly in the case of volatile markets or markets undergoing rapid technological change. Therefore, the more long-term and thus the more speculative the analysis is, the less weight will be attached to the possible negative effect of market power or the possibility of exclusionary behaviour.
- (1) Market power is the power to influence market prices, output, the variety or quality of goods and services, or other parameters of competition on the market for a significant period of time.
- (2) For this purpose, the Commission may consider the Herfindahl-Hirschman index (HHI). This index provides a basic analysis of the market structure. In a market with few market players where several of them have a relatively high market share, a high market share of the beneficiary might be less of a concern for competition.
- (3) These entry barriers include legal barriers (in particular intellectual property rights), economies of scale and scope, access barriers to networks and infrastructure. Where the aid concerns a market where the aid beneficiary is an incumbent, possible barriers to entry may exacerbate the potential market power wielded by the aid beneficiary and thus the possible negative effects of that market power.
- (4) Where there are strong buyers in the market, it is less likely that an aid beneficiary can increase prices vis-à-vis these strong buyers.

- 3.1.2. Creating or maintaining inefficient market structures
- 45. It is a sign of effective competition if inefficient firms are forced to exit a market. In the long term, this process fosters technological progress and an efficient use of scarce resources in the economy. However, a substantial capacity expansion induced by State aid in an underperforming market might unduly distort competition as the overcapacity could lead to a squeeze on profit margins and a reduction of competitors' capacity or even their exit from the market. This might lead to a situation where competitors that would otherwise be able to stay on are forced out of the market as a consequence of State aid. It may also prevent low cost firms from entering and it may weaken incentives for competitors to innovate. This results in inefficient market structures which are also harmful to consumers in the long run.
- 46. In order to evaluate whether the aid may serve to create or maintain inefficient market structures, as pointed out above, the Commission will take into account the additional production capacity created by the project and whether the market is underperforming (5). According to the RAG, additional capacity will only be considered problematic if it is created in an underperforming market and if the additional capacity is more than five per cent of the market concerned.
- 47. Since capacity created in a market in absolute decline will normally be more distortive than capacity created in a market in relative decline, the Commission will distinguish between cases for which, from a long-term perspective, the relevant market is structurally in decline (i.e. shows a negative growth rate), and cases for which the relevant market is in relative decline (i.e. shows a positive growth rate, but does not exceed a benchmark growth rate (see paragraph 48)). Where the capacity created by the project takes place in a market which is structurally in absolute decline, the Commission will consider it to be a negative element in the balancing test that is unlikely to be compensated by any positive elements. The long term benefit for the region concerned is also more doubtful in such a case.
- 48. Underperformance of the market will normally be measured compared to the EEA GDP over the last five years before the start of the project (benchmark rate). Data on past performance are more readily available and less speculative then future projections. Nevertheless, in the in-depth assessment, the Commission may also take into

<sup>(5)</sup> In this context, a market is meant to be 'underperforming' if its average annual growth rate in the reference period does not exceed the growth rate of EEA's GDP.

account expected future trends since the increase in capacity will exert its effect in the years following the investment. Indicators could be the foreseeable future growth of the market concerned and the resulting expected capacity utilisation rates, as well as the likely impact of the capacity increase on competitors through its effects on prices and profit margins.

49. Experience also shows that, in some cases, considering the growth of the product concerned in the EEA may not be the appropriate benchmark to assess the effects of aid, in particular if the market is considered to be worldwide and there is only limited production or consumption of the products concerned within the EEA. In such cases, the Commission will take a broader view of the effect of the aid on market structures, having regard, in particular, to its potential to crowd out EEA producers.

#### 3.2. Negative effects on trade

- 50. As explained in paragraph 2 of the RAG, the geographical specificity of regional aid distinguishes it from other forms of horizontal aid. It is a particular characteristic of regional aid that it is intended to influence the choice made by investors about where to locate investment projects. When regional aid is off-setting the additional costs stemming from the regional handicaps and supports additional investment in assisted areas, it is contributing not only to the development of the region, but also to cohesion and ultimately benefits the whole Community (1). With regard to the potential negative location effects of regional aid, these are already recognised and restricted to a degree by RAG and the regional aid maps, which define exhaustively the areas eligible to grant regional aid, taking account of the equity and cohesion policy objectives, and the eligible aid intensities. Aid may not be granted to attract investments outside of these areas. When appraising large investment projects subject to this guidance, the Commission should have all necessary information to consider whether State aid would result in a substantial loss of jobs in existing locations within the Community.
- 51. More concretely, when investments adding production capacity in a market are made possible because of State aid, there is a risk that production or investment in other regions of the Community may be negatively affected. This is particularly likely if the capacity increase exceeds market growth, which will generally be the case for large investment projects meeting the second criteria of paragraph 68 of the RAG. The negative effects on trade, corresponding to the lost economic activity in the regions affected by the aid, may be felt through lost jobs in the market concerned, at the level of subcontractors (²) and as a

result of lost positive externalities (e.g. clustering effect, knowledge spill-overs, education and training, etc.).

#### 4. BALANCING THE EFFECTS OF THE AID

- 52. Having established that the aid is necessary as an incentive to carry out the investment in the region concerned, the Commission will balance the positive effects of the regional investment aid to a large investment project with its negative effects. Careful consideration will be given to the overall effects of the aid on cohesion within the Community. The Commission will not use the criteria set out in this communication mechanically but will make an overall assessment of their relative importance. In this balancing exercise, no single element is determinant, nor can any set of elements be regarded as sufficient on its own to ensure compatibility.
- 53. In particular, the Commission considers that attracting an investment to a poorer region (as defined by the higher regional aid ceiling) is more beneficial for cohesion within the Community than if the same investment is located in a more advantaged region. Thus, under scenario 2, where evidence has to be given of an alternative location, an assessment that without aid the investment would have been located to a poorer region (more regional handicaps — higher maximum regional aid intensity) or to a region that is considered to have the same regional handicaps as the target region (same maximum regional aid intensity) will constitute a negative element in the overall balancing test that is unlikely to be compensated by any positive elements because it runs counter to the very rationale of regional aid. On the other hand, the positive effects of regional aid which merely compensate for the difference in net costs relative to a more developed alternative investment location (and thus fulfils the proportionality test above, in addition to the 'positive effect' requirements as to objective, appropriateness and incentive effect), will normally be considered, under the balancing test, to outweigh any negative effects in the alternative location for new investment.
- 54. However, where there is credible evidence that the State aid would result in a substantial loss of jobs in existing locations within the European Union, which would otherwise have been likely to be preserved in the medium term, the social and economic effects on that existing location will have to be taken into account in the balancing exercise.
- 55. The Commission may, following the formal investigation procedure laid down in Article 6 of Regulation (EC) No 659/1999, close the procedure with a decision pursuant to Article 7 of that Regulation.

<sup>(1)</sup> In particular, additional activity or increased standard of living in the assisted area may increase demand for products and services originating from other parts of the Community.

<sup>(2)</sup> Especially if they operate in local markets in the region.

56. The Commission may decide either to approve, condition or prohibit the aid (¹). If it adopts a conditional decision pursuant to Article 7(4) of that Regulation, it may attach conditions to limit the potential distortion of competition and ensure proportionality. In particular, it may reduce the notified amount of aid or aid intensity to a level considered to be proportional and thus compatible with the common market.

<sup>(1)</sup> When the aid is granted on the basis of an existing regional aid scheme, it is however to be noted that the Member State retains the possibility to grant such aid up to the level which corresponds to the maximum allowable amount that an investment with eligible expenditure of EUR 100 million can receive under the applicable rules.

# Non-opposition to a notified concentration (Case COMP/M.5582 — Gonvarri/Severstal/JV)

(Text with EEA relevance)

(2009/C 223/03)

On 4 September 2009, the Commission decided not to oppose the above notified concentration and to declare it compatible with the common market. This decision is based on Article 6(1)(b) of Council Regulation (EC) No 139/2004. The full text of the decision is available only in English and will be made public after it is cleared of any business secrets it may contain. It will be available:

- in the merger section of the Competition website of the Commission (http://ec.europa.eu/competition/mergers/cases/). This website provides various facilities to help locate individual merger decisions, including company, case number, date and sectoral indexes,
- in electronic form on the EUR-Lex website (http://eur-lex.europa.eu/en/index.htm) under document number 32009M5582. EUR-Lex is the on-line access to the European law.

#### Non-opposition to a notified concentration

(Case COMP/M.5518 — Fiat/Chrysler)

(Text with EEA relevance)

(2009/C 223/04)

On 24 July 2009, the Commission decided not to oppose the above notified concentration and to declare it compatible with the common market. This decision is based on Article 6(1)(b) of Council Regulation (EC) No 139/2004. The full text of the decision is available only in English and will be made public after it is cleared of any business secrets it may contain. It will be available:

- in the merger section of the Competition website of the Commission (http://ec.europa.eu/competition/mergers/cases/). This website provides various facilities to help locate individual merger decisions, including company, case number, date and sectoral indexes,
- in electronic form on the EUR-Lex website (http://eur-lex.europa.eu/en/index.htm) under document number 32009M5518. EUR-Lex is the on-line access to the European law.

# Non-opposition to a notified concentration (Case COMP/M.5585 — Centrica/Venture Production)

(Text with EEA relevance)

(2009/C 223/05)

On 21 August 2009, the Commission decided not to oppose the above notified concentration and to declare it compatible with the common market. This decision is based on Article 6(1)(b) of Council Regulation (EC) No 139/2004. The full text of the decision is available only in English and will be made public after it is cleared of any business secrets it may contain. It will be available:

- in the merger section of the Competition website of the Commission (http://ec.europa.eu/competition/mergers/cases/). This website provides various facilities to help locate individual merger decisions, including company, case number, date and sectoral indexes,
- in electronic form on the EUR-Lex website (http://eur-lex.europa.eu/en/index.htm) under document number 32009M5585. EUR-Lex is the on-line access to the European law.

# Non-opposition to a notified concentration (Case COMP/M.5609 — ISP/RDM/Manucor)

(Text with EEA relevance)

(2009/C 223/06)

On 3 September 2009, the Commission decided not to oppose the above notified concentration and to declare it compatible with the common market. This decision is based on Article 6(1)(b) of Council Regulation (EC) No 139/2004. The full text of the decision is available only in Italian language and will be made public after it is cleared of any business secrets it may contain. It will be available:

- in the merger section of the Competition website of the Commission (http://ec.europa.eu/competition/mergers/cases/). This website provides various facilities to help locate individual merger decisions, including company, case number, date and sectoral indexes,
- in electronic form on the EUR-Lex website (http://eur-lex.europa.eu/en/index.htm) under document number 32009M5609. EUR-Lex is the on-line access to the European law.

#### IV

(Notices)

#### NOTICES FROM EUROPEAN UNION INSTITUTIONS AND BODIES

### **COMMISSION**

# Euro exchange rates (1) 15 September 2009

(2009/C 223/07)

1 euro =

	Currency	Exchange rate		Currency	Exchange rate
USD	US dollar	1,4611	AUD	Australian dollar	1,7014
JPY	Japanese yen	133,26	CAD	Canadian dollar	1,5869
DKK	Danish krone	7,4430	HKD	Hong Kong dollar	11,3235
GBP	Pound sterling	0,88690	NZD	New Zealand dollar	2,0883
SEK	Swedish krona	10,2438	SGD	Singapore dollar	2,0796
CHF	Swiss franc	1,5162	KRW	South Korean won	1 780,25
ISK	Iceland króna		ZAR	South African rand	10,8246
NOK	Norwegian krone	8,6390	CNY	Chinese yuan renminbi	9,9777
BGN	Bulgarian lev	1,9558	HRK	Croatian kuna	7,3252
CZK	Czech koruna	25,351	IDR	Indonesian rupiah	14 502,11
EEK	Estonian kroon	15,6466	MYR	Malaysian ringgit	5,1175
HUF	Hungarian forint	272,02	PHP	Philippine peso	70,622
LTL	Lithuanian litas	3,4528	RUB	Russian rouble	45,0950
LVL	Latvian lats	0,7023	THB	Thai baht	49,524
PLN	Polish zloty	4,1635	BRL	Brazilian real	2,6464
RON	Romanian leu	4,2678	MXN	Mexican peso	19,4908
TRY	Turkish lira	2,1781	INR	Indian rupee	71,0680

<sup>(1)</sup> Source: reference exchange rate published by the ECB.

V

(Announcements)

#### ADMINISTRATIVE PROCEDURES

#### **COMMISSION**

Training of national judges in EC competition law and judicial cooperation between national judges (2009/C~223/08)

A new call for proposals on training of national judges in EC competition law and judicial cooperation between national judges has been published on:

http://ec.europa.eu/dgs/competition/proposals2/

Deadline for application: 13 November 2009

# PROCEDURES RELATING TO THE IMPLEMENTATION OF THE COMPETITION POLICY

#### **COMMISSION**

#### STATE AID — FRANCE

State aid C 4/09 (ex N 679/97) — Change in aid scheme to promote radio broadcasting Invitation to submit comments pursuant to Article 88(2) of the EC Treaty

(Text with EEA relevance)

(2009/C 223/09)

By means of the letter dated 11 February 2009 and reproduced in the authentic language on the pages following this summary, the Commission notified France of its decision to initiate the procedure laid down in Article 88(2) of the EC Treaty concerning the above-mentioned aid.

Interested parties may submit their comments within one month of the date of publication of this summary and the text of the letter to the following address:

European Commission Directorate-General for Competition State Aid Registry SPA 3 6/5 1049 Bruxelles/Brussel BELGIQUE/BELGIË

Fax +32 22961242

E-mail: stateaidgreffe@ec.europa.eu

These comments will be communicated to France. Confidential treatment of the identity of the interested party submitting the comments may be requested in writing, stating the reasons for the request.

#### SUMMARY

#### 1. PROCEDURE

By letter of 2 October 1997 from the Permanent Representation of France to the European Union, registered the following day, the French Government notified, pursuant to Article 93(3) of the EC Treaty (which has since become Article 88(3) of the EC Treaty), a draft decree designed to change the aid scheme for radio broadcasting which had been introduced by Decree 92-1053 of 30 September 1992.

By letter of 10 November 1997 (SG(97) D/9265), the Commission informed France of its decision not to raise any objection to the changes notified. This decision remained in force until the Commission Decision of 28 July 2003 on aid measure NN 42/03 (ex N 752/02) which stated that the proposed law intended to change the aid scheme for radio broadcasting, approved by the Decision of 10 November 1997, was compatible with the common market pursuant to Article 87(3)(c) of the EC Treaty.

In its judgment of 22 December 2008 (Case C-333/07 Régie Networks, not yet published in the ECR), the Court of Justice of the European Communities declared that the Commission Decision of 10 November 1997 was invalid. Third parties are advised to examine the grounds for this judgment.

#### 2. DETAILED DESCRIPTION OF THE AID

#### 2.1. Beneficiaries of the aid scheme

The draft decree notified by the French authorities concerns the application of the aid scheme set out in Section 80 of Law 86-1067 of 30 September 1986 on freedom of communication, as amended by Section 25 of Law 89-25 of 17 January 1989 and Section 27 of Law 90-1170 of 29 December 1990, which runs as follows:

Radio broadcasting services whose commercial revenue from publicity or sponsorship messages broadcast on the air represents less than 20 % of their total turnover shall benefit from aid in line with the rules laid down by decree of the Council of State.'

#### 2.2. Method of financing the aid scheme

Article 1 of the draft decree notified by the French authorities, which became Decree 97-1263 of 29 December 1997 (French Official Gazette of 30 December 1997, p. 19194), introduced a parafiscal charge to be paid into a fund supporting radio broadcasting.

Article 2 of the draft decree states that the tax is to be levied on the amounts paid by advertisers for having their advertisements broadcast on French territory, and that it is payable by advertising companies. Amounts paid to radio stations broadcasting from Member States other than France are therefore subject to this tax.

#### 3. PRELIMINARY EVALUATION OF NOTIFIED MEASURES

### 3.1. State aid within the meaning of Article 87(1) of the EC Treaty

The aid scheme is financed by resources obtained from a parafiscal charge laid down in legislative and regulatory provisions and collected by the tax authorities, which are therefore French public resources.

The aid scheme promotes only radio broadcasting services. The beneficiaries of the aid scheme are service providers whose advertising revenue is less than 20 % of their total turnover. These broadcasting services are competing, in particular with other radio broadcasting services in France, to attract listeners and advertising revenue. Trade between Member States is likely to be affected by the aid scheme notified.

Since the aid scheme for radio broadcasting which is the subject of the notification by the French authorities falls within the scope of the provisions set out in Article 87(1) of the EC Treaty, the Commission must check whether it is compatible with the common market.

# 3.2. Compatibility of the aid in the light of Article 87(2) and (3) of the EC Treaty

With its objective of promoting multiple radio broadcasting stations the aid scheme is intended to guarantee media pluralism in France, which is a legitimate general economic objective. The component of aid for the beneficiaries could therefore be examined with respect to the conditions laid down in Article 87(3)(c) of the EC Treaty.

However, the financing of the aid scheme by means of the parafiscal charge in question forms an integral part of the measure, as was in fact stated by the Court in its *Régie Networks* judgment (paragraphs 99 to 112). As a result, the Commission must take this tax into account when examining the compatibility of the aid scheme with the common market.

The tax in question levied on advertising companies appears to run counter to the general principle, regularly asserted by the Commission and confirmed by the Court in its judgment in Case 47/69 France v Commission (1970) ECR 487, that imported products and services must be exempt from all parafiscal charges designed to finance an aid scheme which benefits national undertakings only, as stated by the Court in its Régie Networks judgment (paragraph 115).

Hence, the Commission has doubts at this stage as to the compatibility of the notified scheme with the common market, in particular as regards the criteria set out in Article 87(3)(c) of the EC Treaty. The Commission notes that if any aspect of the financing method is illegal, this would render the entire aid scheme illegal from the outset.

In accordance with Article 14 of Council Regulation (EC) No 659/1999 ( $^1$ ), all unlawful aid can be subject to recovery from the beneficiary.

#### TEXT OF LETTER

'Par la présente, la Commission européenne a l'honneur d'informer la République française qu'après avoir examiné les informations fournies par vos autorités, elle a décidé d'ouvrir la procédure prévue à l'article 88, paragraphe 2, du traité CE.

#### 1. PROCÉDURE

Par lettre du 2 octobre 1997 de la Représentation Permanente de la France auprès de l'Union européenne, enregistrée le lendemain, le gouvernement français a notifié au titre de l'article 93, paragraphe 3 du Traité CE — devenu depuis l'article 88, paragraphe 3 du Traité CE — un projet de décret visant à modifier le régime d'aide à l'expression radiophonique qui avait été mis en place par le décret 92-1053 du 30 septembre 1992.

Par lettre du 10 novembre 1997 [SG(97) D/9265], la Commission a informé la République française de sa décision de ne pas soulever d'objection aux modifications du régime, telles que notifiées. Cette décision a produit ses effets jusqu'à la décision de la Commission en date du 28 juillet 2003, relative à la mesure d'aide NN 42/03 (ex N 752/02) qui a déclaré compatible avec le marché commun au titre de l'article 87, paragraphe 3 alinéa c) CE, le projet de loi visant à modifier le régime d'aides à l'expression radiophonique ayant été approuvé par la décision du 10 novembre 1997.

Par son arrêt du 22 décembre 2008 (affaire C-333/07 Régie Networks, non encore publié au recueil), la Cour de Justice des Communautés européennes a déclaré invalide la décision de la Commission du 10 novembre 1997.

La déclaration d'invalidité de la Cour amène la Commission à prendre toutes les mesures nécessaires pour remédier à l'illégalité constatée et donc à réexaminer les informations cidessus fournies par les autorités françaises.

<sup>(1)</sup> OJ L 83, 27.3.1999, p. 1.

#### 2. DESCRIPTION DÉTAILLÉE DE L'AIDE

#### 2.1. Bénéficiaires du régime d'aides

Le projet notifié par les autorités françaises met en application le régime d'aides prévu à l'article 80 de la loi n° 86-1067, du 30 septembre 1986, relative à la liberté de communication, tel que modifié par les articles 25 de la loi n° 89-25, du 17 janvier 1989, et 27 de la loi n° 90-1170, du 29 décembre 1990, qui dispose:

«Les services de radiodiffusion sonore par voie hertzienne dont les ressources commerciales provenant de messages diffusés à l'antenne et présentant le caractère de publicité de marque ou de parrainage sont inférieures à 20 % de leur chiffre d'affaires total bénéficient d'une aide selon les modalités fixées par décret en Conseil d'État.

Le financement de cette aide est assuré par un prélèvement sur les ressources provenant de la publicité diffusée par voie de radiodiffusion sonore et de télévision.

La rémunération perçue par les services de radiodiffusion sonore par voie hertzienne lors de la diffusion de messages destinés à soutenir des actions collectives ou d'intérêt général n'est pas prise en compte pour la détermination du seuil visé à l'alinéa 1<sup>er</sup> du présent article».

#### 2.2. Mode de financement du régime d'aides

Pour ce qui est du volet financement du régime d'aides, l'article 1 du projet notifié par les autorités françaises le 2 Octobre 1997, qui est devenu le décret n° 97-1263, du 29 décembre 1997, portant création d'une taxe parafiscale au profit d'un fonds de soutien à l'expression radiophonique (JORF du 30 décembre 1997, p. 19194), dispose:

«Il est institué, à compter du 1er janvier 1998 et pour une durée de cinq ans, une taxe parafiscale sur la publicité diffusée par voie de radiodiffusion sonore et de télévision [(ci-après la "taxe sur les régies publicitaires")] destinée à financer un fonds d'aide aux titulaires d'une autorisation de service de radiodiffusion sonore par voie hertzienne dont les ressources commerciales provenant de messages diffusés à l'antenne et présentant le caractère de publicité de marque ou de parrainage sont inférieures à 20 % de leur chiffre d'affaires total. Cette taxe a pour objet de favoriser l'expression radiophonique.»

L'article 2 de du projet de décret dispose:

«La taxe est assise sur les sommes, hors commission d'agence et hors taxe sur la valeur ajoutée, payées par les annonceurs pour la diffusion de leurs messages publicitaires à destination du territoire français.

Elle est due par les personnes qui assurent la régie de ces messages publicitaires.

Un arrêté conjoint des ministres chargés du budget et de la communication fixe le tarif d'imposition par paliers de recettes trimestrielles perçues par les régies assujetties dans les limites suivantes:

L'article 4 de ce même projet de décret prévoit que cette taxe est assise, liquidée et recouvrée par la direction générale des impôts pour le compte du Fonds de soutien à l'expression radiophonique selon les mêmes règles, garanties et sanctions que celles qui sont prévues pour la taxe sur la valeur ajoutée.

#### 3. EVALUATION DES MESURES NOTIFIEES

### 3.1. Présence d'aide au sens de l'article 87, paragraphe 1, du traité CE

L'article 87, paragraphe 1 du traité CE dispose que:

«Sauf dérogations prévues par le présent traité, sont incompatibles avec le marché commun, dans la mesure où elles affectent les échanges entre États membres, les aides accordées par les États ou au moyen de ressources d'État sous quelque forme que ce soit qui faussent ou qui menacent de fausser la concurrence en favorisant certaines entreprises ou certaines productions».

Ces conditions d'application sont examinées ci-après.

Aide accordée par l'État au moyen de ressources d'État

Le régime d'aides est financé au moyen de ressources provenant d'une taxe parafiscale prévue par des dispositions législatives et règlementaires et perçue par l'administration fiscale, qui grève la publicité diffusée par voie de radiodiffusion sonore et de télévision.

Les aides sont donc accordées au moyen de ressources publiques de l'État français.

L'effet de fausser ou menacer de fausser la concurrence en favorisant certaines entreprises ou productions

Le régime d'aides favorise uniquement la prestation de services de radiodiffusion sonore par voie hertzienne. Les bénéficiaires du régime d'aides sont des prestataires de tels services dont les ressources publicitaires sont inférieures à 20 % de leur chiffre d'affaires total. Ces services sont en situation de concurrence quant à la captation d'audience et de recettes publicitaires, notamment avec d'autres services de radiodiffusion sonore sur le territoire français dont les ressources commerciales dépassent ce seuil et qui, eux, ne bénéficient pas du soutient publique au titre du régime d'aides.

Les aides en question faussent donc ou, à tout le moins, menacent de fausser la concurrence entre ces deux catégories de prestataires de services.

Affectation des échanges entre États membres

Les services de radiodiffusion sonore par voie hertzienne émis à partir du territoire français, notamment par les bénéficiaires du régime d'aides, peuvent être captés dans d'autres États membres, fût-ce seulement dans des zones transfrontalières. De même, il apparaît que la taxe parafiscale prévue par les dispositions législatives et règlementaires notifiées grève aussi les ressources publicitaires de services prestés à partir d'autres États membres vers le territoire français.

Il en résulte que les échanges entre États membres sont ou risquent d'être affectés par le régime d'aides notifié.

Conclusion sur la présence d'aide d'État

Dans ces conditions, à ce stade et sous réserve des observations de la France et des tiers intéressés, la Commission estime que le régime d'aide à l'expression radiophonique objet de la notification des autorités françaises tombe sous le coup des dispositions prévues par l'article 87, paragraphe 1 du traité CE. Pour autant que cette mesure constitue une aide d'État, la Commission se doit d'analyser sa compatibilité avec le marché commun.

## 3.2. Compatibilité de l'aide à la lumière de l'article 87, paragraphes 2 et 3 du traité CE

De par son objet et son champ d'application, la mesure d'aide notifiée ne satisfait manifestement pas aux dérogations prévues dans le paragraphe 2 de l'article 87 du traité CE ni dans les alinéas a) et b) du paragraphe 3 dudit article.

De par son but de favoriser la pluralité des stations prestant des services de radiodiffusion sonore par voie hertzienne sur le territoire français, notamment en soutenant celles dont les ressources publicitaires sont les plus faibles, le régime d'aide vise à garantir la pluralité des médias sur le territoire français, qui est un objectif économique général légitime. Ainsi, l'examen du volet d'aide aux bénéficiaires pourrait être fait au regard des conditions énoncées dans l'alinéa c) du paragraphe 3 de l'article 87 du traité CE. Celui-ci dispose que: «Peuvent être considérées comme compatibles avec le marché commun: (...) les aides destinées à faciliter le développement de certaines activités ou de certaines régions économiques, quand elles n'altèrent pas les conditions des échanges dans une mesure contraire à l'intérêt commun (...)».

Toutefois, il ressort de l'examen de l'information fournie par les autorités françaises que le mode de financement du régime d'aides au moyen de la taxe parafiscale en question fait partie intégrante de la mesure, comme l'a constaté par ailleurs la Cour dans son arrêt Régie Networks (points 99 à 112).

En effet, ainsi qu'elle a pu le rappeler dans son arrêt *Régie Networks* (point 89): «la Cour a jugé que le mode de financement d'une aide peut rendre l'ensemble du régime d'aides qu'il sert à financer incompatible avec le marché commun. Dès lors, l'examen d'une aide ne saurait être séparé des effets de son mode de financement. Tout au contraire, l'examen d'une mesure d'aide par la Commission doit nécessairement aussi prendre en considération le mode de financement de l'aide dans le cas où ce dernier fait partie intégrante de la mesure (voir en ce sens, notamment, arrêts van Calster e.a., précité, point 49, ainsi que du 15 juillet 2004, Pearle e.a., C-345/02, Rec. p. I7139, point 29)».

Il en résulte que la Commission se doit de prendre en considération ladite taxe lors de son examen de la compatibilité du régime d'aides avec le marché commun. A cet égard, la taxe sur les régies publicitaires en cause apparaît contraire au principe général, régulièrement réaffirmé par la Commission et confirmé par la Cour dans son arrêt du 25 juin 1970, France/Commission (47/69, Rec. p. 487), selon lequel les produits ou services importés doivent être exonérés de toute taxe parafiscale destinée à financer un régime d'aides dont seules bénéficient des entreprises nationales, comme l'a constaté la Cour dans son arrêt *Régie Networks* (point 115).

La Commission considère à ce stade que la non exonération des services de radiodiffusion sonore par voie hertzienne prestés en

France à partir de stations sises dans d'autres États membres et qui ne peuvent en aucun cas prétendre bénéficier des aides octroyées au titre du régime notifié altère les conditions des échanges dans une mesure contraire à l'intérêt commun. Quand bien même le but général du volet d'aide aux bénéficiaires visé par le régime notifié est légitime et pourrait être déclaré compatible avec le marché commun, il en est tout autrement du mode de financement du régime, qui n'est pas dissociable de celui-là dans l'examen de la compatibilité.

Conclusion sur la compatibilité de l'aide d'État avec le marché commun

Dans ces conditions, à ce stade, la Commission a des doutes quant à la compatibilité avec le marché commun du régime d'aides notifié, notamment à l'aune des critères énoncés dans l'article 87, paragraphe 3, alinéa c) CE. La Commission note qu'une illégalité du mode de financement entacherait d'illégalité ab initio le régime d'aides.

#### 4. CONCLUSION

Compte tenu des considérations qui précèdent, la Commission a des doutes sérieux que la mesure en cause soit compatible avec le marché commun. Par conséquent, la Commission invite la France, dans le cadre de la procédure prévue à l'article 88, paragraphe 2, du traité CE, à présenter ses observations et à fournir toute information utile pour l'évaluation des mesures dans un délai d'un mois à compter de la date de réception de la présente.

La Commission rappelle à la France que toute aide incompatible pourra faire l'objet d'une récupération auprès de son bénéficiaire

La Commission invite la République française à lui transmettre ses observations, notamment sur les aspects suivants:

- Le rendement annuel de la taxe parafiscale finançant le régime et, dans la mesure où celui-ci différerait, le montant total des aides versées par an entre 1998 et 2002.
- Une description des bénéficiaires du régime d'aides suivant une typologie par catégories et selon des critères objectifs quant au chiffre d'affaires, domaine d'activité (émissions culturelles, musicales, associatives etc.) et l'estimation de leur nombre par catégorie entre 1998 et 2002.
- Le nombre des contributeurs à la taxe parafiscale finançant le régime assorti de fourchettes de contribution moyenne annuelle entre 1998 et 2002 en identifiant, parmi ceux-ci, ceux prestant en France des services de radiodiffusion sonore par voie hertzienne à partir de stations sises dans d'autres États membres.
- Les mesures qu'envisagerait éventuellement de prendre la République française pour ce qui est du remboursement de la taxe parafiscale payée entre 1998 et 2002 par les opérateurs prestant en France des services de radiodiffusion à partir de stations ou régies sises dans d'autres États membres, notamment au regard des modifications concernant la taxe parafiscale finançant le régime d'aides, qui ont fait l'objet de la décision de la Commission du

- 28 juillet 2003, (Aide d'État NN 42/03 (ex N 752/02) déclarant compatible avec le marché commun ledit régime tel que modifié au titre de l'article 87, paragraphe 3 alinéa c) CE.
- Toute argumentation concernant les circonstances exceptionnelles ou les considérations de sécurité juridique intervenant dans l'espèce qui pourraient être invoquées par rapport au recouvrement des aides versées pendant la période couverte par l'invalidité de la décision du 10 novembre 1997 de la Commission.

Par la présente, la Commission avise la France qu'elle informera les intéressés par la publication de la présente lettre et d'un résumé de celle-ci au *Journal officiel de l'Union européenne*. Elle informera également les intéressés dans les pays de l'AELE signataires de l'accord EEE par la publication d'une communication dans le supplément EEE du Journal officiel, ainsi que l'autorité de surveillance de l'AELE en leur envoyant une copie de la présente. Tous les intéressés susmentionnés seront invités à présenter leurs observations dans un délai d'un mois à compter de la date de cette publication.'

#### OTHER ACTS

#### COMMISSION

Publication of an application pursuant to Article 6(2) of Council Regulation (EC) No 510/2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs

(2009/C 223/10)

This publication confers the right to object to the application pursuant to Article 7 of Council Regulation (EC) No 510/2006. Statements of objection must reach the Commission within six months of the date of this publication.

#### SUMMARY

### COUNCIL REGULATION (EC) No 510/2006 'HOPFEN AUS DER HALLERTAU' EC No: DE-PGI-005-0529-14.03.2006

PDO () PGI (X)

This summary contains the main details of the product specification for information only.

#### 1. Responsible department in the Member State:

Name: Bundesministerium der Justiz

Address: Mohrenstraße 37 10117 Berlin

> DEUTSCHLAND +49 3020259333

Tel. +49 3020259333 Fax +49 3020258251

E-mail: —

#### 2. Group:

Tel.

Name: Hopfenpflanzerverband Hallertau e.V.

Address: Kellerstraße 1

85283 Wolnzach DEUTSCHLAND +49 8442957200

Fax +49 8442957270 E-mail: info@deutscher-hopfen.de

Composition: Producers/processors ( X ) Others ( )

#### 3. Type of product:

Hops, Class 1.8.: Other products covered by Annex I to the Treaty

#### 4. Specification:

(summary of requirements under Article 4(2) of Regulation (EC) No 510/2006)

#### 4.1. Name:

'Hopfen aus der Hallertau'

#### 4.2. Description:

#### Botany:

The hop belongs to the same family as hemp (*Cannabinaceae*) and to the order *Urticaceae* (nettles). It is a dioecious plant, i.e. each plant carries only female or only male flowers. Only the female plants bear hop cones (*Lupuli strobulus*), otherwise known as strobiles.

#### Products:

The protection afforded by Regulation (EC) No 510/2006, which is hereby requested for the designation 'Hopfen aus der Hallertau', is to apply only to dried hop cones (*Lupuli strobulus*) and the products obtained by processing them (hop pellets and hop extracts). Conventional hop products include type-90 pellets, lupulin-enriched type-45 pellets,  $CO_2$  hop extract and ethanol hop extract. The pelleting process involves grinding the hops and applying pressure to form pellets. The extraction process involves the use of  $CO_2$  and ethanol as solvents to extract substances from the pellets.

#### Use:

Over 99 % of 'Hopfen aus der Hallertau' and the products obtained by processing them are used in the beer-brewing industry. The bitter substances and essential oils present in the hop varieties grown in the Hallertau region play a key part in influencing the brewing value.

As the world's largest coherent hop-growing region, around a third of the world's hops are cultivated in the Hallertau. The range of varieties of hops cultivated is just as large, in terms of both bitter and aromatic hops.

Examples of bitter varieties cultivated in the Hallertau include:

- Hallertauer Magnum,
- Hallertauer Taurus,
- Herkules,
- Northern Brewer.

Examples of aromatic varieties cultivated in the Hallertau include:

- Hallertauer Tradition.
- Perle,
- Spalter Select,
- Saphir,
- Hallertauer Mittelfrüh,
- Hersbrucker Spät.

#### 4.3. Geographical area:

The entire geographical area covers the rural administrative districts of Eichstätt, Freising, Kehlheim, Landshut, Nürnberger Land and Pfaffenhofen.

#### 4.4. Proof of origin:

The existing certification procedure for each variety, crop year and growing region means that there is a self-contained, officially monitored system for tracking hops throughout the entire production cycle (from the hop-growers and processors through to the breweries). Every stage of processing and marketing is subject to an official certification procedure, which is also recorded by a supervisory body. When the hops have been harvested, all hop batches are analysed by a laboratory and once the official certification procedure is completed, they are passed on to companies which process them and trade in them.

#### 4.5. Method of production:

#### Cultivation:

Hallertauer hops are grown with the help of wire supports in the cultivation area. Work begins in March, with cutting and wiring followed by training, pruning, crop protection measures and mechanical tillage. Depending on the variety, the hops are harvested from the end of August to mid-September.

#### Further processing:

To guarantee the quality of 'Hopfen aus der Hallertau' the hops must be stored in a cool place in the first marketing stage immediately after harvest and packing by the producers. Suitable storage capacity has been established in the Hallertau region by international hops traders. After cold-storage of the raw hops they are processed into hop products — hop pellets and hop extracts. During the pelleting process, the dried hop cones are first ground and then formed into pellets by applying pressure. Some of these pelletes are processed further into an extract; this is achieved by extracting specific substances from the pellets.

#### 4.6. Link with the geographical area:

The tradition of growing hops in the Hallertau region reaches back over 1 100 years, with the year 860 seeing the first official mention of the crop. Soil and climatic conditions in the Hallertau region are favourable for cultivating hops. The region's geographical location — in tertiary hills with deep, loose soil combined with frost-free conditions from the end of April, an average temperature of 7,7 °C, moderate annual sunshine of 1 673 hours and ample annual precipitation of 816 mm — is a particularly important factor. Owing to its special climatic and soil conditions, the Hallertau region is held in particularly high regard by brewers throughout the world. The expertise which the hopgrowers in the Hallertau region have accumulated over generations and the permanent, competent advice on offer play a very important part in the cultivation of 'Hopfen aus der Hallertau', around 70 % of which are exported to some 100 countries worldwide. 'Hopfen aus der Hallertau' enjoy an excellent reputation at home and abroad, and are now regarded by most brewers around the world as a highquality product. The great attention and care taken in processing the hops is another contributing factor to the good reputation enjoyed by Hallertauer hops in the international brewing industry. Many buyers swear by the high quality of these products, which have become such a key ingredient in their production lines. Traditional hop festivals and fairs, such as the Wolnzacher Volksfest in August or the Mainburger Gallimarkt in early October, and the annual election of a Hop Queen give the cultivation area a unique charm.

#### 4.7. Inspection body:

Name: Bayerische Landesanstalt für Landwirtschaft, Institut für Ernährungswirtschaft und Markt

Address: Menzinger Strasse 54 80638 München DEUTSCHLAND

Tel. +49 8917800333 Fax +49 8917800332

E-mail: —

#### 4.8. Labelling:

# Publication of an application pursuant to Article 6(2) of Council Regulation (EC) No 510/2006 on protected geographical indications and designations of origin for agricultural products and foodstuffs

(2009/C 223/11)

This publication confers the right to object to the application pursuant to Article 7 of Council Regulation (EC) No 510/2006. Statements of objection must reach the Commission within six months from the date of this publication.

#### SINGLE DOCUMENT

#### COUNCIL REGULATION (EC) No 510/2006

#### 'TARTA DE SANTIAGO'

EC No: ES-PGI-0005-0616-03.07.2007

PGI (X) PDO ()

#### 1. Name:

'Tarta de Santiago'

#### 2. Member State or Third Country:

Spain

#### 3. Description of the agricultural product or foodstuff:

3.1. Type of product (as in Annex II):

Class 2.4. Bread, pastry, cakes, confectionery and other baker's wares.

3.2. Description of the product to which the name in (1) applies:

A traditional Galician cake made using almonds, sugar and eggs as described in Section 3.3 of this document.

Sensory characteristics:

- Shape: round with a dusting of icing sugar showing, as a distinguishing mark, the Cross of the Order of Santiago.
- Aroma: that of egg yolk and almonds.
- Colour: white on the surface, due to the decorative dusting of icing sugar and golden inside.
- Taste: that of almonds.
- Texture: spongy and granulated.

Presentation: there are two basic presentations: with and without a base. Each of them comes in different sizes.

3.3. Raw materials (for processed products only):

The ingredients used to make Tarta de Santiago (without a base or excluding the base) are:

— high-quality almonds, which must account for at least 33 % of the total weight of the mix. These almonds must have a fat content of more than 50 % measured in the untrimmed product. This specification is generally met by Mediterranean almond varieties (including the varieties 'Comuna', 'Marcona', 'Mollar' 'Largueta' and 'Planeta'), which are the varieties normally used,

- refined sugar (sucrose), which must account for at least 33 % of the total weight of the mix,
- eggs, which must account for at least 25 % of the total weight of the mix,
- lemon zest and icing sugar, sweet wine, brandy or grape marc, depending on the recipe used.

For the cake with a base, the latter must not account for more than 25 % of the weight of the cake and may be made of:

- puff pastry made from wheat, butter, water and salt, or
- shortcrust pastry made from wheat flour, butter, refined sugar (sucrose), whole eggs, milk and salt.
- 3.4. Feed (for products of animal origin only):

—

3.5. Specific steps in production that must take place in the identified geographical area:

Making and decorating the 'Tarta de Santiago'.

3.6. Specific rules concerning slicing, grating, packaging, etc.:

Packaging must take place in the production facilities indicated in the register kept by the Regulatory Board. Packaging must be carried out at the production site firstly because the product is a very fragile cake which is crumbly and has a coating of icing sugar, making it difficult to handle and transport the product without the protection provided by the packaging itself. Secondly, to preserve hygiene and avoid contamination. The packaging process can therefore be said to be part of the production process.

The packaging used must be new, clean, separate for each unit and made of materials suitable for storing and transporting the product.

#### 3.7. Specific rules on labelling:

Cakes marketed with the Protected Geographical Indication 'Tarta de Santiago' must, after being certified as conforming to the specification, carry a numbered seal, label or secondary label, approved and issued by the Regulatory Board and bearing a sequential alphanumeric code and the official logo of the Protected Geographical Indication (see below).

The labels and secondary labels must state: 'Indicación Geográfica Protegida "Tarta de Santiago" '. The words 'Indicación Geográfica Protegida "Tarta de Santiago" ' must stand out on the labels and packaging in addition to the other general information required by law.



#### 4. Concise definition of the geographical area:

The geographical area of the Protected Geographical Indication 'Tarta de Santiago' covers the entire area of the Autonomous Community of Galicia.

#### 5. Link with the geographical area:

#### 5.1. Specificity of the geographical area:

Products made from almonds have been consumed in Galicia since ancient times, giving rise to a traditional cake which is now part of Galician cuisine, even though the region itself has few almond trees

These almond-based products were originally eaten by the upper classes. They later gained popularity among the general population and are now a typical and traditional Galician dessert, 'Tarta de Santiago' being one of the oldest traditional specialities of Galician baking.

#### 5.2. Specificity of the product:

'Tarta de Santiago' is a dessert which is clearly different in terms of both its appearance and taste as well as its colour and spongy, granulated texture. Its shape and the Cross of the Order of Santiago on top make this cake easy to recognise.

5.3. Causal link between the geographical area and the quality or characteristics of the product (for PDO) or a specific quality, the reputation or other characteristic of the product (for PGI):

The oldest reference to the manufacture and consumption of almond sponge cake, known today as 'Tarta de Santiago', dates back to 1577 in the context of a visit by Don Pedro de Portocarrero to the University of Santiago de Compostela and his study of the meals provided for the professors during the ceremony for the award of degrees.

The first reliable recipes appeared in the *Cuaderno de confitería*, which was compiled by Luis Bartolomé de Leybar around 1838, and *El confitero y el pastelero*, a book by Eduardo Merín which was very useful for cooks, innkeepers and confectioners. The chronology of these works and their unmistakeably Galician origin confirm both how far the preparation goes back in time and its link to local gastronomic traditions. The fact that this cake did not appear in cookery books elsewhere in Spain until the 20th century shows that it was not considered to be part of the national baking heritage and that it was long regarded as a regional speciality. This all lends weight to the argument that the cake is of Galician origin and strengthens its close link to tradition, gastronomy and taste in Galicia.

Furthermore, in traditional Galician cake shops 'Tarta de Santiago' is still made using recipes dating back to at least the end of the 19th century. The founder of 'Casa Mora', a cake shop in Santiago de Compostela, started decorating the almond cakes with a silhouette of the Cross of Saint James in 1924. This idea was a great success and soon spread throughout Galicia.

Lastly, in the Spanish Inventory of Traditional Products published by the Ministry of Agriculture, Fisheries and Food in 1996, 'Tarta de Santiago' appears in the section on pastry makers' products, which is further proof of the product's link to the Autonomous Community of Galicia.

#### Reference to publication of the specification:

Order of 29 December 2006 adopting a favourable decision on the application to register the protected geographical indication 'Tarta de Santiago'.

Galician Official Gazette No 5 of 8 January 2007.

http://www.xunta.es/doc/Dog2007.nsf/a6d9af76b0474e95c1257251004554c3/9eff9ab5be0f8a9ec125725a004cf842/\$FILE/00500D006P012.PDF

# Publication of an application pursuant to Article 6(2) of Council Regulation (EC) No 510/2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs

(2009/C 223/12)

This publication confers the right to object to the application pursuant to Article 7 of Regulation (EC) No 510/2006. Statements of objection must reach the Commission within six months of the date of this publication.

#### **SUMMARY**

#### COUNCIL REGULATION (EC) No 510/2006

#### 'PEMENTO DE OÍMBRA'

EC No: ES-PGI-0005-0486-20.07.2005

PDO () PGI (X)

This summary sets out the main elements of the product specification for information purposes.

#### 1. Responsible department in the Member State:

Name: Subdirección General de Calidad y Agricultura ecológica — Dirección General de

Industrias y Mercados Agroalimentarios — Secretaría General de Medio Rural del

Ministerio de Medio Ambiente, y Medio Rural y Marino de España

Address: Paseo Infanta Isabel, 1

28071 Madrid ESPAÑA

Tel. +34 913475394 Fax +34 913475410 E-mail: sgcaae@mapya.es

#### 2. Group:

Name: Hortoflor 2 SCG Address: Barbantes-estación

32454 Cenlle (Ourense)

ESPAÑA

Tel. +34 988280402 Fax +34 988280399 E-mail: hortoflor@hortoflor.com

Composition: Producers/processors ( X ) Other ( )

#### 3. Type of product:

Class 1.6 — Fruit, vegetables and cereals, fresh or processed

#### 4. Specification:

(summary of requirements under Article 4(2) of Regulation (EC) No 510/2006)

#### 4.1. Name:

'Pemento de Oímbra'

#### 4.2. Description:

Peppers covered by the Protected Geographical Indication (PGI) 'Pemento de Oímbra' are the fruit of the ecotype of the species *Capsicum annuun* L traditionally grown in the production area, intended for human consumption and marketed fresh before the fruit is ripe.

The characteristics of the product are as follows:

Physical and organoleptic properties:

- shape: regular, elongated, with a single lobe and three or four ribs and without significant veins,
- weight: between 100 g and 200 g each,
- fruit length: between 10 cm and 20 cm,
- base width: between 6 cm and 8 cm,
- transverse section with three or four lobes,
- shape of apex: pointed or rounded,
- skin: smooth and shiny, and light green in colour with almost yellow tints,
- thickness of the wall or flesh; between 6 mm and 8 mm,
- tasting: sweet, no bite owing to the absence of capsaicin and aroma of medium intensity.

Chemical properties (average values):

— chemical composition: moisture 93 %, protein 1,3 g/100 g (fresh weight).

#### 4.3. Geographical area:

The production area is the District of Verín in the Province of Ourense, consisting of the following municipalities: Oímbra, Verín, Castrelo do Val, Monterrei, Cualedro, Laza, Riós and Vilardevós.

The area includes the Támega River Valley, whose climate and soil conditions are ideal for growing this product.

#### 4.4. Proof of origin:

The traceability of the product is ensured by its identification at each stage of production and marketing.

In order to check that the requirements of the specification have been fulfilled, the inspection body maintains a constantly updated register of producers and plots.

Only peppers grown in accordance with the conditions laid down in the specification and other additional rules, on plots and by producers entered in the register may be covered by the PGI 'Pemento de Oímbra'.

In addition, registered producers are required to declare the quantity of PGI peppers actually produced and marketed by means of entries in registers set up for the purpose. The inspection body checks that the quantities marketed by the packers correspond to the production of the farmers who supply them and that that production corresponds to the yield of the registered plots.

All legal and natural persons entered in the registers, plots, stores, processing undertakings and products are subject to inspections and checks carried out by the inspection body with a view to verifying that the protected products fulfil the requirements set out in the specification and additional rules. The checks involve an inspection of the plots, stores and processing undertakings, a review of the documentation and verification that the physical criteria described in point 4.2 are met, plus checks to ensure that the peppers picked are whole, healthy, clean, undamaged and unblemished. In addition, multi-residual analyses may be carried out to check that the values for pesticides are below the maximum residue limits (MRLs) set for the crop by current legislation.

#### 4.5. Method of production:

The plants and fruit to be used for obtaining seed for propagation are selected using traditional methods by the farmers themselves, who use their experience to select those with the best characteristics (size, shape and appearance) for growing top-quality peppers.

The cultivation procedure is described below:

#### - Propagation and planting out:

The ripe fruit (red) is dried and the seed extracted. The seedbeds are prepared at the beginning of March. The plants are transplanted to the cultivation plots from mid-May using a planting pattern of approximately  $50 \text{ cm} \times 40 \text{ cm}$ . Nursery plants come from approved producers entered in the relevant register.

#### — Production restrictions:

Peppers produced both in the open and under cover will be eligible for protection under the PGI 'Pemento de Oímbra'. The maximum permitted yield is generally 4,5 kg/m<sup>2</sup>.

#### Growing practices:

Irrigation is essential for the optimum development of this crop and must be carried out at the foot of the plant to avoid damaging the flower or the fruit.

Organic fertiliser is applied once as a basal dressing (cow dung or poultry dung).

Possible pests and diseases are controlled by methods such as the disinfection of seeds, the treatment of seedbeds and reduced irrigation. If plant-health products have to be employed, the active substances used are those that have less of an environmental impact, are more effective, less toxic, create fewer residue problems, have less of an effect on secondary fauna and less of a problem with resistance.

#### — Harvesting:

Harvesting is done by hand when the fruit has partially ripened and at the point when, based on the experience of the farmer and the physical characteristics listed in point 4.2, it is ready for marketing. As many runs are made as required, using the equipment (tools, boxes or containers and so on) and people necessary to prevent any deterioration of the product.

#### — Transport and storage:

The peppers are transported in rigid containers to avoid crushing them. Unloading is carried out in such a way as to reduce the risk of the product falling. Storage areas must be correctly ventilated.

#### — Marketing:

The peppers are marketed in net bags of 1 kg to 5 kg or in cardboard boxes of 5 kg to 10 kg. The materials used are authorised by food legislation. The contents of each package are of uniform quality, ripeness and colour. Other forms of presentation may be introduced if it is shown that they do not adversely affect the quality of the product. The peppers are marketed between 15 June and 15 October, although that period may be modified when, owing to seasonal weather conditions, the characteristics of the product so require.

#### 4.6. Link:

This pepper is a local ecotype that has been cultivated by farmers in the defined geographical area since ancient times. As a result of its limited production and distribution over the years, its cultivation has not spread beyond that geographical area, which even today remains the only place where this pepper is grown.

As a reflection of its fame and popularity, in 1998 the 'Feira do Pemento' (Pepper Fair) was launched, a festive occasion celebrating the gastronomic qualities of the 'Pemento de Oímbra', which takes place annually at the beginning of August; during this event not only is the product tasted and promoted but gastronomic competitions and technical seminars are organised for growers. As evidence of its reputation, it is worth noting the numerous restaurants in the District of Verín that include 'Pemento de Oímbra' on their menus, seeing its culinary properties and the many ways in which it can be prepared as an excellent means of attracting customers.

Its reputation is the result of a combination of many factors, including the plant material, the soil and the microclimate of the producer valleys.

#### Plant material

The traditional practices of local farmers, maintaining and selecting the best plants while adapting production techniques to local conditions, have resulted in a product with an excellent reputation based on its specific characteristics and quality.

#### Soil

The characteristics of the soil make the area even more suited to growing peppers, with its light loamy and sandy-loamy soils rich in organic materials, with drainage that favours infiltration, allowing frequent irrigation — the plant is vulnerable to dehydration and the soil must therefore always be kept damp, but waterlogging must be avoided, as this can cause asphyxia and blossom-end rot of the fruit.

#### Climate

The climate of the defined area is particularly suited to growing the Oímbra ecotype and explains why the crop has been grown in the area for so long and the unique properties of the pepper.

The 'Pemento de Oímbra', like most sweet peppers, is very demanding as regards light, and therefore benefits from the south-east exposure of the production area and its temperature, which in the defined area is ideal at each stage of development of the crop.

Germination requires a minimum temperature of 13 °C, which occurs in the area from April, while the optimum temperature for development of the fruit is between 20 °C and 25 °C (during the day) and between 16 °C and 18 °C (at night), the usual temperatures in the area in July and August. In most years, the night-time temperature in September (an average of 14,4 °C) is too low for growing quality sweet peppers in the open and so tunnels are widely used.

#### 4.7. Inspection body:

Instituto Galego da Calidade Alimentaria (INGACAL)

Address: Rúa Fonte dos Concheiros, 11 bajo 15703 Santiago de Compostela

**ESPAÑA** 

Tel. +34 881997276 +34 981546676 Fax E-mail: ingacal@xunta.es

INGACAL is a public body attached to the Consellería do Medio Rural de la Xunta de Galicia (Ministry of Rural Affairs of the Government of Galicia).

#### 4.8. Labelling:

Peppers marketed under the Protected Geographical Indication 'Pemento de Oímbra' must bear a commercial label bearing the brand name of each producer/packer and a secondary label bearing a sequential alphanumeric code, authorised by the inspection body, with the Protected Geographical Indication logo. The words 'Indicación Geográfica Protegida "Pemento de Oímbra" i must appear on both the commercial label and the secondary label.

#### 2009 SUBSCRIPTION PRICES (excluding VAT, including normal transport charges)

EU Official Journal, L + C series, paper edition only	22 official EU languages	EUR 1 000 per year (*)
EU Official Journal, L + C series, paper edition only	22 official EU languages	EUR 100 per month (*)
EU Official Journal, L + C series, paper + annual CD-ROM	22 official EU languages	EUR 1 200 per year
EU Official Journal, L series, paper edition only	22 official EU languages	EUR 700 per year
EU Official Journal, L series, paper edition only	22 official EU languages	EUR 70 per month
EU Official Journal, C series, paper edition only	22 official EU languages	EUR 400 per year
EU Official Journal, C series, paper edition only	22 official EU languages	EUR 40 per month
EU Official Journal, L + C series, monthly CD-ROM (cumulative)	22 official EU languages	EUR 500 per year
Supplement to the Official Journal (S series), tendering procedures for public contracts, CD-ROM, two editions per week	multilingual: 23 official EU languages	EUR 360 per year (= EUR 30 per month)
EU Official Journal, C series — recruitment competitions	Language(s) according to competition(s)	EUR 50 per year

(\*) Sold in single issues: up to 32 pages: EUR 6

from 33 to 64 pages: EUR 12 over 64 pages: Priced individually.

Subscriptions to the *Official Journal of the European Union*, which is published in the official languages of the European Union, are available for 22 language versions. The Official Journal comprises two series, L (Legislation) and C (Information and Notices).

A separate subscription must be taken out for each language version.

In accordance with Council Regulation (EC) No 920/2005, published in Official Journal L 156 of 18 June 2005, the institutions of the European Union are temporarily not bound by the obligation to draft all acts in Irish and publish them in that language. Irish editions of the Official Journal are therefore sold separately.

Subscriptions to the Supplement to the Official Journal (S Series — tendering procedures for public contracts) cover all 23 official language versions on a single multilingual CD-ROM.

On request, subscribers to the *Official Journal of the European Union* can receive the various Annexes to the Official Journal. Subscribers are informed of the publication of Annexes by notices inserted in the *Official Journal of the European Union*.

#### Sales and subscriptions

Priced publications issued by the Publications Office are available from our commercial distributors. The list of commercial distributors is available at:

http://publications.europa.eu/others/agents/index\_en.htm

EUR-Lex (http://eur-lex.europa.eu) offers direct access to European Union legislation free of charge. The *Official Journal of the European Union* can be consulted on this website, as can the Treaties, legislation, case-law and preparatory acts.

For further information on the European Union, see: http://europa.eu



