



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 27.02.1998  
COM(1998) 105 final

98/0073 (ACC)

Proposal for a

COUNCIL DECISION

**on the position to be taken by the Community within the Association Council established by the Europe Agreement signed on 19 December 1994 between the European Communities and their Member States, of the one part, and the Slovak Republic, of the other part, with regard to the extension for a further period of five years in accordance with the provisions of Article 64 § 4(a) of the Europe Agreement**

(presented by the Commission)



## **EXPLANATORY MEMORANDUM**

### **Extension for a further five year period in accordance with the provisions of Article 64 § 4(a) of the Europe Agreement**

1. Article 64, paragraph 4 (a) of the Europe Agreement with Slovakia provides that, for the purpose of applying certain provisions relating to public aid, during the first five years after the entry into force of the Agreement any public aid granted by Slovakia shall be assessed taking into account the fact that Slovakia shall be regarded as an area identical to those areas of the Community eligible for state aid pursuant Article 92(3) (a) of the Treaty establishing the European Economic Community.
2. The period of five years referred above expired on 2 March 1997.
3. In accordance with the last sentence of article 64(4)(a) of the Europe Agreement, the Association Council shall, taking into account the economic situation of Slovakia, decide whether that period should be extended for a further five years.
4. On 14 July 1997, Slovakia requested the extension of the above-mentioned provisions.
5. The main criterium for considering an area eligible for regional aid pursuant to Article 92(3)(a) provisions is that GDP per capita should be less than 75% of the average GDP of the EU-15, measured in PPP terms<sup>1</sup>.
6. The Commission has examined the requests on the basis of the figures and information available for Slovakia. The data shows that in the case of Slovakia GDP/capita measured in Purchasing Power Parities (PPP) reaches 41% of the Community average in 1995. No data is available on GDP on a regional basis. However, it is reasonable to assume that no Slovak region is at present over the 75% ceiling mentioned above.
7. Based on the above, the Commission believes that the figures available provide sufficient grounds for granting an extension to Slovakia. However, the Commission should be provided with the necessary regional data to assess

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<sup>1</sup> OJ C212/ of 12.8.1988 and C163/6 of 4.7.1990

whether, in the future, Slovakia will not exceed the ceiling of 75% of the Community's average GDP which is required in order to benefit from 92(3)(a) status.

8. This extension will not be applicable to products covered by Protocol 2 of the Europe Agreement, which will be the object of a separate examination and procedure.
9. The Commission therefore requests the Council to adopt the attached proposal for a Council Decision.

## **Proposal for a Decision of the Council**

**on the position to be taken by the Community within the Association Council established by the Europe Agreement signed on 19 December 1994 between the European Communities and their Member States, of the one part, and the Slovak Republic, of the other part, with regard to the extension for a further period of five years in accordance with the provisions of Article 64 § 4(a) of the Europe Agreement**

The Council of the European Union,

Having regard to the Treaty establishing the European Community, and in particular Article 113 in conjunction with the first sentence of Article 228(2) thereof,

Having regard to the proposal of the Commission of the European Communities,

Whereas the European Community and its Member States concluded the Europe Agreement with the Slovak Republic on 01.02.95;

Whereas Article 64(4)(a) of the Europe Agreement lays down that the Association Council shall, taking into account the economic situation of Slovakia, decide whether the period within which any public aid granted by Slovakia shall be assessed taking into account the fact that Slovakia shall be regarded as an area identical to those areas of the Community described in Article 92(3)(a) of the Treaty establishing the European Economic Community should be extended for a further five years;

**HAVE DECIDED AS FOLLOWS:**

The position to be taken by the Community within the Association Council established by the Europe Agreement signed on 16 December and their Member States, of the one part, and the Slovak Republic, of the other part, with regard to the extension for a further five years in accordance with Article 64 § 4(a) shall be based on the draft decision of the Association Council annexed to this Decision.

Done at Brussels on

For the Council

**Association between the European Union  
and the Slovak Republic  
The Association Council**

**Draft decision n°.../...of the Association Council between the European Communities and their Member States, of the one part, and the Slovak Republic, of the other part, of .../...adopting the extension of five years of the period within which any public aid granted by Slovakia shall be assessed taking into account the fact that Slovakia shall be regarded as an area identical to those areas described in Article 92(3)(a) of the Treaty establishing the European Economic Community**

The Association Council,

Having regard to the Europe Agreement establishing an association between the European Communities and the Member States of the one part, and the Slovak Republic of the other part, and in particular Article 64(4)(a) thereof,

Whereas Article 64(4)(a) of the Europe Agreement lays down that the Association Council shall, taking into account the economic situation of Slovakia, decide whether the period within which any public aid granted by Slovakia shall be assessed taking into account the fact that Slovakia shall be regarded as an area identical to those areas of the Community described in Article 92(3)(a) of the Treaty establishing the European Economic Community should be extended for a further period of five years,

**HAS DECIDED AS FOLLOWS:**

**Article 1**

The period within which any public aid granted by Slovakia shall be assessed taking into account the fact that Slovakia shall be regarded as an area identical to those areas of the Community described in Article 92(3)(a) of the Treaty establishing the European Economic Community is extended for a further period of five years,

**Article 2**

Within two years from the date of the extended period of five years enters into force and thereafter annually until the end of the five year period, Slovakia will provide the European Commission with the necessary regional data to assess, according to the method used by the Commission, whether Slovakia continues to fulfil the conditions to be regarded as an area identical to those areas of the Community described in Article 92(3)(a) of the Treaty establishing the European Economic Community.

Done at Brussels on

The Secretaries

For the Association Council  
The President

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