

INTERNAL MARKET AND STATE AID: CONTRADICTION OR HARMONY ?

(Plan of Lectures)

By

Dr. Helmuth Schröter

Honorary Professor at the University of Saarbrücken, Germany

TUESDAY, FEBRUARY 22ND, 2011. 18.00-21.00, Conference room

I. Basic elements of the Internal Market

- 1. The four freedoms**
- 2. The system of free, fair, undistorted and effective competition**
- 3. Competition rules for undertakings and for Member States**

II. Economic importance of State aids

- 1. Point of view of Member States**
 - a) Protection of home industries against competition from outside the country**
 - b) Support of exports**
- 2. Point of view of the European Union**
 - a) Prevention of State measures distorting competition in the Internal Market**
 - b) Acceptance of State aids contributing to economic and social development**
- 3. Advantages of granting State aid**
 - a) Compensation of market failure**
 - b) Pursuit of common European interests**

4. Risks of granting State aid

- a) Disadvantaging efficient competitors**
- b) Hindering the market exit of inefficient firms**
- c) Discouraging private investors**
- d) Overcharging national budgets**
- e) Creating races between Member States for new investment**

5. Some figures

- a) Part of State aid in the GDP of Member States**
- b) Differences between rich and poor Member States**
- c) Compensation by EU financial aid**

III. The EU legal system of State aid control: basic principles

- 1. General prohibition rule, exceptions and exemptions**
- 2. Substantial provisions and procedural rules**

THURSDAY, FEBRUARY 24TH, 2011, 18.00-21.00, Conference room

IV. The prohibition of State aid (Article 107 (1) TFEU)

- 1. The concept of State aid**
 - a) Any aid granted by a Member State or through State resources**
 - b) In any form whatsoever**

c) Favouring certain undertakings or productions

2. The negative effect: distortion of competition in the Internal Market

3. The jurisdictional clause: influence on trade between Member States

V. Legal exceptions from the general prohibition (Article 107 (2) TFEU)

1. Social aid granted to individual consumers

2. Aid to make good damage caused by natural and other disasters

3. Compensation of economic disadvantages caused by the division of Germany

VI. Possible exemptions from the general prohibition (Article 107 (3) TFEU)

1. Aid granted to promote investment in abnormally underdeveloped areas

2. Aid to facilitate the development of certain economic areas

3. Aid to facilitate certain economic activities

4. Aid to promote culture and heritage conservation

5. Aid to promote the execution of an important European project

6. Aid to remedy a serious disturbance in the economy of a Member State

FRIDAY, FEBRUARY 25TH, 2011, 18.00-21.00, Conference room

VII. Criteria for the exercise of the EU Commission's discretion

1. Balancing advantages and disadvantages of the aid granting

2. The concept of development

3. The principle of proportionality

4. The common European interest

VIII. The procedure (Article 108 TFEU)

1. Review of existing aids

2. Notification of new aids

3. Suspension of putting into effect new aid

4. Preliminary examination and formal proceedings

5. Outcome of proceedings

6. Recovery of unlawful aids

IX. Implementing rules issued by the Council (Article 109 TFEU)

1. The Council's legislative Powers

2. The regulation on procedure

3. Block exemption regulations

X. The EU and the financial crisis

XI. Control of State aid in Serbia