
Changes to legislation: There are currently no known outstanding effects for the Commission Decision of 17 June 2009 on the State aid C 33/08 (ex N 732/07) to Volvo Aero Corporation for R & D, which Sweden intends to implement (notified under document C(2009) 4542) (Only the Swedish version is authentic) (Text with EEA relevance) (2009/838/EC). (See end of Document for details)

Commission Decision of 17 June 2009 on the State aid C 33/08 (ex N 732/07) to Volvo Aero Corporation for R & D, which Sweden intends to implement (notified under document C(2009) 4542) (Only the Swedish version is authentic) (Text with EEA relevance) (2009/838/EC)

- Article 1 The State aid which Sweden is intending to grant to...
- Article 2 This Decision is addressed to the Kingdom of Sweden.
Signature

Changes to legislation: There are currently no known outstanding effects for the Commission Decision of 17 June 2009 on the State aid C 33/08 (ex N 732/07) to Volvo Aero Corporation for R & D, which Sweden intends to implement (notified under document C(2009) 4542) (Only the Swedish version is authentic) (Text with EEA relevance) (2009/838/EC). (See end of Document for details)

- (1) [OJ C 253, 4.10.2008, p. 31.](#)
- (2) See footnote 1.
- (3) According to the European Central Bank, the Swedish krona to euro exchange rate was approx. 9,3 on the notification date of 10 December 2007.
- (4) The second tier market includes suppliers of aerostructures such as: Hamilton (US), Honeywell (US), IHI (JP), MTU (DE), Snecma (FR), Avio (IT), ITP (ES).
- (5) The Group also provides other services, such as financing, leasing, insurance, action services, warranty, rentals, IT solutions and logistical operations.
- (6) Repayable advance means a loan for a project which is paid in one or more instalments and the conditions for the reimbursement of which depend on the outcome of the R & D&I project.
- (7) Expected Volvo Aero revenues from sales of engines and spare parts.
- (8) Business secret
- (9) The asymmetry of information comes from the scale of the investment upfront, which is very significant, while returns arrive only in the long term. The break-even point is normally reached after 15-20 years. Technical and commercial risks also have a major bearing.
- (10) [OJ L 83, 27.3.1999, p. 1.](#)
- (11) See footnote 1.
- (12) [OJ C 323, 30.12.2006, p. 1.](#)
- (13) See for instance Commission's decisions on cases N 165/03 (Spain, aid to ITP for the Trent 900), N 372/05 (France, aid to Snecma for the engine SaM 146), N 120/01 (United Kingdom, aid to Rolls-Royce for the development of the Trent 600 and Trent 900 engines), and more recently on cases N 195/07 (Germany, Aid to Rolls-Royce Deutschland), and N 447/07 (France, Aid to Turbomeca), and most recently in C 9/2007 (Spain, aid to ITP).
- (14) Volvo Construction Equipment has been granted a high cash pool limit, however only for a single year and the company contributed 11 % to the group's operating income.
- (15) As indicated in the letter of 27 November 2008 from Volvo Group to Volvo Aero.
- (16) It should be noted that in January 2009 it was announced that Volvo Aero would initiate negotiations with the trade unions to reduce the number of blue-collar employees by 250 and the number of white-collar positions by around 100. This clearly indicates the financial difficulties faced by Volvo Aero at the moment.
- (17) See e.g. para 38 of the Guidelines on National Regional aid for 2007-2013 ([OJ C 54, 4.3.2006, p. 13](#)).
- (18) In 2002 the Swedish Parliament took a decision to set aside resources for future R & D-related activities within Swedish aviation industry.
- (19) Former CEO's presentation to the Board before end 2004
- (20) State aid case N 301/03.
- (21) And the distortion of competition is more limited, since the product has not been a success.

Changes to legislation:

There are currently no known outstanding effects for the Commission Decision of 17 June 2009 on the State aid C 33/08 (ex N 732/07) to Volvo Aero Corporation for R & D, which Sweden intends to implement (notified under document C(2009) 4542) (Only the Swedish version is authentic) (Text with EEA relevance) (2009/838/EC).