

Commission Decision (EU) 2015/1072 of 1 October 2014 on the measures implemented by Germany in favour of Propapier PM2 GmbH — State aid SA.23827 (2013/C) (ex NN 46/12, ex N 582/07) (notified under document C(2014) 6837) (Only the German text is authentic) (Text with EEA relevance)

- Article 1 The State aid which Germany has implemented in favour of...
- Article 2 This Decision is addressed to the Federal Republic of Germany...
Signature

Changes to legislation: There are currently no known outstanding effects for the Commission Decision (EU) 2015/1072. (See end of Document for details)

- (1) [OJ C 54, 4.3.2006, p. 13.](#)
- (2) These included formal complaints lodged by the Swedish and Finnish Forest Industry Federations, on 20 December 2007 (registered under reference CP 365/07); by the Koninklijke Vereniging van Nederlandse Papier- en Kartonfabrieken, on 3 January 2008 (registered under reference CP 3/08); and by Procelpac — Groupement français des fabricants de papiers et cartons d’emballage à base de cellulose, on 22 February 2008 (registered under reference CP 47/08).
- (3) [OJ C 131, 29.5.2008, p. 6.](#)
- (4) [OJ C 7, 12.1.2011, p. 10.](#)
- (5) Cf. Commission decision of 23 March 2011 on State aid case C 28/05 Glunz AG ([OJ L 228, 3.9.2011, p. 22](#)), and Commission decision of 11 May 2012 on State aid case SA.28855 (N 373/09) (ex C 10/09, ex N 528/08) ING restructuring aid ([OJ C 260, 29.8.2012, p. 1](#)).
- (6) [OJ C 230, 8.8.2013, p. 39.](#)
- (7) State aid N 459/06 ([OJ C 295, 5.12.2006, p. 6](#)).
- (8) Covered by the obligation of professional secrecy.
- (9) For the purpose of this decision, eligible costs and aid amounts are discounted to the year of initial notification, using the discount rate applicable at the moment of the notification, i.e. 5,42 % (cf. point 41 of the RAG).
- (10) Published in [OJ C 41, 24.2.2007, p. 9](#). Scheme implemented under Commission Regulation (EC) No 1628/2006 of 24 October 2006 on the application of Articles 87 and 88 of the Treaty to national regional investment aid (Regional block exemption regulation) ([OJ L 302, 1.11.2006, p. 29](#)).
- (11) Published in [OJ C 102, 5.5.2007, p. 11](#). Scheme implemented under the Regional block exemption regulation (see footnote 9 above).
- (12) Measured in purchasing power standards.
- (13) After the adoption of the annulled decision, Germany informed that the project had led to a total of 675 (of which 36 in the power plant) jobs created in the region. Propapier itself employs 123 workers and 23 employees. Besides, Propapier has created 11 apprenticeships.
- (14) See § 88 of the judgment in Case T-304/08.
- (15) Economic analysis of State aid given to Progroup AG, London Economics, 9 November 2007.
- (16) Henry Poole Consulting: Strategic Planning Aid for Corrugated Europe (03/07).
- (17) Council Regulation (EC) No 659/1999 of 22 March 1999 laying down detailed rules for the application of Article 108 of the Treaty on the Functioning of the European Union ([OJ L 83, 27.3.1999, p. 1](#)), as amended.
- (18) Economic analysis of investment aid to Progroup, Report for Federal Republic of Germany, 11 July 2013.
- (19) Propapier PM2 Investitionszulage, Diskussionsunterlage, Roland Berger Strategy Consultants, 15 July 2013.
- (20) Deutsche Bank AG Global Markets Research Division, Smurfit Kappa analysis report, 24 April 2007.
- (21) ECA report, p. 19.
- (22) As it also did in State aid cases N 203/08 LIP — DE — Aid to Papierfabrik Hamburger Spremberg GmbH&Co, and SA.32063 (2011/NN) Poland — LIP — Mondi Świecie.
- (23) Deutsche Bank study, p. 21.
- (24) ECA report, p. 9.
- (25) Deutsche Bank study, p. 12.
- (26) ECA report, p. 10.
- (27) Compound Annual Growth Rate.

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- (28) Wage differential due to training costs and additional fees, e.g. for rental charges and commuting expenses, based on a comparison between Prowell existing sites in [...].
- (29) SPD Landesverband Brandenburg und CDU Landesverband Brandenburg, Vereinbarung zur Zusammenarbeit in einer Regierungskoalition für die 4. Wahlperiode des Brandenburger Landtages 2004 bis 2009, Potsdam, October 2004.
- (30) Pöyry, Branchenstrategie Papier Brandenburg (Zusammenfassung) im Auftrag des Ministeriums für Wirtschaft des Landes Brandenburg vom November 2007.
- (31) E.g. seminars and practical training in Germany and abroad, technical training in hydraulics and pneumatics, specific training for operators of the Propapier PM2 machine.
- (32) State aid cases N 203/08 LIP — DE — Aid to Papierfabrik Hamburger Spremberg GmbH&Co, N 865/06 LIP — DE — Aid to Projektgesellschaft Papierfabrik Adolf Jass Schwarza GmbH, and SA.32063 (2011/NN) Poland — LIP — Mondi Świecie.
- (33) Regional block exemption regulation (see footnote 9).
- (34) Cf. State aid cases C 28/2005 Glunz AG; C 54/1996 Alitalia (Commission Decision 2001/723/EC (OJ L 271, 12.10.2001, p. 28)), SA.23839 (C 44/2007) FagorBrandt (Commission Decision 2013/283/EU (OJ L 166, 18.6.2013, p. 1)) and SA.28855(2012/C) ING restructuring aid.
- (35) Case 34/86 *Council v Parliament* [1986] ECR 2155, paragraph 47; Case C-415/96 *Spain v Commission* [1998] ECR I-6993, paragraph 31; and Case C-458/98 P *Industrie des poudres sphériques v Council* [2000] ECR I-8147, paragraph 82.
- (36) Case C-415/96 *Spain v Commission* [1998] ECR I-6993, paragraph 34.
- (37) Cf. Commission Decision 2006/262/EC of 21 September 2005 on State aid No C 5/2004 (ex N 609/03) which Germany is planning to implement for Kronoply (OJ L 94, 1.4.2006, p. 50).
- (38) See footnote 4.
- (39) See recital 3.
- (40) Inter alia, COMP/M.3935 — Jefferson Smurfit/Kappa (10 November 2005); COMP/M.2391 — CVC/Cinven/Assidomän (10 May 2001); COMP/M.2243 — Stora Enso/Assidomän/JV (22 December 2000); COMP/M.2020 — Metsä-Serla/MODO (4 August 2000).
- (41) State aid cases N 203/08 LIP — DE — Aid to Papierfabrik Hamburger Spremberg GmbH&Co, N 865/06 LIP — DE — Aid to Projektgesellschaft Papierfabrik Adolf Jass Schwarza GmbH, and SA.32063 (2011/NN) Poland — LIP — Mondi Świecie.
- (42) See footnote 38.
- (43) E.g. COMP/M.3935 — Jefferson Smurfit/Kappa; COMP/M.2391 — CVC/Cinven/Assidomän.
- (44) It should be noted in this respect that Progroup sells on the open market only recycled paper based CCM, i.e. testliner up to 150 g/m² and fluting made from recycled paper.
- (45) Since, as noted above, integrated producers are active in open market transactions not only because of their insufficient capacities but also for logistic needs and depending on their concrete demand for different subtypes of CCM, this method actually underestimates the size of the open market and thus represents a worst case scenario approach.
- (46) FEFCO is the umbrella organisation of European associations of corrugated board manufacturers.
- (47) Footnote 62 of the RAG defines “apparent consumption of the product concerned” as “production minus export plus imports”. Apparent consumption data was compiled by Pöyry for the purpose of the notification.
- (48) EU-27 data were used as a proxy.
- (49) The same reasoning leading to the same conclusion was followed by the Commission in its decisions on aid to other investments in the paper sector which took place over the same period: State aid cases N 203/08 LIP — DE — Aid to Papierfabrik Hamburger Spremberg GmbH&Co, and SA.32063 (2011/NN) Poland — LIP — Mondi Świecie.
- (50) On the basis of the worst case scenario approach presented in recital 167 of this decision.
- (51) Calculated as [$< 250\,000$] t/a/(8 600 000 t/a — [$> 365\,000$] t/a).

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- (52) The ECA report states that the average age of shut-down paper machines in Europe between 2000 and 2007 is 51 years (p. 55 and Appendix 2).
- (53) “The industry’s operating rates are an important measure of how healthy the market conditions are and give an indication for the direction of the product prices. The European operating rate was 92 % last year and is expected to increase in the next two years (...). The healthy demand growth in combination with limited new supply will tighten the market further.” (Deutsche Bank study, p. 19).
- (54) [OJ C 223, 16.9.2009, p. 3.](#)
- (55) Judgement of the Court of First Instance of 14 January 2009, Case T-162/06, *Kronoply v Commission*, point 80.
- (56) Cf. State aid cases N 203/08 LIP — DE — Aid to Papierfabrik Hamburger Spremberg GmbH&Co (aid of ca. EUR 183 000 per direct job, 200 direct jobs and number of indirect jobs not specified), and N 865/06 LIP — DE — Aid to Projektgesellschaft Papierfabrik Adolf Jass Schwarza GmbH (aid of ca. EUR 367 000 per direct job, 100 direct jobs and 100 indirect jobs).

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