

WORLD TRADE ORGANIZATION

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Committee on Subsidies and
Countervailing Measures

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SUBSIDIES

New and Full Notification Pursuant to Article XVI:1
of the GATT 1994 and Article 25 of the Agreement
on Subsidies and Countervailing Measures

EUROPEAN UNION

Addendum

The following addendum to the notification of the European Union relates to subsidy programmes of the **Czech Republic**.

CZECH REPUBLIC

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I. INVESTMENT INCENTIVES

1. Title of the subsidy programme, if relevant, or brief description or identification of the subsidy

Investment incentives.

2. Period covered by the notification. The period to be covered by the notification should be the most recently completed calendar or fiscal year. In the latter case, the start and end dates of the fiscal year should be specified

2009-2010

3. Policy objective and / or purpose of the subsidy

Regional development, creation of new jobs.

4. Background and authority for the subsidy (including identification of the legislation under which it is granted)

Background: Financial support to investment projects. Support is directed to production activities in manufacturing industry and to investments into progressive technologies and activities with high added value.

Authority for the subsidy: Ministry of Industry and Trade of the Czech Republic.

Legislation: Commission Regulation No. 1628/2006 on the application of Art. 87 and 88 of Treaty to national regional investment aid (OJ 2006 L 302/29)

5. Form of the subsidy (i.e. grant, loan, tax concession, etc.)

Tax relief, grant, land sale below market price.

6. To whom and how the subsidy is provided (whether to producers, to exporters, or others; through what mechanism; whether a fixed or fluctuating amount per unit; if the latter, how determined)

For all types of recipients. The aid amount is calculated as a percentage of the eligible costs. Subsidy is provided up to the percentage given by the Regional Map of State Aid Intensity (authorized by the European Commission under the N 510/06 – Czech Republic Regional Aid Map 2007-2013).

7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy (indicating, if possible, the average subsidy per unit in the previous year). Where provision of per unit subsidy information (for the year covered by the notification, for the previous year, or both) is not possible, a full explanation

In 2009: CZK 3,686.15 million (subsidy)

In 2010: CZK 1,913.74 million (subsidy)

8. For the information cited in items 3 to 7 above, the notification does not necessarily have to have an independent heading corresponding to each item, and may provide information on multiple items in one heading (e.g. provide information on items 3 and 4 under one heading). In this case, the notification must clearly specify what items are covered by which heading

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9. Duration of the subsidy and/or any other time-limits attached to it, including date of inception/commencement

1.1.2007 - 31.12.2013

10. Statistical data permitting an assessment of the trade effects of the subsidy. The specific nature and scope of such statistics is left to the judgement of the notifying Member. To the extent possible, relevant and/or determinable, however, it is desirable that such information includes statistics of production, consumption, imports and exports of the subsidized product(s) or sector(s)

Not available.

II. OPERATIONAL PROGRAMME ENTERPRISE AND INNOVATIONS: PROGRESS, GUARANTEE, DEVELOPMENT, ECO ENERGY, INNOVATION, POTENTIAL, COOPERATION, PROSPERITY, REAL ESTATES

1. Title of the subsidy programme, if relevant, or brief description or identification of the subsidy

Operational Programme Enterprise and Innovations: Progress, Guarantee, Development, Eco energy.

Innovation, Potential, Cooperation, Prosperity, Real estates.

2. Period covered by the notification. The period to be covered by the notification should be the most recently completed calendar or fiscal year. In the latter case, the start and end dates of the fiscal year should be specified

2009-2010

3. Policy objective and/or purpose of the subsidy

Environmental protection, regional development, SME, research and development, innovations.

4. Background and authority for the subsidy (including identification of the legislation under which it is granted)

Progress

Background: realization of larger entrepreneurial projects for the development of SMEs with a lower capital background or with limited possibilities of obtaining a loan representing a barrier in the access to external financing. The potential financial contribution to the subordinate loan should motivate the entrepreneurs to increase the employment rate.

Authority: Ministry of Industry and Trade of the Czech Republic.

Legislation: Commission Regulation (EC) No. 800/2008 declaring certain categories of aid compatible with the common market in application of Articles 87 and 88 of the Treaty

Guarantee

Background: the aim of the programme is to facilitate the realisation of entrepreneurial projects of SMEs focused on investments and increasing competitiveness in the form of guarantees and soft guarantees with financial contributions. The focus will be on the support of projects of small enterprises in the regions with concentrated support of the state.

Authority: Ministry of Industry and Trade of the Czech Republic.

Legislation: Commission Regulation (EC) No. 800/2008 declaring certain categories of aid compatible with the common market in application of Articles 87 and 88 of the Treaty.

Development

Background: support of competitiveness of SMEs particularly by purchasing new technologies in areas with the concentrated support of the State.

Authority: Ministry of Industry and Trade of the Czech Republic.

Legislation: Commission Regulation (EC) No. 800/2008 declaring certain categories of aid compatible with the common market in application of Articles 87 and 88 of the Treaty.

Eco Energy

Background: focused particularly on increasing the effectiveness of generation, transmission and consumption of energy and the use of renewable and alternative energy sources.

Authority: Ministry of Industry and Trade of the Czech Republic.

Legislation: Commission Regulation No. 800/2008 declaring certain categories of aid compatible with the common market in application of Art. 87 and 88 of the Treaty.

Innovations

Background: focused particularly on the support for the commercialisation of R&D results and the transfer of technologies onto markets through innovation activities.

Authority: Ministry of Industry and Trade of the Czech Republic.

Legislation: Commission Regulation No. 800/2008 declaring certain categories of aid compatible with the common market in application of Art. 87 and 88 of the Treaty.

Potential

Background: focused particularly on strengthening research capacities in the SMEs already engaged in research and development and on the deepening of collaboration of SMEs with R&D institutions.

Authority: Ministry of Industry and Trade of the Czech Republic.

Legislation: Commission Regulation No. 800/2008 declaring certain categories of aid compatible with the common market in application of Art. 87 and 88 of the Treaty.

Co-operation

Background: the objective of the Programme is support for establishing and developing cooperative sectoral associations – clusters, poles of excellence, technology platforms and cooperative projects at regional, supraregional and international levels as a tool for boosting competitiveness of the economy and economic growth.

The Programme's general objective is continuous creation of a favourable business environment, improvement of conditions for enterprise and innovation and development of competitive edge by closer interrelations among research, universities and the business sector.

Authority: Ministry of Industry and Trade of the Czech Republic.

Legislation: Commission Regulation No. 800/2008 declaring certain categories of aid compatible with the common market in application of Art. 87 and 88 of the Treaty.

Prosperity

Background: support - through subsidies - establishing and further development of infrastructure entities for industrial research, technological development and innovations mainly focused on implementing new technologies and competitive products and services.

Authority: Ministry of Industry and Trade of the Czech Republic.

Legislation: Commission Regulation No. 800/2008 declaring certain categories of aid compatible with the common market in application of Art. 87 and 88 of the Treaty.

Real Estates

Background: a programme support of infrastructure for enterprises.

Authority: Ministry of Industry and Trade of the Czech Republic.

Legislation: Commission Regulation No. 800/2008 declaring certain categories of aid compatible with the common market in application of Art. 87 and 88 of the Treaty.

5. Form of the subsidy (i.e. grant, loan, tax concession, etc.)

Grant, soft loan, guarantee.

6. To whom and how the subsidy is provided (whether to producers, to exporters, or others; through what mechanism; whether a fixed or fluctuating amount per unit; if the latter, how determined)

SME: Progress, Guarantee, Development.

All types of the recipients: Eco energy, Innovation, Potential, Cooperation, Prosperity, Real estates.

7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy (indicating, if possible, the average subsidy per unit in the previous year). Where provision of per unit subsidy information (for the year covered by the notification, for the previous year, or both) is not possible, a full explanation

(a) Progress

In 2009: CZK 53.94 million (subsidy)

In 2010: CZK 6.185 million (subsidy)

(b) Guarantee

In 2009: CZK 1,322 million (subsidy)

In 2010: CZK 407.79 million (subsidy)

(c) Development

In 2009: CZK 0

In 2010: CZK 315.93 million (subsidy)

(d) Eco Energy

2009: CZK 0

2010: CZK 296.24 million (subsidy)

(e) Innovations

2009: CZK 178.8 million (subsidy)

2010: CZK 475.98 million (subsidy)

(f) Potential

In 2009: CZK 147.917 million (subsidy)

In 2010: CZK 236.48 million (subsidy)

(g) Co-operation

In 2009: CZK 0

In 2010: CZK 50.655 million (subsidy)

(h) Prosperity

2009: CZK 4.995 million (subsidy)

2010: CZK 167.84 million (subsidy)

(i) Real Estates

In 2009: CZK 0

In 2010: CZK 4.15 million (subsidy)

8. For the information cited in items 3 to 7 above, the notification does not necessarily have to have an independent heading corresponding to each item, and may provide information on multiple items in one heading (e.g. provide information on items 3 and 4 under one heading). In this case, the notification must clearly specify what items are covered by which heading.

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9. Duration of the subsidy and/or any other time-limits attached to it, including date of inception/commencement

- (a) Progress
13.3.2009 - 31.12.2010
- (b) Guarantee
13.2.2009 - 31.12.2010
- (c) Development
15.1.2009 - 31.12.2010
- (d) Eco Energy
1.10.2008 - 31.3.2012
- (e) Innovations
1.5.2008 - 30.6.2010
- (f) Potential
1.3.2008 - 30.6.2010
- (g) Cooperation
1.10.2008 - 31.12.2010
- (h) Prosperity
7.4.2008 - 31.12.2010
- (i) Real Estates
1.7.2009 - 30.4.2012

10. Statistical data permitting an assessment of the trade effects of the subsidy. The specific nature and scope of such statistics is left to the judgement of the notifying Member. To the extent possible, relevant and/or determinable, however, it is desirable that such information includes statistics of production, consumption, imports and exports of the subsidized product(s) or sector(s)

Not available.

III. REDUCTION OF NOX EMISSIONS FROM COMBUSTION INSTALLATIONS

1. Title of the subsidy programme, if relevant, or brief description or identification of the subsidy

Reduction of NOx Emissions from combustion installations.

2. Period covered by the notification. The period to be covered by the notification should be the most recently completed calendar or fiscal year. In the latter case, the start and end dates of the fiscal year should be specified

2009-2010

3. Policy objective and/or purpose of the subsidy

Environmental protection, regional development.

4. Background and authority for the subsidy (including identification of the legislation under which it is granted)

Background: The objective of the scheme is to reduce air emissions of mono nitrogen oxides (NOx) from stationary combustion installations, below Community standards. NOx is a generic term for two components, nitric oxide (NO) and nitrogen dioxide (NO₂). The scheme will consist in investment aid in the form of direct grants and will target combustion installations of more than 5 MW of installed capacity. The aid will only be granted to the extent that the supported project improves on national standards, which for installations of more than 50 MW of installed capacities, are in line with the relevant Community standards.

Authority for the subsidy: Ministry of the Environment of the Czech Republic.

Legislation: Article 87 (3) (c) of the EC Treaty and Community Guidelines on State Aid for Environmental Protection.

5. Form of the subsidy (i.e. grant, loan, tax concession, etc.)

Grant.

6. To whom and how the subsidy is provided (whether to producers, to exporters, or others; through what mechanism; whether a fixed or fluctuating amount per unit; if the latter, how determined)

All types of recipients.

7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy (indicating, if possible, the average subsidy per unit in the previous year). Where provision of per unit subsidy information (for the year covered by the notification, for the previous year, or both) is not possible, a full explanation

In 2009: CZK 67.9 million (annual budget)

In 2010: CZK 67.9 million (annual budget)

8. For the information cited in items 3 to 7 above, the notification does not necessarily have to have an independent heading corresponding to each item, and may provide information on multiple items in one heading (e.g. provide information on items 3 and 4 under one heading). In this case, the notification must clearly specify what items are covered by which heading.

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9. Duration of the subsidy and/or any other time-limits attached to it, including date of inception/commencement

Until 31.12.2013.

10. Statistical data permitting an assessment of the trade effects of the subsidy. The specific nature and scope of such statistics is left to the judgement of the notifying Member. To the extent possible, relevant and/or determinable, however, it is desirable that such information includes statistics of production, consumption, imports and exports of the subsidized product(s) or sector(s)

Not available.

IV. INVESTMENT AID FOR THE REDUCTION OF INDUSTRIAL EMISSIONS INTO WATER

1. Title of the subsidy programme, if relevant, or brief description or identification of the subsidy

Investment aid for the reduction of industrial emissions into water.

2. Period covered by the notification. The period to be covered by the notification should be the most recently completed calendar or fiscal year. In the latter case, the start and end dates of the fiscal year should be specified

2009-2010

3. Policy objective and/or purpose of the subsidy

Environmental protection, regional development.

4. Background and authority for the subsidy (including identification of the legislation under which it is granted)

Background: The objective of the scheme is to reduce emissions into water of dangerous substances below applicable Community standards. The investments to be financed consist in the construction of technical installations at existing industrial sources of waste water in order to reduce emissions of the relevant dangerous substances into water bodies below existing Community standards, or in the absence of Community standards.

Authority for the subsidy: Ministry of the Environment of the Czech Republic.

Legislation: Article 87(3)(c) of the EC Treaty and Community Guidelines on State Aid for Environmental Protection.

5. Form of the subsidy (i.e. grant, loan, tax concession, etc.)
Direct grant.
 6. To whom and how the subsidy is provided (whether to producers, to exporters, or others; through what mechanism; whether a fixed or fluctuating amount per unit; if the latter, how determined)
All types of recipients.
 7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy (indicating, if possible, the average subsidy per unit in the previous year). Where provision of per unit subsidy information (for the year covered by the notification, for the previous year, or both) is not possible, a full explanation
In 2009: CZK 188 million (annual budget)
In 2010: CZK 188 million (annual budget)
 8. For the information cited in items 3 to 7 above, the notification does not necessarily have to have an independent heading corresponding to each item, and may provide information on multiple items in one heading (e.g. provide information on items 3 and 4 under one heading). In this case, the notification must clearly specify what items are covered by which heading.
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 9. Duration of the subsidy and/or any other time-limits attached to it, including date of inception/commencement
1.10.2007 - 31.12.2013.
 10. Statistical data permitting an assessment of the trade effects of the subsidy. The specific nature and scope of such statistics is left to the judgement of the notifying Member. To the extent possible, relevant and/or determinable, however, it is desirable that such information includes statistics of production, consumption, imports and exports of the subsidized product(s) or sector(s)
Not available.
- V. REDUCTION OF VOC EMISSIONS**
1. Title of the subsidy programme, if relevant, or brief description or identification of the subsidy
Reduction of VOC emissions.
 2. Period covered by the notification. The period to be covered by the notification should be the most recently completed calendar or fiscal year. In the latter case, the start and end dates of the fiscal year should be specified
2009-2010.

3. Policy objective and/or purpose of the subsidy

Environmental protection, regional development.

4. Background and authority for the subsidy (including identification of the legislation under which it is granted)

Background: The objective of the scheme is to reduce air emissions of Volatile Organic Compounds (VOCs) from fixed sources below the levels resulting from the application of mandatory standards.

The scheme will consist in investment aid in the form of direct grants. The aid will only be granted to the extent that the supported project improves on national standards, which are in line with the relevant Community standards.

Authority for the subsidy: Ministry of the Environment of the Czech Republic.

Legislation: Article 87(3)(c) of the EC Treaty and Community Guidelines on State Aid for Environmental Protection.

5. Form of the subsidy (i.e. grant, loan, tax concession, etc.)

Direct grant.

6. To whom and how the subsidy is provided (whether to producers, to exporters, or others; through what mechanism; whether a fixed or fluctuating amount per unit; if the latter, how determined)

To all type of recipients.

7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy (indicating, if possible, the average subsidy per unit in the previous year). Where provision of per unit subsidy information (for the year covered by the notification, for the previous year, or both) is not possible, a full explanation

In 2009: CZK 11.6 million (annual budget)

In 2010: CZK 11.6 million (annual budget)

8. For the information cited in items 3 to 7 above, the notification does not necessarily have to have an independent heading corresponding to each item, and may provide information on multiple items in one heading (e.g. provide information on items 3 and 4 under one heading). In this case, the notification must clearly specify what items are covered by which heading.

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9. Duration of the subsidy and/or any other time-limits attached to it, including date of inception/commencement

Until 31.12.2013.

10. Statistical data permitting an assessment of the trade effects of the subsidy. The specific nature and scope of such statistics is left to the judgement of the notifying Member. To the extent possible, relevant and/or determinable, however, it is desirable that such information includes statistics of production, consumption, imports and exports of the subsidized product(s) or sector(s)

Not available.

VI. PROGRAM FOR SUPPORT ENTREPRENEURIAL PROPERTIES AND INFRASTRUCTURE

1. Title of the subsidy programme, if relevant, or brief description or identification of the subsidy

Program for support entrepreneurial properties and infrastructure.

2. Period covered by the notification. The period to be covered by the notification should be the most recently completed calendar or fiscal year. In the latter case, the start and end dates of the fiscal year should be specified

2009-2010.

3. Policy objective and/or purpose of the subsidy

Regional development.

4. Background and authority for the subsidy (including identification of the legislation under which it is granted)

Background: Program is mainly designed for support strategic industrial zones (for a strategic investor), next for projects of build up, regeneration properties for a business including infrastructure.

Authority for the subsidy: Ministry of Industry and Trade of the Czech Republic.

Legislation: Commission Regulation No. 1628/2006 on the application of Art. 87 and 88 of Treaty to national regional investment aid (OJ 2006 L 302/29).

5. Form of the subsidy (i.e. grant, loan, tax concession, etc.)

Grant, interest rates subsidies, reimbursable grant.

6. To whom and how the subsidy is provided (whether to producers, to exporters, or others; through what mechanism; whether a fixed or fluctuating amount per unit; if the latter, how determined)

Organization complement of the state and their alliances, development companies.

7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy (indicating, if possible, the average subsidy per unit in the previous year). Where provision of per unit subsidy information (for the year covered by the notification, for the previous year, or both) is not possible, a full explanation

In 2009: CZK 1,420.6 million (subsidy)

In 2010: CZK 566 million (subsidy) – financing was completed in 2010

8. For the information cited in items 3 to 7 above, the notification does not necessarily have to have an independent heading corresponding to each item, and may provide information on multiple items in one heading (e.g. provide information on items 3 and 4 under one heading). In this case, the notification must clearly specify what items are covered by which heading.

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9. Duration of the subsidy and/or any other time-limits attached to it, including date of inception/commencement

10.9.2007 - 31.12.2009.

10. Statistical data permitting an assessment of the trade effects of the subsidy. The specific nature and scope of such statistics is left to the judgement of the notifying Member. To the extent possible, relevant and/or determinable, however, it is desirable that such information includes statistics of production, consumption, imports and exports of the subsidized product(s) or sector(s)

Not available.

VII. PROGRAM R&D – PROGRAM TECHNOLOGY, INFORMATION SYSTEMS, PRODUCTS - (TIP)

1. Title of the subsidy programme, if relevant, or brief description or identification of the subsidy

Program TIP

2. Period covered by the notification. The period to be covered by the notification should be the most recently completed calendar or fiscal year. In the latter case, the start and end dates of the fiscal year should be specified

2009-2010

3. Policy objective and/or purpose of the subsidy

Research and development

4. Background and authority for the subsidy (including identification of the legislation under which it is granted)

Background: Program is designed for support of activities in the field of industrial research and experimental development. The general objective is to ensure research and development for future rational industrial production in order to ensure continuous and sustainable creation of research and development knowledge for industrial production and its rapid and effective exploitation.

Authority for the subsidy: Ministry of Industry and Trade of the Czech Republic.

Legislation: Community Framework for State Aid for Research and Development and Innovation

5. Form of the subsidy (i.e. grant, loan, tax concession, etc.)

Grant

6. To whom and how the subsidy is provided (whether to producers, to exporters, or others; through what mechanism; whether a fixed or fluctuating amount per unit; if the latter, how determined)

The beneficiaries of the aid scheme are all kind of companies from the industrial production sector, including research organisations.

7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy (indicating, if possible, the average subsidy per unit in the previous year). Where provision of per unit subsidy information (for the year covered by the notification, for the previous year, or both) is not possible, a full explanation

In 2009: CZK 1,029.96 million.

In 2010: CZK 2,174.37 million.

8. For the information cited in items 3 to 7 above, the notification does not necessarily have to have an independent heading corresponding to each item, and may provide information on multiple items in one heading (e.g. provide information on items 3 and 4 under one heading). In this case, the notification must clearly specify what items are covered by which heading.

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9. Duration of the subsidy and/or any other time-limits attached to it, including date of inception/commencement

1.1.2009 - 31.12.2017.

10. Statistical data permitting an assessment of the trade effects of the subsidy. The specific nature and scope of such statistics is left to the judgement of the notifying Member. To the extent possible, relevant and/or determinable, however, it is desirable that such information includes statistics of production, consumption, imports and exports of the subsidized product(s) or sector(s)

Not available.
