WRITTEN QUESTION E-0788/03
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to the Commission

Subject: Investment aid creates unemployment

In February 1996 the EU approved Spanish state aid of close on SEK 57 million (approx. € 6 million) for 'Outokumpu Kopper' which was intended for 'restructuring of the company'. The aid was conditional on a reduction in production capacity and the creation of 60 new jobs in Spain.

The result of this state aid being approved was that the company chose to shut down its operations at the Granefors works at Blekinge in southern Sweden in 1998 with the loss of 145 jobs.

This is yet another example of how far public subsidies can fall wide of the mark. An earlier example of a company in Sweden being forced to shut down operations on account of state aid being approved elsewhere in the EU is the German tyre manufacturer Continental's factory in Gislaved.

EU regional aid seeks to even out social inequalities between Member States. Regional aid does not allow tax subsidies to individual companies in order to attract manufacturing activity from another country and, yet, this is what is happening.

Does the Commission believe it is right to use EU structural aid in this way? What is it doing to ensure that there is no repetition of state aid being granted that results in company relocations with the above consequences?