

WRITTEN QUESTION E-7005/08

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to the Commission

Subject: Unsatisfactory answer by the European Commission, dated 8 December 2008, to Written Question E-5956/08 on the privatisation of the Czech Republic's stake in the company OKD

No account is taken in the answer of the fact that the current situation is completely different to the one the Commission examined in 2005 following a complaint by Penta Finance, a.s. The purpose of the investigation at that time was not to ascertain how the price of the state's privatised stake in the company OKD was established in the expert opinion, but simply whether the resulting price of the privatised stake was established on the basis of an expert evaluation or not. The complaint regarding suspected state aid in the privatisation of OKD was submitted to the Commission and the written question was tabled not because of an objection that there had not been an expert opinion setting the price of the Czech Republic's privatised stake in OKD but because of the quality of that opinion. Even in the absence of a contrary expert opinion, it must be clear, purely objectively, that the value of the non-productive part of the company OKD set by the expert opinion for the purposes of privatisation, which was used to calculate the price of privatised shares, was not market value, because it was based on a flat-rate price of CZK 40 000 per residential unit, whereas the average market price of one residential unit at the given time and place was CZK 400 000. This can easily be verified by consulting the data of the Czech Statistical Office published on its website. It is therefore appropriate to reiterate the argument, with which the Commission probably did not concern itself at all, that in the expert opinion the non-productive part of OKD was valued at just CZK 1 750 360 000 (CZK 40 000 per residential unit x 43 759 residential units), whereas, in terms of market valuation, it should have been valued at CZK 18 116 226 000. Moreover, this price does not include, for example, the prices of non-residential facilities in the apartment buildings, the prices of hostels and hotels included in the non-productive part of the property of the company OKD, or the prices of the land beneath the apartment buildings. The amount at which the individual residential units were valued as an element of the non-productive part of OKD is therefore quite clearly not 'market value' under the rules set out in the Commission communication on state aid elements in sales of land and buildings by public authorities, which is referred to in the answer. The non-productive part of OKD's property was valued at a level below the market value, thereby allowing unlawful profit to be made as a result of the lower price that was set for the flats for the purposes of privatisation.

Therefore, I ask again whether the Czech Republic has been responsible for unlawful state aid. I expect the Commission to operate like a properly functioning administrative body on behalf of the EU's citizens and not simply as a postman conveying messages between MEPs and Member State authorities.