

Appendix A to Annex VII

Restructuring of the Romanian steel industry (Referred to in Annex VII, Chapter 4, Section B)

PART I

COMPANIES BENEFITING FROM STATE AID UNDER THE STEEL RESTRUCTURING PROGRAMME OF ROMANIA

- Ispat Sidex Galați
- Siderurgica Hunedoara
- COS Târgoviște
- CS Reșița
- IS Câmpia Turzii
- Donasid (Siderca) Călărași

PART II

TIMETABLE AND DESCRIPTION OF CAPACITY CHANGES ⁽¹⁾

	Facility	Capacity change (tonnes)	Date of cessation of production	Date of permanent closure
Siderurgica Hunedoara	Wire rod No 1	– 400 000	1995	1997
	Wire rod No 3	– 280 000	1998	2000
	Medium sections	– 480 000	1st quarter 2008	2nd quarter 2008
IS Câmpia Turzii	Wire rod No 1	–80 000	1995	1996
CS Reșița	Light sections	–80 000	2000	2001
	Rail wheels	–40 000	1999	2000
	Heavy sections	– 220 000	4th quarter 2007	2nd quarter 2008
	Medium and special sections	– 120 000	4th quarter 2006	4th quarter 2007

	Facility	Capacity change (tonnes)	Date of cessation of production	Date of permanent closure
Donasid (Siderca) Călărăși	Medium sections	– 350 000	1997	1999
	Net capacity change	–2 050 000		

(¹) Capacity reductions shall be permanent as defined in Commission Decision No 3010/91/ECSC of 15 October 1991 (OJ L 286, 16.10.1991, p. 20).

PART III

RESTRUCTURING BENCHMARKS

1. Viability

Taking into account the special accounting rules applied by the Commission, each benefiting company shall achieve a minimum annual gross operating result of turnover of 10 % for non-integrated steel undertakings and 13,5 % for integrated steel mills and a minimum return of 1,5 % of turnover on own capital no later than 31 December 2008. This shall be verified in the independent evaluation carried out annually between 2005 and 2009, as provided for in Chapter 4, Section B, paragraph 13, of Annex VII.

2. Productivity

An overall productivity comparable with that attained by the EU steel industry shall be achieved gradually by 31 December 2008. This shall be verified in the independent evaluation carried out annually between 2005 and 2009, as provided for in Chapter 4, Section B, paragraph 13, of Annex VII.

3. Cost reductions

Particular importance shall be attached to cost reductions as one of the key elements of viability. These shall be fully implemented, in accordance with the business plans of the benefiting companies.

PART IV

INDICATIVE LIST OF INFORMATION REQUIREMENTS

1. Production and market effects

- monthly production of crude steel, semi-finished and finished products by category as well as by product range,
- products sold, including volumes, prices and markets; breakdown by product range.

2. Investments

- details of investments realised,
- date of completion,
- the costs of the investment, the sources of finance and the sum of any related aid involved,
- the date of aid payment if any.

3. Workforce reductions

- number and timing of job losses,
- evolution in employment at beneficiary companies (distinguishing between direct and indirect employment),
- evolution of employment in the national steel sector.

4. Capacity (with regard to the entire steel sector in Romania)

- date or expected date of cessation of production of capacities expressed in MPP (MPP being the maximum possible annual production that can be obtained in ordinary working conditions) to be closed, and description of these,
- date (or expected date) of dismantling, as defined in Commission Decision No 3010/91/ECSC on the information to be furnished by steel undertakings about their investments ⁽¹⁾, of the installation concerned and details of the dismantling,
- date (or expected date) of introduction of new capacities and description of these,
- evolution in total capacity in Romania of crude steel and finished products per category.

5. Cost

- breakdown of costs and their respective evolution in the past and in the future, in particular for workforce cost saving, energy consumption, raw material cost saving, accessories and external services reduction.

6. Financial performance

- evolution of selected key financial ratios to ensure progress is being made towards viability (the financial results and ratios must be provided in a way which allows comparisons with the company's financial restructuring plan and must include the Commission's viability test),

⁽¹⁾ OJ L 286, 16.10.1991, p. 20.

- details of taxes and duties paid including information on any deviations from normally applicable fiscal and customs rules,
- level of financial charges,
- details and timing of the paying out of aid already granted in accordance with the terms of the Protocol,
- terms and conditions of any new loans (irrespective of source).

7. Creation of a new company or new plants incorporating capacity extensions

- identity of each private and public sector participant,
- sources of their financing for the creation of the new company or new plants,
- terms and conditions of the private and the public shareholders' participation,
- management structure of the new company.

8. Ownership changes.
