



THE PLENUM OF THE COMPETITON COUNCIL

DECISION

no. ASO - 32

as of 25.09.2014

mun. Chișinău

The Plenum of the Competition Council acting pursuant to art. 41 of the Law on Competition no. 183 as of 11 July 2012, art.10 of the Law no. 139 as of 15.06.2012 on State Aid, Parliament Decision no. 179 as of 12.07.2013 **on appointing the members of the Plenum of the Competition Council**, Parliament Decision no. 220 din 27.09.2013 **on appointing one member of the Plenum of the Competition Council**;

In compliance with the provisions of the Regulation on the notification form, examining procedure and decision making on state aid, approved by the Decision of the Plenum of the Competition Council no 1 as of 30.08.2013, and the provisions of the Regulation on regional development, approved by the Decision of the Plenum of the Competition Council no. 4 as of 30.08.2013 (hereinafter Regulation),

Having analyzed the note of the examiner on the notification of the state aid granted to „Venador- Prim” LLC, the undertaking administrating the Industrial Park „FAIP”, submitted by the Ministry of Economy and the attached materials,

HAS FOUND:

By letter no. 05/1-4447 as of 29.07.2014, registered at the Competition Council with the no. 1364 as of 30.07.2014, on the grounds of art. 8 from the Law no. 139 as of 15.06.2012 on state aid, the Ministry of Economy notified the support measure granted to „Venador-Prim” LLC, the undertaking administrating the Industrial Park „FAIP”, submitting the general form of notification and the special form of notification of the state aid for regional development.

The notification became effective on 30.07.2014, the Ministry of Economy being informed about it by letter no. ASO-02/166-1232 as of 26.08. 2014.

The goal of the establishment of the Industrial Park “FAIP” is the social –economic development of the region, including Durlești town and rayon center Ialoveni, by creating a business infrastructure and attracting new investments. The establishment and development of industrial parks are recognized as mechanisms of economic growth by attracting investments and increasing the number of working places.

This shall stimulate the competitive capacities of the region at issue, making possible the exploitation of own potential of development.

The establishment of the Industrial Park “FAIP” pursues achievement of the following objective:

- Creation of at least 100 working places;
- Attraction of foreign and domestic investments in the minimum value of 5000 thous. EUR;
- Increase of net social benefits within the limits of 5-110 thous EUR/year;
- The formation of competitive sectors in the industry based on modern and innovational technologies;
- Development of small and medium enterprises;
- Development of the infrastructure and modernization of the utilities of the industrial park.

The legal grounds for granting the state aid

- The Law no. 182 as of 06.2010 on industrial parks;
- The Law no. 1308-XIII as of 25.07.1997 on the normative price and the way of selling-buying the land;
- Draft of the Government Decision on granting the title of industrial park to „Venador-Prim” LLC and the modification of the destination of some land lots;
- The Decision of the town council Durlești no. 4.14 as of 02.07.2014 ”on the establishment of the industrial park ”FAIP”;

The beneficiary of the financial measure granted by the state is „Venador-Prim” LLC as undertaking administrating the industrial park ”FAIP”.

„Venador-Prim” LLC is registered at the State Chamber of Registration as a LLC, with the state identification number and fiscal code (IDNO)- 1013600023206, date of state registration- 11.07.2013, the address of the company MD – 2051, 36/1Paris str., of. 17, mun. Chișinău, Republic of Moldova. The company was established in 2013 in view of administrating the industrial park „FAIP”. Its capital in held in a proportion of (...) by Mr. (...).

In 2013, „Venador-Prim” LLC, had a turnover of (...) thous MDL and the balance sheet value of assets was of (...) thous MDL.

The activities carried out by „Venador-Prim” LLC include many specific branches:

- Fabrication of beton;
- Manufacturing building machinery;
- Manufacturing other type of equipment.

In the capacity of administrator the company shall have the following tasks:

- Coordinate and monitor the process of creating the technical and production infrastructure, and the production activity of the Industrial Park „FAIP”;
- Organize selection contests of the residents of the Industrial Park „FAIP”;
- Elaborate and promote strategies and development programs of the Industrial Park „FAIP”;
- Attract investors for the development of production activities and service provision in the Industrial Park „FAIP”;
- Deliver different services to the residents (offering the necessary infrastructure, offering industrial spaces in complex, supply with electricity, air conditioning etc.).

The support measure in the total value of 6458,8 thous MDL notified at the Ministry of Economy shall be granted to the Industrial Park ”FAIP”, for the purpose of creating technical and production infrastructure necessary for the operation of the industrial park. For this purpose „Venador-Prim” LLC benefits from exemption from the compensation of losses caused by the exclusion of the land from the category of agricultural land, in value of **6458,8 thous MDL**.

Pursuant to the provisions of p.15 from the Regulation, eligible for granting regional aid for investment shall be deemed the expenditures for lands, building and installations/equipment.

From the information showed in the notification, in compliance with the provisions of the Regulation, the Competition Council stated that the total value of the eligible costs for the creation of the Industrial Park „FAIP” was 41 227,2 thous MDL, displayed in *Table no.1*.

Eligible costs

Table no. 1

Eligible costs	Costs	
	thous EUR	thous Lei 1 eur=18,8251 On 24.07.2014
Land	1 515,0	28 520,1
Purchase of land	1 500,0	28 237,7

Land preparation for the foundation	15,0	282,4
Buildings	675,0	12 707,1
Foundation	70,0	1 317,8
Installing pillars and beton plaques	110,0	2 070,8
Installing the sandwich panel	180,0	3 388,5
Electricity, gas, water and sewage	135,0	2 541,4
Finishing of premises	70,0	1 317,8
Preparation and foundation for the equipment	20,0	376,5
Preparation of the warehouse and exterior road	90,0	1 694,3
Total	2 190,0	41 227,2
Amount of state aid, thous MDL		6 458,8
Intensity of state aid, %		15,66

In view of granting a viable and efficient level of initial investments which benefit from aid, the beneficiary shall bring a financial contribution of at least 25% from the eligible expenditures (p. 27 of the Regulation).

The beneficiary of the state aid shall contribute to the initial investment with a sum of 34 768,4 thous MDL¹, this representing a proportion of 84,34 % from the total of the eligible expenditures (41 227,2 thous MDL). This value exceeds the limit of 25% set in p. 27 of the Regulation.

In compliance with the provisions of p. 32 of the Regulation, the maximum intensity of the regional state aid is 50 % of the eligible costs. In compliance with the provisions of p. 33 of the Regulation, the maximum intensity of the regional state aid provided for in p. 32 of the Regulation may be increased with 20% for the aid granted to small enterprises. Taking into account that "Venador- Prim" LLC, under the Law no. 206 as of 7 July 2006 on supporting the small and medium enterprises is deemed to be a small enterprise, the maximum intensity of the state aid shall not exceed 70%.

The value of the notified state aid is 6 458,8 thous MDL, and the eligible costs of the project, found by the Competition Council are 41 227,2 thous MDL. As a result of the calculation made, an intensity of 15,66 % was found, therefore the provisions of ,. 32 and 33 of the Regulation were observed.

In the capacity of private investor, „Venador- Prim” LLC planned to invest considerable financial resources in the establishment of the Industrial Park “FAIP”. The estimated value of investments needed for the establishment of the Industrial Park “FAIP” is about 2 190 thous EUR with a lifetime of the project of 10 years.

¹ 41 227,2 thous MDL (eligible costs) – 6 458,5 thous MDL (state aid) = 34 768,4 thous MDL (financial contribution of the beneficiary)

The information contained in the notification submitted to the Competition Council leads to the conclusion that the establishment of the Industrial Park „FAIP”, can not significantly affect the regular competitive environment.

As a result of the analysis conducted, it was found that the state aid in the total amount of 6486,3 thous MDL, granted to the Industrial Park „FAIP”, fulfils the criteria of granting in compliance with the Regulation on state aid for regional development, approved by the Decision of the Plenum of the Competition Council no. 4 as of 30.08.2013.

Proceeding from these statements, considering the provisions of the legislation of the Republic of Moldova, pursuant to art. 41 from the Law on Competition no. 183 as of 11.07.2012 and art. 10 para. (2) let. b) from the Law no. 139 as of 15.06.2012 on state aid, the Plenum of the Competition Council,

DECIDES:

1. The measure notified to the Ministry of Economy, which is the exemption from the compensation of losses caused by the exclusion of the land from the category of agricultural lands, in the amount of **6458,8 thous MDL**, having as a beneficiary ”Venador- Prim” LLC, shall be deemed state aid under art. 3 from the Law no. 139 as of 15.06.2012 on state aid.
2. To authorize the state aid for regional development granted to ”Venador- Prim” LLC for the establishment of the Industrial Park ”FAIP”.
3. The Ministry of Economy shall provide on an annual basis the Competition Council with the information on state aid which makes the object of this decision in view of updating and completing the State Aid Registry, in compliance with the provisions of art. 19 from the Law no. 139 as of 15.06.2012 on state aid.
4. This Decision enters into force on the date of its adoption and shall be notified to the parties.
5. The enacting part of this decision shall be published in the Official Gazzette of the Republic of Moldova.

**President of the Plenum of
Competition Council**

Viorica CĂRARE