

# State aid: Commission opens in-depth investigation into restructuring support for Romanian National Uranium Company

On 12 June 2017, Romania notified to the Commission a plan for the restructuring of Compania Nationala a Uraniului SA ('CNU', the National Uranium Company). The restructuring plan foresees around €95 million (RON 441 million) of support to CNU, in the form of grants, subsidies, debt write-off and debt-to-equity conversion. It follows an urgent rescue aid loan of around €13.3 million (RON 62 million) to keep the company afloat, which the Commission temporarily [approved on 30 September 2016](#).

EU State aid rules only allow a State intervention for a company in financial difficulty under specific conditions, requiring in particular that the company is subject to a sound restructuring plan to ensure its return to long-term viability, that the company contributes to the cost of its restructuring and that any competition distortions are limited.

At this stage, the Commission has doubts that the planned restructuring aid is in line with these conditions. In particular, the Commission's in-depth investigation will examine:

- whether the proposed restructuring plan could restore the long-term viability of CNU without continued State aid;
- whether CNU or market investors sufficiently contribute to the restructuring costs, thus ensuring that the restructuring plan does not rely mainly on public funding and that the aid is proportionate; and
- whether Romania is offering appropriate measures to limit the distortions of competition created by the aid.

The Commission will now investigate further to find out whether its initial concerns are confirmed. The opening of an investigation gives interested third parties the opportunity to submit comments. It does not prejudice the outcome of the investigation.

## **Background**

CNU is a fully State-owned Romanian company active in the exploitation of Romanian uranium mines and production of raw material transformed into fuel for nuclear power plants. CNU extracts uranium ore, processes it to form uranium octoxide (U<sub>3</sub>O<sub>8</sub>) and, after further refinery, transforms it into uranium dioxide (UO<sub>2</sub>). CNU has two operating sites: an uranium mining site, located in Crucea-Botusana (Suceava County, North-East region) and a processing-refining plant, located in Feldioara (Brasov County, Centre region). In 2017 the company employed 772 people.

CNU has been in financial difficulty since the loss of its main client, the nuclear energy producer Societatea Nationala Nuclearelectrica. The notified restructuring plan foresees various public support measures:

- prolongation of the initial rescue loan of RON 62 million (€13.3 million);
- grant of RON 75.5 million (€16.2 million) to support investments for the modernisation of CNU;
- write-off of public debt of RON 77 million (€16.6 million);
- conversion of CNU's public debt of RON 13.34 million (€2.9 million) into CNU shares held by the Romanian State; and
- operating subsidy of RON 213 million (€45.8 million) to cover the difference between CNU's production costs and market prices over the planned restructuring period.

Under the Commission's [2014 Guidelines on State aid for rescue and restructuring](#) non-financial undertakings in difficulty, companies in financial difficulty may receive State aid provided they meet certain conditions. Aid may be granted for a period of 6 months ("rescue aid"). Beyond this period, the aid must either be reimbursed or a restructuring plan must be notified to the Commission for the aid to be approved ("restructuring aid"). The plan must ensure that the viability of the company is restored without further State support, that the company contributes to an adequate level to the costs of its restructuring and that distortions of competition created by the aid are addressed through compensatory measures.

The non-confidential version of the decision will be made available under the case number SA.48394 in the [State Aid Register](#) on the Commission's [competition](#) website once any confidentiality issues have been resolved.

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## [First European Citizens' Panel took steps to enable citizens to contribute to the creation of the future of Europe](#)

On 5-6 May, the European Economic and Social Committee (EESC) hosted the first [European Citizens' Panel](#), which was convened to prepare a public consultation on the Future of Europe. A group of 80 European citizens from 27 Member States came to the EESC premises in Brussels to work together and draft a 12-question online consultation. The Citizens' Consultation, initiated by the French president Emmanuel Macron, is organized for the first time in the history of the EU.

**Europe must act now before it is too late**

The EESC president **Luca Jahier**, who opened the Citizens' Panel, acknowledged that the EU is currently facing hardships. "I can assure you that I am not blind to these challenges," said Mr Jahier, naming issues such as widening inequalities between EU countries, worryingly low levels of trust in democratic institutions, a migration crisis, and environmental challenges.

Mr Jahier stressed that today too many people feel that their opinions are not taken on board. "If this feeling persists, our democratic system will risk collapsing, and so will our project of peace, in which I believe from the very bottom of my heart."

The president drew attention to the efforts of previous generations who restored peace in Europe after the war and emphasized that everything that has been done cannot be swept away. "We get to work now, before it is too late," Mr Jahier said.

## **12 questions for the future of Europe**

Following the series of workshops, where participants discussed the most vital issues concerning the future of the EU, 12 tangible questions for online consultation were presented in the last panel. On 9 May, the Commission will launch in all EU languages the online public consultation co-created by the Citizens' Panel. The Commission will inform the Member States on the results from the first six months of the consultation at the December European Council and will present a final report at the first EU 27 Summit in Sibiu, Romania, on 9 May 2019.

## **Crucial time to hear the voice of the EU citizens**

Addressing the concerns, **Timo Pesonen**, EC Director General for Communication, emphasized in his final remarks that apart from being published online, the questionnaire will be presented in all activities of the Commission. "It is essential to outreach the whole Europe with these questions in order to have an open debate and listen for citizens' concerns on the future of Europe ahead of the European Parliament elections in May 2019."

The EESC member **Thierry Libaert** noted that the first Citizens' Panel was a historic event and it produced solid and groundbreaking results. "We will ensure that this whole process that begun today will be carried forward," stressed Mr Libaert.

**Background:** Last March, while attending the EESC plenary session, Nathalie Loiseau, The French Minister for European Affairs, presented the European consultation process put forward by president Emmanuel Macron. In light of this, Georges Dassis (the former EESC president) and Luca Jahier (the new EESC president) proposed that the Committee be actively and closely involved. In 2017, the Committee successfully organized consultations on the Future of Europe in the Member States, in the framework of the White Paper by Jean Claude Juncker, president of the European Commission.

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## [ESMA provides one-stop company portal](#)

The portal provides investors with a one-stop-shop register, including for:

- MiFID Investment firms including Systematic Internalisers
- MiFID Trading venues
- MiFID data reporting service providers
- UCITS management companies
- AIFMD fund managers including funds managed/marketed in the Union

The portal provides reference to sanctions applied by the competent authorities in the Member States under several European legislations.

The portal offers [machine-to-machine services](#).

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## [Tuesday 22 May: International Conference for The Gambia](#)

### **The news**

The International Conference for The Gambia takes place on 22 May in Brussels at the European Commission (Berlaymont).

The conference, jointly organised by the European Union and the Government of The Gambia, will focus on confirming support to The Gambia in its democratic transition, as well as raising additional financial support for the implementation of its National Development Plan. High Representative/Vice-President Federica **Mogherini** and Commissioner for International Cooperation and Development Neven **Mimica** will co-chair the conference together with the President of The Gambia, Adama **Barrow**. President **Barrow** will present the country's reform agenda to high-level attendees from the European Union Member States, the international community as well as international organisations.

In the margins of the conference, a **Business Forum** will take place on 23 May. The forum will bring together interested European, regional and Gambian business representatives for exchanges on sector specific strategies and projects during panel discussions on Energy & Infrastructure, Agricultural Value Chains, and Tourism.

### **EU support to The Gambia**

– **Development assistance:** EU assistance for the period 2017-2020 currently amounts to a total of €225 million. With the establishment of a new government in 2016, development cooperation was immediately stepped up, and in early 2017 a €75 million aid package was released and further €150 million were subsequently allocated supporting governance through budget support, investment facilities for infrastructures and notably boosting job creation and youth empowerment for sustainable growth.

– **Political support:** The EU has provided strong political support to President **Barrow** ever since his election on 1 December 2016. [Commissioner Mimica visited The Gambia at a very early stage of the transition in February 2017](#) to open a new chapter in bilateral relations. An [EU Election Observation Mission for parliamentary elections in April 2017](#) contributed to foster trust in the democratic process. The EU pursues dialogue with the Gambian authorities on a broad range of subjects of mutual interest, including governance, human rights, security sector reform, transitional justice, trade, migration, agriculture, fisheries and environment. The EU is also supporting the West African standby force (ECOMIG) deployed to the country, which ensures security together with the Gambian security forces.

### **The background**

After 22 years of authoritarian rule, former The Gambia President Yahya Jammeh lost presidential elections on 1 December 2016 to opposition candidate Adama Barrow. When President Jammeh refused to leave office during several weeks of political stalemate, the Economic Community of West African States (ECOWAS) showed strong political leadership to ensure that the election results were respected, paving the way for President Barrow take up power. The political situation has substantially improved since. However, his government has inherited a very difficult financial and economic situation. In order to meet the expectations of the population to see swift and tangible improvements in living conditions, and to consolidate the political progress achieved so far, the country needs strong international support.

## **The event**

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## **Media accreditation**

Journalists must have valid media accreditation to attend any dedicated press events at the conference:

– Journalists **already accredited to the EU institutions** may attend with a valid yellow press badge (e.g. yellow badge from the European Commission, badge from the EU Council) and show the badge upon entering the Berlaymont on the day of the conference.

– Journalists **that are not accredited to the EU institutions** must register using this link: <http://thegambia.onetec.eu/reg2.html> before 18 May 2018, 12:00 by registering and providing details such as name, media you work for, a copy of a valid national press card and national ID card. Both the valid national press card and national ID card must be shown upon entering the Berlaymont on the day of the conference.