
Commission clears rescue aid for Croatian shipbuilder Uljanik

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The European Commission has found Croatian plans to grant Uljanik shipyard a State guarantee for a €96 million loan are in line with EU State aid rules. The measure will allow the company to meet urgent liquidity needs while preparing a restructuring plan, whilst competition distortions are limited.

Commissioner Margrethe Vestager, in charge of competition policy, said: “The Croatian State guarantee will **help the Uljanik shipyard to continue operating and maintain 1.800 jobs**, while they work out a sound restructuring strategy to ensure its future. We approved it today. The restructuring plan must return the company to long-term viability without continued public support, to preserve jobs in Istria on a sustainable basis.”

On 15 January 2018, Croatia completed its notification to the Commission of plans to grant a State guarantee on a €96 million loan in favour of Uljanik Shipyard. The company, part of the Uljanik group, is located in Pula, in the county of Istria in Croatia, and employs around 1 800 people. It has been in financial difficulties for several years due to the adverse effects of the financial crisis on the shipbuilding sector in general, and on the resulting low orders for new vessels in particular.

The measure will enable Uljanik Shipyard to pay wages, suppliers and other urgent liabilities over the next months and prevent it from going out of business, while preparing a restructuring plan.

The [Commission’s rescue and restructuring guidelines](#) allow Member States to support companies in difficulty, provided, in particular, that the public measures are limited in time and scope and contribute to an objective of common interest.

The Commission found that the aid is necessary to prevent Uljanik from going out of business immediately and avoid significant job losses. Moreover, the company’s liquidity needs over the next months are based on reasonable assumptions and will be monitored by an independent auditor on the basis of weekly liquidity plans. Finally, Croatia committed to notify a restructuring plan for the company within a maximum of

six months.

The Commission therefore concluded that the measure will help preserving jobs in the region of Adriatic Croatia, where unemployment is significantly higher than the EU average. At the same time, the strict conditions attached to the use of the funds procured through the State guarantee and the short duration of the measure will reduce the distortion of competition potentially triggered by the State support to a minimum.