


EFTA SURVEILLANCE AUTHORITY

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Dec. No: 110/98/COL

EFTA SURVEILLANCE AUTHORITY DECISION of 28 April 1998 on the map of assisted areas (Norway)

THE EFTA SURVEILLANCE AUTHORITY,

Having regard to the Agreement on the European Economic Area¹, in particular to Articles 61 to 63,

Having regard to the Agreement between the EFTA States on the establishment of a Surveillance Authority and a Court of Justice², in particular Article 1 of Protocol 3 thereof,

WHEREAS:

I. FACTS

1. The notification

As the validity of the map of assisted areas in Norway expired on 31 December 1997, the Norwegian Government notified the Authority, by letter dated 16 October 1997 (ref. 97-6572-A), of a proposal revising the map.

The initial examination of the proposal showed that the notification was incomplete. The Authority therefore requested additional information by letter of 6 November 1997 (ref. 97-6963-D). The Norwegian authorities have supplied the Authority with further information in different forms, i.a. by electronic mail and by letter of 10 December 1997 (ref. 97-7917-A).

It was not possible for the Authority to complete the examination of the proposal before the expiry date. A preliminary prolongation of the existing system was considered necessary in order to avoid a situation where regional investment aid in Norway would have become unlawful on procedural grounds. The Authority therefore decided³ on 17 December 1997 to extend the validity of the existing system of regional aid in Norway for a period of 4 months, i.e. until 30 April 1998. That decision also required the Norwegian Government not to put the proposed system of regional investment aid, notified to the Authority by letter of 16 October 1997, into effect.

¹ Hereinafter referred to as the EEA Agreement

² Hereinafter referred to as the Surveillance and Court Agreement

³ Dec. No. 301/97/COL

The EC Commission was informed in accordance with Protocol 27(d), by means of a copy of the decision, and other EFTA States, EC Member States, and interested parties were informed by the publishing of a notice in the EEA Section of the Official Journal of the European Communities and the EEA Supplement thereto⁴.

The notification has been discussed with the Norwegian authorities on several occasions in Brussels and Oslo, *i.a.* on 6 November and 24 November in 1997 and on 9 and 18 March in 1998.

Following those discussions, the Norwegian Government informed the Authority by fax of 2 April 1998 registered on 3 April 1998 (ref. 98-2210-A) that the Norwegian Government had decided to maintain the original proposal. In a letter of 7 April 1998 (ref. 98-2275-D) to the Norwegian Government, the Authority expressed that it had objections to certain elements in the proposal and outlined further procedural steps. The Norwegian Government responded to the Authority's letter of 7 April 1998 by fax of 24 April 1998 (ref. 98-2673-A), informing the Authority that it had decided to amend the notification on the points referred to in the Authority's letter.

2. The proposal

The proposal implies, in broad terms, a continuation of the present system of regional investment aid in Norway as approved by the Authority on 16 November 1994⁵. The proposal also contains certain amendments to the present system.

The assisted areas in Norway are classified and divided into three target zones, where target zone A has the highest priority. Table 1, below, indicates the target zones' geographical location, the proposed aid ceilings for each target zone and their population coverage expressed in per cent of Norway's total population. The population coverage of the proposal for assisted areas is 25.79 %. A detailed overview of the geographical limits of each target zone is presented in Annex I to this decision.

Table 1

Zone	Geographical area	Proposed aid ceilings in NGE ⁶	Additional aid to SMEs ⁷	Proposed Population coverage 1.1.1997
A	Finnmark + part of Troms	30 % NGE	+ 15 % gross	1.99 %
B	Other areas northern Norway + remote areas in southern Norway	25 % NGE	+ 5 % gross	10.69 %

⁴ OJ No. C 84 of 19.3.1998

⁵ Dec. No. 157/94/COL

⁶Net grant equivalent, ref. point 26.1(1) and Chapter 27 of the Procedural and Substantive Rules in the Field of State Aid adopted and issued by the Authority on 19 January 1994 (State Aid Guidelines) as amended on 20 July 1994

⁷Small and medium-sized enterprises as defined in section 10.2 of the State Aid Guidelines

C	Other areas in southern Norway + Tromsø and Bodø	15 % NGE	+ 10 % gross	13.11 %
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The following amendments to the existing system regional investment aid are proposed according to the final notification from the Norwegian authorities:

- an adjustment downwards of the aid ceiling in target zone A, from currently 35 % NGE, to 30 % NGE, i.e. to a level which is consistent with a regional status based on Article 61(3)(c),
- higher aid levels⁸ for certain municipalities⁹ which are reclassified from target zone C to target zone B, and
- increased population coverage for the assisted areas as a whole due to the proposed inclusion of certain municipalities¹⁰ in target zone C.

Target zone A covers the northernmost county of Norway, Finnmark, and the four adjacent municipalities of Kåfjord, Skjervøy, Nordreisa and Kvænangen in the county of Troms. This area has 1.99 % of the Norwegian population. The Authority found that target zone A was eligible for regional investment aid according to Article 61(3)(a), in its decision of 16 November 1994.

In Northern Norway, target zone B covers the rest of the county of Troms (except Tromsø) and the county of Nordland (except Bodø). Further south it covers the most remote parts of the counties, Nord-Trøndelag, Sør-Trøndelag, Møre og Romsdal, Oppland, Hedmark, and Telemark. The proposal for target Zone B covers 10.69 % of the Norwegian population.

Target zone C covers other remote and rural parts in mid and southern Norway, plus the municipalities of Tromsø and Bodø in northern Norway. The proposal for target zone C covers 13.11 % of the Norwegian population.

The Norwegian authorities have backed up the proposal with statistical information based on Norway's 19 counties and 425 municipalities. The counties are acknowledged as statistical units comparable with the NUTS¹¹ level III in the European Union. Wider contiguous areas covering several counties¹² were established as comparable to NUTS level II statistical units in 1994.

An overview of the statistical indicators applied in the first stage of analysis for the application of Articles 61(3)(a) and (c) EEA to regional aid, is presented in Annex II to this decision. The Norwegian authorities have also supplied the Authority with statistics based on the municipalities as statistical units. Table 2 below, presents some demographic data concerning target zones A-C.

⁸ The current aid ceilings in zones B and C are proposed to be maintained.

⁹ Åmli (Aust-Agder), Utsira (Rogaland). Agdenes, Bjugn (Sør-Trøndelag) and Mosvik (Nord-Trøndelag)

¹⁰ Aremark, Marker, Rømskog, (Østfold), Eidskog, Kongsvinger (Hedmark), Midtre Gauldal, Selbu, (Sør-Trøndelag) and Steinkjer, Verdal, Inderøy (Nord-Trøndelag) are proposed to be included in target zone C, while Evje og Hornnes (Aust-Agder) will be excluded.

¹¹ NUTS = Nomenclature of Statistical Territorial Units in the European Communities

¹²Norway is divided into 6 NUTS II areas. Finnmark is the only individual county classified as a NUTS II level statistical unit.

Table 2 Demographic indicators

Source: Ministry of Local Government and Labour

Indicators	Zone A	Zone B	Zone C	<u>Not assisted area</u>
Population 1.1. 1997	87 546	469 781	575 516	3 259 871
Population density (inh/km ²)	1.64	3.96	6.76	64.64
Population changes in % 94-97	-1.28 %	-1.24 %	0.22 %	2.22 %
Net migration	-5.24%	-2.49 %	-1.26 %	0.71 %
Population coverage	1.99 %	10.69 %	13.11 %	74.21 %

II. APPRECIATION

1. General

The map of assisted areas establishes the general framework for awards of regional investment aid in Norway at the national, county and municipality level. No aid is allocated to the assisted areas as such, and no individual awards of aid are possible solely on the basis of the map. The proposed aid ceilings for each target zone are cumulative, i.e. that they refer to the upper limit for regional investment aid from all public sources awarded to a particular investment project.

The establishment of the map itself does not involve aid in the meaning of Article 61(1) of the EEA Agreement

However, the EFTA Surveillance Authority must decide whether the target zones which are proposed to be eligible for regional investment aid, qualify for exemption from the general prohibition of aid under Article 61(1) in accordance with Article 61(3)(a) or (c) of the EEA Agreement. The map of assisted areas is therefore subject to approval by the Authority.

The letters of 6 November 1997 (ref. 97-6572-A) and 10 December 1997 (ref. 97-7917-A) and, received by fax, letters of 2 April 1998 (ref. 98-2210-A) and 24 April 1998 (ref. 98-2673-A), together, constitute a complete notification. The Norwegian authorities have therefore duly notified the regional aid map to be put into effect as of 1 May 1998.

The Authority's examination of the notification is based on the methods and principles set out in sections 28.1 and 28.2 of the State Aid Guidelines.

The map of assisted areas in Norway is not related to aid schemes covered by the concept of transport aid. This decision concerns therefore only regional aid for general investment and not aid measures falling under the notions of direct or indirect transport aid.

2. Assessment of the proposal

2.1 Article 61(3)(a) EEA

The requirements for the application of Article 61(3)(a) according to the method laid down in section 28.1 of the State Aid Guidelines are met, if the GDP/PPS¹³ per capita measured at the NUTS II level does not exceed 75 % of the EEA average¹⁴.

The Authority's examination in 1994 showed that target zone A met this criterion. Target zone A has therefore been eligible for regional aid in accordance with Article 61(3)(a). However, the most recent statistics supplied by Norway show that notably Finnmark (NUTS II level), representing 86 % of the population in target zone A, has experienced an improvement in economic conditions. The GDP/PPS per capita for the counties of Finnmark (NUTS II level) and Troms (NUTS III level) reach 82 and 90 %, respectively, of the EEA average¹⁵, i.e. above the threshold value of 75 %. Figures for target zone A as a whole are not available.

Section 28.1.3 *Exceptional regions* of the State Aid Guidelines provides that:

"In addition to the regions selected by the above method, other regions may be eligible for exemption under Article 61(3)(a), also with regard to the Joint Declaration on Article 61(3)(c) of the EEA Agreement in order to take account of their exceptional situations, e.g. a very low population density."

The population density of target zone A, 1.64 inhabitants per square kilometre is very low. However, the Court of Justice of the European Communities has held that "*the use of the words "abnormally" and "serious" in the exemption contained in Article 92(3)(a) [EC] shows that it concerns only areas where the economic situation is extremely unfavourable in relation to the European Union as a whole*".¹⁶ The Court of Justice's interpretation indicates that a very low population density can not be regarded as an independent justification for applying Article 61(3)(a).

The Authority has examined whether indicators other than the GDP/PPS per capita EEA index referred to section 28.1.2 of the State Aid Guidelines, might reflect an extremely unfavourable economic situation in the EEA context. The result of that examination has, i.a. shown that the unemployment level in Finnmark which was on average 6.1 % in 1994-96, was only 56 % of the EU average. Also other economic indicators, i.a. on GDP per capita or average net taxable income levels, show relatively favourable values.

The Authority must therefore conclude that Article 61(3)(a) no longer is applicable vis-à-vis target zone A.

¹³ Gross domestic product in purchasing power parities

¹⁴ Ref. section 28.1 of the State Aid Guidelines

¹⁵ Ref. Annex II

¹⁶ Case 248/84 *Germany v Commission*, paragraph 19

2.2 Article 61(3)(c)

2.2.1 General

Section 28.2 of the State Aid Guidelines refers to criteria related to three alternative indicators which are used in the first stage of analysis for applying Article 61(3)(c) to regional aid. The regional disparities are measured at the level of NUTS III statistical units, and require:

- that income measured by GDP/GVA¹⁷ per capita, is at least 15 % below the average of the EFTA State concerned (i.e. an index value below 85) or
- that structural unemployment levels are at least 10 % above the average of the EFTA State concerned (i.e. an index value below 110), or
- that the area is sparsely populated, i.e. that the population density is less than 12.5 inhabitants per square kilometre.

For countries with a more favourable economic situation than the EEA average, the required minimum regional disparity in the national context is adjusted according to the formula stipulated in section 28.2.2. of the State Aid Guidelines.

The modified thresholds for Norway have been calculated by the Authority at index values of, respectively, 72 for GDP per capita and 145 for unemployment.

The Authority's examination shows on the one hand, that no counties (NUTS III regions) have a structural unemployment 45 % higher than the national average or regional GDP per capita below 72 % of the national average, ref. Annex II to this decision. On the other hand, nine counties covering 30.39 % of the population, have a population density of less than 12.5 inhabitants per square kilometre, cf. Annex II to this decision.

2.2.2 Target zone A

Article 61(3)(a) is no longer applicable in target zone A, but the counties of Finnmark and Troms qualify for regional investment aid according to Article 61(3)(c) in the first stage of analysis, with regard to low population density, cf. Annex II to this decision. The population density for target zone A as a whole, including Finnmark and 4 municipalities in Troms is 1.64 inhabitants per square kilometre.

Target zone A therefore qualifies for regional investment aid according to Article 61(3)(c).

2.2.2 Target zones B and C

NUTS III regions correspond to the administrative divisions at the county (fylke) level in Norway. It is established practice by both the Authority and the European Commission to accept readjustments of the geographical scope of assisted areas, which imply that the Article 61(3)(c)-regions are not required to follow the administrative borders of the NUTS III areas.

¹⁷ The indicators, i.e. Gross Domestic Product (GDP) or Gross Value Added (GVA) are alternative.

The European Commission has accepted i.a. with regard to Finland that “...in a large sparsely populated country with small population, problems cannot be evidenced on province (NUTS III), as provinces consist of structurally very different subregions. It is possible that provinces (NUTS III) which do not qualify under Article 92(3)(c) EC contain more problematic and or as problematic subregions as the eligible provinces.¹⁸”

The proposal for target zones B and C covers parts of or the whole of 15 out of 19 counties in Norway. Their geographical limitations do not, generally, follow county borders. The main reason for this is basically the same as in the case of Finland. The Norwegian authorities have therefore developed a method for measuring regional disparities and setting priorities for regional development based on the municipality level as statistical units, i.e. administrative regions which are smaller than the NUTS III level.

The Authority’s services has examined the statistical information presented by Norway, i.e. information covering both the NUTS III and the municipality levels. The background statistics contain information on remoteness, income levels and disparities, unemployment, net migration, population development, population density and other demographic indicators.

The Authority’s examination shows that in counties¹⁹ that qualify for regional aid, the more prosperous parts have been excluded, while remote and less prosperous areas in counties²⁰ which do not qualify for regional aid under Article 61(3)(c) have been included in the proposal for target zones B and C. With these readjustments, the map of assisted areas generally remains as a contiguous area. Furthermore, the proposal for target zones B and C cover together with target zone A, 25.79 % of the population, which is below the population coverage of the low population density counties identified in the first stage of analysis of 30.39 %. The overall effect of the readjustments is a more efficient regional policy, i.e. by targeting regional investment aid to regions with the greatest need of such support for economic development.

The proposal for target zones B and C qualifies therefore for regional investment aid according to Article 61(3)(c).

Target zones B and C - Amendments

Target zone B status is justified for Åmli (Aust-Agder), Utsira (Rogaland), Agdenes, Bjugn (Sør-Trøndelag) and Mosvik (Nord-Trøndelag). These municipalities²¹, adjoin other parts of target zone B. They form currently part of target zone C and they²² belong to counties with a GDP/PPS per capita which is lower than the EEA average. Their situation is characterized by low income levels, also measured by indicators

¹⁸ SG(98) D/1122 State Aid N 496/97 Map of areas eligible for national regional aid

¹⁹ Hedmark, Oppland, Telemark, Aust-Agder, and Nord-Trøndelag

²⁰ Vest-Agder, Rogaland, Hordaland, Buskerud, Sør-Trøndelag and Østfold

²¹ Except Utsira, which is a small isolated island with 214 inhabitants.

²² Except Utsira

other than GDP/PPS per capita. These municipalities are disadvantaged by their remote location. They also experience declining populations.

The municipalities listed below have not earlier constituted part of the map of assisted areas and will, according to the proposal, become part of target zone C. The municipalities in question are:

- Aremark, Marker, Rømskog (Østfold)
- Eidskog, Kongsvinger (Hedmark)
- Midtre Gauldal, Selbu (Sør-Trøndelag)
- Steinkjer, Verdal, Inderøy (Nord-Trøndelag)

Marker, Aremark and Rømskog belong to the county of Østfold, where they form its most rural part. The average net income in Østfold is below the national average, while registered unemployment exceeds the national average. The municipalities under consideration are sparsely populated (7.2 inhabitants per square kilometre), they experience a declining population and their overall situation is relatively unfavourable according to the method applied by the Norwegian authorities for assessing regional disadvantages.

Eidskog and Kongsvinger belong to the county of Hedmark. Hedmark qualifies for regional aid in the first stage of analysis on the basis of low population density. Their situation is unfavourable with regard to income and unemployment. Both municipalities have experienced a reduction in total population.

Midtre Gauldal and Selbu belong to the county of Sør-Trøndelag. They are sparsely populated and the most recent statistics show an unfavourable situation with regard to average net income. Midtre Gauldal and Selbu have experienced a significant decrease in their population.

Steinkjer, Verdal and Inderøy belong to the county of Nord-Trøndelag which satisfies the population density test. The situation of the municipalities under consideration is unfavourable with regard to average income and population density.

The Authority has therefore not found any reasons to object to the proposed amendments to the geographical scope of target zones B and C, or their eligibility for regional aid under Article 61(3)(c).

3. Aid ceilings

A variety of factors may be taken into consideration when determining the appropriate ceilings for regional investment aid. The Authority has, examined whether the proposed aid intensities are justified with reference to economic development and other regional disadvantages, i.e. income levels, unemployment, geographical circumstances (i.a. for islands and mountainous areas) and remoteness.

Target zone A has for historical and economic reasons been given the highest priority for regional development policy in Norway. Target zone A's regional disadvantages are partly explained by its location in the extreme northern periphery of Norway and

characterized i.a. by remoteness and harsh climatic conditions. The Authority has also taken into account other factors which are relevant from the point of view of regional development considerations, i.a. very low population density and the area's one-sided industrial structure as compared to more southern parts of Northern Norway.

The exceptional situation of target zone A is considered to justify the introduction of a transitional period for adjusting the maximum aid ceiling to a level which is consistent with the fact that it no longer qualifies for Article 61(3)(a)-status, but has been found eligible for regional aid on the basis of Article 61(3)(c). The Authority has taken into account the fact that the new guidelines on regional aid²³ recently adopted by the Commission contain new rules for setting the aid ceilings in low population density areas²⁴, and for adjusting the aid intensities of regions which no longer may be granted (a)-status, but qualify for (c)-status²⁵.

The current aid level for general application in target zone A is 35 % NGE. SMEs have been allowed to receive an additional 15 % (gross). Thus, the current aid level is above the theoretical maximum for Article 61(3)(c) regions of 30 % NGE, ref. section 28.2.5 of the State Aid Guidelines.

The Authority may accept regional investment aid for large enterprises in target zone A up to the theoretical maximum level for c-regions, i.e. 30 % NGE. The Authority considers it justified in the present circumstances, that SMEs²⁶ located in target zone A are allowed to continue receiving an additional 15 % (gross) until 31 December 1999, after which the new rules on regional aid are foreseen to enter into force, and after a foreseen review of the Norwegian system for regional investment aid is foreseen has been carried out to ensure compliance with the new rules on regional aid.

The proposed aid intensity for target zone B is 25 % NGE. The Authority has noted that the area in question covers only 10.69 % of the total population, and that it is sparsely populated (3.96 inhabitants per square kilometre). Outward migration and depopulation appears to be the main problem in large parts of target zone B. Income levels are below the national average. Unemployment levels are generally higher in target zone B than the national average. The area covers some of the most remote parts of Norway, which face particular difficulties in attracting inward investment and generating indigenous development. Major population centres are as a general rule not covered by target zone B.

The Authority therefore considers that target zone B faces disadvantages which justify a general aid ceiling of 25 % NGE, and that an additional 5 % gross for SMEs can be allowed.

The proposed aid intensity for target zone C is 15 % NGE. The Authority's examination of the proposal, shows that the area covered by target zone C is also disadvantaged in terms of income per capita, population density (6.76 inhabitants per

²³ Guidelines on national regional aid, ref. OJ No C 74/06 of 10 March 1998

²⁴ Guidelines on national regional aid, section 4

²⁵ Guidelines on national regional aid, point 5.7

²⁶ Definition of SMEs, ref. section 10.2 of the State Aid Guidelines

square kilometre) and remoteness, i.e. that it shares a number of the characteristics which are typical for target zone B. The main differences between target zone B and C are that the regional disadvantages in target zone C are somewhat less severe, in particular with regard to remoteness.

The Authority therefore considers that target zone C faces disadvantages which justify a general aid ceiling of 15 % NGE, and that an additional 10 % gross for SMEs can be allowed.

The Authority thus considers that the aid ceilings for target zones A, B and C as agreed by the Norwegian Government, are in proportion to the areas' regional disadvantages, that they do not lead to a distortion of the level playing field for competition in the EEA and, consequently, do not adversely affect trading conditions to an extent contrary to the common interest.

The proposed aid ceilings are acceptable under Article 61(3)(c).

For application of the supplements in favour of SMEs to be compatible with the rules on State aid under the EEA Agreement, Norway must continue to ensure that a reference to an EEA relevant definition of SMEs, consistent with the definition laid down Section 10.2 of the State Aid Guidelines, is contained in the relevant national provisions.

4. Application

Regarding the scope of application for the map of assisted areas in Norway, it should firstly be pointed out that any new plans to grant or alter aid with regional objectives which are based on the delimitations and maximum intensities of the map, will need no further justification regarding its regional aspects. This, however, does not relieve the Norwegian authorities from their obligation to notify such plans in accordance with Article 1 (3) of Protocol 3 to the Surveillance and Court Agreement.

The concept of the map of assisted areas will apply to investment aid awards under existing aid schemes of which the Authority has received information, proposals of aid schemes under examination and future notifications of regional aid. The approval of the map of areas eligible for regional aid under the EEA Agreement, does not prevent the EFTA Surveillance Authority from reviewing existing regional aid schemes in accordance with Article 1 (1) of Protocol 3 to the Surveillance and Court Agreement.

This decision does, however, not affect the Authority's decision²⁷ of 28 September 1994 on aid for restructuring of traditional Sami activities.

All specific notification obligations with regard to certain sensitive sectors, currently shipbuilding, steel, synthetic fibres and motor vehicles, remain unaffected.

²⁷ Dec. No. 107/94/COL

The new map of assisted areas will be in force from 1 May 1998 to 31 December 1999. The Authority will review the map of assisted areas before the end of 1999, in order to ensure that it complies with the new guidelines on regional aid which are foreseen to enter into force on 1 January 2000. This does not restrict the obligation of the EFTA Surveillance Authority, however, to review the map in accordance with Article 1 (1) of Protocol 3 to the Surveillance and Court Agreement before that date if required by, i.a. economic circumstances.

HAS ADOPTED THIS DECISION:

1. The EFTA Surveillance Authority has decided not to raise objections to the proposed system for regional investment aid in Norway, i.e. the proposal for a map of assisted areas in Norway as notified to the Authority, by letters of 16 October 1997 (ref. 97-6572-A), 10 December 1997 (ref. 97-7917-A), 2 April 1998 (ref. 98-2210-A) and 24 April 1998 (ref. 98-2673-A).
2. Without prejudice to Article 1(1) of Protocol 3 to the Surveillance and Court Agreement, the map of areas eligible for regional investment aid shall be applicable from 1 May 1998 until 31 December 1999.
3. The Norwegian Government is informed by means of a letter stating the reasons for the decision.
4. The EC Commission is informed in accordance with Protocol 27(d), by means of a copy of the letter to Norway.
5. Other EFTA States, EC Member States, and interested parties are informed by the publishing of the attached notice in the EEA Section of the Official Journal of the European Communities and the EEA Supplement thereto.

Done at Brussels, 28 April 1998

For the EFTA Surveillance Authority

Knut Almestad
President

Bernd Hammermann
College Member

Annex I**MUNICIPALITIES COVERED BY TARGET ZONES A, B AND C****Target zone A*****General aid ceiling: 30 % NGE - SME supplement: 15 % (gross)***

<i>County</i>	<i>Municipalities eligible for regional investment aid</i>
Finnmark	Whole county
Troms	Kåfjord, Skjervøy, Nordreisa, Kvænangen

Target zone B***General aid ceiling: 25 % NGE - SME supplement: 5 % (gross)***

<i>County</i>	<i>Municipalities eligible for regional investment aid</i>
Hedmark	Trysil, Åmot, S Elvdal, Rendalen, Engerdal, Tolga, Tynset, Alvdal, Folldal, Os
Oppland	Dovre, Lesja, Skjåk, Lom, Vågå, Sel
Telemark	Seljord, Kviteseid, Nissedal, Fyresdal, Tokke, Tinn, Vinje
Aust-Agder	Åmli
Rogaland	Utsira
Møre og Romsdal	Surnadal, Rindal, Aure, Halsa, Tustna, Smøla
Sør-Trøndelag	Oppdal, Rennebu, Meldal, Røros, Holtålen, Tydal, Hemne, Snillfjord, Hitra, Frøya, Åfjord, Roan, Osen, Agdenes, Bjugn
Nord-Trøndelag	Snåsa, Namsos, Namdalseid, Lierne, Røyrvik, Namsskogan, Grong, Høylandet, Overhalla, Fosnes, Flatanger, Vikna, Nærøy, Leka, Meråker, Verran, Mosvik
Nordland	Whole county <u>except</u> Bodø
Troms	Whole county <u>except</u> Tromsø, Kåfjord, Skjervøy, Nordreisa and Kvænangen

Target zone C***General aid ceiling: 15 % NGE - SME top-supplement: 10 % (gross)***

<i>County</i>	<i>Municipalities eligible for regional investment aid</i>
Østfold	Aremark, Marker, Rømskog
Hedmark	Grue, Åsnes, Våler, Eidskog, Kongsvinger
Oppland	S Land, N Land, S Aurdal, Etnedal, N Aurdal, V Slidre, Ø Slidre, Vang, N Fron, S Fron, Ringebu, Gausdal
Buskerud	Sigdal, Flå, Nes, Gol, Hemsedal, Ål, Hol, Rollag, Nore og Uvdal
Telemark	Bø, Sauherad, Notodden, Nome, Hjartdal, Drangedal
Aust-Agder	Gjerstad, Vegårshei, Bygland, Valle, Bykle
Vest-Agder	Åseral, Audnedal, Hægebostad, Sirdal
Rogaland	Hjelmeland, Suldal, Sauda, Kvitsøy
Hordaland	Fedje, Masfjorden, Voss, Jondal, Odda, Ullensvang, Eidfjord, Ulvik, Granvin, Kvam, Modalen, Etne
Sogn og Fjordane	Whole county
Møre og Romsdal	Gjemnes, Tingvoll, Sunndal, Norddal, Stranda, Stordal, Rauma, Nesset, Kristiansund, Averøy, Frei, Midsund, Sandøy, Eide, Vanylven, Sande
Sør-Trøndelag	Ørland, Rissa, Midtre Gauldal, Selbu
Nord-Trøndelag	Leksvik, Steinkjer, Verdal, Inderøy
Nordland	Bodø
Troms	Tromsø

Annex II**Statistical indicators - analysis of assisted areas****Norway**

Counties/Nuts III	Population 1997	Pop. density in inh/km²	GDP/PPS per capita 1993-95²⁸ th=75²⁹	GDP per capita index 92-95 th =72³⁰	Unemploy- ment index 1994-96 th =145³¹	Unemploy- ment in % 1994-96³²
			EU15=100	Norway = 100	Norway = 100	
Counties with < 12.5 inh/km²						
Finnmark	75575	1.7	82	79	130	6.1 %
Troms	151242	6.0	90	87	107	5.0 %
Nordland	240255	6.6	81	78	118	5.5 %
Nord-Trøndelag	127223	6.1	80	76	116	5.4 %
Sogn og Fjordane	107989	6.1	96	92	59	2.8 %
Aust-Agder	100582	11.9	83	80	105	4.9 %
Telemark	163449	11.5	87	83	124	5.8 %
Oppland	182433	7.7	81	78	100	4.7 %
Hedmark	186003	7.1	84	80	103	4.8 %
Subtotal	1334751					
Counties with ≥ 12.5 inh/km²						
Oslo	494793	1158.8	155	150	110	5.2 %
Akershus	446296	97.3	155	150	67	3.2 %
Østfold	241151	62.0	84	81	114	5.4 %
Vestfold	206119	96.3	85	82	108	5.1 %
Buskerud	230805	16.7	93	89	89	4.2 %
Vest-Agder	151580	22.2	95	91	103	4.8 %
Rogaland	360403	42.1	108	105	89	4.2 %
Hordaland	427003	28.5	97	94	106	5.0 %
Møre og Romsdal	241530	16.6	91	87	84	4.0 %
Sør-Trøndelag	258283	14.5	88	85	110	5.2 %
Total	4392714	14.4	104	100	100	4.7 %

Source: Ministry of Local Government and Labour

²⁸ The statistics have been supplied by Ministry of Local Government and Labour. The background material refers to publicly available statistics from Statistics Norway and the Nordic Ministerial Council/Nograna. National accounts statistics have been corrected on the basis of C323 National accounts, Statistics by County 1992, ref. table 6. Offshore production (Ekstrafylket), i.e. Extraction of oil and natural gas (NACE 11.10 and NACE 11.20) and Transport via Pipelines (NACE 60.30), has not been distributed to the mainland counties.

²⁹ Threshold value for Article 61(3)(a)-regions

³⁰ Adjusted threshold value, ref. point 28.2.2.(6) of the State Aid Guidelines

³¹ Adjusted threshold value, ref. points 28.2.2.(6) and (8) of the State Aid Guideline

³² Source: Arbeidsdirektoratet. Registered unemployment in % of the labour force (annual averages)