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DEFINITION OF THE MOTOR VEHICLE SECTOR, SYNTHETIC FIBRE SECTOR AND A COMPANY IN DIFFICULTY

Definition of the motor vehicle sector

The 'motor vehicle industry' means the development, manufacture and assembly of 'motor vehicles', 'engines' for motor vehicles and 'modules or sub-systems' for such vehicles or engines, either direct by a manufacturer or by a 'first-tier component supplier' and, in the latter case, only in the context of an 'overall project'.

(a) *Motor vehicles*

The term 'motor vehicles' means passenger cars, vans, trucks, road tractors, buses, coaches and other commercial vehicles. It does not include racing cars, vehicles intended for off-road use (for example, vehicles designed for use on snow or for carrying persons on golf courses), motorcycles, trailers, agricultural and forestry tractors, caravans, special purpose vehicles (for example, firefighting vehicles, mobile workshops), dump trucks, works' trucks (for example, forklift trucks, straddle carrier trucks and platform trucks) and military vehicles intended for armies.

(b) *Motor vehicle engines*

The term 'motor vehicle engines' means compression and spark ignition engines as well as electric motors and turbine, gas, hybrid or other engines for motor vehicles.

(c) *Modules and sub-systems*

A 'module' or a 'sub-system' means a set of primary components intended for a vehicle or engine which is produced, assembled or fitted by a first-tier component supplier and supplied through a computerised ordering system or on a just-in-time basis. Logistical supply and storage systems and subcontracted complete operations which form part of the production chain, such as the painting of sub-assemblies, should likewise be classified among these modules and sub-systems.

(d) *First-tier component suppliers*

A 'first-tier component supplier' means a supplier, whether independent or not, supplying a manufacturer, sharing responsibility for design and development, and manufacturing, assembling or supplying a vehicle manufacturer during the manufacturing or assembly stage with sub-assemblies or modules. As industrial partners, such suppliers are often linked to a manufacturer by a contract of approximately the same duration as the life of the model (for example, until the model is restyled). A first-tier component supplier may also supply services, especially logistical services, such as the management of a supply centre.

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(e) Overall project

A manufacturer may, on the actual site of the investment or in one or several industrial parks in fairly close geographical proximity, integrate one or more projects of first-tier component suppliers for the supply of modules or sub-systems for the vehicles or engines being produced. An 'overall project' means one which groups together such projects. An overall project lasts for the life of the vehicle manufacturer's investment project. An investment of one first-tier component supplier is integrated within the definition of a global project if at least half the output resulting from that investment is delivered to the manufacturer concerned at the plant in question.

Definition of synthetic fibres sector

The synthetic fibres sector, for the purposes of this Programme, is defined as:

- extrusion/texturization of all generic types of fibre and yarn based on polyester, polyamide, acrylic or polypropylene, irrespective of their end-uses, or
- polymerization (including polycondensation) where it is integrated with extrusion in terms of the machinery used, or
- any ancillary process linked to the contemporaneous installation of extrusion/texturization capacity by the prospective beneficiary or by another company in the group to which it belongs and which, in the specific business activity concerned, is normally integrated with such capacity in terms of the machinery used.

For the purposes of this decree, production processes that precede polymerization – for example production of monomers, processes following pressing or forming that for the specific activity are not commonly integrated with extrusion or texturization capacities into a single production unit, shall not be considered to be the synthetic fibre production industry. Finally, for the purposes of this decree, production processes where production technologies for pressing yarn are used, for which the yarn exists in the pressed state only temporarily before it is used up in spinning and spun around and the untouched textiles produced from it shall also not be considered to be the synthetic fibre production industry.

Definition of a company in difficulty

A company in difficulty means a business entity,

- a) which is not able by its own resources or funds from the owner or creditors to satisfy its obligations and such fact without the intervention of public legal entities would almost certainly lead to such company's bankruptcy in the short or long term; common signs of a company in difficulty are increasing losses, decreasing revenues, rising amount of reserves, excess production capacity, rising debts, falling or zero-value assets, etc., or

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- b) whose own capital has been reduced to less than half the value of basic capital and at the same time whose value has been reduced to more than one quarter for the previous 12 months, or
- c) which is going bankrupt and is obliged to file for bankruptcy according to a special legal regulation¹.

¹ Act No. 328/1991, on bankruptcy and settlement, as amended.