

Regional Transport Subsidy Act

(954/1981; amendments up to 1008/2001 and Government Bill of 12 September 2003 included)

Section 1

Transports of goods in Finland which start in regions specified in more detail by Government decree are eligible for government transport subsidy as provided by this Act. (1185/2000)

Transports of goods in Finland which start on permanently inhabited islands without any stationary road connection, except transports on the Åland Islands, shall also be eligible for Government transport subsidy (*island transports*). The provisions of section 6, section 7(1), sections 8 to 9, sections 11 and 12a and sections 15 to 19 shall apply in the case of aid paid to island transports.

Further provisions on the regions and products eligible for aid for island transports, aid intensity, handling of aid applications as well as on applying for, granting and payment of aid shall be issued by Government decree. (1008/2001)

Section 2 (613/1996)

Transport subsidy can be paid for:

- (1) rail and road transports covering a distance of not less than 266 kilometres;
- (2) rail and road transports covering not less than 266 kilometres altogether and forming a continuous transport chain;
- (3) distances covered within the country in cases where the transports cover not less than 266 kilometres, start from the Arctic region of Finland and are destined for the Arctic region of another country or transited through such a region, as provided in more detail in section 10(3-4);
- (4) port operations conducted in
 - (a) a port or place of shipment situated on the Gulf of Bothnia in the municipality of Merikarvia or to the north of it;
 - (b) a port or place of shipment on the Saimaa waterway

If port operations referred to in subsection 1 above are carried out in connection with a rail or road transport, transport subsidy can be paid for rail or road transport covering a distance of not less than 101 kilometres.

Section 3 (613/1996)

Transport subsidy can be paid for rail and road transports forming a continuous transport chain where a separate freight is paid for each phase of the transport to the carrier in question. The percentage rate of the transport subsidy for such a transport chain shall be determined

according to the total distance covered by the transport chain.

Section 4

Section 4 has been repealed.

Section 5

Transport subsidy shall not be paid for transports made with the carrier's own transport equipment. (613/1996)

When there is no rail or road transport connection from the processing plant, the transport distance of the carrier's own transport from the processing plant to the nearest place having the forwarding connection in question shall, however, be eligible for a transport subsidy. The percentage rate of the transport subsidy for such a transport chain shall be determined according to the total distance covered by the transport chain.

The provisions of this Act on trucking of goods shall also be applicable to transports of goods by bus.

Section 6 (613/1996)

Transport subsidy can be paid to a domestic corporation or foundation or to an individual domiciled in Finland that has paid the freight in the capacity of a consignor. For special reasons, a transport subsidy may also be paid to a consignee who has paid the freight. In the case of port operations, the subsidy is, however, always paid to the consignor.

Section 7

Transport subsidy can be paid for the freight, inclusive of extra freight and other additional charges, entered on the waybill or another freight document. Any discounts or reductions shall be deducted from the freight before determining the amount of the transport subsidy. As regards port operations, however, the subsidy shall be determined on the basis of the weight of the consignment. (613/1996)

Transport subsidy can be paid if the freight is not less than € 20 per consignment and the transport subsidy paid totals not less than € 336 during the application period. The competent Ministry has the right to increase the above-mentioned amounts in proportion to any rise in the freight rates. (1185/2000)

Transport subsidy shall be paid semi-annually in arrears. (1111/1989)

Section 8

Transport subsidy can be paid for transports starting from the place of processing of products which have been processed by small or medium-sized enterprises within the regions referred to in section 1 above. (613/1996)

No transport subsidy is payable, however, when the processing effects only a minor increase in the original value. Reloading, unloading or packing shall not be regarded as processing.

Transports of used articles are not eligible for transport subsidy.

Section 9

Transport subsidy can be paid for carriage of the following products:

(1) food and drink:

- bakery products;
- dairy produce;
- powdered milk;
- prepared or preserved fish;
- prepared or preserved meat;
- vegetables and mushrooms, and preparations thereof, in packages intended for consumers;
- fruit and berries, and preparations thereof, in packages intended for consumers;
- confectionery;
- beverages and ingredients for beverages; and
- preparations for seasoning;

(2) earths and stone, mineral substances, and products thereof:

- cement;
- prefabricated building units made of concrete;
- articles of stone;
- articles of clay or graphite;
- tiles and bricks;
- glass and articles thereof;
- lichen;
- briquettes, pellets and other products of peat and comparable raw materials representing a higher degree of processing; and
- blast-furnace and steel mill slag, in granules or pellets, or air-cooled, and as further processed products; (613/1996)

(3) wood and wood products:

- sawn, planed and chipped wood;
- buildings and structures of wood;
- impregnated wood;
- plywood, veneer and fibreboard;
- particle board, blockboard, wood wool, match splints and chipwood for matchboxes; and
- finished and semi-manufactured products of the joinery industry; (901/1984)

(4) products of the paper industry:

- cardboard, paperboard and paper, and articles thereof;
- special-purpose cellulose representing a degree of processing comparable to that of an end product; (901/1984)

(5) products of the metal industry:

- metal products; (613/1996)

(6) machinery and apparatus:

- agricultural and industrial machinery, machine-tools, electrical appliances, other machinery and apparatus, vehicles, vessels, and parts thereof;

(7) products of the chemical industry and associated industries, excluding fertilizers; and

(8) other goods:

- products of the textile and clothing industry;
- carpets, linoleum, felt, blankets, jute products, and the like;
- leather and furskins and articles thereof; and
- basketwork and wickerwork.

If products which are not mentioned in subsection 1 above but represent a degree of processing comparable to that of the goods enumerated in the said subsection were manufactured in a region referred to in section 1, the Government has the right to determine which of these products shall be eligible for transport subsidy.

Transport subsidy is not payable, however, to industries governed by specific European Community rules on State aid. (613/1996)

A subsidy may not be paid if aid for transports of the products in question can be considered to have considerable distorting effects on competition. (613/1996)

Section 10 (613/1996)

For rail and road transports starting from the regions mentioned in section 1 the subsidised share of the freight referred to in section 7 is as follows:

Distance covered (kilometres)	Rate of subsidy (per cent)	Rate of subsidy for transports involving port operations referred to in section 2
101 - 130	-	7
131 - 160	-	9
161 - 210	-	10
211 - 265	-	12
266 - 300	7	14
301 - 400	11	14
401 - 500	15	15
501 - 600	18	18
601 - 700	22	22
701 - 800	24	24
801 - 1000	26	26
1001 -	29	29

In calculating the minimum distance required for a transport subsidy to be granted for transports starting from the Arctic region of Finland, any transport beyond that region shall be taken into account. Where the distance covered within Finnish territory is less than 266 kilometres, the rate of the subsidy shall be determined according to a distance of 266 kilometres.

For the purposes of this Act, 'the Arctic region' means the provinces or corresponding

administrative districts in Finland, Sweden and Norway which lie partly or entirely to the north of the Arctic Circle. As regards Russian territory, 'the Arctic region' shall be taken to mean the Murmansk area.

Section 11

The maximum road transport costs that can be considered eligible for transport subsidy shall be an amount compatible with the grounds for compensation generally applied to corresponding transports in the trucking business. (901/1984)

Section 12 (1185/2000)

The transport subsidy for port operations referred to in section 2(1) is as follows:

- | | | |
|-----|--|-------------------|
| (1) | Port operations conducted in ports or places of shipment situated on the Gulf of Bothnia in the municipality of Kalajoki or to the north of it; and port operations conducted in the port of Joensuu or in ports or places of shipment to the north of it on the Saimaa waterway..... | € 2.05 per tonne |
| (2) | Port operations conducted in ports or places of shipment situated on the Gulf of Bothnia in the municipality of Merikarvia or between the municipalities of Merikarvia and Kalajoki; and port operations conducted in ports or places of shipment on the Saimaa waterway, other than those referred to in paragraph 1 above..... | € 1.04 per tonne. |

In converting the volume of a consignment into units of weight for the purpose of calculating the subsidy, the weight per cubic metre shall be estimated at 300 kilograms if the actual weight per cubic metre of the consignment is lower than that. The competent Ministry has the right to increase the subsidy payable for the port operations in proportion to the average rise in the freight rates.

Section 12a

For the purposes of this Act, in compliance with the Commission Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises, 'a small or medium-sized enterprise' means a small and medium-sized enterprise which has fewer than 250 employees and has either an annual turnover not exceeding € 50 million or an annual balance sheet total not exceeding € 43 million or which conforms to the criterion of independence and other criteria set in the Recommendation for a small and medium-sized enterprise. (Government bill of 12 September 2003)

Section 13 (47/1997)

Matters concerning transport subsidies shall be handled by the Ministry of Trade and Industry or an Employment and Economic Development Centre as laid down by decree. Hereafter the authority in question will be referred to as the 'granting authority'.

Section 14 (1137/1993)

Transport subsidy shall be applied for by lodging a separate application with the granting authority for each half-year period, not later than two months after the end of the period in question.

The application shall be accompanied by the waybill or some other statement of the transport concerned that is accepted by the granting authority. In addition, the applicant shall furnish the granting authority with any other information and statements needed for reaching a decision on the application.

Should the applicant fail to comply with the provisions of the first and second subsections above, the right to a transport subsidy has been forfeited. Nevertheless, the granting authority may decide to assess the application for special reasons.

Section 15 (1137/1993)

The granting authority may upon application give advance information in the form of a written decision on whether a particular transport or the transport of particular goods is eligible for transport subsidy. The applicant shall provide the granting authority with any information and statements needed for giving the advance information.

A written decision on advance information in so far as product definitions entitling to transport subsidy are concerned shall be binding on the State for two years from the date of issue, provided that the grounds for payment of the transport subsidy have not changed during that period. However, the decision shall not remain binding longer than until the end of 2007. (Government bill of 12 September 2003)

Section 16

Should a decision taken by the granting authority on a transport subsidy have been based on a false or insufficient statement, or should it evidently have been made in breach of the law, the granting authority may, upon application by the party concerned, reverse its decision and reconsider the matter. (1137/1993)

The competent Ministry shall order all or part of a transport subsidy to be paid back if the recipient has:

- (1) supplied false information on an essential point when applying for the subsidy;
- (2) concealed circumstances with essential effect on the granting of the subsidy;
- (3) refused to furnish information, documents or other material needed for the supervision of the subsidy, or to lend assistance to the extent necessary at an inspection; or
- (4) used the subsidy for a purpose other than that for which it was granted. (613/1996)

Upon a subsidy required to be paid back, an annual interest shall be paid from the date of

payment of the subsidy to the date of its payback, according to the rate laid down in section 4(3) of the Interest Act. (294/1995)

Section 17

Decisions taken by a granting authority by virtue of this Act are not appealable, except where the application of sections 8, 9 and 16 is concerned. (1137/1993)

In the case of a decision against which an appeal may be filed under the preceding subsection, the party concerned shall be notified by a registered letter. Such a decision shall be deemed to have been brought to the said party's attention, unless otherwise proved, within 14 days of the date on which the decision was mailed.

Section 18 (1137/1993)

The granting authority has the right to supervise and examine transports for which transport subsidy has been applied or granted under this Act, and to receive the information and statements needed for this purpose from the corporation, foundation or individual referred to in section 6, or from the carrier.

Section 19 (613/1996)

Further provisions governing the enforcement and application of this Act will be given by the competent Ministry.

Section 20

This Act shall be applied to transports taking place during the years 1982–2007.

This Act will enter into force on a date to be defined by decree. However, its section 12a will be applicable as from 1 January 2005 only.

Measures necessary for the implementation of this Act may be undertaken before its entry into force.

This Act shall be applied to transport subsidy to be paid after the entry into force of this Act on the basis of transports starting on 1 January 2004 or later. (Government bill of 12 September 2003)