

ANNEX XXIII TO CHAPTER 10

GLOSSARY OF TERMS

The following glossary is intended to illustrate the meaning of certain terms used in Chapter 10 (Competition) of Title IV of this Agreement. This glossary is not legally binding and remains without prejudice to the provisions included in this Chapter.

(a) **Areas where the standard of living is abnormally low or where there is serious underemployment:** These are areas where the economic situation is extremely unfavourable in relation to the European Union as a whole. This condition is fulfilled if a region or a sub-national geographical administrative entity, with an average population of approximately 800,000 to 3,000,000 inhabitants, has a per capita gross domestic product (GDP), measured in purchasing power standards (PPS), of less than 75 % of the Union average.

(b) **Serious disturbance:** The disturbance in question must affect the whole of the economy of the Party concerned, or one of its Member States. A disturbance is deemed not to be serious for the purposes of this section if it is limited to one of the Parties' regions or parts of their territories.

(c) **Service of general economic interest ("SGEI"):** This means economic activities that public authorities identify as being of particular importance to citizens and that would not be supplied (or would be supplied under different conditions) if there was no public intervention. The activity must exhibit special characteristics as compared with the general economic interest of other economic activities.

(d) **Public undertakings:** Any undertaking over which the public authorities may exercise directly or indirectly a dominant influence by virtue of their ownership of it, their financial participation therein, or the rules which govern it.

(e) **Exclusive rights:** These are rights that are granted by a Member State to one undertaking through any legislative, regulatory or administrative instrument, reserving it the right to provide a service or undertake an activity within a given geographical area.

(f) **Special rights:** These are rights that are granted by a Member State to a limited number of undertakings which, within a given geographical area, and otherwise than according to objective, proportional and non-discriminatory criteria,

limit to two or more the number of such undertakings authorised to provide a service or undertake an activity, or

designate several competing undertakings as being authorised to provide a service or undertake an activity, or

confer on any undertaking or undertakings any legal or regulatory advantages which substantially affect the ability of any other undertaking to provide the same service or to operate the same activity in the same geographical area under substantially equivalent conditions.

(g) **Important project in the common European interest or in the common interest of the Parties:** A project is important and in the common European interest or in the common interest of the Parties only if

or,

it must be in the common interest of the Parties, in the sense that the advantage achieved by the objective of the project must extend to both Parties;

(h) **State monopoly of commercial character:** State monopolies of a commercial character are monopolies through which the national, regional or local authorities or other public bodies of any kind of a Party are in a position, in law or in fact, to supervise, determine or appreciably influence, either directly or indirectly, imports or exports between the Parties. The provisions in this Agreement regarding State monopolies of a commercial character apply likewise to monopolies delegated by the Parties.