State aid control in 2020 and beyond

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AECM, GA

Andrea Bomhoff

DG Competition
European Commission

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2020 and beyond – Policy activities in the field of State aid

Prolongation on 2 July 2020 of rules due to expire end 2020:

- by 1 year (to end 2021): e.g. RFG, RDI, IPCEI, EEAG, RAG, STEC

- or 3 years (to end 2023): e.g. de minimis regulation; GBER; R&R

State aid Fitness Check

- Report published on 30 October 2020
- State aid rules broadly fit for purpose
- Clarifications, streamlining and simplification.
- Adjustments to reflect current priorities, market and technology

Revision of State aid rules – part I

- RDI, IPCEI, EEAG, RAG, RFG + corresponding GBER provisions, STEC
- Public consultation 1st or 2nd Q 2021
- To apply as of 1 January 2022

Revision of other State aid rules – part II: 2021-2023

- R&R, aviation, railway guidelines, de minimis regulation, GBER
- To apply as of 1 January 2024

Revision of GBER related to next MFF (notably aid under InvestEU)

Temporary Framework – COVID-19

Preparation for the implementation of the Recovery and Resilience Fund

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Different possibilities to tackle the economic impact of COVID-19

- General measures that do not constitute aid (e.g. deferral of payments of VAT or social security contributions).
- Normal State aid rules (GBER, de minimis etc.).
- Article 107(2)(b) TFEU: aid to make good damage caused by exceptional occurrences.
- Article 107(3)(b) TFEU: aid to remedy serious disturbance in economy of Member State = Aid under Temporary Framework:
    - applicable until 30.06.2021 (for recapitalisations until 30.09.2021) to all sectors and companies, except medium-sized and large undertakings already in difficulty by 31.12.2019 (micro and small enterprises eligible unless in insolvency on 31.12.2019).
    - aid to remedy the liquidity shortage: Section 3.1 Limited amount of aids in any form (EUR 800.000); Sections 3.2 and 3.3 Public guarantees and public loans; Section 3.9. Selective temporary tax deferrals schemes; Section 3.10 allows selective wage subsidy schemes.
    - aid to remedy solvency problems and prevent unnecessary exit of companies viable before the crisis: Section 3.11 Recapitalisation

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Different possibilities to tackle the economic impact of COVID-19

- As of 11 October 2020: 309 decisions concerning 367 national measures in all 27 Member State and the UK

- 173 measures based on section 3.1, 73 based on section 3.2, 45 based on section 3.3, 14 measures are based (at least partly) on section 3.11

- Overall measures at an amount of EUR 2.9 trillion were approved (nominal amounts, not aid element; budgets, not granted aid); About 50% of that amount concerns Germany, 15% Italy and France, 5% Spain.

- Survey of MS: EUR 346 billion spent by June 2020 of EUR 2.3 trillion approved by June; of aid spent, about 30% in France and Germany, followed by Spain (20%) and Italy (8%);

- less applications from companies? slower implementation of schemes? completeness of data?

Recovery and Resilience Facility – State aid aspects

- Competition enforcement and protecting the functioning of the single market key to accompany the ambitious reform and investment Recovery and Resilience Facility.

- State aid rules offer ample manoeuvre for Member States to implement their recovery agenda, notably for SMEs.

    - Temporary Framework allows aid to cover investment costs or to recapitalise companies.

    - GBER or State aid guidelines offer many possibilities for investments in the Flagship areas of the RRF.

    - Under preparation: Templates to help design measures.

    - Revision of State aid rules in 2021: e.g. access to finance.

RECOVERY AND RESILIENCE FACILITY

FLAGSHIP AREAS FOR INVESTMENTS AND REFORMS

POWER UP
CLEAN TECHNOLOGIES AND RENEWABLES

RENOVATE
ENERGY EFFICIENCY OF BUILDINGS

RECHARGE AND REFUEL
SUSTAINABLE TRANSPORT AND CHARGING STATIONS

CONNECT
ROLL-OUT OF RAPID BROADBAND SERVICES

MODERNISE
DIGITALISATION OF PUBLIC ADMINISTRATION

SCALE-UP
DATA CLOUD CAPACITIES AND SUSTAINABLE PROCESSORS

RESKILL AND UPSKILL
EDUCATION AND TRAINING TO SUPPORT DIGITAL SKILLS

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