



State aid: Commission gives guidance on local public support measures that do not constitute state aid

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The Commission has found that five public measures for purely local operations in Spain, Germany and Portugal involve no state aid because they are unlikely to affect trade between Member States. For these kinds of measures, Member States always have full autonomy to decide and invest state funds.

Commissioner Margrethe Vestager, in charge of competition policy, said: *"In many cases Member States can stimulate investment without asking the Commission. These decisions confirm that many local public support measures do not constitute state aid. This reflects the Juncker Commission's approach to be 'big on big things and small on small things'. It also complements the modernisation of State Aid as a result of which 90% of all State aid measures can be decided by Member States themselves - they no longer have to go to the Commission for approval."*

The five decisions announced today clarify what public support measures Member State authorities can implement without prior scrutiny by the Commission because they do not affect trade between Member States. They complement a [set of decisions taken in 2015](#) that already gave guidance on what types of public support does not constitute State aid. This reduces the administrative burden for EU Member States, speeds up the delivery of investments, and increases legal certainty for public authorities and companies.

The decisions are part of the Commission's effort to focus State aid control on bigger cases that genuinely impact competition in the Single Market, to the greatest benefit of consumers. They complement several initiatives the Commission has taken over the past two years.

The [Notion of Aid Notice](#) adopted in May 2016 clarifies what public support measures fall outside the scope of EU State aid control, for example because they do not distort the level playing field in the Single Market or risk crowding out private investment. It helps Member States design public support measures that can be implemented without prior scrutiny by the Commission. For example, it confirms that public investments in roads, inland waterways, rail, and water distribution networks can typically be carried out without prior scrutiny by the Commission.

The [General Block Exemption Regulation](#) adopted in May 2014 allows Member States to grant State aid in a wide range of sectors, e.g. research, SME support, tourism, without having to notify it to the Commission for prior authorisation. This cuts red tape for projects that are unlikely to distort competition and allows for well-defined projects to go ahead as fast as possible. Around 90% of all State aid measures implemented in the EU are now covered by the General Block Exemption Regulation. The Regulation is [currently under review](#) in order to further simplify the implementation of investment aid for ports and airports.

Together these measures, and the decisions announced today, help to stimulate investment by reducing the administrative burden for public authorities and companies, avoiding lengthy procedures and increasing legal certainty for aid beneficiaries and competitors. They also allow Member States to take responsibility over their policy choices for local measures and the Commission to focus resources on state aid investigations into measures with the biggest impact on competition in the Single Market.

State aid and effect on trade

EU state aid rules are fundamental to ensure that all companies can compete on an equal footing across the EU's Single Market. Public support to individual companies distorts this level playing field and is in principle prohibited by Article 107 of the Treaty on the Functioning of the European Union, except where it furthers a common interest objective while limiting competition distortions. This prohibition only applies to measures that can affect trade between Member States. Given the high level of economic integration achieved within the EU, aid that distorts competition between companies will often also have an impact on intra-EU trade.

However, where the beneficiary of state support supplies goods or services to a limited area within a Member State, and is unlikely to attract customers from other Member States, there may be no effect

on intra-EU trade and therefore no state aid within the meaning of the EU rules. To be free of aid, the measure should also have no - or at most marginal – foreseeable effects on cross-border investment in the sector or on the establishment of companies within the EU's Single Market.

The decisions

Local media in the Basque language (Spain)

Spain plans to grant public funding to micro-companies in the media sector, specifically print media, with the aim of promoting periodicals and collaborative projects in the field of local media in the Basque language, within the province of Guipúzcoa. The beneficiaries must publish exclusively in the Basque language.

The Commission noted that the use of the Basque language is **confined to a regional market**. In addition, given the **size of the companies concerned**, the limited size of the market involved and the **low amounts of public support at stake**, it is unlikely that the scheme could have more than a marginal impact on the conditions that determine cross-border investment or establishment in the media market. (SA.44942)

BLSV Sportcamp Nordbayern (Germany)

Germany intends to support the construction of several sports facilities at the Sportcamp Nordbayern, in the region of Oberfranken in Bavaria. It will have about 200 beds and be open principally for schools, non-profit sports clubs and social or educational activities. It will not provide classic hotel services.

The Commission found that this public investment would have no effect on trade between Member States and therefore involves no state aid **because it is targeted at a regional customer base**. In view of this, and the **limited size of the operations**, it is also unlikely that it would have any negative impact on cross-border investment or the establishment of the same sort of services. (SA.43983)

Port of Wyk on Föhr (Germany)

Germany plans to support the renovation and modernisation of infrastructure in the port of Föhr, a German island with about 8 000 inhabitants. The port is almost exclusively used for supplying the island through a year-round ferry service to and from the German mainland. Pleasure trips for tourists are limited to the local area. Furthermore, the port's limited capacity does not make it attractive to international shipping and no other port is able to serve the island and the port does not compete with any other port in its catchment area.

The Commission found that this public investment would have no effect on trade between Member States because the port is almost **exclusively used to connect to the German mainland**, is likely **unattractive for international shipping** and has **no local competition**. (SA. 44692)

Santa Casa da Misericórdia de Tomar (Portugal)

Santa Casa de Misericórdia de Tomar provides social support services to the elderly and disabled as well as other long-term care services. It operates only in the area of the city of Tomar, which has a population of around 30 000. Portugal intends to support the construction of an assisted living facility for elderly residents with a capacity of 60 beds.

The Commission found that this public investment would have no effect on trade between Member States because the services provided by Santa Casa de Misericórdia de Tomar are **purely local in nature** and available only within a limited geographic area. These services are very unlikely to attract users from other Member States. The Commission also found **no evidence of cross border investment** in similar infrastructures in the region. (SA.38920)

Valencian language in the press (Spain)

Spain plans to support written or digital media in Valencian, with the aim of promoting the use of the Valencian language. Valencian is one of the minority languages in Spain.

The Commission considers that news media and cultural products which, for linguistic and geographical reasons, have a **locally restricted audience** are not liable to affect trade between Member States. In this case, the Commission noted in particular that the subsidised services would **cater only for the local market** of the region of Valencia. Given this local character and the **limited amount of the aid** it is also unlikely that the measure would have more than a marginal effect on cross-border investment or establishment in the media market. (SA.45512)

The non-confidential versions of the decisions will be published in the [state aid register](#) on the

[Competition](#) website under the case numbers indicated above once eventual confidentiality issues have been resolved. The State Aid Weekly e-News lists new publications of state aid decisions on the internet and in the EU Official Journal.

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