

## State aid: Commission approves regional aid map 2014-2020 for Romania

The European Commission has approved under EU state aid rules Romania's map for granting regional development state aid between 2014 and 2020 within the framework of the new regional aid guidelines adopted by the Commission in June 2013. The new guidelines set out the conditions under which Member States can grant state aid to businesses for regional development purposes. They aim to foster growth and greater cohesion in the Single Market.

Commission Vice President in charge of competition policy Joaquín Almunia said:

*“The new regional aid map establishes a clear framework within which Romania can promote productive investments in disadvantaged regions between 2014 and 2020.”*

Romania's regional aid map defines the regions eligible under EU state aid rules for regional investment aid granted by Romanian authorities and establishes the maximum aid levels (so-called "aid intensities") for companies in the eligible regions.

The map will be in force between 1 July 2014 and 31 December 2020.

The whole territory of Romania will be eligible for regional investment aid. The maximum levels of aid that can be granted to regional investment projects carried out by large enterprises in the assisted areas are between 10% and 50% of total investment costs depending on the area concerned. For investments carried out by SMEs, these percentages can be increased.

Under the regional guidelines, areas which have a GDP per capita below 75% of the EU average are eligible in priority for regional investment aid, as the main purpose of regional aid is to foster the development of the less advantaged regions of Europe. Under the new map, regions accounting for 89.4% of the population of Romania fall under this category and will continue to be eligible for regional investment aid at maximum aid intensities varying between 35% and 50% of the eligible costs of the relevant investment projects.

Other regions in a disadvantaged situation in relation to the EU or national average can also become eligible provided that they comply with certain criteria and that they respect the overall population coverage. This allows Member States to tackle their own regional disparities. As these regions are less disadvantaged than areas with a GDP per capita below 75% of the EU average, both the geographical scope and the aid intensity are limited. 10.6% of the Romanian population living in the region around Bucharest will be eligible for regional investment aid under this category, at maximum aid intensities varying between 10% and 35%.

Given that the GDP per capita of the region around Bucharest is no longer below 75% of the EU average, the maximum aid intensities for regional investment aid are lower than in the previous period. The remaining assisted regions will have identical maximum aid intensities with the exception of one region (Vest) which will have a slight (15 percentage points) decrease because its GDP increased and it is now less disadvantaged with regard to the EU average.)

## Background

The regional aid guidelines set out the rules under which Member States can grant state aid to companies to support investments in new production facilities in the less advantaged regions of Europe, or to extend or modernise existing facilities. The ultimate purpose of regional state aid is to support economic development and employment. The regional aid guidelines contain rules on the basis of which Member States can draw up regional aid maps valid throughout the guidelines' period of validity. The maps identify in which geographical areas companies can receive regional state aid and at what proportion of the eligible investment costs (aid intensity). Eligible costs are the part of the total investment costs that may be taken into account for the calculation of the aid.

Article 107(3)(a) of the Treaty on the Functioning of the European Union (TFEU) allows Member States to grant state aid to promote the economic development of areas where the standard of living is abnormally low or where there is serious underemployment. The regional aid guidelines define these areas as regions with a GDP per capita below 75 % of the EU average and outermost Regions. Moreover, in order to ensure a smooth transition, regions that were previously below the threshold of 75% of EU GDP will continue to be pre-defined at EU level as eligible for regional aid. Article 107(3)(c) TFEU allows regional state aid to facilitate the development of certain economic activities or of certain economic areas where it does not adversely affect trading conditions to an extent contrary to the common interest. The regional aid guidelines define these as areas of a Member State which are disadvantaged either in relation to the EU average, or in relation to the national average. The population coverage is distributed between Member States according to socioeconomic criteria which take into account regional disparities, including unemployment, at both EU and national levels. It is then for each Member State to decide in its regional map how to best use this room for manoeuvre to define more eligible area in order to address its internal regional disparities.

The non-confidential version of today's decision will be made available under the case number SA.38364 in the State Aid Register on the competition website once any confidentiality issues have been resolved.