



EUROPEAN COMMISSION

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PUBLIC VERSION
WORKING LANGUAGE
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**Subject: State aid N 469/06 – Slovak Republic
Regional aid map 2007-2013**

Sir,

1. PROCEDURE

1. With letter dated 10 July 2006, registered at the Commission on 13 July 2006 the Slovak authorities notified their Regional Aid map for the period 1.1.2007 – 31.12.2013.
2. On 21 December 2005, the Commission adopted the *Guidelines on National Regional Aid for 2007-2013*¹ (hereinafter “RAG”). In accordance with paragraph 100 of the RAG each Member State should notify to the Commission following the procedure of Article 88(3) of the Treaty, a single regional aid map covering its entire national territory which will apply for the period 2007-2013. In accordance with paragraph 101, the approved regional aid map is to be published in the Official Journal of the European Union, and will be considered an integral part of the RAG.

¹ OJ C 54, 4.3.2006, p. 13

The Minister of Foreign Affairs
J.E.pán Eduard KUKAN
Minister zahraničných vecí SR
Ministerstvo zahraničných vecí Slovenskej republiky
Hlboká cesta 2
SK-833 36 Bratislava

2. DESCRIPTION

3. The whole territory of the Slovak Republic was eligible for the period 1.5.2004-31.12.2006² under the derogation of either Article 87(3)(a) or Article 87(3)(c) of the EC Treaty. The Slovak authorities propose that for the period 1.1.2007-31.12.2013 three of their four NUTS-II regions should continue to be eligible to receive regional investment aid under the derogation of Article 87(3)(a) of the EC Treaty. The Slovak authorities also designated parts of the NUTS-II region of SK01 Bratislavský kraj to be eligible under the derogation of Article 87(3)(c) of the EC Treaty as transitional additional coverage for the period 1.1.2007-31.12.2008.
4. All the proposed aid ceilings are those for investments by large enterprises. For medium sized enterprises³ this aid ceiling can be increased⁴ by 10 percentage points and for small enterprises⁵ by 20 percentage points.

2.1. 87(3)(a) regions: proposed for the whole period 2007-2013

5. The following NUTS-II regions are proposed for eligibility under the 87(3)(a) derogation for the whole period 2007-2013 with and aid intensity of 50% GGE:
 - SK03 Stredné Slovensko
 - SK04 Východné Slovensko
6. The following NUTS-II region is proposed for eligibility under the 87(3)(a) derogation for the whole period 2007-2013 with and aid intensity of 40%GGE:
 - SK02 Západné Slovensko

2.2. 87(3)(c) regions: transitional additional coverage (1.1.2007-31.12.2008)

7. The following parts of the NUTS-II region of SK01 Bratislavský kraj are proposed for eligibility under the 87(3)(c) derogation for the period 2007-2008 at an aid ceiling of 10% GGE:
 - LAU1 – 102 District Bratislava II
 - LAU1 – 103 District Bratislava III
 - LAU1 – 104 District Bratislava IV
 - LAU2 – 529435 Bratislava – Čunovo
 - LAU2 – 529443 Bratislava – Jarovce
 - LAU2 – 529494 Bratislava – Rusovce
 - LAU1 – 106 Malacky District
 - LAU1 – 108 Senec District.

² Decision not to raise objections to the regional aid map of the Slovak Republic for the period between 1 May 2004 and 31 December 2006 (SK 72/2003)

³ As defined in the Annex of Commission Regulation (EC) No 364/2004 of 25 February 2004 amending Regulation (EC) 70/2001, OJ L 63, 28.2.2004, p. 22, or any successor regulation.

⁴ Except for aid awarded in the transport sector and aid for large investment projects.

⁵ See footnote 3

3. ASSESSMENT

3.1. 87(3)(a) regions: proposed for the whole period 2007-2013

8. In accordance with paragraph 44 of the RAG, the aid ceiling for regions falling under Article 87(3)(a) must not exceed 50% GGE for regions with less than 45% of average EU-25 GDP per capita, which is the case for the following NUTS-II regions as shown by their respective GDP per capita⁶:

| | | |
|--------|--------------------|--------|
| – SK03 | Stredné Slovensko | 40.72% |
| – SK04 | Východné Slovensko | 37.21% |

9. In accordance with the same paragraph of the RAG, the aid ceiling for regions falling under Article 87(3)(a) must not exceed 40% GGE for regions with less than 60% of average EU-25 GDP per capita, which is the case for the following NUTS-II region as shown by its GDP per capita:

| | | |
|--------|-------------------|--------|
| – SK02 | Západné Slovensko | 45.42% |
|--------|-------------------|--------|

3.2. 87(3)(c) regions: transitional additional coverage (1.1.2007-31.12.2008)

10. In accordance with paragraph 95 of the RAG, Member States may exceptionally designate additional regions to be eligible for regional aid under Article 87(3)(c) until 1 January 2009, provided that the following conditions are met:

- the regions concerned were eligible for regional aid under Article 87(3)(c) on 31 December 2006;
- the maximum aid intensity permitted in the additional regions designated in accordance with this provision shall not exceed 10%.
- Annex V of the RAG attributed 7.5 % of the Slovak national population as transitional additional coverage eligible to national regional aid under the derogation of Article 87(3)(c) of the EC Treaty for the years 2007-2008.

11. The respective populations of the parts of the NUTS-II region of SK01 Bratislavský kraj designated to be eligible to national regional aid under this provision of the RAG are as follows⁷:

| | | |
|-----------------|-------------------------|---------|
| – LAU1 – 102 | District Bratislava II | 107 991 |
| – LAU1 – 103 | District Bratislava III | 61 606 |
| – LAU1 – 104 | District Bratislava IV | 93 116 |
| – LAU2 – 529435 | Bratislava – Čunovo | 927 |
| – LAU2 – 529443 | Bratislava – Jarovce | 1 212 |
| – LAU2 – 529494 | Bratislava – Rusovce | 2 011 |

⁶ Gross Domestic Product expressed in Purchasing Power Standards per capita for the years 2000-2002. (EU-25 = 100)

⁷ Source : Statistical Office of the Slovak Republic 2002, population on 31.12.2002

| | | |
|--------------|------------------|---------|
| – LAU1 – 106 | Malacky District | 64 966 |
| – LAU1 – 108 | Senec District | 52 998. |

12. The total population of all regions designated to be eligible under the derogation of Article 87(3)(c) of the EC-Treaty for the years 2007-2008 is 384 827, which constitutes 7.1% of the total population of the Slovak Republic (5.91 million). Therefore, the total population of the regions covered by the derogation respects the limit of 7.5% of the total population of the Member State attributed to it in Annex V of the RAG.
13. Since the whole territory of the NUTS-II region of SK01 Bratislavský kraj has indeed been eligible for the derogation under Article 87(3)(c) of the EC Treaty for the period between 1 May 2004 and 31 December 2006⁸, the condition that the regions concerned were eligible for regional aid under Article 87(3)(c) of the EC Treaty on 31 December 2006 is also met.
14. The regions designated to be eligible for regional aid under Article 87(3)(c) of the EC Treaty for the period 1.1.2007-31.12.2008 at an aid intensity of 10% GGE meet thus the conditions of point 95 of the RAG.

3.3. General provisions of the map

15. In accordance with paragraph 49 of the RAG all the preceding aid ceilings can be increased by 10% GGE for medium sized enterprises⁹ and 20% GGE for small enterprises¹⁰. However, in accordance with paragraph 67 of the RAG no SME bonuses are allowed for investment projects with eligible expenditure exceeding EUR 50 million.
16. Following the assessment above, the aid ceilings for regional investment aid notified by the Slovak Republic for the period 2007-2013 are in line with the maximum aid intensities allowed for under the RAG.
17. The Commission recalls that in accordance with paragraph 8 of the RAG, these aid ceilings apply to the processing and marketing of agricultural products only to the extent laid down in the Community guidelines for State aid in the agriculture sector¹¹, or any replacement guidelines.
18. The Commission takes note of the following commitments given by the Slovak authorities in the notification:
 - (a) The Slovak authorities confirmed that only the regions identified in the regional aid map published by the Commission pursuant to this notification will be eligible for regional investment aid in accordance with the RAG, or any state aid block exemption regulation relevant for regional aid.

⁸ Decision not to raise objections to the regional aid map of the Slovak Republic for the period between 1 May 2004 and 31 December 2006 (SK 72/2003).

⁹ See footnote 3

¹⁰ See footnote 3

¹¹ OJ C 28 of 1.2.2000, p.2. Corrigendum OJ C 232, 12.8.2000 p. 17.

- (b) The Slovak authorities confirmed that only small enterprises with their economic activity in the regions identified in the regional aid map published by the Commission pursuant to this notification will be eligible for aid for newly created small enterprises as provided for in section 6 (paragraphs 84-91) of the RAG.
- (c) The Slovak authorities confirmed that all plans to grant regional aid will be notified to the Commission in accordance with Article 88(3) of the Treaty, either as an aid scheme, or as an individual notification unless a State aid exemption regulation applies.
- (d) The Slovak authorities confirmed that all regional investment aid will respect the ceilings defined in the region concerned in the regional aid map published by the Commission pursuant to this notification.
- (e) The Slovak authorities confirmed that for large investment projects the upper ceilings defined in respect of the region concerned in the regional aid map published by the Commission pursuant to this notification will be adjusted according to the formula in paragraph 67 of the RAG.
- (f) The Slovak authorities confirmed that all large investment projects for which the amount of aid proposed is more than the maximum allowable amount of aid an investment with eligible expenditure of EUR 100 million can receive under the scale laid down in paragraph 67 of the RAG, will be notified individually to the Commission.

3.4. Appropriate measures

19. By letter of 6 March 2006, reference D/(06)240, the Commission proposed appropriate measures to the Slovak authorities by which, inter alia, the application of their existing regional aid schemes is limited until 31 December 2006. The Slovak authorities accepted these appropriate measures unconditionally by letter of 29 March 2006.

4. DECISION

20. The Commission has accordingly decided:

- to consider the Slovak regional aid map for 2007-2013 as set out in the Annex to be compatible with the EC Treaty as it fulfils the conditions as stipulated in the Guidelines on national regional aid for 2007-2013. This map is valid from 1 January 2007 until 31 December 2013.
- to publish the map as presented in the Annex to this decision in the Official Journal of the European Union. The full text of this letter in the authentic language will be published on the Internet site: http://ec.europa.eu/community_law/state_aids/index.htm

Any request concerning this letter should be sent by registered letter or fax to:

European Commission
Directorate-General for Competition
Directorate for State Aid I
State Aid Greffe
B – 1049 Brussels
Fax No: 0032.2.296 12 42

Yours faithfully,
For the Commission

Neelie KROES
Member of the Commission

Guidelines on National Regional aid for 2007-2013

(OJ C 54, 4.3.2006, p. 13)

SLOVAK REPUBLIC - National regional state aid map 1.1.2007-31.12.2013

(Approved by the Commission on

| (NUTS II REGION) (NUTS III REGION) | Ceiling for regional investment aid ¹ (Applicable to large enterprises) |
|---|---|
| 1. Regions eligible for aid under Article 87(3) (a) of the EC Treaty for the period 1.1.2007- 31.12.2013 | |
| SK02 Západne Slovensko | 40% |
| SK03 Stredné Slovensko | 50% |
| SK04 Východné Slovensko | 50% |
| 2. Regions eligible for transitional coverage under Article 87(3) (c) of the EC Treaty for the period 1.1.2007- 31.12.2008 | |
| SK01 Bratislavský kraj | |
| LAU1-102 Okres Bratislava II | 10% |
| LAU1-103 Okres Bratislava III | 10% |
| LAU1-104 Okres Bratislava IV | 10% |
| LAU2-529435 Bratislava-mestská časť Čunovo | 10% |
| LAU2-529443 Bratislava-mestská časť Jarovce | 10% |
| LAU2-529494 Bratislava-mestská časť Rusovce | 10% |
| LAU1 – 106 Okres Malacky | 10% |
| LAU1 – 108 Okres Senec | 10% |

¹ For investment projects with eligible expenditure not exceeding EUR 50 million, this ceiling is increased by 10 percentage points for medium sized companies and 20 percentage points for small companies as defined in the Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (OJ L 124, 20.5.2003, p. 36). For large investment projects with eligible expenditure exceeding EUR 50 million, this ceiling is subject to adjustment in accordance with paragraph 67 of the Guidelines on national regional aid for 2007-2013.