



EUROPEAN COMMISSION

Brussels, 18.III.2008

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PUBLIC VERSION

WORKING LANGUAGE

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**Subject: State Aid n° N 721/2007 – Poland
"Reuters Europe SA"**

Dear Sir,

I. PROCEDURE

1. By means of an electronic notification dated 6 December 2007 the Polish authorities, in accordance with Article 88(3) of the EC Treaty, notified a project to grant individual ad hoc aid to the enterprise Reuter Europe SA. The Commission requested clarification on the project by letter of 17 January 2008 (D/50243), to which the Polish authorities replied by letter of 4 February 2008 (A/2132) registered by the Commission the same day.

II. DESCRIPTION OF THE AID MEASURE

2. The Polish authorities intend to provide an ad hoc aid to Reuters Europe SA for the creation of new jobs linked to the new investment. The notified aid measure aims at promoting regional development.

II.1. The project of the investment

3. The project constitutes an initial investment in the setting up of the Information Services Centre in Gdansk. Activity of the new centre will consist in market research and

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Minister Spraw Zagranicznych
Al. Szucha 23
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financial and economic data processing from EMEA region. Data bases and processed information will be afterwards distributed to Reuters's clients in the entire world.

4. The project will be carried out by Reuter Europe SA in Gdansk in Poland (Wojewodztwo pomorskie – NUTS 2), in a region eligible for regional aid pursuant to Article 87(3)(a).
5. The investment will consist in the acquisition of technical infrastructure and office equipment for the new centre and will amount to PLN 6 546 452 (EUR 1 811 765¹) in nominal value.
6. The eligible costs of the project are 2- year gross wage costs of the newly hired persons, comprising the compulsory social security contributions. The eligible costs amount to PLN 24 523 024 (EUR 6 786 877) in nominal value.
7. As stated in the notification form, part III.4, works on the project started after the application for aid was submitted and the letter of intent to grant aid issued. The beneficiary of the aid committed itself to finalize the investment by 31 December 2008.
8. The investment project will lead to the creation of 300 new direct jobs by the end of 2008.

II.2. The aid

9. The beneficiary of the aid, Reuters Europe SA, submitted the application for the aid on 21 August 2006 and on 30 August 2006 the Ministry of Economy issued the letter of intent that the project qualifies for receiving the aid. The Polish authorities provided the Commission with the draft Framework Contract to be signed between the beneficiary of the aid and the Ministry of Economy. The award of the aid under the Framework Contract is subject to the Commission approval.
10. The legal basis of the notified ad hoc aid measure are: the draft *Framework Contract between the Ministry of Economy and Reuters Europe SA on State support to the investment*²; the *Ordinance of the Minister of Economy n° 128/2007 from 19 July 2007 establishing the multi-annual scheme "Support to the investment carried out by Reuters Europe SA in Gdansk in years 2007 and 2008"*³ and *Article 117 of the Law on public finances from 30 June 2005*⁴.
11. The notified aid measure concerns the aid granted for the creation of jobs linked to the new investment. It involves assistance in the form of direct grant in the total nominal

¹ The exchange rate in the moment of notification, i.e. December 2007, EUR 1 = PLN 3,6133 (O.J. C 289, 2.12.2007, p.7)

² *Projekt Umowy ramowej o udzielenie dotacji celowej pomiędzy Ministrem Gospodarki a Reuters Europe S.A. Oddział w Polsce*

³ *Uchwała nr 128/2007 Rady Ministrów z dnia 19 lipca 2007 w sprawie ustanowienia programu wieloletniego pod nazwą „Wsparcie finansowe inwestycji realizowanej w Gdańsku przez Reuters Europe SA. oddział w Polsce pod nazwą: „Centrum Usług Informacyjnych w latach 2007 i 2008”*

⁴ *Art. 117 Ustawy z dnia 30 czerwca 2005 r. o finansach publicznych, Dz.U. z 2005, Nr 249 poz.2107 ze zm.*

amount of PLN 1 071 900 (EUR 296 654) representing an aid intensity of 4,37% gross grant equivalent (GGE) of the applicable eligible costs expressed in nominal value.

12. The grant is paid out in tranches for years 2007 and 2008, subject to the fulfillment of the Framework Contract conditions.
13. The aid is conditioned by the obligation of the maintenance of the investment for a minimum period of 5 years after its completion and of the jobs created during a minimum period of 5 years as from the day of their creation.
14. The aid may be combined with other aid up to the regional aid ceiling applicable for Województwo pomorskie and accordingly to the provisions of Guidelines on National Regional Aid for 2007-2013⁵ (hereinafter referred to as Regional aid guidelines 2007-2013).

III. ASSESSMENT

III.1. Legality of the aid measure

15. By notifying the aid project before putting it into effect, the Polish authorities respected their obligations under Article 88(3) of the EC Treaty.

III.2. Existence of state aid

16. The present project confers to Reuters Europe SA an economic advantage in relation to other companies that do not receive such aid. Since it concerns an individual aid granted to a single company, the measure is considered as selective and could provoke distortions of competition. The aid is granted through State resources. Finally, and considering that the measure concerns an undertaking involved in trade between Member States, there is a risk that the aid could affect that trade. Consequently, this project constitutes state aid within the meaning of Article 87(1) of the EC Treaty.

III.3. Compatibility

17. The aid aims at promoting regional development, and accordingly, has been assessed under the Regional aid guidelines 2007-2013. In its assessment, the Commission has taken note of the following points:
 - a. The region of Gdansk where the project will be carried out is entirely eligible under Article 87(3) (a) of the EC Treaty, with a standard regional aid ceiling of 40% GGE.
 - b. In general, the Commission prevents ad hoc aid being granted under the consideration of regional aid (cf. point 10 of the Regional aid guidelines 2007-2013). However, in this case the project will have positive impact on the city of Gdansk and on the region by creating 300 new direct jobs. By introducing modern IT solutions the investment will help in the creation of information society and will have positive impact on the

⁵ OJ C 54, 4.3.2006, p.13

level of innovations, entrepreneurship and know-how transfer in the region. Innovative methods of people management (emphasis put on training) and high standards of work environment will contribute to the enhancement of the quality of employment.

- c. The eligible expenditure is defined in conformity with the Regional aid guidelines 2007-2013 and in particular with point 57 and 58 thereof.
- d. The notified aid intensity of 4,37% GGE is below the applicable regional aid ceiling of 40% GGE. The applicable regional aid ceiling will also be respected in case of combination of this ad hoc aid with aid from other sources and accordingly to the provisions of Regional aid guidelines 2007-2013.
- e. The application for aid had been submitted by the beneficiary before the start of works on the project and the authority granting the aid issued a letter of intent to award the aid (cf. point 38 of the Regional aid guidelines 2007-2013).
- f. Aid for the creation of jobs is conditioned by the obligation of the maintenance of the investment for a minimum period of 5 years after its completion and of the jobs created during a minimum period of 5 years as from the day of their creation (cf. point 40 of the Regional aid guidelines 2007-2013).
- g. The number of created jobs is calculated in accordance with the provisions of the Regional aid guidelines 2007-2013 (cf. point 58).

III.4. Conclusion

- 18. On the basis of the foregoing assessment, the Commission considers the notified aid of PLN 1 071 900 in nominal value in favour of Reuters Europe SA to be compatible with the EC Treaty in application of Article 87(3) (a) of the EC Treaty and Article 61(3) (a) of the EEA Agreement.

IV. DECISION

- 19. The Commission has accordingly decided to consider the measure compatible with the EC Treaty.
- 20. If this letter contains confidential information, which should not be disclosed to third parties, please inform the Commission within fifteen working days of the date of receipt. If the Commission does not receive a reasoned request by that deadline, you will be deemed to agree to the disclosure to third parties and to the publication of the full text of the letter in the authentic language on the Internet site: http://ec.europa.eu/community_law/state_aids/index.htm

Your request should be sent by registered letter or fax to:

European Commission
Directorate-General of Competition
State Aid Register
B – 1049 Brussels

Telefax n°: 00-32-2-296-12-42

Please, mention the name and number of the case in all the correspondence.

Receive the evidence of my highest consideration,

For the Commission

Neelie KROES
Member of the Commission