



EUROPEAN COMMISSION

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Subject: State aid No SA.36732 (2013/N) – Poland
Samsung Electronics Polska Sp. z o.o. – Poland

Sir,

1. PROCEDURE AND DESCRIPTION OF THE MEASURE

- (1) On 19 August 2013, Poland notified to the Commission the above-mentioned aid measure. The measure was notified under the Notice on simplified procedure, in particular point 5 (a) (vi) of the Notice¹.
- (2) The Polish authorities intend to provide an *ad hoc* aid to Samsung Electronics Polska Sp. z.o.o. for an initial investment project in the Mazowieckie, •ódzkie and Wielkopolskie regions, consisting in the extension of an existing establishment and introduction of new modern solutions in software for smart consumer electronic products.

¹ OJ C 136, 16.6.2009, p. 3.

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- (3) A description of relevant features of this measure can be found in the summary of the notification, as published on DG Competition website http://ec.europa.eu/competition/state_aid/cases/249727/249727_1455115_20_1.pdf and annexed to the present decision.

2. ASSESSMENT OF THE MEASURE

2.1. Existence of aid

- (4) As shown by the features of the measure described in the summary of the notification, the notified individual aid allows the entity of Samsung Electronics Polska Sp. z o.o. in Warszawa, • ód• and Pozna• to be relieved, by means of State resources, of a part of its costs regarding investment which it would normally have to bear itself. Consequently, the support from the State strengthens the position of the beneficiary enterprise concerned in relation to its competitors in the Union and therefore has the potential of distorting competition. Since the beneficiary is active in selling services which are, at least potentially, subject to intra-Union trade, this support is likely to affect trade between Member States.
- (5) The Commission therefore concludes that the notified individual aid constitutes State aid within the meaning of Article 107(1) of the Treaty on the Functioning of the European Union (TFEU) as moreover confirmed by the notifying Member State in its notification.

2.2. Compatibility of the aid

- (6) The Commission would first like to highlight that certain types of regional investment aid can, in practice, be implemented without *ex ante* notification if the measure concerned fulfils the conditions of the General block exemption Regulation² (GBER) and, in particular Article 13 of this Regulation. These provisions do not allow, however, *ad hoc* regional aid to be granted, except in the specific circumstances described in Article 13, point 1, second subparagraph. The present aid measure granted to company Samsung Electronics Polska Sp. z o.o. by the Ministry of Economy on an *ad hoc* basis does not therefore fall within the scope of application of the GBER.
- (7) The Commission did not encounter difficulties in the assessment of the notified measure. As the aid aims at promoting regional development, the Commission has assessed the compatibility of the notified measure with the Internal market in the light of the Guidelines on national regional aid for 2007-2013³ ("the RAG").

² Commission Regulation (EC) No 800/2008 of 6 August 2008 declaring certain categories of aid compatible with the common market in application of Article 87 and 88 of the Treaty (General block exemption Regulation) (OJ L 214, 9.8.2008, p. 3).

³ OJ C 54, 4.3.2006, p. 13.

- (8) In its assessment, the Commission has taken note of the following points:
- a. The three regions where this new project will be carried out are entirely eligible under Article 107(3)(a) of the TFEU, with a standard regional aid ceiling of 50% gross grant equivalent (GGE) for the Łódzkie region, 40% GGE for the Wielkopolskie region and 30% for the Mazowieckie region.
 - b. In general, the Commission has an unfavourable attitude towards regional aid being granted in the form of *ad hoc* aid (cf. point 10 of the RAG). However, in this case, the project will have a positive impact on the cities of Łódź, Poznań and Warszawa as well as on the Łódzkie, Wielkopolskie and Mazowieckie regions by creating a total of 300 new direct jobs. By introducing modern solutions in the area of computer programming activities, the investment will also have a positive impact on the level of innovations, entrepreneurship and know-how transfer in the regions. Innovative methods of people management and high standards of work environment will contribute to the enhancement of the quality of employment.
 - c. The eligible expenditure, in the amount of PLN 65 244 947 (approx. EUR 15 350 669)⁴ is defined by reference to the expected 2-yearly wage costs in conformity with the RAG and in particular with points 57 and 58 thereof.
 - d. The total aid amounts to PLN 3 700 000 (approx. EUR 870 527) in nominal value and to PLN 3 615 876 (approx. EUR 850 734) in discounted value. The aid will be paid out between 31 December 2013 and 31 December 2014.
 - e. The notified aid intensity of 5.54 % GGE is below the applicable regional aid ceilings of 50% GGE, 40% GGE and 30% 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 complies with the provisions of the RAG.
 - f. 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 RAG).
 - g. Investment aid calculated on the basis of wage costs 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. In addition, the posts taken into consideration for the calculation of wage costs must be filled within 3 years after completion of the investment (cf. point 40 of the RAG).
 - h. The number of jobs created is calculated in accordance with the provisions of the RAG (cf. point 58).

⁴ The EUR equivalents of the investment, the aid amount and of the eligible costs were calculated using the exchange rate of 1 EUR = 4,2503 PLN, being the exchange rate of the date of the notification, i.e. 19 August 2013.

- i. The information provided by the Member State confirms that the subsidised project is a new project and does not concern replacement investment.
- (9) The notified measure fulfils both the substantive and procedural requirements laid down in the RAG.
- (10) The Commission did not receive any substantiated comments from third parties upon publication of the summary of the notification on DG Competition website.

3. CONCLUSION

- (11) In the view of the above, the Commission finds that the aid granted on the basis of the measure in question is compatible with the Internal market in accordance with Article 107(3)(a) of the TFEU and has accordingly decided not to raise objections to the notified measure.
- (12) The Member State has indicated in the context of the notification process that the summary nature of this decision implies that it does not contain any confidential information.

Yours faithfully,
For the Commission

Joaquín Almunia
Vice-president

Annex: Summary of the notification based on the information provided by the Member State according to the standard form provided in Annex to the Notice on simplified procedure.