



EUROPEAN COMMISSION

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PUBLIC VERSION

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Subject: State aid No. SA.37553 (2013/N) – Czech Republic
Regional aid map 2014-2020

Sir,

1. PROCEDURE

1. By letter dated 30 September 2013, registered at the Commission on 3 October 2013 (2013/104629), the Czech Republic notified, following the procedure of Article 108(3) of the Treaty on the Functioning of the European Union (hereinafter "TFEU"), its proposal for a regional aid map for the Czech Republic applicable from 1 July 2014 to 31 December 2020.
2. On 28 June 2013, the Commission adopted the Guidelines on Regional State Aid for 2014-2020¹ (hereinafter "RAG"). Pursuant to paragraph 178 of the RAG, each Member State should notify to the Commission a single regional aid map applicable from 1 July 2014 to 31 December 2020. In accordance with paragraph 179 of the RAG, the approved regional aid map is to be published in the *Official Journal of the European Union* and will constitute an integral part of the RAG.

2. DESCRIPTION

3. In the notification, the Czech authorities propose a list of NUTS 2 regions to be eligible for regional aid under the derogation of Article 107(3)(a) of the TFEU from

¹ OJ C 209, 23.07.2013, p.1.

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1 July 2014 to 31 December 2020. They also specify for each of these regions a maximum aid intensity applicable to regional investment aid to large enterprises.

4. The following NUTS 2 regions are proposed for eligibility under the derogation of Article 107(3)(a) of the TFEU from 1 July 2014 to 31 December 2020 with a maximum aid intensity of 25% GGE:

- CZ02 Střední Čechy
- CZ03 Jihozápad
- CZ04 Severozápad
- CZ05 Severovýchod
- CZ06 Jihovýchod
- CZ07 Střední Morava
- CZ08 Moravskoslezsko

5. The Czech authorities indicate that the maximum aid intensities specified above can be increased by 10 percentage points for medium-sized enterprises and by 20 percentage points for small enterprises².

3. ASSESSMENT

3.1. List of regions eligible for regional aid under Article 107(3)(a) of the TFEU and the maximum aid ceilings applicable in these regions

6. The Czech Republic consists of eight NUTS 2 geographical units.
7. According to Annex I of the RAG, seven of these eight NUTS 2 regions, namely Střední Čechy, Jihozápad, Severozápad, Severovýchod, Jihovýchod, Střední Morava and Moravskoslezsko have a GDP per capita³ that is below or equal to 75% of the EU average. Those regions are therefore eligible for regional aid under the derogation of Article 107(3)(a) of the TFEU.
8. The eighth NUTS 2 region, CZ01 Praha, does not qualify for regional aid, neither under the derogation of Article 107(3)(a), nor under the derogation of Article 107(3)(c) of the TFEU.
9. In accordance with paragraph 172 of the RAG, the maximum aid intensity applicable to regional aid must not exceed 25% GGE in regions covered by the derogation in Article 107(3)(a) of the TFEU and whose GDP per capita is above 60% of the EU-27 average. This is the case for the following NUTS 2 regions as shown by their respective GDP per capita (figures in brackets):

- CZ02 Střední Čechy (73%)
- CZ03 Jihozápad (69,33%)
- CZ04 Severozápad (64,33%)
- CZ05 Severovýchod (65,67%)

² As defined in the Annex of the 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.

³ Gross Domestic Product expressed in Purchasing Power Standards per capita for the years 2008-2010. (EU-27 = 100)

- CZ06 Jihovýchod (73,33%)
- CZ07 Střední Morava (64,67%)
- CZ08 Moravskoslezsko (68%)

3.2. Increase of maximum aid intensities for SMEs

10. The proposed increase of the maximum aid intensities by 10 percentage points for medium-sized enterprises and by 20 percentage points for small enterprises is in accordance with paragraph 177 of the RAG.
11. The Czech authorities have confirmed that the increased intensities for SMEs will not apply to aid awarded for large investment projects as defined in paragraph 20(1) of the RAG.

3.3. Other commitments made by the Czech authorities

12. The Commission takes note of the following commitments made by the Czech authorities in the notification:
 - (a) The Czech authorities confirmed that all intentions to grant regional aid will be notified to the Commission in accordance with Article 108(3) of the TFEU, either as an aid scheme, or as an individual notification, unless a block exemption regulation applies.
 - (b) The Czech authorities confirmed that all regional investment aid will respect the aid ceilings of the region concerned as defined in the regional aid map approved by the Commission and published in the *Official Journal of the European Union*.
 - (c) The Czech authorities confirmed that for large investment projects (as defined in paragraph 20(1) of the RAG) the aid ceilings of the region concerned, as defined in the regional aid map approved and published by the Commission, will be adjusted according to the formula in paragraph 20(c) of the RAG.

3.4. Conclusion

13. In view of the above, the Commission takes the view that the regional aid map notified by the Czech Republic for the period from 1 July 2014 to 31 December 2020 is in line with the RAG.
14. The Commission recalls that the maximum aid intensities specified in the regional aid map apply only to investments carried out in sectors that fall within the scope of the RAG as defined in paragraph 10 thereof.

4. DECISION

15. The Commission has accordingly decided:
 - to approve the regional aid map of the Czech Republic set out in the Annex for the period from 1 July 2014 to 31 December 2020, as it fulfils the conditions laid down in the Guidelines on Regional State Aid for 2014-2020.

- to publish the regional aid map as an 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 following Internet site: <http://ec.europa.eu/competition/elojade/isef/index.cfm>.

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

European Commission
Directorate-General for Competition
State Aid Registry
B-1049 Brussels
Fax No: +32 2 29 61242

Yours faithfully,
For the Commission

Joaquín ALMUNIA
Vice-President

Guidelines on regional State aid for 2014-2020

(OJ C 209, 23.07.2013, p. 1)

CZECH REPUBLIC - Regional aid map applicable from 1.7.2014 to 31.12.2020

Zone Code	Zone Name	Maximum aid intensities applicable to regional aid granted to large enterprises ⁴
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1. Regions eligible for aid under Article 107(3)(a) of the TFEU until 31.12.2020

CZ	CZECH REPUBLIC	
CZ02	Střední Čechy	25%
CZ03	Jihozápad	25%
CZ04	Severozápad	25%
CZ05	Severovýchod	25%
CZ06	Jihovýchod	25%
CZ07	Střední Morava	25%
CZ08	Moravskoslezsko	25%

⁴ 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 20(c) of the Guidelines on regional State aid for 2014-2020.