



EUROPEAN COMMISSION

Brussels, 9.4.2014
C(2014) 2240 final

PUBLIC VERSION

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**Subject: State aid No. SA.38364 (2014/N) – Romania
Regional aid map 2014-2020**

Sir,

1. PROCEDURE

1. 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, following the procedure of Article 108(3) of the Treaty on the Functioning of the European Union ("hereinafter: "TFEU"), 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. By letter dated 20 February 2014, registered at the Commission on 20 February 2014 (2014/ 019357), the Romanian authorities submitted a proposal for a regional aid map applicable for the period from 1 July 2014 to 31 December 2020.

¹ OJ C 209, 23.07.2013, p.1

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3. On 24 February 2014, the Commission requested additional information (2014/020424), which was provided by the Romanian authorities on 12 March 2014 (2014/029038).

2. DESCRIPTION

4. In their notification, the Romanian authorities propose a list of regions, with a total population of 21.4 million inhabitants, for eligibility for regional aid under the derogations provided in Article 107(3)(a) and (c) of the TFEU for the period from 1 July 2014 to 31 December 2020. The notification lists 'a' areas and pre-defined 'c' areas.
5. The NUTS 2 regions proposed for eligibility under the derogation of Article 107(3)(a) TFEU for the whole period from 1 July 2014 to 31 December 2020 are presented in Table 1 below. The table also presents the maximum aid intensities proposed for each region.

Table 1: Article 107(3)(a) TFEU areas proposed by Romania

| NUTS Code | Name of NUTS 2 region | Max. aid intensities (in % GGE) |
|-----------|-----------------------|---------------------------------|
| RO 11 | Nord-Vest | 50% |
| RO 12 | Centru | 50% |
| RO 21 | Nord-Est | 50% |
| RO 22 | Sud-Est | 50% |
| RO 31 | Sud-Muntenia | 50% |
| RO 41 | Sud-Vest Oltenia | 50% |
| RO 42 | Vest | 35% |

6. In their notification, the Romanian authorities also propose two NUTS 3 regions as predefined areas eligible for regional aid under the derogation of Article 107(3)(c) TFEU. The two regions proposed are former 'a' areas.
7. Table 2 below presents the list of these predefined 'c' areas proposed along with the maximum aid intensities proposed for each region, distinguishing between the period from 1 July 2014 to 31 December 2017 and the period from 1 January 2018 to 31 December 2020.

Table 2: Predefined Article 107(3)(c) TFEU areas proposed by Romania

| NUTS Code | Name of NUTS 3 region | Max. aid intensity (in %GGE) | |
|-----------|-----------------------|------------------------------|-----------|
| | | 2014-2017 | 2018-2020 |
| RO 321 | București | 15% | 10% |
| RO 322 | Ilfov | 35% | 35% |

8. The Romanian authorities confirm that the proposed maximum aid intensities presented in the tables 1 and 2 above are those for investments by large enterprises. Those intensities can be increased by 10 percentage points for medium sized enterprises and by 20 percentage points for small enterprises². The maximum regional aid ceilings proposed for large enterprises, as well as the increased ceilings for small and for medium sized enterprises, are only applicable to projects with eligible expenditure below € 50 million.

² As defined in the Annex to 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. ASSESSMENT

9. In accordance with Annex I of the RAG, seven NUTS 2 regions of Romania are eligible for regional aid under the derogation in Article 107(3)(a) TFEU for the whole period from 1 July 2014 to 31 December 2020. In addition, two NUTS 3 regions which constitute another NUTS 2 region are predefined areas eligible for regional aid under the derogation in Article 107(3)(c) TFEU for the same period.

3.1. Article 107(3)(a) TFEU areas

10. The regions proposed by Romania for eligibility for regional aid under the derogation in Article 107(3)(a) TFEU for the period from 1 July 2014 to 31 December 2020 are those listed in Annex I of the RAG.
11. Paragraph 172 of the RAG provides that maximum aid intensities applicable to investment by large enterprises in 'a' regions should not exceed:
- 50% GGE in NUTS 2 regions with a GDP per capita below or equal to 45% of the EU-27 average,
 - 35% GGE in NUTS 2 regions with a GDP per capita between or equal to 45% and 60% of the EU-27 average;
 - 25% GGE in NUTS 2 regions with a GDP per capita above 60% of the EU-27 average.
12. The aid intensities proposed by Romania respect these provisions, as can be seen from Table 3 below:

Table 3: Article 107(3)(a) TFEU regions with maximum aid intensities and GDP per capita

| NUTS Code | Name of NUTS 2 region | Max. aid intensities (in %GGE) | GDP per capita ^o |
|-----------|-----------------------|-----------------------------------|--------------------------------|
| RO 11 | Nord-Vest | 50% | 42.33% |
| RO 12 | Centru | 50% | 45.00% |
| RO 21 | Nord-Est | 50% | 29.33% |
| RO 22 | Sud-Est | 50% | 37.67% |
| RO 31 | Sud-Muntenia | 50% | 39.33% |
| RO 41 | Sud-Vest Oltenia | 50% | 35.67% |
| RO 42 | Vest | 35% | 52.00% |

Measured in PPS, three year average for 2008-2010 (EU-27 = 100.00%)

3.2. Proposed list of predefined Article 107(3)(c) TFEU areas

13. The regions proposed by Romania as predefined areas eligible for regional aid under Article 107(3)(c) TFEU for the period from 1 July 2014 to 31 December 2020 are those listed in Annex I of the RAG.

3.3. Maximum aid intensities proposed for Article 107(3)(c) TFEU areas

14. Paragraphs 174 to 175 of the RAG provide that the aid intensity applicable to investment by large enterprises in 'c' areas should not exceed the following percentages:
- 15% GGE in sparsely populated areas and in NUTS 3 regions or parts of NUTS 3 regions that share a land border with a country outside the EEA or EFTA;

- 10% GGE in non-predefined 'c' regions;
 - in former 'a' regions, 15% GGE in the period from 1 July 2014 to 31 December 2017 and 10% GGE in the period from 1 January 2018 to 31 December 2020.
15. In accordance with paragraph 176 of the RAG, if a 'c' area is adjacent to an 'a' area, the maximum aid intensity in the NUTS 3 regions or parts of NUTS 3 regions within that 'c' area which are adjacent to the 'a' area may be increased as necessary to limit the difference in aid intensity between the two areas.
16. For the NUTS 3 region RO 321 București, the Romanian authorities propose a maximum aid intensity of 15% GGE for large enterprises for the period from 1 July 2014 to 31 December 2017. The maximum aid intensity will be limited to 10% GGE in the period from 1 January 2018 to 31 December 2020. This is in line with the maximum aid intensities allowed for under the RAG given that the area is a former 'a' region, namely part of the NUTS 2 region RO 32 București –Ilfov.
17. For the NUTS 3 region RO 322 Ilfov, the Romanian authorities propose a maximum aid intensity of 35% GGE for large enterprises for the period from 1 July 2014 to 31 December 2020. This is in line with the maximum aid intensities allowed for under the RAG given that the area is adjacent to the 'a' region RO 31 Sud-Muntenia with a maximum aid intensity of 50% GGE.

3.4. Increased aid intensities for SMEs

18. In accordance with paragraph 177 of the RAG, the maximum aid intensities applicable to large enterprises can be increased by 20 percentage points for small enterprises or by up to 10 percentage points for medium-sized enterprises. However, the increased maximum aid intensities for SMEs will not apply to aid awarded for large investment projects.

3.5. Other commitments made by the Romanian authorities

19. The Commission takes note of the following commitments made by the Romanian authorities in the notification:
- (a) The Romanian 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 Romanian authorities confirmed that all regional investment aid will respect the maximum aid intensities 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 Romanian 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.

3.6. Conclusion

20. In view of the above, the Commission concludes that the regional aid map notified by Romania for the period from 1 July 2014 to 31 December 2020 is in line with the RAG.
21. 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. In particular, 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 and forestry sector³, or in any guidelines replacing them.

4. DECISION

22. The Commission has accordingly decided:
 - to approve the regional aid map of Romania for the period from 1 July 2014 to 31 December 2020 as set out in the Annex, as it fulfils the conditions laid down in the Guidelines on regional State aid for 2014-2020.
 - to publish the regional aid 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 following Internet site:
<http://ec.europa.eu/competition/elojade/isef/index.cfm>
23. 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

³ OJ C 319, 27.12.2006, p.1.

ANNEX to the decision on case SA.38364 (2014/N)

Guidelines on regional State aid for 2014-2020

(OJ C 209, 23.07.2013, p. 1)

ROMANIA – Regional aid map applicable from 1.7.2014 to 31.12.2020

1. Regions eligible for aid under Article 107(3)(a) of the Treaty on the Functioning of the European Union from 1.7.2014 until 31.12.2020

| Zone Code | Zone Name | Ceiling for regional investment aid ⁴ (applicable to large enterprises) |
|-----------|------------------|---|
| RO 11 | Nord-Vest | 50% |
| RO 12 | Centru | 50% |
| RO 21 | Nord-Est | 50% |
| RO 22 | Sud-Est | 50% |
| RO 31 | Sud-Muntenia | 50% |
| RO 41 | Sud-Vest Oltenia | 50% |
| RO 42 | Vest | 35% |

2. Regions eligible for aid under Article 107(3)(c) of the Treaty on the Functioning of the European Union from 1.7.2014 until 31.12.2020

Predefined Article 107(3)(c) areas (Former Article 107(3)(a) regions)

| Zone Code | Zone Name | Ceiling for regional investment aid ⁵ (applicable to large enterprises) | |
|-----------|-------------------------|---|---------------------|
| | | 1.7.2014-31.12.2017 | 1.1.2018-31.12.2020 |
| RO 32 | București-Ilfov | | |
| | <i>RO 321 București</i> | 15% | 10% |
| | <i>RO 322 Ilfov</i> | 35% | 35% |

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 national regional aid for 2014-2020.

⁵ 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 national regional aid for 2014-2020.