



EUROPEAN COMMISSION

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PUBLIC VERSION

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Subject: State aid No. SA.38385 (2014/N) – Latvia
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 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 electronic notification dated 25 February 2014, registered at the Commission on 25 February 2014 (2014/021211), Latvia 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 Latvia applicable from 1 July 2014 to 31 December 2020.

2. DESCRIPTION

3. In the notification, the Latvian authorities propose a NUTS 2 region to be eligible for regional aid under the derogation of Article 107(3)(a) of the TFEU from 1 July 2014 to 31 December 2020. They also specify for that region the maximum aid intensity applicable to regional investment aid to large enterprises.

¹ OJ C 209, 23.07.2013, p.1.

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4. The Latvian authorities propose the entire territory of Latvia as eligible for regional aid 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 35% GGE.
5. The Latvian authorities indicate that the maximum aid intensity specified above can be increased by 10 percentage points for medium-sized enterprises and by 20 percentage points for small enterprises.

3. ASSESSMENT

3.1. The region eligible for regional aid under Article 107(3)(a) of the TFEU and the maximum aid ceiling applicable in that region

6. Latvia consists of a single NUTS 2 geographical unit (LV00 Latvija).
7. According to Annex I of the RAG, Latvia has a GDP per capita² that is below or equal to 75% of the EU average. This region is therefore eligible for regional aid under the derogation of Article 107(3)(a) of the TFEU.
8. In accordance with paragraph 172(b) of the RAG, the maximum aid intensity applicable to regional aid must not exceed 35% GGE in regions covered by the derogation in Article 107(3)(a) of the TFEU and whose GDP per capita is between or equal to 45 % and 60 % of the EU-27 average. According to Annex I of the RAG Latvia has a GDP per capita of 55.33% of the EU-27 average and thus the criteria of paragraph 172(b) of the RAG is fulfilled.

3.2. Increase of maximum aid intensities for SMEs

9. 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.
10. The Latvian authorities have confirmed that the increased maximum aid intensities for SMEs will not apply to aid awarded to large investment projects as defined in paragraph 20(1) of the RAG.

3.3. Other commitments made by the Latvian authorities

11. The Commission takes note of the following commitments made by the Latvian authorities in the notification:
 - (a) The Latvian 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 Latvian authorities confirmed that all regional investment aid will respect the aid ceilings of the region concerned as defined in the regional aid map

² Gross Domestic Product expressed in Purchasing Power Standards per capita for the years 2008-2010. (EU-27 = 100)

approved by the Commission and published in the *Official Journal of the European Union*.

- (c) The Latvian authorities confirmed that for large investment projects (as defined in paragraph 20(l) 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

12. In view of the above, the Commission takes the view that the regional aid map notified by Latvia for the period from 1 July 2014 to 31 December 2020 is in line with the RAG.
13. 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

14. The Commission has accordingly decided:
- to approve the regional aid map of Latvia 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 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>.

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

Guidelines on regional State aid for 2014-2020

(OJ C 209, 23.07.2013, p. 1)

LATVIA - 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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Region eligible for aid under Article 107(3)(a) of the TFEU until 31.12.2020

LV	LATVIA	
LV00	Latvija	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 regional State aid for 2014-2020.