



## EUROPEAN COMMISSION

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PUBLIC VERSION

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**Subject: State aid SA.38468 (2014/N) – Republic of Malta  
Regional aid map 2014 – 2020**

Sir,

### **1. PROCEDURE**

- (1) On 28 June 2013, the Commission adopted the Guidelines on Regional State Aid for 2014-2020<sup>1</sup> (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 14 March 2014, registered at the Commission on the same day (2014/029759), Malta 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 Malta applicable from 1 July 2014 to 31 December 2020.
- (3) On 19 March 2014 the Commission requested supplementary information (2014/031336) which was provided by the Maltese authorities on 25 March 2014 (2014/033961).

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<sup>1</sup> OJ C 209, 23.07.2013, p.1.

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## **2. DESCRIPTION OF THE NOTIFIED REGIONAL AID MAP**

- (4) In their notification, the Maltese authorities propose the entire territory to be eligible for regional aid under the derogation of Article 107(3)(c) of the TFEU from 1 July 2014 to 31 December 2020. The whole of Malta is a former 'a' region and is therefore proposed as a pre-defined 'c' area for the period between 1 July 2014 and 31 December 2020.
- (5) The Maltese authorities propose to apply a maximum aid intensity for initial investment by large enterprises of 15% GGE between 1 July 2014 and 31 December 2017 and of 10% GGE between 1 January 2018 and 31 December 2020 in the proposed 'c' area.
- (6) The proposed maximum aid intensities are those for investments by large enterprises and for projects with eligible expenditure below € 50 million. In their notification, the Maltese authorities propose that these intensities can be increased by 10 percentage points for medium-sized enterprises and by 20 percentage points for small enterprises<sup>2</sup>.

## **3. ASSESSMENT**

### **3.1. The proposed predefined 'c' area and the proposed maximum aid intensity**

- (7) The area proposed by the Maltese authorities as a predefined area eligible for regional aid under Article 107(3)(c) TFEU for the period 1 July 2014 to 31 December 2020 corresponds to the area that is listed in Annex I of the RAG.
- (8) As regards the aid intensities in predefined 'c' areas, paragraph 175 of the RAG provides that the maximum aid intensity applicable to predefined 'c' areas that are former 'a' areas can be set at 15% GGE for the period between 1 July 2014 and 31 December 2017. From 1 January 2018 until 31 December 2020, the maximum aid intensity applicable in these areas should be reduced to 10% GGE.
- (9) For the predefined 'c' area of Malta, the Maltese authorities propose a maximum aid intensity of 15% GGE applicable to large enterprises between 1 July 2014 and 31 December 2017 and of 10% GGE between 1 January 2018 and 31 December 2020. As the area is a former 'a' region, the proposed aid intensities are in line with the provisions of the RAG.
- (10) 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.
- (11) The Maltese authorities have confirmed that the increased maximum intensities for SMEs will not apply to aid awarded for large investment projects.

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<sup>2</sup> 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.

### **3.2. Other commitments made by the Maltese authorities**

- (12) The Commission takes note of the following commitments made by the Maltese authorities in the notification:
- (a) The Maltese 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 Maltese 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 Maltese 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.
- (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 sector<sup>3</sup>, or in any guidelines replacing them.

### **3.3. General conclusion**

- (14) In view of the above, the Commission takes the view that the regional aid map notified by Malta for the period from 1 July 2014 to 31 December 2020 is in line with the RAG.

## **4. DECISION**

- (15) The Commission has accordingly decided:
- to approve the regional aid map of Malta 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/el jade/isef/index.cfm>.

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<sup>3</sup> OJ C 319, 27.12.2006, p.1.

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**  
**Belgium**  
Fax No: +32 2 29 61242

Yours faithfully,  
For the Commission

Joaquín ALMUNIA  
Vice-President

ANNEX to the decision on case SA.38468

**Guidelines on regional State aid for 2014-2020**

*(OJ C 209, 23.07.2013, p. 1)*

**MALTA - 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 <sup>1</sup>
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**Predefined Article 107(3)(c) area (Former Article 107(3)(a) area)**

NUTS code	Name of NUTS region	Maximum aid intensity (large enterprises)	
		1.7.2014-31.12.2017	1.1.2018-31.12.2020
MT00	Malta	15% GGE	10% GGE

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<sup>1</sup> 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.