



EUROPEAN COMMISSION

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PUBLIC VERSION

WORKING LANGUAGE

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Subject: State aid No N 254/2008 – Prolongation of rescue and restructuring aid scheme for SMEs in Slovenia (SI 5/2003)

Dear Sir,

I. PROCEDURE

1. On 22 May 2008, Slovenia notified the prolongation of the rescue and restructuring aid scheme No SI 5/2003 until 31 December 2013.
2. By letter dated 25 June 2008 the Commission requested information from the Slovenian authorities, which answered by letter dated 11 August 2008.

II. DESCRIPTION

3. The objective of the aid scheme is the rescue and restructuring of SMEs in difficulty in Slovenia. The aid is not sector specific and it can be granted in the form of direct grant, soft loan, interest subsidy or guarantee.
4. The subject of the present notification is the prolongation of the aid scheme approved by the Commission in the interim mechanism on 8 March 2004 (State aid No SI 5/2003)¹ until 31

¹ OJ C 227 of 21.9.2006, p. 6

Dr. Dimitrij RUPEL
Minister za zunanje zadeve Republike Slovenije
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December 2008. The present prolongation concerns the period from 1 January 2009 to 31 December 2013.

5. After the 2004 rescue and restructuring Guidelines² ("2004 Guidelines") entered into force, the Commission, by letter dated 16 November 2004, sent a recommendation to Slovenia proposing appropriate measures in accordance with paragraph 99 of the 2004 Guidelines. In particular, the Commission proposed to Slovenia to adapt its existing rescue and restructuring aid schemes to bring them into line with the 2004 Guidelines. The Slovenian authorities provided information by letters dated 21 December 2005 and 12 April 2006 on the amendment of scheme SI 5/2003 in line with the 2004 Guidelines.
6. For reasons of coherence the present decision describes and assesses only the changes introduced to the scheme since its approval by the Commission on 8 March 2004.
7. The Commission notes that the modifications introduced to the scheme SI 5/2003 following entry into force of the 2004 Guidelines contain the necessary changes in order to comply with the 2004 Guidelines.
8. In this context, the following modifications have been introduced and the following commitments have been made by the Slovenian authorities:
 - The amount of rescue aid is restricted in line with point 25(d) of the 2004 Guidelines;
 - The total amount of rescue and restructuring aid for any undertaking cannot exceed EUR 10 million including any aid obtained from other resources in line with point 83 of the 2004 Guidelines;
 - The own contribution shall be at least 25% for small enterprises and at least 40% for medium enterprises in line with point 44 of the 2004 Guidelines;
 - Newly created firms will not be eligible for aid in the first 3 years after their start of activity in line with point 12 of the 2004 Guidelines;
 - Medium sized enterprises are required to take compensatory measures as defined by points 38-40 of the Guidelines. This requirement will be ensured by the Slovenian authorities when assessing the restructuring plan of the company in line with point 82(b) of the 2004 Guidelines;
 - The Slovenian authorities have committed to notify individually to the Commission aid to enterprises active in a market suffering from long-term structural overcapacity in line with point 79 of the 2004 Guidelines;
 - The Slovenian authorities have also committed to take into account, when assessing the aid, any previous unlawful aid granted to the same undertaking (the so-called Deggendorf principle) in line with point 23 of the 2004 Guidelines;

² Community Guidelines for rescuing and restructuring firms in difficulties, OJ C 244 of 1.10.2004, p. 2.

- The annual reports include information on the amount and form of the beneficiary's own contribution as well as on the form and the degree of the compensatory measures in accordance with letters (f) and (g) of paragraph 86 of the Guidelines.
9. Apart from extending its duration, the notified measure does not introduce any other changes to the scheme approved by the Commission on 8 March 2004 and revised in the framework of the appropriate measures exercise.

III. ASSESSMENT

10. The notified measure constitutes State aid for the reasons exposed in the decision of the Commission authorising the scheme in case SI 5/2003. In this decision, the Commission assessed the measure under the Community Guidelines of 1999 for rescuing and restructuring firms in difficulties³ and concluded that it was in line with it.
11. After the entry into force of the 2004 Guidelines, Slovenia modified the scheme in order to put it in line with the new rules.
12. Apart from extending its duration, the present notification does not introduce any changes to the approved measure. The duration of the scheme is extended until 31 December 2013.
13. Slovenia has committed itself to re-notify the scheme once new Guidelines with modified content enter into force and to amend the scheme in accordance with the new rules.
14. Therefore the Commission considers that the notified scheme can be considered compatible with the common market on the basis of the derogation provided for by Article 87(3)(c) of the EC Treaty.

V. DECISION

15. In view of the above, the Commission decides to raise no objections to the notified measure.

If this letter contains confidential information, which should not be disclosed to third parties, please inform the Commission within fifteen working days of receipt. If the Commission does not receive a reasoned request within that deadline, you will be deemed to agree to the disclosure to third parties and to the publication of the full text of the letter in the authentic language on the Internet site http://ec.europa.eu/community_law/state_aids/index.htm.

Your request should be sent by registered letter or fax to:

European Commission
Directorate-General for Competition
Directorate for State Aid
State Aid Greffe

³OJ C 288 of 9.10.1999, p. 2

B - 1049 Brussels
Fax No: +32 2 296 12 42

We would ask you to state the case name and number in all correspondence.

Yours faithfully,
For the Commission

Neelie Kroes
Member of the Commission