



State aid: Commission approves €557 million German support to compensate Deutsche Bahn for damages suffered by its subsidiary DB Fernverkehr due to the coronavirus pandemic

Brussels, 28 November 2022

The European Commission has found a €557 million German support measure in favour of Deutsche Bahn to be in line with EU State aid rules. The measure, which will take the form of an equity injection, aims at compensating Deutsche Bahn for the damage suffered by its subsidiary DB Fernverkehr between 1 November 2020 and 16 May 2021 due to the coronavirus pandemic and the restrictive measures in place.

This follows another measure aimed at compensating Deutsche Bahn for damages suffered by its subsidiary DB Fernverkehr due to the coronavirus pandemic between 16 March and 7 June 2020 (with respect to domestic travels) and between 16 March and 30 June 2020 (in relation to international travels), which the Commission approved on [10 August 2021](#) ([SA.63846](#)).

DB Fernverkehr is a German rail services operator, which provides national and international long distance rail passenger services in Germany.

The German support measure

DB Fernverkehr, as other companies active in the rail sector, suffered high operating losses due to the coronavirus pandemic and the restrictive measures that Germany and other countries had to implement to limit the spread of the virus.

The restrictions in place between November 2020 and May 2021 had in particular a direct negative impact on rail traffic and long distance travel by train in Germany. During that period, the number of long distance rail passengers of DB Fernverkehr reached only approximately one third of the one recorded in the corresponding period in 2019. This led to a significant drop in revenues for DB Fernverkehr.

The Commission assessed the measure under [Article 107\(2\)\(b\)](#) of the Treaty on the Functioning of the European Union (TFEU), which enables the Commission to approve State aid measures granted by Member States to compensate specific companies or specific sectors (in the form of schemes) for damage directly caused by exceptional occurrences.

The Commission considers that the coronavirus pandemic qualifies as an exceptional occurrence, as it is an extraordinary, unforeseeable event having a significant economic impact. As a result, exceptional interventions by the Member States to compensate for the damage linked to the coronavirus pandemic are justified.

The Commission found that the German measure will compensate the damage suffered by DB Fernverkehr, which is directly linked to the coronavirus outbreak. It also found that the measure is proportionate, as the envisaged compensation does not exceed what is necessary to make good the damage.

The Commission therefore concluded that the measure is in line with EU State aid rules.

Background

State aid rules based on Article 107(2)(b) TFEU enable Member States to compensate specific companies or sectors (in the form of schemes) for the damage suffered due and directly caused by exceptional occurrences, such as those caused by the coronavirus outbreak.

Furthermore, on [19 March 2020](#), the Commission adopted the State aid COVID [Temporary Framework](#) to enable Member States to use the full flexibility foreseen under State aid rules to support the economy in the context of the coronavirus pandemic. The COVID Temporary Framework has been amended on [3 April](#), [8 May](#), [29 June](#), [13 October](#) 2020, [28 January](#) and [18 November](#) 2021.

As announced in [May 2022](#), the COVID Temporary Framework [has not been extended](#) beyond the set expiry date of 30 June 2022, with some exceptions.

In particular, (i) **investment support towards a sustainable recovery** to support private investment as a stimulus to overcome an investment gap accumulated in the economy due to the crisis; and (ii) **solvency support** to leverage private funds and make them available for investments in small and medium-sized enterprises (SMEs). They may still be put in place until 31 December 2023.

In addition, the COVID Temporary Framework already provides for a flexible transition, under clear safeguards, in particular for the conversion and restructuring options of debt instruments, such as loans and guarantees, into other forms of aid, such as direct grants, until 30 June 2023.

The COVID Temporary Framework complements the ample possibilities for Member States to design measures in line with existing EU State aid rules. For example, EU State aid rules enable Member States to help companies cope with liquidity shortages and needing urgent rescue aid.

Furthermore, on [23 March 2022](#), the Commission adopted the State aid [Temporary Crisis Framework](#) to enable Member States to use the flexibility foreseen under State aid rules to support the economy in the context of Russia's war against Ukraine.

The Temporary Crisis Framework has been amended on [20 July 2022](#), to complement the [Winter Preparedness Package](#) and in line with the [REPowerEU Plan](#) objectives.

The Temporary Crisis Framework has been further amended on [28 October 2022](#) in line with the recent Regulation on an emergency intervention to address high energy prices ('[Regulation \(EU\) 2022/1854](#)') and the Commission's proposal [on a new emergency regulation](#) to address high gas prices in the EU and ensure security of supply this winter.

The Temporary Crisis Framework will be in place until 31 December 2023 for all measures. With a view to ensuring legal certainty, the Commission will assess at a later stage the need for an extension.

The non-confidential version of the decision will be made available under the case number SA.100323 in the [State aid register](#) on the Commission's [competition](#) website once any confidentiality issues have been resolved. New publications of State aid decisions on the internet and in the Official Journal are listed in the [Competition Weekly e-News](#).

More information on the COVID Temporary Framework and other action the Commission has taken to address the economic impact of the coronavirus pandemic can be found [here](#).

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