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Commission approves Cohesion Policy funds redirection to mitigate the impact of the pandemic in Denmark and near the Hungarian-Slovakian border

The European Commission has approved the modifications of the ' Innovation and Sustainable Growth in Businesses' programme in Denmark and of the Interreg Hungary-Slovakia programme. Thanks to the modifications, the two programmes will allocate additional resources to address the effects of the coronavirus crisis. Commissioner for Cohesion and Reforms, Elisa **Ferreira**,said: "*From the Danube river to the North Sea swift action under Cohesion policy is mobilising resources and people to fight the pandemic. There is no time to waste and I look forward to seeing more programmes modified according to current needs in the following weeks."* The modification of the Interreg Slovakia-Hungary programme will increase temporarily the EU co-financing rate to 100% of eligible expenditure, thus helping beneficiaries overcome liquidity scarcity in the implementation of their projects. In Denmark, the modification of the "Innovation and Sustainable Growth in Businesses" programme will extend financing to companies affected by the coronavirus pandemic to restructure and consolidate themselves. The modification will also improve cooperation between large companies and SMEs in green transition, thus helping the later overcome difficulties caused by the pandemic in maintaining the green transition and implementing green business models. The Coronavirus Response Investment Initiative packages, proposed by the Commission in March and April this year, made the modification of the two programmes possible. So far, 18 Member States have adjusted their Cohesion policy programmes to redirect funding towards fighting the consequences of the coronavirus pandemic. *(For more information: Stefan De Keersmaecker – Tel.: +32 229 84680; Daniela Stoycheva – Tel.: +32 229 53664)*

Concentrations: la Commission autorise, sous conditions, l'acquisition de Bombardier par Alstom

La Commission européenne a autorisé, en vertu du règlement de l'UE sur les concentrations, l'acquisition de Bombardier Transportation par Alstom. Cette autorisation est subordonnée au respect intégral d'une série d'engagements proposés par Alstom. Alstom et Bombardier sont des leaders mondiaux du secteur du transport ferroviaire. Il est ressorti de l'enquête de la Commission que l'opération, telle qu'initialement notifiée, aurait posé de graves problèmes de concurrence dans les secteurs suivants: (i) le matériel roulant à très grande vitesse, dans lequel l'entité issue de la concentration serait devenue le leader incontesté du marché, jouissant d'une position importante; (ii) le matériel roulant pour grandes lignes, dans lequel l'entité issue de la concentration aurait renforcé la position combinée, déjà importante, des parties, en particulier en France et en Allemagne; et (iii) la signalisation grandes lignes, secteur dans lequel l'entité issue de la concentration aurait eu la capacité et la motivation de faire en sorte qu'il soit plus difficile pour les autres fournisseurs de dispositifs embarqués de type ETCS d'assurer la compatibilité avec ses nombreux systèmes de signalisation déjà installés (dispositifs embarqués hérités) ainsi qu'avec sa flotte de trains déjà en service (la plus grande de l'EEE). En outre, l'entité issue de la concentration risquait de devenir, aux Pays-Bas, un fournisseur incontournable de dispositifs embarqués hérités. Alstom a proposé une série d'engagements pour répondre aux préoccupations de la Commission. Les engagements définitifs répondent aux problèmes de concurrence recensés par la Commission concernant l'acquisition de Bombardier par Alstom et ont été sensiblement améliorés grâce aux contributions des acteurs du marché. La Commission a donc conclu que l'opération, telle que modifiée par les engagements, ne poserait aucun problème de concurrence. La décision de la Commission est subordonnée au respect intégral des engagements contractés. Margrethe **Vestager**, vice-présidente exécutive chargée de la politique de concurrence, s'est exprimée en ces termes : « *Alstom et Bombardier sont des entreprises de premier plan qui fabriquent les trains les plus modernes, utilisés chaque jour par des millions de passagers dans toute l'Union européenne. Grâce à l'ensemble complet de mesures correctives proposé pour résoudre les problèmes de concurrence dans les secteurs des trains à très grande vitesse, des trains de grande ligne et de la signalisation grandes lignes, l'opération a pu être examinée et autorisée rapidement par la Commission. Il en résultera une entité plus forte issue de la concentration d'Alstom et de*

Bombardier. Par ailleurs, grâce aux mesures correctives, la nouvelle entreprise restera soumise à la concurrence sur ses principaux marchés, au bénéfice des clients et consommateurs européens. » Le communiqué de presse est disponible en ligne. *(Pour plus d'informations: Arianna Podesta – Tél.: +32 229 87024; Giulia Astuti – Tél.: +32 229 55344)*

State aid: Commission approves €6 billion Italian schemes to support SMEs affected by coronavirus outbreak

The European Commission has approved three Italian schemes, with an overall budget of €6 billion, mainly consisting of incentives to the recapitalisation by private investors of small and medium-sized enterprises (SMEs) affected by the coronavirus outbreak. The three schemes were approved directly under Article 107(3)(b) of the Treaty on the Functioning of the European Union (TFEU) and the State aid Temporary Framework, respectively. The schemes, which are complementary among each other, are designed to incentivise the mobilisation of private investments. All schemes will be accessible to companies that have faced a severe reduction of revenues in March and April 2020, provided they approve and execute a capital increase. The schemes therefore aim at enhancing the access to external financing of those companies that are most severely affected by the economic impact of the coronavirus outbreak, thus helping them to ensure the continuation of their activities. The Commission found that aid to the investees under the three schemes is in line with the conditions set out in the Temporary Framework. As regard the aid to the investors under the first scheme, the Commission assessed the measure under EU State aid rules, and in particular Article 107(3)(b) TFEU, which enables the Commission to approve State aid measures implemented by Member States to remedy a serious disturbance to their economy. The Commission found that the aid is in line with the principles set out in the EU Treaty and the general principles set out in the Temporary Framework. The Commission concluded that the three schemes are necessary, appropriate and proportionate to remedy a serious disturbance in the economy of a Member State, in line with Article 107(3)(b) TFEU and the conditions set out in the Temporary Framework. On this basis, the Commission approved the measures under EU State aid rules. Executive Vice-President Margrethe **Vestager**, in charge of competition policy, said: *"With these three schemes, with an overall budget of €6 billion, Italy will further support SMEs affected by the coronavirus outbreak by strengthening their capital base and facilitating their access to finance in these difficult times. The schemes aim at incentivising private investors to help companies cope with the liquidity shortages they are facing as a result of the outbreak and continue their activity. We continue to work in close cooperation with Member States to find workable solutions to mitigate the economic impact of the coronavirus outbreak, in line with EU rules." The full press release is available* online.*(For more information: Arianna Podesta – Tel.: +32 229 87024; Giulia Astuti* – Tel.: +32 229 55344)

State aid: Commission approves €10 billion Spanish fund to provide debt and capital support to companies affected by the coronavirus outbreak

The European Commission has approved Spanish plans to set up a fund *(Solvency Support Fund)* with a budget of €10 billion that will invest through debt and equity instruments in strategic companies active in Spain affected by the coronavirus outbreak. The scheme was approved under the State aid Temporary Framework. Under the scheme, the support will take the form of debt and recapitalisation instruments. The Commission found that the Spanish measure is in line with the conditions set out in the Temporary Framework. The Commission concluded that the measure is necessary, appropriate and proportionate to remedy a serious disturbance in the economy of a Member State, in line with Article 107(3)(b) of the Treaty on the Functioning of the European Union (TFEU) and the conditions set out in the Temporary Framework. On this basis, the Commission approved the measure under EU State aid rules. Executive Vice-President Margrethe **Vestager**, in charge of competition policy, said: " *The coronavirus crisis has hit the Spanish economy hard.* The Spanish Solvency Support Fund aims to unlock capital support of *€10 billion to Spanish companies by facilitating their access to finance in these difficult times. The scheme ensures that the State is sufficiently remunerated for the risk assumed by taxpayers, that there are incentives for the State to exit as soon as possible, and that the support comes with strings attached, including a ban on dividends, bonus payments as well as further measures to limit distortions of competition*. *We continue to work in close cooperation with Member States to find workable solutions to mitigate the economic impact of the coronavirus outbreak, in line with EU rules." (For more information: Arianna Podesta – Tel.: +32 229 87024; Giulia Astuti* – Tel.: +32 229 55344)

State aid: Commission approves €300 million Italian direct grants scheme to support internationally active companies affected by the coronavirus outbreak

The European Commission has approved a €300 million aid scheme to companies registered in Italy engaged in international activities and operations and whose activities have been particularly affected by the coronavirus outbreak. The scheme was approved under the State aid Temporary Framework. The aid will take the form of direct grants. The aim of the scheme is to help these companies counter the liquidity shortage notably resulting from the economic impact of the coronavirus outbreak, thus ensuring the continuation of their activities. The measure will support eligible companies, but will not take the form of export aid contingent on export activities as it is not tied to concrete export contracts. On the contrary, it finances the general activity of the beneficiaries by facilitating their access to liquidity. The Commission found that the Italian scheme is in line with the conditions set out in the Temporary Framework. In particular, the aid will not exceed the amount of €800 000 per undertaking and the scheme is limited in time until 31 December 2020. The Commission concluded that the measure is necessary, appropriate and proportionate to remedy a serious disturbance in the economy of a Member State, in line with Article 107(3)(b) TFEU and the conditions set out in the Temporary Framework. On this basis, the Commission approved the measure under EU State aid rules. More information on the Temporary Framework and other actions taken by the Commission to address the economic impact of the coronavirus pandemic can be found here. The non-confidential version of the decision will be made available under the case number SA.57891 in the State aid register on the Commission's competition website once any confidentiality issues have been resolved. *(For more information: Arianna Podesta – Tel.: +32 229 87024; Giulia Astuti* – Tel.: +32 229 55344)

State aid: Commission approves modified €2 billion Greek repayable advance scheme to support companies affected by coronavirus outbreak

The European Commission has found certain amendments to an existing Greek scheme to support companies affected by the coronavirus outbreak to be in line with the Temporary Framework. The original scheme was approved on 7 April 2020 under case number SA.56815. Greece notified certain modifications to the original scheme, in particular: (i) an increase in the estimated total budget of the scheme, from €1 billion to €2 billion; (ii) the inclusion of more categories of companies that are eligible to receive aid and; (iii) an extension of the period, in relation to which the aid may be granted, i.e. from March to May 2020 (it was limited to March 2020 in the original scheme). It is estimated that more than 100,000 companies will be able to benefit from the modification of the existing scheme. Furthermore, following the recent amendment of Temporary Framework , the amended scheme also allows micro and small enterprises to benefit from the measure even if they were considered in difficulty on 31 December 2019 under certain conditions. The Commission concluded that the scheme, as modified, remains necessary, appropriate and proportionate to remedy a serious disturbance in the economy of a Member State, in line with Article 107(3)(b) TFEU and the conditions set out in the Temporary Framework. On this basis, the Commission approved the measure under EU State aid rules. More information on the Temporary Framework and other actions taken by the Commission to address the economic impact of the coronavirus pandemic can be found here. The non-confidential version of the decision will be made available under the case number SA.58047 in the State aid register on the Commission's competition website once any confidentiality issues have been resolved. *(For more information: Arianna Podesta – Tel. +32 229 87024; Giulia Astuti* – Tel.: +32 229 55344)

Mergers: Commission clears acquisition of Taishan Property & Casualty Insurance by ERGO and SDHS

The European Commission has approved, under the EU Merger Regulation, the acquisition of Taishan Property & Casualty Insurance Co., Ltd of China, by ERGO Versicherung AG ("ERGO"), of Germany, together with Shandong Hi-Speed Group Corporation ("SDHS") , of China. Taishan Property & Casualty Insurance provides insurance services in China. ERGO is the subsidiary of Munich RE, which is an international insurance company. SDHS is a Chinese state-owned enterprise controlled by Shandong Province and active in investment, construction and operation of highways, expressways, bridges, railways, rail transits, harbours, shipping and logistics. The Commission concluded that the proposed acquisition would raise no competition concerns, given that Taishan Property & Casualty Insurance has no actual or foreseen activities within the European Economic Area. The transaction was examined under the simplified merger review procedure. More information is available on the Commission's competition website, in the public case register under the case number M.9889. *(For more information: Arianna Podesta – Tel.: +32 229 87024; Giulia Astuti* – Tel.: +32 229 55344)

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