



## State aid: Commission approves €650 million Dutch scheme to compensate companies in the floriculture, specialty horticulture and potato sectors for damage caused by coronavirus outbreak

Brussels, 8 May 2020

The European Commission has found a €650 million Dutch scheme that compensates companies in the floriculture, specialty horticulture and potato sectors for the loss of revenue or additional costs related to the collapse in demand for their products to be in line with EU State aid rules.

Executive Vice-President Margrethe **Vestager**, in charge of competition policy, said: *"This €650 million Dutch scheme enables the Netherlands to compensate Dutch businesses active in the floricultural, horticulture and potato sectors for the damage they have suffered due to the coronavirus outbreak and help them to continue their activities in these difficult times. We are working closely with Member States to find workable solutions to support companies in these difficult times, in line with EU rules."*

The Netherlands notified to the Commission a €650 million aid scheme, of which €600 million will be allocated to aid farmers and traders in the floricultural sector and companies in the specialty horticultural sector for the food-service market, who have been negatively affected by the coronavirus outbreak. The remaining €50 million will be allocated to compensate potato growers affected by the outbreak.

Under the scheme, these operators will be entitled to compensation for certain damages suffered. As notified by Netherlands, the compensation in the form of direct grants can cover a maximum of 70% of the loss of revenue or additional costs for farmers and traders in the floricultural sector and companies in the specialty horticultural sector and a maximum of 44% of the loss of revenue or additional costs for potato growers.

The Commission assessed the measure under Article [107\(2\)\(b\)](#) of the Treaty on the Functioning of the European Union (TFEU), and the European Union [Guidelines for State aid in the agricultural and forestry sectors and in rural areas 2014 to 2020](#). The latter set out criteria for the assessment of damage caused by exceptional occurrences to compensate companies in the agricultural sector under Article 107(2)(b) TFEU.

The Commission considers that the coronavirus outbreak 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 damages linked to the outbreak are justified.

The Commission found that the Dutch aid scheme will compensate damages that are directly linked to the coronavirus outbreak. It also found that the measure is proportionate, as the foreseen compensation does not exceed what is necessary to make good the damage.

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

### Background

Financial support from EU or national funds granted to health services or other public services to tackle the coronavirus situation falls outside the scope of State aid control. The same applies to any public financial support given directly to citizens. Similarly, public support measures that are available to all companies such as for example wage subsidies and suspension of payments of corporate and value added taxes or social contributions do not fall under State aid control and do not require the Commission's approval under EU State aid rules. In all these cases, Member States can act immediately.

When State aid rules are applicable, Member States can design ample aid measures to support specific companies or sectors suffering from the consequences of the coronavirus outbreak in line with the existing EU State aid framework. On 13 March 2020, the Commission adopted a [Communication on a Coordinated economic response to the COVID-19 outbreak](#) setting out these

possibilities.

In this respect, for example:

- Member States can compensate specific companies or specific 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. This is foreseen by Article 107(2)(b) TFEU.
- State aid rules based on Article 107(3)(c) TFEU enable Member States to help companies cope with liquidity shortages and needing urgent rescue aid.
- This can be complemented by a variety of additional measures, such as under the de minimis Regulation and the General Block Exemption Regulation, which can also be put in place by Member States immediately, without involvement of the Commission.

In addition to the existing possibilities already foreseen by existing EU State aid rules, on 19 March 2020, the Commission adopted a State aid [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 outbreak. It was [amended on 3 April 2020](#).

The Temporary Framework, based on Article 107(3)(b) TFEU, recognises that the entire EU economy is experiencing a serious disturbance. To remedy that, the Temporary Framework provides for the following types of aid: (i) Direct grants, selective tax advantages and advance payments; (ii) State guarantees for loans taken by companies from banks; (iii) Subsidised public loans to companies; (iv) Safeguards for banks that channel State aid to the real economy; (v) Public short-term export credit insurance; (vi) Support for coronavirus related research and development (R&D); (vii) Support for the construction and upscaling of testing facilities; (viii) Support for the production of products relevant to tackle the coronavirus outbreak; (ix) Targeted support in the form of deferral of tax payments and/or suspensions of social security contributions; (x) Targeted support in the form of wage subsidies for employees.

The Temporary Framework will be in place until the end of December 2020. With a view to ensuring legal certainty, the Commission will assess before that date if it needs to be extended.

The non-confidential version of the decision will be made available under the case number SA.57217 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 [State Aid Weekly e-News](#).

More information on the 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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