
Sir,

1. PROCEDURE

(1) On 1 August 2002, Spain notified a financing scheme for the export of ships. This scheme was authorised until 31 December 2006 by Commission decision of 3 March 2004 (N 811/a/2002). This scheme was prolonged until 31 December 2008 by Commission decision of 8 March 2007 (N 760/2006), until 31 December 2011 by Commission decision of 3 September 2008 (N 393/2008), and until 31 December 2013 by Commission decision of 30 May 2012 (SA.34583).

(2) On 5 October 2004, Spain notified a horizontal aid scheme for shipbuilding (including research, development and innovation aid and regional investment aid). This scheme was authorised until 31 December 2006 by Commission decision of 16 March 2005 (N 423/2004). This scheme was prolonged until 31 December 2008 by Commission decision of 8 June 2007 (N 159/2007), until 31 December 2011 by Commission decision of 3 September 2008 (N 392/2008), and until 31 December 2013 by Commission decision of 30 May 2012 (SA.34584).

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1  OJ C 115 of 30.4.2004, p.16.
2  OJ C 77 of 5.4.2007, p.3.

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On 21 November 2013, Spain notified the prolongation until 30 June 2014 of the financing scheme for the export of ships and of the horizontal aid scheme for shipbuilding, both of which are assessed in the present decision.

2. THE NOTIFIED MEASURES

(4) The notification in case SA.37785 refers to the prolongation of the financing scheme for the export of ships established in Article 11 of Royal Decree 442/1994. The notification in case SA.37786 refers to the prolongation of the horizontal aid scheme for shipbuilding established in Article 10 of Royal Decree 442/1994 and its application rules.

(5) Regarding the financing scheme for the export of ships (SA.37785), Spain intends to prolong the scheme from 1 January 2014 to 30 June 2014. In addition, the budget of the scheme for this period will be of EUR 45 million. Given that the rest of the elements of the scheme do not change, the Commission refers to its previous decisions mentioned above in recital (1) for a more detailed description.

(6) Regarding the horizontal aid scheme for shipbuilding (SA.33786), Spain intends to prolong the scheme from 1 January 2014 to 30 June 2014. The scheme in question consists of three parts: the first part concerns aid for research and development, the second regional investment aid and the third aid for innovation. All three types of aid are intended for shipbuilding as defined in section 2 of the Framework on state aid to shipbuilding ("the Shipbuilding Framework"). The budget of the scheme for this period will be of EUR 10 million. The remaining elements of the scheme remain unchanged and the Commission therefore refers to its previous decisions mentioned above in recital (2) for a more detailed description.

(7) As explained in the Commission decisions in cases SA.34583 and SA.34584, both schemes respect the horizontal provisions on cumulation, monitoring and reporting of the Shipbuilding Framework. In addition, the Spanish authorities have committed not to grant aid under any of the schemes until the Commission has taken a decision.

(8) Finally, the Spanish authorities have committed to suspending the payment of any aid under the notified aid schemes to any undertaking that has benefited from earlier unlawful aid declared incompatible by a Commission decision, until that undertaking has reimbursed or paid into a blocked account the total

9 Real Decreto 442/1994, de 11 de marzo, sobre primas y financiación a la construcción naval, modificado sucesivamente y, en último término, por el Real Decreto 701/2013, de 20 de septiembre, de racionalización del sector público, por el que se suprime la Gerencia del Sector de la Construcción Naval.

10 Normas de aplicación de las ayudas horizontales a la construcción naval con cargo al fondo de reestructuración.

11 The Commission notes in particular that Article 11 of Royal Decree 442/1994 states that export credits will be provided in accordance with the OECD Sector Understanding on Export Credits for Ships and the OECD Arrangement on Officially Supported Export Credits of 1 September 2011 or subsequent versions thereof.

amount of unlawful and incompatible aid and the corresponding recovery interest.

3. ASSESSMENT

(9) As the Commission found in cases N 811/a/2002, N 760/2006, N 393/2008, and SA.34583, the financing scheme for the export of ships entails state aid within the meaning of Article 107(1) TFEU for the reasons detailed therein. Also the horizontal aid scheme for shipbuilding entails state aid, as described by the Commission in cases N 423/2004, N 159/2007, N 392/2008 and SA.34584.

(10) In these decisions, the Commission assessed the financing scheme for the export of ships and the horizontal aid scheme for shipbuilding and concluded that both schemes and the various prolongations thereof were compatible with the internal market, pursuant to the Shipbuilding Framework.

(11) The most recent prolongation of the scheme for the export of ships and of the horizontal aid scheme for shipbuilding were authorised until 31 December 2013, in line with the validity of the Shipbuilding Framework. However, by decision of 5 December 2013, the Commission extended the validity of the Shipbuilding Framework until 30 June 2014. By the present notification, the Spanish authorities ask the Commission to approve a corresponding prolongation of the previously authorised schemes until 30 June 2014, with a new budget.

(12) The Spanish authorities have submitted annual reports on the implementation of the schemes during the year 2012.

(13) As stated in recitals (5) and (6) above, besides the prolongation of the validity of the schemes until 30 June 2014 and the new budgets, the present notifications do not introduce any changes to the financing scheme for the export of ships or to the horizontal aid scheme for shipbuilding as previously approved by the Commission in its decisions in cases SA.34583 and SA.34584, respectively. Therefore, the prolongation of both schemes is in line with the extension of the validity of the Shipbuilding Framework until 30 June 2014 and nothing alters the compatibility assessment carried out by the Commission in its previous decisions.

4. CONCLUSION

(14) On the basis of the foregoing, the Commission considers that the notified prolongations of the financing scheme for the export of ships and the horizontal aid scheme for shipbuilding continue to be compatible with the internal market.

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5. **DECISION**

The Commission has accordingly decided not to raise objections to the prolongation of the financing scheme for the export of ships – SA.37785 (2013/N) – and of the horizontal aid scheme for shipbuilding – SA.37786 (2013/N) –, on the grounds that they are compatible with the internal market pursuant to Article 107(3)(c) of the Treaty on the Functioning of the European Union.

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Yours faithfully,  
For the Commission

Joaquin ALMUNIA  
Vice-president