Brussels, 11.03.2014 C(2014) 1300 final

#### **PUBLIC VERSION**

This document is made available for information purposes only.

SUBJECT: STATE AID NO. SA.38060 (2013/N) – REPUBLIC OF SLOVENIA-REGIONAL AID MAP 2014-2020

Sir,

### 1. PROCEDURE

- (1) On 28 June 2013, the Commission adopted the Guidelines on Regional State Aid for 2014-2020<sup>1</sup> (hereinafter "RAG"). Pursuant to paragraph 178 of the RAG, each Member State should notify to the Commission, following the procedure of Article 108(3) of the Treaty on the Functioning of the European Union ("hereinafter: "TFEU"), a single regional aid map applicable from 1 July 2014 to 31 December 2020. In accordance with paragraph 179 of the RAG, the approved regional aid map is to be published in the Official Journal of the European Union and will constitute an integral part of the RAG.
- (2) By letter dated 18 December 2013, registered at the Commission on 20 December 2013 (2013/9465), the Republic of Slovenia submitted its proposal for a regional aid map of the Republic of Slovenia applicable from 1 July 2014 to 31 December 2020.

Karl ERJAVEC Minister za zunanje zadeve Republike Slovenije Prešernova cesta 25 SI-1001 Ljubljana

Commission européenne, B-1049 Bruxelles – Belgique Europese Commissie, B-1049 Brussel – België Telefon: 00-32 (0) 2 299 11.11.

<sup>&</sup>lt;sup>1</sup> OJ C 209, 23.07.2013, p.1

(3) On 21 January 2014 the Commission requested supplementary information (2014/4772), which was provided by the Slovene authorities on 29 January 2014 (2014/9992).

### 2. DESCRIPTION OF THE NOTIFIED REGIONAL AID MAP

(4) In their notification, the Slovene authorities propose their entire population to be eligible for regional aid under the derogation of Article 107(3)(a) and (c) of the TFEU for the period from 1 July 2014 to 31 December 2020. The notified list of regions includes one 'a' area and one predefined 'c' area.

### 2.1 Article 107(3)(a) area

(5) The NUTS 2 region proposed for eligibility under the derogation of Article 107(3)(a) TFEU for the whole period from 1 July 2014 to 31 December 2020 is presented in the table below. The table also presents the proposed maximum aid intensity applicable to initial investment by large enterprises.

NUTS Code	Name of NUTS 2 region	Max. aid intensity
SI01	Vzhodna Slovenija	25 % GGE

### 2.2 Predefined Article 107(3)(c) area

- (6) In their notification, the Slovene authorities also propose one NUTS 2 region as predefined area eligible for regional aid under Article 107(3)(c) TFEU.
- (7) The table below identifies the former 'a' area proposed as predefined 'c' area along with the proposed maximum aid intensity applicable to initial investment by large enterprises.

NUTS C	Code Name of NUTS 2 region	Max. aid intensity	
		2014-2017	2018-2020
SI02	Zahodna Slovenija	15% GGE	10% GGE

#### 2.3 Maximum aid intensities for SMEs

(8) The proposed maximum aid intensities presented in the tables above are those for investments by large enterprises and for projects with eligible expenditure below € 50 million. In their notification, the Slovene authorities propose that these intensities can be increased by 10 percentage points for medium-sized enterprises and by 20 percentage points for small enterprises². These increased regional aid ceilings are only applicable to projects with eligible expenditure below € 50 million.

As defined in the Annex to Commission Regulation (EC) No 364/2004 of 25 February 2004 amending Regulation (EC) 70/2001, OJ L 63, 28.2.2004, p. 22, or any successor regulation.

### 3. ASSESSMENT

(9) In accordance with Annex I of the RAG, one NUTS 2 region of the Republic of Slovenia is eligible for regional aid under the derogation in Article 107(3)(a) TFEU for the whole period from 1 July 2014 to 31 December 2020. In addition, one NUTS 2 region of the Republic of Slovenia is eligible for regional aid as a predefined area eligible for regional aid under the derogation in Article 107(3)(c) TFEU for the same period.

### 3.1 <u>Article 107(3)(a) area</u>

- (10) The area proposed by the Slovene authorities for eligibility for regional aid under the derogation in Article 107(3)(a) TFEU for the period from 1 July 2014 to 31 December 2020 corresponds to the area listed in Annex I of the RAG.
- (11) Paragraph 172 of the RAG provides that the maximum aid intensity applicable to investments by large enterprises in 'a' regions should not exceed 25% GGE in NUTS 2 regions with a GDP per capita above 60% of the EU-27 average.
- (12) The maximum aid intensity proposed by Slovenia for Vzhodna Slovenija respects this provision:

NUTS Code	Name of NUTS 2 region	Max. aid	GDP
		inte	per capita°
		nsiti	
		es	
SI01	Vzhodna Slovenija	25 % GGE	71,67%

# 3.2 The predefined Article 107(3)(c) area

- (13) The area proposed by the Slovene authorities as a predefined area eligible for regional aid under Article 107(3)(c) TFEU for the period 1 July 2014 to 31 December 2020 is also listed in Annex I of the RAG.
- (14) As regards the aid intensities in 'c' areas, the RAG provide the following:
  - Paragraph 174 (b) of the RAG provides that the aid intensity applicable to investments by large enterprises in 'c' areas should not exceed 10% GGE in non-predefined 'c' areas.
  - According to paragraph 175 of the RAG, the aid intensity in former 'a' areas may be increased by up to 5 percentage points in the period from 1 July 2014 to 31 December 2017.
- (15) For the predefined 'c' area "Zahodna Slovenija", the Slovene authorities propose a maximum aid intensity of 15% GGE applicable to large enterprises between 1 July 2014 and 31 December 2017. This is acceptable as this NUTS 2 region is a former 'a' region<sup>3</sup>.

<sup>3</sup> N434/2006 (OJ C 256, 24.10.2006, p.6.) The whole of Slovenia was 1 NUTS 2 region defined as 'a' area for the period 2007-2013.

(16) For the period between 1 January 2018 and 31 December 2020, the Slovene authorities propose a maximum intensity of 10% GGE for large enterprises in the predefined 'c' area "Zahodna Slovenija", which is in line with the provisions of the RAG.

# 3.3 <u>Increased aid intensities for SMEs</u>

- (17) In accordance with paragraph 177 of the RAG the maximum aid intensities applicable to large enterprises can be increased by 20 percentage points for small enterprises or by up to 10 percentage points for medium-sized enterprises.
- (18) The Slovene authorities have confirmed that the increased maximum intensities for SMEs will not apply to aid awarded for large investment projects.

### 3.4 Other commitments made by the Slovene authorities

- (19) The Commission takes note of the following commitments made by the Slovene authorities in the notification:
  - (a) The Slovene authorities confirmed that all intentions to grant regional aid will be notified to the Commission in accordance with Article 108(3) TFEU, either as an aid scheme, or as an individual notification, unless a block exemption regulation applies.
  - (b) The Slovene authorities confirmed that all regional investment aid will respect the maximum aid intensities of the area concerned as defined in the regional aid map approved by the Commission and published in the *Official Journal of the European Union*.
  - (c) The Slovene authorities confirmed that for large investment projects (as defined in paragraph 20(l) of the RAG) the aid ceilings of the area concerned as defined in the regional aid map approved and published by the Commission pursuant to this notification will be adjusted according to the formula in paragraph 20(c) of the RAG.
- (20) The Commission recalls that the maximum aid intensities specified in the regional aid map apply only to investments carried out in sectors that fall within the scope of the RAG, as defined in paragraph 10 thereof. In particular, these aid ceilings apply to the processing and marketing of agricultural products only to the extent laid down in the Community guidelines for State aid in the agriculture and forestry sector<sup>4</sup>, or in any guidelines replacing them.

#### 3.5 General conclusion

(21) In view of the above, the Commission concludes that the regional aid map for the period from 1 July 2014 to 31 December 2020, as notified by the Republic of Slovenia is in line with the RAG.

\_

<sup>&</sup>lt;sup>4</sup> OJ C 319, 27.12.2006, p.1.

# 4. DECISION

- (22) The Commission has accordingly decided:
  - to approve the regional aid map of the Republic of Slovenia for the period from 1 July 2014 to 31 December 2020 as set out in the Annex as it fulfils the conditions laid down in the Guidelines on Regional State Aid for 2014-2020.
  - to publish the regional aid map as presented in the Annex to this decision in the *Official Journal of the European Union*. The full text of this letter in the authentic language will be published on the following Internet site: <a href="http://ec.europa.eu/competition/elojade/isef/index.cfm">http://ec.europa.eu/competition/elojade/isef/index.cfm</a>

Any request concerning this letter should be sent by registered letter or fax to:

European Commission Directorate-General for Competition State Aid Registry B-1049 Brussels Fax No: +32 2 29 61242

> Yours faithfully, For the Commission

> > Joaquín ALMUNIA Vice-President

# ANNEX to the decision on case SA.38060 Guidelines on Regional State aid for 2014-2020

(OJ C 209, 23.07.2013, p. 1)

# Republic of Slovenia - Regional aid map applicable from 1.7.2014 to 31.12.2020

(Approved by the Commission on ...)

# 1. Region eligible for aid under Article 107(3)(a) TFEU from 1.7.2014 to 31.12.2020

NUTS 2	Name of NUTS 2 region	Maximum aid intensity	
code		(large enterprises)°	
SI01	Vzhodna Slovenija	25% GGE	

### 2. Region eligible for aid under Article 107(3)(c) TFEU from 1.7.2014 to 31.12.2020

#### Predefined Article 107(3)(c) area (Former Article 107(3)(a) area)

NUTS 2	Name of NUTS 2 region	Maximum aid intensity	
code		(large enterprises)°	
		1.7.2014-31.12.2017	1.1.2018-31.12.2020
SI02	Zahodna Slovenija	15% GGE	10% GGE

For investment projects with eligible expenditure not exceeding EUR 50 million this ceiling is increased by 10 percentage points for medium sized companies and 20 percentage points for small companies as defined in the Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (OJ L 124, 20.5.2003, p. 36). For large investment projects with eligible expenditure exceeding EUR 50 million, this ceiling is subject to adjustment in accordance with paragraph 20(c) of the Guidelines on national regional aid for 2014-2020