



EUROPEAN COMMISSION

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Subject: State aid case no. SA.46346 (2016/N) – Hungary – Amendment to the regional aid map for Hungary (2014-2020) for the period 2017-2020

Sir,

1. PROCEDURE

- (1) On 28 June 2013 the Commission adopted the Guidelines on Regional State Aid for 2014-2020 (hereinafter "RAG")¹. On the basis of the RAG the Hungarian authorities notified their regional aid map, which was approved by the Commission on 11 March 2014 for the period from 1 July 2014 until 31 December 2020² (hereinafter "regional aid map approved in 2014").
- (2) Pursuant to section 5.6.2 of the RAG, Member States may notify amendments to their regional aid map in the context of the mid-term review in 2016. The amended regional aid maps will be in force from 1 January 2017 until 31 December 2020.
- (3) The Commission published on 25 June 2016 a Communication amending Annex I to the RAG (hereinafter, the "Communication")³.

¹ OJ C 209, 23.07.2013, p.1

² Decision for State aid case SA.37718 – *Regional aid map for Hungary (2014-2020)*, OJ C 172, 06.07.2014,

³ Communication from the Commission (2016/C 231/01) amending Annex I to the Guidelines on regional aid for 2014-2020 (Mid-term review of the regional aid maps), OJ C 231, 25.6.2016, p.1

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- (4) A Member State may, within the limit of its adjusted specific allocation for 'c' areas mentioned in paragraph 10 of the Communication, amend the list of non-predefined 'c' areas contained in its regional aid map for the period from 1 January 2017 to 31 December 2020.
- (5) The Commission invited the Member States concerned to notify the amendments to their regional aid map by 1 September 2016 at the latest.
- (6) By electronic communication dated 31 August 2016, Hungary duly notified a proposal for amendments to its regional aid map in the context of the mid-term review. Hungary submitted information by a letter registered at the Commission on 16 September 2016 (2016/089300).

2. DESCRIPTION OF THE PROPOSED AMENDMENT

- (7) In its notification, Hungary proposes to amend the Hungarian regional aid map 2014-2020 in line with the provisions of the RAG and the Communication. In particular Hungary intends to remove an area with a population of 23 553 from the regional aid map approved in 2014 and to replace it by an area with a population of 21 940. This corresponds to 3.49% of the total adjusted non-predefined 'c' coverage of Hungary⁴.
- (8) Hungary proposes to remove the following LAU 2 areas:

Table 1: LAU 2 areas proposed to be removed from the regional aid map approved in 2014

LAU 2 Code	LAU 2 Name	Population as in the regional aid map approved in 2014
1139	Pilisvörösvár	13 667
738	Solymár	9 886
Total population proposed to be removed from regional aid map approved in 2014		23 553

- (9) Hungary proposes to include Göd and Sződliget as a 'c' area in its amended regional aid map.

Table 2: LAU 2 areas proposed to be included in the amended regional aid map

LAU 2 Code	LAU 2 Name	Population as in the regional aid map approved in 2014
2131	Göd	17 476
2133	Sződliget	4 464
Total population proposed to be included in the amended regional aid map		21 940

⁴ The population figures used by the Member State refer to the total resident population of 1 October 2011, which was used as basis for establishing the regional aid map approved in 2014.

- (10) Göd and Sződliget form a contiguous area with "area 1" of the regional aid map approved in 2014 and are located within the same NUTS 3 region. "Area 1" has a standard aid intensity ceiling of 35% for large enterprises. Hungary proposes to apply the same standard aid intensity also to Göd and Sződliget for the period from 1 January 2017 until 31 December 2020.
- (11) Following the exchange of the 'c' areas a population of 1804 inhabitants remains as a difference between the population Hungary proposes to include in its regional aid map and the population ceiling as allocated by the Commission. The Hungarian authorities propose to establish a reserve of national population coverage for this difference.
- (12) Hungary proposes no other modifications to its regional aid map as approved by Commission decision of 11 March 2014.

3. ASSESSMENT

- (13) The amendment proposed by Hungary does not exceed 50 % of its adjusted non-predefined 'c' coverage. The population of the newly included regions does not exceed the population of the regions losing their status as regions eligible for regional aid. Hungary's proposal regarding the amendment of the list of 'c' areas is in line with the provisions set out in section 5.6.2 of the RAG.
- (14) The proposed areas are LAU 2 areas that form a contiguous area with "area 1" of the regional aid map approved in 2014 and are located in the same NUTS3 region (HU102 Pest), which is adjacent to the 'a' region HU 31 Észak-Magyarország with a maximum aid intensity of 50% GGE, and is therefore entitled to a maximum aid intensity of 35% GGE. The proposal regarding the designation of the new 'c' area and the proposed maximum aid intensity complies with Criterion 4 set out in paragraph 168 of the RAG and with paragraph 176 of the RAG.
- (15) In accordance with paragraph 177 of the RAG, the maximum aid intensities applicable to large enterprises can be increased by up to 20 percentage points for small enterprises or by up to 10 percentage points for medium-sized enterprises.
- (16) The difference between the maximum population that Hungary can designate as non-predefined 'c' areas (629 052 inhabitants, i.e. 6.33% of the total national population) and the 'c' areas effectively proposed by Hungary (627 248 inhabitants) amounts to 1 804 inhabitants. Hungary proposes to constitute a population reserve of this amount. The population reserve established by the Hungarian authorities remains within the population coverage ceiling as allocated by the Commission in Annex I to the RAG and complies thus with the provisions in paragraph 180 of the RAG.
- (17) The Commission notes that all other conditions set out in the Decision of 11 March 2014 on the Hungarian regional aid map remain unchanged.

4. COMPATIBILITY

- (18) In view of the above, the Commission concludes that the amendments to the Hungarian regional aid map for the period from 1 January 2017 until 31 December 2020, as notified by Hungary as part of the mid-term review of its regional aid map 2014-2020, is in line with the RAG. The revised list of regions eligible for regional aid under article 107(3) (a) and (c) from 1 January 2017 until 31 December 2020 is presented in annex.

- (19) 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 sector⁵, or in any guidelines replacing them.

5. CONCLUSION

- (20) The Commission has accordingly decided:
- to approve the amendment of the Hungarian regional aid map for the period from 1 January 2017 until 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 and the Communication amending Annex I to the Guidelines on regional State aid for 2014-2020.
- (21) 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
Belgium

Fax No: +32 2 29 61242

Yours faithfully
For the Commission

Margrethe VESTAGER
Member of the Commission

⁵ OJ C319, 27.12.2006, p.1., as amended by the notice published in OJ C390, 24.11.2015, p.4.

Guidelines on regional State aid for 2014-2020

(OJ C 209, 23.07.2013, p. 1)

Hungary - Regional aid map applicable from 1.1.2017 to 31.12.2020

(Approved by the Commission on ...)

1. Regions eligible for aid under Article 107(3)(a) of the TFEU from 1.1.2017 until 31.12.2020

NUTS 2 Code	NUTS 2 Name	Ceiling for regional investment aid (applicable to large enterprises)*
HU 31	Észak-Magyarország	50%
HU 32	Észak-Alföld	50%
HU 33	Dél-Alföld	50%
HU 23	Dél-Dunántúl	50%
HU 21	Közép-Dunántúl	35%
HU 22	Nyugat-Dunántúl	25%

* 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.

2. Regions eligible for aid under Article 107(3)(c) TFEU from 1.1.2017 until 31.12.2020

Non-predefined Article 107(3)(c) areas (Adjacent to Article 107(3)(a) regions)

Zone Code within Pest (HU102)	Zone Name (LAU 2)	Ceiling for regional investment aid (applicable to large enterprises)*
Area 1		
1877	Bernecebaráti	35%
2131	Göd	35%
2809	Ipolydamásd	35%
497	Ipolytölgyes	35%
2234	Kemence	35%
2467	Kóspallag	35%
2268	Letskés	35%
457	Márianosztra	35%
1477	Nagybörzsöny	35%
418	Perőcsény	35%
2491	Szob	35%
694	Szokolya	35%

2133	Szódliget	35%
1924	Tésa	35%
2493	Vác	35%
1073	Vámosmikola	35%
3372	Verőce	35%
1496	Zebegeány	35%
Area 2		
1618	Aszód	35%
913	Bag	35%
480	Domony	35%
1329	Galgagyörk	35%
1950	Galgahévíz	35%
2712	Galgamácsa	35%
3255	Gödöllő	35%
1394	Hévízgyörk	35%
330	Iklad	35%
3069	Kartal	35%
522	Kisnémedi	35%
2138	Püspökhatvan	35%
430	Püspökszilágy	35%
959	Tura	35%
569	Váckisújfalu	35%
1759	Valkó	35%
2248	Verseg	35%
Area 3		
2787	Abony	35%
1134	Cegléd	35%
518	Csemő	35%
912	Farmos	35%
1100	Jászkarajenő	35%
3277	Kocsér	35%
3297	Köröstetétlen	35%
2446	Mikebuda	35%
1343	Nagykátá	35%
1971	Nagykörös	35%
2006	Nyársapát	35%
2865	Szentmártonkátá	35%
1501	Tápióbicske	35%
1730	Tápiógyörgye	35%
940	Tápióság	35%
1414	Tápiószele	35%
1457	Tápiószentmárton	35%
276	Tápiószőlős	35%
2200	Törtel	35%

1780	Újszilvás	35%
Area 4		
2319	Alsónémedi	35%
924	Dabas	35%
958	Dunaharaszti	35%
2451	Ecser	35%
3098	Érd	35%
603	Felsőpakony	35%
2562	Gyál	35%
2973	Gyömrő	35%
969	Halásztelek	35%
1092	Maglód	35%
1055	Monor	35%
2340	Nagytarcsa	35%
407	Ócsa	35%
528	Örkény	35%
405	Pécel	35%
2184	Péteri	35%
2895	Szigetszentmiklós	35%
833	Táborfalva	35%
2738	Tatárszentgyörgy	35%
629	Újhartyán	35%
1289	Üllő	35%
2681	Vecsés	35%
Area 5		
1010	Áporka	35%
2964	Dömsöd	35%
1081	Kiskunlacháza	35%
914	Lórév	35%
439	Makád	35%
1726	Ráckeve	35%
2625	Szigetbecse	35%
Area 6		
714	Piliscsaba	20%
3414	Pilisjászfalu	20%

° 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.