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**Subject: State aid SA.100752 (2021/N) – Portugal
Regional aid map for Portugal (1 January 2022 – 31 December 2027)**

Excellency,

1. PROCEDURE

- (1) On 19 April 2021, the Commission adopted the Guidelines on Regional State Aid¹ that it will use to assess the compatibility of all notifiable regional aid awarded or intended to be awarded after 31 December 2021 (hereinafter "RAG"). Pursuant to paragraph 189 of the RAG, each Member State should notify to the Commission a single regional aid map applicable from 1 January 2022 to 31 December 2027. All approved regional aid maps will be published in the *Official Journal of the European Union* (summary information) and on the website of DG Competition² (full text) and will constitute an integral part of the RAG.
- (2) By electronic notification dated 22 November 2021, registered at the Commission on the same day (2021/7185121), the Portuguese authorities notified, following the procedure of Article 108(3) of the Treaty on the Functioning of the European Union (hereinafter "TFEU"), their proposal for the Portuguese regional aid map applicable from 1 January 2022 to 31 December 2027. By letter of 3 December 2021 (2021/8365450), the Commission requested additional information, which

¹ OJ C 153, 29.04.2021, p.1.

² <http://ec.europa.eu/competition/ejojade/isef/index.cfm>

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was provided by the Portuguese authorities by letter of 16 December 2021, registered at the Commission on the following day (2021/8821374).

2. DESCRIPTION OF THE NOTIFIED REGIONAL AID MAP

- (3) The territory of Portugal consists of seven NUTS 2 regions. According to Annex I to the RAG, five of those NUTS 2 regions are eligible for aid under Article 107(3)(a) TFEU (hereinafter “‘a’ areas”). Portugal has been assigned a further coverage of 2.11% of its national population for the designation of areas eligible for aid under Article 107(3)(c) TFEU (hereinafter “‘c’ areas”), more specifically as non-predefined ‘c’ areas³.

2.1. Proposed ‘a’ areas

- (4) In their notification, the Portuguese authorities propose the NUTS 2 regions of PT11 Norte, PT16 Centro (PT), PT18 Alentejo, PT20 Região Autónoma dos Açores and PT30 Região Autónoma da Madeira under the derogation of Article 107(3)(a) TFEU to be assisted as ‘a’ areas from 1 January 2022 to 31 December 2027.
- (5) The Portuguese authorities propose to apply a maximum aid intensity for large enterprises of 30% in the proposed ‘a’ areas for the entire period from 1 January 2022 to 31 December 2027.
- (6) The Portuguese authorities propose that the maximum aid intensity for large enterprises in the outermost region PT20 Região Autónoma dos Açores is increased by 20 percentage points to 50% and in the outermost region PT30 Região Autónoma da Madeira by 10 percentage points to 40% based on paragraph 180 of the RAG.
- (7) The Portuguese authorities also propose that the maximum aid intensity for large enterprises in the NUTS 3 regions of PT16J Beiras e Serra da Estrela (part of PT16 Centro (PT)) and PT186 Alto Alentejo (part of PT18 Alentejo), experiencing a population loss of more than 10% over the period 2009-2018, is increased by 10 percentage points to 40% based on paragraph 188 of the RAG.
- (8) In their notification, the Portuguese authorities announce their intention to make use of an increase of the maximum aid intensities for territories located in ‘a’ areas that would be identified for support from the Just Transition Fund⁴.

2.2. Proposed non-predefined ‘c’ areas

- (9) In their notification, the Portuguese authorities propose to designate non-predefined ‘c’ areas as eligible for regional aid under the derogation of Article 107(3)(c) TFEU for the period from 1 January 2022 to 31 December 2027. These non-predefined ‘c’ areas are proposed under Criterion 4 of paragraph 175 of the

³ Paragraph 163(2) of the RAG defines non-predefined ‘c’ areas as areas that a Member State may, at its own discretion, designate as ‘c’ areas provided that the Member State demonstrates that such areas fulfil certain socioeconomic criteria.

⁴ Regulation (EU) 2021/1056 of the European Parliament and of the Council of 24 June 2021 establishing the Just Transition Fund (OJ L 231, 30.6.2021, p. 1).

RAG and have a total population of 218 335 inhabitants, which represents 2.11% of the total national population⁵.

- (10) Table 1 below presents the list of proposed non-predefined ‘c’ areas for which Portugal submits that the conditions of Criterion 4 of paragraph 175 of the RAG are fulfilled:

Table 1: List of non-predefined ‘c’ areas proposed under Criterion 4 of paragraph 175 of the RAG

NUTS 3 code	Name of NUTS 3 region	Population
PT150	Algarve (partially: São Brás de Alportel, Alferce, Boliqueime, Cachopo, Ferreiras, Loulé (São Clemente), Loulé (São Sebastião), Mexilhoeira Grande, Monchique, Paderne, Pechão, Quelfes, São Bartolomeu de Messines, São Marcos da Serra, União das freguesias de Algoz e Tunes, União das freguesias de Conceição e Estoi, Vaqueiros)	107 108
PT170	Área Metropolitana de Lisboa (partially: Alcochete, Gâmbia-Pontes-Alto da Guerra, Moita, Pinhal Novo, Quinta do Anjo, Sado, São Francisco, União das freguesias de Atalaia e Alto Estanqueiro-Jardã, União das freguesias de Gaio-Rosário e Sarilhos Pequenos, União das freguesias de Palhais e Coina, União das freguesias de Pegões, União das freguesias de Poceirão e Marateca)	111 227
Total		218 335

- (11) The Portuguese authorities propose to apply a maximum aid intensity for large enterprises of 15% in those proposed non-predefined ‘c’ areas.

2.3. Maximum aid intensities for SMEs

- (12) In their notification, the Portuguese authorities propose that the maximum aid intensities for large enterprises can be increased by 10 percentage points for medium-sized enterprises and by 20 percentage points for small enterprises for their initial investments with eligible costs up to EUR 50 million.

3. ASSESSMENT

3.1. The proposed ‘a’ areas and the proposed maximum aid intensities

- (13) According to paragraph 158 of the RAG, the NUTS 2 regions that have a gross domestic product (“GDP”) per capita below or equal to 75% of the EU-27 average fulfil the conditions of Article 107(3)(a) TFEU. The areas proposed by the Portuguese authorities to be assisted as ‘a’ areas for the period 1 January 2022 to 31 December 2027, according to that criterion, are the following NUTS 2 regions: PT11 Norte, with a GDP per capita of 65.67% of the EU-27 average, PT16 Centro (PT), with a GDP per capita of 67.33% of the EU-27 average and

⁵ 10 344 802 inhabitants based on the most recent data (2021 Portuguese census) provided by the national statistical office (Instituto Nacional de Estatística (INE)), available at: https://censos.ine.pt/xportal/xmain?xlang=pt&xpgid=censos21_dados&xpid=CENSOS21 accessed 17 December 2021.

PT18 Alentejo, with a GDP per capita of 72.67% of the EU-27 average. These areas therefore fulfil the conditions of Article 107(3)(a) TFEU.

- (14) In addition, according to paragraph 159(2) of the RAG, Member States may designate outermost regions to be assisted as ‘a’ areas. The Portuguese authorities proposed the following regions as ‘a’ areas according to that criterion: PT20 Região Autónoma dos Açores, with a GDP per capita of 69.00% of the EU-27 average, and PT30 Região Autónoma da Madeira, with a GDP per capita of 76.00% of the EU-27 average. As both regions are outermost regions as referred to in Article 349 TFEU, they fulfil the conditions of Article 107(3)(a) TFEU.
- (15) Paragraph 179 of the RAG provides that the maximum aid intensity for large enterprises in ‘a’ areas with a GDP per capita above 65% of the EU-27 average must not exceed 30%.
- (16) For the regions of PT11 Norte, PT16 Centro (PT), PT18 Alentejo, PT20 Região Autónoma dos Açores and PT30 Região Autónoma da Madeira, the Portuguese authorities propose a maximum aid intensity for large enterprises of 30%. Given the GDP per capita of each of these ‘a’ areas, respectively 65.67%, 67.33%, 72.67%, 69.00% and 76.00% of the EU-27 average, the proposed aid intensity is in line with the provisions of the RAG.
- (17) Paragraph 180 of the RAG provides that the aid intensities set in paragraph 179 may be increased by up to 20 percentage points in outermost regions that have a GDP per capita below or equal to 75% of the EU-27 average or by up to 10 percentage points in other outermost regions.
- (18) For the outermost region PT20 Região Autónoma dos Açores, with a GDP per capita of 69.00% of the EU-27 average, the Portuguese authorities propose that the maximum aid intensity is increased by 20 percentage points from 30% to 50%. For the outermost region PT30 Região Autónoma da Madeira, with a GDP per capita of 76.00% of the EU-27 average, the Portuguese authorities propose that the maximum aid intensity is increased by 10 percentage points from 30% to 40%. Therefore, the proposed increase in the maximum aid intensities for these outermost regions is in line with paragraph 180 of the RAG.
- (19) According to paragraph 188 of the RAG, the maximum aid intensities laid down for ‘a’ areas may be increased by 10 percentage points for NUTS 3 regions experiencing a population loss of more than 10% over the period 2009-2018.
- (20) According to data regarding the population density at NUTS 3 level provided by Eurostat, the NUTS 3 regions PT16J Beiras e Serra da Estrela, belonging to the ‘a’ area PT16 Centro (PT), and PT186 Alto Alentejo, belonging to the ‘a’ area PT18 Alentejo, experienced a population loss of more than 10% over the period 2009-2018, as shown in Table 2 below. Therefore, the increase of the maximum aid intensity for these NUTS 3 regions from 30% to 40%, as proposed by the Portuguese authorities, is in line with the provisions of the RAG.

Table 2: Decrease in population density over the period 2009-2018

NUTS 2 region	NUTS 3 region	Decrease in population density over the period 2009-2018 ⁶
PT16 Centro (PT)	PT16J Beiras e Serra da Estrela	10.47%
PT18 Alentejo	PT186 Alto Alentejo	10.61%

- (21) The Portuguese authorities announced their intention to make use of an increase of the maximum aid intensities for territories that would be identified for support from the Just Transition Fund. According to paragraph 187 of the RAG, the Portuguese regional aid map can be updated once a territorial just transition plan has been approved by the Commission. The Portuguese authorities are invited to notify to the Commission such future amendment.

3.2. The proposed non-predefined ‘c’ areas and the proposed maximum aid intensities

- (22) According to Annex I to the RAG, Portugal can designate areas with a population of up to 2.11% of the total national population as non-predefined ‘c’ areas.
- (23) The non-predefined ‘c’ areas proposed by Portugal have a total population of 218 335 inhabitants, which represents 2.11% of the total national population. Therefore, the allocation of non-predefined ‘c’ areas does not exceed the maximum population coverage referred to in recital (22).
- (24) Compliance with the population coverage is determined on the basis of the most recent data (2021 Portuguese census) on the total resident population of the areas concerned, as published by the national statistical office. This is in line with the requirement set out in paragraph 177 of the RAG.
- (25) According to paragraph 175(4) of the RAG, a Member State may designate as non-predefined ‘c’ areas under Criterion 4 NUTS 3 regions or parts of NUTS 3 regions that form contiguous areas that are adjacent to an ‘a’ area. Both non-predefined ‘c’ areas proposed by Portugal under Criterion 4 (as shown in table 1 above) fulfil the conditions of that criterion, since they are adjacent to the ‘a’ area PT18 Alentejo and form contiguous areas.
- (26) Paragraph 176 of the RAG provides that the notion of contiguous areas refers to whole local administrative units (LAU)⁷ or to a group of LAU. A group of LAU is considered to form a contiguous area if each area in the group shares an administrative border with another area in the group. In the case of Portugal, the LAU corresponds to parish level.
- (27) The Portuguese authorities notified 17 parishes in the NUTS 3 region PT150 Algarve (São Brás de Alportel, Alferce, Boliqueime, Cachopo, Ferreiras, Loulé (São Clemente), Loulé (São Sebastião), Mexilhoeira Grande, Monchique, Paderne, Pechão, Quelfes, São Bartolomeu de Messines, São Marcos da Serra,

⁶ According to Eurostat data.

⁷ As defined in Annex III of Regulation (EC) No 1059/2003 of the European Parliament and of the Council on the establishment of a common classification of territorial units for statistics (NUTS) as amended by the Commission Delegated Regulation (EU) 2019/1755.

União das freguesias de Algoz e Tunes, União das freguesias de Conceição e Estoi and Vaqueiros) as a contiguous area in the form of a group of LAU, in line with paragraph 176 of the RAG.

- (28) The Portuguese authorities notified 12 parishes in the NUTS 3 region PT170 Área Metropolitana de Lisboa (Alcochete, Gândia-Pontes-Alto da Guerra, Moita, Pinhal Novo, Quinta do Anjo, Sado, São Francisco, União das freguesias de Atalaia e Alto Estanqueiro-Jardia, União das freguesias de Gaio-Rosário e Sarilhos Pequenos, União das freguesias de Palhais e Coina, União das freguesias de Pegões and União das freguesias de Poceirão e Marateca) as a contiguous area in the form of a group of LAU, in line with paragraph 176 of the RAG.
- (29) Paragraph 184 of the RAG provides that if a ‘c’ area is adjacent to an ‘a’ area, the aid intensities in the NUTS 3 regions or parts of NUTS 3 regions within that ‘c’ area which are adjacent to the ‘a’ area may be increased as necessary so that the difference in aid intensity between the two areas does not exceed 15 percentage points.
- (30) Both the contiguous area in PT170 Área Metropolitana de Lisboa and the contiguous area in PT150 Algarve are adjacent to the ‘a’ area PT18 Alentejo (but not to its part PT186 Alto Alentejo benefitting from a 40% aid intensity). Since the maximum aid intensity for large enterprises in that ‘a’ area is 30%, the contiguous areas in question can benefit from a maximum aid intensity of 15%, in compliance with paragraph 184 of the RAG, so that the difference in aid intensity between the relevant ‘c’ area and the adjacent ‘a’ area does not exceed 15 percentage points.

3.3. Increased aid intensities for SMEs

- (31) In accordance with paragraph 186 of the RAG, the maximum aid intensities for large enterprises may be increased by up to 20 percentage points for small enterprises or by up to 10 percentage points for medium-sized enterprises. However, the increased maximum aid intensities for SMEs will not apply to aid awarded for large investment projects in the meaning of paragraph 19(18) of the RAG.

3.4. Other commitments made by the Portuguese authorities

- (32) The Commission takes note of the following commitments made by the Portuguese authorities in the notification:
- (a) The Portuguese authorities confirmed that all intentions to grant regional aid will be notified to the Commission in accordance with Article 108(3) of the TFEU, either as an aid scheme, or as an individual notification, unless a block exemption regulation applies.
- (b) The Portuguese authorities confirmed that all regional investment aid will respect the maximum aid intensities of the region concerned as defined in the regional aid map approved and published by the Commission.
- (c) The Portuguese authorities confirmed that for large investment projects (as defined in paragraph 19(18) of the RAG) the aid ceilings of the region concerned, as defined in the regional aid map approved and published by

the Commission, will be adjusted according to the formula in paragraph 19(3) of the RAG.

3.5. General conclusion

- (33) In view of the above, the Commission takes the view that the Portuguese regional aid map notified for the period from 1 January 2022 to 31 December 2027 is in line with the RAG.

4. CONCLUSION

- (34) The Commission has accordingly decided:
- to approve the Portuguese regional aid map set out in the Annex for the period from 1 January 2022 till 31 December 2027, as it fulfils the conditions laid down in the Guidelines on Regional State Aid, as adopted on 19 April 2021.
 - The full text of this letter in the authentic language will be published on the following Internet site:
<http://ec.europa.eu/competition/elojade/isef/index.cfm>.

Yours faithfully,

For the Commission

Margrethe VESTAGER
Executive Vice-President

ANNEX to the decision on case SA.100752 (2021/N)

Guidelines on regional State aid

(OJ C 153, 29.04.2021, p.1.)

PORTUGAL - Regional aid map applicable from 01.01.2022 to 31.12.2027

Zone Code	Zone Name	Maximum aid intensities applicable to regional aid granted to large enterprises ⁸
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'a' areas

NUTS code	Name of NUTS region	Maximum aid intensity (large enterprises)
		1.1.2022 – 31.12.2027
PT11	Norte	30%
PT16	Centro (PT)	
PT16B	Oeste	30%
PT16D	Região de Aveiro	30%
PT16E	Região de Coimbra	30%
PT16F	Região de Leiria	30%
PT16G	Viseu Dão Lafões	30%
PT16H	Beira Baixa	30%
PT16I	Médio Tejo	30%
PT16J	Beiras e Serra da Estrela	40%
PT18	Alentejo	
PT181	Alentejo Litoral	30%
PT184	Baixo Alentejo	30%
PT185	Lezíria do Tejo	30%
PT186	Alto Alentejo	40%
PT187	Alentejo Central	30%
PT20	Região Autónoma dos Açores	50%
PT30	Região Autónoma da Madeira	40%

⁸ For investment projects with eligible costs not exceeding EUR 50 million this ceiling is increased by 10 percentage points for medium-sized enterprises and 20 percentage points for small enterprises 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, the maximum aid intensities for large enterprises also apply to medium-sized and small enterprises. For large investment projects, this maximum aid intensity is subject to adjustment in accordance with paragraph 19(3) of the RAG.

Non-predefined 'c' areas

NUTS code	Name of NUTS region	Maximum aid intensity (large enterprises)
		1.1.2022 – 31.12.2027
PT150	Algarve (partially)	15%
	Only the following parts of the NUTS 3 region are eligible as non-predefined 'c' area: São Brás de Alportel, Alferce, Boliqeime, Cachopo, Ferreiras, Loulé (São Clemente), Loulé (São Sebastião), Mexilhoeira Grande, Monchique, Paderne, Pechão, Quelfes, São Bartolomeu de Messines, São Marcos da Serra, União das freguesias de Algoz e Tunes, União das freguesias de Conceição e Estoi, Vaqueiros.	
PT170	Área Metropolitana de Lisboa (partially)	15%
	Only the following parts of the NUTS 3 region are eligible as non-predefined 'c' area: Alcochete, Gâmbia-Pontes-Alto da Guerra, Moita, Pinhal Novo, Quinta do Anjo, Sado, São Francisco, União das freguesias de Atalaia e Alto Estanqueiro-Jardia, União das freguesias de Gaio-Rosário e Sarilhos Pequenos, União das freguesias de Palhais e Coina, União das freguesias de Pegões, União das freguesias de Poceirão e Marateca.	