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**Subject: State aid SA.101066 (2021/N) – United Kingdom  
Regional aid map for Northern Ireland (1 January 2022 –  
31 December 2027)**

Dear Foreign Secretary,

**1. PROCEDURE**

- (1) On 19 April 2021, the Commission adopted the Guidelines on Regional State Aid<sup>1</sup> 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”). The RAG apply also to Northern Ireland as agreed within the Protocol on Ireland/Northern Ireland annexed to the Withdrawal Agreement (Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community<sup>2</sup>). 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. The same obligation applies to the United Kingdom (“UK”) in respect of Northern Ireland. All approved regional aid maps will be published in the *Official*

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<sup>1</sup> OJ C 153, 29.4.2021, p. 1.

<sup>2</sup> OJ L 29, 31.1.2020, p. 7, Articles 10(1), 12(4) and 13(3) of the Protocol.

The Rt Hon Elizabeth Truss MP  
Secretary of State for Foreign, Commonwealth and Development Affairs  
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*Journal of the European Union* (summary information) and on the website of DG Competition<sup>3</sup> (full text) and will constitute an integral part of the RAG.

- (2) By electronic notification dated 14 December 2021, registered at the Commission on the same day (2021/8717133), the UK 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 regional aid map of Northern Ireland applicable from 1 January 2022 to 31 December 2027. The Commission sent a request for information on 16 December 2021 (2021/8717082), to which the UK authorities replied on 18 February 2022 (2022/1366231). The Commission sent an additional request for information on 9 March 2022 (2022/1927203), to which the UK authorities replied on 1 April 2022, registered at the Commission on 4 April 2022 (2022/2709779).

## 2. DESCRIPTION OF THE NOTIFIED REGIONAL AID MAP

- (3) In accordance with Annex II to the RAG, Northern Ireland has been assigned a coverage of 100% of its population for the designation of areas eligible for aid under Article 107(3)(c) TFEU (hereinafter ‘c’ areas”), all as non-predefined ‘c’ areas<sup>4</sup>. The territory of Northern Ireland consists of one NUTS 2 region (UKN0 – Northern Ireland) subdivided into eleven NUTS 3 regions.

**Table 1 Proposed non-predefined ‘c’ area – NUTS 3 regions**

<b>NUTS 3 code</b>	<b>Name of the NUTS 3 region</b>
UKN06	Belfast
UKN07	Armagh City, Banbridge and Craigavon
UKN08	Newry, Mourne and Down
UKN09	Ards and North Down
UKN0A	Derry City and Strabane
UKN0B	Mid Ulster
UKN0C	Causeway Coast and Glens
UKN0D	Antrim and Newtownabbey
UKN0E	Lisburn and Castlereagh
UKN0F	Mid and East Antrim
UKN0G	Fermanagh and Omagh

- (4) In their notification, the UK authorities propose to designate a single non-predefined ‘c’ area as a contiguous area consisting of the entire territory of the NUTS 2 regions of Northern Ireland, with a population of 1 882 000 inhabitants and a gross domestic product (“GDP”) per capita equal to 85.00% of the EU-27 average, as eligible for regional aid for the period from 1 January 2022 to 31 December 2027.
- (5) The UK authorities propose a maximum aid intensity of 15% for large enterprises for all NUTS 3 regions in the notified ‘c’ area, with the exception of Belfast

<sup>3</sup> <http://ec.europa.eu/competition/eojade/isef/index.cfm>

<sup>4</sup> 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.

(NUTS 3 region UKN06), in respect of which the notified map includes a 10% maximum aid intensity. The UK authorities provided GDP per capita data from the national statistical office to establish those aid intensities.

- (6) In their notification, the UK 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. The UK authorities confirm that the increased ceilings for small and for medium-sized enterprises will only apply to aid awarded for projects with eligible expenditure below EUR 50 million.

### **3. ASSESSMENT**

#### **3.1 Proposed non-predefined ‘c’ area**

- (7) In accordance with Annex II to the RAG, the UK can designate 100% of the population of Northern Ireland as non-predefined areas eligible for regional aid under the derogation in Article 107(3)(c) TFEU for the period from 1 January 2022 to 31 December 2027.
- (8) The UK authorities designated a single non-predefined ‘c’ area, representing 100% of the population of Northern Ireland. That designation is compliant with the maximum population coverage referred to in recital (3).
- (9) Northern Ireland, as a NUTS 2 region, has a GDP per capita of 85.00%<sup>5</sup> compared to EU-27 average. As this is below the EU-27 average and the proposed area forms one contiguous area, with a population of more than 100 000 inhabitants, the proposed non-predefined ‘c’ area complies with Criterion 1 of paragraph 175 of the RAG.

#### **3.2 Maximum aid intensities**

- (10) Paragraph 182(3) of the RAG provides that the aid intensity for large enterprises must not exceed 10% in non-predefined ‘c’ areas that have a GDP per capita above 100% of the EU-27 average and an unemployment rate below 100% of the EU-27 average. In non-predefined ‘c’ areas that do not meet the criteria provided by paragraph 182(1) to (3) of the RAG, the maximum aid intensity is 15%, in accordance with paragraph 182(4) of the RAG.
- (11) In applying the aid intensities laid down in paragraphs 182(3) and 182(4) of the RAG to such areas, the Commission considers that – to best reflect the circumstances of the areas concerned – the data concerning the GDP per capita and unemployment, referred to in paragraph 182(3) should be assessed at the most granular level for which such data is sufficiently available, i.e. at the level of NUTS 3 regions. As a result, the aid intensities within one non-predefined ‘c’ area can vary between the different NUTS 3 regions that form part of such area. Such variation of aid intensities within one assisted area is expressly provided for in other provisions of the RAG, such as paragraphs 184, 187 and 188, and in the Commission’s view is also adequate for the determination of aid intensities in the

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<sup>5</sup> Average GDP per capita in purchasing power standards, 2016-2018, source Eurostat.

areas referred to in paragraphs 182(3) and 182(4) of the RAG. The Commission

has applied that rule already in its decisional practice<sup>6</sup> concerning the designation of non-predefined ‘c’ areas and the determination of the maximum aid intensities in such areas.

- (12) The UK authorities provided GDP per capita data by NUTS 3 region from the national statistical office. Combining those data with the GDP per capita (in purchasing power standards) for Northern Ireland as communicated by Eurostat, i.e. 85.00% of the EU-27 average for the period 2016-2018, it can be concluded that the NUTS 3 region of Belfast has a GDP per capita (in purchasing power standards) above the EU-27 average and all the other NUTS 3 regions of Northern Ireland have a GDP per capita below the EU-27 average (see Table 2). The Commission considers that approach as appropriate in the case of Northern Ireland since the respective statistical data were not part of the 2020 and 2021 Eurostat updates.

**Table 2 – GDP per capita of NUTS 3 regions vs EU-27 average<sup>7</sup> (EU-27 = 100)**

NUTS code	Name of the region	2016	2017	2018	2016-2018 Average
UKN0	Northern Ireland (UK)	85	87	83	85
UKN06	Belfast	145	140	135	140
UKN07	Armagh City, Banbridge and Craigavon	78	73	71	74
UKN08	Newry, Mourne and Down	74	70	67	70
UKN09	Ards and North Down	58	54	52	55
UKN0A	Derry City and Strabane	58	75	73	69
UKN0B	Mid Ulster	93	88	86	89
UKN0C	Causeway Coast and Glens	68	65	61	65
UKN0D	Antrim and Newtownabbey	94	90	86	90
UKN0E	Lisburn and Castlereagh	89	84	81	85
UKN0F	Mid and East Antrim	98	82	66	82
UKN0G	Fermanagh and Omagh	80	77	74	77

- (13) Therefore, a maximum aid intensity of 15% applies in all NUTS 3 regions of Northern Ireland, except for the NUTS 3 region of UKN06 Belfast, in accordance with paragraph 182(4) of the RAG. As regards UKN06 Belfast, the notified map includes an aid intensity of 10% with respect to that area, which the Commission accepts, as it corresponds to the lowest aid intensity laid down in paragraph 182 of the RAG and can thus apply regardless of whether the criteria in paragraph 182(4) (or paragraphs 182(1) or 182(2)) of the RAG are met for that area.

<sup>6</sup> For example: Commission decision of 15 December 2021 in case SA.100245 (2021/N) - Regional aid map for Sweden (1 January 2022 – 31 December 2027), available at: [https://ec.europa.eu/competition/elojade/isef/case\\_details.cfm?proc\\_code=3\\_SA\\_100245](https://ec.europa.eu/competition/elojade/isef/case_details.cfm?proc_code=3_SA_100245);

Commission decision of 27 January 2022 in case SA.100273 (2021/N) - Regional aid map for the Netherlands (1 January 2022 – 31 December 2027), available at: [https://ec.europa.eu/competition/elojade/isef/case\\_details.cfm?proc\\_code=3\\_SA\\_100273](https://ec.europa.eu/competition/elojade/isef/case_details.cfm?proc_code=3_SA_100273);

Commission decision of 18 March 2022 in case SA.101134 (2021/N) – Amendment to the Regional aid map for Italy (1 January 2022 – 31 December 2027), available at: [https://ec.europa.eu/competition/elojade/isef/index.cfm?fuseaction=dsp\\_result&policy\\_area\\_id=3](https://ec.europa.eu/competition/elojade/isef/index.cfm?fuseaction=dsp_result&policy_area_id=3).

<sup>7</sup> NUTS 2 level: source Eurostat; NUTS 3 level: calculated data for the purposes of this Decision.

### **3.3 Increased aid intensities for SMEs**

- (14) In accordance with paragraph 186 of the RAG, the maximum aid intensities can be increased by 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 as defined in paragraph 19(18) of the RAG.

### **3.4 General conclusion**

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

## **4. CONCLUSION**

- (16) The Commission has accordingly decided:
- to approve the regional aid map of Northern Ireland set out in the Annex for the period from 1 January 2022 until 31 December 2027, as it fulfils the conditions laid down in the RAG, 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.101066 (2021/N)

### Guidelines on regional State aid (OJ C 153, 29.04.2021, p.1.)

#### NORTHERN IRELAND - 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 <sup>8</sup>
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#### Non-predefined 'c' areas

NUTS Code	Name of NUTS region	Maximum aid intensities (large enterprises) 1.1.2022-31.12.2027
<b>UKN0</b>	<b>NORTHERN IRELAND</b>	
UKN06	Belfast	10%
UKN07	Armagh City, Banbridge and Craigavon	15%
UKN08	Newry, Mourne and Down	15%
UKN09	Ards and North Down	15%
UKN0A	Derry City and Strabane	15%
UKN0B	Mid Ulster	15%
UKN0C	Causeway Coast and Glens	15%
UKN0D	Antrim and Newtownabbey	15%
UKN0E	Lisburn and Castlereagh	15%
UKN0F	Mid and East Antrim	15%
UKN0G	Fermanagh and Omagh	15%

<sup>8</sup> 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.