

EUROPEAN COMMISSION

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Subject: State aid SA.109212 (2023/N) – Portugal Amendment to the Regional aid map for Portugal (1 January 2022 – 31 December 2027) for the period 1 January 2024 to 31 December 2027 (mid-term review)

Excellency,

1. **PROCEDURE**

(1) The Commission approved the regional aid map for Portugal for the period from 1 January 2022 to 31 December 2027 (hereinafter 'regional aid map for Portugal') by Commission decision of 8 February 2022 (¹) (hereinafter 'initial Decision'). The regional aid map for Portugal was subsequently amended, as approved by Commission decision of 27 April 2023 (²) (hereinafter 'first amendment').

S. Ex.^a o Ministro dos Negócios Estrangeiros João Gomes Cravinho Palácio das Necessidades Largo do Rilvas 1399-030 Lisboa PORTUGAL

Commission Decision C(2022) 601 final, in case SA.100752 (2022/N) – Portugal – Regional aid map for Portugal (1 January 2022 – 31 December 2027) (OJ C 82, 18.2.2022, p. 12), available at: https://competition-cases.ec.europa.eu/cases/SA.100752.

^{(&}lt;sup>2</sup>) Commission Decision C(2023) 2675 final, in case SA.106697 (2023/N) – Portugal – Amendment to the Regional aid map for Portugal (1 January 2022 – 31 December 2027) – increased aid intensities for

- (2) Pursuant to paragraph 194 of the Guidelines on Regional State Aid (³) (hereinafter 'RAG'), the Commission published on 2 June 2023 a Communication amending paragraph 188, Annexes I and IV to the RAG regarding the mid-term review of the regional aid maps for the period 1 January 2022 to 31 December 2027 (the 'Communication') (⁴) that sets out the details of the mid-term review. Pursuant to paragraph 10 of the Communication, Member States that intend to amend their regional aid maps following the mid-term review are invited to notify the Commission of those amendments pursuant to Article 108(3) of the Treaty on the Functioning of the European Union ('TFEU') before 15 September 2027 and are not mandatory.
- (3) By electronic notification dated 1 September 2023, registered at the Commission on the same day (Ares(2023)5957925), the Portuguese authorities notified a second amendment to the regional aid map for Portugal (hereinafter 'second amendment') in the context of that mid-term review.

2. DESCRIPTION OF THE NOTIFIED AMENDMENT TO THE REGIONAL AID MAP

(4) In their notification, the Portuguese authorities propose to increase the aid intensity in the NUTS 2 region of PT30 Região Autónoma da Madeira. Under the regional aid map for Portugal as approved by the initial Decision, the NUTS 2 region of PT30 Região Autónoma da Madeira was identified as an area eligible for regional aid under Article 107(3), point (a), TFEU (hereinafter "a' area'). This identification was based on the fact that, pursuant to paragraph 159, point (2) RAG, the Região Autónoma da Madeira constitutes an outermost region within the meaning of Article 349 TFEU and paragraph 19, point (21) RAG. In line with paragraphs 179, point (3) and 180 RAG, the initial Decision established a maximum aid intensity of 40 % for the NUTS 2 region of PT30 Região Autónoma da Madeira, on the basis that the Região Autónoma da Madeira constituted an outermost region and its gross domestic product ('GDP') per capita was 76 % of the EU-27 average. As set out in paragraph 13 of the Communication and shown in Table 1, GDP per capita in the NUTS 2 region of PT30 Região Autónoma da Madeira has fallen below 75 % of the EU-27 average.

NUTS Code	Name of NUTS region	GDP per capita 2016-2018	GDP per capita 2019-2021		Proposed maximum aid intensity
PT30	Região Autónoma da Madeira	76.00	71.67	40 %	50 %

Table 1: Proposed higher maximum aid intensity established in accordance with paragraphs 179 and 180 RAG in an 'a' area $\binom{5}{7}$

territories identified for support from the JTF (OJ C 195, 2.6.2023, p. 14), available at: https://competition-cases.ec.europa.eu/cases/SA.106697.

- (³) OJ C 153, 29.04.2021, p.1.
- (4) Communication from the Commission (2023/C 194/05) amending paragraph 188, Annexes I and IV to the Guidelines on regional State aid regarding the mid-term review of the regional aid maps for the period 1 January 2022 to 31 December 2027 (OJ C 194, 2.6.2023, p. 13).
- (⁵) The aid intensity applies to large enterprises and can be increased for small and medium-sized enterprises in accordance with recital (12) of the initial Decision.

- (5) Consequently, in application of paragraph 180 RAG and paragraphs 11 and 13 of the Communication, Portugal proposes to increase the maximum aid intensity for the NUTS 2 region of PT30 Região Autónoma da Madeira from 40 % to 50 % for the period from 1 January 2024 to 31 December 2027.
- (6) Portugal proposes no other modifications to its regional aid map as approved by the initial Decision and the first amendment (⁶).
- **3. Assessment**

3.1. The proposed higher maximum aid intensity established in accordance with paragraphs 179 and 180 RAG in an 'a' area

- (7) Paragraph 179, point (3) 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 %. Paragraph 180 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.
- (8) The NUTS 2 region of PT30 Região Autónoma da Madeira is designated as an 'a' area in the regional aid map for Portugal, and is an outermost region as referred to in Article 349 TFEU. Under the regional aid map for Portugal as approved by the initial Decision, the maximum aid intensity for large enterprises in the NUTS 2 region of PT30 Região Autónoma da Madeira is 40 %, following the application of an increase of the aid intensity established based on paragraph 179, point (3) RAG by 10 percentage points from 30 % to 40 % in accordance with paragraph 180 RAG.
- (9) Paragraph 13 of the Communication lists PT30 Região Autónoma da Madeira as a NUTS 2 region that can be proposed for a higher maximum aid intensity. According to Eurostat data for the period 2019-2021, the GDP per capita of PT30 Região Autónoma da Madeira has decreased to 71.67 % of the EU-27 average, as shown in Table 1 and in Annex 1 to the Communication. This decrease entitles the region to a higher maximum aid intensity established in paragraph 179, point (3) RAG may be increased by 20 percentage points from 30 % to 50 % in accordance with paragraph 180 RAG. Therefore, the increase of the maximum aid intensity for PT30 Região Autónoma da Madeira, as proposed by the Portuguese authorities, from 40 % to 50 % in the period from 1 January 2024 to 31 December 2027 is in line with the provisions of the RAG and the Communication.
- (10) The Commission notes that all other conditions set out in the initial Decision and in the first amendment remain unchanged.

3.2. General conclusion

(11) In view of the above, the Commission takes the view that the second amendment to the Portuguese regional aid map for the period from 1 January 2024 to 31 December 2027, as notified by the Portuguese authorities, is in line with the RAG.

^{(&}lt;sup>6</sup>) The first amendment did not concern PT30 Região Autónoma da Madeira.

4. CONCLUSION

- (12) The Commission has accordingly decided:
 - to approve the amendment to the Portuguese regional aid map for the period from 1 January 2024 to 31 December 2027 as set out in the Annex, which includes all designated areas approved in the initial Decision and in the first amendment, as it fulfils the conditions laid down in the Guidelines on Regional State Aid, as adopted on 19 April 2021, and the Communication amending paragraph 188, Annexes I and IV to the Guidelines on Regional State Aid.

The full text of this letter in the authentic language will be published on the following Internet site: <u>https://competition-cases.ec.europa.eu/search?caseInstrument=SA</u>.

Yours faithfully,

For the Commission

Didier REYNDERS Member of the Commission

ANNEX to the decision on case SA.109212 (2023/N)

Guidelines on regional State aid

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

PORTUGAL - Amended regional aid map applicable from 01.01.2024 to 31.12.2027

Zone Code	Zone Name	Maximum aid intensities
		applicable to regional aid
		granted to large enterprises $(^7)$

'a' areas

NUTS code	Name of NUTS region	Maximum aid intensity (large enterprises)	
		1.1.2024 - 31.12.2027	
PT11 Norte (partially: excluding 1308 Matosinhos)		30 %	
PT11 Norte (partially: only 1308 Matosinhos)		40 %	
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	40 %	
PT16J	Beiras e Serra da Estrela	40 %	
PT18	Alentejo		
PT181	Alentejo Litoral	40 %	
PT184	Baixo Alentejo	30 %	
PT185	Lezíria do Tejo	30 %	
PT186	Alto Alentejo	40 %	
PT187	Alentejo Central	30 %	
РТ20	Região Autónoma dos Açores	50 %	
РТ30	Região Autónoma da Madeira	50 %	

⁽⁷⁾ 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)	
		1.1.2024 - 31.12.2027	
PT150	Algarve (partially)	15 %	
	Only the following parts of the NUTS 3 region are eligible as non-predefine Alferce, Boliqueime, Cachopo, Ferreiras, Loulé (São Clemente), Loulé (São Monchique, Paderne, Pechão, Quelfes, São Bartolomeu de Messines, São M freguesias de Algoz e Tunes, União das freguesias de Conceição e Estoi, Va	Sebastião), Mexilhoeira Grande, arcos da Serra, União das	
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.		