



EC Consultation on the revision of the Minimis Regulation, contribution from the Presidency of the CPMR Islands Commission

\ **Date:** 29 November 2022

\ **To:** European Commission

\ **Areas:** De Minimis, state aid, air transport, maritime transport, competition, SME, enterprise.

\ **Background**

The European Commission has launched a public consultation **until 10 January 2023** at 24:00 to gather the views of stakeholders on the revision of Regulation No 1407/2013 on *de minimis* aid (Art. 107 or 108 TFEU).

https://competition-policy.ec.europa.eu/public-consultations/2022-de-minimis_en#period-of-consultation

\ **Proposal**

The Islands Commission of CPMR **PROPOSES:**

1. That the Explanatory Statements of the new *de minimis* rule expressly refers to the uniqueness of the islands of the EU, considering them as a specific sub-category, as agreed in the paragraph 81 of the European Parliament resolution of 7 June 2022 on EU islands and cohesion policy: current situation and future challenges (2021/2079(INI)).
2. That EU islands should be exempted from the applicable limits of the *de minimis* rule, so that they are less disadvantaged by structural and economic problems arising from their dependence on maritime and air transport, as set out under the provision of Article 91 of the Treaty on the Functioning of the European Union, as well as paragraph 83 of the European Parliament resolution of 7 June 2022 on EU islands and cohesion policy: current situation and future challenges (2021/2079(INI)).

If it is not possible to exempt island regions from the *de minimis* ceilings, the following measures are proposed:

3. Raise the ceiling for *de minimis* aid that a single company can receive from the Member State over a three-year period to EUR 500,000 based on both past and forecast inflation.
4. That the maritime transport of goods, in the industrial field, from or to island regions to a mainland port should have a special *de minimis* aid scheme for these specific eligible costs.

In other words, what this aid for the maritime transport of industrial goods does, is to bring the islands closer to the mainland, thus allowing an open and competitive market, with mutual benefits, both for mainland companies and suppliers, as well as for island companies.

The fact that these companies have to share the ceiling of the accumulated *de minimis* aid for maritime freight transport with other types of aid lines in the regulation, such as industrial modernisation, digitalisation or the equivalent gross subsidy of loan lines, interest subsidies, guarantees, sureties and the like, encourages relocation to the mainland and may generate undesirable effects.

It is therefore proposed that island companies may additionally claim a *de minimis* aid amount of EUR 500,000 per year for the specific costs of sea freight to or from a mainland.

It is also proposed that those companies that do not use the cumulated aid under the first paragraph in other aid lines could also use it in the second paragraph.

5. At island level, and due to the agri-food industry's strong dependence on the components/ingredients and supplies necessary for both first and second processing - which has been demonstrated by the studies available - and the excessive burden on the agri-food industry of going to the mainland for ordinary business, it is requested that the derogation in Article 1(1)(c) of Regulation No 1998/2006 should not apply to the aid lines for the specific costs of maritime freight to or from a mainland port.

Further, it is proposed:

6. that the concept of "related undertaking" as a single undertaking laid down in Regulation (EU) No 1407/2013 should not apply to companies with industrial establishments located in island territories, in the context of the goods clearing procedure.