

Revision of the *de minimis* Regulation

Contribution from Portugal

10 January 2023

Portugal welcomes and thanks the Commission for the proposal on the revision of the *de minimis* Regulation.

Although the proposed ceiling to €275,000 has taken inflation into account for the period 2014-2030, our opinion is that the current economic environment, including the effects of the COVID and energy crisis, widespread inflation and rising interest rates should be accounted for.

As such, the general threshold should be raised up to 500000 euros, with a proportional increase in the thresholds on loans and guarantees.

Considering that outermost regions are more clearly affected by all the above-mentioned conditions due to their location and specific constraints, a different threshold should apply for those regions.

We wish to highlight that the *de minimis* aid is one of the main tools for the modernisation and competitiveness of these Region's economies which is made up mostly by micro and small enterprises. This aid is essential for job creation and investments in priority areas such as tourism, transport, innovation, and access to new technologies.

Undertakings in the Outermost Regions are active in the local market, characterised by small production and low economies of scale, with higher production costs than the other European counterparts. Given that these undertakings operate in small and distant markets, the risk of distortion of competition generated by the granting of aid is very marginal.

For all these reasons, we propose a derogation for outermost regions with an exceptional increase in the threshold up to 800000 euros.

We support the setting up of a central register, having a national register in place. However, in this respect, we invite the Commission to share its opinion on the following questions:

i) Our Authorities experience significant difficulties in checking the criteria applicable to the definition of single undertaking (article 2,2), due to contradictory declarations from beneficiaries. We kindly ask the Commission to validate our understanding that all linked enterprises with SME certification can be seen as "single undertakings" as this interpretation would considerably streamline our internal procedures. If this is not correct, could the Arachne or Orbis databases be used as alternatives?

ii) Often, undertakings receive de minimis aid for several aid categories. In our opinion it would be advisable to have a single register including all categories of de minimis aid (i.e, general de minimis aid plus agriculture, fisheries, and aquaculture). Does the Commission agree with this view?