

## COMP A3 PUBLIC CONSULTATION

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**Sent:** Tuesday, January 10, 2023 4:07 PM  
**To:** COMP A3 PUBLIC CONSULTATION <COMP-A3-PUBLIC-CONSULTATION@ec.europa.eu>  
**Cc:** COMP STATE AID GREFFE <Stateaidgreffe@ec.europa.eu>  
**Subject:** HT.5647\_Reply\_from\_a\_public\_authority

Dear colleagues,

European economic integration, through the Common Market, is arguably one of the most remarkable economic developments in history. Free trade within the European Union has not only allowed our societies to develop and grow in recent decades, but has also brought them together. State aid rules are one of the main tools to maintain a level playing field within the Common Market, and they are necessary to avoid competitive disadvantages that distort the Union.

Despite this, today there are still disadvantaged territories in the European Union with regard to access to the Common Market. For some of them, there are still barriers, not tariff barriers, but geographical barriers. This is the case of EU islands.

The physical and geographical characteristics of islands produce obvious imbalances for companies residing on them. For example, a company based on an island is bound to incur higher costs when importing or exporting products than a company located on the mainland. This is not only a comparative disadvantage for European island economies, but also a distortion of the Common Market's remit. This disadvantage is contributing to a worrying process of de-industrialization of European island economies.

This inequality could be eliminated if EU state aid rules were more flexible towards island-based companies. One concrete solution would be to remove, for companies based on an island, the ceiling of EUR 200,000 of the *de minimis* aid that they can receive per Member State over a three-year period. The ceiling set by the current Regulation does not cover the comparative disadvantage suffered by these companies compared to companies located on the mainland due to their dependence on sea and air transport.

In view of the renewal of Commission Regulation (EU) No 1407/2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid, I request, as a Member of the European Parliament from the Balearic Islands (Spain), the removal of this ceiling for companies based on EU islands. We suggest the following changes to the Regulation:

### **1. New recital:**

In order to reduce the competitive disadvantage of geographically isolated territories in the Common Market and thus contribute to further European economic integration and cohesion, this Regulation should not apply to those companies based on islands and which, in order to import and export products within the Common Market, rely exclusively on sea and air transport.

### **2. Addition to Article 1:**

(f) aid granted to enterprises operating from an island.

### **3. Addition in Article 2; definition of "island":**

"island" means an inhabited territory of the European Union geographically isolated by the sea and without any land connection (including bridges) with the mainland.

Best regards,

**Eurodiputada Alícia HOMS**

Grupo S&D en el Parlamento Europeo

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