



Ministry of Enterprise and Innovation
Department for Business,
Division for Markets and Competition

European Commission
Directorate-General for Competition
State Aid Registry

Comments on transparency

In the ongoing review of the regional aid guidelines (RAG), the Commission has proposed to remove the threshold of 500 000 euro and to require all individual state aid awards under the guidelines to be reported for transparency on a comprehensive state aid website. The Commission has also expressed that the requirements on transparency are intended to be the same for all guidelines under review and for the GBER, meaning that future proposals on transparency will be based on the requirements of the RAG. The Swedish Government has commented on the transparency-requirements in the open consultation of the RAG. Since the implications of the proposal go beyond the RAG, we also wish to express our concerns relating to all granted state aid.

The Swedish Government supports efforts to increase the transparency of granted state aid. Reporting individual aid for transparency should however remain primarily an instrument for transparency regarding significant amounts of aid that have a potential effect on competition on the internal market. Data on state aid for statistical or analytical purposes does not need to include the same level of information on individual undertakings and could be collected in a manner that creates less administrative burden on granting authorities and undertakings receiving aid.

If no thresholds are given or if a new threshold is set too low, we see a risk of Member States finding it necessary to define – for schemes with a large number of beneficiaries receiving low amounts of aid – at what level the aid can have an effect on the internal market and thereby be considered to involve state aid. Aid schemes containing such definitions might also be notified to the Commission for legal certainty of the low amounts of aid

being considered as non-aid measures. Such an evolution could risk counteracting one of the key objectives of the state aid modernisation work, namely, to focus resources on cases with the biggest impact on the internal market. It would be much easier if the Commission sets a reasonable threshold per undertaking and aid scheme under which aid awards do not need to be reported.

Sweden has so far granted less than 3 000 aid awards annually that are included in the TAM database. For comparison, the different aid schemes within energy and carbon dioxide taxation in Sweden alone amounts to decisions for 130 000 undertakings annually. This includes awards of very low amounts even when annually cumulated per undertaking. If there was no threshold for reporting transparency, all awards would need to be included unless if some of them are considered to be non-aid. It is questionable whether reporting of all awarded aid in fact increases the transparency for all parties to be able to check whether an aid is granted in compliance with the applicable rules. The mere quantity of data regarding aid with little significance for competition on the internal market could make it more difficult to identify the more distorting aid.

Reporting all aid for transparency would also encompass aid in the form of tax reductions or other benefits directed at entire sectors, such as aid in kind or through subsidized services. Many of these aid awards are at low levels. The process of collecting transparency data – especially information on applicable NUTS region and NACE code – means a significant increase in administration for this type of aid, where i.a. most tax filings would need to include this data. This means an increase in administration not only for the agencies, but also for a significant amount of undertakings, whose individual data currently is not required to be published in the database due to the thresholds.

Current reporting by Swedish authorities usually requires manual data input or at least manual control of data. This translates to approximately 5-10 minutes of work per reported aid, not counting administration required to identify or collect the information (total administration has by some agencies been estimated at 50-60 minutes per reported aid). At the present level, only a couple of aid granting authorities have more than 50 aid awards annually over the 500 000 euro threshold. This means that manual reporting for

transparency is a manageable task. If reporting is extended to all aid awards, this data input would be unsustainable.

The conclusion of the Swedish Government is that reporting all awarded aid for transparency does not have benefits proportional to the increased administrative burden upon undertakings and agencies. Even if many agencies were to transition to be reporting in bulk or machine-to-machine, there would still be a considerable administration involved.

We also recognize that it would be positive for the threshold for transparency to be at a level where the Commission can be confident that, even cumulatively, aid awards under the threshold do not in any significant way affect competition on the internal market. The Swedish Government believes this would be accomplished with a threshold of 200 000 euro.

[signed]