**State aid – review of rules on exemptions for small amounts of aid (*de minimis aid*) in agriculture**

Contribution from **Portugal**

PT wishes to thank the Commission for the draft proposal concerning the revision of Regulation (EU) 1408/2013 (de minimis aid on agricultural sector).

We do not agree with the proposed increase in the agricultural *de minimis* threshold.

Although we understand that the *de minimis* agricultural aid Regulation is not a crisis instrument, we consider that this solution must be reflected within the CAP, as the repeated granting of aid by some Member States, namely through crisis instruments, tends to distort the Internal Market eroding, in the long term, the common character of the CAP

On the contrary, concerning outermost regions (ORs), we regret that this review does not include the adoption of a higher de minimis threshold for these regions as has been consistently requested by them.

As recognized in article 349 of the TFEU, the structural social and economic situation of the ORs is further aggravated by their great remoteness, insularity, small surface area, difficult terrain and climate and their economic dependence on a small number of products, factors whose persistence and mutual reinforcement seriously harm their development.

Those structural constraints determine additional costs and a deficit in competitiveness and accessibility that permanently affect any economic agents operating in the ORs, imposing on them a severely diminished and conditioned competitive capacity.

The proposed *de minimis* threshold (37,000 euros per company and for 3 years) must be doubled, that is, to 74,000 euros per company and for 3 years, in the case of agricultural companies based and operating in the ORs. It is our understanding that the constraints affecting these regions, recognized in article 349 of the TFEU, justify the adoption of this differentiated threshold, ensuring, at the same time, that trade between Member States is not affected and that there is no risk of distortion of the competition.