Contribution ID: 0cf26a31-52fd-4534-a839-a69e70ee2fce
Date: 15/09/2023 07:44:09

TCTF Survey for Member States 2023

Fields marked with * are mandatory.

TCTF Survey for Member States 2023

Introduction

In the Temporary Crisis and Transition Framework (TCTF), the Commission noted that the unprovoked and unjustified military aggression against Ukraine by Russia and its direct and indirect effects created significant economic uncertainties, disrupted trade flows and supply chains and led to exceptionally large and unexpected price increases, especially in natural gas and electricity, but also in numerous other input and raw materials and primary goods. The Commission considered that these effects taken together had caused a serious disturbance of the economy in all Member States, justifying the application of Article 107 (3)(b) TFEU.

The Union responded to these challenges, including through the Green Deal Industrial Plan and the REPowerEU Plan that set a path out of the crisis by making the EU economy more energy-efficient, accelerating the roll-out of renewable energy (including through faster regulatory permitting procedures) and diversifying Europe's energy supplies. This has helped the Union to reduce the economic impact of the current crisis.

The Commission's Spring 2023 Economic Forecast shows a markedly improved economic outlook, in particular as regards energy prices. It notes that gas storage levels are at comfortable levels and risks of shortages during next winter have considerably abated. Further supply diversification and the accelerated increase in renewable power generation are expected to allow the Union to continue replacing fossil-based sources, including gas, while reducing the likelihood of renewed price pressures similar to the levels experienced in 2022. In addition, there are increasing concerns that heightened public spending may undermine the central banks' efforts to tame inflation.

In its recent Competition Policy Brief, DG Competition published data on the use made by Member States in 2022 of measures approved under the Temporary Crisis Framework and in line with its principles, based on a survey of Member States. The data shows an uneven use of the crisis measures across Member States, both in absolute and relative terms, indicating the difference in overall levels of support available in different Member States.

The economic outlook provides an indication that the serious disturbance of the economy is abating – and with it the need for the existing exceptional crisis response in the field of State aid control. At this stage it therefore seems that the timeframes provided in the different sections of the TCTF in its current form since the last amendment in March 2023, and in particular the phase-out of the measures based on Article 107(3)

(b) TFEU by 31 December 2023, cover the time required to address the objectives of this instrument as intended. Any changes for the current phase-out plan would require solid justification.

Obviously, the Commission recognises that the overall situation remains uncertain, and it is constantly monitoring economic developments. The Commission stands ready to swiftly respond in the event of any new crisis situation threatening to create a new serious disturbance. Since the beginning of the COVID-19 pandemic in 2020, the Commission has shown that the flexibility provided by the State aid rules in the Treaty can be used quickly, if required.

Besides the immediate crisis response, the Commission recognised the need to accelerate the roll-out of renewable energy and storage, decarbonisation measures as well as investments in certain key sectors to address dependencies especially on fossil fuel imports and contribute to the transition towards a net-zero emissions economy. To achieve these objectives, the Commission has developed the TCTF with the last amendment in March 2023 into a transition framework, where certain tools are available beyond the end of this year. In particular, Sections 2.5, 2.6 and 2.8 TCTF, adopted on the basis of Article 107(3)(c) TFEU, enable Member States to accelerate the roll-out of renewable energy and storage, decarbonisation measures as well as investments in certain key sectors for the green transition. There rules are currently scheduled to remain in place at least until the end of 2025 and the Commission at this stage does not see any immediate need to revise this timing.

Indeed, in parallel to the State aid crisis and transition measures under the TCTF, the Commission has announced, in its Communication on the mid-term revision of the MFF 2021-2027 of 20 June 2023, that it envisages a more structural response by means of the new Strategic Technologies for Europe Platform (STEP) and that to this purpose it will “consult Member States on a proposal to enable higher rates of aid via a bonus for projects within the scope of STEP in assisted regions to spur further economic development, while preserving cohesion objectives”. STEP will reinforce and leverage existing EU instruments for a quick deployment of financial support. The EU has several funds and programmes on- and off-budget to provide support to clean tech, biotech and digitalisation. These instruments include, in particular, the Innovation Fund, InvestEU, Horizon Europe, the European Defence Fund, the Recovery and Resilience Facility and cohesion policy funds.

Against this background, the Commission services seek the view of Member States especially on the following issues:

- Whether there is any concrete evidence of a continued serious disturbance in the economy justifying the application of Article 107(3)(b) TFEU?
- If so, whether the liquidity measures in Sections 2.1, 2.2 and 2.3 TCTF would still be appropriate to remedy such a serious disturbance, and under which conditions?
- Seek confirmation that the specific energy measures in Sections 2.4 and 2.7 TCTF are no longer needed in their current form beyond 31 December 2023.
- The proposal for a bonus for projects within the scope of STEP in assisted regions.

The deadline to submit the answers to the survey is 15 September (close of business). Please submit one consolidated contribution per Member State. Considering that EUSurvey allows up to 5,000 characters per cell, we encourage you to summarise your contribution in the questionnaire and if necessary to upload a file

with a longer contribution in the last section of the questionnaire [Other comments and evidence].

The information collected is for the Commission's use. The results of the analysis may be used in official statements.

Identification of the respondent

* EU Member States / EFTA

- ( ) Austria
- ( ) Belgium
- ( ) Bulgaria
- ( ) Croatia
- ( ) Cyprus
- ( ) Czechia
- ( ) Denmark
- ( ) EFTA Surveillance Authority
- ( ) Estonia
- ( ) Finland
- ( ) France
- ( ) Germany
- ( ) Greece
- ( ) Hungary
- ( ) Iceland
- ( ) Ireland
- ( ) Italy
- ( ) Latvia
- ( ) Liechtenstein
- ( ) Lithuania
- ( ) Luxembourg
- ( ) Malta
- (•) Netherlands
- ( ) Norway
- ( ) Poland
- ( ) Portugal
- ( ) Romania
- ( ) Slovak Republic
- ( ) Slovenia
- ( ) Spain
- ( ) Sweden

* First name

NL - Interdepartementaal Staatssteun Overleg (ISO)

* Surname

NL - Interdepartementaal Staatssteun Overleg (ISO)

* Organisation name

Ministery of Economic Affairs and Climate Policy

* Email

wjzstaatssteun@minezk.nl

Questionnaire

Continued existence of a serious disturbance of the economy

Sections 2.1, 2.2, 2.3, 2.4 and 2.7 TCTF are based on the application of Article 107(3)(b) TFEU which enables the Commission to declare State aid compatible to “remedy a serious disturbance of the economy” of a Member State.

* Given the markedly improved economic outlook, the increased stabilisation of the energy markets and the reduced volatility in prices, do you consider that your economy will continue to be seriously disturbed by the consequences of the Russian war of aggression against Ukraine beyond 2023?

- ○ Yes
- ◉ No

* If so, please provide concrete evidence of such an actual disturbance currently being observed in your Member State. Please also explain how a potential extension of this part of the TCTF would help to remedy the serious disturbance as demonstrated by the evidence provided.

If not, please, fill with N/A.

5000 character(s) maximum

N/A

Small aid amounts and liquidity support (Sections 2.1 – 2.3 TCTF)

In its current form, the TCTF allows State aid to be granted in the form of limited amounts of aid under its Section 2.1 for undertakings affected by the current crisis. Section 2.2 TCTF allows for the provision of public guarantees and Section 2.3 for the provision of subsidised loans to cover liquidity needs for undertakings affected by the current crisis. All these sections allow for the granting of support until 31 December 2023.

* In case you consider an extension of this part of the TCTF necessary, please explain individually for each of the Sections 2.1 to 2.3: (i) why an extension of the particular provision would be required in light of the evidence provided under Question 1; (ii) for how long an extension would be strictly necessary and why; (iii) which sectors would require such an extension; and (iv) under which terms (including minimum premia /interest rates, given the significant increase in market rates) and other safeguards such an extension should operate

If not, please, fill with N/A.

5000 character(s) maximum

N/A

* Do you plan to make use of the possibility under Section 2.1, point (64) TCTF to convert aid in the form of repayable advances, guarantees, loans or other repayable instruments into other forms of aid such as grants, provided the conversion takes place by 30 June 2024 and the conditions in Section 2.1 are complied with?

- ○ Yes
- ◉ No

* In particular, do your aid schemes under Section 2.1 TCTF contain the conversion possibility under point (64) TCTF, and if not, are you planning to introduce it before the end of 2023?

- ○ Yes
- ◉ No, but I am not planning to introduce it
- ○ No, and I am planning to introduce it

Specific tools to address energy crisis (Sections 2.4 and 2.7 TCTF)

Section 2.4 TCTF provides for income relief to alleviate the consequences of exceptionally severe increases in the price of natural gas and electricity caused by Russia's aggression against Ukraine, as experienced during 2022.

* Against the background of recent economic data, energy price developments and other policies, do you consider that the market prices for gas and electricity are likely to suffer from exceptionally severe increases also for the year 2024?

- ○ Yes
- ◉ No

* If so, for which sectors, or whether the energy prices are expected to reflect world market developments. Please justify your answer with appropriate data.

If no, please, fill with N/A.

5000 character(s) maximum

N/A

Section 2.7 TCTF provides for temporary support to achieve the reduction of electricity consumption covered by Articles 3 and 4 of Regulation (EU) 2022/1854. The Commission Report on the review of emergency interventions reached the preliminary conclusion that, barring unforeseeable changes, the current electricity market conditions do not render such prolongation necessary. This was based on both data collected from the Member States and a public consultation carried out by the Commission, in which stakeholders mentioned in particular that demand reduction targets should only apply in case of crisis, and that demand-response is already sufficiently covered by the current and upcoming electricity market legislation.

* Against that background, do you consider that the incentives for demand reduction in Section 2.7 TCTF are indeed no longer warranted as an exceptional crisis measure?

- (●) Yes
- ( ) No

* If you consider these incentives are nevertheless still warranted, please provide a detailed justification based on concrete evidence.

If no, please, fill with N/A.

5000 character(s) maximum

N/A

Bonus for projects within the scope of STEP in assisted regions

In line with its announcement *"to consult Member States on a proposal to enable higher rates of aid via a bonus for projects within the scope of STEP in assisted regions to spur further economic development, while preserving cohesion objectives"*, the Commission considers that, given the link to assisted areas, the need to preserve cohesion objectives, and since STEP includes manufacturing projects, the most appropriate way to materialise the announced objective would be to amend the Regional Aid Guidelines (RAG), in particular through an amendment of the regional aid maps.

* Do you consider higher rates of aid for STEP projects ('STEP bonus') in assisted areas justified?

- ( ) Yes
- (●) No

* If yes, should the STEP bonus apply both in 'c' areas and in 'a' areas?

- ( ) Yes
- ( ) No
- (●) N/A

What should be the absolute value(s) of the STEP bonus for 'c' areas? (indicative range: [3-5]%)

Only values between 0 and 100 are allowed

0 %

What should be the absolute value(s) of the STEP bonus for ‘a’ areas (indicative range: [7-10]%)

Only values of at most 100 are allowed

0 %

* Should the STEP bonus apply both to large enterprises and to SMEs?

- ○ Yes
- ◉ No

Other comments and evidence

Would you like to raise additional comments and/or provide evidence that the Commission should take into consideration in its reflections on the way forward as regards the phase out of crisis State aid rules?

5000 character(s) maximum

Please find attached the comments of the Dutch authorities.

Please upload your file(s) with a longer contribution.

4a0a64a6-b34f-48b7-acc4-0ab8dc78efdb
/Response_of_the_Dutch_authorities_to_the_TCTF_survey_2023__Annex_.pdf

Background Documents

HT.6323_-_Cover_Letter_to_ESA_and_EFTA_States_EUSurvey_July_2023.docx

HT.6323_-_Cover_Letter_to_MS_EUSurvey_July_2023.docx

Contact

Contact Form