

Prague, 20 March 2013  
Ref. No.: GR/104/2013/EU

Dear Vice-President,

Let me address you with a Joint Memorandum of four leading industrial and business federations of the Central and Eastern Europe on the Guidelines for Regional State Aid for 2014 – 2020 (RAG).

Considering the significance of the RAG for the economic policy of the EU, this memorandum represents a joint contribution of the Confederation of Industry of the Czech Republic (SP), the Polish Confederation of Private Employers (LEWIATAN), the Confederation of Hungarian Employers and Industrialists (MGYOSZ – BUSINESSHUNGARY) and the National Union of Employers of Slovakia (RÚZ) in the public consultation opened by the European Commission.

These four federations have started an initiative on the RAG to realize synergies, promote common goals, have a stronger voice at the national and European levels and strengthen the voice of BUSINESSEUROPE – the Confederation of European Business in this matter. This Memorandum is prepared as a follow-up to the letter of BUSINESSEUROPE Director General Markus J. Beyrer of 8 February 2013 on the ongoing revision of Regional State Aid Rules addressed to you and the Minister of Industry and Trade of the Czech Republic Martin Kuba's bilateral talk with you on this subject.

We consider the following provisions of RAG particularly harmful:

- Reducing the intensity of current regional aid (section 5.4 of the Guidelines);
- Excluding large enterprises from investment aid in the category 'C' areas (section 5.4.2 of the Guidelines and article 10);
- Introducing an obligation to start works on an investment project after an assessment of the presence of the incentive effect of aid is concluded;
- Introducing a large set of procedural requirements (e.g. contra-factual analysis, proof of incentive effect etc.) and stricter assessment rules.



CONFEDERATION OF INDUSTRY OF THE CZECH REPUBLIC

Jaroslav Hanák  
President

Based on arguments stated in the Memorandum we urge the European Commission:

- To maintain the current intensity of regional aid;
- Not to exclude larger enterprises from investment aid in 'C' areas;
- To maintain the current approach to evaluating the presence of the incentive effect allowing starting work on investment projects when a request for the aid to the MS is submitted;
- To simplify procedural requirements by removing article 25, 69, 75 and waiving the obligation of counterfactual scenarios in article 62.

We are of the belief that you take our joint statement into account and remain at your disposal to discuss this matter further.

Yours sincerely,

*on behalf of LEWIATAN (Poland), MGYOSZ – BUSINESSHUNGARY (Hungary) and RÚZ (Slovakia)*

1 enclosure

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