



NOTE

8 October 2021

Danish Government response to the urgent consultation on the 6th amendment of Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak

The Danish Government welcomes the Commission's proposal to a 6th amendment to the Temporary Framework clarifying the Covid-19 state aid regime for 2022 and 2023.

Since its first adoption in March 2020 the Temporary Framework has been a very useful tool in order to cope with the negative impact on the economy and undertakings during the Covid-19 outbreak.

In particular, we welcome the proposal to increase the aid ceiling of the uncovered fixed cost measures to 12 mil. Euro in order to address the prolonged economic effects of the ongoing crisis caused by the long duration of restrictions and former lockdowns.

Please, find below our comments to the draft 6th amendment.

1. Prolongation

The Danish Government accepts a general prolongation of the measures set out in the Temporary Framework until 30 June 2022 while maintaining the objective of returning to the normal state aid regime as soon as the situation allows it.

Furthermore, we agree that it is necessary to enable the conversion of repayable aid instruments into other forms of aid under section 3.1 and section 3.12 of the Temporary Framework until 30 June 2023.

2. Section 3.12 – increased ceiling

We support the proposal for an increase of the aid ceiling in section 3.12 of the Temporary Framework, which enables targeted support to companies that experienced significant turnover losses.

In order to meet the requirements of the companies particularly affected by COVID-19 and the long duration of restrictions and former lockdowns Denmark advocates for an increase of the aid ceiling of Temporary Framework 3.12 with a minimum of 25 pct. so that the aid ceiling corresponds to

the prolongation of the Temporary Framework measures until 30 June 2022.

3. New provisions enabling sustainability investment (TF 3.13) and solvency support (TF 3.14)

We welcome the introduction of the new provisions enabling sustainability investment and solvency support.

The possibility to support private investment as a stimulus to overcome an investment gap accumulated in the economy due to the crisis is very appropriate.

As set out in point 52 of the draft 6th amendment to the Temporary Framework such a stimulus could facilitate the development of certain economic activities or of certain economic areas, and we welcome the fact that the Commission will consider such measures compatible with the internal market under Article 107(3)(c) TFEU if the conditions are met.

We also welcome the possibility to support the economic recovery by strengthening the solvency undertakings, and we find it necessary that the Commission will consider such schemes compatible with the internal market under Article 107(3)(c) TFEU if the conditions are met.

4. Application of article 107(3)(b)

We appreciate the Commission's proposal to clarify and amend the scope of TFEU article 107(3)(b) in the proposed new recital 41.

5. Short-term export-credit insurance (“STEC”)

We support that the Commission will continue to consider all commercial and political risks associated with exports to the countries listed in the Annex to the STEC as temporarily non-marketable until 30 June 2022. Hence, we support the proposal to amend the list of marketable risk countries set out in the Annex to the STEC.

6. Other points – the concept of a single undertaking and increased aid ceiling in Section 3.1

We invite the Commission to include a clarification of the concept and definition of a single undertaking in the revision of the Temporary Framework.

Finally, the Danish Government urges the Commission to increase the aid ceiling in Section 3.1 with a minimum of 25 pct. for the same reasons as mentioned above.