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European Commission DG COMP / UNIT A3

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Contribution to the Public Consultation on the European Commission's proposed revision of the General Block Exemption Regulation ("GBER") for State aid promoting the green and digital transition

The Danish Chamber of Commerce (Dansk Erhverv) welcomes the opportunity to provide input on the European Commission's proposed revision of the General Block Exemption Regulation ("GBER") for State aid promoting the green and digital transition.

General remarks

The Danish Chamber of Commerce strongly supports the Commission's objectives and the aims of both the European Green Deal, and the Industrial and Digital Strategies. The Danish Chamber of Commerce further supports the Commission's initiative to assess whether certain targeted adjustments of the existing GBER for State aid is necessary to promote public funding which contributes to the achievement of current EU priorities, notably the Green Deal and the European Industrial and Digital Strategies, and to ensure that State aid rules reflect the most recent market and technological developments.

While we acknowledge that special care must be taken to ensure that the goals of the European Green Deal as well as the Industrial and Digital Strategies are supported by regulatory measures, we are concerned by the apparent notion, that specific amendments to the GBER are needed to accommodate these goals. Specifically, we are concerned that the proposed changes to the State aid rules will end in protectionism and an inappropriate State aid race both internally in the EU and in relation to third countries, at the same time as larger industrial companies will in effect be protected from competition in the European market. We do not believe this is in the interest of Danish – or European – businesses, as it will affect both consumers and companies inappropriately, risk resulting in a lesser incentive to innovate and generally in a less efficient European economy.

It is the general position of the Danish Chamber of Commerce, that the current State aid rules are flexible enough to allow, facilitate and support the EU priorities mentioned above, while at the same time limiting the negative and distortive effects of State aid.

We are of the opinion that European companies become competitive by ensuring a well-functioning internal market and by using the common trade-defensive instruments, FDI screening and the new initiative around distortive State aid from third countries, to protect European companies from unfair competition by non-European companies. If European companies are to be successful, and preferably large, there must be a large barrier-free domestic market and the opportunity to "scale up" - we must not imitate certain third countries and try to politically state-create success or allow huge industrial monopolies - better framework conditions and competition is the key.

The Danish Chamber of Commerce is therefore very sceptical of any initiative which extends the current reach or criteria of what may constitute legal State aid. To single out or define specific projects, initiatives, or companies as especially beneficial or worthy of State aid, thereby allowing for easier assess or reduced criteria to such projects or initiatives, is a slippery slope which we do not support.

Similarly, we are very concerned by any amendments or changes to the current State aid rules, which may widen the scope for what member states may legally provide to national companies in terms of State aid. State aid must be granted based on fair and equal terms, to ensure that the State aid rules are not misused or exploited for national goals and protectionist purposes.

The Danish Chamber of Commerce do however firmly support a simplification of both the text and the application process of the current State aid rules, as it is our experience that many small-and medium sized enterprises avoid applying for State aid schemes, including risk finance opportunities, due to high administrative costs.

Consequently, the EU should strive to ease bureaucracy and make it as easy as possible for SMEs to apply for and use State aid.

The Danish Chamber of Commerce welcomes the references being made to Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (the "EU Taxonomy"), and stresses the importance of ensuring that investments exempt under the GBER, must – where relevant – be in activities demonstrated to be – or become, following the investment – environmentally sustainable in accordance with the EU Taxonomy.

Finally, the Danish Chamber of Commerce notes that the GBER is an accompanying measure to the revisions of State aid guidelines already in process within the specific areas. Consequently, reference is made to our previous contributions on the relevant areas, including our contribution on the Commissions Competition Policy supporting the Green Deal dated 12 November 2020, as well as our contribution to the European Commission's roadmap on the modification of the General Block Exemption Regulation for the Green Deal and the Industrial and Digital Strategies dated 26 March 2021.

Specifically concerning aid for environmental protection and energy

Reference is made to our previous contribution to the Commissions public consultation on the proposed revision of the Guidelines on State aid for environmental protection and energy ("Energy and Environmental State aid guidelines" or "EEAG") dated 4 December 2020 (in Danish).

Specifically concerning aid for risk finance investment

Reference is made to our previous contribution to the European Commission's roadmap on the State aid rules on risk finance for SMEs dated 12 January 2021.

Specifically concerning aid for research, development and innovation

Reference is made to our previous contribution to the European Commission's roadmap on the review of the Framework for State aid for research and development and innovation dated 12 January 2021.

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The Danish Chamber of Commerce will of course be available for further consultations as the need may arise and will also be happy to elaborate on the points made in the contribution, as well as engage in further discussion if needed.

Best regards,

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