



EUROPEAN COMMISSION

Brussels, 28.9.2021
C(2021) 7139 final

SENSITIVE*: *COMP Operations*

Subject: State Aid SA.64092 (2021/N) – Romania – COVID-19: Aid to airlines at Maramureş International Airport

Excellency,

1. PROCEDURE

- (1) Following pre-notification contacts, on 23 September 2021, the Romanian authorities notified to the Commission, in accordance with Article 108(3) of the Treaty of the Functioning of the European Union (TFEU), an aid scheme supporting airlines at Maramureş International Airport (“the scheme” or “the measure”) under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak (“the Temporary Framework¹”).
- (2) Romania exceptionally agrees to waive its rights deriving from Article 342 of the Treaty on the Functioning of the European Union (“TFEU”), in conjunction with

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¹ Communication from the Commission – Temporary framework for State aid measures to support the economy in the current COVID-19 outbreak, OJ C 91I, 20.3.2020, p. 1, as amended by Communication from the Commission C(2020) 2215 final of 3 April 2020 on the Amendment of the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, OJ C 112I, 4.4.2020, p. 1, by Communication from the Commission C(2020) 3156 final of 8 May 2020 on the Amendment of the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, OJ C 164, 13.5.2020, p. 3, by Communication from the Commission C(2020) 4509 final of 29 June 2020 on the Amendment of the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, OJ C 218, 2.7.2020, p. 3, by Communication from the Commission C(2020) 7127 final of 13 October 2020 on the 4th Amendment of the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, OJ C 340I, 13.10.2020, p. 1 and by Communication from the Commission C(2021) 564 final of 28 January 2021 on the 5th Amendment of the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak and amendment to the Annex to the Communication from the Commission to the Member States on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to short-term export-credit insurance OJ C 392, 19.12.2012, p. 1-7.

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Article 3 of Regulation 1/1958², and to have this Decision adopted and notified in English.

2. DESCRIPTION OF THE MEASURE

2.1. Objective and justification of the measure

- (3) As a result of the COVID-19 pandemic, Romania implemented certain restrictive measures in order to limit the spread of the virus. The measures were put in place gradually as of March 2020, as further explained below.
- (4) On 16 March 2020, Romania declared the state of emergency in the country and the majority of business and social activities including travelling were prohibited. On 29 March, 4 and 16 April, by respective military ordinances, Romania reinforced the ban on international travel already in place by imposing additional flight suspensions to all flights by all air carriers. The flight restrictions did not apply to flights performed by State aircraft, cargo and mail flights, humanitarian or providing emergency medical services, technical services, and non-commercial technical landings.
- (5) On 18 May 2020 the Romanian government agreed on the introduction of a state of alert, which is still in force at the moment of the notification of the scheme³. Regarding aviation, flights were resumed from 23 June 2020 at all airports in Romania to and from the countries subject to the exception of the quarantine/isolation, according to the Romanian green list, updated weekly⁴. Due to the suspension of flights, temporarily closed borders and travel restrictions there has been a serious negative effect on the connectivity of the country with European countries and the rest of the world.
- (6) After the lockdown of the country for the period from mid-March 2020 to mid-June 2020, a second partial lockdown from November 2020 to February 2021, further restriction and closures between mid-March 2020 and mid-May 2020, and the currently in force state of alert have substantially affected the activity among others of Maramureş International Airport and consequently the airlines operating in that airport (see section 2.1.1 below).
- (7) Airports in Romania were allowed to resume operations on 23 June 2020 but the lifting of the restrictive measures on flights has been gradual and passenger traffic is still limited. The primary requirement for the resumption of flights remains an improved epidemiological situation and the adoption of complementary measures to ensure health safety.

² Regulation No 1 determining the languages to be used by the European Economic Community, OJ 17, 6.10.1958, p. 385.

³ The state of alert on the entire national territory of Romania was extended for a period of 30 days, until 9 October 2021, approved by the Decision no. 67/09.09.2021 of the National Committee for Emergency Situations.

⁴ Available at <http://www.cnsct.ro/index.php/liste-zone-afectate-covid-19>.

2.1.1. Maramureş International Airport

- (8) Maramureş International Airport is located in Tăuții Magherăuș, approximately 10 kilometres from the city of Baia Mare, in the Maramureş County. Between 2016 and 2019, several investment projects were carried out at the Maramureş International Airport, including the extension and modernization of certain airport areas, the runway's length and the width was increased to also operate medium-sized courier aircrafts. The passenger and service platform as well as the water and sewerage network were also renovated, and beaconing works were carried out. During this period of time, all operations at Maramureş International Airport were suspended. After the completion of the investment projects, Maramureş International Airport resumed operations in 2019 for only a few months before the COVID-19 restrictions entered into force. Its activities remained limited due to the low air passenger volumes.
- (9) The airport plays an important role in the economic development and connectivity of Northern Transylvania, a region located on the eastern border of Romania and characterized by a high degree of rurality. The region has a very dispersed population and the geographical characteristics, contribute to the isolation of its communities. The transport of people and goods on the external border of the European Union is hampered by the small number of border crossings and the lack of their modernization, which affects in particular the inhabitants of the Maramureş County.⁵
- (10) Businesses in production, commerce and tourism are heavily relying on connectivity, especially for the economic recovery and viability of the region following the COVID-19 pandemic. Airlines ensuring air connectivity⁶ face significant liquidity shortages and working capital problems, since they still have to cover on-going expenditures. In addition, economic operators providing services related to travel and tourism faced and are still facing losses that are likely to be non-recoverable.
- (11) The hospitality sector was severely affected by the COVID-19 pandemic⁷ with a significant decrease in the number of overnight stays the air traffic restrictions and the recession of the tourism industry also had serious and persistent effects on the labor market. According to data provided by the Maramureş County Agency for Employment, at the end of April 2021, the number of unemployed people in the region had increased by 12.5% compared to September 2020.

⁵ The quality of the road infrastructure is poor and differences in the railway track widths also restrict transports. The time required to cover a distance of approximately 150 km, for instance, varies between 3 hours and 3.5 hours.

⁶ TAROM operates regular flights at Maramureş International Airport throughout the year. Several other air carriers (such as Animawings, Blue Air, Hi Sky) operate seasonal international flights from / to the airport.

⁷ According to data provided by the Maramureş Statistics Directorate, in 2020, the number of overnight stays in tourist reception structure decreased by 51.1% compared to 2019, and more specifically, by 46.8% among Romanian tourists and by 83.5% among foreign tourists. Tourist accommodation capacity in reception structures was also affected, with a reduction of 26.4% in 2020 compared to 2019.

- (12) In the second half of 2019, when Maramureş International Airport resumed operations after the completion of the investment projects, the total number of passengers on international flights was 26 028, compared to the 10 550 for the same period of 2020 (i.e., a decrease of 59%)⁸. In the first half of 2021, the number of passengers on international flights from the airport was only 5 271. Romania estimates that the total number of passengers on international flights in 2021 will be approximately 50% lower than the total number of passengers registered in the second half of 2019.
- (13) As the alert status in Romania was further extended, the air transport sector still faces many challenges in order to contain the spread of the virus, including additional costs to comply with the hygiene and disinfection measures, restrictions in relation to common areas and equipment, various procedures and protocols to follow in airports and on board of aircrafts, as well as an increasing amount of information that must be provided to both staff and passengers.
- (14) It appears that the air traffic for the first quarter of 2021 decreased by 80% compared to the first quarter of 2019 (with the number of passengers decreasing from 4 654 101 to 920 835)⁹.
- (15) Considering the exceptional situation that generated serious disturbances of the economy, the notified aid measure is aimed at supporting the seriously affected air companies operating flights at Maramureş International Airport. Given that airports are essential to maintain regional connectivity, the granting of State aid to airlines that undertake to operate regular international flights from / to Maramureş International Airport will help reducing the negative effects felt by the local population. Recovery of airline traffic is essential for the full economic recovery and structural viability of the region and the whole economy of Romania.
- (16) The objective of the measure is to help remedy the serious disturbance in the Romanian economy caused by the COVID-19 pandemic. The operation of new international flights from / to Maramureş International Airport will increase the volume of air passengers thereby ensuring liquidity of the airlines and expanding the activities at the airport. The higher air passenger volumes will generate additional revenues and support employment not only for the airport but also for economic operators providing services related to travel and tourism in the region. The measure will support the activity of airlines undertaking to operate regularly new international flights from/to Maramureş International Airport in the context of the economic crisis generated by the COVID-19 pandemic by providing support to them in a comprehensive manner. The measure forms part of an overall package of measures and aims at remedying a serious disturbance in the Romanian economy by reducing the liquidity shortage faced by undertakings and

⁸ The total number of passengers handled at Maramureş International Airport in 2019 was 40 902, which dropped to only 17 344 in 2020. However, the overall level of the air traffic in 2019 cannot be taken as an absolute reference because the operational activity at the airport was suspended to implement certain investment projects from the beginning of 2016 until June 2019, see recital (8) above.

⁹ In addition, the passenger air traffic at Romanian airports shows a decrease of 75% during April 2021 (470 601 passengers) compared to April 2019 (1 858 486 passengers) and in May 2021 (618 093 passengers) was 70% lower than in May 2019 (2 038 217 passengers). The data have been gathered and processed by the Romanian Airports Association.

ensuring that the disruptions caused by the COVID-19 pandemic do not undermine their viability¹⁰.

- (17) Considering all those factors, the Maramureş County Council proposed a series of pro-active measures meant to increase the market demand so that the industry returns to normal. The Romanian authorities consider that subsidising the air travel accessibility of the destination creates the best prerequisites for the revival of demand so that directly affected actors can cover their financial gaps by restarting activity. The measure is expressly based on Article 107(3)(b) TFEU, in light of sections 2 and 3.1 of the Temporary Framework.

2.2. The nature and form of aid

- (18) The aid takes form of direct grants that cannot exceed in RON the equivalent of EUR 800 000 per company¹¹.

2.3. National legal basis

- (19) The national legal basis for the scheme is a decision of Maramureş County Council on the approval of the State aid scheme to support the activity of airlines in the context of the economic crisis caused by the COVID-19 epidemic to be adopted in accordance with: (i) the Government Emergency Ordinance no. 77/2014 on national procedures in the field of State aid, as well as for amending and supplementing the Competition Law no. 21/1996, as subsequently amended and supplemented and (ii) Article 173 para. (1) b), Article 182 para. (3) a), and Article 196 para. (1) a) of the Government Emergency Ordinance no. 57/2019 on the Administrative Code, with subsequent amendments and completions.

2.4. Administration of the measure

- (20) The Maramureş County Council will be responsible for granting the aid. Maramureş International Airport Autonomous Authority will be the authority responsible for administering the measure¹².
- (21) The call for applications for aid under the measure will set out in detail the conditions to receive the aid: the procedure to follow and documents to submit to apply for the aid, the eligibility criteria, the description of the calculation method

¹⁰ The Commission has approved a RON 4 billion (approximately EUR 800 million) Romanian scheme to support companies affected by the COVID-19 outbreak. (SA.57408 COVID-19: Framework scheme for State aid in the form of subsidised loans and guarantees on loans). Romania also notified to the Commission under the Temporary Framework a RON 16 billion (approximately EUR 3.3 billion) scheme to support SMEs affected by the COVID-19 outbreak (SA.56895 COVID-19: Support scheme for SMEs). Moreover, the Romanian authorities adopted or initiated the pre-notification/notification procedures for the measures such as: technical unemployment compensations for the period of suspension of the employment contract, postponement of the payment of bank rate, allowance for parents staying at home with children during the state of emergency, guarantee of tourism vouchers (informal discussions with the Commission), support grants for small-enterprises, etc.

¹¹ The EUR/RON exchange rate for calculating the maximum ceiling of EUR 800 000 is the exchange rate of the Central Bank of Romania valid at the date of payment.

¹² The aid will be granted by the Maramureş County Council to beneficiaries directly, not through Maramureş International Airport Autonomous Authority. The airport will deal only with the verification of eligibility criteria and selection.

to rank beneficiaries, the commitments to be taken by the aid beneficiaries, and the controls and reports to be done by Maramureş International Airport Autonomous Authority.

2.5. Budget and duration of the measure

- (22) The Romanian authorities confirm that no more than EUR 1.2 million (RON 5 931 840¹³) in aid will be granted under the measure. The aid will be financed from the local budget of the Maramureş County Council. The Maramureş County Council will grant the aid directly to beneficiaries. The aid per undertaking cannot exceed EUR 800 000 (equivalent in RON).
- (23) The scheme will enter into force after the publication of the Maramureş County Council decision (recital (19)) approving the scheme, after obtaining the authorization of the Commission. The aid will be granted no later than 31 December 2021. The selection period for the beneficiaries is 45 days from the date of publication of the Maramureş County Council decision, and the period in which the grant can be paid is between the date of entry into force of the provisions of the granting decision and the date of 31 December 2022¹⁴.

2.6. Beneficiaries

- (24) The beneficiaries of the measure are the airlines that (i) undertake to operate regular international flights between Maramureş International Airport and at least two new international destinations and (ii) meet the following eligibility criteria:
- (a) The candidate airline must have an air operating license issued in accordance with Regulation (EC) No. 1008/2008 on common rules for the operation of air services in the Community¹⁵;
 - (b) The candidate airline must have compulsory accident insurance covering passengers, cargo, mail, and civil liability in accordance with the conditions of Regulation (EC) No. 785/2004 on insurance requirements for air transport operators and aircraft operators¹⁶;
 - (c) The candidate airlines is not on the European Commission's blacklist of airlines that fail to meet safety standards¹⁷;

¹³ Based on the exchange rate EUR/RON of the Central Bank of Romania valid on 10 September 2021.

¹⁴ However, in case of suspension of the financing contract, the amounts due might be paid later than 31 December 2022, see recital (35) below.

¹⁵ Regulation (EC) No 1008/2008 of the European Parliament and of the Council of 24 September 2008 on common rules for the operation of air services in the Community, OJ L 293 31.10.2008, p. 3, as amended by Regulation (EU) 2018/1139 of the European Parliament and of the Council of 4 July 2018, OJ L 212, 22.8.2018, p. 1, by Regulation (EU) 2019/2 of the European Parliament and of the Council of 11 December 2018, OJ L 11, 14.1.2019, p. 1, by Regulation (EU) 2020/696 of the European Parliament and of the Council of 25 May 2020, OJ L 165, 17.12.2020, p. 1 and by Commission Delegated Regulation (EU) 2020/2115 of 16 December 2020, OJ L 426, 17.12.2020, p. 4.

¹⁶ Regulation (EC) No 785/2004 of the European Parliament and of the Council of 21 April 2004 on insurance requirements for air carriers and aircraft operators, OJ L 138, 30.4.2004, p. 1–6.

¹⁷ Published at: [The EU Air Safety List | Mobility and Transport \(europa.eu\)](https://ec.europa.eu/transport/safety/air-safety-list/)

- (d) The candidate airline must have a European Airlines Certificate (“AOC”) or other similar document issued by a competent authority in their country of origin;
 - (e) The candidate airline must not have received any other aid in Romania under section 3.1 of the Temporary Framework, or if it has received it, the sum of the aid received under this measure and the aid received in addition to that received under this measure in Romania must not exceed EUR 1 800 000;
 - (f) No decisions to recover State aid have been issued against the candidate airline or, if such decisions have been issued, they have been enforced in accordance with the legal provisions in force;
 - (g) The candidate airline was not already in difficulty, as defined within the meaning of the General Block Exemption Regulation (the “GBER”)¹⁸ on 31 December 2019; and
 - (h) The candidate airline submits a business plan by which it undertakes to operate regular international flights between Maramureş International Airport and at least two new international destinations. The business plan must contain the description of the way in which the airline estimates that the aid received will help to open and operate the proposed routes.
- (25) Romania estimates that four airlines will submit applications for State aid under this scheme.

2.7. Basic elements of the measure

- (26) Due to the COVID-19 pandemic and the consequent restrictions, airlines faced a sudden liquidity shortage or even the unavailability of liquidity. The measure will allow airlines meeting the eligibility criteria described in recital (24) to benefit from a direct grant that cannot exceed the RON equivalent of EUR 800 000 per company.
- (27) In order to select beneficiaries, there will be a selection period of forty-five (45) days from the date of publication of the Maramureş County Council decision. The beneficiaries will be selected and a granting decision will be adopted by the granting authority no later than 31 December 2021. The aid will then be paid between the date of entry into force of the provisions of the granting decision and 31 December 2022 (i.e., the payment period)¹⁹.
- (28) The measure will be granted to beneficiaries fulfilling the eligibility criteria and proportionally distributed in accordance with the score calculation (as explained in recitals (29)-(31) below). There is no other prerequisite. Maramureş

¹⁸ As defined in Article 2(18) of Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty, OJ L 187, 26.6.2014, p. 1.

¹⁹ In case of suspension of the financing contract, part of the aid amount might be paid later than 31 December 2022, see recital (35) below.

International Airport Autonomous Authority will verify the documentation submitted by the airlines to prove the fulfillment of the eligibility conditions.

- (29) The grants will be provided to the candidate airlines fulfilling the eligibility criteria (recital (24)) in a transparent manner following the score calculation. There will be an open call for applications regarding the proposed measure, in which the terms and conditions that need to be met by the candidate airlines will be stated in a clear and non-discriminatory manner. The beneficiary must submit an application for the aid and demonstrate, through the documentation submitted, that it undertakes to operate international flights from / to Maramureş International Airport. In particular:
- a candidate airline will have to submit to Maramureş International Airport Autonomous Authority, service proposals, business plans, specifying the proposed routes that it undertakes to operate and operating frequencies, the aircraft to be used and its capacity, expected levels of traffic, period of operation, route operation and how the aid influences the resumption of air traffic.
 - Maramureş International Airport Autonomous Authority will verify that the eligibility conditions set out in this measure are met.
 - For the selection of the beneficiaries, in order to allocate the State aid, the following will be used as evaluation factors: number of destinations proposed to be operated, number of flights / week (flights / week x operating frequencies), number of passengers estimated to be generated within a period of 1 year from the receipt of State aid. The score for each evaluation factor will be as follows:

Evaluation Factor	Max points
1. Number of new international destinations proposed to be operated	50
2. Number of flights / week (flights/week x proposed operating frequencies)	30
3. Estimated number of passengers to be generated within 1 year of receiving State aid	20

Calculation method

- (30) The score for each applicant will be calculated as follows:
- a. For each of the evaluation factors the best offer will receive the maximum score. For example, for the largest number of routes proposed to be operated, the maximum score allocated to the evaluation factor will be awarded, respectively 50 points.

- b. For other offers below the maximum, the score will be calculated proportionally as follows:

$$P(\text{score}) = (\text{offer} \times \text{maximum score}) / \text{best offer.}$$

- (31) The method of distributing the amounts to beneficiaries will be proportionate, depending on the scores obtained.
- (32) One of the requirements for the submission of the tender is to include in the business plan a minimum of two international destinations to be operated (recital (24)(h)). Following the assessment of the offers, if the business plan submitted by the candidate airline ranked below the first position includes the same international destinations proposed by the candidate airline with the highest score, such candidate airline will be given the possibility to amend the business plan and propose different international destinations. However, this will not affect the ranking of the bids which will remain unaltered.
- (33) After verifying the eligibility and the selection criteria by Maramureş International Airport Autonomous Authority, the Maramureş County Council will pay the State aid after signing the financing contracts with the beneficiaries. The aid will be paid by the Maramureş County Council in three instalments: the first instalment (30% of the total amount) upon signing the financing contract, the second instalment (another 30% of the total amount) in the sixth month of operation of the new route, and the third instalment (the remaining 40% of the total amount) in the tenth month of operation of the new route and aid will be by 31 December 2022²⁰.
- (34) Applications for aid will be submitted electronically and processed by Maramureş International Airport Autonomous Authority, which will perform compliance checks to ensure the correct implementation of the measure. Records with the necessary supporting documents will be kept for a period of ten years from the date of award of the aid.
- (35) If a beneficiary does not comply with the granting conditions provided by the scheme and with the business plan proposed, the Maramureş County Council will proceed to the cessation of the disbursement / recovery, as the case may be, of the State aid in accordance with the provisions of the Government Emergency Ordinance No. 77/2014 on national procedures in the field of State aid. However, if flight restrictions not attributable to airlines²¹ or other events due to *force majeure* prevent the latter from operating the flights from / to Maramureş International Airport, the financing contract will be suspended (and no payments will be made). The suspension will end once the flight restrictions or *force majeure* conditions cease to exist and operations are resumed. The financing contract will be extended for a period equal to that of the suspension. In such cases, part of the amounts might be paid to the beneficiaries later than 31 December 2022.

²⁰ However, in case of suspension of the financing contract, the amounts due might be paid later than 31 December 2022. See recital (35).

²¹ Such as restrictions issued by the Romanian Civil Aviation Authority or other similar foreign authorities, or due to requirements imposed in the context of quarantine measures.

2.8. Cumulation

- (36) The Romanian authorities confirmed that a beneficiary of the measure may also benefit from other measures under the Temporary Framework and/or from *de minimis* aid²² and/or from aid under the GBER. The aid cannot be cumulated with aid or *de minimis* aid received from other local, regional or national aid to cover the same eligible costs. The Romanian authorities have however confirmed that insofar as a beneficiary may benefit from multiple measures under the Temporary Framework and/or from *de minimis* aid and/or from the GBER, the maximum thresholds on aid amounts per beneficiary, as specified in the Temporary Framework, in the *de minimis* Regulation and in the GBER, will be respected.
- (37) In order to verify the compliance with the Temporary Framework cumulation rules, undertakings applying for State aid under the scheme will have to submit a declaration on their own responsibility for other State aid received, referred to in recital (24) letter e). Furthermore, the Maramureş County Council will verify the declaration of each potential beneficiary in the General Register of State aid granted in Romania (“RegAS”). Romania confirmed that it will monitor the aid schemes at all Romanian airports, as well as general schemes available to all types of enterprises, to enforce the cumulation rules.
- (38) The Romanian authorities confirm that if the beneficiary receives aid on several occasions or in several forms under the measure or aid under other measures approved by the Commission under section 3.1 of the Temporary Framework, the overall maximum cap per undertaking, as set out in point 22(a) of that framework, will be respected.

2.9. Monitoring and reporting

- (39) The Romanian authorities confirm that they will respect the monitoring and reporting obligations laid down in section 4 of the Temporary Framework.
- (40) Maramureş International Airport Autonomous Authority, as the administrator of the State aid scheme, will transmit to the Competition Council all the data and information necessary for the monitoring of State aid at national level²³, as well as the data and information necessary for the elaboration of the inventory of State aids and of the reports and information necessary for the fulfilment of Romania’s obligations as a Member State.
- (41) Maramureş International Airport Autonomous Authority, as the administrator of the State aid scheme, will upload in the RegAS platform this scheme, financing agreements, payments made and possible recoveries²⁴.

²² Granted in line with Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid (the “*de minimis* Regulation”) (OJ L 352, 24.12.2013, p.1).

²³ This data and information shall be in the format and within the term provided by the Regulation concerning the state aid scheme registry approved by the by the Order of the President of the Competition Council no. 437/2016.

²⁴ In accordance with the provisions of the Order of the President of the Competition Council no. 437/2016 for the implementation of the Regulation on the State aid register.

3. ASSESSMENT

3.1. Existence of State aid

- (42) For a measure to be categorised as aid within the meaning of Article 107(1) TFEU, all the conditions set out in that provision must be fulfilled. First, the measure must be imputable to the State and financed through State resources. Second, it must confer an advantage on its recipients. Third, that advantage must be selective in nature. Fourth, the measure must distort or threaten to distort competition and affect trade between Member States.
- (43) The measure is financed from the budget of the Maramureş County Council (recital (22)). Resources of local authorities are, for the application of Article 107 TFEU, State resources.²⁵ The measure granted by the Maramureş County Council (recital (20)) is imputable to the State (i.e. granted by the State through an intermediary body acting by virtue of powers conferred on it), since it is based on a Decision adopted by the local authority and on Government Emergency Ordinances. Therefore, the Commission considers that the measure is financed from State resources and is imputable to the State.
- (44) The measure confers an advantage on its beneficiaries in the form of direct grants. The measure thus relieves those beneficiaries of costs that they would have to bear under normal market conditions.
- (45) The advantage granted by the measure is selective, since will be awarded only to certain undertakings active in Romania, in particular, the candidate airlines that undertake to operate international flights from / to Maramureş International Airport, fulfilling the conditions set out in recital (24).
- (46) The measure is liable to distort competition, since it strengthens the competitive position of its beneficiaries. It also affects trade between Member States, since those beneficiaries are active in sectors in which intra-Union trade exists.
- (47) In view of the above, the Commission concludes that the measure constitutes aid within the meaning of Article 107(1) TFEU. The Romanian authorities do not contest that conclusion.

3.2. Lawfulness of the measure

- (48) By notifying the measure before putting it into effect, the Romanian authorities have respected their obligations under Article 108(3) TFEU.

3.3. Compatibility

- (49) Since the measure involves aid within the meaning of Article 107(1) TFEU, it is necessary to consider whether that measure is compatible with the internal market.

²⁵ Judgment of 12 May 2011, *Nord-Pas-de-Calais*, Joined Cases T-267/08 and T-279/08, EU:T:2011:209, paragraph 108.

- (50) Pursuant to Article 107(3)(b) TFEU the Commission may declare compatible with the internal market aid *“to remedy a serious disturbance in the economy of a Member State”*.
- (51) By adopting the Temporary Framework on 19 March 2020, the Commission acknowledged (section 2) that *“the COVID-19 outbreak affects all Member States and that the containment measures taken by Member States impact undertakings”*. The Commission concluded, *“State aid is justified and can be declared compatible with the internal market on the basis of Article 107(3)(b) TFEU, for a limited period, to remedy the liquidity shortage faced by undertakings and ensure that the disruptions caused by the COVID-19 outbreak do not undermine their viability, especially of SMEs”*.
- (52) The objective of the measure is to help remedy the serious disturbance in the Romanian economy caused by the COVID-19 pandemic. The operation of new regular international flights from / to Maramureş International Airport will increase the volume of passengers thereby ensuring liquidity of the airlines, expanding the activities at the airport, and supporting the general economy and development of the region.
- (53) Recovery of air traffic is essential for the full economic recovery and structural viability of the region and the whole economy of Romania at a time when the normal functioning of markets is severely disturbed by the COVID-19 pandemic. The higher volume of passengers will ensure financial liquidity of airlines that will operate at a predictable capacity after the COVID-19 disruptions. The measure will provide support to the activity of airlines in a comprehensive and non-discriminatory manner.
- (54) The new international flights will also expand the current activities at Maramureş International Airport and generate additional revenues from the services provided to the airlines²⁶. The measure will help bring demand back to the level expected before the COVID-19 pandemic, i.e. when operations at the airport were resumed after the completion of the different investments projects.
- (55) The granting of State aid will ultimately help reduce the negative effects felt by the local population and support the general economy and development of the region. Maramureş International Airport will contribute to the development of the regional economy by providing improved transport infrastructure and additional services. Higher passengers volumes will revitalize tourism and help increase the overall economic activity and the level of employment in the region.
- (56) The measure forms part of an overall package of measures and aims at remedying a serious disturbance in the Romanian economy (see recital (16)). The importance of the measure to remedy the liquidity shortage faced by undertakings and to ensure that the disruptions caused by the COVID-19 pandemic do not undermine their viability is widely accepted by economic commentators, and the measure is of a scale, which can be reasonably anticipated to produce effects across the entire Romanian economy. Furthermore, the measure has been designed to meet the

²⁶ The value of the additional revenues has been estimated between RON 4 500 000 – 7 000 000 (EUR 910 341 – 1 416 086), depending on the business plan that will be presented by each airline.

requirements of a specific category of aid (“Limited amounts of aid”) described in section 3.1. of the Temporary Framework.

- (57) The measure notified by Romania meets all the conditions provided for in point 22 of the Temporary Framework. In particular:
- i. The aid will be granted in the form of a grant of maximum EUR 800 000 per undertaking. The maximum aid amount per undertaking under the measure will not exceed the ceiling set out in point 22(a) of the Temporary Framework (recitals (18), (22), (24) and (26));
 - ii. The measure is granted on the basis of a scheme with an estimated budget of EUR 1.2 million (equivalent in RON); hence the condition set out in point 22(b) of the Temporary Framework is met (recital (22));
 - iii. The aid will not be granted to undertakings that were already in difficulty on 31 December 2019 (within the meaning of the GBER), hence the condition set out in point 22(c) of the Temporary Framework is met (recital (24)(g));
 - iv. The aid will be granted no later than 31 December 2021; therefore the condition set out in point 22(d) of the Temporary Framework is met (recital (23));
 - v. The aid does not concern undertakings active in the processing and marketing of agricultural products²⁷, hence the condition set out in point 22(e) of the Temporary Framework is not applicable.
- (58) The Commission accordingly considers that the measure is necessary, appropriate and proportionate to remedy a serious disturbance in the economy of Romania and meets all the relevant conditions of the Temporary Framework.
- (59) The Romanian authorities have committed to comply with all the monitoring and reporting provisions laid down in section 4 of the Temporary Framework (recital (39)). The Commission may request additional information regarding the aid granted, to verify whether the conditions laid down in the Commission decision approving the measure have been met.
- (60) The Romanian authorities have confirmed that they will respect cumulation rules regarding combination with *de minimis* aid and/or other aid (recitals (36) to (38)).

²⁷ As defined in Article 2(6) and Article 2(7) of Commission Regulation (EC) No 702/2014 of 25 June 2014 declaring certain categories of aid in the agricultural and forestry sectors and in rural areas compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union, OJ L 193, 1.7.2014, p. 1.

4. CONCLUSION

The Commission has accordingly decided not to raise objections to the aid on the grounds that it is compatible with the internal market pursuant to Article 107(3)(b) TFEU.

This decision is based on non-confidential information and is therefore published in full on the Internet site: <http://ec.europa.eu/competition/elojade/isef/index.cfm>.

Your request should be sent electronically to the following address:

European Commission,
Directorate-General Competition
State Aid Greffe
B-1049 Brussels
Stateaidgreffe@ec.europa.eu

Yours faithfully,

For the Commission

Margrethe VESTAGER
Executive Vice-President

