

Brussels, 5 February 2009

## State aid: Commission authorises a temporary French scheme allowing aid to firms in the form of reduced interest rates

*The Commission has authorised under EC Treaty rules on state aid a scheme to provide relief for firms encountering financing difficulties as a result of the credit squeeze in the current economic crisis. The scheme allows government, local authorities and some public bodies to grant aid in the form of reduced interest rates on loans of any duration concluded by 31 December 2010. The scheme meets the conditions of the Commission's temporary framework for state aid measures, which gives Member States additional scope to facilitate access to financing in the present economic and financial crisis (see [IP/08/1993](#)). It is therefore compatible with Article 87(3)(b) of the EC Treaty, which permits aid 'to remedy a serious disturbance in the economy of a Member State'.*

Competition Commissioner Neelie Kroes said "The measure facilitates access to credit for firms affected by the current economic downturn, without provoking disproportionate distortion of competition. It offers a significant reduction in the cost of loans, which is an effective way of encouraging business investment and economic recovery."

The French authorities designed the new scheme on the basis of the rules in the temporary framework that deal with aid in the form of subsidised interest rates. The low rates will be available for loans contracted no later than 31 December 2010, but only on interest payments up to 31 December 2012. After that date firms will have to pay market rates. The scheme does not apply to firms that were already in difficulty on 1 July 2008.

The scheme is the third French measure authorised under the new temporary framework for state aid: it follows a scheme for aid measures up to €500 000 (see [IP/09/72](#)) and a scheme for subsidised loans to firms making green products (see [IP/09/205](#)).

The decision will be published in the [State Aid Register](#) on [DG Competition's website](#), under the reference number N 15/2009. The latest decisions on state aid published in the *Official Journal* and on the website are listed in the electronic newsletter [State aid Weekly e-News](#).