



## State aid: Commission opens in-depth investigation into support for Iberpotash in Spain

Brussels, 26 January 2016

**Following a complaint, the European Commission has opened an in-depth investigation into whether public measures in favour of Spanish mining company Iberpotash gave it a selective advantage over its competitors, in breach of EU State aid rules.**

Iberpotash (renamed ICL Iberia Súría & Sallent in 2014) owns and operates several potash mines in the Catalonia region of Spain. Potash is mainly used to make fertiliser. The mining and primary processing of potash also produces salt as a by-product.

In 2012 the Commission received a complaint alleging that Iberpotash benefitted from several state aid measures to support its mining operations, namely:

### *Financial guarantees related to environmental protection*

The first measure concerns the financial guarantees provided by Iberpotash to regional public bodies to fulfil its environmental protection obligations. These obligations relate to waste from Iberpotash's mines and the guarantees are supposed to cover the potential cost of rehabilitating the land.

The Commission investigation will now focus on whether the amount of the financial guarantee, set originally at EUR 2 million, is significantly lower than what is required by environmental rules, in particular the [EU mining waste Directive](#) and relevant national and regional rules. If confirmed, this would give a financial advantage to the company.

### *Financing of environmental protection measures*

Second, the Spanish authorities fully financed EUR 7.9 million of costs to physically cover one of Iberpotash's waste heaps and reduce pollution. The Commission will assess whether these costs should have been borne by Iberpotash, as the polluter. If confirmed, this would entail a breach in the 'polluter pays' principle, since a public authority would be bearing the clean-up costs rather than the company responsible for the pollution.

Both measures may give Iberpotash a selective advantage over its competitors, who have to bear those costs and may therefore involve State aid in the meaning of the EU rules.

The Commission will now investigate further to find out whether its initial concerns are confirmed or not. The opening of an in-depth investigation gives interested third parties an opportunity to comment on the two measures under assessment. It does not prejudge the outcome of the investigation.

### *Other measures*

The Commission concluded that three remaining measures outlined in the complaint provide no selective advantage to Iberpotash and therefore involve no State aid. These measures related to:

- a fee for the use of a brine collector, which is paid by Iberpotash as well as other users to cover its investment and operating costs;
- improvements in potable water treatment facilities funded by the authorities. These improvements have not relieved Iberpotash of any of its environmental obligations. The purpose of the public authorities' investment in these facilities was rather to ensure a supply of drinkable water to the population in the region in compliance with the required quality standards.
- the alleged financing of a study. This has not been confirmed by the collected evidence.

## Background

[EU state aid rules on environmental protection](#) allow Member States under certain conditions to support projects that genuinely incentivise companies to change their behaviour and to improve their environmental footprint. However, they do not allow States to provide support to merely cover costs

that companies have to bear in any event in order to comply with mandatory environmental standards. The non-confidential version of the decision will be made available under the case number [SA.35818](#) in the [State Aid Register](#) on the [DG Competition website](#) once any confidentiality issues have been resolved. New publications of state aid decisions on the internet and in the Official Journal are listed in the [State Aid Weekly e-News](#).

IP/16/165

Press contacts:

[Ricardo CARDOSO](#) (+32 2 298 01 00)

[Carolina LUNA GORDO](#) (+32 2 296 83 86)

[Yizhou REN](#) (+32 2 299 48 89)

General public inquiries: [Europe Direct](#) by phone [00 800 67 89 10 11](#) or by [email](#)