



## State aid: Commission approves €44 million Italian scheme to support economic recovery in regions affected by earthquakes in 2016 and 2017

Brussels, 6 April 2018

**The European Commission has found a €43.9 million Italian aid scheme to support investments in regions affected by earthquakes in 2016 and 2017 to be in line with EU State aid rules.**

**The aid will contribute to the economic recovery of central Italy without unduly distorting competition in the Single Market.**

Commissioner Margrethe **Vestager**, in charge of competition policy, said: *"The people and economy of Central Italy are still recovering from the dramatic effects of several earthquakes over the past years. The Italian authorities want to support this recovery with a measure contributing to the economic recovery of these areas. We found this measure to be well targeted to support affected businesses and the people living in these regions."*

In 2016 and 2017, four major earthquakes hit central Italy, affecting around 600,000 people in an area of around 8,000 km<sup>2</sup>. Today, the region is still being affected by abnormal seismic activity, leading to a progressive desertification of the affected areas. This is unlikely to be addressed by compensation measures alone.

The Italian aid scheme approved today aims at complementing such measures, to mitigate the economic and social damages in the areas which have been affected by i) a significant drop of GDP, ii) a substantial loss of employment, iii) a reduction of economic activity by more than 50%, and iv) a significant decline in companies' turnover compared to pre-earthquakes levels. This concerns 140 municipalities in the Italian regions of Lazio, Umbria, Marche and Abruzzo.

The aid takes the form of a tax credit for all companies making initial investments in the area. Support to large companies will be limited to aid for setting up a new company, diversifying a company's activity or acquiring the assets of a company that has closed. The scheme has an overall budget of €43.9 million and will run from 2018 to 2020.

Given its limited duration, budget, and geographical scope, the Commission found that the aid scheme will contribute in a proportionate manner to the promotion of economic development and recovery in central Italy. On this basis, the Commission concluded that the scheme is in line with EU State aid rules.

### Background

The EU already supports the reconstruction of the affected areas in Italy through several measures related to compensation for earthquake damage. In particular:

- An exceptional co-financing rate of 95% has been approved to fund reconstruction operations with the [European Regional Development Fund](#) (ERDF).
- The Commission has [proposed](#) €1.2 billion of financial aid for the affected regions under the [EU Solidarity Fund](#), the highest sum ever allocated to a country under this fund.

The non-confidential version of the decision will be made available under the case number [SA.48571](#) in the [State aid register](#) on the Commission's [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/18/2841

Press contacts:

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

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

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