



STATE AID SCOREBOARD 2017



**State Aid Scoreboard for 2017
for the EEA EFTA States**

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EFTA SURVEILLANCE
AUTHORITY

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INTRODUCTION

State aid is economic assistance provided by public bodies to undertakings active in a market. Such assistance can consist of public support in numerous forms, for example, grants, tax breaks, favourable loans, guarantees or investments not based on market terms. In order to prevent distortions of competition and adverse effects on trade, the Agreement of the European Economic Area (“EEA”) contains a general prohibition on state aid. The rules seek to ensure equal opportunities for companies across Europe and prevent government assistance from being used as a form of protectionism in the absence of trade barriers. The prohibition is, however, subject to numerous exceptions, recognising that government intervention can be necessary to correct market failures and promote common EEA objectives.

The State Aid Scoreboard (“the Scoreboard”) is a yearly report aimed at providing an overview of lawful state aid spending in Iceland, Liechtenstein and Norway (“the EFTA States”) over time.¹ This latest edition of the Scoreboard covers the seven-year period from 1/1/2010 until 31/12/2016. The Scoreboard is intended to be a benchmarking tool for comparing aid spending across the EFTA States, as well as across the EEA, and for measuring progress in reaching the policy objective of less and better-targeted state aid.

The information presented in the Scoreboard is based on the annual reports on aid expenditure provided by the EFTA States to the EFTA Surveillance Authority (“the Authority”), pursuant to Article 21 of Part II of Protocol 3 to the Surveillance and Court Agreement. The Scoreboard comprises all aid falling under the scope of Article 61(1) EEA, namely: i)

notified aid that has been authorised by formal decision; ii) aid qualifying for the general block exemption regulation (“GBER”); iii) aid measures introduced prior to the EEA Agreement; and iv) aid resulting from market liberalisation.

Compensation to undertakings performing Services of General Economic Interest (“SGEI”), including compensation for Public Service Obligations (“PSO”), is excluded from the annual reports submitted by the EFTA States and is therefore not included in the Scoreboard. The Scoreboard also does not include funding granted in line with the *de minimis* rules, as this spending does not constitute aid within the meaning of Article 61(1) EEA.

The Scoreboard is based on the same methodology as the [State Aid Scoreboard for the EU Member States](#) (“EU-28”) published by the European Commission (“the Commission”). However, the Scoreboard prepared for the EFTA States differs from that of the EU-28 due to the more limited scope of the EEA Agreement compared to the Treaty on the Functioning of the European Union (“TFEU”). For example, agricultural and fishery products normally fall outside the product scope of the EEA Agreement² and EU aid to these sectors is therefore excluded when comparing spending in the EFTA States to that of the EU-28.

Furthermore, the Commission excludes aid granted to the transport sector, to railway infrastructure, and aid related to the financial crisis in the main numbers for the EU-28 Scoreboard. These categories of aid are therefore not included in the main numbers in the Scoreboard for the EFTA States. In line with Commission practice, complete numbers for all categories of aid can be found in annexes A to C. Expenditure data is also available in Excel format on [the Authority’s webpage](#).

¹ Switzerland is an EFTA State, but it is not a Contracting Party to the EEA Agreement. The term “EFTA States”, in this Scoreboard, only refers to Iceland, Liechtenstein and Norway, in line with Article 2(b) of the EEA Agreement.

² According to Article 8(3) of the EEA Agreement, the provisions of the Agreement shall apply only to products falling within Chapter 25 to 97 of the Harmonized Commodity Description and Coding System, excluding the products listed in Protocol 2. However, products listed in Protocol 3 also fall within the product scope of the EEA Agreement, subject to the specific arrangements set out in that Protocol.

MAIN FINDINGS

According to the national expenditure reports, state aid spending increased in the EFTA States in 2016, both in absolute amounts and relative to GDP. Overall, the EFTA States spent EUR 2.9 billion on state aid in 2016, a nominal increase of around 6 percent from 2015. The increase was largely due to increased spending on environmental objectives, as well as on research, development and innovation (“R&D&I”), which reflects both national policy objectives and common objectives in the EEA.

The impact of the new general block exemption regulation (“GBER”), introduced in July 2014, is noticeable in 2016, as aid expenditure under the GBER grew by almost 35 percent during the period from 2013 until 2016. Overall, in 2016, GBER measures accounted for 60 percent of all active measures and 95 percent of all *new* active measures, and GBER aid accounted for 43 percent of all aid expenditure in the EFTA States.

State aid in Norway

Norway reported aid expenditure of around EUR 2.8 billion in 2016 — a nominal NOK increase of around 9 percent compared to 2015 and 0.07 percentage points relative to GDP. The rise was due primarily to increased spending on environmental objectives. Norway also significantly increased its use of the GBER, as aid granted under the GBER accounted for 43 percent of all aid expenditure in Norway in 2016.

Norway granted most of its aid to environmental protection and energy-saving objectives, which accounted for 39 percent of all aid expenditure in Norway in 2016. Tax concessions were the main aid instrument used by Norway, representing more than 73 percent of all aid expenditure.

A comparison with other EEA countries shows that Norway’s state aid relative to GDP remained high, and well above the EU-28 average, but similar to the

other Nordic countries in the EU. In particular, relative to GDP, Norway spent significantly more on regional development than the EU Member States.

State aid in Iceland

Iceland reported aid expenditure of around EUR 77 million in 2016 — a nominal ISK increase of 18 percent compared to 2015 and 0.03 percentage points relative to GDP. The rise was due primarily to an increase in aid to R&D&I objectives. Despite the overall increase, a comparison with other EEA States shows that Iceland’s overall aid expenditure relative to GDP remained well below the EU average. However, relative to GDP, Iceland’s spending on R&D&I and cultural objectives remained substantially higher than the average EU level.

Iceland granted most of its aid to R&D&I objectives, which accounted for around 59 percent of all state aid spending in 2016. Direct grants were the main aid instrument used by Iceland and represented more than 84 percent of all aid expenditure. Iceland introduced its first measure to qualify under the GBER in 2014, a scheme to support innovation, and a second one in 2015 with the same objective. In 2016, GBER aid accounted for 16 percent of all state aid expenditure in Iceland.

State aid in Liechtenstein

Liechtenstein reported aid expenditure of around EUR 1.82 million in 2016 — a nominal CHF increase of around 1.4 percent. The rise was due to increased aid to environmental objectives.

In 2016, Liechtenstein awarded all of its aid via direct grants, and, within the timeframe of this Scoreboard, Liechtenstein had not yet made use of the GBER procedure. A comparison with the other EEA States shows that Liechtenstein’s overall aid expenditure relative to GDP remained the lowest in the EEA. However, relative to GDP, Liechtenstein’s spending on cultural objectives was comparable to the average EU level.

1. STATE AID EXPENDITURE

1.1 Overall results

The total aid expenditure reported by the EFTA States during the period 2010–2016 is summarised in Table 1. The table shows that in 2016 the EFTA States collectively awarded nearly EUR 2.9 billion in state aid, a nominal increase of around 6 percent from 2015 (+EUR 153 million).

Norway reported aid expenditure of around EUR 2.8 billion in 2016 (NOK 26 billion), a nominal increase of EUR 136 million. Based on the amounts in the national currency, the rise represented a 9 percent nominal increase in spending (+NOK 2.2 billion).³ The aid was distributed across 101 individual measures, of which the five largest accounted for more than 67 percent of the reported expenditure.

Iceland reported aid spending of around EUR 77 million in 2016 (ISK 10.3 billion), a nominal increase of around EUR 17 million from 2015. Based on the amounts in the national currency, the rise represented an 18 percent increase in spending (+ISK 1.5 billion). The aid was distributed across 13 individual measures, of which the five largest accounted for 84 percent of the total expenditure.

Liechtenstein reported aid disbursements of EUR 1.82 million in 2016 (CHF 1.98 million), a nominal decrease of around EUR 12,000 from 2015. However, in the national currency, aid expenditure in Liechtenstein *increased* by CHF 28,000 nominally.

The aid was distributed across only two measures, of which the largest accounted for 92 percent.

1.2 Main changes in 2016

The nominal changes in aid spending in each of the EFTA States in 2016 are presented in more detail in Figure 1. The changes are displayed in the respective countries' national currency (NOK/ISK/CHF).

Figure 1a shows that the overall increase in Norway's expenditure was due primarily to greater spending on environmental objectives and R&D&I, which offset reduced spending on employment and cultural objectives. Figure 1b shows that the overall increase in Iceland's expenditure was due primarily to greater spending on R&D&I, cultural objectives, and risk finance to small and medium-sized enterprises ("SME"), which outweighed reduced spending on regional development. Figure 1c shows that the overall increase in Liechtenstein's expenditure was due to greater spending on environmental protection and energy-saving, which countered reduced spending on cultural objectives.

By comparison, the 28 Member States of the European Union collectively increased their non-agricultural aid spending by 4 percent during 2016. The overall change in aid expenditure in the EU was due in particular to increased spending on environmental protection. In fact, without the aid granted to this objective, the Member States of the European Union *decreased* their non-agricultural state aid expenditure by nearly 12 percent.

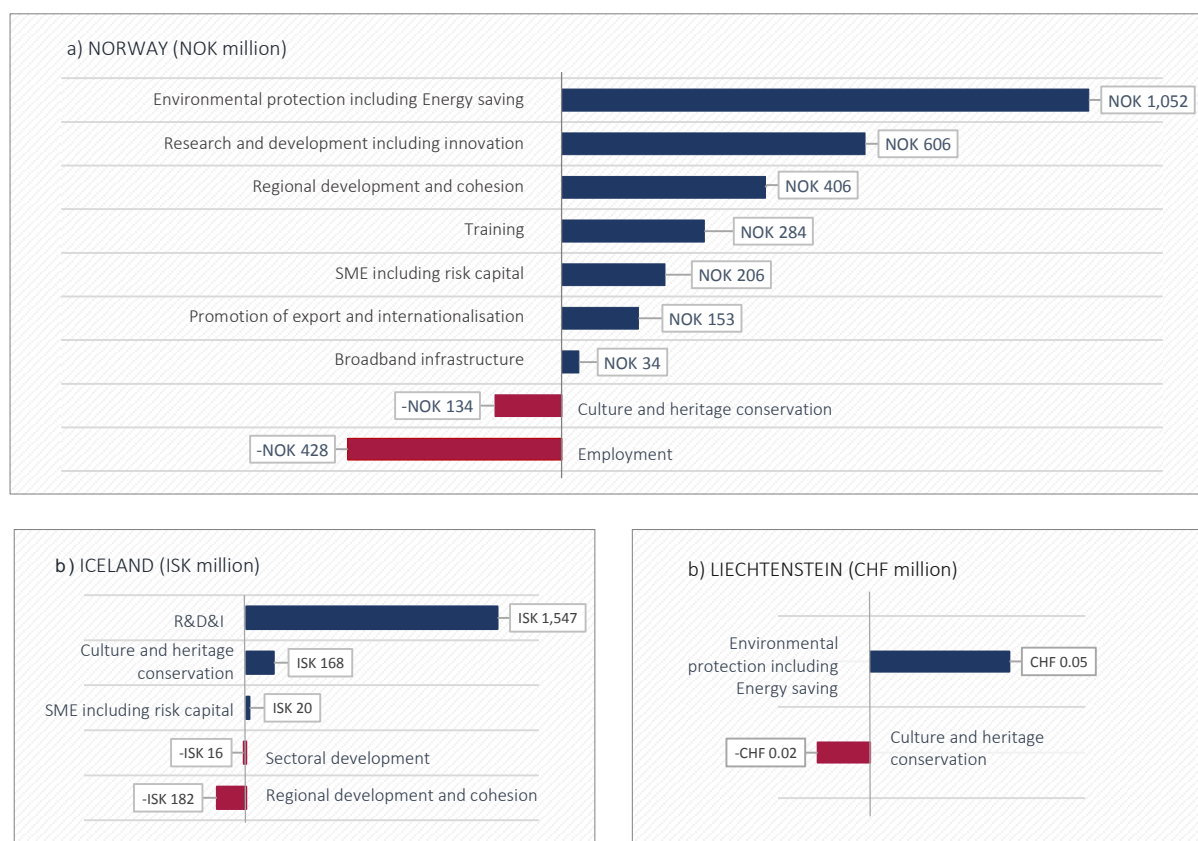
Table 1: State aid granted by the EFTA States during 2010–2016 (EUR million, nominal amounts)

EFTA State	2010	2011	2012	2013	2014	2015	2016
NORWAY	1979.56	2431.17	2655.88	2570.45	2658.07	2682.17	2818.42
ICELAND	21.26	25.81	34.81	42.41	51.07	59.80	77.04
LIECHTENSTEIN	1.34	1.48	1.50	1.49	1.58	1.83*	1.82
TOTAL - EFTA	2002.16	2458.46	2692.19	2614.35	2710.73	2743.80	2897.27

* The CHF/EUR exchange rate changed significantly in 2015.

³ In addition, Norway granted EUR 190 million to maritime transport in 2016, a small reduction from the previous year. When including this category, the total reported aid expenditure in Norway in 2016 was EUR 3 billion (NOK 27.95 billion).

Figure 1: Nominal changes in aid expenditure in 2016



2. STATE AID RELATIVE TO GDP

2.1 EFTA-EU comparison: 2010–2016

Figure 2, on the next page, displays the aid expenditure relative to GDP for each of the EFTA States during 2010–2016, together with the corresponding number for the EU-28. To facilitate comparison with the EU, aid to agriculture, fisheries and aquaculture is excluded from the EU numbers, as these policies fall outside the scope of the EEA Agreement.⁴

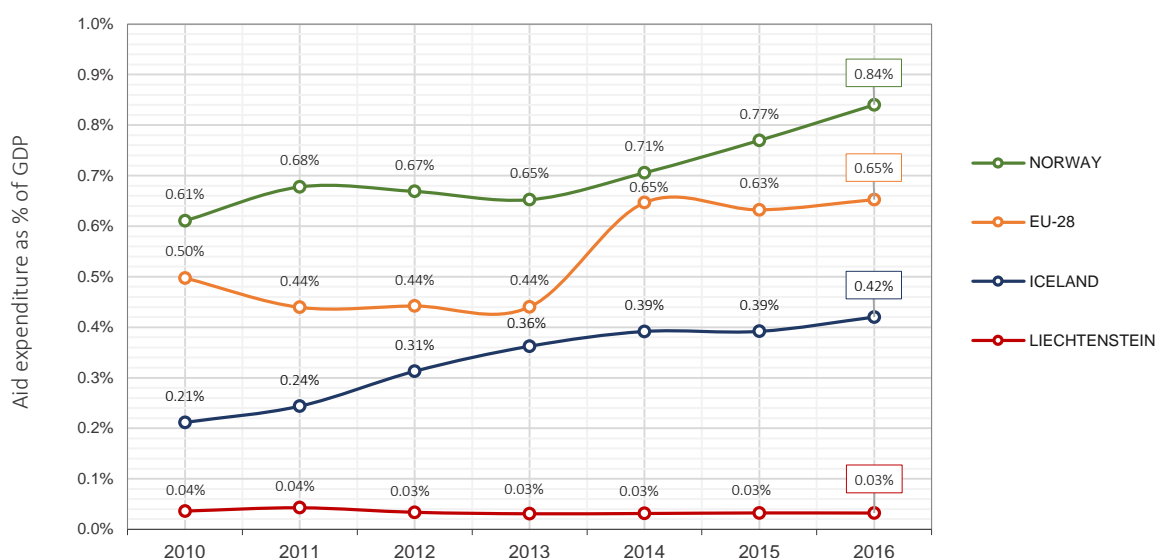
The figure shows that Norway has granted more aid relative to GDP than the average of the EU Member States every year since 2010, with an increase of about 0.07 percentage points in 2016 compared to the 2015 level. Furthermore, Iceland increased its

state aid spending relative to GDP during the entire period, with an increase of about 0.03 percentage points in 2016. However, spending remained below the EU average throughout. Finally, Liechtenstein's aid expenditure relative to GDP stayed almost unchanged during the period and remained well below the EU-level.

By comparison, the EU-average remained fairly stable during the period from 2010 until 2013, but spending increased sharply in 2014. The sudden rise reflects the fact that many schemes for Renewable Energy Support (RES) were only reported from 2014 onwards, following the adoption of the 2014 Energy and Environmental Guidelines. In 2016, the EU-average increased by about 0.02 percentage points relative to the 2015 level.

⁴ The EU numbers have been calculated based on the amount referred to as "non-agricultural aid" in the Commission scoreboard.

Figure 2: Total state aid relative to GDP: EFTA-EU comparison 2010–2016



2.2 EEA comparison: 2016

Figure 3 provides an overview of the total amount of non-agricultural aid granted by each of the EU Member States and the EFTA States (collectively the “EEA States”) relative to GDP in 2016, together with the EU average.

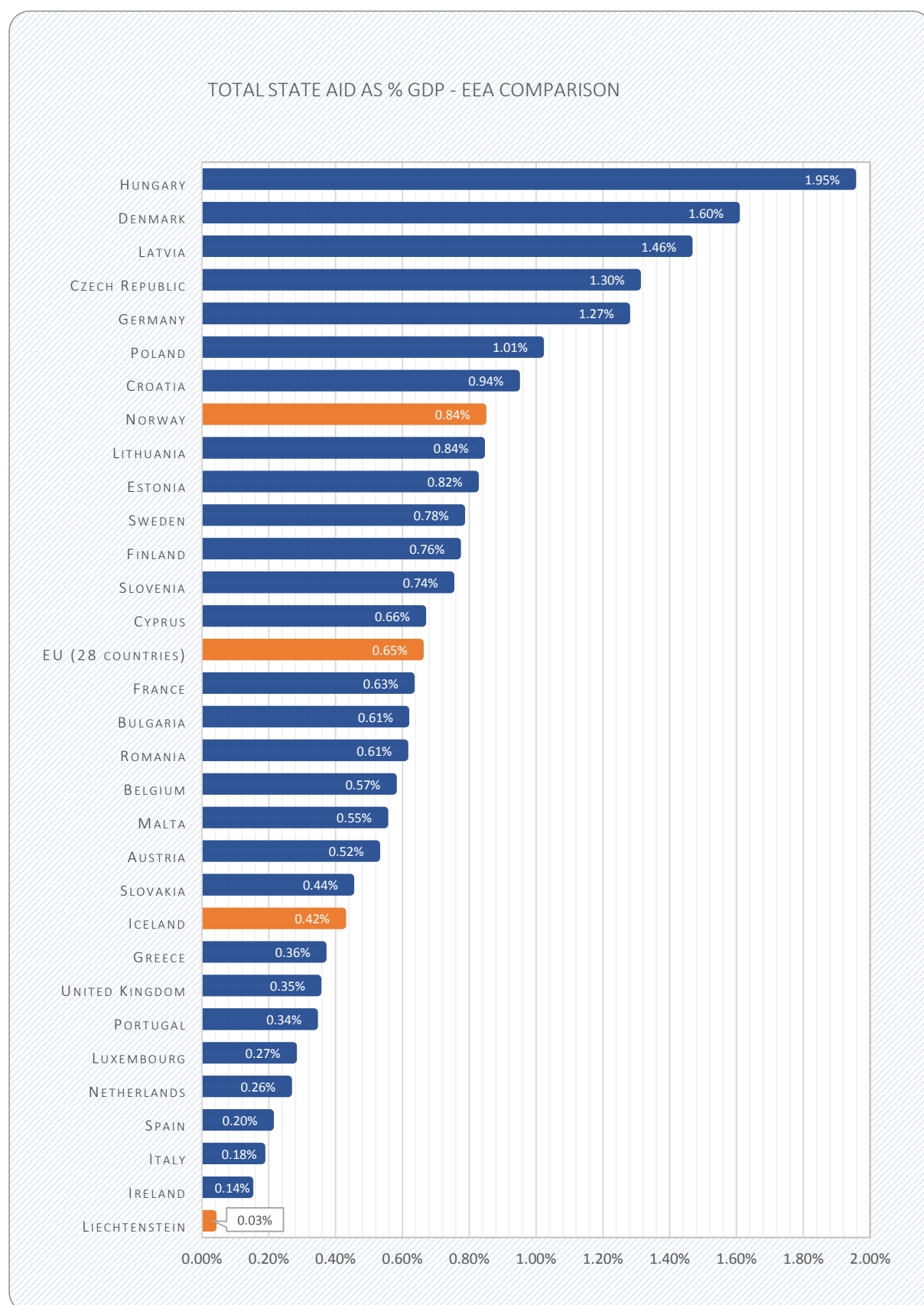
The chart shows that Norway’s level of aid expenditure relative to GDP (0.84 percent) ranked as the eighth highest in the EEA in 2016 and was well above the EU average (0.65 percent). This finding is in line with the results for the other Nordic countries

in the EEA, all of which reported state aid expenditure above the EU-average.

Iceland’s level of aid expenditure relative to GDP (0.42 percent) was below the EU average in 2016 and well below economies of similar size, such as Cyprus, Estonia, Latvia and Slovenia, all of which reported expenditure above the EU-average.

Liechtenstein granted the lowest amount of state aid relative to its GDP (0.03 percent) of all of the EEA States in 2016 and was placed well below the lowest of the EU Member States.

Figure 3: Total state aid relative to GDP: EEA comparison for 2016⁵



⁵ Aid to agriculture, fisheries and aquaculture is not included in the data for the EU Member States and the EFTA States presented above. Similarly, aid to the transport sector, railway infrastructure and financial crisis aid is also not included in the numbers.

3. STATE AID OBJECTIVES

In order for state aid to be compatible with the EEA Agreement, the aid must contribute to a well-defined objective of common interest. The range of potential common-interest objectives is very broad, covering those aimed at supporting consumer welfare and an efficient allocation of resources, to a wide set of social and political objectives, such as sustainable growth, competitiveness, social and regional cohesion and environmental protection. Thus, the common-interest objectives have both an economic efficiency dimension and an equity dimension, in addition to other key EEA political objectives.

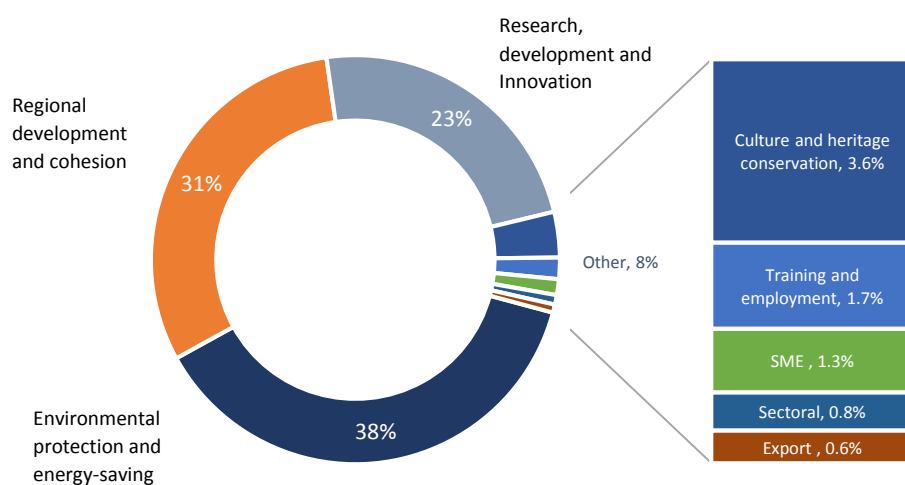
3.1 Main objectives in the EFTA States

During the period under review, the EFTA States implemented aid measures to help achieve a wide variety of common-interest objectives. Examples include seed funding for start-ups, broadband roll-out in rural areas, incentive schemes for environmentally friendly technologies, support to carbon-catching and storage facilities, rural harbour infrastructure, regional housing schemes, as well as multipurpose venues and sports arenas.

Figure 4 displays how the aid expenditure in the EFTA States was distributed amongst different categories of aid objectives in 2016. The figure shows that aid measures with environmental protection and energy saving as their main objective received the largest proportion of aid in the EFTA States in 2016, accounting for around 38 percent of all expenditure, followed by aid to regional development and R&D&I, which accounted for 31 and 23 percent respectively. Sectoral aid accounted for only 0.8 percent of total expenditure.

By comparison, the EU-28 awarded around 57 percent of all non-agricultural aid to environmental protection and energy-saving in 2016, whereas R&D&I and regional development accounted for only around 9 percent and 7 percent respectively. Sectoral aid granted by the EU-28 accounted for 4 percent of total state aid expenditure.⁶ A large share of the spending on environmental objectives in the EU was due to the approval of numerous renewable energy initiatives, aimed at achieving the EU energy and environmental goals of 20 percent renewables by 2020 and 27 percent by 2030 and to make progress on the strategy of a transition to a low-carbon, secure and competitive economy.⁷

Figure 4: State aid expenditure by main objective in the EFTA States in 2016



⁶ http://ec.europa.eu/eurostat/tgm_comp/table.do?tab=table&init=1&language=en&pcode=comp_sa_01&plugin=1

⁷ http://ec.europa.eu/competition/state_aid/scoreboard/state_aid_scoreboard_%202017.pdf, page 2

3.1.1 Main objectives in Norway

Figure 5 displays the overall trend in aid expenditure in Norway during 2010–2016 (in inflation-adjusted amounts) and the distribution of aid by objective in each year. The figure shows that spending increased over the period, albeit with a dip in 2013. The figure further shows that aid promoting environmental objectives has been an important part of Norway’s state aid policy during the period and accounted for the largest proportion of all aid in 2016. In total, Norway spent more than EUR 1 billion in support of environmental objectives in 2016 (NOK 10 billion), distributed across 24 measures, of which the four largest collectively amounted to almost EUR 840 million. Most of the aid in this category was awarded via tax concessions, in particular under the electric vehicle tax reduction scheme and the incentive scheme for Nitrogen Oxide reductions, while a significant share derived from aid schemes managed by ENOVA, a government enterprise tasked with promoting the production and consumption of environmentally friendly energy initiatives.

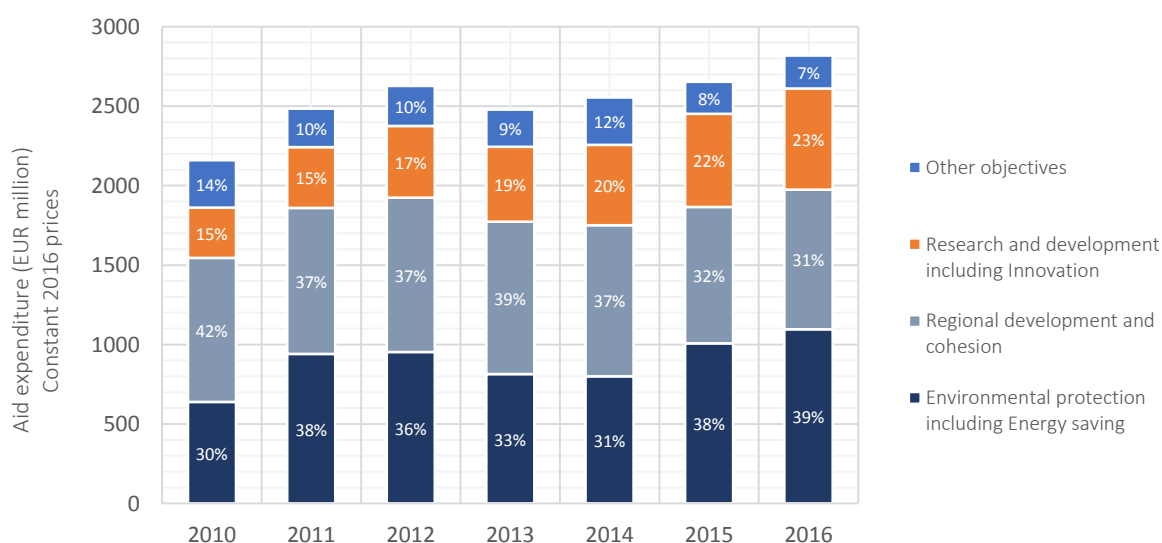
The figure shows further that aid supporting regional development accounted for the largest proportion of aid expenditure in Norway during most of the period. This is mainly due to the long-running “regionally differentiated social security

contributions” scheme (“RDSSC scheme”), an arrangement aimed at reducing or preventing depopulation in the least inhabited regions of Norway by stimulating employment. In 2016, the arrangement amounted to EUR 850 million in aid (NOK 7.9 billion), accounting for more than 30 percent of all Norwegian aid expenditure.

Finally, aid to support R&D&I projects accounted for the third largest proportion of expenditure in Norway during the period. The largest measure within this category was the “Skattefunn” arrangement, a tax deduction scheme set up to incentivise businesses to carry out R&D activities. In 2016, this measure amounted to EUR 333 million (NOK 3.1 billion), representing more than 12 percent of all Norwegian aid expenditure.

Both the RDSSC and the Skattefunn schemes are currently undergoing ex-post evaluation. The overall objective of such evaluations is to assess the relative positive and negative effects of an aid scheme, i.e. whether and to what extent the original common-interest objectives of the scheme have been fulfilled and to determine the impact of the scheme on competition and trade in the EEA. Feasibility studies have already been carried out, and results from the final evaluations are expected in 2018.

Figure 5: Distribution of aid by main objective in Norway during 2010–2016⁹



3.1.2 Main objectives in Iceland

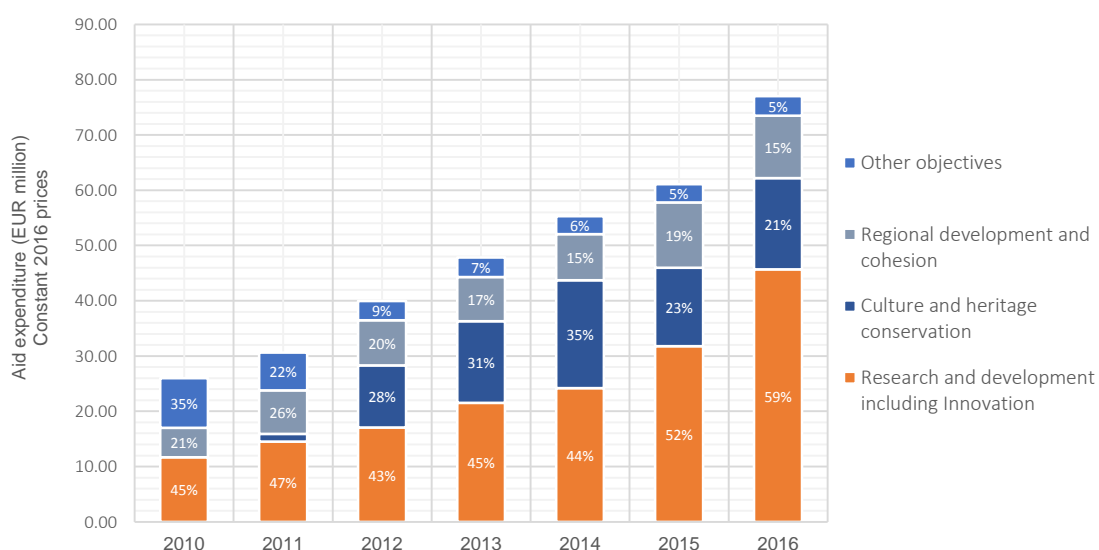
Figure 6 displays the overall trend in aid expenditure in Iceland during 2010–2016 (in inflation-adjusted amounts) and the distribution of aid by objective in each year. The figure shows that spending increased over the period and that aid to R&D&I objectives accounted for the largest proportion of aid every year (59 percent in 2016). In particular, the Rannís research and technological development funds made up most of this category over the years. Under the arrangements, companies carrying out R&D projects can apply for a tax credit or receive grants for innovative projects. In 2016, the funds collectively distributed EUR 34 million in aid (ISK 4.5 billion) and accounted for 44 percent of all aid expenditure.

Culture and heritage conservation has traditionally been another important objective in Iceland’s state aid policy, in particular with the introduction of a scheme to support the Harpa Concert Hall and Conference Centre in 2011. The Icelandic film support scheme has also accounted for a large share of cultural aid. This arrangement aims to promote the history and nature of Iceland, by reimbursing certain production costs to producers filming in Iceland. In 2016, support for cultural objectives accounted for 21 percent of all aid expenditure.

Aid to promote regional development and cohesion objectives also accounted for a significant proportion of state aid expenditure in Iceland during the period. According to the most recently approved [regional aid map of Iceland](#), nearly all of Iceland’s municipalities are eligible for regional aid due to low population density. The aid distributed to these areas aims to promote local economic development and industries. The Alcoa aluminium smelter was the largest recipient of regional aid in 2016, receiving EUR 7.5 million (ISK 1 billion) in tax breaks.

Aid supporting sectoral development was previously a prominent feature in Icelandic state aid policy, accounting for 35 percent of all aid expenditure in 2010. However, over the period under review, this type of aid has been significantly reduced and only accounted for 4 percent in 2016. The largest measure in this category in 2016 was the submarine cable project, which concerns the construction and management of an underwater cable connecting Iceland and the Faeroe Islands to Scotland, and provides a telecommunications link between these countries and mainland Europe. In 2016, the project received EUR 2.9 million in aid (ISK 387 million).

Figure 6: Distribution of aid by main objective in Iceland during 2010–2016⁹



3.1.3 Main objectives in Liechtenstein

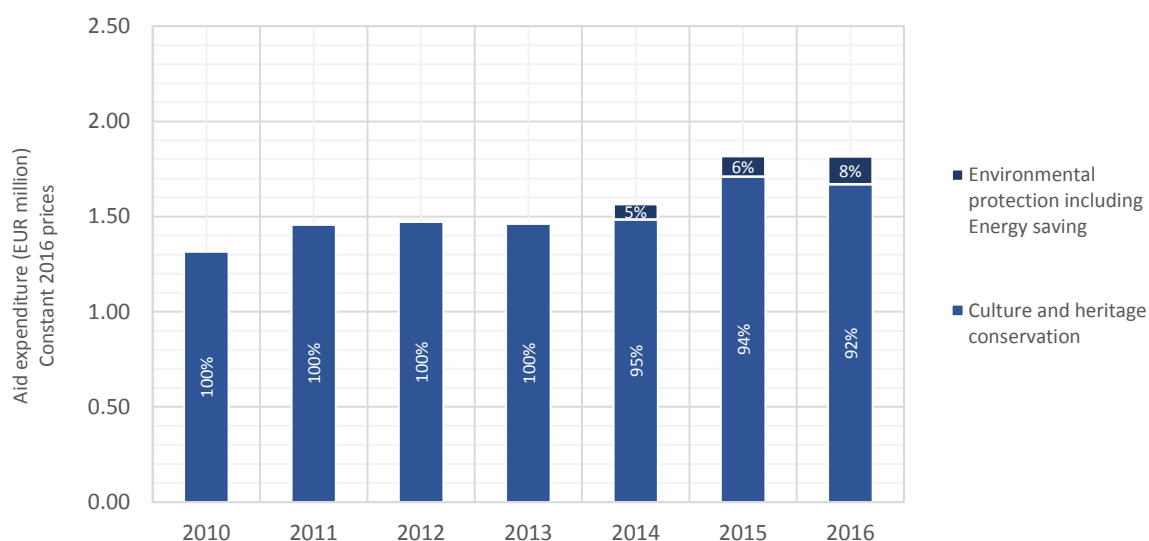
Figure 7 displays the overall trend in aid expenditure in Liechtenstein during 2010–2016 (in inflation-adjusted amounts) and the distribution of aid by objective in each year. The figure shows that spending remained stable during 2011–2014, but increased sharply in 2015. The magnitude of this increase should, however, be interpreted with caution, as it partly reflects an exchange rate movement in the CHF/EUR ratio.⁸

For most of the period, Liechtenstein’s state aid expenditure was entirely related to one measure, the Media Support Act, a measure supporting culture and heritage conservation. According to the

aid-granting authority, the arrangement aims to preserve pluralism of opinions, promote journalistic editorial quality, and facilitate the dissemination of opinion-shaping media in Liechtenstein. In 2016, the measure accounted for 92 percent of all aid expenditure in Liechtenstein, amounting to EUR 1.67 million (CHF 1.82 million).

Liechtenstein introduced a second state aid measure in 2014, with environmental protection and energy saving as its primary objective. The measure involved aid to the Citizens' Co-operative Balzers for district heating and accounted for 8 percent of all expenditure in Liechtenstein in 2016, amounting to EUR 0.15 million (CHF 0.16 million)

Figure 7: Distribution of aid by main objective in Liechtenstein during 2010–2016⁹



⁸ The cap on CHF exchange rate against the euro was removed in January 2015, as a result of which the CHF/EUR exchange rate changed significantly.

⁹ The aid amounts used in Figures 5–7 have been adjusted for inflation relative to 2016 using the GDP-deflator.

3.2 Selected EEA comparisons

Figure 8 displays the level of aid expenditure for selected objectives relative to GDP for each of the EFTA States during the period 2010–2016, together with the corresponding figure for the EU-28.

Figure 8a) shows that both Iceland and Norway, relative to GDP, spent more aid on R&D&I objectives than the average of the EU-28 throughout the relevant period. The gap has widened over time, as both Iceland and Norway display upward trends in relative R&D&I spending, while the EU-28 shows a moderate downward trend. In 2016, the average EU level increased moderately, while the level in both Norway and Iceland increased more significantly.

Figure 8b) shows that, relative to GDP, Norway spent more aid on environmental objectives than the average of the EU-28 during the period from

2010 to 2013, but fell below the EU level in 2014. The gap between the EU-28 and Norway persisted in 2015 and widened in 2016.

Figure 8c) shows that, relative to GDP, Norway spent significantly more aid on regional development than the EU-28 throughout the period, while Iceland consistently spent less. However, in 2015, Iceland increased regional aid spending and reached a level comparable to the EU-28, which continued in 2016.

Figure 8d) shows that, relative to GDP, Iceland spent significantly more aid on cultural objectives than the EU-28 from 2012 onwards. A relative reduction in 2015 narrowed the gap considerably, but the difference was still significant in 2016. Liechtenstein also displays a relative spending trend above the EU level for most of the period, but settled at a comparable level to the EU from 2014 onwards.

Figure 8: State aid granted for selected aid objectives relative to GDP during 2010–2016



4. BLOCK-EXEMPTED AID

4.1 The State Aid Modernisation initiative

The European Commission adopted the General Block Exemption Regulation (“GBER”) in August 2008 to simplify aid-granting procedures. Under the GBER, specific categories of state aid were declared compatible if they fulfilled certain conditions and were thus exempted from the requirement of prior notification and approval. The regulation was incorporated into the EEA Agreement in December of the same year.

As part of the State Aid Modernisation initiative, in July 2014, the European Commission adopted a revised GBER, which was incorporated into the EEA Agreement in the same month. The revision had three main objectives: i) it significantly extended the possibilities for the EEA States to grant “good aid” to companies without prior scrutiny; ii) it simplified the aid-granting procedure; and, iii) it introduced ex-post requirements, such as the evaluation of large aid schemes. In essence, due to the broadened

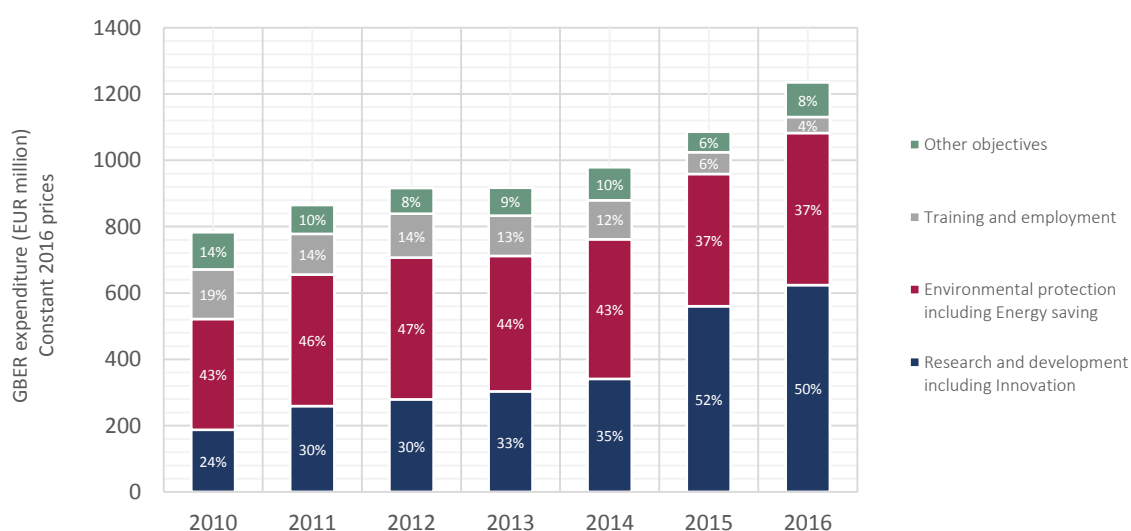
scope of the revised GBER, the EFTA States are now able to implement more aid measures and grant higher amounts without having to notify for authorisation.¹⁰

4.2 GBER uptake by the EFTA States

Until 2013, Norway was the only EFTA State to have granted aid under the GBER. Iceland introduced its first GBER measure in 2014 and a second one in 2015. Within the timeframe of this Scoreboard, Liechtenstein had not yet made use of the GBER.

Figure 9 illustrates the overall trend in state aid spending under the GBER in the EFTA States in the period 2010–2016 (in inflation-adjusted amounts), and the distribution of GBER aid by objective in each year. The graph shows that the EFTA States increased GBER expenditure almost every year over the period, with GBER aid totalling more than EUR 1.2 billion in 2016 — a real increase of around 14 percent from 2015 and 35 percent from 2013. The increase was due primarily to increased spending on R&D&I and environmental objectives.

Figure 9: GBER expenditure in the EFTA States during 2010–2016



¹⁰ See press release 14/369, at http://europa.eu/rapid/press-release_MEMO-14-369_en.htm.

4.3 Effects of the SAM initiative

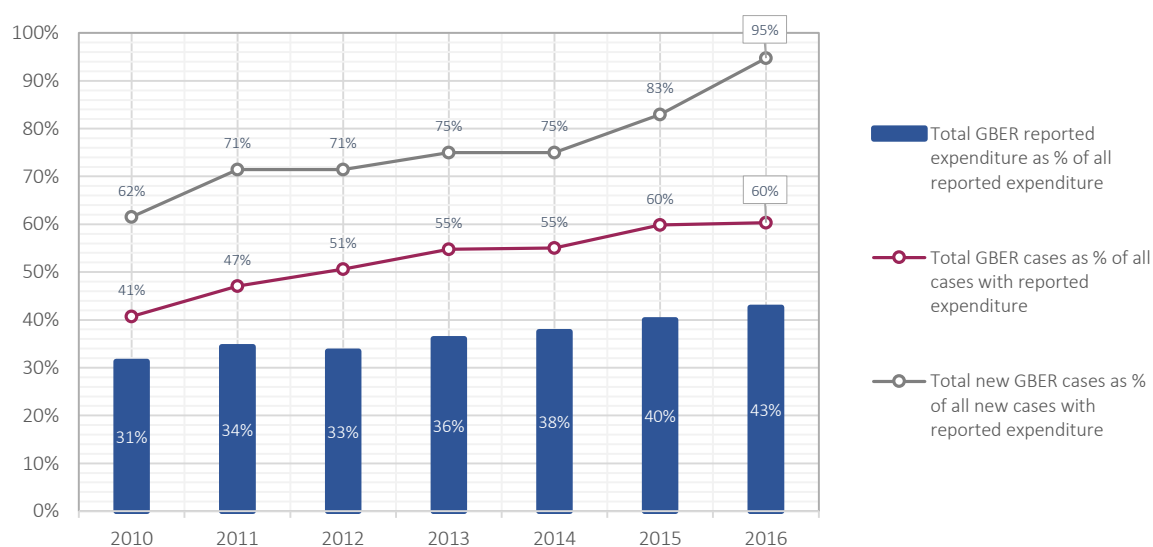
Figure 10 provides further details on the uptake of the GBER in the EFTA States.

The figure shows that the number of new GBER measures with reported expenditure relative to *all* new measures with reported expenditure was high and increasing over the period. In 2016, 95 percent of all new measures for which expenditure was reported for the first time had been notified under the GBER, an increase of around 20 percentage points since 2013 (i.e. before the implementation of the revised GBER in 2014). Furthermore, in 2016, GBER measures accounted for 60 percent of all measures with reported expenditure in the EFTA States, an increase of around five percentage points since 2013. Finally, in terms of expenditure, the proportion of GBER aid to total aid has been increasing over the period and accounted for 43

percent of all state aid spending in 2016, an increase of seven percentage points since 2013.

In comparison, at the EU level, more than 97 percent of new measures in the EU for which expenditure had been reported for the first time were GBER measures in 2016, an increase of 25 percentage points compared to 2013. For all measure with reported expenditure in the EU, 80 percent were GBER measures in 2016, an increase of about 20 percentage points since 2013. In terms of spending, total expenditure on GBER measures in the EU represented about 32 percent of total expenditure. However, the simple average of the Member States of the EU shows that the Member States spent on average around 46 percent of their total spending on GBER measures, an increase of about 11 percentage points compared to 2013.¹¹

Figure 10: Usage of GBER in the EFTA States during 2010–2016



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http://ec.europa.eu/competition/state_aid/scoreboard/state_aid_scoreboard_%202017.pdf, page 14

5. STATE AID INSTRUMENTS

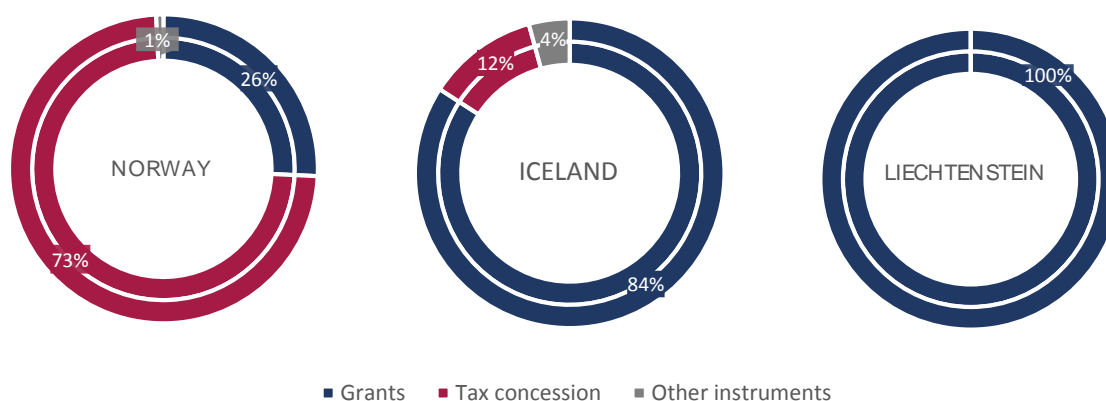
State aid represents a cost or a loss of revenue to the state and a benefit to the recipient undertaking. This economic transfer can take numerous forms, for example, grants, tax concessions, equity investments, soft loans, tax deferrals or guarantees.

The choice of aid instrument is made in view of the market failure which the aid seeks to address. However, in each specific case, the EFTA State is required to ensure that the aid is awarded in the form that is the least likely to generate distortive effects on competition and trade. In this respect, aid awarded in forms that provide a direct pecuniary advantage, such as grants, exemptions or reductions in taxes or other compulsory charges, can often be more distortive than aid awarded in the form of guarantees, loans or equity.

Figure 11 illustrates the extent to which the EFTA States made use of different aid instruments in 2016. The figure shows that Norway granted most of its aid via tax concessions (73 percent), followed by direct grants (26 percent). Only 1 percent was awarded via other instruments. Iceland awarded the majority of its aid via direct grants (84 percent), followed by tax concessions (12 percent). Only 4 percent was awarded via soft loans or equity. Finally, Liechtenstein awarded all of its aid via direct grants.

By comparison, at the EU level, direct grants accounted for 63 percent of all non-agricultural aid expenditure in 2016, followed by tax exemptions, which accounted for 32 percent. Only 5 percent was awarded via soft loans, guarantees, equity investments or other instruments.¹²

Figure 11: Usage of aid instruments in the EFTA States in 2016



¹² http://ec.europa.eu/eurostat/tgm_comp/refreshTableAction.do?tab=table&plugin=1&pcode=comp_ai_sa_02&language=en

6. RECOVERY CASES

Article 14 of Part II of Protocol 3 to the Surveillance and Court Agreement provides that “[w]here negative decisions are taken in cases of unlawful aid, [the Authority] shall decide that the EFTA State concerned shall take all necessary measures to recover the aid from the beneficiary.” The purpose of mandating the recovery of unlawful state aid is to remove the undue advantage granted to an undertaking (or undertakings) and to restore the market to the situation that prevailed before the unlawful aid was awarded. In such circumstances, the recovered aid – with interest at an appropriate level – is reimbursed to the relevant public authority that initially granted the incompatible support.

In 2016, the Authority closed the recovery case against the county of Aust-Agder, Norway, regarding

the unlawful aid involved in contracts awarded to several bus operators providing local transport services. During the settlement proceedings in the national court, it was determined that the amount to be recovered amounted to NOK 5 million, which was later recovered by the Norwegian authorities.

Progress was also made on the case against the Icelandic authorities regarding unlawful state aid awarded under the “Investment Incentive scheme”; the amounts to be recovered was determined by the Icelandic authorities and effectively recovered in 2018. The Authority has therefore closed the case.

The Authority did not order recovery of any new unlawful state aid in 2016. Table 2 provides further details on recovery cases in the period 2010-2016.

Table 2: Overview of recovery cases in the EFTA States during 2010–2016

Decision Number	Working title of case	EFTA State	Date of Decision	Amount to be recovered according to decision	Amount effectively recovered	Pending
97/10/COL	Captive insurance undertakings	LIE	24.03.10	CHF 20,827,286	CHF 20,827,286	No
416/10/COL	Investment undertakings	LIE	02.11.10	CHF 1,669,279	CHF 1,669,279	No
205/11/COL	Hurtigruten	NOR	29.06.11	NOK 0 ¹³	NOK 0	No
206/11/COL	HFF Mortgage Loans Scheme	ICE	29.06.11	Not specified in decision	ISK 0	No
232/11/COL	Sale of land at Asker	NOR	13.07.11	Not specified in decision	NOK 4,074,953	No
90/12/COL	Haslemoen Leir	NOR	15.03.12	NOK 6,462 133	NOK 6,462 133	No
261/12/COL	Verne Data Center	ICE	04.07.12	Not specified in decision	ISK 320,920,874 ¹⁴ ISK 142,535,573 ¹⁵	No
404/14/COL	Investment Incentive Scheme	ICE	08.10.14	Not specified in decision	ISK 9,577,347	No
179/15/COL	Public transport in Aust-Agder	NOR	07.05.15	NOK 1,020 000 (covering one aspect of the case).	NOK 5,000 000	No

13 Norway had decided to grant the aid but had not disbursed it. The amount of overcompensation identified by the Authority was approximately NOK 144 million. Since no actual payments were made, the amount to be recovered was effectively zero.

14 An additional ISK14,324,282 was placed in escrow in March 2013.

15 In 2013, ISK 852,852 was repaid by the Icelandic authorities to Verne.

7. INFORMATION SOURCES

7.1 Tables and graphs in the Scoreboard

The tables and graphs in the Scoreboard are based on data submitted by the EFTA States in their annual reports to the Authority. The underlying data can be accessed in Excel format from the Authority's website:

<http://www.eftasurv.int/state-aid/scoreboard/>

7.2 State aid register

The Authority's state aid register is an online service, which provides an overview of all state aid cases that have been the subject of a decision by the Authority since 1 January 1994:

<http://www.eftasurv.int/state-aid/state-aid-register/>

7.3 Annual report and state aid e-news

The Authority publishes annual reports on its activities, which summarise the most important legal developments, decisions and case law during the relevant year. The reports are available at:

<http://www.eftasurv.int/press--publications/annual-reports/>

State aid e-news is a weekly e-mail service providing updates on state aid decisions adopted by the Authority, as well as on judgments handed down by the EFTA Court:

<http://www.eftasurv.int/state-aid/state-aid-e-news/>

E-news is also available through the State Aid Weekly Newsletter published by the European Commission.

http://ec.europa.eu/comm/competition/state_aid/newsletter/index.html

Contact

Any queries or requests for data should be marked "Scoreboard" and should be sent to the general state aid mailbox at State.Aid@eftasurv.int. Alternatively, please contact:

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Table 3: Annex A - Aggregated source data for Norway: 2010–2016

NORWAY							
	2010	2011	2012	2013	2014	2015	2016
Total State aid (1+2+3), less railways	2199.34	2622.92	3050.24	2835.32	2861.07	2876.27	3008.67
(1) Non-Agricultural Aid	1979.56	2431.17	2655.88	2570.45	2658.07	2682.17	2818.42
of which (by objective)							
<i>Closure aid</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Compensation for damages caused by natural disaster</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Culture</i>	45.65	49.31	47.66	56.49	93.80	104.48	86.27
<i>Employment</i>	100.95	100.30	114.99	108.30	104.20	58.73	10.55
<i>Environmental protection including Energy saving</i>	585.39	920.26	964.78	845.54	832.12	1019.91	1095.74
<i>Heritage conservation</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Promotion of export and internationalisation</i>	45.73	54.28	60.07	45.97	44.89	2.15	18.50
<i>Regional development</i>	830.67	899.86	980.30	992.64	990.68	867.58	879.49
<i>Rescue & Restructure</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Research and development including Innovation</i>	289.80	373.28	457.64	490.17	525.21	591.49	634.96
<i>Sectoral development</i>	0.00	0.00	0.00	2.05	21.63	15.74	18.82
<i>SME including risk capital</i>	44.96	14.79	11.30	11.27	26.83	14.47	36.13
<i>Social support to individual consumers</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Training</i>	36.42	19.10	19.15	18.02	18.71	7.61	37.96
<i>Other</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
of which (by instrument)							
<i>Equity participation</i>	0.02	0.07	0.00	0.00	0.45	0.77	11.65
<i>Grant</i>	708.14	822.58	904.31	810.65	838.80	726.97	725.85
<i>Guarantee</i>	0.41	0.41	0.54	0.17	0.00	0.00	0.00
<i>Soft loan</i>	12.77	10.85	12.43	11.02	9.94	8.24	9.61
<i>Tax deferral</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Tax exemption</i>	1258.22	1597.26	1738.61	1748.61	1808.89	1946.20	2071.32
<i>Other</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
of which							
<i>Co-financed</i>	:	:	:	:	:	:	:
<i>Non co-financed</i>	:	:	:	:	:	:	:
(2) Agricultural Aid	na	na	na	na	na	na	na
of which	na	na	na	na	na	na	na
<i>Agriculture and rural development</i>	na	na	na	na	na	na	na
<i>Aid granted to fisheries and aquaculture</i>	na	na	na	na	na	na	na
(3) Transport aid (excluding railway)	219.78	191.75	394.35	264.87	203.00	194.10	190.25
of which							
<i>Road</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Maritime transport</i>	219.78	191.75	394.35	264.72	202.92	194.10	190.25
<i>Inland water transport</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Air transport</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Other transport</i>	0.00	0.00	0.00	0.15	0.08	0.00	0.00
NORWAY							
	2010	2011	2012	2013	2014	2015	2016
Total subsidies to the railway sector	0.00	0.00	0.00	0.00	0.46	0.00	0.00
of which							
<i>PSO and pensions</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Infrastructure and other aid</i>	0.00	0.00	0.00	0.00	0.46	0.00	0.00

Table 4: Annex B - Aggregated source data for Iceland: 2010–2016

ICELAND							
	2010	2011	2012	2013	2014	2015	2016
Total State aid (1+2+3), less railways	310.38	29.96	115.70	70.12	51.07	59.80	77.04
(1) Non-Agricultural Aid	21.26	25.81	34.81	42.41	51.07	59.80	77.04
of which (by objective)							
<i>Closure aid</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Compensation for damages caused by natural disaster</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Culture</i>	0.00	1.19	9.80	13.12	18.05	13.92	16.50
<i>Employment</i>	0.49	0.87	0.44	0.42	0.43	0.46	0.50
<i>Environmental protection including Energy saving</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Heritage conservation</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Promotion of export and internationalisation</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Regional development</i>	4.37	6.61	7.10	7.08	7.69	11.57	11.31
<i>Rescue & Restructure</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Research and development including Innovation</i>	9.56	12.25	14.85	19.11	22.34	31.12	45.67
<i>Sectoral development</i>	6.84	4.89	0.11	0.11	0.11	0.12	0.01
<i>SME including risk capital</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.15
<i>Social support to individual consumers</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Training</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Other</i>	0.00	0.00	2.52	2.58	2.45	2.62	2.90
of which (by instrument)							
<i>Equity participation</i>	0.00	0.00	2.21	2.58	2.45	2.62	2.90
<i>Grant</i>	11.42	12.47	20.72	26.91	42.09	48.52	64.82
<i>Guarantee</i>	6.74	4.76	0.00	0.00	0.00	0.00	0.00
<i>Soft loan</i>	0.00	0.00	0.00	0.00	0.00	0.41	0.38
<i>Tax deferral</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Tax exemption</i>	3.10	8.58	11.89	12.93	6.53	8.26	8.94
<i>Other</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
of which							
<i>Co-financed</i>	:	:	:	:	:	:	:
<i>Non co-financed</i>	:	:	:	:	:	:	:
Financial crisis aid	289.12	4.15	80.88	27.71	0.00	0.00	0.00
<i>Financial crisis aid</i>	289.12	4.15	80.88	27.71	0.00	0.00	0.00
Transport aid (excluding railway)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
of which							
<i>Road</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Maritime transport</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Inland water transport</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Air transport</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Other transport</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ICELAND							
	2010	2011	2012	2013	2014	2015	2015
Total subsidies to the railway sector							
of which							
<i>PSO and pensions</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Infrastructure and other aid</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Table 5: Annex C - Aggregated source data for Liechtenstein: 2010–2016

Liechtenstein							
	2010	2011	2012	2013	2014	2015	2016
Total State aid (1+2+3), less railways	1.34	1.48	1.50	1.49	1.58	1.83	1.82
(1) Non-Agricultural Aid	1.34	1.48	1.50	1.49	1.58	1.83	1.82
of which (by objective)							
<i>Closure aid</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Compensation for damages caused by natural disaster</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Culture</i>	1.34	1.48	1.50	1.49	1.50	1.72	1.67
<i>Employment</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Environmental protection including Energy saving</i>	0.00	0.00	0.00	0.00	0.08	0.11	0.15
<i>Heritage conservation</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Promotion of export and internationalisation</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Regional development</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Rescue & Restructure</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Research and development including Innovation</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Sectoral development</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>SME including risk capital</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Social support to individual consumers</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Training</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Other</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
of which (by instrument)							
<i>Equity participation</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Grant</i>	1.34	1.48	1.50	1.49	1.58	1.83	1.82
<i>Guarantee</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Soft loan</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Tax deferral</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Tax exemption</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Other</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
of which							
<i>Co-financed</i>	:	:	:	:	:	:	:
<i>Non co-financed</i>	:	:	:	:	:	:	:
(2) Agricultural Aid							
of which							
<i>Agriculture and rural development</i>	na	na	na	na	na	na	na
<i>Aid granted to fisheries and aquaculture</i>	na	na	na	na	na	na	na
Transport aid (excluding railway)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
of which							
<i>Road</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Maritime transport</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Inland water transport</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Air transport</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Other transport</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Liechtenstein							
	2010	2011	2012	2013	2014	2015	2016
Total subsidies to the railway sector							
of which							
<i>PSO and pensions</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Infrastructure and other aid</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00