VRIJE UNIVERSITEIT BRUSSEL

IPCEIS AS A CONTRIBUTION TO THE EU'S SUSTAINABLE ECONOMIC GROWTH AND COMPETITIVENESS

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European Competition Day 2022

AGENDA

- Introduction
- IPCEI and State aid
- Examples
- Trends
- Striking the right balance
- Points of attention

INTRODUCTION

IPCEI

Contribution to sustainable economic growth, jobs, competitiveness and resilience

Create complex value chains to ensure long-term competitiveness

Self-sufficient EU value chains and strategic autonomy

Bring together knowledge, expertise, financial resources and economic actors across MS

Common European objectives, in particular:

- Green Deal
- Digital Strategy
- Digital Decade
- New Industrial Strategy
- European Strategy for Data
- Next Generation EU

INTRODUCTION

IPCEI AND STATE AID

Article 107(3)(b) *'aid to promote … important project of common European interest…'*

- R&D&I (2006)
- Environment (2008)

EUROPEAN COMMISSION

- IPCEI Communication (2014;2021)
  - Multiple MS
  - Market failure
  - Common principles (such as necessity, proportionality, minimum)
  - Balancing test
  - Counterfactual

Brussels, 25.11.2021
C(2021) 8481 final

COMMUNICATION FROM THE COMMISSION

Criteria for the analysis of the compatibility with the internal market of State aid to promote the execution of important projects of common European interest

IPCEI EXAMPLES

INFRA

Press release | 28 February 2019 | Brussels

State aid: Commission opens in-depth investigation into public financing of Øresund fixed rail-road link

Press release | 20 March 2020 | Brussels

State aid: Commission approves Danish public financing of Fehmarn Belt fixed rail-road link

IPCEI EXAMPLES

INFRA AND VALUE CHAIN

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The hydrogen IPCEIs (Important Projects of Common European Interest) were launched on 17 December.

On this historic day, ministers of 22 EU Member States and Norway signed a manifesto to consolidate their commitment to support the development and deployment of clean and low-carbon hydrogen in Europe and to invest billions of euros accordingly.

IPCEI TRENDS

IPCEI	Øresund	Fehmarn Belt
Type	Infra	Infra
Year	2014; 2019	2015; 2019 (20)
Member States	2	2

IPCEI	Microelectronics	Batteries	Hydrogen
Type	Value chain	Value chain	Value chain
Year	2018; 2021 (pre)	2019; 2021	2022
Member States	5; 20	7; 12	15; 22
Private funding	€6 billion	€5 billion	€8.8 billion
State aid	€1.75 billion	€3.23 billion	€5.4 billion

STRIKING THE RIGHT BALANCE

POSITIVES AND (POTENTIAL) NEGATIVES

+	-
Objective common interest	Distortion competition and impact on trade
Competitiveness Growth Societal challenge	Overcapacity Market foreclosure, dominance Access and pricing Subsidy races

Counterfactual

Balancing test? (cfr Covid case law Ryanair)

POINTS OF ATTENTION

OPPORTUNITIES OR RISKS

- Competitive sustainability
  - Incentivise public and private investment
  - Wide dissemination
  - Productivity gap and SME's
  - Open access / access rights
  - Inclusive and transparant

- Strategic autonomy
  - Resilience
  - Pandemic and geopolitical tensions
  - Supply chain analysis and avoiding dependencies
    - Ownership
    - M&A
    - Tender success
    - Supply chain participation
    - Commodities
  - Jobs and growth

THANK YOU FOR YOUR ATTENTION

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