

Brussels, 30 December 2008

State aid: Commission approves first real economy crisis measures

The European Commission has approved, under EC Treaty state aid rules, two German real economy crisis measures. The first measure, a EUR 15 billion German loan programme ("KfW-Sonderprogramm 2009") which is intended to provide liquidity for undertakings affected by the current credit squeeze, provides for interest rate reductions on loans to finance investments and working capital of up to EUR 50 million to be granted to undertakings with a turnover of less than EUR 500 million. The programme will be administered by the Kreditanstalt für Wiederaufbau (KfW), the main public development bank in Germany, in close cooperation with the undertakings' own bankers. The second measure, a Federal framework scheme ("Bundesregelung Kleinbeihilfen") allows economic policy actors at Federal, regional, and local level to provide aid of up to EUR 500.000 per undertaking to firms in need. These are the first cases to be approved under the Commission's new temporary framework providing Member States with additional possibilities to tackle the effects of the credit squeeze on the real economy (see [IP/08/1993](#)).

Competition Commissioner Neelie Kroes said: "Thanks to intensive cooperation with the German authorities, the Commission could approve these important crisis measures within a matter of days and during the Christmas break. Germany is the first country to make use of the new temporary State aid framework recently approved to help companies overcome financial problems arising from the current credit squeeze."

The Sonderprogramm allows reduced-interest rate loans of normally a maximum of EUR 50 million to be granted to undertakings with normally a maximum turnover of EUR 500 million. The loans may be granted up to the end of 2010 for a maximum period of 8 years, but all interest rate advantages end on 31 December 2012. Thereafter, the companies will pay market interest rates on the loans.

The Scheme is administered by the KfW, which works closely with the normal commercial bankers of the undertaking ("*Hausbank*").

The exact interest rate advantage can differ from undertaking to undertaking, but Germany has confirmed that the total amount of aid for any undertaking will never exceed the amount of aid in the form of subsidised interest rates permitted by the 'temporary framework for State aid measures to support access to finance in the current financial and economic crisis', adopted by the Commission on 17 December 2008.

Accordingly the Commission has decided that the measure is compatible with Article 87.3.b of the EC Treaty as aid to remedy a serious disturbance in the economy of a Member State.

The Federal framework scheme can be applied at Federal, regional (Länder), and local level. It allows the grant of aid of up to EUR 500.000 to firms in difficulties as a consequence of the real economy crisis, and to overcome problems in financing investments and working capital which result from the present credit squeeze.

The scheme is designed on the basis of section 4.2.2 of the temporary framework, and meets all its requirements. Accordingly the Commission has decided that this measure is also compatible with Article 87.3.b of the EC Treaty as aid to remedy a serious disturbance in the economy of a Member State.

These decisions will be made available under the case numbers [N 661/2008](#) and [N 668/2008](#) in the [State Aid Register](#) on the [DG Competition](#) website. A German translation of the decision will be made available as soon as possible. New publications of state aid decisions on the internet and in the Official Journal are listed in the [State Aid Weekly e-News](#).