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**Subject: State Aid SA.113202 (2024/N) – Slovakia**  
**State aid scheme to enhance air connectivity**

Excellency,

## **1. PROCEDURE**

- (1) By electronic notification of 6 June 2024, the Slovak authorities notified the European Commission (hereafter ‘Commission’), in accordance with Article 108(3) of the Treaty on the Functioning of the European Union (hereafter ‘TFEU’), of a measure (hereafter the ‘measure’ or the ‘notified measure’) aiming to provide support for the opening of new air passenger transport routes connecting Slovakia’s airports to each other and to other airports in the European Common Aviation Area (hereinafter ‘ECAA’). <sup>(1)</sup>

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<sup>(1)</sup> Decision 2006/682/EC of the Council and of the Representatives of the Member States meeting within the Council of 9 June 2006 on the signature and provisional application of the Multilateral Agreement between the European Community and its Member States, the Republic of Albania, Bosnia and Herzegovina, Republic of Bulgaria, the Republic of Croatia, the former Yugoslav Republic of Macedonia, the Republic of Iceland, the Republic of Montenegro, the Kingdom of Norway, Romania, the Republic of Serbia and the United Nations Interim Administration Mission in Kosovo on the Establishment of a European Common Aviation Area (ECAA), OJ L 285, 16.10.2006, p. 1.

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- (2) On 12 June 2024 the Commission requested information. Slovakia replied on 21 June 2024. Slovakia exceptionally agrees to waive its rights deriving from Article 342 TFEU, in conjunction with Article 3 of Regulation 1/1958 <sup>(2)</sup> and to have this Decision adopted and notified in English.

## **2. DETAILED DESCRIPTION OF THE MEASURE**

### **2.1. Description of airports subject to the measure**

- (3) The measure applies to the entire territory of the Republic of Slovakia. The Slovak authorities identified five airports, namely Letisko M. R. Štefánika Bratislava (hereinafter the 'Bratislava airport'), Letisko Košice (hereinafter the 'Košice airport'), Airport Letisko Poprad – Tatry (hereinafter the 'Proprad-Tatry airport'), Letisko Piešťany (hereinafter the 'Piešťany airport') and Letisko Žilina (hereinafter the 'Žilina airport').
- (4) Bratislava airport is the largest international airport in the Slovak Republic. It is managed by Letisko M. R. Štefánika – Airport Bratislava, a.s. , which is fully owned by the Ministry of Transport of Slovakia. Bratislava airport offers scheduled and chartered flights to international destinations, such as Italy, Turkey, Greece, the Netherlands and the United Kingdom.
- (5) The second largest airport in the Slovak Republic is Košice airport. Košice airport is operated by Letisko Košice – Airport Košice, a.s. The shareholders of that company are the Ministry of Transport, with a share of 34 % of the capital, and KSC Holding, a.s, (whose majority shareholder is Vienna-Schwechat Airport) with a 66 % share. Košice airport offers scheduled and chartered flights to international destinations, such as the United Kingdom, Poland, the Czech Republic and Austria.
- (6) The third airport by annual passenger traffic is the Proprad-Tatry airport. Letisko Poprad - Tatry, a.s., is the operator of Proprad-Tatry airport. The shareholders of that company are the Ministry of Transport, with a share of 97.74 % of the capital, the City of Poprad, with a share of 1.58 % of the capital, and the City of Vysoké Tatry, with a share of 0.68 % of the capital. The airport offers in particular scheduled flights to the United Kingdom.
- (7) Piešťany airport is operated by Letisko Piešťany, a.s. .The shareholders of that company are the Ministry of Transport of the Slovak Republic, with a share of 20.65 % of the capital, Trnava Self-Governing Region, with a share of 59.31 % of the capital, and the City of Piešťany, with a share of 20.04 % of the capital. There are currently no scheduled air services to and from Piešťany airport.
- (8) Žilina airport is operated by Letisková spoločnosť Žilina, a.s. The shareholders of that company are the Ministry of Transport, with a share of 34.01 % of the capital, and the Žilina Self-Governing Region, with a share of 65.99 %. There are currently no scheduled air services to and/or from Letisko Žilina airport.

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<sup>(2)</sup> Regulation No 1 determining the languages to be used by the European Economic Community, OJ 17, 6.10.1958, p. 385.

- (9) The evolution of the number of passengers in Slovakian airports over the period 2019-2023 is displayed in Table 1.

*Table 1. Annual passenger traffic at the main airports in Slovakia 2019-2023*

<b>Year</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Bratislava</b>	2 290 242	405 097	480 152	1 406 284	1 813 660
<b>Košice</b>	558 064	97 382	168 742	542 864	625 053
<b>Poprad - Tatry</b>	94 249	24 189	16 277	56 757	72 660
<b>Piešťany</b>	10 498	697	3 984	14 698	27 601
<b>Žilina</b>	349	268	492	660	373

Source: Slovak authorities

- (10) The Slovak authorities confirmed that there is no high-speed rail service in Slovakia that could replace air transport. For example, the domestic train journey from Bratislava to Košice takes five hours.
- (11) The Slovak authorities submit that, due to the small size of the Slovak market, Slovakia faces difficulties in establishing an adequate number of direct connections to/from its territory. According to the Slovak authorities, Slovakia's current population of approximately 5.4 million inhabitants and the comparatively low purchasing power of its citizens makes it difficult for airlines to establish regular routes to/from the country. The Slovak authorities state that they held consultations with airlines, which confirmed that they are not willing to establish new air routes to/from Slovakia in the absence of adequate support from the State.
- (12) In addition, the Slovak authorities explain that they are working to reduce existing regional disparities. In this sense, they are seeking to increase foreign direct investment in order to support the growth of the economy. The development of air transport, being crucial to ensure connectivity, is considered as one of the essential elements to attract foreign investment.
- (13) Finally, the Slovak authorities point to tourism as an important element for the growth of the national economy. In 2019, the economic impact of tourism amounted to 2.8 % of Slovakia's GDP. However, due to the COVID-19 pandemic, the revenue decreased to EUR 1.1 billion (i.e., 1.2 % of GDP) in 2020. Slovakia argues that improved transport accessibility, including high quality public transport services and new scheduled air services, would be highly beneficial for the development of tourism.
- (14) The Slovak authorities submit that airlines are reluctant to open new routes if there is a risk that they will be unprofitable in the first years of operation (see recital (11)) and that it is, therefore, highly unlikely that new routes can be developed without support under the measure.

- (15) Slovakia submits that the notified measure is designed to meet the criteria for start-up aid set out in the Guidelines on State aid to airports and airlines (hereinafter the ‘Aviation Guidelines’) <sup>(3)</sup>.

## **2.2. Objective of the measure**

- (16) The measure is intended to improve the accessibility of the territory of the Slovak Republic by air and the mobility of residents, to promote the development of tourism, and thus to contribute to the development of the Slovak regions and to make the Slovak Republic more attractive to businesses.

## **2.3. Form of the support and eligible costs**

- (17) The aid will be provided in the form of direct grants. It will cover up to 50 % of the airport charges <sup>(4)</sup> incurred in operating the new routes for a duration of up to three years, for each route concerned.

## **2.4. National legal basis**

- (18) The notified measure is based on the Act No 213/2019 on charges and the granting of contributions in civil aviation. <sup>(5)</sup> The Slovak authorities also explained that the notified measure will be implemented only after the Commission’s approval.

## **2.5. Budget and duration**

- (19) The notified measure will have a maximum budget of EUR 1.5 million per year for the years 2024, 2025 and 2026, and a budget of EUR 600 000 for 2027 (i.e., EUR 5.1 million in total) and will be financed through Slovakia’s State budget. The national legal basis contains a standstill clause pursuant to Article 108(3) TFEU.
- (20) The duration of the scheme is until 4 April 2027.
- (21) The maximum period during which a route can benefit from support under the notified measure is three years from its launch.

## **2.6. Beneficiaries**

- (22) The beneficiaries of the measure will be the airlines whose application has been successful, following an open call for applications for start-up aid for eligible routes, as described below.

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<sup>(3)</sup> Communication from the Commission — Guidelines on State aid to airports and airlines, OJ C 99, 4.4.2014, p. 3.

<sup>(4)</sup> See in particular paragraphs 25(4), 31 and 150 of the Aviation Guidelines.

<sup>(5)</sup> Available at: 213/2019 Z.z. - Zákon o odplatách a o poskytovaní p... - SLOV-LEX

- (23) All airlines that hold a valid operating licence issued by a Union Member State or a Member of the ECAA pursuant to Regulation (EC) No 1008/2008<sup>(6)</sup> are eligible to apply in the open call.

## **2.7. Selection procedure**

- (24) The Ministry of Transport of the Slovak Republic will organise an open call for applications to select the routes to be supported in line with the Aviation Guidelines. Interested airlines have to submit their applications to the Ministry of Transport. All the applications will be assessed by an Evaluation Committee.<sup>(7)</sup> In the event that two or more airlines submit an application for the same new route, the following criteria will be taken into account as basis for the selection: (i) the planned number of passengers planned to be carried in the relevant year during the eligible period, (ii) the frequency of flights, (iii) the number of proposed departures between 06:00 and 09:00 or 16:00 to 20:00 and the number of proposed arrivals between 08:00 and 10:00 or 18:00 to 22:00, (iv) the cost of a one-way ticket in economy class and (v) compliance with the objectives environmental protection and sustainability in aviation as referred to in the ReFuelEU Aviation.<sup>(8)</sup>
- (25) The Slovak authorities will make their plans public in advance and ensure adequate publicity to enable all interested airlines to apply. The call will be published in the Official Journal of the European Union and on the national online portal of the Republic of Slovakia.

## **2.8. Eligible routes**

- (26) Eligible routes are routes between a Slovak airport and an ECAA airport. The routes to be supported under the notified measure will be determined on the basis of the needs of the regions of the Slovak Republic.
- (27) Start-up aid to support airlines may only be provided where certain cumulative criteria are met, namely:
- a. the proposed air route is not already being operated between the two airports of the proposed route, i.e., the Slovak airport and another airport within the ECAA, by the time of the application to the open call for aid;
  - b. there is no high-speed rail connection between the city pairs to be served by the two connected airports<sup>(9)</sup>; and

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<sup>(6)</sup> See point 25(3) of the Aviation Guidelines and Regulation (EC) No 1008/2008 of the European Parliament and of the Council of 24 September 2008 on common rules for the operation of air services in the Community (OJ L 293, 31.10.2008, p. 3)

<sup>(7)</sup> As envisaged in Section 25(2) of Act No 213/2019.

<sup>(8)</sup> Regulation (EU) 2023/2405 of the European Parliament and of the Council of 18 October 2023 on ensuring a level playing field for sustainable air transport (OJ L, 2023/2405, 31.10.2023, p.1).

<sup>(9)</sup> As mentioned in recital (10), the Slovak authorities confirmed that there is no high-speed rail service in the country.

- c. the proposed air connection between the two airports is not already served with direct flights to another airport within the same catchment area of either of the two airports, under comparable conditions, in particular in terms of length of journey. <sup>(10)</sup>
- (28) The Slovak authorities submit that these cumulative criteria (see recital (27)) will ensure that there is no overlap between any of the routes launched as part of the notified measure and existing ones. Furthermore, the Slovak authorities will ensure that indirect flights, such as flights with intermediate stops, are not eligible for support.
- (29) In order to be eligible for support, the new services may only start after the application for support has been submitted to the granting authority.

## **2.9. Business plan**

- (30) Applicant airlines have to produce an ex-ante business plan for each route in relation to which they apply for support. The business plan has to include at least the following information:
- a. The period for which the airline requests the start-up aid;
  - b. Details on the frequency and promotion of the proposed connection;
  - c. The expected number of passengers over the period during which support is granted;
  - d. Information on the viability of the proposed new route, demonstrating that the route has prospects of becoming profitable for the airline without public funding after the maximum three years of support.
- (31) If the airline does not submit such a business plan, it must provide a commitment to the airport in the form of a written statement that the route will continue to operate for a further period at least as long as the period for which the airline will receive support under the notified measure.

## **2.10. Form of the aid, aid intensity and cumulation**

- (32) The aid will be granted in the form of direct grants which will cover up to 50% of the cost of airport charges incurred by beneficiary airlines for the operation of the new route. The aid may not be cumulated with other types of aid for the same eligible costs.

## **2.11. Performance reporting and claw-back**

- (33) All airlines benefitting from aid under the notified measure will have to report on the operation of the subsidised routes and provide the Ministry of Transport of the Slovak Republic with information on the operational performance, including the number of passengers per calendar year and with financial results of their new

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<sup>(10)</sup> Catchment area refers to a distance of 100 km or 60 minutes driving time, within the meaning of point 25(12) of the Aviation Guidelines.

connections. In case of non-compliance on the part of a beneficiary with the applicable requirements included in the agreement concluded between the Slovak authorities and the participating airlines, the aid will be discontinued and the aid already received will have to be repaid.

## **2.12. Transparency**

- (34) The Slovak authorities will ensure compliance with the rules on transparency as provided for in points 162 and 163 of the Aviation Guidelines as amended by the Transparency Communication. <sup>(11)</sup> The publication of information on individual awards will be made available on the following websites:

<https://www.mindop.sk/ministerstvo-1/doprava-3/civilne-letectvo/verejne-prostriedky-civilne-letectvo/prispevok>

<https://semp.kti2dc.sk/>

## **3. ASSESSMENT OF THE NOTIFIED MEASURE**

### **3.1. Existence of aid**

- (35) Pursuant to Article 107(1) TFEU ‘any aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods shall, in so far as it affects trade between Member States, be incompatible with the internal market’.
- (36) The criteria laid down in Article 107(1) TFEU are cumulative. Therefore, for a measure to constitute State aid within the meaning of Article 107(1) TFEU, each of the following conditions has to be fulfilled. The financial support must:
- (a) be imputable to the State and financed through State resources;
  - (b) provide a selective economic advantage to undertakings;
  - (c) distort or threaten to distort competition; and
  - (d) affect trade between Member States.
- (37) In the following sections, the Commission will assess whether the measure meets these cumulative criteria thus constituting aid within the meaning of Article 107(1) TFEU.

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<sup>(11)</sup> Communication from the Commission amending the Communications from the Commission on EU Guidelines for the application of State aid rules in relation to the rapid deployment of broadband networks, on Guidelines on regional State aid for 2015-2020, on State aid for films and other audiovisual works, on Guidelines on State aid to promote risk finance investments and on Guidelines on State aid to airports and airlines (OJ C 198, 27.6.2014, p. 30).

#### *3.1.1. State resources and imputability to the State*

- (38) As mentioned in recital (18), the notified measure is introduced by law and, as explained in recital (24), it will be administered by the Slovak Ministry for Transport, a public authority, which will organise a call for applications and select the beneficiary airlines. The notified measure will also be financed from the State budget of Slovak Republic (recital (19)). The notified measure is thus financed from State resources and is imputable to the State.

#### *3.1.2. Economic advantage*

- (39) As mentioned in recital (17), the notified measure involves direct grants allocated to airlines selected by the Slovak authorities. The grants will reduce the costs normally borne by the beneficiary airlines for operating air transport services on new routes. Therefore, the notified measure involves an economic advantage.

#### *3.1.3. Selective advantage*

- (40) The measure will only benefit, in the form of grants (see recital (17)), airlines (see recitals ((22) and (23)) that will establish new connections on the eligible routes (see recitals (26) to (29)), selected according to the procedure laid down in recitals (24) and (25), while other undertakings in a comparable legal and factual situation, within the air passenger transport sector or other sectors (considering that all economic operators should, in principle, cover their own costs), will not be eligible for support under the measure and will thus not receive the same advantage.
- (41) The Commission therefore concludes that the measure confers a selective advantage on its beneficiaries.

#### *3.1.4. Distortion of competition and effect on trade*

- (42) When an economic advantage granted by a Member State strengthens the position of an undertaking compared to other undertakings competing in intra-Union trade, the latter must be regarded as affected by that advantage. It is sufficient that the beneficiary competes with other undertakings on markets open to competition. Given the nature of the beneficiaries mentioned in recitals (22) and (23), support by the Slovak authorities of new air services distorts or threatens to distort competition between airlines and affects trade between Member States, as the provision of air transport services on routes within the Union is fully liberalised and many undertakings from different Member States compete against each other on that market.
- (43) Therefore, the Commission concludes that the notified measure is liable to distort competition and affect trade between Member States.

#### *3.1.5. Conclusion on the existence of State aid and the lawfulness of the aid*

- (44) For the reasons set out above in sections 3.1.1 to 3.1.4, the notified measure constitutes State aid within the meaning of Article 107(1) TFEU.
- (45) The Commission notes that Slovakia has respected the standstill obligation laid down in Article 108(3) TFEU as the legal basis contains a standstill clause

pursuant to which no individual aid awards will be granted prior to the Commission's approval (recital (18))(19).

### **3.2. Compatibility of the aid with the internal market**

- (46) Article 107(3)(c) TFEU provides that 'aid to facilitate the development of certain economic activities or of certain economic areas, where such aid does not adversely affect trading conditions to an extent contrary to the common interest', may be considered to be compatible with the internal market.
- (47) In its assessment, the Commission will take into account the case law <sup>(12)</sup> in which the Court of Justice recalled that for an aid to be compatible with the internal market under Article 107(3)(c) TFEU, the following conditions need to be fulfilled:
- the aid must be intended to facilitate the development of certain economic activities or of certain economic areas; and,
  - the aid must not adversely affect trading conditions to an extent contrary to the common interest.
- (48) The notified measure consists in start-up aid for airlines. In this respect, the Aviation Guidelines, in particular section 5.2 thereof, provide a framework for assessing whether start-up aid granted to airlines can be declared compatible under Article 107(3)(c) TFEU. The Commission will thus assess the compatibility of the notified measure in light of the Aviation Guidelines and especially section 5.2 thereof.

#### *3.2.1. The aid facilitates the development of certain economic activities or certain economic areas*

- (49) With the notified measure, the Slovak authorities intend to grant start-up aid to air carriers opening new routes between Slovak's airports and other airports in the ECAA. The aim of the notified measure is to improve regional connectivity and to support the development of tourism in Slovakia, thus promoting job creation and the local economy (see recitals (11) to (13)).
- (50) The Commission takes note that there are no highspeed rail services in Slovakia (see recital (10)). The Commission therefore considers that the notified measure aims at improving the connectivity within Slovakia and with other regions across the ECAA and hence, improve the mobility of the citizens of Slovakia at large.
- (51) The Commission therefore considers that the aid will facilitate the development of an economic activity, namely air transport, and of an economic region, namely Slovakia, by encouraging the establishment of new routes. Furthermore, the Commission notes that the aid has an incentive effect as explained in detail in recitals (60) to (63).

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(12) Judgment of 22 September 2020, in Case C-594/18 P Austria v Commission (Hinkley Point C), EU:C:2020:742.

3.2.2. *The aid does not unduly affect trading conditions to an extent contrary to the common interest*

3.2.2.1. Positive effects of the aid and objectives of the measure

- (52) The Commission notes that the aid is designed to enhance air connectivity by securing scheduled traffic from and to the airports of Slovakia (see recitals (11) to (13)), which will ensure that residents, businesses in the region and tourists visiting Slovakia are adequately served, in particular in terms of accessibility. The Commission considers that the aid will, by the opening of new air routes that will enhance the mobility and economic interaction between Union citizens, ensure the connectivity of Slovakia in particular and of Union regions overall.
- (53) Therefore, the Commission considers that the measure will promote the mobility of Union citizens, the connectivity of Slovakia and its regions, and the economic development of the country as a whole, these being objectives that meet the basic needs of a modern society.

3.2.2.2. Limited negative effects: the measure does not affect trading conditions to an extent contrary to the common interest

- (54) In order to be declared compatible with the internal market under Article 107(3)(c) TFEU, an aid measure must not adversely affect trading conditions to an extent contrary to the common interest. The Commission will therefore assess possible negative effects on competition and trade in the aviation sector.

3.2.2.2.1. Need for State intervention

- (55) Point 142 of the Aviation Guidelines provides that start-up aid will only be considered compatible for routes linking an airport with less than 3 million passengers per annum to another airport within the ECAA. <sup>(13)</sup> As indicated in section 2.1, all Slovak international airports which are covered by the notified measure have less than 3 million passengers per year. Furthermore, as indicated in recital (27), in order to be eligible for support under the notified measure, a route must connect that airport to another airport within the ECAA. Therefore, the notified measure fulfils the requirements of point 142 of the Aviation Guidelines.

3.2.2.2.2. Appropriateness of the aid

- (56) In accordance with point 146 of the Aviation Guidelines, the Member State must demonstrate that the aid is appropriate to achieve the intended objective or resolve the problems intended to be addressed by the aid. An aid measure will not be considered compatible with the internal market if other, less distortive policy instruments, or aid instruments, allow the same objective to be reached.
- (57) Furthermore, in accordance with point 147 of the Aviation Guidelines, an ex-ante business plan prepared by the airline should establish that the route receiving the aid has prospects of becoming profitable for the airline without public funding

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<sup>(13)</sup> See Decision 2006/682/EC, cited in footnote 2.

after three years. In the absence of such business plan, the airline must provide an irrevocable commitment to the airport to operate the route for a period at least equal to the period during which it received start-up aid.

- (58) As mentioned in recitals (11) to (13), the Slovak authorities are working to reduce regional disparities, increase tourism and connect a relatively small population to international hubs. The aid appears therefore appropriate to attract scheduled traffic from and to the airports of Slovakia which would not be possible under another policy instrument. Moreover, as explained in recitals (30) and (31), the notified measure requires a business plan establishing the future profitability of the route for the airline without public funding or an irrevocable commitment to operate the route for a further equal period, in line with point 147 of the Aviation Guidelines.
- (59) Therefore, the Commission concludes that the notified measure fulfils the requirements of the Aviation Guidelines with respect to the appropriateness of the aid measure.

#### 3.2.2.2.3. Incentive effect

- (60) Points 148 and 149 of the Aviation Guidelines stipulate that start-up aid to airlines has an incentive effect if it is likely that, in the absence of the aid, the level of economic activity of the airline at the airport concerned would not be expanded –for example, if the new route would not have been launched in the absence of the aid. Furthermore, the new route must start only after the application for aid has been submitted to the granting authority. If the new route is launched before the application for aid is submitted to the granting authority, any aid awarded in respect of that individual route will not be considered compatible with the internal market.
- (61) As set out in recital (29), aid under the notified measure will only be granted for new routes that start after the application to the open call for aid has been submitted to the granting authority.
- (62) Based on recital (11) to (13), the Commission notes that the Slovak authorities reached the conclusion that it is highly unlikely that new connections resulting in an increase in passenger traffic can be developed without aid as airlines are unwilling to set up new routes if there is a risk they will be unprofitable in the early years. As mentioned in recital (11), consultations of the Slovak authorities with airlines confirmed that they are not willing to establish new air routes to/from Slovakia in the absence of adequate support from the State. The Commission finds this conclusion credible given in particular the small size of the market and the existing barriers to entry it (see recitals (11) and (14)).
- (63) The Commission therefore considers that the aid under the notified measure has an incentive effect.

#### 3.2.2.2.4. Proportionality of the aid (aid limited to the minimum)

- (64) According to point 150 of the Aviation Guidelines, in order to be proportionate, start-up aid to airlines must be limited to up to 50 % of airport charges in respect

of a route for a maximum period of three years. The eligible costs are the airport charges in respect of the route.

- (65) As indicated in recital (32), the aid intensity under the notified measure will be limited to 50 % of the airport charges incurred due to the operation of the new route in question. In addition, aid will only be granted for any given beneficiary for a maximum period of three years (recital (17)).
- (66) Therefore, the Commission considers that the amount of start-up aid to airlines is proportional and limited to the minimum necessary.

#### 3.2.2.2.5. Avoidance of undue negative effects on competition and trade between Member States

- (67) Points 151 to 153 of the Aviation Guidelines provide that, first, in order to avoid undue negative effects on competition and trade, where a connection to be operated by the new air route is already operated by a high speed rail service or by another airport in the same catchment area under comparable conditions (notably in terms of length of journey), such air route will not be eligible for startup aid. Second, any public body, which plans to grant start-up aid to an airline for a new route, must make its plans public in good time and with adequate publicity, to enable all interested airlines to offer their services. Third, start-up aid cannot be combined with any other type of State aid granted for the operation of a route.
- (68) As explained in more detail in recital (27), (i) only new routes will be eligible under the notified measure.; (ii) there is no high-speed rail serving similar routes from/into Slovakia; (iii) the eligible route will not be already served through direct flights, under comparable conditions, by another airport in the same catchment area of an airport at either end of the route. Thus, the notified measure complies with the conditions concerning high speed rail and other airports in the same catchment area, in line with point 151 of the Aviation Guidelines. Furthermore, as indicated in recitals (24) and (25) the aid will be awarded following a public open call for applications in line with the requirement laid down in point 152 of the Aviation Guidelines. In addition, route financing under the notified measure will not be cumulated with other types of State aid (recital (32) in line with point 153 of the Aviation Guidelines.
- (69) Therefore, the Commission considers that the negative effects brought about by the notified measure on competition and trade between Member States will be limited and outweighed by the positive contribution of the measure to the mobility of citizens and the connectivity of Union regions. The notified measure thus has no undue negative effects on competition and trade between Member States.

#### 3.2.2.2.6. Cumulation

- (70) Points 158 and 159 of the Aviation Guidelines provide that the maximum aid intensities under the Aviation Guidelines apply regardless of whether the aid is financed entirely from State resources or is partly financed by the Union, and that aid authorised under the Aviation Guidelines may not be combined with other State aid, de minimis aid or other forms of Union financing where such a

combination results in an aid intensity higher than that laid down in the Aviation Guidelines.

- (71) As indicated in recital (32), the Slovak authorities commit to ensure that aid under the notified measure will not be combined with other types of State aid for the same eligible costs. Therefore, the notified measure meets the requirements of points 158 and 159 of the Aviation Guidelines.

#### 3.2.2.2.7. Transparency

- (72) As described in recital (34), the Slovak authorities will ensure that the notified measure complies with the transparency conditions set out in points 162 and 163 of the Aviation Guidelines as amended by the Transparency Communication.

#### 3.2.2.2.8. Conclusion on the limited negative effects

- (73) In the light of the above arguments in recitals (55) to (72), the Commission concludes that the negative effects of the measure, if any, would be limited. Thus, the aid does not adversely affect trading conditions to an extent contrary to the common interest.

#### 3.2.3. *Weighing the positive effects of the aid against the negative effects on competition and trade*

- (74) A carefully designed State aid measure must ensure that the overall balance of the effects of the measure is positive by avoiding adversely affecting trading conditions to an extent contrary to the common interest.
- (75) As pointed out in recitals (49) to (51), the measure notified by the Slovak authorities will improve the mobility of Slovakia's residents and will attract tourists which will also have beneficial effects for its businesses. It will thus contribute to strengthening the connectivity within the Union and will support the economic development of Union regions.
- (76) Moreover, the Slovak authorities designed the measure in such a way as to minimise the potential distortions of competition resulting from it. The start-up aid scheme covering Slovakia's airports fulfils the conditions set out in the Aviation Guidelines in that it is necessary, appropriate and proportionate, has an incentive effect and avoids undue negative effects on competition and trade. The Commission has thus concluded that any possible negative effects of the aid on competition and trade are limited (recital (73)).
- (77) Therefore, the Commission concludes that the positive effects of the aid outweigh any potential negative effects on competition and trade.

#### 3.2.4. *Conclusions on the compatibility of aid*

- (78) The notified measure meets the compatibility conditions of the Aviation Guidelines and is thus compatible with the internal market under Article 107(3)(c) TFEU.

#### 4. CONCLUSION

The Commission has accordingly decided not to raise objections to the aid on the grounds that it is compatible with the internal market pursuant to Article 107(3)(c) TFEU of the Treaty on the Functioning of the European Union.

If this letter contains confidential information which should not be disclosed to third parties, please inform the Commission within fifteen working days of the date of receipt. If the Commission does not receive a reasoned request by that deadline, you will be deemed to agree to the disclosure to third parties and to the publication of the full text of the letter in the authentic language on the Internet site: <https://competition-cases.ec.europa.eu/search?caseInstrument=SA>.

Your request should be sent electronically to the following address:

European Commission,  
Directorate-General Competition  
State Aid Greffe  
B-1049 Brussels  
[Stateaidgreffe@ec.europa.eu](mailto:Stateaidgreffe@ec.europa.eu)

Yours faithfully,

For the Commission

Margrethe VESTAGER  
Executive Vice-President

