

# European Commission appoints new Head of Representation in Spain

Mr Fonseca Morillo, a Spanish national, will take up office on 1 September 2018 as the new Head of the Commission's Representation in Madrid. Currently he is Deputy Director-General in the Directorate-General for Justice and Consumers. A highly experienced civil servant with over 30 years of working experience in the European Commission, including as acting Director-General and Head of a Commission Representation, Mr Fonseca Morillo brings excellent knowledge of the EU institutions and relevant management and communication skills to his new post.

Mr Fonseca Morillo joined the Commission in 1986 and since then he has occupied several different positions. Having started as an administrator in the Directorate-General for Budgets, he worked later as Assistant to the Director-General of the Forward Studies Unit becoming Adviser to the 1996 Intergovernmental Conference task force and Adviser to the Secretary-General in charge of the Amsterdam Treaty monitoring unit.

He has then served as Deputy and later as Head of Cabinet of Commissioner António Vitorino, following which he served as Director for Civil Justice, Fundamental Rights and Citizens and later as Director of Judicial Cooperation.

Between 2009 and 2015 he was the Head of the European Commission Representation in Spain, where he developed excellent relations with the national authorities and stakeholders. He successfully led the office to develop an effective communication policy with media and representatives of organised civil society in Spain notably by organising, in the city of Cádiz in September 2012, the first-ever [Citizens' Dialogue](#).

Since 2015 he has been working in the Directorate-General for Justice and Consumers, first as Director and later as Deputy Director-General.

Before joining the European Commission, Mr Fonseca Morillo was a tenured professor of Public International Law. He obtained his PhD in Law at the University of Valladolid in 1984, after having graduated in Political Sciences in the Universidad Complutense de Madrid in 1979 and in Law at the University of Valladolid in 1977.

## **Background**

The Commission has Representations in all EU Member States as well as Regional Offices in Barcelona, Belfast, Bonn, Cardiff, Edinburgh, Marseille, Milan, Munich and Wrocław. The Representations are the Commission's eyes, ears and voice on the ground in all EU Member States. They interact with national authorities and stakeholders and inform the media and the public about EU policies. The Representations report to the Commission's headquarters on significant developments in the Member States. Since the

beginning of the Juncker Commission, Heads of Representations are appointed by the President and are his political representatives in the Member State to which they are posted.

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## [EU mobilises over €191 million in humanitarian aid for Africa's Sahel countries](#)

*“There is no time to waste with many affected by a worsening food security crisis in the Sahel. Our EU aid will throw a lifeline to the most vulnerable. Our new support aims to reach more than 1.1 million people in need of emergency food assistance while supporting treatment to over 650,000 severely malnourished children,”* said Commissioner for Humanitarian Aid and Crisis Management Christos **Stylianides**.

The assistance announced today will go to eight countries in the region: **Burkina Faso** (€11.1 million), **Chad** (€40.2 million), **Cameroon** (€13.9 million), **Mali** (€35.3 million), **Mauritania** (€11.4 million), **Niger** (€32.2 million), **Nigeria** (€35.3 million), and **Senegal** (€1 million). In addition, regional funds amounting to €10.8 million will also be allocated. EU funding will also support disaster risk reduction initiatives that can help populations better prepare for natural hazards.

The European Union is one of the largest contributors of humanitarian aid to the Sahel. In 2017, the EU allocated €240.8 million in humanitarian assistance to the people living in the region, covering essential food assistance to vulnerable households, treatment for severely malnourished children, as well as health assistance, water and sanitation, shelter and protection.

### **Background**

The humanitarian situation in the Sahel, among the poorest regions in the world, is extremely fragile. Nearly 11.8 million people across the eight countries of the region need immediate food assistance to avoid facing acute hunger, women and children being hit the hardest. Up to 4 million children are at risk of severe acute malnutrition and need lifesaving treatment, a 20% increase compared to last year. The situation is deteriorating fast as thousands of families exhausted their food reserves four months earlier than usual and the next harvest is only in September.

While humanitarian needs in the Sahel are immense, the EU continues to promote joint efforts with development partners in order to build long-term resilience in the region.

The EU, together with its Member States, is the biggest provider of development assistance to the region with €8 billion over 2014-2020.

#### **For More Information**

[Sahel](#)

[Burkina Faso](#)

[Cameroon](#)

[Chad](#)

[Mali](#)

[Mauritania](#)

[Niger](#)

[Nigeria](#)

[Senegal](#)

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## **Western Balkans Summit in London – building stronger links within the region and with the EU**

Heads of Government, Foreign Ministers and Ministers of Interior from the Western Balkans together with their counterparts from several EU Member States and high-level EU representatives are meeting yesterday and today in London to continue strengthening regional cooperation between the six partners of the Western Balkans, as well as between the region and the EU, to further advance the European integration process of the Western Balkans.

Representing the EU at the summit, High Representative/Vice-President Federica **Mogherini** said: *“In these years we have been all working together to draw the region closer and closer to the European Union, politically, economically and security-wise. And we have seen remarkable results, solutions to the most difficult bilateral issues. The Western Balkans are steadily moving forward. And today we reconfirm that we are together with the region on that path, sharing the commitment towards our common future.”*

Johannes **Hahn**, Commissioner for European Neighbourhood Policy and Enlargement Negotiations, and Commissioner for the Security Union Julian **King** are also attending the summit.

## **Increasing economic stability**

In the area of socioeconomic development, the focus will be on the further implementation of the action plan to establish a [Regional Economic Area](#) as [agreed in Trieste](#) last year, which aims at boosting the attractiveness of the region to encourage investment and foster trade, thereby creating jobs. One year into the implementation of the action plan, the region has already witnessed an uptick in intraregional trade. Discussions will also cover **digital skills**, as a follow-up to the [Digital Agenda for the Western Balkans](#) adopted in June [in Sofia](#).

Participants will consider ways to step up **financing for SMEs and start-ups**, including through the mobilisation of non-banking financing. They will also exchange on the need for the region to engage in its energy transition and better exploit the substantial hydropower potential in the region in a sustainable fashion.

To support these objectives the European Commission, in cooperation with partner financial institutions, is putting forward a new [guarantee instrument](#) that will be launched in early 2019 under the Western Balkans Investment Framework. With an initial EU commitment of up to €150 million in 2019-2020, the guarantee will aim to leverage up to €1 billion in investments into sustainable socio-economic development and regional integration. The guarantee will allow sharing financial risk to unlock private investment in a broad range of sectors such as start-ups and SMEs, climate finance and infrastructure investments, as well as digital and social sectors, thus tackling key bottlenecks hampering access to finance in the region.

## **Strengthening security cooperation**

Yesterday, leaders already looked into ways to deepen cooperation in addressing shared security challenges, including fight against terrorism, radicalisation, cyberattacks, organised crime and firearms trafficking, between the Western Balkans and the EU. The summit will be an opportunity for increasing cooperation among law enforcement agencies in the Western Balkans, including on information sharing. The link between corruption and security was discussed and representatives of the Western Balkans reiterated their commitment to tackle corruption.

## **Facilitating political cooperation**

Regional cooperation and good neighbourly relations are at the heart of the countries' path to the EU, which also entails achieving lasting and sincere reconciliation. Ministers will exchange views on bilateral and legacy issues such as war crimes and missing persons. The EU supports the involvement of Western Balkans youth – youth cooperation is key to increase regional connectivity – in many EU projects, such as the Marie Skłodowska-Curie Actions, the Creative Europe and [Erasmus+](#) programmes, and the Youth in Action window animated by the [South East Europe Resource Centre](#) (SALTO). Furthermore, the [Regional Youth Cooperation Office](#) (RYCO) will present its latest achievements and its Strategic Plan 2019-2021 for promoting reconciliation and cooperation between the youth in the region.

## Background

The [London Summit](#) is part of the [Berlin process](#), an initiative from several EU Member States aiming at supporting efforts towards strengthening regional cooperation and the European integration of the Western Balkans.

The summit comes after the European Commission published earlier this year its **strategy** on "[A credible enlargement perspective for and enhanced EU engagement with the Western Balkans](#)", the EU-Western Balkans summit in Sofia on 17 May, and the [June European Council](#), all of which confirm the credible enlargement perspective for the Western Balkans.

Heads of Government, Foreign Ministers, and Ministers of the Interior of the Western Balkans and their counterparts from eight EU Member States (**Austria, Bulgaria, Croatia, France, Germany, Italy, Slovenia and the UK**) will participate. As the next chair of the Berlin Process and host of the 2019 summit, representatives from **Poland** will also be present, as well as those of **Greece**.

Ahead of the summit, Commissioner **Hahn** attended many events including the [Economy Ministers' Meeting](#) (conclusions are available [here](#)), the meeting with the EU and the Western Balkans Foreign Ministers and the Question Time event with the Ministers, youth and representatives of civil society as well as the event "[Beyond Berlin: What Does the Next Decade Hold for the Western Balkans?](#)". Commissioner **King** met with the EU and Western Balkans Ministers of Interior and spoke at the session on "Cross-cutting security issues", focusing in particular on the EU's cooperation with Western Balkan partners in the area of counter-terrorism, cybercrime and radicalisation.

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## [Daily News 10 / 07 / 2018](#)

### **Taking EU – NATO cooperation forward: President Juncker, European Council President Tusk and NATO Secretary General Stoltenberg sign Joint Declaration**

Today, President Jean-Claude **Juncker**, European Council President Donald Tusk and NATO Secretary-General Jens Stoltenberg are taking the EU – NATO partnership to the next level by signing a Joint Declaration reconfirming the two organisations' commitment to continue their cooperation, for the security of their citizens. The EU's joint work with NATO is advancing with full steam, to implement the 74 joint concrete actions in the seven areas of cooperation identified in the [2016 EU – NATO Joint Declaration](#) signed in Warsaw, which includes countering hybrid threats, cyber security and defence capabilities, and joint exercises. EU – NATO cooperation constitutes an integral part of the EU's work aimed at strengthening European security and defence. Significant progress has been made since President **Juncker's** call for the EU to become a stronger global actor, notably through the establishment of the [Permanent Structured Cooperation](#), the creation of the

European Defence Fund and work on military mobility. The EU's commitment to advance its work on defence is also reflected in the Commission's new budget proposal, which includes an increase in spending in the field of defence to a total of €27.5 billion from 2021 to 2027. You can find the full text of the Joint Declaration [here](#). Coverage of the signature and the press statements by Presidents **Juncker** and Tusk, and Secretary General of NATO, Jens Stoltenberg, is available on [EBS](#). A transcript of President **Juncker's** press statement will be available shortly [here](#). For more information on [EU – NATO cooperation](#) and [military mobility](#) see the factsheets online. (For more information: Maja Kocijančič – Tel.: +32 229 86570; Esther Osorio – Tel.: +32 229 62076)

### **Subsidiarity and Proportionality: Task Force to present recommendations on a new way of working to President Juncker [added 10/07/2018 at 12:58]**

Today the Task Force on Subsidiarity, Proportionality and 'Doing Less More Efficiently' will hand over its final report to Commission President Jean-Claude **Juncker**. The report responds to three questions put forward by the President when creating the Task Force in November 2017: how to better apply subsidiarity and proportionality principles within the EU institutions; how to better involve regional and local authorities and national parliaments in EU policymaking and implementation; and whether there are policy areas where powers could be returned over time to Member States. The Task Force's report will be published online [here](#) after it is presented by First Vice-President **Timmermans** at a [press point](#) at around 13:20 today. A press release will be available [here](#). (For more information: Natasha Bertaud – Tel.: +32 229 67456; Tim McPhie – Tel.: +32 229 58602)

### **L'UE débloque plus de 191 millions d'euros d'aide humanitaire aux pays du Sahel**

Alors que la région du Sahel est confrontée à la plus grave crise alimentaire et nutritionnelle de ces cinq dernières années et à une insécurité persistante, la Commission a annoncé un ensemble de mesures d'aide humanitaire d'un montant de 191,3 millions d'euros. *«Vu les nombreuses personnes touchées par la crise alimentaire qui s'aggrave au Sahel, il n'y a pas de temps à perdre. L'aide de l'UE consistera en une assistance vitale pour les personnes les plus vulnérables. Les nouveaux montants débloqués visent à porter secours à plus de 1,1 million de personnes qui ont besoin d'une aide alimentaire d'urgence, tout en finançant le traitement de plus de 650 000 enfants souffrant de malnutrition sévère»*, a déclaré le commissaire chargé de l'aide humanitaire et de la gestion des crises, M. Christos **Stylianides**. L'aide annoncée aujourd'hui bénéficiera à huit pays de la région: le Burkina Faso, le Cameroun, le Mali, la Mauritanie, le Niger, le Nigeria, le Sénégal et le Tchad. Les fonds de l'UE soutiendront également des initiatives de réduction des risques de catastrophe pouvant aider les populations à mieux se préparer aux catastrophes naturelles. Le communiqué de presse est disponible [ici](#). (Pour plus d'information: Carlos Martin Ruiz de Gordejuela – Tel.: +32 229 65322; Daniel Puglisi – Tel.: +32 229 69140)

### **The EU invests in the modernisation of Budapest's third metro line**

€473.4 million from the [Cohesion Fund](#) is invested in the reconstruction of

the entire line 3, the 'blue line', in the Hungarian capital of Budapest. This will provide better services to the more than half million users who use it daily. *"Thanks to Cohesion policy funding, the inhabitants of Budapest and the tourists visiting this beautiful city will enjoy a modern and faster metro. That's a concrete example of an EU that cares for the wellbeing of its citizens,"* said Commissioner for Regional policy Corina Crețu, *"I'm especially glad that the EU funding will contribute to making the entire line accessible to people with disabilities."* The tracks and rail fasteners are all going to be replaced, for faster and safer travel conditions. All 20 stations and the whole lighting system are going to be refurbished, for a more pleasant journey across the city. Running almost parallel with the Danube on the city's Pest side, the metro line 3 spans 17 kilometres between the north and the south of Budapest. The works, which are ongoing and expected to be over by 2021, will improve the capacity of the line, allowing 13,000 additional passengers daily to trade their car rides for the metro. *(For more information: Johannes Bahrke – Tel.: +32 229 58615, Sophie Dupin de Saint-Cyr – Tel.: +32 229 56169)*

### **Commission promotes greater participation of businesses in regional innovation strategies**

The Commission has given the green-light for the continuation of a support action aiming to improve regional innovation systems in [low-growth and low-income regions](#) in Romania, Bulgaria, Poland, Hungary, Greece, Italy, Portugal, Spain and Croatia. Coordinated by the Commission's department for Regional and Urban policy and the [Joint Research Centre](#), the initiative helps regions tackle bottlenecks to innovation, such as lack of interaction between local business spheres and academia, and achieve industrial transition. It will particularly focus on promoting a greater involvement of business partners and entrepreneurs in the design and implementation of regional innovation strategies, known as [smart specialisation strategies](#). Commissioner for Regional policy Corina Crețu said: *"This support action for those regions that need to catch up the most is part of our broader effort to help companies access Cohesion Policy funds so they can innovate, grow and prepare for the future."* Developed jointly with the European Parliament and implemented over 2014-2016, the action is renewed for two more years, to help regions prepare for efficient investments in research and innovation in the next long term EU budget 2021-2027. It is complementary to other initiatives, such as ['Stairway to Excellence'](#), which helps regions identify EU resources to finance innovative projects and pair up with other regions with similar assets to create innovation clusters. The support action has a budget €3 million for 2018-2019 made available by the European Parliament. *(For more information: Johannes Bahrke – Tel.: +32 229 58615; Sophie Dupin de Saint-Cyr – Tel.: +32 229 56169)*

### **Western Balkans Summit in London: building stronger links within the region and with the EU**

At the [London Summit on the Western Balkans](#), the EU is continuing to strengthen cooperation with the region, with a clear commitment and concrete measures, focussing on the three key areas of cooperation: economy, security and reconciliation. Heads of Government, Foreign Ministers and Ministers of

Interior from the Western Balkans together with their counterparts from several EU Member States and high-level EU representatives are meeting yesterday and today in London to continue strengthening regional cooperation between the six partners of the Western Balkans, as well as between the region and the EU, to further advance the European integration process of the Western Balkans. Representing the EU at the summit, High Representative/Vice-President Federica **Mogherini** said: *“In these years we have been all working together to draw the region closer and closer to the European Union, politically, economically and security-wise. And we have seen remarkable results, solutions to the most difficult bilateral issues. The Western Balkans are steadily moving forward. And today we reconfirm that we are together with the region on that path, sharing the commitment towards our common future.”* Johannes **Hahn**, Commissioner for European Neighbourhood Policy and Enlargement Negotiations, and Commissioner for the Security Union Julian **King** are also attending the summit. The [full press release](#) is online as well as a dedicated factsheet on the [Western Balkans Guarantees](#). Videos and photos of the visit are available on [EbS](#). (For more information: Maja Kocijančič – Tel.: +32 229 86570; Alceo Smerilli – Tel.: +32 229 64887)

#### **Eurostat: Premier trimestre 2018 comparé au premier trimestre 2017 – Le prix des logements en hausse de 4,5% dans la zone euro – En hausse de 4,7% dans l’UE**

Le prix des logements, tel que mesuré par l’indice des prix des logements, a augmenté de 4,5% dans la zone euro et de 4,7% dans l’UE au premier trimestre 2018 par rapport au même trimestre de l’année précédente. Un communiqué de presse Eurostat est à votre disposition [en ligne](#). (Pour plus d’information: Lucía Caudet – Tel.: +32 229 56182; Victoria von Hammerstein – Tel.: +32 229 80379; Maud Noyon – Tel.: +32 229 80379)

#### **Eurostat: Premières estimations de la population – La population de l’UE en hausse à près de 513 millions d’habitants au 1er janvier 2018 – Augmentation liée à l’apport migratoire**

Au 1er janvier 2018, la population de l’Union européenne (UE) était estimée à 512,6 millions de résidents, contre 511,5 millions au 1er janvier 2017. Au cours de l’année 2017, plus de décès que de naissances ont été enregistrés dans l’UE (5,3 millions de décès et 5,1 millions de naissances), ce qui signifie que la variation naturelle de la population de l’UE a été négative. La variation démographique (positive, avec 1,1 million d’habitants supplémentaires) est donc due à l’apport du solde migratoire. Un communiqué de presse Eurostat est à votre disposition [en ligne](#). (Pour plus d’information: Christian Wigand – Tel.: +32 229 62253; Sara Soumillion – Tel.: +32 229 67094)

#### **Mergers: Commission approves acquisition of UPC Austria by T-Mobile Austria**

The European Commission has approved unconditionally under the EU Merger Regulation the proposed acquisition of UPC Austria by T-Mobile Austria. UPC Austria (“UPC”) and T-Mobile Austria (“TMA”) both provide telecommunications services in Austria. UPC’s main activities are related to fixed telecommunications, while TMA is mainly active in mobile telecommunications.



The Commission examined the impact of the proposed transaction in the limited number of markets where the activities of TMA and UPC overlap in Austria. In particular, both companies are active in the provision of internet access services for residential customers, since in Austria internet access at home is often provided through a router connected to a mobile network. The Commission found that the impact of the transaction on this market is likely to be limited, considering in particular that UPC's fixed internet access products differ considerably from TMA's mobile broadband products and as a result are not closely competing, and that the merged entity would continue to face significant competition from other players. In addition, the Commission examined a number of vertical and conglomerate relationships arising as a result of the transaction and concluded that the merged entity would not be able to use its market power to shut out or marginalise its fixed or mobile competitors by bundling fixed and mobile products. Therefore, following its phase I investigation, the Commission concluded that the transaction would raise no competition concerns in any of the affected telecoms markets and cleared the case unconditionally. The full press release is available online in [EN](#), [FR](#), [DE](#). (For more information: Ricardo Cardoso – Tel.: +32 229 80100; Giulia Astuti – Tel.: +32 229 55344)

### **State aid: Spain needs to recover around €167 million of incompatible aid from postal operator Correos**

The European Commission has found that Correos, the publicly-owned Spanish postal operator, was overcompensated for the delivery of its universal postal service obligation between 2004 and 2010, and also benefited from incompatible tax exemptions. Spain has entrusted Correos with the universal postal service obligation, which consists of the delivery of basic postal services throughout the country at affordable prices and at certain minimum requirements, for example the number of deliveries per week. On 11 February 2017, the European Commission opened an [in-depth investigation](#) to examine whether a number of State support measures granted to Correos as compensation for carrying out this public service obligation were in line with EU State aid rules. The Commission examined the support measures under [EU State aid rules on public service compensation](#), adopted in 2011, which provide that Member States can grant State aid to companies to compensate them for the extra cost of providing a public service, subject to certain criteria, including the fact that companies entrusted with such services are not overcompensated. Avoidance of overcompensation minimises distortions of competition and guarantees an efficient use of public resources. The Commission's assessment showed that: (i) Correos was overcompensated by approximately €166 million for providing universal postal service in Spain during the period 2004-2010 and that (ii) specific tax exemptions granted since 2004 to Correos gave it an undue advantage amounting to approximately to €0.9 million in total. The Commission therefore concluded that the aid granted through these two measures was incompatible with the internal market and ordered Spain to recover the undue amounts from Correos, amounting to €167 million. During its in-depth investigation, the Commission also assessed two other support measures and found either that they did not constitute

State aid within the meaning of EU rules or that they constituted existing aid which does not need to be recovered. The full press release is available online in [EN](#), [FR](#), [DE](#), [ES](#). (For more information: Ricardo Cardoso – Tel.: +32 229 80100; Giulia Astuti – Tel.: +32 229 55344)

## ANNOUNCEMENTS

### European Union to co-host the Somalia Partnership Forum in Brussels

On 16-17 July, the European Union together with the Federal Government of Somalia and Sweden will host the Somalia Partnership Forum in Brussels. The event aims to mobilise the international community to step up support for Somalia's efforts to build a more secure and prosperous future following years of conflict. High Representative/Vice-President Federica **Mogherini** will co-chair the conference with Mr Hassan Ali Khayre, Prime Minister of Federal Government Somalia and Ms Margot Wallström, Minister for Foreign Affairs of Sweden. Commissioner for Humanitarian Aid and Crisis Management, Christos **Stylianides** will also attend. The opening remarks of the ministerial level session on 17 July will be broadcast live on [EbS](#) at +/-15:00. A press conference with HR/VP **Mogherini** and the co-chairs is due to follow at 18:00. Journalists wishing to attend should register [here](#) before 13 July, 12:00 Brussels time. The EU is a leading supporter of Somalia in a wide range of areas, in particular on security with 3 Common Security and Defence Policy missions in the country. For the period 2015-2020, the EU and its Member States will provide €3.5 billion to the country in development and humanitarian aid as well as peacekeeping operations. A MEMO is available [here](#). (For more information: Maja Kocijančič – Tel.: +32 229 86570; Daniel Puglisi – Tel.: +32 229 69140)

### Commissioner Stylianides visits Split, Croatia

Commissioner for Humanitarian Aid and Crisis Management Christos **Stylianides** is visiting Split, Croatia to speak at the Conference "Union Civil Protection Mechanism-Protection in Service of Its Citizens" hosted by MEP Zeljana Zovko. Commissioner **Stylianides** will also discuss the European Commission's [rescEU](#) proposal with Croatian Minister of the Interior, Davor Božinović, Minister of Defence, Damir Krstičević and the Director-General for Civil Protection, Dragan Lozancic. In addition, he will visit a new operational centre to fight forest fires, which is located on Divulje airbase. The Commission's proposal to strengthen Europe's ability to deal with disasters in the framework of the [European Civil Protection Mechanism](#) foresees two complementary strands of action, (1) targeting a stronger collective response at European level via [rescEU](#), and (2) stepping up disaster prevention and preparedness capacities. At times of simultaneous disasters in Europe rescEU works as a last resort guarantee and ensures that every state in need receives assistance. (For more information: Carlos Martin Ruiz de Gordejuela – Tel.: +32 229 65322; Daniel Puglisi – Tel.: +32 229 69140)

[Upcoming events](#) of the European Commission (ex-Top News)

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## State aid: Spain needs to recover around €167 million of incompatible aid from postal operator Correos

**Spain now has to recover around €167 million from Correos.**

Spain has entrusted Correos with the universal postal service obligation, which consists of the delivery of basic postal services throughout the country at affordable prices and at certain minimum requirements, for example the number of deliveries per week.

On 11 February 2016, the European Commission opened an [in-depth investigation](#) to examine whether a number of State support measures granted to Correos as compensation for carrying out this public service obligation were in line with EU State aid rules.

The Commission examined the support measures under [EU State aid rules on public service compensation](#), adopted in 2011. According to the rules, Member States can grant State aid to companies to compensate them for the extra cost of providing a public service, subject to certain criteria. In particular, this requires that companies entrusted with such services are not overcompensated. Avoidance of overcompensation minimises distortions of competition and guarantees an efficient use of public resources.

The Commission's assessment showed that:

- Correos was overcompensated by approximately €166 million for providing universal postal service in Spain during the period 2004-2010.
- Specific tax exemptions granted since 2004 to Correos gave it an undue advantage amounting to approximately to €0.9 million in total.

The Commission therefore concluded that the aid granted through these two measures was incompatible with the internal market and ordered Spain to recover the undue amounts from Correos.

During its in-depth investigation, the Commission also assessed two other support measures and found that:

- Capital injections granted to Correos between 2004 and 2006 were made on terms that a private player operating under market conditions would have accepted, in compliance with the market economy investor principle (MEIP). The Commission therefore concluded that this measure does not constitute State aid within the meaning of EU rules.
- Compensation granted to Correos since 2004 for the delivery of electoral material predates the accession of Spain to the EU. The Commission therefore concluded that this measure constitutes existing aid which

does not need to be recovered.

## **Background**

Correos is the largest provider of postal services in Spain, including universal services, courier services and other services related to postal services and associated activities, such as money transfer operations. Correos is a wholly State-owned company and has been entrusted with the delivery of the universal postal service since 1998.

The Spanish postal service market has been fully liberalised since 2011 in accordance with the [Postal Directive](#), and Correos operates in full competition with other relevant postal service providers.

The Commission received two complaints alleging that Correos had benefitted from several illegal and incompatible State aid measures.

As a matter of principle, EU State aid rules require that incompatible state aid is recovered in order to remove the distortion of competition created by the aid. There are no fines under EU State aid rules and recovery does not penalise the company in question. It simply restores equal treatment with other companies

The non-confidential version of the decision will be made available under the case number SA.37977 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](#).