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Committee on Subsidies and Countervailing Measures

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SUBSIDIES

NEW AND FULL NOTIFICATION PURSUANT TO ARTICLE XVI:1 OF THE GATT 1994 AND ARTICLE 25 OF THE AGREEMENT ON SUBSIDIES AND COUNTERVAILING MEASURES

EUROPEAN UNION

Addendum

The following addendum to the notification of the European Union relates to the subsidy programmes of **Czech Republic**.

Table of Contents

1 INVESTMENT INCENTIVES	3
2 OPERATIONAL PROGRAMME ENTERPRISE AND INNOVATIONS FOR COMPETITIVENESS 2014-2020: GUARANTEE, EXPANZE, TECHNOLOGY, ENERGY SAVINGS, INNOVATION, POTENTIAL, COOPERATION, SERVICES OF INFRASTRUCTURE, REAL ESTATES	4
3 MEASURES PURSUANT TO OPERATIONAL PROGRAMME ENVIRONMENT (OPE) 2014-2020	13
4 PROGRAMME FOR SUPPORT ENTREPRENEURIAL PROPERTIES AND INFRASTRUCTURE	14
5 PROGRAMME EPSILON	15
6 PROGRAMME GAMA	17
7 SUPPORTED ENERGY SOURCES	20
8 PROGRAMME TRIO	23

1 INVESTMENT INCENTIVES

1. Title of the subsidy programme, if relevant, or brief description or identification of the subsidy

Investment incentives.

2. Period covered by the notification. The period to be covered by the notification should be the most recently completed calendar or fiscal year. In the latter case, the start and end dates of the fiscal year should be specified

2017-2018.

3. Policy objective and/or purpose of the subsidy

Regional development, creation of new jobs.

4. Background and authority for the subsidy (including identification of the legislation under which it is granted)

Background: Financial support to investment projects. Support is directed to production activities in manufacturing industry and to investments into progressive technologies and activities with high added value.

Authority for the subsidy: Ministry of Industry and Trade of the Czech Republic.

Legislation: Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty.

5. Form of the subsidy (i.e., grant, loan, tax concession, etc.)

Tax relief, cash grant.

6. To whom and how the subsidy is provided (whether to producers, to exporters, or others; through what mechanism; whether a fixed or fluctuating amount per unit; if the latter, how determined)

For all types of recipients. The aid amount is calculated as a percentage of the eligible costs. Subsidy is provided up to the percentage given by the Regional Map of State Aid Intensity – Czech Republic Regional Aid Map 2014-2020).

7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy (indicating, if possible, the average subsidy per unit in the previous year). Where provision of per unit subsidy information (for the year covered by the notification, for the previous year, or both) is not possible, a full explanation

In 2017: CZK 10 748 000 000.

In 2018: CZK 10 335 000 000.

Summary of budgeted state aid in 2017, 2018; statistics on drawing of subsidy in 2017, 2018 are not yet available.

8. Duration of the subsidy and/or any other time-limits attached to it, including date of inception/commencement

1.1.2014 - 31.12.2020.

9. Statistical data permitting an assessment of the trade effects of the subsidy. The specific nature and scope of such statistics is left to the judgement of the notifying Member. To the extent possible, relevant and/or determinable, however, it is desirable that such information includes statistics of production, consumption, imports and exports of the subsidized product(s) or sector(s)

Not available.

2 OPERATIONAL PROGRAMME ENTERPRISE AND INNOVATIONS FOR COMPETITIVENESS 2014-2020: GUARANTEE, EXPANZE, TECHNOLOGY, ENERGY SAVINGS, INNOVATION, POTENTIAL, COOPERATION, SERVICES OF INFRASTRUCTURE, REAL ESTATES

1. Title of the subsidy programme, if relevant, or brief description or identification of the subsidy

Operational Programme Enterprise and Innovations: Guarantee, Expanze, Technology, Energy Savings, Innovation, Potential, Cooperation, Services of Infrastructure, Real estates.

2. Period covered by the notification. The period to be covered by the notification should be the most recently completed calendar or fiscal year. In the latter case, the start and end dates of the fiscal year should be specified

2017-2018.

2.1 Programme Guarantee 2015 - 2023

1. Title of the subsidy programme, if relevant, or brief description or identification of the subsidy

Programme Guarantee 2015 – 2023.

2. Period covered by the notification. The period to be covered by the notification should be the most recently completed calendar or fiscal year. In the latter case, the start and end dates of the fiscal year should be specified

2017 – 2018.

3. Policy objective and/or purpose of the subsidy

SME.

4. Background and authority for the subsidy (including identification of the legislation under which it is granted)

Background: to support, through guarantees, small and medium-sized businesses' access to bank credit for the implementation of their business projects.

Authority: Ministry of Industry and Trade of the Czech Republic.

Legislation: The programme has been announced pursuant to Act No. 47/2002 Coll., on aid for small and medium-size enterprises, as amended. Commission Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty.

5. Form of the subsidy (i.e., grant, loan, tax concession, etc.)

Guarantee.

6. To whom and how the subsidy is provided (whether to producers, to exporters, or others; through what mechanism; whether a fixed or fluctuating amount per unit; if the latter, how determined)

SME.

7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy (indicating, if possible, the average subsidy per unit in the previous year). Where provision of per unit subsidy information (for the year covered by the notification, for the previous year, or both) is not possible, a full explanation

2017: CZK 3 858 315 (National co-financing).

2018: CZK 0 (No national co financing).

8. Duration of the subsidy and/or any other time-limits attached to it, including date of inception/commencement

24.2.2015 – 31.12.2023.

9. Statistical data permitting an assessment of the trade effects of the subsidy. The specific nature and scope of such statistics is left to the judgement of the notifying Member. To the extent possible, relevant and/or determinable, however, it is desirable that such information includes statistics of production, consumption, imports and exports of the subsidized product(s) or sector(s)

Not available.

2.2 Programme EXPANZE

1. Title of the subsidy programme, if relevant, or brief description or identification of the subsidy

Programme Expanze.

2. Period covered by the notification. The period to be covered by the notification should be the most recently completed calendar or fiscal year. In the latter case, the start and end dates of the fiscal year should be specified

2017 – 2018.

3. Policy objective and/or purpose of the subsidy

SME.

4. Background and authority for the subsidy (including identification of the legislation under which it is granted)

Background: The objective of the programme is to facilitate access to bank loans for small and medium-sized enterprises, which will be the beneficiaries of the aid, to implement their business projects to start-up and/or to develop their businesses, to increase their business activities in the state-supported regions listed in the annex to the relevant programme Calls, and to contribute to the development of social entrepreneurship.

Authority: Ministry of Industry and Trade of the Czech Republic.

Legislation: Commission Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty.

5. Form of the subsidy (i.e., grant, loan, tax concession, etc.)

Loan.

6. To whom and how the subsidy is provided (whether to producers, to exporters, or others; through what mechanism; whether a fixed or fluctuating amount per unit; if the latter, how determined)

SME.

7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy (indicating, if possible, the average subsidy per unit in the previous year). Where provision of per unit subsidy information (for the year covered by the notification, for the previous year, or both) is not possible, a full explanation

In 2017: CZK 0 (No national co financing).

In 2018: CZK 0 (No national co financing).

8. Duration of the subsidy and/or any other time-limits attached to it, including date of inception/commencement

24.3.2017 – 31.12.2023.

9. Statistical data permitting an assessment of the trade effects of the subsidy. The specific nature and scope of such statistics is left to the judgement of the notifying Member. To the extent possible, relevant and/or determinable, however, it is desirable that such information includes statistics of production, consumption, imports and exports of the subsidized product(s) or sector(s)

Not available.

2.3 PROGRAMME DEVELOPMENT replaced by the programme TECHNOLOGY

1. Title of the subsidy programme, if relevant, or brief description or identification of the subsidy

Programme Development.

2. Period covered by the notification. The period to be covered by the notification should be the most recently completed calendar or fiscal year. In the latter case, the start and end dates of the fiscal year should be specified

2017 – 2018.

3. Policy objective and/or purpose of the subsidy

SME.

4. Background and authority for the subsidy (including identification of the legislation under which it is granted)

Background: support of competitiveness of SMEs particularly by purchasing new technologies in areas with the concentrated support of the State.

Authority: Ministry of Industry and Trade of the Czech Republic.

Legislation: Commission Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty.

5. Form of the subsidy (i.e., grant, loan, tax concession, etc.)

Grant.

6. To whom and how the subsidy is provided (whether to producers, to exporters, or others; through what mechanism; whether a fixed or fluctuating amount per unit; if the latter, how determined)

SME.

7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy (indicating, if possible, the average subsidy per unit in the previous year). Where provision of per unit subsidy information (for the year covered by the notification, for the previous year, or both) is not possible, a full explanation

In 2017 CZK 0 (no National Co-financing).

In 2018 CZK 0 (no National Co-financing).

8. Duration of the subsidy and/or any other time-limits attached to it, including date of inception/commencement

29.05.2015 – 31.12.2020.

9. Statistical data permitting an assessment of the trade effects of the subsidy. The specific nature and scope of such statistics is left to the judgement of the notifying Member. To the extent possible, relevant and/or determinable, however, it is desirable that such information includes statistics of production, consumption, imports and exports of the subsidized product(s) or sector(s)

Not available.

2.4 PROGRAMME ECO-ENERGY replaced by the programme ENERGY SAVINGS

1. Title of the subsidy programme, if relevant, or brief description or identification of the subsidy

Programme Eco-energy.

2. Period covered by the notification. The period to be covered by the notification should be the most recently completed calendar or fiscal year. In the latter case, the start and end dates of the fiscal year should be specified

2017 – 2018.

3. Policy objective and/or purpose of the subsidy

Increasing the effectiveness of generation, transmission and consumption of energy.

4. Background and authority for the subsidy (including identification of the legislation under which it is granted)

Background: focused particularly on increasing the effectiveness of generation, transmission and consumption of energy.

Authority: Ministry of Industry and Trade of the Czech Republic.

Legislation: Commission Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty. Commission Regulation (EU) No. 1407/2013.

5. Form of the subsidy (i.e., grant, loan, tax concession, etc.)

Grant.

6. To whom and how the subsidy is provided (whether to producers, to exporters, or others; through what mechanism; whether a fixed or fluctuating amount per unit; if the latter, how determined)

SME, large enterprises.

7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy (indicating, if possible, the average subsidy per unit in the previous year). Where provision of per unit subsidy information (for the year covered by the notification, for the previous year, or both) is not possible, a full explanation

In 2017 CZK 0 (no National Co-financing).

In 2018 CZK 0 (no National Co-financing).

8. Duration of the subsidy and/or any other time-limits attached to it, including date of inception/commencement

29.05. 2015 – 31. 12. 2020.

9. Statistical data permitting an assessment of the trade effects of the subsidy. The specific nature and scope of such statistics is left to the judgement of the notifying Member. To the extent possible, relevant and/or determinable, however, it is desirable that such information includes statistics of production, consumption, imports and exports of the subsidized product(s) or sector(s)

Not available.

2.5 PROGRAMME INNOVATION

1. Title of the subsidy programme, if relevant, or brief description or identification of the subsidy

Programme Innovation.

2. Period covered by the notification. The period to be covered by the notification should be the most recently completed calendar or fiscal year. In the latter case, the start and end dates of the fiscal year should be specified

2017 – 2018.

3. Policy objective and/or purpose of the subsidy

Support for the commercialisation of R&D results and the transfer of technologies onto markets through innovation activities.

4. Background and authority for the subsidy (including identification of the legislation under which it is granted)

Background: focused particularly on the support for the commercialisation of R&D results and the transfer of technologies onto markets through innovation activities.

Authority: Ministry of Industry and Trade of the Czech Republic.

Legislation: Commission Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty. Commission Regulation (EU) No. 1407/2013.

5. Form of the subsidy (i.e., grant, loan, tax concession, etc.)

Grant.

6. To whom and how the subsidy is provided (whether to producers, to exporters, or others; through what mechanism; whether a fixed or fluctuating amount per unit; if the latter, how determined)

SME and large enterprises.

7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy (indicating, if possible, the average subsidy per unit in the previous year). Where provision of per unit subsidy information (for the year covered by the notification, for the previous year, or both) is not possible, a full explanation

2017 CZK 0 (no National Co-financing).

2018 CZK 0 (no National Co-financing).

8. Duration of the subsidy and/or any other time-limits attached to it, including date of inception/commencement

29.05.2015 – 31.12.2020.

9. Statistical data permitting an assessment of the trade effects of the subsidy. The specific nature and scope of such statistics is left to the judgement of the notifying Member. To the extent possible, relevant and/or determinable, however, it is desirable that such information includes statistics of production, consumption, imports and exports of the subsidized product(s) or sector(s)

Not available.

2.6 PROGRAMME POTENTIAL

1. Title of the subsidy programme, if relevant, or brief description or identification of the subsidy

Programme Potential.

2. Period covered by the notification. The period to be covered by the notification should be the most recently completed calendar or fiscal year. In the latter case, the start and end dates of the fiscal year should be specified

2017 – 2018.

3. Policy objective and/or purpose of the subsidy

Strengthening research capacities in the SMEs.

4. Background and authority for the subsidy (including identification of the legislation under which it is granted)

Background: Focused particularly on strengthening research capacities in the SMEs already engaged in research and development and on the deepening of collaboration of SMEs with R&D institutions.

Authority: Ministry of Industry and Trade of the Czech Republic.

Legislation: Commission Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty.

5. Form of the subsidy (i.e., grant, loan, tax concession, etc.)

Grant.

6. To whom and how the subsidy is provided (whether to producers, to exporters, or others; through what mechanism; whether a fixed or fluctuating amount per unit; if the latter, how determined)

SME and large enterprises.

7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy (indicating, if possible, the average subsidy per unit in the previous year). Where provision of per unit subsidy information (for the year covered by the notification, for the previous year, or both) is not possible, a full explanation

2017 CZK 0 (no National Co-financing).

2018 CZK 0 (no National Co-financing).

8. Duration of the subsidy and/or any other time-limits attached to it, including date of inception/commencement

29.05.2015 – 31.12.2020.

9. Statistical data permitting an assessment of the trade effects of the subsidy. The specific nature and scope of such statistics is left to the judgement of the notifying Member. To the extent possible, relevant and/or determinable, however, it is desirable that such information includes statistics of production, consumption, imports and exports of the subsidized product(s) or sector(s)

Not available.

2.7 PROGRAMME COOPERATION

1. Title of the subsidy programme, if relevant, or brief description or identification of the subsidy

Programme Cooperation.

2. Period covered by the notification. The period to be covered by the notification should be the most recently completed calendar or fiscal year. In the latter case, the start and end dates of the fiscal year should be specified

2017 – 2018.

3. Policy objective and/or purpose of the subsidy

Establishing and developing cooperative sectoral associations.

4. Background and authority for the subsidy (including identification of the legislation under which it is granted)

Background: The objective of the Programme is support for establishing and developing cooperative sectoral associations – clusters, poles of excellence, technology platforms and cooperative projects at regional, supra-regional and international levels as a tool for boosting competitiveness of the economy and economic growth.

The Programme's general objective is continuous creation of a favourable business environment, improvement of conditions for enterprise and innovation and development of competitive edge by closer interrelations among research, universities and the business sector.

Authority: Ministry of Industry and Trade of the Czech Republic.

Legislation: Commission Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty.

5. Form of the subsidy (i.e., grant, loan, tax concession, etc.)

Grant.

6. To whom and how the subsidy is provided (whether to producers, to exporters, or others; through what mechanism; whether a fixed or fluctuating amount per unit; if the latter, how determined)

SME and large enterprises.

7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy (indicating, if possible, the average subsidy per unit in the previous year). Where provision of per unit subsidy information (for the year covered by the notification, for the previous year, or both) is not possible, a full explanation

2017 CZK 0 (no National Co-financing).

2018 CZK 0 (no National Co-financing).

8. Duration of the subsidy and/or any other time-limits attached to it, including date of inception/commencement

29.05.2015 – 31.12.2020.

9. Statistical data permitting an assessment of the trade effects of the subsidy. The specific nature and scope of such statistics is left to the judgement of the notifying Member. To the extent possible, relevant and/or determinable, however, it is desirable that such information includes statistics of production, consumption, imports and exports of the subsidized product(s) or sector(s)

Not available.

2.8 PROGRAMME PROSPERITY – replaced by the programme SERVICES OF INFRASTRUCTURE

1. Title of the subsidy programme, if relevant, or brief description or identification of the subsidy

Programme Prosperity.

2. Period covered by the notification. The period to be covered by the notification should be the most recently completed calendar or fiscal year. In the latter case, the start and end dates of the fiscal year should be specified

2017 – 2018.

3. Policy objective and/or purpose of the subsidy

Development of infrastructure entities for industrial research, technological development and innovations.

4. Background and authority for the subsidy (including identification of the legislation under which it is granted)

Background: Support - through subsidies - establishing and further development of infrastructure entities for industrial research, technological development and innovations mainly focused on implementing new technologies and competitive products and services.

Authority: Ministry of Industry and Trade of the Czech Republic.

Legislation: Framework for the State Aid for Research and Development and Innovation 2014/C 198/01, Commission Regulation No. 1407/2013.

5. Form of the subsidy (i.e., grant, loan, tax concession, etc.)

Grant.

6. To whom and how the subsidy is provided (whether to producers, to exporters, or others; through what mechanism; whether a fixed or fluctuating amount per unit; if the latter, how determined)

Natural or legal person, owner of the innovation infrastructure.

7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy (indicating, if possible, the average subsidy per unit in the previous year). Where provision of per unit subsidy information (for the year covered by the notification, for the previous year, or both) is not possible, a full explanation

2017 CZK 0 (no National Co-financing).

2018 CZK 0 (no National Co-financing).

8. Duration of the subsidy and/or any other time-limits attached to it, including date of inception/commencement

29.05.2015 – 31.12.2020.

9. Statistical data permitting an assessment of the trade effects of the subsidy. The specific nature and scope of such statistics is left to the judgement of the notifying Member. To the extent possible, relevant and/or determinable, however, it is desirable that such information includes statistics of production, consumption, imports and exports of the subsidized product(s) or sector(s)

Not available.

2.9 PROGRAMME REAL ESTATES

1. Title of the subsidy programme, if relevant, or brief description or identification of the subsidy

Programme real estates.

2. Period covered by the notification. The period to be covered by the notification should be the most recently completed calendar or fiscal year. In the latter case, the start and end dates of the fiscal year should be specified

2017 – 2018.

3. Policy objective and/or purpose of the subsidy

Development of infrastructure entities for industrial research, technological development and innovations.

4. Background and authority for the subsidy (including identification of the legislation under which it is granted)

Background: A programme support of infrastructure for enterprises.

Authority: Ministry of Industry and Trade of the Czech Republic.

Legislation: Commission Regulation (EU) No. 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty.

5. Form of the subsidy (i.e., grant, loan, tax concession, etc.)

Grant.

6. To whom and how the subsidy is provided (whether to producers, to exporters, or others; through what mechanism; whether a fixed or fluctuating amount per unit; if the latter, how determined)

SME and large enterprises.

7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy (indicating, if possible, the average subsidy per unit in the previous year). Where provision of per unit subsidy information (for the year covered by the notification, for the previous year, or both) is not possible, a full explanation

2017 CZK 0 (no National Co-financing).

2018 CZK 0 (no National Co-financing).

8. Duration of the subsidy and/or any other time-limits attached to it, including date of inception/commencement

29.05.2015 – 31.12.2020.

9. Statistical data permitting an assessment of the trade effects of the subsidy. The specific nature and scope of such statistics is left to the judgement of the notifying Member. To the extent possible, relevant and/or determinable, however, it is desirable that such information includes statistics of production, consumption, imports and exports of the subsidized product(s) or sector(s)

Not available.

3 MEASURES PURSUANT TO OPERATIONAL PROGRAMME ENVIRONMENT (OPE) 2014-2020

1. Title of the subsidy programme, if relevant, or brief description or identification of the subsidy

SA.42719 - OP E 2014 - 2020 – the aid scheme for environmental protection in the priority axes 1, 2, 3.

2. Period covered by the notification. The period to be covered by the notification should be the most recently completed calendar or fiscal year. In the latter case, the start and end dates of the fiscal year should be specified

2017 – 2018.

3. Policy objective and/or purpose of the subsidy

Environmental protection.

4. Background and authority for the subsidy (including identification of the legislation under which it is granted)

Background: The main objective of the Operational programme Environment 2014-2020 is to protect and ensure quality living environment for the population of the Czech Republic, to support resource efficiency, eliminate negative impacts of human activities on the environment and to mitigate climate change impacts.

Authority for the subsidy: Ministry of the Environment of the Czech Republic.

Legislation: Programme document - Operational Programme Environment 2014 – 2020.

5. Form of the subsidy (i.e., grant, loan, tax concession, etc.)

Direct grant.

6. To whom and how the subsidy is provided (whether to producers, to exporters, or others; through what mechanism; whether a fixed or fluctuating amount per unit; if the latter, how determined)

All types of recipients.

7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy (indicating, if possible, the average subsidy per unit in the previous year). Where provision of per unit subsidy information (for the year covered by the notification, for the previous year, or both) is not possible, a full explanation

In 2017: CZK 84 675 281.

In 2018: CZK 392 081 249.

The notification covered following articles under Commission Regulation (EU) No 651/2014: 14, 17- 20, 36, 37, 38, 40, 41, 45, 46, 47, 49, 53, 55 and 56.

8. Duration of the subsidy and/or any other time-limits attached to it, including date of inception/commencement

1.7.2015 - 31.12.2023.

9. Statistical data permitting an assessment of the trade effects of the subsidy. The specific nature and scope of such statistics is left to the judgement of the notifying Member. To the extent possible, relevant and/or determinable, however, it is desirable that such information includes statistics of production, consumption, imports and exports of the subsidized product(s) or sector(s)

Not available.

4 PROGRAMME FOR SUPPORT ENTREPRENEURIAL PROPERTIES AND INFRASTRUCTURE

1. Title of the subsidy programme, if relevant, or brief description or identification of the subsidy

Program for support entrepreneurial properties and infrastructure.

2. Period covered by the notification. The period to be covered by the notification should be the most recently completed calendar or fiscal year. In the latter case, the start and end dates of the fiscal year should be specified

2017-2018.

3. Policy objective and/or purpose of the subsidy

Regional development.

4. Background and authority for the subsidy (including identification of the legislation under which it is granted)

Background: Program is mainly designed for support strategic industrial zones (for a strategic investor), next for projects of build up, regeneration properties for a business including infrastructure.

Authority for the subsidy: Ministry of Industry and Trade of the Czech Republic.

Legislation: Commission Regulation No. 1628/2006 on the application of Art. 87 and 88 of Treaty to national regional investment aid (OJ 2006 L 302/29).

5. Form of the subsidy (i.e., grant, loan, tax concession, etc.)

Grant, interest rates subsidies, reimbursable grant.

6. To whom and how the subsidy is provided (whether to producers, to exporters, or others; through what mechanism; whether a fixed or fluctuating amount per unit; if the latter, how determined)

Organization complement of the state and their alliances, development companies.

7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy (indicating, if possible, the average subsidy per unit in the previous year) . Where provision of per unit subsidy information (for the year covered by the notification, for the previous year, or both) is not possible, a full explanation

In 2017: CZK 124 995 000.

In 2018: CZK 200 548 000.

8. Duration of the subsidy and/or any other time-limits attached to it, including date of inception/commencement

10.9.2007 - 31.12.2020

9. Statistical data permitting an assessment of the trade effects of the subsidy. The specific nature and scope of such statistics is left to the judgement of the notifying Member. To the extent possible, relevant and/or determinable, however, it is desirable that such information includes statistics of production, consumption, imports and exports of the subsidized product(s) or sector(s)

Not available.

5 PROGRAMME EPSILON

1. Title of the subsidy programme, if relevant, or brief description or identification of the subsidy

The EPSILON programme for the support of applied research and experimental development.

2. Period covered by the notification. The period to be covered by the notification should be the most recently completed calendar or fiscal year. In the latter case, the start and end dates of the fiscal year should be specified

2017-2018.

3. Policy objective and/or purpose of the subsidy

Collaborative research and development.

4. Background and authority for the subsidy (including identification of the legislation under which it is granted)

Background: The EPSILON programme is mainly focused on improving the standing of the Czech Republic, as well as European industry in a global context, through the support of applied research and experimental development, mainly through collaboration between enterprises and research organizations, whose results have a high potential for rapid application in new products, production processes and services, particularly in the following priority areas:

- Competitive knowledge-based economy.
- Sustainability of energy and material resources.
- Environment for quality of life.

Legislation:

- Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty.
- Framework for state aid for research and development and innovation.
- Act No. 130/2002 Coll., on the support of research, experimental development and innovation from public funds and amending certain related laws, as amended.

5. Form of the subsidy (i.e., grant, loan, tax concession, etc.)

Grant.

6. To whom and how the subsidy is provided (whether to producers, to exporters, or others; through what mechanism; whether a fixed or fluctuating amount per unit; if the latter, how determined)

The beneficiaries of the aid scheme are enterprises (legal or natural entities that are economic active pursuant to Annex 1 of the Commission Regulation and that perform the project independently or in collaboration with other participants, and demonstrate the ability to co-finance the project from private resources) and research organizations (legal entities that meet the definition of a research organization pursuant to the Article 2 (83) of the Commission Regulation) and that perform the project in collaboration with other participants, and demonstrate the ability to co-finance the project from private resources).

7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy (indicating, if possible, the average subsidy per unit in the previous year). Where provision of per unit subsidy information (for the year covered by the notification, for the previous year, or both) is not possible, a full explanation

In 2017: CZK 969 422 092 (grants).

In 2018: CZK 1 267 015 977 (grants).

8. Duration of the subsidy and/or any other time-limits attached to it, including date of inception/commencement

17.10.2014 – 31.12. 2025.

9. Statistical data permitting an assessment of the trade effects of the subsidy. The specific nature and scope of such statistics is left to the judgement of the notifying Member. To the extent possible, relevant and/or determinable, however, it is desirable that such information includes statistics of production, consumption, imports and exports of the subsidized product(s) or sector(s)

Not available.

6 PROGRAMME GAMA

1. Title of the subsidy programme, if relevant, or brief description or identification of the subsidy

Programme of applied research, experimental development and innovation GAMA

2. Period covered by the notification. The period to be covered by the notification should be the most recently completed calendar or fiscal year. In the latter case, the start and end dates of the fiscal year should be specified

2017-2018.

3. Policy objective and/or purpose of the subsidy

Research and development.

4. Background and authority for the subsidy (including identification of the legislation under which it is granted)

Background: The programme aims to support the verification of the results of research and development (hereinafter referred to as "R&D") in terms of their practical application and to prepare their subsequent commercial use. The main objective of the programme is to support and significantly streamline the transformation of R&D results achieved in research organizations and/or in collaboration between research organizations and enterprises into practical applications to enable their commercialization and support their implementation. The other objective is to promote better cooperation between research organizations and enterprises by the way "learning-by-doing". The programme is divided into two sub-programmes with different methods of implementation and recipients.

Authority for the subsidy: Technology Agency of the Czech Republic

Legislation:

- Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty.
- Framework for state aid for research and development and innovation.
- Act No. 130/2002 Coll., on the support of research, experimental development and innovation from public funds and amending certain related laws, as amended.

5. Form of the subsidy (i.e., grant, loan, tax concession, etc.)

Grant.

6. To whom and how the subsidy is provided (whether to producers, to exporters, or others; through what mechanism; whether a fixed or fluctuating amount per unit; if the latter, how determined)

Sub-programme 1 is aimed at supporting verification of the practical use of R&D results that were created in research organizations (mainly public) by "proof-of-concept" projects. These results should have high potential for application in new or improved products, manufacturing processes or services with high added value and high probability of increasing the competitiveness. Sub-programme 1 is also focused on systemic support of the ways of identification, implementation and further development of the commercialisation activities in the research organizations. Recipients can only be research organizations.

Sub-programme 2 is aimed at supporting projects of applied research and experimental development of enterprises exploiting the research results from research organizations (that could be results from basic research as well as applied research). The support will be provided for projects involving the completion of functional prototypes, verification of their properties, verification of test series and evaluation of all technological, economic, social, health and other impacts of new products

or services. Primary recipients can only be enterprises. Research organizations may participate as other project participants.

7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy (indicating, if possible, the average subsidy per unit in the previous year). Where provision of per unit subsidy information (for the year covered by the notification, for the previous year, or both) is not possible, a full explanation

In 2017: CZK 147 699 964 (grants).

In 2018: CZK 152 629 187 (grants).

8. Duration of the subsidy and/or any other time-limits attached to it, including date of inception/commencement

17.10.2014 – 31.12.2019.

9. Statistical data permitting an assessment of the trade effects of the subsidy. The specific nature and scope of such statistics is left to the judgement of the notifying Member. To the extent possible, relevant and/or determinable, however, it is desirable that such information includes statistics of production, consumption, imports and exports of the subsidized product(s) or sector(s)

Not available.

6.1 Multi-annual support to biofuels for transport

1. Title of the subsidy programme, if relevant, or brief description or identification of the subsidy

State aid SA.39654 (2015/NN) Multi-annual support to biofuels for transport.

2. Period covered by the notification. The period to be covered by the notification should be the most recently completed calendar or fiscal year. In the latter case, the start and end dates of the fiscal year should be specified

2017-2018.

3. Policy objective and/or purpose of the subsidy

The main aims of the measure are to reduce greenhouse emissions from fuel combustion by 6% compared to the basic standard for fossil fuels by 31 December 2020 (as required by Article 7a of the Directive 98/70/EC) and to ensure at least 10 % share of renewable energy in final energy consumption in transport in 2020 (as required by Article 3 of the Directive 2009/28/EC).

4. Background and authority for the subsidy (including identification of the legislation under which it is granted)

Background: Financial support of high concentrated biofuels in the form of excise tax reduction.

Authorities: The Ministry of Agriculture and the Ministry of Finance of the Czech Republic.

Legislation:

- Government Resolution No. 655/2014, on the Multi-annual program of support for further application of sustainable biofuels in transport for the period 2015 – 2020;
- Act No. 201/2012 Coll., on air protection, as amended (§ 19 - § 21);
- Government Regulation No. 189/2018 Coll., on sustainability criteria for biofuels and reduction of greenhouse gas emissions from fuels;
- Act No. 353/2003 Coll., on excise tax, as amended (§ 45 - § 54); and
- Act No. 261/2007 Coll., on stabilization of public budgets, as amended (part forty five, § 6 - § 8).

5. Form of the subsidy (i.e., grant, loan, tax concession, etc.)

The aid is granted in the form of an excise duty reduction for high concentration biofuel blends in proportion of their biofuel content.

6. To whom and how the subsidy is provided (whether to producers, to exporters, or others; through what mechanism; whether a fixed or fluctuating amount per unit; if the latter, how determined)

Any pure or high-concentrated biofuel that is legally placed on the Czech market and that meets the sustainability criteria benefits from the aid in the form of an excise duty reduction. While the duty reduction applies at the point of retail sale, the beneficiary is the whole business chain starting with companies producing biofuels and placing them on Czech tax territory, the distributors as well as all retail business customers.

7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy (indicating, if possible, the average subsidy per unit in the previous year). Where provision of per unit subsidy information (for the year covered by the notification, for the previous year, or both) is not possible, a full explanation

In the table below is shown the subsidy per unit - level of support for high concentrated biofuels in 2018 in the Czech Republic.

	FAME B100	Vegetable oil (Rapeseed oil)	MDF B30*	Ethanol in fuel "E85"***	Ethanol E95
Level of support (CZK/l)	8.76	9.34	2.435	10.97	10.95

* Mixed diesel fuel with a minimum share of 30% volume of FAME/RME.

** Support is granted via a partial tax refund per litre of ethanol within the fuel mixture E85.

Since 1 July 2017 the level of support was changed in accordance with the EC decision (SA.39654 (2015/NN)).

The total amount of support was 36 342 199 CZK in 2017 and 41 254 454 CZK in 2018.

8. Duration of the subsidy and/or any other time-limits attached to it, including date of inception/commencement

Subsidy in the form of excise tax reduction for pure or high percentage biofuels can be provided from 1 July 2015 to 31 December 2020.

9. Statistical data permitting an assessment of the trade effects of the subsidy. The specific nature and scope of such statistics is left to the judgement of the notifying Member. To the extent possible, relevant and/or determinable, however, it is desirable that such information includes statistics of production, consumption, imports and exports of the subsidized product(s) or sector(s)

- for the three most recent years for which statistics are available;
- for a previous representative year, which, where possible and meaningful, should be the latest year preceding the introduction of the subsidy or preceding the last major change in the subsidy.

Answers to points a) and b) are joined together. In the table below is shown the consumption of the supported high concentrated biofuels since 2015 to 2018 in the Czech Republic.

	2015	2016	2017	2018
FAME B100 (liters)	121 627 892	194 370	40 121	1 120 994
MDF B30 *) (liters)	158 277 379	100 761	52 000	0
Ethanol in fuel "E85" (liters)	11 745 191	3 622 681	3 422 731	2 865 501

* Mixed diesel fuel with a minimum share of 30% volume of FAME/RME,

- Until 2015 the support of high concentrated biofuels was based on full excise tax exemption for bio-components in the fuel mixture according the Multi-annual support programme for further use of biofuels in transport (N 305/2008).
- Since 2016 the support per liter was reduced, and also other limitations for entities that put the high concentrated biofuels on the market according the new Multi-annual support to biofuels for transport (SA.39654 (2015/NN)) were set.
- The statistics of productions, imports and exports separately for supported biofuels are not available.
- Any other types of pure or high concentrated biofuels (i.e. pure oil, E95) were not used in transport.

7 SUPPORTED ENERGY SOURCES

1. Title of the subsidy programme, if relevant, or brief description or identification of the subsidy

This concerns operational support for supported energy sources (renewable energy sources, secondary energy sources, support for combined heat and power generation) that is currently in place under Act No. 165/2012 Coll. on supported energy sources and on amendments to certain acts, and under Act No. 180/2005 Coll. on the promotion of electricity production from renewable energy sources and amending certain acts (Act on promotion of use of renewable sources) that has been replaced by the above-mentioned Act No. 165/2012 Coll. effective from 1 January 2013.

This operating aid was assessed (in some cases still under review) by the European Commission for its compatibility with the EU internal market. The notification procedure has been closed in most cases. Further details are listed below.

SA.35177 (2014/NN) of 11 June 2014 - Czech Republic - Promotion of electricity production from renewable energy sources (support for renewable energy sources commissioned between 1 January 2013 and 31 December 2015).

SA.40171 (2015/NN) of 28 November 2016 - Czech Republic - Promotion of electricity production from renewable energy sources (support for renewable energy commissioned between 1 January 2006 and 31 December 2012).

SA.38701 (2014/NN) of 15 December 2017 - Czech Republic - Promotion of electricity production from CHP and heat from renewable sources of energy (support for generation of electricity in highly efficient plants for combined heat and power cogeneration commissioned between 1 January 2013 and 31 December 2015).

SA.43182 (2015/N) of 22 August 2016 - Czech Republic - Promotion of electricity production from small hydro power plants (support for small hydro power plants commissioned between 1 January 2016 and 31 December 2020).

SA.43451 (2015/N) of 22 August 2016 - Czech Republic - Operating support for small scale biogas installations with capacity of up to 500 kW (support for sources commissioned between 1 January 2016 and 31 December 2020).

SA.35179 (2015/NN) Promotion of electricity from secondary energy sources.

SA.45768 (2016/N) of 7 March 2017 - Czech Republic - Promotion of electricity from high-efficiency combined heat and power generation installations commissioned since 1 January 2016.

2. Period covered by the notification. The period to be covered by the notification should be the most recently completed calendar or fiscal year. In the latter case, the start and end dates of the fiscal year should be specified

SA.35177 (2014/NN) commissioned between 1 January 2013 and 31 December 2015.

SA.40171 (2015/NN) commissioned between 1 January 2006 and 31 December 2012.

SA.38701 (2014/NN) commissioned between 1 January 2013 and 31 December 2015, the notification procedure has not been completed so far and a European Commission decision on the compatibility of that aid with the EU internal market is not issued.

SA.43182 (2015/N) commissioned between 1 January 2016 and 31 December 2020.

SA.43451 (2015/N) commissioned between 1 January 2016 and 31 December 2020.

SA.35178 (2015/NN) commissioned between 1 January 2013 and 31 December 2020, the notification procedure has not been completed so far and a European Commission decision on the compatibility of that aid with the EU internal market is not issued.

SA.45768 (2016/N) commissioned between 1 January 2016 and 31 December 2020.

3. Policy objective and/or purpose of the subsidy

The aim of the measures is to support the supported sources (renewable energy sources, secondary energy sources, combined heat and power generation) that are currently in place under Act No. 165/2012 Coll. on supported energy sources and on amendments to certain acts, and under Act No. 180/2005 Coll. on the promotion of electricity production from renewable energy sources and amending certain acts (Act on promotion of use of renewable sources) that has been replaced by the above-mentioned Act No. 165/2012 Coll. effective from 1 January 2013.

Pursuant to Section 1 (2) of this Act, the purpose of this Act is to protect the climate and the environment and to support the use of renewable energy sources, secondary sources and highly efficient combined heat and power generation, to increase the share of renewable energy sources in the consumption of primary sources of energy in order to meet the defined objectives, to contribute to environment-friendly use of natural sources and to support sustainable development of the society, and to create conditions for meeting the obligatory target of renewable energy share in gross final consumption of energy in the Czech Republic, taking into account the interest of customers in minimizing the impact of support on energy prices for customers in the Czech Republic.

SA.35177 (2014/NN) Promotion of electricity production from renewable energy sources.

SA.40171 (2015/NN) Promotion of electricity production from renewable energy sources.

SA.38701 (2014/NN) Promotion of electricity production from CHP and heat from renewable sources of energy.

SA.43182 (2015/N) Promotion of electricity production from small hydro power plants.

SA.43451 (2015/N) Operating support for small scale biogas installations with capacity of up to 500 kW.

SA.35179 (2015/NN) Promotion of electricity from secondary energy sources.

SA.45768 (2016/N) Promotion of electricity from high-efficiency combined heat and power generation installations commissioned since 1 January 2016.

4. Background and authority for the subsidy (including identification of the legislation under which it is granted)

The subsidy is granted under Act No. 180/2005 Coll. on the promotion of electricity production from renewable energy sources and amending certain acts, and subsequently under Act No. 165/2012 Coll. on supported energy sources and on amendments to certain acts. Both acts have been amended over the years.

Costs for the support of electricity and operational support for heat are covered through the market operator from financial resources that consist of:

- a. revenues from payments for the total price of electricity which includes two components: price for the distribution network services and price for the transmission network services;
- b. revenues from payments for failure to meet the minimum efficiency value related to the use of energy during the process of burning lignite, pursuant to Section 6 (5) of the Energy Management Act;
- c. subsidies from the state budget;
- d. revenues from the auctioning of allowances pursuant to the Act on conditions for trading in emission allowances for greenhouse gas emissions implemented through the Ministry's Chapter.

5. Form of the subsidy (i.e., grant, loan, tax concession, etc.)

The support is provided as a non-refundable subsidy. The amount provided is determined according to the amount of energy produced (electricity and heat) in the form of feed-in tariffs or green bonuses. Feed-in tariffs or green bonuses are set and published by the Energy Regulatory Office every year in its price decisions.

6. To whom and how the subsidy is provided (whether to producers, to exporters, or others; through what mechanism; whether a fixed or fluctuating amount per unit; if the latter, how determined)

The Act defines two forms of operational support for generation of electricity from renewable sources of energy: feed-in tariffs and green bonuses. The two forms of support cannot be combined, the producer has to select one of them. The support in the form of feed-in tariff is available only to selected production plants to give priority to the support system in the form of green bonuses. Green bonuses are paid by the market operator (OTE) and the feed-in tariff is paid by the mandatory dealer appointed by the state. This support is then settled between the trader and OTE.

Feed-in tariffs have been calculated with regard to the wording of Section 4 of Act No. 165/2012 Coll. and are set so that for the lifetime of the given types of power plants the fifteen-year return on investment is guaranteed to producers. Feed-in tariffs are increased by 2% during the lifetime of the source with regard to the industrial producer price index.

The Energy Regulatory Office determines the amount of green bonuses so that it reflects the market price of electricity for individual types of renewable energy sources. This system enables the producer to sell his produced electricity to any customer or electricity trader for a market price and receive a green bonus as well. The system of bonuses also allows for the self-consumption of the produced electricity and apply a green bonus for this self-consumption.

7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy (indicating, if possible, the average subsidy per unit in the previous year). Where provision of per unit subsidy information (for the year covered by the notification, for the previous year, or both) is not possible, a full explanation

Notification decision	Description of support	2017	2018
SA 35 177	RES, 2013 - 2015	2,242.701	1,761.076
SA 40 171	RES, 2006 - 2012	38,887.850	40,214.046
SA 43 451	Heat BGS, 2016-2020	4.322	7.831
SA 43 182	SHP - SHP-R, 2016-2020	54.549	58.980
SA 45 768	CHP, 2016-2020	132.369	253.092
SA 38 701	CHP-power, 2013 - 2015, heat from RES	549.995	649.944
	- thereof CHP 2013 - 2015	336.438	451.336
	- thereof heat from RES (including BGS)	213.557	198.608
SA 35179	Sec. sources, 2013-2020	14.429	13.198

8. Duration of the subsidy and/or any other time-limits attached to it, including date of inception/commencement

SA.35177 (2014/NN) of 11 June 2014 - Czech Republic - Promotion of electricity production from renewable energy sources (support for renewable energy sources commissioned between 1 January 2013 and 31 December 2015).

SA.40171 (2015/NN) of 28 November 2016 - Czech Republic - Promotion of electricity production from renewable energy sources (support for renewable energy commissioned between 1 January 2006 and 31 December 2012).

SA.38701 (2014/NN) of 15 December 2017 - Czech Republic - Promotion of electricity production from CHP and heat from renewable sources of energy (support for generation of electricity in highly efficient plants for combined heat and power cogeneration commissioned between 1 January 2013 and 31 December 2015).

SA.43182 (2015/N) of 22 August 2016 - Czech Republic - Promotion of electricity production from small hydro power plants (support for small hydro power plants commissioned between 1 January 2016 and 31 December 2020).

SA.43451 (2015/N) of 22 August 2016 - Czech Republic - Operating support for small scale biogas installations with capacity of up to 500 kW (support for sources commissioned between 1 January 2016 and 31 December 2020).

SA.35179 (2015/NN) Promotion of electricity from secondary energy sources.

SA.45768 (2016/N) of 7 March 2017 - Czech Republic - Promotion of electricity from high-efficiency combined heat and power generation installations commissioned since 1 January 2016.

9. Statistical data permitting an assessment of the trade effects of the subsidy. The specific nature and scope of such statistics is left to the judgement of the notifying Member. To the extent possible, relevant and/or determinable, however, it is desirable that such information includes statistics of production, consumption, imports and exports of the subsidized product(s) or sector(s)

a. for the three most recent years for which statistics are available;

b. for a previous representative year, which, where possible and meaningful, should be the latest year preceding the introduction of the subsidy or preceding the last major change in the subsidy.

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8 PROGRAMME TRIO

1. Title of the subsidy programme, if relevant, or brief description or identification of the subsidy

"TRIO", program to support research and development projects.

2. Period covered by the notification. The period to be covered by the notification should be the most recently completed calendar or fiscal year. In the latter case, the start and end dates of the fiscal year should be specified

2017-2018.

3. Policy objective and/or purpose of the subsidy

The program focuses on the development of the Czech Republic's potential in the field of key enabling technologies (KETs) such as photonics, micro- and nano-electronics, nanotechnology, industrial biotechnology, advanced materials and advanced manufacturing technologies.

KETs are knowledge and qualified labour demanding technologies that require a crucial share of research activities and have fast innovation cycles. These technologies can be applied in new products and services with high value added and they will enforce the economic growth and increase the competitiveness of the Czech Republic and the European Union.

The program aims as well at encouraging effective collaboration in research and development between enterprises and research organisations whose low intensity belongs to main weaknesses of the national research system.

4. Background and authority for the subsidy (including identification of the legislation under which it is granted)

Background: Program is designed for support of activities in the field of industrial research and experimental development. The purpose of the subsidy – see point 3.

Authority for the subsidy: Ministry of Industry and Trade of the Czech Republic.

Legislation: Community Framework for State Aid for Research and Development and Innovation, Commission Regulation (EU) No 651/2014.

5. Form of the subsidy (i.e., grant, loan, tax concession, etc.)

Grant.

6. To whom and how the subsidy is provided (whether to producers, to exporters, or others; through what mechanism; whether a fixed or fluctuating amount per unit; if the latter, how determined)

The beneficiaries of the aid scheme are all kind of companies from the industrial production sector, including research organisations.

7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy (indicating, if possible, the average subsidy per unit in the previous year). Where provision of per unit subsidy information (for the year covered by the notification, for the previous year, or both) is not possible, a full explanation

The amount of the subsidy paid:

in 2017: CZK 844 000 000.

in 2018: CZK 1 348 000 000.

For the information cited in items 3 to 7 above, the notification does not necessarily have to have an independent heading corresponding to each item, and may provide information on multiple items in one heading (e.g. provide information on items 3 and 4 under one heading). In this case, the notification must clearly specify what items are covered by which heading.

8. Duration of the subsidy and/or any other time-limits attached to it, including date of inception/commencement

1.1.2016 – 31.12.2022.

- Not available.