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

Supplement

The following supplement to the notification of the European Union, dated and received on 20 January 2023, relates to a subsidy programme of **Portugal**.

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1. **Title of the subsidy programme**

Credit facility to support fisheries sector – ***minimis aid***

1. **Period covered by the notification**

2017 – 2018 – 2019 – 2020

1. **Policy objective and/or purpose of the subsidy:**

Promoting sustainable, economically viable and socially responsible fisheries and aquaculture by pursuing the following specific objectives:

(a) The protection and restoration of aquatic biodiversity and ecosystems;

(b) Ensuring a balance between fishing capacity and available fishing opportunities.

If fishermen are prohibited from fishing, this creates economic as well as social problems in coastal areas. Moreover, if families are in economic difficulties, there is a tendency to catch more fish in order to increase their income.

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

The winter of 2013-2014 was characterised by the occurrence of exceptionally prolonged periods of bad weather. The weather conditions and the state of the sea, which were the worst in the last 20 years, led to the closure of the country's main ports for unusually long periods.

This situation had negative repercussions on the economy and financial situation of companies in the sector, causing added difficulties in the availability of financial resources necessary for the acquisition of production factors and the fulfilment of commitments with credit institutions. The long‑term sustainability of the fisheries sector is very important, taking into account that fishing generates jobs in coastal communities and ensures the socio-economic balance of these areas, motivating other activities such as catering and tourism.

In this context, the Government has adopted, in mainland Portugal, complementary measures to reduce the difficulties faced by the fisheries sector, within the limits set out in Commission **Regulation (EU) No. 717/2014 of 27 June 2014 on de *minimis aid* in the fisheries sector**, creating a credit facility, with reduced interest rates, to overcome financial difficulties arising from the inhibition of fishing activity.

Thus, it is a subvention based on Commission Regulation (EU) 717/2014 of 27 June 2014 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to ***minimis* *aid*** in the fishery and aquaculture sector.

1. **Form of the subsidy**

Credit facility

1. **Annual amount financed by national budgets in 2017-2020 (million EUR)**

|  |  | **2017** | **2018** | **2019** | **2020** | **2021** |
| --- | --- | --- | --- | --- | --- | --- |
| Mainland | DL 116/2014 | 0,123 | 0,129 | 0,292 | (2) | 0,171 |
| Azores(1) |  | 0 | 0 | 0,390 | 0 |  |

1. Only apply on 2019
2. No available in DGRM – we will send asap.
3. **Beneficiary and conditions of granting of the subsidy**

**7. 1 Beneficiary**:

The credit facility is available to natural or legal persons who meet the following conditions of access:

1. They are licensed to exercise fishing, aquaculture and/or the processing;
2. They are effectively operating;
3. They have their head office in Continental Portugal;
4. They have their tax and social security contributions up to date.

**7.2 Conditions of granting of the subsidy:**

1. Loans are granted for a maximum period of five years from the date of conclusion of the contract;
2. Loans shall be repaid in equal annual payments;
3. First repayment is due one year after the date set for the first drawdown;
4. Loans may be drawn down within a maximum period of six months after the date of signing the contract;
5. The loans bear interest at the contractual rate calculated daily on the outstanding capital;
6. Interest is postponed and paid annually.
7. **Duration of the subsidy**

The duration is for 5 years, but the total amount of de ***minimis aid*** granted to a single undertaking in the fishery and aquaculture sector shall not exceed € 30 000 over any period of three fiscal years.

1. **Statistical data allowing an assessment of the trade effects of the subsidy**

No direct effects on the trade. However, no statistical data is available to allow the evaluation of possible effects on trade.

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