

THE OPENING SPEECH OF  
MS. SÁRA HEGMANNÉ NEMES  
MINISTER OF STATE<sup>1</sup>

*STATE AID DAY*  
*MAY 12, 2011*

**Ladies and Gentlemen, Dear Guests,**

I would like to welcome the speakers and participants of State Aid Day organised by the State Aid Monitoring Office of the Ministry of National Development under the Hungarian Presidency. I would like to thank our speakers for having accepted our invitation and for sharing their experiences related to the EU State aid rules in the next two days. I especially thank Mr. Gert-Jan Koopman, Deputy Director General of the European Commission for his presence.

Following the example of the British and the Czech presidencies, the Hungarian Presidency considered the organisation of the State Aid Day as of high priority. Thus, we would like to provide an opportunity for the State aid experts of the European Commission, Members States and for those representing the potential beneficiaries for discussing the current State aid issues.

The EU State aid rules have the objective to level the playing field for undertakings operating in the internal market. As a principle under EU State aid rules, any aid granted through State resources potentially distorts competition in the internal market, therefore is not desirable.

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Nevertheless, in order to achieve the common goals and objectives of the EU, granting of State aid may be justified. Some of us doubtlessly wish a regulation more flexible and more permissive as it is today, while others try to keep the granting of State aid within stricter limits.

The significance of the subject is shown by the fact that in 2009, Member States granted State aid in an amount of more than EUR 427 billion falling under the exclusive control competence of the European Commission. This figure includes aid granted due to the economic and financial crisis. This sum is equal to 3,6% of the total GDP of the European Union.

A significant part of current State aid rules expires at the end of 2013. I hope that today we will have the opportunity to be informed about the planned content and the timing of the future rules by the representatives of the Commission.

By organising this event, we wanted to provide an opportunity for the representatives of the Commission, the Member States and other experts to define their position in order to get an overall picture of the present and the future of State aid control.

Today, it will be discussed how to accelerate the approval procedure of the Commission lasting often for years by means of a more effective co-operation between the Member States and the Commission, as well as how the interested third parties may take part in the procedure. Furthermore, we will listen to presentations on the relation of Structural Funds and State aid.

As the organiser of this event, we would like to emphasize the Hungarian experiences. The State Aid Monitoring Office, established in 1999, is charged with State aid control in Hungary. The mission of 13 lawyers and economists of the Office includes the *ex ante* control of planned State aid measures, as well as ensuring that they are compatible with the EU rules. The Office coordinates the notification procedures, keeps in touch with the Commission, and participates in the elaboration and the representation of the Hungarian point of view related to new EU State aid rules. As lecturers and listeners as well, our colleagues regularly take part in international and Hungarian State aid events.

In this event, we will present in detail the establishment and functioning of the Hungarian State aid control system, the Hungarian experiences on establishing the compatibility of Operational Programmes with State aid rules, the State aid categories most frequently used in Hungary under

the Structural Funds, as well as the role of the Hungarian Development Agency and the State Aid Monitoring Office related to a more efficient application of the Structural Funds.

Member States notified more than 700 measures to the European Commission in 2009. The large number of notifications imposes a serious burden on the Commission. The long procedures give much trouble to the Member States and the potential beneficiaries. May we improve this situation? Tomorrow, we will discuss the achievements of the procedural reform, as well as the future plans related to this reform.

I hope that in addition to useful professional experiences, this event will provide us with an opportunity to make new acquaintances next to a glass of wine. I hope that you will have the time to get acquainted with our capital. In order to give you some guidance, we invite you to participate in a guided tour in the building of the Hungarian Parliament this afternoon.

I wish you all good work, useful presentations and a pleasant stay in Budapest! Thank you for your attention!

