



23 April 2026

Draft General Block Exemption Regulation (State Aid) Commission Consultation

General comments

BusinessEurope is pleased that the Commission has published a draft of the General Block Exemption Regulation (GBER). BusinessEurope supports a revision of the GBER to reduce red tape for businesses and Member States and to facilitate necessary support for industry in case of market failures. Overall, we consider that the draft moves in the right direction by promoting simplification, expanding the scope of exempted aid categories, and strengthening coherence with the EU's industrial, climate, and digital priorities. Notably, it removes outdated limits, such as the annual cap of EUR 300 million for operating aid to renewable energy and introduces simplified cost calculation methods -including standard costs and lump sums. Streamlining the GBER and shifting rules from the general section into instrument-specific provisions is also a positive step. However, some adjustments remain necessary to ensure that the GBER genuinely simplifies procedures, accelerates the deployment of aid schemes, and facilitates access to public support, particularly for SMEs.

Considering the importance of the GBER, and the permanent nature of the extension of the GBER, we would also like to suggest that a comprehensive impact assessment is carried out prior to the adoption of the Regulation. Extending the GBER without a proper impact assessment increases the risk that it grows into an all-encompassing "general license"; which is not compatible with the proper functioning of the internal market.

Competition and State aid policy should ensure that effective competition between companies exists. As such it contributes to efficient markets, investments, and innovation, to develop market-based sustainable solutions and technologies. It is important that State aid addresses market failures (when the market does not remunerate the investor for the investment) and that any distortive effects are limited. The clean and digital transition requires significant transformative investments by both the public and private sectors and European businesses should be supported in their transformation towards climate neutrality, sustainable growth, job creation and prosperity. The EU State aid rules have an important role to play in achieving this and the draft GBER rightly reflects this.

Simplifying administration in a balanced way

Revising the GBER should reduce administrative burdens for authorities and for companies that have been granted support. This is highly welcome because notification processes are generally lengthy and place considerable demands on companies and authorities to produce and submit a variety of information. The simplified cost option would be a good way to simplify in particular smaller aid amounts without compromising on legal certainty or leading to major increases in aid amounts.



At the same time, this must be balanced against companies having to take greater responsibility for assessing whether national authorities have correctly interpreted the GBER applications. For this reason, BusinessEurope believes that large aid schemes should continue to be the subject of an individual examination by the Commission to ensure that these principles are followed and that the aid beneficiaries obtain the necessary legal certainty to carry out the project. It would also ensure that the aid is not only necessary and proportionate but also a suitable policy tool. The risk of incorrect application of State aid rules by Member States should however not be shifted onto companies and their good faith should be taken into account if the granting authority has failed to apply the rules correctly. In this context, whilst we support the Commission publishing guidance that the Member States may use with a high degree of legal certainty when designing aid measures and applying the GBER, we find it equally important to focus on and protect the legitimate expectations of the aid beneficiaries and we encourage the Commission to elaborate on how the guidance document could safeguard this. Furthermore, we urge the Commission to carry out a public consultation of a draft version of this guidance document before it is published in its final version.

Coordination of State aid to support competitiveness

While preserving fair competition in the Single Market, greater coordination of State aid at EU level may be necessary to respond to global competition and support the competitiveness of European industry. Such coordination should aim to ensure a level playing field vis-à-vis third countries, while remaining simple, predictable and accessible for companies, and avoiding overly complex frameworks.

Notification thresholds

The proposed financial thresholds still reflect the economic context of 2014 and would need to be updated to account for inflation and the current scale of investment to be business relevant, particularly for larger projects. This would mean, *ceteris paribus*, increasing notification thresholds and maximum aid amounts per project by approximately 25–30%.

Aligning GBER and EU-funded programs

There is a clear need for better alignment between the GBER provisions and EU-funded programs so we welcome that the Commission will reflect on how a simplified compatibility regime can be developed for national co-funding of projects funded from the future European Competitiveness Fund and, as needed, from Horizon Europe, the Framework Programme for Research and Innovation 2028-2034, as set out in the explanatory memorandum on page 5.

Current discrepancies in aid intensities, cost definitions, and cumulation rules create unnecessary complexity, hamper access, and limit the effectiveness of public support. The draft clearly reflects elements of the logic behind the Competitiveness Fund, yet no assessment is provided on their combined effects. It remains unclear whether potential overlaps, incentives, or discriminatory impacts between State aid and Competitiveness Fund financing will be examined now or in the future. This is a major framework-level issue that requires transparency and proper evaluation.



Aligning GBER with relevant sectoral legislation

The draft GBER provides greater clarity and legal certainty by refining several key definitions aligning them more closely with relevant sectoral legislation, including small mid-cap, start of works, dedicated infrastructure, date of granting, and gas infrastructure. This also improves consistency with updated EU policy frameworks in areas such as renewable energy, hydrogen, and digital infrastructure. The draft also represents a first step towards addressing inconsistencies in the interpretation of the concept of undertaking in difficulty, which has generated legal uncertainty under the current Regulation¹. Having said this, the introduction of ambiguous concepts should be avoided as this is likely to create divergence between Member States. In this context, regarding Article 29 of the draft Regulation, it would make sense to better articulate the definition of young enterprises and start-ups with the EU Commission recommendation of innovative enterprises, innovative startups and innovative scale-ups of 18 March².

Regional Aid

- (i) Territorial considerations regarding insularity should be included in the GBER. It is specifically proposed to:
 - Regarding cumulation of aid (Article 9), tax incentives specifically linked to offsetting the costs of insularity should not be counted within the intensity limit when combined with other aid for R&D&I or energy efficiency.
 - Furthermore, under article 15, Regional investment aid should allow for higher aid intensities for non-outermost islands, allowing higher aid intensities to compensate for permanent additional costs (e.g., transport, energy). Aid instruments should operate under higher GBER thresholds, as the minimis ceiling is often quickly exhausted.
 - In addition, while Article 16 currently allows for the compensation of up to 100% of additional transport costs in sparsely populated areas, the draft remains overly restrictive for island territories. We advocate for extending the scope of Article 16 to island regions and broadening it to cover logistics costs for industrial goods, not only passenger transport as currently reflected in Article 49.
- (ii) The GBER must maintain legal certainty regarding the definition of “Sparsely Populated Areas”. The new proposal removes the objective population density criterion referring to the 12.5 inh/km² threshold at the NUTS 3 level, from the definition of “sparsely populated area”. Replacing objective thresholds with discretionary designations through the Regional Aid Maps as proposed, risks encouraging divergent national practices, increasing uncertainty for investments, and eroding the competitiveness and growth of companies and self-employed individuals located in these territories.

¹ Including discrepancies in the different linguistic versions which need to be addressed in order to ensure that all national authorities can interpret the concept in the same way. We request that the ratio applicable to non-SME companies currently referred to as "debt/capital" be aligned with European financial standards. For the final Spanish version, this should be replaced with "debt/equity" to improve consistency and facilitate its practical application by companies and authorities alike.

² https://research-and-innovation.ec.europa.eu/document/download/4e3cd140-47ed-4de2-be02-af1f344a2990_en?filename=ec_rtd_c_2026_1800_1.pdf.



Maintaining clear and objective eligibility criteria is essential for ensuring predictability and equitable treatment among Member States. Since companies operating below the 12.5 inh/km² threshold face structurally higher costs in logistics, labor, and transportation, they require a stable and predictable aid framework. It is therefore important to maintain the 12.5 inh/km² threshold as a mandatory minimum criterion to ensure investment security and a resilient business ecosystem

Aid for R&D&I

As regards aid for R&D&I, BusinessEurope believes that the draft GBER does not contribute sufficiently to promoting R&D&I in companies, which is essential for their competitiveness and for achieving the objectives set out in the Competitiveness Compass. R&D&I financing should be forward-looking rather than anchored in a fixed past. The GBER should not tie financing criteria to historical investment levels but should instead support increasing R&D&I efforts and allow flexibility for new technologies and innovations.

Also, although the draft GBER remains strong in early-stage R&D, it is weaker in supporting technology scale-up, such as pilot plants and first-of-a-kind industrial facilities. Possible solutions include creating a dedicated category for pre-commercial industrial demonstration projects or expanding existing R&D and environmental aid provisions, while also ensuring that support for industrial deployment contributes to the development of resilient European value chains and reduces critical external dependencies.

In addition, the current regulatory framework concerning undertakings in difficulty does not support the development of R&D&I activities, which involve investments carried out without the certainty of immediate profitability. Therefore, a revision of these provisions is requested, proposing measures that facilitate innovation while ensuring compliance with this fundamental requirement for accessing public aid. The new possible expansions should be designed based on an impact assessment which clarifies the typical character of the market failure, to calibrate the rules as to not open up to competition distortions that are not proportionate to the possible positive effects this could have on certain projects.

In relation to the above, we propose to:

- (1) Clarify which data should be considered for the assessment of financial accounts. In particular, the level of analysis (individual entity or consolidated group) should be specified, establishing as a general rule that the assessment is carried out at the level of the individual legal entity.
- (2) Introduce a specific criterion for innovative SMEs, so that they are not considered undertakings in difficulty solely on the basis of accounting indicators, provided that they demonstrate significant research, development or innovation activities, have received recent external financing or have been positively evaluated in competitive calls, and are not subject to insolvency proceedings.

Lastly, as regards clusters (Article 39), we believe that 10 years should remain the baseline for operating aid, as this is generally sufficient to test the business model, build critical mass, and demonstrate value to members. Public funding should catalyse viable



ecosystems, not permanently substitute for market-based financing. Longer support can be justified in specific cases (e.g. deep-tech, capital-intensive ecosystems), but only with strict conditions such as demonstrated additionality, clear market failure justification etc. There should be a credible transition and periodic reassessment, and the rules should avoid locking in long-term subsidies.

Aid for SMEs

As regards aid for SMEs, BusinessEurope regrets that the proposed technical requirements for SMEs, particularly in the context of the green transition, remain complex, e.g., in calculating net additional costs for renewable energy investments. The GBER should include further simplifications for SMEs through simplified calculations of aid amounts and encourage accelerated innovation, digitalisation, and growth of SMEs. Simplification measures could include standard cost benchmarks per kW, simplified declarations, and reduced documentation requirements.

In addition, another significant barrier for SMEs is the current exception excluding SMEs with less than three years of existence from being considered undertakings in difficulty is insufficient and does not adequately reflect the reality of innovative companies. In this regard, it is proposed to extend this threshold to at least five years, as this would better reflect innovation cycles and reduce the exclusion of viable companies.

Regarding the definition of “start-up” (Article 2(34)), we recommend adopting a technology-neutral and sector-neutral approach, based on the innovative potential and business model of the undertaking. Limiting the definition to specific sectors or technologies would risk excluding innovative firms operating in traditional industries, where start-ups can play a key role in driving transformation, including in areas such as sustainability and industrial modernization.

In relation to aid for consultancy in favor of SMEs (Article 21), we propose clarifying the treatment of advertising services to ensure consistency with other categories of excluded costs. Only routine or recurring advertising activities should be considered ineligible, while strategic, non-recurring consultancy services—such as those supporting market entry or product launches—should remain eligible. This distinction is essential to support SMEs in their internationalization efforts and to enable investment in high-impact, growth-oriented activities.

And lastly, regarding aid for participation in trade fairs (Article 22), we recommend clarifying that the maximum aid threshold applies to the final undertaking receiving the economic benefit, rather than to intermediary organizations managing collective participation schemes. This clarification is necessary to preserve widely used and efficient support mechanisms, which play a crucial role in facilitating SME access to international markets.

Aid for environmental protection

BusinessEurope believes that the proposed Articles 52 and 65, which establish that in order for aid to be granted, that the investment must be executed and completed at least 18 months before the entry into force of adapted EU rules, should be deleted, or reduced to 12 months, as it is excessive and contrary to the intended incentivising effect.



As regards Article 54, the draft GBER introduces several modifications with significant implications for the transport sector. Although the current GBER facilitates the purchase of low or zero-emission vehicles without prior notification, we call for a reconsideration of the following points:

- Exclusion of road transport from aid for “clean vehicles”, effectively restricting support to zero-emission vehicles (ZEVs) only and excluding hybrid and other low-emission technologies based on overall GHG performance (Article 54.3 (b));
- Reduced aid intensities for investments linked to public service contracts (from 40% + 10% for zero-emission vehicles to 20% + 5%) (Article 54.7 (a) (ii));
- Changes to the eligibility framework that effectively remove support for transitional low-emission technologies.

These changes risk undermining the decarbonisation of transport, particularly in heavy-duty road transport, where zero-emission solutions remain constrained by cost, infrastructure availability and operational limitations, especially for long-distance and intensive use cases. In practice, transition solutions relying on sustainable biofuels or renewable gas already play a significant role in the early decarbonization of the sector and should continue to complement electric and hydrogen vehicles during the transition period. They contribute to decarbonization in a well-to-wheel approach (not solely based on tailpipe emissions) and represent relevant options for specific use cases. Several companies have already implemented decarbonization strategies relying on such solutions; any rapid and unanticipated evolution of the framework that would disadvantage these investments would be counterproductive and send a negative signal for the ecological transition. More broadly, limiting support to zero-emission vehicles and reducing aid intensities may slow fleet renewal, increase decarbonisation costs and delay emissions reductions.

To avoid these unintended consequences, we call for a framework based on technological neutrality that continues to support transitional low-emission solutions alongside zero-emission technologies, based on their effective GHG reduction performance and their role in enabling a realistic and cost-efficient transition.

Furthermore, the wording used in several provisions excluding aid for “investments in equipment, machinery and industrial production facilities using fossil fuels” is too broad and may lead to unintended interpretations. In particular, the reference to “industrial production facilities” could be understood as excluding aid for any investment carried out in installations where fossil fuels remain in use, even where the supported investment itself does not rely on fossil fuels and is aimed at reducing emissions or improving energy efficiency. This would run counter to the objectives of the Regulation, which seeks to facilitate decarbonization and the transition towards more sustainable industrial processes.

To avoid such ambiguity and ensure legal certainty, we suggest removing the reference to “industrial production facilities” in the relevant provisions (including Articles 51(3)(b), 53(3)(b), 55(3)(d) and 82(8)) and limiting the exclusion strictly to investments in equipment and machinery that directly use fossil fuels.



Aid for culture and heritage conservation

Under Article 70, the ecological transition should explicitly cover the renewal of technical audiovisual equipment toward energy-efficient technologies —such as lighting, sound, and digital broadcasting systems—as these represent significant energy-intensive investments that go beyond mere staging or catering. Additionally, the GBER should facilitate to specialised technical training in the audiovisual sector should also be facilitated to support skilled employment and European competitiveness.

Moreover, in certain sectors, such as the events sector, activities often fall outside clearly defined aid categories and should be included to prevent restrictive interpretations that hinder access to aid despite their contribution to strategic objectives.

Training aid

BusinessEurope suggests deleting the proposed Article 44.3, according to which aid shall not be granted for training which undertakings carry out to comply with national mandatory standards on training as it hinders accessing financial support for training provision, including through the ESF+, and would provide better incentives for industry to invest in upskilling, reskilling, quality jobs and recruitment of workers for a just transition. This includes the possibility to increase training and skills conditionalities for public funding supporting the anticipation and management of change and the industrial transition.

Transparency

As block-exempted measures are directly implemented at national level, safeguarding compliance is of particular importance. Consequently, it is very important to raise awareness and share knowledge of the State aid rules at national level to help Member States and companies interpret the rules. Procedures should also be streamlined and digitalized and we welcome the Commission's work to improve transparency rules and procedures.

Enhancing capacities and interaction by national authorities is important. User-friendly educational tools, including practical guides, FAQs, information sessions, and collaborative platforms (such as the e-State Aid Wiki) all play a role. This would support rule interpretation and mitigate legal uncertainty for companies. Stronger cooperation between national administrations should also be promoted to ensure a harmonized reading of the GBER and to reduce risks of divergent practices.

As mentioned, reporting obligations for businesses must also be streamlined, and again, we support the Commission addressing this. Fully digitalized procedures, single access portals to centralize formalities and data submission are important. Administrative controls should be proportionate, targeted, and advisory rather than systematically burdensome. Separate requirements of supplying the Commission with information on State aid being granted, ensuring transparency of large aid decisions and aggregated State aid expenditures should be coordinated to reduce administrative burdens for businesses and public authorities.

Generally, BusinessEurope supports increased transparency and opportunities to review aid granted within the EU on an individual basis. It is important that there is updated information about all granted State aid measures (including related individual aid



decisions and aid spending) to resolve fragmenting information in different databases and making it easy to use the information. It is important to have a solid overall knowledge base that describes aid granted and paid out in the EU and that relevant databases are user-friendly. BusinessEurope therefore supports the Commission improving the current transparency rules and database in terms of design, data uploaded, and use of the database, to establish a uniform system where legal documentation, such as Commission decisions, aid granted and paid, can be accessed in one place for all aid granted and all aid schemes bearing in mind the need to minimise administrative burdens for involved parties, and companies in particular.

Lastly, a common approach should be developed for tax incentives (aid measures such as tax rebates, exemptions or credits) even though in some Member States tax measures are already registered in a more general way, by means of intervals. By nature, the evaluation of such measures requires counterfactual simulations and involve debatable assumptions, hence creating uncertainty. Recipients are rarely in a capacity to assess the amount of tax aid they receive. Therefore, it is not realistic to require the same level of transparency as for direct grants.
