



MARGRETHE VESTAGER

EXECUTIVE VICE-PRESIDENT OF EUROPEAN COMMISSION

Tánaiste and Minister for Enterprise, Trade and Employment
Mr Leo Varadkar TD
23 Kildare St
Dublin 2
D02 TD30
Ireland

Rue de la Loi, 200
B-1049 Brussels
Tel. +32-2 295 51 36
margrethe.vestager@ec.europa.eu

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Ares sv(2020)8246272

Dear Tánaiste,

I would like to thank you for your letter of 30 November 2020 and your position paper on the revision of the regional aid guidelines, in which you share your concerns regarding the impact of the future guidelines on Ireland in the context of the economic impact of the COVID-19 outbreak and Brexit.

Let me assure you that my services are carefully reflecting on the comments and proposals we received from all Member States on the draft guidelines, including your position paper.

The European Union has always been characterised by significant regional and economic disparities in terms of economic well-being, income and unemployment. Therefore, the main objective of the regional aid guidelines will remain the reduction of disparities between the development levels of European regions by supporting the least favoured regions in catching up.

At the same time, I fully recognise the challenges faced by Ireland and other Member States in the context of the COVID-19 crisis and Brexit. As you know, to address urgent support of businesses in the context of COVID-19, the Commission has swiftly put in place a State aid Temporary Framework to enable Member States to use the full flexibility of State aid rules to support businesses during these difficult times, while preserving the level playing field. I would like to thank you and Irish authorities for the close cooperation that has enabled the Commission to swiftly approve 10 schemes worth €3.3 billion to support Irish businesses.

Finally, we stand ready to continue and build on the fruitful cooperation between our services as part of the working group on support to industries in Ireland most affected by Brexit.

I look forward to further discussing the issues with you at our upcoming video call conference.

Yours sincerely,

