

# State Aid - European Commission Approves Hungarian Aid Scheme for Accelerated Investments in Strategic Sectors to Foster Transition to Net-zero Economy

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Report from Magdalena Olejnicka, Principal Associate, IBFD

On 28 July 2023, the European Commission approved a EUR 2.36 billion Hungarian scheme for accelerated investments in strategic sectors to foster the transition towards a net-zero economy, in line with the Green Deal Industrial Plan (for details, see [European Commission Presents Green Deal Industrial Plan, Plans Flexibilization of State Aid Rules, Encourages Tax Incentives to Net-Zero Industry](#) (1 February 2023)). The scheme was approved under the State aid Temporary Crisis and Transition Framework, adopted by the Commission on 9 March 2023 to support measures in sectors which are key to accelerate the green transition and reduce fuel dependencies (for details, see [State Aid: European Commission Adopts Temporary Crisis and Transition Framework to Further Support Transition Towards Net-zero Economy](#) (10 March 2023)). The new Framework amends and prolongs in part the Temporary Crisis Framework, adopted on 23 March 2022 to enable Member States to support the economy in the context of the current geopolitical crisis, already amended on 20 July 2022 and on 28 October 2022.

Under this measure, the aid will take the form of: (i) direct grants; and or (ii) tax advantages. The measure will be open to companies producing relevant equipment, namely: batteries, solar panels, wind turbines, heat-pumps, electrolysers and equipment for carbon capture usage and storage, as well as key components designed and primarily used as direct input to produce such equipment or related critical raw materials necessary for their production.

The Commission found that the Hungarian scheme is in line with the conditions set out in the Temporary Crisis and Transition Framework. In particular, the aid will (i) incentivize the production of relevant equipment for the transition towards a net-zero economy; and (ii) be granted no later than 31 December 2025.

The Commission concluded that the Hungarian scheme is necessary, appropriate and proportionate to accelerate the green transition and facilitate the development of certain economic activities, which are of importance for the implementation of the Green Deal Industrial Plan, in line with article 107(3)(c) of the [Treaty on the Functioning of the EU \(TFEU\)](#) and the conditions set out in the Temporary Crisis and Transition Framework.

On this basis, the Commission approved the aid measure under EU State aid rules. The non-confidential version of the decision will be made available under the case number SA.107689.

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