

European Commission Concludes State Aid Investigation Into Danish and Swedish Financing of Øresund Fixed Rail-Road Link; Denmark Must Recover Incompatible Aid

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The European Commission has closed its investigation on assessing whether the State guarantee model granted by Denmark and Sweden for the construction of the Øresund fixed rail-road link constitutes aid within the meaning of EU State aid rules. The European Commission concluded that the State guarantee model does not constitute State aid, however part of the tax support implemented by Denmark constitutes disproportionate aid. Thus, Denmark must recover the incompatible aid, including interest.

The Commission's investigation into Denmark and Sweden's support for the Øresund fixed rail-road link began in October 2014 after a complaint by a ferry company. The support consisted of a State guarantee on loans and special tax treatment (depreciation of assets and fiscal loss carry forward) provided to the consortium owning and operating the link. In September 2018, the General Court partially annulled the Commission's 2014 decision, leading to an in-depth investigation.

The Commission concluded that the State guarantee constituted State aid, but as it was granted before Sweden joined the EU, it was considered existing aid. In terms of the special tax treatment, the Commission concluded that the treatment is only partly a new State aid for certain periods. Thus, Denmark must now recover the incompatible aid for those periods. There are no fines, but recovery is required to restore equal treatment.

As background information, the Øresund fixed link connects Copenhagen and Malmö and was built between 1995 and 2000. The consortium owning it is formed by the Danish and Swedish States. Public funding for such projects is subject to EU State aid rules, confirmed by a 2012 EU Court of Justice ruling. These rules allow support for infrastructure investments but require compliance with conditions to ensure fair competition in the Single Market.

The non-confidential version of the decision will be made available under case numbers [SA.52162](#) and [SA.52617](#) in the State Aid Register on the [competition](#) website.

The full text of the press release, published on 13 February 2024, can be found [here](#).

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