

Executive Vice-President
Margrethe Vestager
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1049 Brussels
BELGIUM

Vienna, 21 April 2020

Dear Commissioner Vestager, dear Margrethe,

First, we would like to thank you personally along with the whole college of the European Commission for your support to Member States in their handling of the coronavirus outbreak by decisive, fast and coordinated action.

In this context, we are grateful for the approval of our two packages of national measures based on the Temporary Framework. They provided the much-needed liquidity for our businesses in these difficult times. Within the first week, we already received 600 applications for our guarantee instrument, encompassing a volume of approx. 100 million EUR.

Nonetheless, we would like to raise the need for a legislative framework that enables even more flexibility. What we need is the capacity to react instantly and to provide immediate support for our businesses, if and when the need arises. Therefore, we would like to launch a discussion on a pragmatic and efficient way forward concerning EU State aid rules in times of crisis.

From an Austrian point of view, it would be helpful to suspend the aid rules for the duration of the fight against the coronavirus pandemic. In a crisis, we need to calculate in hours and days, not in weeks. Speed is what counts most for our companies in these times, especially for our SMEs. If they do not get liquidity right away, they have no chance of survival. Let us assure you: We are acting not only in the Austrian interest but above all in the interest of the European business location.

It presents a significant administrative burden that we need to provide notification about each of our State aid cases, answer all of the related questions by phone, email and videoconference and provide a significant number of necessary documents. This delays the process considerably.

Over the years, the Commission has gained sufficient experience regarding how Member States design and administrate aid measures to stabilize and strengthen their economies under exceptional and unpredictable circumstances. In this respect, we would like to refer specifically to the financial crisis following the bankruptcy of Lehman Brothers in September 2008. Unlike in the 2008/09 economic crisis, however, this crisis is now affecting almost all sectors, and they are under heavy pressure.

We, therefore, urge the Commission to take the following measures, among others:

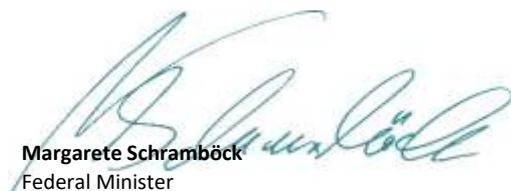
- to lessen the administrative burden in order to enable us to help our companies as quickly as possible
- to exempt anti-crisis subsidies from the ex-ante notification obligation, as is the case for State aid concerning the indemnification of damages caused by natural disasters
- to raise the ceiling for direct contributions to SMEs with immediate effect
- to allow for a more flexible interpretation of the definition of who can receive help
- to suspend the guarantee fee and
- to allow additional aid for industries specifically affected by the crisis

The Austrian authorities are prepared to contribute actively to this process.

Austria has been very flexible in the last days and weeks and agreed to EU measures worth more than 500 billion EUR. We have significantly moved away from our initial positions in order to enable a quick implementation of aid instruments in the spirit of solidarity.

Solidarity has several faces and we very much hope that our request will meet the same level of flexibility that we have shown to our European partners – so that we can save lives, jobs and companies.

Yours sincerely,



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Federal Minister

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