European Commission - Press release

Commission clears Italian public support for Caremar ferry service

Brussels, 8 July 2024

The European Commission has concluded that the public service compensation granted from 1 January 2009 to 31 July 2012 to Caremar SpA ('Caremar') for the operation of ferry services in Italy is in line with EU State aid rules. The same applies to the compensation granted to Caremar under the public service contract concluded for the period between 16 July 2015 and 15 July 2024, after Caremar was acquired by the temporary association of companies SNAV/Rifim Srl ('SNAV/Rifim').

Following a series of complaints, the Commission launched in October 2011 an in-depth investigation into several public support measures in favour of companies of the former Tirrenia Group and their respective acquirers. In November 2012, the Commission extended the scope of this investigation to include additional measures.

The Commission's assessment

On the basis of its in-depth assessment, the Commission concluded that the following measures in favour of Caremar and its acquirer SNAV/Rifim are in line with EU State aid rules. In particular:

- The public service compensation (approximately €98 million) granted to Caremar for the operation of eight maritime routes in the Gulf of Naples, from 1 January 2009 to 31 July 2012, and of three routes in the Pontino Archipelago, from 1 January 2009 to 31 May 2011, is compatible with the 2011 State aid Framework for Services of General Economic Interest ('SGEI'). This measure addressed a real public service need by ensuring connections on a regular basis throughout the year, and the aid granted did not result in overcompensation for Caremar.
- The public service compensation (approximately €97 million) granted to Caremar for the operation of eight maritime routes in the Gulf of Naples in the period 16 July 2015 to 15 July 2024, as well as the tender procedure for the sale of Caremar to SNAV/Rifim, meet the criteria for excluding State aid in regard to compensation for public service obligations and hence do not qualify as State aid.
- The possibility to use certain funds, earmarked to upgrade ships to meet safety requirements, for liquidity purposes does not qualify as State aid since Caremar ultimately did not avail itself of this option.
- Certain fiscal exemptions granted to Caremar in the context of its privatisation process do not constitute State aid, because neither Caremar nor SNAV/Rifim benefited from them.
- The possibility to use resources from a national fund to meet the liquidity needs of Caremar does not qualify as State aid, since it is not an additional aid measure, but it merely amounts to an intra-State transfer to finance the public service compensation.

Background

Caremar has been providing maritime transport services connecting the mainland Italy with the islands of the Gulf of Naples, and, until 1 June 2011, also with the islands of the Pontino Archipelago. These services have been compensated by Italy on the basis of public service contracts.

On 2 March 2020, the Commission concluded its in-depth investigation into the public service compensation granted between 1 January 1992 and 31 December 2008 to companies of the former Tirrenia Group, including Caremar, on the basis of a public service contract which was due to expire at the end of 2008 ('the Initial Convention').

In order to privatise the Tirrenia group, including Caremar, and conclude new public service contracts with their acquirers, Italy prolonged Caremar's Initial Convention. In 2011, Italy reorganised Caremar's services by selling to Laziomar Caremar's branch operating the routes in the Pontino Archipelago. In July 2015, SNAV/Rifim acquired Caremar and started operating the public service routes under a new public service contract that is set to expire on 15 July 2024.

With today's decision, the Commission has completed its in-depth investigation into the companies of the former Tirrenia Group and their respective acquirers. In January 2014, the Commission concluded its investigation into certain support measures in favour of Saremar. In March 2020, it concluded its investigation into support measures in favour of Tirrenia and its acquirer CIN. In June 2021, the Commission concluded its investigation into support measures in favour of Toremar and Siremar and its acquirers Moby and SNS. Finally in September 2021, it concluded its investigation into support measures in favour of Laziomar and its acquirer CLN and it closed the investigation concerning the remaining measures in favour of Saremar.

Member States enjoy a wide margin of discretion in the definition of services of general interest ('SGEI'). The Commission must, however, ensure that public funding granted for the provision of SGEIs does not unduly distort competition in the EU Single Market. In its *Altmark* ruling, the Court of Justice of the EU set out the conditions under which compensation to SGEI providers fall outside the scope of State aid control. In December 2011, the Commission adopted new rules specifying how EU State aid rules apply to SGEI.

The non-confidential version of today's decision will be made available under the case number SA.32014 in the State aid register on the Commission's competition website once any confidentiality issues have been resolved.

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