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NOTE

From:	General Secretariat of the Council
To:	Delegations
Subject:	AOB for the meeting of the Competitiveness Council of 24 September 2026: Call for a More Responsive EU De Minimis Aid Framework - *Information from Latvia*

Request by Latvian delegation for an AoB agenda item for the COMPET Council on the 24th of September 2026

NON-PAPER

Call for a More Responsive EU De Minimis Aid Framework

Europe today is facing ongoing geopolitical instability and security challenges. As president of the Commission mentioned in her State of the Union speech on September 16: these are exceptional times. And exceptional times call for exceptional measures. Competition policy has an important role to play to improve our competitiveness, and our state aid rules must do the same.

Latvia invites the European Commission to launch a political and technical discussion on making the EU de minimis aid framework simpler, more realistic and better aligned with today's economic conditions.This call is also fully consistent with the EU's wider competitiveness agenda. The Competitiveness Compass identifies the need to close the innovation gap, decarbonise the economy and reduce dependencies. The Clean Industrial Deal further underlines that decarbonisation, reindustrialisation and innovation must advance together, supported by predictable and effective investment conditions. The Single Market Strategy also calls for a simpler, seamless and stronger European home market, where companies can scale, invest and compete across borders.
De minimis aid is a practical tool for strengthening business competitiveness, as it allows Member States to provide timely support with a lower administrative burden, in particular to micro, small and medium-sized enterprises.

At a time when Europe must strengthen its competitiveness, industrial base and strategic technologies, small and targeted aid measures are essential. The current thresholds no longer fully correspond to economic reality: for many years they did not sufficiently reflect inflation, rising investment costs and sector-specific cost pressures faced by European companies.

Companies increasingly use a significant share of the available de minimis threshold, while business partners point to a growing mismatch between the existing de minimis limits and market conditions.

To deliver these objectives, EU and national support incentives must be coherent, mutually reinforcing and usable in practice. De minimis aid is one of these incentives: it is not a substitute for larger EU or national investment instruments, but a fast, proportionate and accessible tool that can help undertakings prepare projects, test solutions, address initial investment needs and participate in Europe's competitiveness, industrial and clean transition agenda.

Latvia proposes a balanced way forward:

- higher and regularly reviewed ceilings,
- stronger use of central and verifiable registers, recognising that Member States with robust and fully verifiable de minimis registers may be able to implement higher ceilings or other flexibilities while maintaining effective control, transparency and compliance with cumulation rules.

- Raising the ceilings would not oblige Member States to spend more; it would simply give them the possibility to use existing and future instruments more flexibly and effectively where support is needed.

Latvia proposes the following review:

1. Raise the ceilings to reflect real economic needs

We invite the Commission to assess, as a matter of priority, the following increases:

- from EUR 300 000 to EUR 1 000 000 under Commission Regulation (EU) 2023/2831;
- from EUR 50 000 to EUR 200 000 for the primary production of agricultural products under Commission Regulation (EU) No 1408/2013, as amended;
- from EUR 40 000 to EUR 800 000 for the primary production of fishery and aquaculture products under Commission Regulation (EU) No 717/2014, as amended.

These levels should be examined against implementation data and sector-specific evidence. The objective is not to weaken State aid control, but to ensure that small-scale support remains meaningful in practice.

A higher ceiling would allow Member States to respond faster to investment bottlenecks, innovation needs and sectoral pressures, while maintaining the proportionality and simplicity that make de minimis aid useful. The aim is to ensure that the framework becomes a tool fit for the modern economy - helping companies invest, grow, innovate and strengthen Europe's competitiveness.

2. Make the framework responsive over time

We call for a regular review of the de minimis ceilings at least every five years.

A predictable review cycle would prevent the ceilings from losing their real value because of inflation, higher investment costs or changing financing conditions. It would also ensure that the thresholds do not again remain unchanged for a prolonged period while the economic environment changes significantly.

3. Combine more flexibility with stronger transparency

We invite the Commission to assess whether Member States operating centralised, complete and verifiable de minimis registers could benefit from greater flexibility within the de minimis framework.

Building on the approach already applied in sector-specific de minimis frameworks, such flexibility could be linked to the ability of national registers to provide effective real-time monitoring of aid granted and full compliance with the applicable ceilings and cumulation rules.

This would enable Member States that already ensure a high level of transparency and control to make more effective use of de minimis aid while maintaining legal certainty and appropriate safeguards.

4. Review national caps in agriculture, fisheries and aquaculture

We ask the Commission to review both the level and the calculation of national caps under the agriculture, fisheries and aquaculture de minimis frameworks. Cost pressure in these sectors is particularly pronounced, including higher prices for production inputs, energy and fuel, while necessary investments in vessel modernisation or aquaculture facilities can significantly exceed the current support thresholds.

5. Start the review early enough to deliver results

We call on the Commission to start the assessment in 2027–2028. This would leave sufficient time to collect evidence, consult Member States and prepare any necessary legal amendments before the current regulations expire.

The review should be evidence-based and should draw on national register data, Member States' implementation experience, sector-specific cost developments and the practical interaction between ceilings, national caps, financing instruments and monitoring arrangements.

Updating the ceilings would not require Member States to increase public expenditure or introduce new aid schemes. It would simply give them a more practical and proportionate tool where such support is needed.

Call for action

We call on the European Commission to open an early review of the general, agriculture, fisheries and aquaculture de minimis frameworks and to present concrete legal options for making them more responsive, proportionate and fit for Europe’s competitiveness agenda, including the objectives set out in the Competitiveness Compass, the Clean Industrial Deal and the Single Market Strategy.

We stand ready to work with the Commission and other Member States on a balanced solution: one that gives Europe’s businesses the flexibility to invest, grow and innovate, while safeguarding transparency, accountability, fair competition in the Single Market and a proportionate administrative burden.