

Portugal

STATE AID

State aid approvals—business support measures—regional aid to areas affected by COVID-19

☞ Azores; Coronavirus support payments; Corporate recovery; EU law; Portugal; Regional aid; Small and medium-sized enterprises; State aid

State aid update—survival before innovation

The new year brought new state aid support, in the form of the European Commission's approvals, in late January, of both a modification to the existing Portuguese scheme (approved on 27 November 2020) and of a new measure to support companies affected by the COVID-19 pandemic. As the pandemic is still producing harsh effects in the Portuguese economy, the measure comprises an increase in the total budget (€1.2 billion) and in the maximum amount granted per beneficiary. Moreover, the new measure is intended to compensate companies for part of their rental payments. These measures were followed by a €35 million Portuguese scheme approved by the Commission in early February, to support micro, small and medium-sized companies in the outermost region of Azores where it has been particularly affected by the pandemic. Amid the storm caused by the COVID-19 pandemic, will innovation plans be put on hold until businesses recover, or will innovation be used by authorities to promote the economy's salvation?

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