Glossary of summaries

STATE AID
State aid means action by a (national, regional or local) public authority, using public resources, to favour certain undertakings or the production of certain goods. A business that benefits from such aid thus enjoys an advantage over its competitors.
Aid granted selectively by EU countries or through state resources and which may affect trade between EU countries or distort competition is prohibited under Article 107 of the Treaty on the Functioning of the European Union (TFEU).
Aid may be permitted if justified by objectives of general interest: aid to promote the development of disadvantaged areas or for services of general economic interest, small and medium-sized enterprises, research and development, environmental protection, training, employment and culture. EU countries must notify the European Commission of the aids that they grant - except in certain specified instances.
Under Article 108 TFEU, the European Commission has the task of keeping under review state aid granted by EU countries, whether planned or already operational, so as to ensure that it does not distort competition.
SEE ALSO
- Competition
- Economic, social and territorial cohesion
- Services of general economic interest
- Summary on the control of state aid in the European Union: a major competition issue
- State aid control on the European Commission's website