



Press and Information

General Court of the European Union

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Judgment in Case T-150/12
Greece v Commission

The General Court confirms the Commission Decision ordering Greece to recover aid granted to cereal producers and agricultural cooperatives in 2008

That aid constituted an interest-rate subsidy and a 100% State guarantee granted in respect of loans amounting to €150 million¹.

According to the Greek authorities, a surplus of maize and wheat in 2008 led to a fall in prices. In order to ensure a minimum income for farmers, **100% State-guaranteed loans** amounting to **€150 million** together with **interest-rate subsidies** were granted by several ministerial decisions to **57 Unions of Agricultural Cooperatives** ('UACs'). The loans were intended to be passed on to the producers of the cereals purchased or received by the UACs in 2008. The price of cereals set by Greece corresponded to the prices used for the calculation of the advances to be transferred to the farmers under the loan agreement.

The Commission found that those loans conferred an **advantage, selectively**, since they were intended to increase the income of Greek farmers by artificially increasing the price of cereals sold to the UACs and, moreover, the UACs and the producers were the only beneficiaries of the loans. According to the Commission, that advantage entailed a **distortion of competition** (since the commercial position of the producers was strengthened as compared to other undertakings) and **affected trade** between Member States (given the substantial intra-Community trade in the cereals sector).

By Decision² of 25 January 2012, the Commission ordered Greece to recover the aid granted in 2008 to cereal producers and to Agricultural Cooperatives in the sector.

Greece sought the annulment of the Commission's decision before the Court.

By its judgment today, **the Court has dismissed the action in its entirety.**

The Court points out that State intervention, in any form whatsoever, which may favour certain undertakings or which confers an economic advantage that an undertaking would not have obtained under normal market conditions constitute State aid. That is the case as regards interest-rate subsidies, inasmuch as they are liable to favour the beneficiary to the detriment of his competitors, and as regards 100% State guarantees in respect of a loan. In principle, State aid which reduces the costs that an undertaking would ordinarily have to pay in the course of its normal business distorts competitive conditions.

The Court finds that the contested decision is **clear and sufficiently reasoned**, since it contains all the information necessary to allow the determination of the nature of the aid to be recovered, the amount of that aid and the beneficiaries concerned by the recovery. Moreover, the Court points out that the Commission could validly have considered that the specific benefit obtained by each category had to be examined at the national level during the recovery, since that benefit depends upon the link between the UACs and the farmers who are their members.

¹ It should be noted that the State aid does not concern the entirety of the loan of €150 million, but rather the interest-rate subsidy and the State guarantee in respect of that loan.

² Decision 2012/320/EU concerning the aid granted by Greece to cereal-producing farmers and cereal-collecting cooperatives (OJ L 164, p. 10).

The **Court** considers, furthermore, that the decision to initiate the procedure for the detailed examination of the aid was itself sufficiently clear and devoid of ambiguity, and the Commission therefore **respected the rights of the defence and the principle of legal certainty**.

As regards the nature of the **aid**, the Court finds that the selective financial advantages obtained by the interest-rate subsidies and the full guarantee of the loan – though relatively minor – **could not have been obtained under normal market conditions**. Moreover, the aid is, according to the Commission, liable to **affect trade between Member States and distort competition**. Given that the agricultural sector is subject to intense competition between producers from different Member States, the minor significance of an aid or the small size of the undertaking which benefits from it does not preclude, a priori, that trade between Member States may be affected.

It follows that, by means of the interest-free loan, together with a state guarantee, the producers could – despite the surplus situation – sell their stock of cereals to the UACs, and do so at a price which they could not have obtained if no loan subject to such conditions had been made to the UACs.

Lastly, the Court holds that the aid in question cannot be regarded as lawful as regards the ‘Temporary Community framework for State aid measures’ (‘the TCFA’)³, since that framework did not enter into force until 31 October 2009. The Court points out, therefore, that state aid schemes approved before that date in the field of primary agricultural production cannot be covered by the TCFA.

NOTE: An appeal, limited to points of law only, may be brought before the Court of Justice against the decision of the General Court within two months of notification of the decision.

NOTE: An action for annulment seeks the annulment of acts of the institutions of the European Union that are contrary to European Union law. The Member States, the European institutions and individuals may, under certain conditions, bring an action for annulment before the Court of Justice or the General Court. If the action is well founded, the act is annulled. The institution concerned must fill any legal vacuum created by the annulment of the act.

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The [full text](#) of the judgment is published on the CURIA website on the day of delivery

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³ Commission Communication on a Temporary Community framework for State aid measures to support access to finance in the current financial and economic crisis (OJ 2009, C 16, p. 1).