Commission approves a Swedish amendment with a total budget of €271 million to promote rail transport in Sweden

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The European Commission has approved, under EU State aid rules, an amendment with a new total budget of SEK 2.75 billion (approximately €271 million) of a Swedish aid scheme, originally approved by the Commission on 12 May 2020 (SA.57886), to increase the support for rail freight transport in Sweden.

This scheme will run until 31 December 2025 and will be open to railway companies active in the rail freight transport sector.

The support will take the form of direct grants. Due to the budget increase, individual grants of aid will also increase.

The aid aims at partially covering costs related to external costs incurred by the beneficiaries, such as accidents, pollution, congestion and climate change. The Commission assessed the amendment under EU State aid rules, in particular <u>Article 93</u> of the Treaty on the Functioning of the European Union and the <u>2008 Commission</u> <u>Guidelines on State aid for railway undertakings</u>.

The Commission found that the budget amendment (i) is necessary and proportionate to promote the use of rail transport, which is less polluting than road transport and reduces road congestion (ii) will be beneficial both for the environment and for mobility, as it will increase Sweden's available funds to support the rail freight sector, and (iii) it will facilitate the modal shift from road to rail, whilst not leading to undue competition distortions.

(European Commission)