

**Question for written answer E-000424/2017
to the Commission**

Rule 130

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Subject: Spanish government guarantee for the high-speed railway to Mecca (Saudi Arabia): illegal state aid pursuant to Article 107 TEU, public finances and compliance with EU deficit rules

The Spanish Minister for Public Works, Íñigo de la Serna, took advantage of the recent visit to Saudi Arabia by King Felipe VI to give the Saudi Railways Organisation (SRO) official confirmation of the Spanish government's political commitment as guarantor of the Spanish consortium building the high-speed railway to Mecca¹.

Renfe is the state-owned Spanish company that will be responsible for managing the high-speed line through the Arabian desert in the 12 years after it comes into operation. The parameters on which the high-speed line was based have proved to be unfounded, and the estimates of 60 million passengers a year represent an excessively optimistic forecast that may entail losses for the public sector.

1. Does the Commission believe that this public guarantee by the Spanish government constitutes illegal state aid pursuant to Article 107 of the Treaty on European Union (TEU)?
2. What impact might a bailout have on Spain's public finances, in the context of compliance with the public deficit and debt rules set out in European legislation on economic governance?
3. Has the Commission received a study on the economic returns of this infrastructure, taking into account the risk that the Spanish government may have to provide a bailout if expected passenger numbers fail to materialise?

¹ http://www.elconfidencial.com/empresas/2017-01-23/de-la-serna-transmite-en-arabia-la-plena-garantia-del-estado-sobre-el-ave-a-la-meca_1318368/?utm_source=twitter&utm_medium=social&utm_campaign=BotoneraWeb&utm_campaign=BotoneraWebapp&utm_source=twitter&utm_medium=social