Question for written answer P-003232/2016
to the Commission
Rule 130
Olle Ludvigsson (S&D)

Subject: Relocation of businesses to Poland with a tax subsidy

A few weeks ago, it was announced that the undertaking Cargotech was moving its entire production from Lidhult (Småland) to Stargard in Poland. This relocation drew people's attention because it will hit Lidhult hard: more than 190 employees are affected in a small community where the business is the dominant employer.

According to the business, the background to the relocation is strategic, because its managers see a need to concentrate production at a single location in Europe – something which of course only the business itself can judge. But it should be noted that the relocation is undeniably being facilitated by the fact that Stargard has the status of an economic free zone in Poland (SEZ), which means that businesses which invest there can receive a tax subsidy of up to 40% of the investment costs from the Polish State.

Competition within the EU provides incentives and can contribute to better shared economic development. But only if it is competition on equal terms.

Does the Commission consider that the EU's State aid rules have been complied with in the above case, and that it is reasonable for a Member State to facilitate relocation of industrial production from a sensitive region to a growth region by means of tax subsidies?

Will the Commission take any measures to ensure that competition takes place on equal terms within the EU?