

Agreement on the European Economic Area

PART IV

COMPETITION AND OTHER COMMON RULES

CHAPTER 2

STATE AID

Article 61

1 Save as otherwise provided in this Agreement, any aid granted by EC Member States, EFTA States or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods shall, in so far as it affects trade between Contracting Parties, be incompatible with the functioning of this Agreement.

2 The following shall be compatible with the functioning of this Agreement:

- a aid having a social character, granted to individual consumers, provided that such aid is granted without discrimination related to the origin of the products concerned;
- b aid to make good the damage caused by natural disasters or exceptional occurrences;
- c aid granted to the economy of certain areas of the Federal Republic of Germany affected by the division of Germany, in so far as such aid is required in order to compensate for the economic disadvantages caused by that division.

3 The following may be considered to be compatible with the functioning of this Agreement:

- a aid to promote the economic development of areas where the standard of living is abnormally low or where there is serious underemployment;
- b aid to promote the execution of an important project of common European interest or to remedy a serious disturbance in the economy of an EC Member State or an EFTA State;
- c aid to facilitate the development of certain economic activities or of certain economic areas, where such aid does not adversely affect trading conditions to an extent contrary to the common interest;
- d such other categories of aid as may be specified by the EEA Joint Committee in accordance with Part VII.