



State Aid: European Commission Approves €300 Million Public Co-Finance for the Greek Ultrafast Broadband Scheme

According to the Digital Economy and Society Index 2019 (DESI 2019), Greece ranks 26th amongst EU countries in fast broadband coverage per household. In particular, only 66% of homes have access to fast internet of above 30 Mbps, far below the EU coverage of 83%, and less than 1% have access to ultrafast broadband of at least 100 Mbps.

The European Commission has recently approved as compatible State Aid €300 million of public support for Greece's Ultrafast Broadband Infrastructure Scheme (publication of decision pending - case number SA.53135). The scheme will bring ultrafast broadband services to approximately 2.400.000 customers in areas with insufficient connectivity in Greece.

More specifically, the scheme aims to advance the deployment of broadband infrastructure capable of delivering download speeds of at least 100 Megabits per second (Mbps), upgradable to 1 Gigabit per second (Gbps), to households, companies and public institutions and targets areas in Greece where there is no fast broadband infrastructure (at least 30 Mbps) and no private investor has shown an interest to invest in the near future.

With this decision the EU Commission endorses the use of EU funds for the development of ultrafast internet in areas of Greece where private investment is insufficient (market failure), promoting thereby social and territorial cohesion and the Commission's Digital Single Market agenda.

The Commission assessed the measure under its 2013 Broadband Guidelines and general EU State aid rules and concluded that the scheme's positive effects on competition in the Greek broadband market outweigh potential negative effects brought about by public intervention.

The public funds to be attributed to this Scheme will derive from (a) the European Regional Development Fund (b) the European Agricultural Fund for Rural Development and (c) private investors - prior to granting of the approved Aid, an open, transparent and non-discriminatory selection procedure will be put in place giving the opportunity to all operators and access technologies to compete, given that EU State Aid rules are technology neutral. The national telecoms regulator (Hellenic Telecommunications and Post Commission-EETT) will have a say on wholesale access prices.

The measure is anticipated to incentivize private investments in further connectivity, facilitate competition and encourage investments in the provision of ultrafast internet access to households and businesses in the target areas (total project's budget is calculated at €870 mil).

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