

Hungary: State aid and competition issues with NPP Paks

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Date : June 20, 2016

After the last week's talks in Brussels on the expansion of nuclear power plant Paks, The Chief of the Cabinet of the Hungarian Government Janos Lazar said that Hungary and the European Commission have moved closer to resolve competition concerns over the planned expansion.

Lazar said that the Government will work until the summer break to wind up procedures related to the expansion of NPP Paks with the EU competition commissioner Margrethe Vestager, adding that he hopes that the solution that is reassuring for both sides will be found soon. Lazar added that Hungarian side will come up with the proposal next week.

In mid-January 2016, the European Commission released a report in which it states that Hungary has failed to provide sufficient information to support its argument that the agreement for the expansion of NPP Paks will not provide the company unfair economic advantage. The PM's Office reiterated that stand of the Hungarian Government is that the project for the expansion of NPP Paks is competitive and expects that the investment will be returned through increased revenues of the company, so it does not constitute as state aid.

In the meantime, environmental nongovernmental organization Greenpeace reiterated its objections to this project as the organization believes that it violates the EU directives on state aid, public procurement and electricity capacity tenders, adding that if the expansion of NPP Paks is completed it will restrict competition on both Hungarian and EU electricity markets, transmits Serbia-energy.eu