

# Energy-intensive manufacturing companies will have access to state aid for compensation of the increase in costs of energy sources

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When approving the amendments to the Law on Support for Overcoming the Economic Consequences Caused by Sanctions and Counter-Measures Applied due to the Russian Military Aggression against Ukraine, at its meeting of August 23 this year, the Cabinet of Ministers adopted the decision that energy-intensive manufacturing undertakings will be compensated for this year's increase in energy prices in the form of grants (gifts) for the period from 1 February 2022 to 31 December 2022. The amendments to the Law still have to be approved by the Saeima.

The aid will be available to energy-intensive manufacturing companies whose economic activities have been affected by the consequences of the Russian invasion of Ukraine – the increase in energy costs.

The Minister of Economics Ilze Indriksone emphasises: *"The manufacturing industry is most closely linked to other sectors of the economy and is a key factor for the growth of these sectors. However, one of the most significant factors hindering the development of the domestic industry is relatively high energy supply costs for our industrial enterprises, which are higher than in other Baltic and Nordic countries in general. Electricity costs of industrial companies in the manufacturing process represent a much more significant share of costs than in other sectors."*

Economic operators subject to international or national sanctions, as well as those from Russia and Belarus who have a decisive influence, will not be eligible for the aid.

State budget funding of 50 million euro is provided for the provision of aid to energy-intensive manufacturing undertakings. Aid for energy-intensive undertakings will be provided by the State Construction Control Bureau, which has already been monitoring energy-intensive undertakings.

Aid for undertakings will be available after the approval of the conditions for receipt of the aid – draft regulations of the Cabinet of Ministers – in the government and coordination with the European Commission.

<https://www.em.gov.lv/en/article/energy-intensive-manufacturing-companies-will-have-access-state-aid-compensation-increase-costs-energy-sources>