C/2025/6441

27.11.2025

Summary notice concerning the initiation of an in-depth investigation in case FSP.103117 pursuant to Articles 10(3)(d) of Regulation (EU) 2022/2560

(C/2025/6441)

On 4 November 2025, in accordance with Article 10(3) of Regulation (EU) No 2022/2560 (the 'FSR') ([1]), the Commission decided to initiate an in-depth investigation in the above-mentioned case after finding, based on a preliminary review, sufficient indications that Portugal CRRC Tangshan Rolling Stock Unipessoal LDA ('Portugal CRRC'), participating in the tender presented by a Consortium led by Mota-Engil Engenharia e Construção, S.A, (the 'Consortium Leader') in the public procurement procedure described below, has been granted foreign subsidies that distort the internal market. The initiation of the in-depth investigation with regard to the notified public procurement procedure is without prejudice to the final decision in this case.

1. The public procurement procedure

On 17 April 2025, the Metropolitano de Lisboa E.P.E. (the 'Contracting Entity') launched an open public procurement procedure for the 'Design and construction, acquisition of vehicles and maintenance services of the Violet Line of the Lisbon Metro' under reference 253046-2025 ([2]) with an estimated value of EUR 600 million ([3]) (the 'Procedure').

The tendering documents published on Vortal ([4]) refer to a 'base' price instead of an 'estimated value' and sets an additional threshold of EUR 60 million for the supply and maintenance of rolling stock. Tenderers that would exceed the base prices set out by the tender requirements could be excluded by the Contracting Entity.

The deadline to submit offers was 14 July 2025, until which the Contracting Entity received four offers.

On 5 September 2025, the Commission received information on the existence of the Procedure. The Commission invited the Contracting Entity to request the tenderers to submit their notifications or declarations pursuant to Article 29(1) FSR, in so far as the threshold set out in Article 28(1)(a) FSR is met and that the contract has not yet been awarded.

On 9 October 2025, the Commission received submissions pursuant to Article 29(1) FSR from the economic operators participating in the tender procedure. All economic operators involved in the Consortium led by Mota-Engil submitted FSR-PP notifications. Portugal CRRC, as one of the main subcontractors to the consortium, submitted a declaration.

2. The Consortium Leader' and the foreign financial contributions notified

Portugal CRRC Tangshan Rolling Stock, Unipessoal, LDA functions as the local Portuguese administrative and sales representation of its direct holding company, CRRC Tangshan Co., Ltd. for its operations in Europe, particularly to tender in large-scale public contracts such as in Lisbon and in Porto.

CRRC Tangshan Co., Ltd. is a fully owned subsidiary of the CRRC Group Corporation Ltd. ('CRRC'), a majority state-owned enterprise supervised by the State-owned Assets Supervision and Administration Commission (SASAC) of the State Council of the People's Republic of China ('PRC').

Portugal CRRC did not declare any foreign financial contributions and stated that it did not consider itself an economic operator in this tender, but merely a supplier to the consortium led by the Consortium Leader'. It further stated that it provided information 'in this form for informational purposes only and regarding its own business only.'

However, pursuant to Article 29(5) FSR and Recital (54) FSR, the Commission considers Portugal CRRC as a 'main subcontractor' within the meaning of FSR, as it ensures key elements of the contract performance, notably the supply of rolling stock and its maintenance, which are mandatory components of the tender in the procedure.

([1]) Regulation (EU) 2022/2560 of the European Parliament and of the Council of 14 December 2022 on foreign subsidies distorting the internal market (OJ L 330, 23.12.2022, p. 1).
([2]) https://ted.europa.eu/en/notice/-/detail/253046-2025.
([3]) Adjusted via a correction notice published on 19.5.2025 – 322169-2025 – Competition – TED.
([4]) https://diariodarepublica.pt/dr/detalhe/anuncio-procedimento/13134-2025-918575399.

3. **Indications of the presence of foreign subsidies**

Based on the information available to it at this stage, and taking into account that Portugal CRRC as well as its direct holding company are incorporated in the consolidated accounts of its indirect holding company CRRC, the Commission considers that there are sufficient indications that Portugal CRRC has been indirectly granted foreign subsidies within the meaning of Article 3 FSR:

— The provision of goods and services in the form of public procurement contracts, awarded to CRRC Tangshan Co., Ltd. and to entities of CRRC in the PCR with a value potentially exceeding EUR 36 billion in the three years prior to notification. Based on information available to the Commission at this stage, it cannot ascertain that these public contracts were awarded following competitive, transparent and non-discriminatory tender procedures, and therefore it cannot exclude that these conferred a direct specific benefit to CRRC and an indirect specific benefit on Portugal CRRC.

— A transfer of funds in the form of government grants, granted to CRRC in the PRC with a value of approximately EUR 471 million in the three years prior to notification, which conferred a direct specific benefit on CRRC and therefore an indirect specific benefit on Portugal CRRC.

— Forgone revenue in the form of a tax reduction of 10 percentage point from the PRC's standard 25 % Enterprise Income Tax rate for resident enterprises granted to CRRC in the PRC on a continuous basis in the three years prior to notification, which conferred a direct specific benefit on CRRC and therefore an indirect specific benefit on Portugal CRRC.

4. **Indication of a distortion on the internal market**

Based on information available to it at this stage, the Commission considers that there are sufficient indications within the meaning of Article 10(3) FSR, that the potential foreign subsidies identified in Section 3 are liable to improve the competitive position of Portugal CRRC and therefore that of the Consortium Leader' in the internal market and, in doing so, actually or potentially negatively affect competition in the internal market within the meaning of Article 4 FSR by enabling the Consortium to submit a tender that is unduly advantageous in relation to the works, supplies or services concerned.

Furthermore, the Commission also considers that the potential foreign subsidies identified in Section 3 may fall under Article 5(1)(e) FSR, which are, by their nature, most likely to distort the internal market.

The total amount of the foreign subsidies identified on a preliminary basis exceeds numerous times the value of the tender of the Consortium and the share of Portugal CRRC to it.

5. **Conclusion**

Considering the total amount of potential foreign subsidies and the information available to the Commission concerning the offer of Portugal CRRC, the Commission – based on its preliminary review of the financial contributions preliminary identified – has sufficient indications that *the Notifying Parties, and in particular Portugal CRRC,* has been granted foreign subsidies that may distort the internal market within the meaning of Articles 4, 5(1)(e) and 27 FSR.

The Commission has therefore decided to initiate an in-depth investigation pursuant to Articles 10(3) and 30(1) FSR.

6. **Invitation for comments**

In accordance with Articles 10(3)(d) and 40(1) FSR and Article 8(1) of Commission Implementing Regulation (EU) 2023/1441 (the 'FSIR') the Commission invites any natural or legal person, Member States as well as the third country that granted the foreign subsidies identified in Section 3 to submit their comments. In accordance with Article 8(3) FSIR, where the submitted written comments include confidential information, the submitting person shall provide a non-confidential version of the submission at the same time as the confidential version.

In duly justified cases, the providers of comments may request that their identity is not disclosed. Anonymity will be granted based on explicit good cause shown in the request.

In order to be fully taken into account in the procedure, comments should reach the Commission not later than 10 working days following the date of this publication. Observations can be sent to the Commission by email to grow-fsr-pp-notifications@ec.europa.eu, with reference FSP.103117.