COMMISSION DECISION

of 17 December 1975

approving aids to be granted by the Kingdom of Belgium for the benefit of undertakings in the coal industry in respect of 1975

(Only the French and Dutch texts are authentic)

(76/213/ESCS)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Coal and Steel Community, and in particular Articles 2, 3, 4 and 5 thereof,

Having regard to Commission Decision 3/71/ECSC of 22 December 1970 on Community rules for interventions by Member States for the benefit of the coal industry [1],

Having regard to Decision 73/287/ECSC of 25 July 1973 on coking coal and coke [2], and in particular Article 9 (1) thereof,

Having consulted the Council,

Whereas the Belgian Government has informed the Commission, pursuant to Article 2 of Decision 3/71/ECSC, of the financial measures which it proposes to implement directly or indirectly for the benefit of the coal industry for 1975; whereas among these measures, the aids listed below should be authorized pursuant to the aforementioned Decision;

Whereas the Belgian Government proposes to grant in 1975 aids amounting to Bfrs 260·8 million towards the financing of investments; whereas this amount should permit the financing of various schemes in the coal production and processing sector; whereas this measure is in accordance with Article 7 (2) of Decision 3/71/ECSC;

Whereas the information given to the Commission shows that the undertakings in receipt of an aid for these investment projects will not benefit from loans at a reduced rate of interest under Article 54 of the ECSC Treaty;

Whereas the Belgian Government proposes to make payments of the order of Bfrs 4 054·4 million to cover operating losses, of which Bfrs 1 183·2 million is for the Campine coalfield and Bfrs 2 871·2 million is for the Sud coalfields, thereby reducing aids to cover operating losses of 9 % over 1974; whereas 1975 has been characterized by an improvement in efficiency over 1974 and thus by a reduction in aids — especially in the Campine field; whereas in this coalfield, the production of coking coal needs to be maintained in order to assure supplies to the iron and steel industry; whereas the proposed aid can therefore be considered to come within Article 9 (1) (2) of Decision 3/71/ECSC; whereas furthermore since there has only been an slight improvement in the economic and social conditions in the Sud coalfield between 1974 and 1975, and it is still necessary to ensure that pit closures proceed slowly so as ensure the re-employment of redundant miners, the aid can be considered to come within Article 9 (1) (1) of Decision 3/71/ECSC;

Whereas furthermore it is important that aids to cover operating losses do not exceed those operating losses that are foreseeable; whereas they are therefore in accordance with Article 9 (2) of Decision 3/71/ECSC;

Whereas the aids proposed by the Belgian Government for 1975 are not such as to impair the proper functioning of the common market;

Whereas these conclusions are based on the following findings:

— no adverse effect in trade in coal between Belgium and the other Member States is expected for 1975;

— in the formation of prices for Belgian coal, no price adjustments are expected to have to be made in 1975 to equal those of cheaper coal produced in the Community;

— industrial consumers of coal will receive no indirect aid in 1975 as a result of the prices for Belgian coking coal and boiler coal;

---

[1] OJ No L 3, 5. 1. 1971, p. 7.

[2] OJ No L 259, 15. 9. 1973, p. 36.

— the closure of two unprofitable pits will lead to rationalization and the concentration of production on pits where productivity is highest;

Whereas it may therefore be concluded that the aids proposed by the Belgian Government for 1975 will not impair the proper functioning of the common market;

Whereas this also applies if account is taken of the aids granted to the coal mines pursuant to Decision 73/287/ECSC;

Whereas, pursuant to Article 11 (1) of Decision 3/71/ECSC, the Commission must satisfy itself that the approved aids are used for the purposes set out in Articles 7 and 9 of that Decision; whereas in order to do so the Commission must be informed in particular of the amount of these aids and of the manner in which they are apportioned,

HAS ADOPTED THIS DECISION:

Article 1

The Government of the Kingdom of Belgium is hereby authorized to grant to the Belgian coal industry aids for 1975 totalling Bfrs 4 315·2 million.

This amount shall include Bfrs 260·8 million to finance investment projects and Bfrs 4 054·4 million to cover operating losses.

Article 2

The Government of the Kingdom of Belgium shall notify the Commission by 30 April 1976 of details of the aids granted pursuant to this Decision, in particular as regards the amounts paid and the manner in which they are apportioned.

Article 3

This Decision is addressed to the Kingdom of Belgium.

Done at Brussels, 17 December 1975.

For the Commission

Henri SIMONET

Vice-President