COMMISSION DECISION

of 1 March 1978

approving aids from the Kingdom of Belgium to the coal-mining industry during the year 1977

(Only the French and Dutch texts are authentic)

(78/297/ECSC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to Commission Decision 528/76/ECSC of 25 February 1976 regarding the Community system of measures taken by the Member States to assist the coal-mining industry (1),

Having consulted the Council,

I

Whereas the Belgian Government has informed the Commission, pursuant to Article 2 of the above Decision, of the financial measures which it intends to take during the year 1977 in order to give direct or indirect support to the coal-mining industry ; whereas, of these measures, the following aids qualify for approval pursuant to that Decision ;

Whereas the Belgian Government intends to grant aid totalling Bfrs 5 541 700 000 to cover the pit operating losses of the Belgian coal-mining industry ;

Whereas this aid is being granted to the two Belgian coalfields for different reasons ; whereas the Campine coalfield is being given aid to cover pit operating losses in order to offset virtually all the difference between costs and returns ; whereas it is necessary for the difference between costs and returns to be virtually completely covered because this coalfield guarantees the supply of coking coal to the Community steel industry and must therefore maintain its production ;

Whereas the purpose and amount of the aid to cover the pit operating losses of the Campine coalfield are therefore compatible with the second paragraph of Article 12 (1) of the Decision ;

Whereas, on the other hand, the Sud coalfield should be granted aid in respect of pit operating losses to cover about 80 % of the difference between costs and returns, so that the proposed closure of this coalfield by 1980 can take place without serious economic and social disturbances in the redeployment of the redundant miners ; whereas in 1977 two pits were closed in the Sud coalfield, affecting some 1 600 miners ;

Whereas the purpose and type of the aids to cover pit operating losses of the Sud coalfield are therefore compatible with the second subparagraph of Article 12 (1) ;

II

Whereas, pursuant to Article 3 (2) of the Decision, all other measures to assist current production in 1977 must be taken into consideration for an examination of the compatibility of the proposed aids with the proper functioning of the common market ;

Whereas, on this basis of assessment, the total amount of aid proposed is 215 200 000 European units of account, that is 30·74 European units of account per tonne ; whereas this figure is exceptionally high compared with that for the other Member States of the Community ;

Whereas the following observations can be made on the compatibility of the proposed current production aids with the proper functioning of the common market :

— owing to the large stockpiles, there were no supply difficulties in 1977,

— there was no adverse effect on trade in coal between Belgium and the other Member States in 1977,

— the closure of two unprofitable pits will result in rationalization and the concentration of production on pits where productivity is highest,

— the prices of Belgian steam coal in 1977 did not result in indirect aid to industrial consumers of coal,

— the prices of Belgian coking coal matched the prices of US coking coal under long-term contracts and did not result in indirect aid to industrial consumers of coal ;

(1) OJ No L 63, 11. 3. 1976, p. 1.

Whereas it may be concluded that the aid granted to the Belgian coal-mining industry in 1977 is compatible with the proper functioning of the common market ;

Whereas this applies even when account is taken of aids to the coal mines under Decision 73/287/ECSC ;

III

Whereas, pursuant to Article 14 (1) of the Decision, the Commission must ensure that any aid it approves is used exclusively for the purposes set out in Articles 7 to 12 thereof ; whereas the Commission must therefore be informed in particular of the amounts of the payments and the manner in which they are apportioned,

HAS ADOPTED THIS DECISION :

Article 1

The Government of the Kingdom of Belgium is hereby authorized in respect of the calendar year 1977 to grant aid totalling Bfrs 5 541 700 000 to the Belgian coal-mining industry to cover pit operating losses as follows :

— to the Campine coalfield : Bfrs 3 158 600 000,

— to the Sud coalfield : Bfrs 2 383 100 000.

Article 2

The Government of the Kingdom of Belgium shall notify the Commission by 31 May 1978 of details of the aids granted pursuant to this Decision, and in particular of the amount of the payments made and the manner in which they are apportioned.

Article 3

This Decision is addressed to the Kingdom of Belgium.

Done at Brussels, 1 March 1978.

For the Commission

Guido BRUNNER

Member of the Commission