COMMISSION DECISION

of 7 December 1978

approving aids from the Kingdom of Belgium to the coal-mining industry during 1978

(Only the Dutch and French texts are authentic)

(79/24/ECSC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to Commission Decision No 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 abovementioned Decision of the financial measures which it intends to take during 1978 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 :

	million Bfrs
— investment aid	288·8
— aid to cover losses	5 916·6

Whereas these aids meet the criteria laid down in the Decision for the admissibility of such State assistance ;

Whereas, of the investment aid of Bfrs 288·8 million, 281·0 million will go to the Campine coalfield and 7·8 million to the Southern coalfield ; whereas this aid covers the depreciations in the Campine coalfield, so that it can maintain production of coking coal, which is important to the Belgian steel industry ;

Whereas the investment aid for the Southern coalfield enables it to carry out the most essential repairs so as not to jeopardize the technical safety of the collieries ;

Whereas the Belgian investment aid is therefore compatible with the provisions of Article 7 (1) of the Decision ;

Whereas the aid totalling Bfrs 5 916·6 million to cover operating losses is paid to the two Belgian coalfields for different reasons. The aid paid to the Campine coalfield will almost make up the difference between costs and returns. This almost complete covering of the difference between costs and returns is necessary, because the coalfield has to supply the Belgian steel industry with coking coal and must therefore maintain its output ;

Whereas the purpose and amount of aid granted to cover losses in respect of the Campine coalfield therefore comply with the provisions of subparagraph 2 of Article 12 (1) and Article 12 (3) of the Decision ;

Whereas, on the other hand, the Southern 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 1978 one pit will be closed in this coalfield, affecting 341 miners ;

Whereas the purpose and type of the aids to cover pit operating losses of the Southern coalfield are therefore compatible with the provisions of subparagraph 1 of Article 12 (1) and Article 12 (2) of the Decision ;

II

Whereas, pursuant to Article 3 (2) of the Decision, all other measures to assist current production in 1978 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 249 100 000 European units of account, i.e. 35·59 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 stockpile, there will be no supply difficulties in 1978,

[1] OJ No 63, 11. 3. 1976, p. 1.

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

— industrial consumers of coal will not receive aid in 1978 as a result of the prices of Belgian coking coal and steam coal;

Whereas it may therefore be concluded that the aids proposed in 1978 for the Belgian coal-mining industry are compatible with the proper functioning of the common market;

Whereas this also applies 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 the aids authorized are 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 these payments and of the manner in which they are apportioned,

HAS ADOPTED THIS DECISION:

Article 1

The Kingdom of Belgium is hereby authorized in respect of the calendar year 1978 to grant aid totalling Bfrs 6 205 400 000 to the Belgian coal-mining industry.

The amount of Bfrs 6 205 400 000 provided in respect of the calendar year 1978 is apportioned as follows:

1. grant of an investment aid of Bfrs 288 800 000, apportioned between the two coalfields as follows:
   to the Campine coalfield an amount not exceeding Bfrs 281 000 000,
   to the Southern coalfield an amount not exceeding Bfrs 7 800 000;
2. grant of an aid to cover losses of Bfrs 5 916 600 000, apportioned between the two coalfields as follows:
   to the Campine coalfield an amount not exceeding Bfrs 4 119 200 000,
   to the Southern coalfield an amount not exceeding Bfrs 1 797 400 000.

Article 2

The Belgian Government shall notify the Commission by 31 March 1979 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, 7 December 1978.

For the Commission

Guido BRUNNER

Member of the Commission