COMMISSION DECISION

of 7 November 1980

approving aids from the Kingdom of Belgium to the coal-mining industry during 1979

(Only the Dutch and French texts are authentic)

(80/1281/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 above Decision of the financial measures which it intends to take during 1979 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:

	(Bfrs million)
— investment aid	520·9
— aid to cover losses	5 600·6

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

Whereas, of the investment aid sum of Bfrs 520 900 000, Bfrs 514 000 000 will go to the Campine coalfield and Bfrs 6 900 000, to the Southern coalfield; whereas in the Campine coalfield, special investments are envisaged on behalf of the Eisden colliery (Bfrs 150 million) and the remaining Bfrs 364 million covers depreciation in the Campine coalfield so that it can maintain production of coking coal, which is important for the Belgian steel industry; 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 (2) of the Decision;

Whereas the aid totalling Bfrs 5 600 600 000 to cover operating losses is paid to the two Belgian coalfields for different reasons; wheres the aid paid to the Campine coalfield will almost make up the difference between costs and returns; whereas this almost complete covering of the difference between costs and returns is necessary because the coalfield is intended 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 second subparagraph 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 part of the difference between costs and returns, so that the proposed closure of this coalfield by 1981 can take place without serious economic and social disturbances in the re-employment of the redundant miners; whereas in 1979 one pit was closed in the Southern coalfield, thereby affecting 630 miners;

Whereas the purpose and type of the aids to cover pit operating losses of the Southern coalfield are therefore compatible with the first subparagraph 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 1979 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 287 700 000 European units of

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

account, i.e. 47·16 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 were no supply difficulties in 1979,

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

— industrial consumers of coal did not receive aid in 1979 as a result of the prices of Belgian coking coal and steam coal;

Whereas it may be concluded that the aid granted to the Belgian coal-mining industry in 1979 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 Article 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 Kingdom of Belgium is hereby authorized in respect of the 1979 calendar year to grant aid totalling Bfrs 6 121 500 000 to the Belgian coal-mining industry.

The amount of Bfrs 6 121 500 000 provided in respect of the calendar year 1979 is divided as follows:

1. grant of investment aid of Bfrs 520 900 000 apportioned between the two coalfields as follows:

   — to the Campine coalfield an amount not exceeding Bfrs 514 000 000,

   — to the Southern coalfield an amount not exceeding Bfrs 6 900 000;

2. grant of aid to cover losses of Bfrs 5 600 600 000 apportioned between the two coalfields as follows:

   — to the Campine coalfield an amount not exceeding Bfrs 3 893 500 000,

   — to the Southern coalfield an amount not exceeding Bfrs 1 707 100 000.

Article 2

The Government of the Kingdom of Belgium shall notify the Commission by 31 December 1980 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 November 1980.

For the Commission

Guido BRUNNER

Member of the Commission