COMMISSION DECISION

of 10 July 1981

approving aids from the United Kingdom for the coal-mining industry during the 1980/81 financial year

(Only the English text is authentic)

(81/649/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 United Kingdom Government has informed the Commission, pursuant to Article 2 of the above Decision, of the financial measures which it intends to implement directly or indirectly for the benefit of the coal industry during the 1980/81 financial year (2); whereas the following of these measures may be approved pursuant to the Decision:

	£ million
— aid for the recruitment and retention of skilled workers:	4·2
— aid for stocks:	12·4
— aid for power station coal:	11·7
— aid to cover losses on mining:	112·4

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

The aid for attracting and keeping skilled workers is intended to offset in part the National Coal Board's costs arising from rationalization and the transfer of production to their best pits. This results in outgoings on removals, transport, etc.

Whereas the United Kingdom Government is to contribute £ 4·2 million towards such costs borne by the NCB in 1980/81;

Whereas the purpose and form of the aid show that it meets the criteria set out in Article 8 of the Decision;

Whereas the £ 12·4 million aid to cover the costs of stocks of coal and coke is based on total producers' stocks and additional stock held by consumers financed directly or indirectly by the producers, amounting to some 22 million tonnes; whereas, with monthly production of around 10 million tonnes, stocks eligible for aid under Article 9 (2) of the Decision amount to 12 million tonnes; whereas the amount of aid per tonne is accordingly £ 1·0; whereas the actual cost of stocks (including depreciation and interest) is substantially higher than the amount of aid;

Whereas the purpose and form of the aid show that it meets the criteria set out in Article 9 of the Decision;

Whereas the £ 11·7 million aid for power station coal is intended to cover the cost of deliveries of power station coal to Scotland. From the information provided by the United Kingdom Government, the amount and purposes of the aid granted can be regarded as being compatible with Article 11 of the Decision;

Whereas the aid given to cover losses on mining (£ 112·4 million) will almost completely cover the losses sustained by NCB pits in 1980/81. The aid is given to avoid serious economic and social problems in those coalfields where there are not yet adequate re-employment opportunities and to maintain existing production capacities so as to safeguard energy supplies. The aid is therefore compatible with Article 12 of the Decision;

II

Whereas, under Article 3 (2) of the Decision, an examination of the compatibility of the abovementioned aids with the proper functioning of the common market must also extend to all other financial measures to support current production in the 1980/81 financial year;

(1) OJ No L 63, 11. 3. 1976, p. 1.
(2) The 1980/81 financial year runs from the beginning of April 1980 to the end of March 1981.

Whereas aids for current production in the United Kingdom will amount to 287·4 million ECU or 2·32 ECU per tonne for the 1980/81 financial year; whereas the British coal industry therefore receives the lowest subsidy of all coal-producing Member States;

Whereas an examination of the compatibility of these aids with the proper functioning of the common market requires no detailed information or investigations:

— there were no supply difficulties on the British market in 1980/81,

— British coal exports to other Community countries rose in 1980/81 compared with 1979/80,

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

— industrial consumers of coal did not receive indirect aids in 1980 as a result of the prices of British coking coal and steam coal;

Whereas it can therefore be stated that the aids for the British coal industry for current production in the 1980/81 financial year are compatible with the proper functioning of the common market;

Whereas this also applies when account is taken of aids to the coal industry pursuant to Decision 73/287/ECSC;

III

Whereas, pursuant to Article 14 (1) of the Decision, the Commission must ascertain that aids authorized are used exclusively for the purposes set out in Articles 7 to 12 thereof; whereas the Commission must be informed in particular of the amount of these aids and the manner in which they are apportioned,

HAS ADOPTED THIS DECISION:

Article 1

The United Kingdom is hereby authorized in respect of the 1980/81 financial year to grant aids totalling £ 140 700 000 to the British coal-mining industry.

The said aids are made up as follows:

1. grant to cover the costs incurred by the National Coal Board in respect of relocation of personnel under the production rationalization programme, not exceeding £ 4 200 000;
2. aid towards stocking costs in respect of coal and coke not exceeding £ 12 400 000;
3. aid for deliveries of power station coal to Scotland not exceeding £ 11 700 000;
4. aid to cover losses on mining not exceeding £ 112 400 000.

Article 2

The United Kingdom shall notify the Commission by 31 October 1981 of details of the aids granted pursuant to this Decision, and in particular of the amounts paid and the manner in which they are apportioned.

Article 3

This Decision is addressed to the United Kingdom.

Done at Brussels, 10 July 1981.

For the Commission

Étienne DAVIGNON

Vice-President