II

(Acts whose publication is not obligatory)

COMMISSION

COMMISSION DECISION

of 6 September 1984

approving aids from the French Republic to the coal-mining industry during 1983 and approving additional aids from the French Republic to the coal-mining industry during 1982

(Only the French text is authentic)

(84/454/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 Government of the French Republic 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 1983; whereas of these measures the following may be approved pursuant to that Decision;

Whereas the Government of the French Republic intends to grant to Charbonnages de France for 1983 aid amounting to FF 3 216 000 000 to permit the economic restructuring of the coalfields to proceed in an appropriate manner;

Whereas the Government of the French Republic also proposes to grant to the central administration of Charbonnages de France in 1983 aid amounting to FF 495 000 000 to cover the charges incurred in borrowing and transferred from the pits to the central administration of Charbonnages de France under the French Government's financial improvement scheme. Whereas this aid is paid not to the coalfields but only to the central administration of Charbonnages de France;

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

Whereas the aid of FF 3 711 000 000 proposed by the Government of the French Republic for 1983 to cover losses (of which FF 3 216 000 000, is to cover the coalfields' losses on mining and FF 495 000 000 to cover the losses sustained by the central administration of Charbonnages de France) will not be higher than the likely operating losses of Charbonnages de France;

Whereas the following points are relevant in connection with aid to the individual coalfields:

1. In 1983, aid to the Nord-Pas-de-Calais and Centre-Midi coalfields will be calculated in such a way that, as a result of the closure of further pits, there will be a reduction in production, which will mean that some 700 fewer persons will be employed in the coal industry. The aids will prevent severe economic and social disruption in areas where there are not yet adequate opportunities for re-employment. The aids to these coalfields therefore comply with the provisions of the first subparagraph of Article 12 (1) and Article 12 (2) of the Decision;

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

2. The output planning of the Charbonnages de France in the Lorraine coalfields aims at long-term stabilization, since the coking coal produced in this coalfield is important for supplying the steel industry. The aid granted for this purpose complies with the second subparagraph of Article 12 (1) and Article 12 (3) of the Decision ;

II

Whereas, under Article 3 (2) of the Decision, an examination of the compatibility of the proposed aids with the proper functioning of the common market must also extend to all other financial measures to support current production in 1983 ;

Whereas the sum of all these aids to support current production by the French coal industry is 565 700 000 ECU, or 33,26 ECU per tonne, for 1983 ; whereas this is higher than corresponding German, Belgian and United Kingdom aids ;

Whereas the following points must be made about the compatibility of the proposed aid with the proper functioning of the common market :

— there were no supply difficulties on the French coal market in 1983,

— French coal exports to the other Community countries fell in 1983 compared with 1982,

— hardly any price alignment agreements were entered into for French coal in 1983,

— industrial consumers of coal did not directly receive aid in 1983 through the prices of French coking coal and steam coal,

— the closure of five marginal pits in the Nord-Pas-de-Calais and Centre-Midi coalfield resulted in rationalization and concentration of production on pits where productivity is highest ;

Whereas it may accordingly be concluded that the aids proposed in 1983 for current production by the French coal industry are compatible with the proper functioning of the common market ;

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

III

Whereas on 7 April 1983 the Commission of the European Communities adopted Decision 83/160/ECSC [1] ; whereas that Decision authorized the aids which the Government of the French Republic proposed to grant to the coal industry for 1982 provided they had been dealt with and examined by the Commission in the 'Memorandum on the financial aids granted by the Member States to the coal industry in 1982' [2] ;

Whereas, as was stated in that memorandum, the Government of the French Republic proposed to grant FF 3 377 200 000 of aid under Decision No 528/76/ECSC to Charbonnages de France ;

Whereas, in addition the Government of the French Republic in a written application dated 8 September 1983 requested permission to alter or to increase the aids originally proposed as follows :

(million FF)

	Original amount	Additional amount	Total
Cover for the losses by the central administration of Charbonnages de France	441,0	+ 56,0	497,0
Cover for coalfields' operating losses	2 936,2	+ 197,5	3 133,7
Total	3 377,2	+ 233,5	3 630,7
Coling coal aid	+ 10,0	—	+ 10,0
TOTAL	3 387,2	+ 253,5	3 640,7

[1] OJ No L 100, 19. 4. 1983, p. 14.
[2] Doc. COM(82) 817 final, 10. 12. 1982, p. A/12.

Whereas Charbonnages de France must be viewed as a single undertaking for the purpose of assessing aid to its central administration, i.e. aids to the central administration and to the coalfields are classed together. According to the final balance sheet for 1982, total aid FF 3 630 700 000 is FF 85 200 000 less than Charbonnages de France's total losses ;

Whereas aid to cover coalfields' losses can be broken as follows by coalfield :

(FF million)

	Nord-Pas-de-Calais	Lorraine	Centre-Midi	Total
Original amounts	1 156,9	1 076,2	703,1	2 936,2
Additional amounts	+ 200,3	— 1,1	— 1,7	+ 197,5
Total	1 357,2	1 075,1	701,4	3 133,7
Aid to cover interest paid by the central administration of Charbonnages de France				497,0
TOTAL AID TO COVER OPERATING LOSSES				3 630,7
Per tonne of production in FF : 214,90				

Whereas the overall amount of aid to current production in the French coal industry in 1982 is thus increased by FF 253 500 000 ;

Whereas the increase in French aid to cover coalfields' operating losses concerns the Nord-Pas-de-Calais coalfield only ; whereas, it was necessary because the losses in this coalfield rose more steeply during 1982 than had originally been assumed. According to the information available to the Commission in the 1982 report of the Charbonnages de France on the actual costs and earnings positions, the loss per tonne in the Nord-Pas-de-Calais coalfield rose considerably more than had been estimated. The increase in the aids almost completely covers the pit operating losses increased in 1982 ; this measure is compatible with the provisions of Article 12 (1) (1) of the Decision ;

IV

Whereas the following remarks must be made in respect of the compatibility of the total amount of French aids to support current production with the proper functioning of the common market :

— there has been no decline in trade in coal between France and the other Community countries,

— industrial users of coking coal and steam coal did not receive indirect aids as a result of artificially low prices of French coal ;

Whereas it may therefore be concluded that the additional aids proposed in 1982 for current production in the French coal industry are compatible with the proper functioning of the common market ;

V

Whereas, pursuant to Article 14 (1) of the Decision, the Commission must satisfy itself that the approved aids are used exclusively for the purposes set out in Articles 7 to 12 of that Decision ; whereas, consequently, the Commission is to be notified in particular of the amount of the aid and the manner in which it is apportioned,

HAS ADOPTED THIS DECISION :

Article 1

The French Republic is hereby authorized to grant to the coal industry the following aids for 1983 :

(a) an amount not exceeding FF 3 216 000 000 to cover losses on mining ;

(b) an amount not exceeding FF 495 000 000 to cover the financial losses sustained by the central administration of Charbonnages de France.

The French Republic is authorized to grant to the coal industry the following additional aids for 1982 :

(a) an amount not exceeding FF 56 000 000 to cover the financial losses sustained by the central administration of Charbonnages de France ;

(b) an amount not exceeding FF 197 500 000 to cover losses on mining.

The aids referred to in (a) and (b) above shall not exceed actual losses.

Article 2

The Government of the French Republic shall notify the Commission by 30 June 1984 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 French Republic.

Done at Brussels, 6 September 1984.

For the Commission

Étienne DAVIGNON

Vice-President