COMMISSION DECISION

of 24 July 1985

approving aids from the Kingdom of Belgium to the coal-mining industry during 1984

(Only the Dutch and French texts are authentic)

(85/418/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 Kingdom of Belgium has informed the Commission pursuant to Article 2 of the above Decision of the financial measures which it intends to take during 1984 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:	592,7
— recruitment of skilled workers:	15,0
— aid for stocks:	106,1
— aid to cover losses:	4 664,9

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

Whereas of the investment aid all the Bfrs 592 700 000 will go to the Campine coalfield, so that the coalfield can maintain the production of coking coal, which is important for the Belgian steel industry;

Whereas the Belgian investment aid is therefore compatible with the provisions of Article 7 (2) of the Decision;

Whereas the aid (Bfrs 15 500 000) for recruiting and training skilled workers has proved necessary in order to attract suitably qualified labour into Belgian coal-mining capable of operating modern plant and machinery properly;

The aid therefore complies with Article 8 of the Decision;

Whereas the Bfrs 106 100 000 aid to cover the costs of stocks of coal and coke is based on total producers' stocks amounting to more than 0,9 million tonnes by the end of 1984; whereas, with monthly production of around 0,5 million tonnes, stocks eligible for aid under Article 9 (2) of the Decision amount to 0,4 million tonnes; whereas the amount of aid per tonne is accordingly Bfrs 265; 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 aid totalling Bfrs 4 664 900 000 to cover operating losses is paid to the two Belgian coalfields for different reasons; whereas 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. Here the intention is to ensure that only essentials are maintained and the pits remain viable until the coalfield can be closed down without friction, so that serious economic and social upheaval is avoided; the last pit of production has been closed definitively on 30 September 1984;

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;

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

II

Whereas, pursuant to Article 3 (2) of the Decision, all other measures to assist current production in 1984 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 212 400 000 ECU, i.e. 35,40 ECU per tonne; whereas this figure compared with 1983 (26,37 ECU per tonne) shows that there is an augmentation of nearly 35 %;

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

— there were no supply difficulties in 1984,
— the closure of the last pit in the Southern coalfield resulted in rationalization and concentration of production on pits where productivity is highest,
— industrial consumers of coal did not receive aid in 1984 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 1984 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 (1);

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 Kingdom of Belgium is hereby authorized in respect of the 1984 calendar year to grant aid totalling Bfrs 5 379 200 000 to the Belgian coal-mining industry.

The amount of Bfrs 5 379 200 000 provided in respect of the calendar year 1984 is divided as follows:

1. Grant of investment aid of Bfrs 592 700 000.
2. Grant of aid for recruiting and training skilled workers not exceeding Bfrs 15 500 000.
3. Grant of aid towards stocking costs in respect of coal and coke not exceeding Bfrs 106 100 000.
4. Grant of aid to cover losses of Bfrs 4 664 900 000 apportioned between the two coalfields as follows:
   — to the Campine coalfield, an amount not exceeding Bfrs 4 199 000 000,
   — to the Southern coalfield, an amount not exceeding Bfrs 465 000 000.

Article 2

The Government of the Kingdom of Belgium shall notify the Commission by 30 September 1985 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, 24 July 1985.

For the Commission

Nic MOSAR

Member of the Commission

(1) OJ No L 259, 15. 9. 1973, p. 36.