COMMISSION

COMMISSION DECISION

of 27 January 1986

approving aids from the Federal Republic of Germany to the coalmining industry during 1985

(Only the German text is authentic)

(86/24/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 coalmining industry (1),

Having consulted the Council,

I

Whereas the Government of the Federal Republic of Germany has informed the Commission, pursuant to Article 2 of the Decision, of the financial measures which it intends to implement directly or indirectly for the benefits of the coal industry in 1985; whereas of these measures the following may be approved pursuant to that Decision:

	(million DM)
— investment aids to individual projects under an investment programme	145,5
— aid for development and innovation (testing and trial of new equipment) in the coalmining industry	60,0
— premiums to shift-paid workers and piece workers for each shift worked underground	190,0
— aid for the entertainment of long-term security stocks	135,0;

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

Whereas the investment of DM 145 500 000 is proposed for investment projects for mines, coking plants, briquette works and pit-head power stations; whereas the percentage of all investment covered by investment aid is just under 25 %;

Whereas in relation to the Community's new policy for coal, this 1985 investment aid is to be regarded as beneficial since it will promote the long-term stabilization of production in the German coalfields. The aid complies with the provisions of Article 7 (1) of the Decision;

Whereas, pursuant to Article 7 (5) of the Decision, the Federal Government must notify the Commission at least once a year, in respect of each project in the programme which it has decided to carry out, of the aims pursued, the sums invested and the amounts of the aid;

Whereas the sum of DM 60 000 000 to promote innovation is intended to ensure that research results are applied to production as quickly as possible; whereas the aid is lower than the costs borne by the undertakings and is granted in respect of individual projects which, when completed, are likely to prove their economic worth to coalmining in the medium term; whereas the purpose and amount of this aid show that it is compatible with the third subparagraph of Article 7 (3) of the Decision;

Whereas the aid of DM 190 000 000 towards the payment of the coal-winning premium helps the coal industry to secure a stable, skilled workforce, which is imperative if its productivity is to increase; whereas the undertakings moreover incur expenditure on the necessary recruitment, training, retraining and retention of workers which is several times the amount of aid in the form of this premium;

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

Whereas the purpose and amount of the coal-winning premium show that this measure is compatible with Article 8 of the Decision;

Whereas the aid of DM 135 000 000 for the entertainment of long-term security stocks is a measure by the Federal Government to increase the long-term security of energy supply; whereas to this end, the emergency association of German mining industries has purchased 10 million tonnes of coal and coke; whereas the aid proposed by the Federal Government for this purpose covers only part of the actual current cost of maintaining these stocks;

Whereas the purpose and amount of the aid shows that this measure is compatible with Article 10 of the Decision;

II

Whereas, in accordance with 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 1985;

Whereas on this basis the total cost of the proposed measure amounts to 836 500 000 ECU i. e. 9,80 ECU per tonne produced; whereas, compared with other Member States, current production in the Federal Republic of Germany is substantially less subsidized (per tonne) than in France and Belgium;

Whereas the following remarks can be made on the compatibility of these aids for current production with the proper functioning of the common market:

— owing to the stocks of coal and coke on hand there were no supply difficulties in 1985,

— the level of exports of German coal to the other Member States fell in 1985 compared with 1984,

— price alignment agreements were hardly entered into in 1985,

— industrial consumers of coal did not receive indirect aid in 1985 as a result of the prices of German coking coal and steam coal,

— the closure of one marginal pit in the Ruhr coalfield resulted in rationalization and concentration of production on pits where productivity is highest;

Whereas it may therefore be concluded that the German aids for current production in the coal industry in 1985 are 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 the aids authorized are used for the purposes set out in Articles 7 to 12 thereof; whereas the Commission must be informed, in particular, of the amount of the aids and of the manner in which they were apportioned,

HAS ADOPTED THIS DECISION:

Article 1

The Federal Republic of Germany is hereby authorized in respect of the 1985 calendar year to grant the following aids to the coalmining industry:

1. Grant of investment aid not exceeding DM 145 500 000 to undertakings in the coal industry in order to increase investment;
2. Promotion of development and innovation not exceeding DM 60 000 000;
3. Payment of premiums to shift-paid workers and piece workers for each shift worked underground, not exceeding DM 190 000 000;
4. Aid not exceeding DM 135 000 000 for the entertainment of long-term security stocks.

Article 2

The Government of the Federal Republic of Germany shall notify the Commission by 31 March 1986 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 Federal Republic of Germany.

Done at Brussels, 27 January 1986.

For the Commission

Nicolas MOSAR

Member of the Commission

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