COMMISSION DECISION

of 7 April 1987

approving aid from Belgium to the coal industry during 1987

(Only the French and Dutch texts are authentic)

(87/239/ECSC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Coal and Steel Community,

Having regard to Commission Decision 2064/86/ECSC of 30 June 1986 establishing Community rules for State aid to the coal industry [1],

Whereas :

I

In its communications of 27 October and 25 November 1986 the Belgian Government informed the Commission, pursuant to Article 9 (2) of Decision 2064/86/ECSC, of the financial measures it intends to take during 1987 in order to give direct or indirect support to the coal industry. The following aids are submitted for the approval of the Commission under the above Decision :

	(in million Bfrs)
— aid to cover operating losses :	8 629,1
— Aid to sales of coal and coke to the iron and steel industry of the Community :	6 949,8
— Aid to maintain a qualified workforce of underground staff :	9,7

The aid totalling Bfrs 8 629 100 000 to cover operating losses will be granted to the Campine coalfield for a volume of 3 375 000 tonnes of production in order to cover part of the difference, for each tonne produced, between foreseeable average costs and the foreseeable average returns. The aid will cover less than 90 % of the anticipated operating losses and hence complies with the conditions of Article 3 (1) of the Decision.

The aid to cover operating losses is aimed at preventing premature pit closures. In accordance with the third indent of Article 2 (1), this contributes to solving the social and regional problems related to developments in the coal industry.

In accordance with Article 12 of the Decision, coal undertakings shall be authorized, where necessary, to grant rebates on their list prices or production costs, for deliveries of coking coal, blast-furnace coke, and coal for injection into blast furnaces for the iron and steel industry of the Community under long-term contract ; these rebates must not cause the delivered prices of Community coal and coke to work out lower than those which would be charged for coal from non-member countries and coke made from non-member country coking coal.

According to the Belgian Government, the aid to sales of coking coal, blast-furnace coke, and coal for injection into blast furnaces for the iron and steel industry of the Community, totalling Bfrs 6 949 800 000, will make up the difference between world market prices and production costs for 2 475 000 tonnes. The aid therefore conforms to Article 4 of the Decision.

The sales aid for supplies of coal, blast-furnace coke, and coal for injection into blast furnaces for the iron and steel industry of the Community is intended to prevent premature pit closures. In accordance with the third indent of Article 2 (1), this contributes to solving the social and regional problems related to developments in the coal industry.

The aid granted to maintain a qualified workforce of underground staff is a long-standing specific measure which is conducted separately from the aid pursuant to Articles 3 to 5 of the Decision. The aid therefore conforms to Article 6 of the Decision.

The object of the measure isto maintain a qualified workforce for the purpose of rationalization measures in order to improve the coal industry's competitiveness in accordance with the first indent of Article 2 (1) of the Decision.

II

The following observations should be made on the compatibility of the proposed aid to current production withthe proper functioning of the common market :

— there are unlikely to be supply difficulties in 1987 in view of pithead stocks of coal and coke,

— deliveries of Belgian coal to other Community countries are very small,

[1] OJ No L 177, 1. 7. 1986, p. 1.

— price alignment agreements with respect to Community producers are unlikely to arise in 1987,

— Belgian coal prices should not lead to indirect aid to industrial coal users in 1987.

Therefore the aid to be granted to the current production of the Belgian coal industry in 1987 is compatible with the proper functioning of the common market.

III

Pursuant to Article 11 (2) of the Decision, the Commission must ensure that the direct aid to current production which it approves is used exclusively for the purposes set out in Articles 3 to 6 thereof. 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

Belgium is hereby authorized to grant aid totalling Bfrs 15 588 600 000 to the Belgian coal industry with effect from 1 January 1987 for the 1987 calendar year.

The total amount shall be made up of the following aids :

1. Aid to cover operating losses not exceeding Bfrs 8 629 100 000 ;
2. Aid to sales of coal and coke to the iron and steel industry of the Community not exceeding Bfrs 6 949 800 000 ;
3. Aid to maintain a qualified workforce of underground staff not exceeding Bfrs 9 700 000.

Article 2

The Belgian Government shall inform the Commission :

— by 30 June 1987 of the extent to which the amounts of aid specified in this Decision are likely to change in the light of the pattern of aid payments during the first six months of 1987,

— by 30 June 1988 of the actual amounts of aid paid in 1987.

Article 3

This Decision is addressed to the Kingdom of Belgium.

Done at Brussels, 7 April 1987.

For the Commission

Nicolas MOSAR

Member of the Commission