COMMISSION DECISION

of 20 April 1988

approving aids from the French Republic to the coal-mining industry during 1986

(Only the French text is authentic)

(88/292/ECSC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

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

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 Decision No 528/76/ECSC, of the financial measures which it intends to implement directly or indirectly for the benefit of the coal industry during 1986 ; 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 1986 aid amounting to FF 2 914 700 000 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 1986 aid amounting to FF 528 900 000 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 abovementioned Decision for the admissibility of such State assistance ;

Whefeas the aid of FF 3 443 600 000 proposed by the Government of the French Republic for 1986 to cover losses (of which FF 2 914 700 000 is to cover the coalfields' losses on mining and FF 528 900 000 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 1986, 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 1 029 fewer people 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 abovementioned Decision ;

2. The output planning of the Charbonnages de France in the Lorraine coalfields aims at certain 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 abovementioned Decision ;

II

Whereas, under Article 3 (2) of the abovementioned 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 1986 ;

Whereas the sum of all these aids to support current production by the French coal industry is 523 100 000 ECU, or 36,23 ECU per tonne, for 1986 ; whereas this is higher than corresponding German and British 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 1986,

— French coal exports to the other Community countries fell in 1986 compared with 1985,

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

— hardly any price alignment agreements were entered into for French coal in 1986,

— industrial consumers of coal did not directly receive aid in 1986 as a result of the prices of French coking coal and steam coal,

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

Whereas it may accordingly be concluded that the aids proposed in 1986 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 Commission Decision 73/287/ECSC (1);

III

Whereas, pursuant to Article 14 (1) of Decision No 528/76/ECSC, 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 1986:

(a) an amount not exceeding FF 2 914 700 000 to cover losses on mining;

(b) an amount not exceeding FF 528 900 000 to cover the financial losses sustained by the central administration of Charbonnages de France.

Article 2

The Gouvernment of the French Republic shall notify the Government Commission by 30 June 1988 of details of the aids granted pursuant to the present Decision and in particular of the amounts paid and the manner in which they are apportioned.

Article3

This Decision is addressed to the French Republic.

Done at Brussels, 20 April 1988.

For the Commission

Nicolas MOSAR

Member of the Commission

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