COMMISSION DECISION

of 20 April 1988

approving aids from the United Kingdom for the coal-mining industry during the 1986/87 financial year

(Only the English text is authentic)

(88/293/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 United Kingdom Government 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 the 1986/87 financial year; whereas, of these measures, the following may be approved pursuant to that Decision:

	(million £)
— aid for the recruitment of skilled workers	18,0
— aid to cover National Coal Board (NCB) losses on mining	290,2;

Whereas the aid for attracting and keeping skilled workers (£ 18,0 million) is intended to offset half the NCB's costs arising from rationalization and the transfer of production to their best pits; whereas this reults in outgoing on removals, transport, etc.; whereas the aid is compatible which Article 8 of Decision No 528/76/ECSC;

Whereas the planned aid to cover losses on mining (£ 290,2 million) will cover only part of the losses sustained by NCB pits in 1986/87; whereas the aid is given to avoid serious economic and social problems in those coalfields where there are not yet adequate re-employment opportunities for miners made redundant as a result of pit closures; whereas the aid is therefore compatible with Article 12 of Decision No 528/76/ECSC;

[1] OJ No L 63, 11. 3. 1976, p. 1.

II

Whereas the sum of all aids to support current production by the British coal industry is 460 000 000 ECU, or 4,40 ECU per tonne, for 1986/87; whereas this is the lowest of all Community Member States;

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

— there are unlikely to be supply difficulties on the British coal market in 1986/87,

— British coal exports to the other Community countries will increase slightly in 1986 compared with 1985,

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

— industrial consumers of coal will not receive indirect aids in 1986/87 as a result of the prices of British coking coal and steam coal,

— the closure of several pits has resulted in rationalization and concentration of production on pits where productivity is highest;

Whereas it can therefore be stated that the aids for the British coal industry for current production in the 1986/87 financial year are compatible with the proper functioning of the common market;

III

Whereas, pursuant to Article 14 (1) of the abovementioned Decision, the Commission must ascertain that aids authorized are used exclusively for the purposes set out in Article 7 to 12 thereof; whereas the Commission must be informed in particular of the amount of these aids and the manner in which they are apportioned,

HAS ADOPTED THIS DECISION:

Article 1

The United Kingdom is hereby authorized in respect of the 1986/87 financial year to grant the following aids to the British coal-mining industry:

(a) an amount not exceeding £ 18,0 million for the recruitment of skilled workers,

(b) an amount not exceeding £ 290,2 million to cover mining losses.

Article 2

The United Kingdom shall notify the Commission by 30 June 1988 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 United Kingdom.

Done at Brussels, 20 April 1988.

For the Commission

Nicolas MOSAR

Member of the Commission