COMMISSION DECISION

of 5 October 1988

approving supplementary aid from the Federal Republic of Germany to the coal industry during 1987

(Only the German text is authentic)

(88/526/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 2064/86/ECSC of 30 June 1986 establishing Community rules for State aid to the coal industry [1],

Whereas :

I

In its communication of 12 July 1988 the Government of the Federal Republic of Germany informed the Commission, pursuant to Article 9 (3) of Decision No 2064/86/ECSC, of a supplementary financial measure it intends to take in support of the coal industry with retroactive effect for 1987, in respect of sales of coal and coke to the Community iron-and-steel industry.

On 31 July 1987 the Commission adopted Decision 87/451/ECSC [2] approving aid from the Federal Republic of Germany to the coal industry during 1987. This authorized the Government of the Federal Republic of Germany to grant directly or indirectly the financial support to the coal industry planned for 1987, where this had been submitted to the Commission for approval.

As stated in that Decision, the Government of the Federal Republic of Germany planned, under Decision No 2064/86/ECSC, to give aid in 1987 amounting to DM 3 450 million to sales of coal and coke to the Community iron-and-steel industry.

The Government of the Federal Republic of Germany informed the Commission in its communication of 12 July 1988 that the amount of aid to sales of coal and coke to the Community iron-and-steel industry specified in the Decision would not be sufficient.

The proposed increase for 1987 over the volume of aid authorized by the Commission would be DM 137 million, bringing the total amount of aid to sales of coal and coke in 1987 to DM 3 587 million.

This increase is necessary to make up the difference between the world market price and production costs in Germany, which is greater than originally estimated as a result primarily of the exchange-rate trend of the United States dollar in 1987.

With regard to the year 1987, the aid to sales of blast-furnace coal and coke for the Community iron-and-steel industry, totalling DM 3 587 million, is compatible with Article 4 of Decision No 2064/86/ECSC, as its purpose is to make up the difference observed in 1987 between the world market price and production costs in respect of an output of 24,1 million tonnes, in conformity with the conditions set out in Article 12 of the Decision.

The planned aid should make it possible to stagger the closure of certain production sites. It therefore contributes to solving the social and regional problems related to developments in the coal industry, in conformity with the third indent of Article 2 (1).

II

Pursuant to Article 11 (2) of Decision No 2064/86/ECSC, 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 of the amount of the payments and the manner in which they are apportioned,

HAS ADOPTED THIS DECISION :

Article 1

The Federal Republic of Germany is hereby authorized to grant supplementary aid for 1987 not exceeding DM 137 million to sales of blast-furnace coal and coke for the Community iron-and-steel industry, bringing the total amount of aid authorized for 1987 to DM 3 587 million.

[1] OJ No L 177, 1. 7. 1986, p. 1.
[2] OJ No L 241, 25. 8. 1987, p. 10.

Article 2

This Decision is addressed to the Federal Republic of Germany.

Done at Brussels, 5 October 1988.

For the Commission
Nicolas MOSAR
Member of the Commission