II

(Acts whose publication is not obligatory)

COMMISSION

COMMISSION DECISION

of 7 February 1989

approving supplementary aid from the Federal Republic of Germany to the coal industry during 1988

(Only the German text is authentic)

(89/161/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 letter of 25 November 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 1988, in respect of sales of coal and coke to the Community iron and steel industry.

On 22 December 1987 the Commission adopted Decision 88/64/ECSC [2] approving aid from the Federal Republic of Germany to the coal industry during 1988. This authorized the Government of the Federal Republic of Germany to grant directly or indirectly the financial support to the coal industry planned for 1988, 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 1988 amounting to DM 3 500 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 letter of 25 November 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 1988 over the volume of aid authorized by the Commission would be DM 279 million, bringing the total amount of aid to sales of coal and coke in 1988 to DM 3 779 million.

This increase in aid is necessary to meet a growth in demand for coking coal in the Community iron and steel industry during 1988 and also to make up the difference between the world market price and production costs in Germany, which is greater than originally estimated.

The aid, now totalling DM 3 779 million, is compatible with Article 4 of Decision No 2064/86/ECSC, as its purpose is to make up the difference observed in 1988 between the world market price and production costs in respect of an output of 26,4 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) of the Decision.

[1] OJ No L 177, 1. 7. 1986, p. 1.
[2] OJ No L 33, 5. 2. 1988, p. 34.

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 1988 not exceeding DM 279 million to sales of blast-furnace coal and coke for the Community iron and steel industry, bringing the total amount of aid authorized for 1988 to DM 3 779 million.

Article 2

The Government of the Federal Republic of Germany shall inform the Commission not later than 30 June 1989 of the actual amount of aid, paid in 1988.

Article 3

This Decision is addressed to the Federal Republic of Germany.

Done at Brussels, 7 February 1989.

For the Commission

António CARDOSO E CUNHA

Member of the Commission