COMMISSION DECISION

of 22 February 1989

approving aid from the Kingdom of Spain for the coal-mining industry during 1986

(Only the Spanish text is authentic)

(89/176/ECSC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

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

Having regard to Commission Decision 528/76/ESCS 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,

Whereas :

I

The Government of the Kingdom of Spain has informed the Commission, pursuant to Article 2 of the above Decision, of the financial measures which it intends to implement directly or indirectly for the benefit of the coal industry during 1986 ; whereas the following of these measures may be approved pursuant to the Decision :

	(million Pta)
— Investment aid	694,2
— Promotion of innovation	115,0
— Aid to cover pit operating losses	28 874,0

This aid meets the criteria laid down in the Decision for the admissibility of such State assistance.

The investment aid totalling Pta 694,2 million is to be granted to investment projects in pits of various undertakings. Investment in the undertakings concerned is considerably higher than the amount of the scheduled aid. It is in harmony with the Community's coal-policy guidelines since it will improve these undertaking's competitiveness. The aid meets the criteria of Article 7 (2) of Decision 528/76/EEC.

The aid totalling Pta 115 million to promote new innovation will only be granted to the Hunosa undertaking's pits. This aid should ensure that the results of research are quickly applied in practice. The aid is less than the undertakings' costs of Pta 536 million and will be granted to individual projects which, if implemented, are likely to produce a tangible economic benefit in coal mining in the medium term. Both the purpose and the amount of the aid meet the criteria of Article 7 (3) (3) of Decision 528/76/ECSC.

The planned aid totalling Pta 28 874 million to cover pit operating losses will be granted to the Hunosa, Figaredo, Hullasa and La Camocha undertakings. This aid will cover only part of the undertakings' losses, between 70 and 95 %, in 1986. The purpose of the aid to all four undertakings is to avoid serious economic and social problems in those coalfields where, in the event of pit closures, adequate alternative employment for redundant mineworkers does not yet exist. The aid therefore meets the criteria of Article 12 (1) of Decision 528/76/ECSC.

II

Pursuant to Article 3 (2) of the Decision, the examination of the compatibility of the above aid with the proper functioning of the common market must also be extended to all other financial measures to support current production in 1986.

On this basis the total value of the planned measures is ECU 259 700 000, i.e. ECU 11,91 per tonne.

It emerges from the examination of the compatibility of this aid to current production with the proper functioning of the common market that :

— there were no supply difficulties in 1986 owning to pithead stocks of coal and coke,

— Spanish coal deliveries to other Community countries were very low,

— alignment of prices on those of other Community producers scarcely took place in 1986,

— Spanish coal prices did not result in indirect aid to industrial consumers in 1986.

It can therefore be stated that the aid proposed for the Spanish coal industry for current production in 1986 is compatible with the proper functioning of the common market.

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

This also applies when account is taken of aid to the coal industry pursuant to Commission Decision 73/287/ECSC (1).

III

Pursuant to Article 14 (1) of Decision No 528/76/ECSC, the Commission must ascertain that aid authorized is used exclusively for the purposes set out in Articles 7 to 12 thereof; whereas the Commission must be informed in particular of the amount of aid and the manner in which it is apportioned,

HAS ADOPTED THIS DECISION:

Article 1

The Kingdom of Spain is hereby authorized to grant the following aid to the Spanish coal industry in 1986:

1. Investment aid not exceeding Pta 694 200 000;
2. Aid to promote new innovation not exceeding Pta 115 000 000;
3. Aid to cover pit operating losses not exceeding Pta 28 874 000 000.

Article 2

The Government of the Kingdom of Spain shall notify the Commission by 30 June 1989 of details of the aid 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 Kingdom of Spain.

Done at Brussels, 22 February 1989.

For the Commission

António CARDOSO E CUNHA

Member of the Commission

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