II

(Acts whose publication is not obligatory)

COMMISSION

COMMISSION DECISION

of 5 July 1989

approving aid from Belgium to the coal industry during 1989

(Only the French and Dutch texts are authentic)

(89/529/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 21 November 1988 the Belgian Government informed the Commission, pursuant to Article 9 (2) of Decision No 2046/86/ECSC, of the financial measures it intends to take during 1989 in order to give direct support to the coal industry.

In its letter of 7 April 1989 the Belgian Government sent further information, as requested by the Commission on 23 February 1989.

Under the abovementioned Decision, the Commission must give a ruling on the following financial measures :

— aid totalling Bfrs 6 709 200 000 to cover operating losses, pursuant to Article 3 of the said Decision,

— aid totalling Bfrs 223 300 000 to sales of coal and coke to the iron and steel industry of the Community, pursuant to Article 4 of the said Decision,

— aid totalling Bfrs 2 400 000 for staff training, pursuant to Article 6 of the said Decision.

According to the information supplied by the Belgian Government, the measures notified are intended to help implement the restructuring plan for the firm Kempense Steenkolenmijnen.

The measures which the Belgian Government intends to take to support the coal industry comply with the provisions of Article 1 (1) of the said Decision. The Commission must therefore give a ruling, under Article 10 of this Decision, as to whether they comply with the objectives and criteria set out in that Decision and whether they are compatible with the proper functioning of the common market.

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Coal production is not economically viable in the long term, so that a restructuring plan was needed. Since this plan was introduced in 1987, production capacity has been halved. At the end of 1988 it amounted to three million tonnes, following the early closure of three of the five collieries.

The amount of aid linked to current production is thus about 45 % down on the 1986 figure.

The decreasing levels of aid which the Belgian Government intends to grant, their temporary nature and the implementation of a clearly defined restructuring plan are in accordance with the conditions laid down for the application of Decision No 2064/86/ECSC.

(1) OJ No L 177, 1. 7. 1986, p. 1.

The aid to cover operating losses is aimed at facilitating the implementation of the restructuring programme for the Campine coalfield, as decided by ministerial decree in January 1987. In accordance with the third indent of Article 2 (1) of the Decision, this contributes to solving the social and regional problems related to developments in the coal industry.

In accordance with Article 12 of the Decision, coal undertakings shall be authorized, where necessary, to grant rebates on their list prices or production costs, for deliveries of coking coal, blast-furnace coke and coal for injection into blast-furnaces for the iron and steel industry of the Community under long-term contract; these rebates must not cause the delivered prices of Community coal and coke to work out lower than those which would be charged for coal from non-member countries and coke made from non-member country coking coal.

According to the Belgian Government, the aid to sales of coking coal, blast-furnace coke and coal for injection into blast-furnaces for the iron and steel industry of the Community, totalling Bfrs 223 300 000, will make up the difference between world market prices and production costs for 95 000 tonnes. The aid therefore conforms to Article 4 of the Decision.

The sales aid for supplies of coal, blast-furnace coke and coal for injection into blast-furnaces for the iron and steel industry of the Community forms part of the restructuring programme. In accordance with the third indent of Article 2 (1) of the Decision, this contributes to solving the social and regional problems related to developments in the coal industry.

The aid granted to maintain a qualified workforce of underground staff is a long-standing specific measure which is conducted separately from the aid pursuant to Articles 3, 4 and 5 of the Decision. The aid therefore conforms to Article 6 of the Decision.

The object of the measure is to maintain a skilled workforce, as part of the restructuring programme for the industry.

In view of the transitional nature of the aid, its phased reduction and its inclusion in the restructuring programme, it complies with the objectives and conditions laid down in Article 2 of the Decision.

Therefore the aid to be granted by the Belgian Government to the coal industry in 1989 is compatible with the proper functioning of the common market.

This Decision is without prejudice to the compatibility with the Treaties of the rules governing sales of Belgian coal to electricity producers.

Pursuant to Article 11 (2) of the Decision, 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 in particular of the amounts of the payments and the manner in which they are apportioned,

HAS ADOPTED THIS DECISION:

Article 1

Belgium is hereby authorized to grant aid totalling Bfrs 6 934 900 000 to the Belgian coal industry for the 1989 calendar year. The total amount shall be made up of the following aid:

1. aid to cover operating losses not exceeding Bfrs 6 709 200 000;
2. aid to sales of coal and coke to the iron and steel industry of the Community not exceeding Bfrs 223 300 000;
3. aid for training the workforce not exceeding Bfrs 2 400 000.

Article 2

The Belgian Government shall inform the Commission not later than 30 June 1990 of the actual amounts of aid paid in 1989.

Article 3

This Decision is addressed to the Kingdom of Belgium.

Done at Brussels, 5 July 1989.

For the Commission

António CARDOSO E CUNHA

Member of the Commission