II

(Acts whose publication is not obligatory)

COMMISSION

COMMISSION DECISION

of 17 December 1990

ruling on the granting of aid by Belgium to the coal industry during 1991

(Only the French and Dutch texts are authentic)

(91/405/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 2 October 1990 the Belgian Government informed the Commission, pursuant to Article 9 (2) of Decision No 2064/86/ECSC, of the financial measures it intends to take to support the coal industry in 1991.

Pursuant to the abovementioned Decision, the Commission must give a ruling on the following financial aid schemes for 1991 submitted to it for approval :

— aid totalling Bfr 2 257 570 000 to cover operating losses,

— aid totalling Bfr 292 700 000 to finance social benefit schemes in the coal industry, corresponding to the difference between actual and normal social charges,

— aid totalling Bfr 37 700 000 to cover expenses relating to the system of supplementary holiday for underground workers.

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 closure of the last working pit being scheduled for no later than 1992.

The measures which the Belgian Government intends to take to support the coal industry comply with the provisions of Article 1 (1) of Decision 2064/86/ECSC. The Commission must therefore give a ruling, pursuant to Article 10 of the 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.

II

Since the entry into force in 1987 of a restructuring plan made necessary by the lack of economic viability of coal production in the long term, extraction capacities have been gradually reduced from 4,4 million tonnes in 1987 to 0,8 million tonnes in 1991.

The amount of aid notified for 1991 represents only 20 % of the aid granted in 1986.

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

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

The aid to cover operating losses will facilitate continuation of the last phase of the restructuring programme for the Campine coalfield, as decided by Ministerial Decree in January 1987. The planned aid will cover no more than 83 %, for each tonne produced, of the difference between foreseeable costs and returns, and therefore complies with the provisions of Article 3 (1) of the Decision.

This aid contributes to solving the social and regional problems related to the decline in coal production, in conformity with the third indent of Article 2 (1) of the Decision.

The notification submitted to the Commission regarding the financing of social benefits in the coal industry reveals that the aid which the Belgian Government proposes to grant brings the ratio between the burden per mineworker in employment and the benefits per person in receipt of benefit below the corresponding ratio in other industries. This difference should amount to Bfr 292 700 000 in 1991.

The exceeding of the limits specified in Article 7 of Decision No 2064/86/ECSC must therefore be considered as indirect aid to current production. The reduction in production costs this entails, which is about 6 %, does not constitute a significant competitive advantage for the Belgian coal industry compared with other Community coal producers. In view of the abnormal burdens that the Belgian industry has to bear owing to the gradual decline in production.

As this measure is linked to the restructuring programme, it is helping to solve 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.

The aid to cover expenditure relating to the system of supplementary holiday for underground workers constitutes indirect aid to current production. It meets the objectives and conditions defined in Article 2 of the Decision in view of its modest scale i.e. less than 1 % of the cost price per tonne produced, its temporary nature and the fact that it forms part of the restructuring plan.

III

The aid covered by this Decision is therefore 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,

HAS ADOPTED THIS DECISION :

Article 1

The Belgian Government is hereby authorized to grant aid totalling Bfr 2 587 970 000 to the Belgian coal industry for the 1991 calendar year. The total amount shall be made up of the following aid :

1. aid to cover operating losses not exceeding Bfr 2 257 570 000 ;
2. aid to finance social benefit schemes in the coal industry not exceeding Bfr 292 700 000 ;
3. aid to cover expenses relating to the system of supplementary holiday for underground workers, not exceeding Bfr 37 700 000.

Article 2

The Belgian Government shall inform the Commission not later than 30 June 1992 of the actual amounts of aid paid in 1991.

Article 3

This Decision is addressed to the Kingdom of Belgium.

Done at Brussels, 17 December 1990.

For the Commission

António CARDOSO E CUNHA

Member of the Commission