COMMISSION DECISION

of 11 December 1991

ruling on the granting of aid by Belgium to the coal industry in 1992

(Only the French and Dutch texts are authentic)

(92/55/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 September 1991 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 1992.

Pursuant to the abovementioned Decision, the Commission must give a ruling on the following financial aid schemes for 1992 submitted to it for approval :

— aid totalling Bfr 1 386 980 000 to cover operating losses,

— aid totalling Bfr 299 200 000 to finance social benefit schemes in the coal industry, corresponding to the difference between actual and normal social charges,

— aid totalling Bfr 10 000 000 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 No 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 multiannual restructuring plan made necessary by the lack of economic viability of extraction capacities, coal production has been gradually reduced from 4,4 million tonnes in 1987 to 0,8 million tonnes at the end of 1991 following the accelerated closure of four of the five pits. Production will be limited to 0,4 million tonnes in 1992, the year in which the last pit is due to be closed.

The amount of aid notified for 1992 represents only 14 % 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.

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 79 %, for each tonne produced, of the difference between projected costs and projected revenue, and therefore complies with the provisions of Article 3 (1) of the Decision.

The aid contributes to solving the social and regional problems related to the decline in coal production, in accordance 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 indusry 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 299 200 000 in 1992.

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

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 10 %, 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 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 accordance with the third indent of Article 2 (1) of Decision No 2064/86/ECSC.

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 1 696 180 000 to the Belgian coal industry for the 1992 calendar year. The total amount shall be made up of the following aid:

1. aid to cover operating losses not exceeding Bfr 1 386 980 000;
2. aid to finance social benefit schemes in the coal industry not exceeding Bfr 299 200 000;
3. aid to cover expenses relating to the systems of supplementary holiday for underground workers, not exceeding Bfr 10 000 000.

Article 2

The Belgian Government shall inform the Commission not later than 30 June 1993 of the actual amounts of aid paid in 1992.

Article 3

The Decision is addressed to the Kingdom of Belgium.

Done at Brussels, 11 December 1991.

For the Commission

António CARDOSO E CUNHA

Member of the Commission