II

(Acts whose publication is not obligatory)

COMMISSION

COMMISSION DECISION

of 18 May 1993

ruling on the granting of aid by France to the coal industry in 1993

(Only the French text is authentic)

(93/429/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 :

In a letter dated 12 February 1993 the French Government informed the Commission, pursuant to Article 9 (2) of Decision No 2064/86/ECSC, of a financial measure it intends to take to give direct support to the coal industry in respect of current production in 1993.

The following measure was submitted to the Commission for approval pursuant to the abovementioned Decision :

— aid of FF 1 262 million to cover operating losses pursuant to Article 3 of the Decision.

According to the notification from the French Government, the purpose of the aid is to facilitate the restructuring of the coal industry.

The measure which the French Government intends to take to support the coal industry meets the conditions of Article 1 (1) of the Decision. Consequently, pursuant to Article 10 of the Decision, the Commission must determine whether the measure is compatible with the objectives of the Decision and with the proper functioning of the common market.

The programme to rationalize and restructure the French coal industry, which was necessary because some pits were not economically viable in the long term, has gradually led since 1986 to a reduction in coal production and a marked improvement in both productivity and costs. The restructuring programme involves the concentration of production in Lorraine on the pits most likely to be economically viable and the closure of underground mines in the Centre-Midi coalfield.

As part of the restructuring, modernization and rationalization process, production capacity in the Nord-Pas-de-Calais coalfield was closed down in 1990, while production at Blanzy in the Centre-Midi coalfield was halted in 1992.

The aid granted to the coal industry has been substantially reduced. The amount of aid for 1993 will represent half the aid granted in 1987. In 1993 France will produce nine million tonnes of coal, compared with 9,7 million tonnes in 1992.

Aid to cover operating losses facilitates rationalization and restructuring of the coal industry and improves its long-term economic viability.

[1] OJ No L 177, 1. 7. 1986, p. 1.

The Commission notes that, in the light of Article 3 (2) and (3) of Decision No 2064/86/ECSC, the proposed aid will cover only 57 % of the difference for each tonne produced between foreseeable average costs and foreseeable average returns. The aid therefore meets the criteria laid down in Article 3 of Decision No 2064/86/ECSC.

Since the measure is part of the restructuring and rationalization programme for the coal industry, it satisfies the objectives and conditions laid down in Article 2 of the Decision.

Consequently, the aid to current production which the French Government plans to grant to the coal industry in 1993, pursuant to Article 3 of Decision No 2064/86/ECSC, is compatible with the proper functioning of the common market.

This Decision does not affect the compatibility with the Treaties of arrangements governing sales of French coal to electricity producers. Moreover, this Decision will have no legal effect after the date of expiry of Decision No 2064/86/ECSC,

HAS ADOPTED THIS DECISION:

Article 1

France is hereby authorized to grant to the coal industry for 1993 aid totalling FF 1 262 million to cover operating losses.

Article 2

France shall inform the Commission by 30 June 1994 at the latest of the amount of aid actually paid in 1993.

Article 3

This Decision is addressed to the French Republic.

Done at Brussels, 18 May 1993.

For the Commission

Abel MATUTES

Member of the Commission