

COMMISSION DECISION

of 31 July 1987

approving aid from Portugal to the coal industry during 1987

(Only the Portuguese text is authentic)

(87/453/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 28 April 1987 the Portuguese Government informed the Commission, pursuant to Article 9 (2) of Decision No 2064/86/ECSC, of the financial measures it intends to take during 1987 in order to give direct or indirect support to the coal industry. The following aid is submitted for the approval of the Commission under the above Decision :

- aid to cover operating losses : ESC 296,1 million

The aid totalling ESC 296 100 000 to cover operating losses will be granted in order to cover the difference, for each tonne produced, between foreseeable average costs and the foreseeable average returns and therefore complies with the conditions of Article 3 (1) of the Decision.

The aid to cover operating losses is aimed at preventing premature pit closures. In accordance with the third indent of Article 2 (1), this contributes to solving the social and regional problems related to developments in the coal industry.

II

The following observations should be made on the compatibility of the proposed aid to current production with the proper functioning of the common market :

- there are unlikely to be supply difficulties in 1987,
- Portuguese coal prices should not lead to indirect aid to industrial coal users in 1987.

Therefore the aid to be granted to the current production of the Portuguese coal industry in 1987 is compatible with the proper functioning of the common market.

III

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 of the amounts of the payments and the manner in which they are apportioned.

HAS ADOPTED THIS DECISION :

Article 1

With effect from 1 January 1987, and for the 1987 calendar year, Portugal is hereby authorized to grant aid not exceeding ESC 296 100 000 to the Portuguese coal industry to cover operating losses.

Article 2

The Portuguese Government shall inform the Commission :

- by 30 September 1987 to the extent to which the amounts of aid specified in this Decision are likely to change in the light of the pattern of aid payments during the first nine months of 1987,
- by 30 June 1988 of the actual amounts of aid paid in 1987.

Article 3

The Decision is addressed to the Portuguese Republic.

Done at Brussels, 31 July 1987.

For the Commission

Nicolas MOSAR

Member of the Commission

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