

COMMISSION

COMMISSION DECISION

of 11 December 1991

approving the grant of aid by Portugal to the coal industry in 1991

(Only the Portuguese text is authentic)

(92/54/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

By letter of 10 September 1991 the Portuguese Government informed the Commission, in accordance with Article 9 (2) of Decision No 2064/86/ECSC, of the financial measure it intends to take to support the coal industry in 1991.

Aid to cover operating losses in 1991 of the undertaking Carbonifera do Douro totalling Esc 803 777 000 for the production of about 0,221 million tonnes has been submitted by the Portuguese Government for approval by the Commission.

II

The decrease in aid compared with 1990 must be viewed in the light of the objectives of Decision No 2064/86/ECSC, in particular those of Article 2 (1) thereof, and of the implementation of the business strategy of the undertaking Carbonifera do Douro, submitted to the Commission by the Portuguese Government by letter of 16 April 1991.

(¹) OJ No L 177, 1. 7. 1986, p. 1.

The aim of the abovementioned business strategy is progressively to reduce the production and workforce of the undertaking Carbonifera do Douro between 1990 and 1994, when total closure of the undertaking is planned.

The trend recorded in 1991 is consistent with the aim of the business strategy. Although the cost of each tonne produced increased owing to the substantial impact of labour costs on the total costs, the combined effect of the reduction in output and the increase in coal prices resulted in a reduction in the overall amount of aid for 1991 as compared to 1990.

The aid proposed will cover the difference between the projected average costs and the projected average revenue for each tonne produced. The aid will not exceed expected operating losses and hence complies with the conditions laid down in Article 3 (1) of the Decision.

The gradual closure that this measure allows will facilitate the execution of regional development programmes and hence contribute to solving the social and regional problems related to developments in the coal industry, in accordance with the third indent of Article 2 (1).

In view of the foregoing and of the information supplied by the Portuguese authorities, the aid to be granted to the current production of the Portuguese coal industry in 1991 is compatible with the objectives of Decision No 2064/86/ECSC and with the proper functioning of the common market.

III

Pursuant to Article 11 (2) of Decision No 2064/86/ECSC, the Commission must ensure that the direct aid to current production which it authorizes is used exclusively for the purposes set out in Article 3 and 6 thereof. It must therefore be informed of the amounts of the payments and the manner in which they are apportioned,

HAS ADOPTED THIS DECISION:

Article 3

Article 1

Portugal is hereby authorized to grant aid totalling Esc 803 777 000 to the coal industry to cover operating losses for the 1991 calendar year.

This Decision is addressed to the Portuguese Republic.

Done at Brussels, 11 December 1991.

Article 2

The Portuguese Government shall inform the Commission at the latest by 30 June 1992 of the actual amount of aid paid in 1991.

For the Commission

António CARDOSO E CUNHA

Member of the Commission