State aid: aid to industry and services, scoreboard for 2001 and 2002

2002/2196(INI) - 10/04/2002 - Document attached to the procedure

The Commission has presented its report on the application of the Community rules for state aid to the coal industry in 2001. The report examines the financial aid granted by France, Germany, Spain and the United Kingdom to their coal industries in 2001. With the ECSC Treaty and the last of the ECSC schemes for State aid to the coal industry due to expire soon, this would seem to be a good time to describe the role of these aid schemes in achieving the aims laid down by the ECSC Treaty and to consider the future of coal in the framework of the ambitious goals set for it by the EU. It can be said that with the ECSC Treaty shortly about to expire, only five Member States still produce coal: Germany, United Kingdom, Spain, France and, to a minor extent, Italy. Enlargement of the European Union towards Central and Eastern Europe will, however, bring in two big new producers: Poland, which currently produces more than the 15 Member States of the EU put together, and the Czech Republic. Other candidate countries, in particular Estonia, also produce solid fuels, mostly lignite and oil shales. Thanks to the restructuring, modernisation and rationalisation efforts accomplished during the period in which Decision 3632/93/ECSC has been in force, part of the Community industry, essentially the UK coalfields, have achieved economic viability or are at least close to it. However, most Community coal production is not competitive with imports from third countries and with other energy products. Poland and the Czech Republic have also achieved economic viability, but the foreseeable increase in labour costs in future could make further restructuring necessary. On 25 July 2001, the European Commission approved a Council Regulation on State aid to the coal industry aimed at maintaining access to coal reserves as part of the process of ensuring security of energy supply. This aim, which justifies maintaining subsidised Community coal production, must be achieved on acceptable economic terms. It means that the restructuring and activity-reduction in the coal industry which have the main feature of the State aid schemes implemented under the ECSC Treaty will have to continue beyond 23 July 2002.