



**COUNCIL OF
THE EUROPEAN UNION**



Brussels, 10 December 2010
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PRESSE 344

Council extends state aid regime for the coal sector

The Council today adopted a decision aimed at facilitating the transition of the specific state aid regime currently applying for the coal sector to the general state aid rules applicable to all sectors in the EU ([16229/1/10](#) + [COR 1](#)).

The decision includes the following main elements:

- the possibility to continue to grant, under certain conditions, public aid to the coal industry with a view to facilitating the closure of uncompetitive hard coal mines until December 2018;
- the modalities for the phasing-out of the aid, under which the overall amount of aid granted by a member state must follow a downward trend, in order to prevent undesirable effects of distortion of competition in the internal market;
- the obligation for member states granting aid to provide a plan on intended measures to mitigate the environmental impact of the production of coal; and
- the possibility to allow subsidies, until December 2027, in order to cover exceptional expenditure in connection with the closure of mines that are not related to production, such as social welfare benefits and rehabilitation of sites.

The existing rules, in force since 2002 (regulation 1407/2002), will expire on 31 December 2010. The non-renewal of the special state aid regime would force some member states to close immediately uncompetitive hard coal mines, a situation that would entail serious social, technical and regional consequences.

Therefore the Commission proposed last July, after carrying out an impact analysis and a public consultation, to maintain a transitory period provided that the aid granted to non-sustainable mines should form part of a closure plan ([12698/10](#)).

P R E S S
