Analyses OSW

CENTRE FOR EASTERN STUDIES 15.12.2010 www.osw.waw.pl

# Germany pushes through subsidies for coalmining

On 10 December a resolution envisaging a gradual reduction of subsidies for hard and brown coal mines until 2018 was adopted at a meeting of the EU Council. Germany managed to push through provisions which were in line with its domestic arrangements, namely subsidising the mines, which are being closed, until 2018. Berlin was successful despite the fact that originally the European Commission had proposed ending the subsidies in 2014, which had been supported by many EU member states.

The EC presented a draft resolution this July which envisaged an end to the subsidising of mines in 2014. In turn, Germany has a strategy in force since 2007, according to which hard coal mines are to be subsidised until 2018. The mines provide jobs to approximately 26,000 people. Chancellor Angela Merkel (CDU) had been attempting to change the EC's proposal from the very beginning, although at the same time it was supported by the German Minister of Economy Rainer Brüderle (FDP), who did not want the subsidies. From among the other EU member states only those which produced coal (Spain, Poland and Romania) were ready to extend the period of subsidies for mines.

Despite the short time span, the opposition from some EU member states and internal disputes in Germany, Chancellor Merkel managed to convince the EC to prepare a new draft resolution and guaranteed sufficient support among the member states and in the European Parliament (the EP's opinion passed this November was favourable for the German proposal). The Council's resolution adopted in December allows for the subsidisation of mines until 2018 and the granting of funds for land reclamation until 2027. Polish proposals for subsidising newly opened mines were not included in the resolution. <ŁAN>