

Law on financial consolidation of coal mines in the Federation of BiH according to calculated but not paid public income in the period 2009-2015 (Official Gazette 81/08, 109/12 and 5/14).

This law seeks to clear unpaid debts for social contributions from various coal mines in the Federation of BiH. It is supplemented every year by separate decisions on the allocations of funds for this purpose either in the FBiH budget or a separate Decision. In 2012 the law was amended to reduce the amounts of assistance given to the mines in 2014 and 2015.

State Aid Council of BiH reports are available online for 2011, 2012, and 2013. In the 2011 report, no state aid is reported for coal mining in either of BiH's Entities. In the 2012 report for FBiH EUR 14 316 172 in state aid is listed, which corresponds to the 28 million KM allocated by the law for that year. For 2013, EUR 14 384 685 is listed. Once the end of 2015 comes it is unclear whether more assistance is planned or not.

Financial consolidation of coal mines including clearing of unpaid public debts can be done since the adoption of Council Regulation 787/2010/EU only with the aim of the definitive closing of an uncompetitive mine. Rules on restructuring aid do not apply to the coal sector. The measure seems to be clearly financed from the general budget and by a State act. As the information does not refer to rescheduling and later repayment but to clearing of public debts the application of the market economy creditor principle is unlikely to be a realistic option. The measure seems to confer selective advantage to the undertakings concerned.

Source; Bankwatch.org