

COMMISSION OF THE EUROPEAN COMMUNITIES

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THE COMMISSION'S ANNUAL REPORT
TO THE COUNCIL AND TO THE PARLIAMENT ON THE BORROWING
AND LENDING ACTIVITIES OF THE COMMUNITY
IN 1993

and

THE COMMISSION'S REPORT TO THE COUNCIL AND TO PARLIAMENT
ON THE RATE OF UTILIZATION
OF THE NEW COMMUNITY
INSTRUMENT (NCI)
(half-year from 1 July 1993 to 31 December 1993)

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REPORTS ON THE BORROWING AND LENDING ACTIVITIES OF THE COMMUNITY

INTRODUCTION

A. Annual report

This report is drawn up each year in accordance with the Council Decisions establishing lending instruments for Euratom research⁽¹⁾ and for the New Community Instrument (NCI)⁽²⁾. In addition, the Parliament, in its Resolution on improving political monitoring of the Community's borrowing and lending activities⁽³⁾, called for the activities of the ECSC and the EIB to be included.

In recent years, and in particular since the countries of Central and Eastern Europe began to move towards a market-economy system, the Community's financial activities have grown and diversified considerably. This path looks set to continue with the approval by the Council in 1993 of two new decisions granting a Community guarantee to EIB loans in third countries. The Decision of February⁽⁴⁾ refers to Latin American and Asian countries that have concluded cooperation agreements with the Community, and that of December⁽⁵⁾ concerns Central and Eastern European countries. Given the considerable growth of lending operations in third countries, the Council and Parliament have called for a new warning and disciplinary mechanism to be established to deal with the risk of default covered by the budget outside the Community. The proposal⁽⁶⁾ presented by the Commission to this effect has been approved in principle by the Council in September 1993 and is expected to be adopted in the course of 1994.

The Edinburgh lending facility adopted by the European Council in 1992 was increased and extended at the Copenhagen and Brussels European Councils of June and October 1993. The duration of the facility extends now beyond 1994 and includes ECU 7 billion for the financing of capital infrastructure projects notably connected with trans-European networks and an additional ECU 1 billion carrying interest subsidies to strengthen the competitiveness of European small and medium-sized enterprises.

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- (1) Article 4 of Decision 77/270/Euratom; OJ No. L 88 of 6 April 1977
 - (2) Article 6 of Decision 78/870/EEC; OJ No. L 298 of 25 October 1978
Article 6 of Decision 82/169/EEC; OJ No. L 78 of 24 March 1982
Article 7 of Decision 83/200/EEC; OJ No. L 112 of 28 April 1983
Article 9 of Decision 87/182/EEC; OJ No. L 71 of 14 March 1987
Article 7 of Decision 81/19/EEC; OJ No. L 37 of 10 February 1981
Article 7 of Decision 81/1013/EEC; OJ No. L 367 of 23 December 1981
 - (3) Doc. PE/67134 of 5 March 1981; OJ No. C 287 of 9 November 1981
 - (4) Council Decision 93/115/EEC; OJ No. L 45 of 23 February 1993
 - (5) Council Decision 93/696/EC; OJ No. L 321 of 23 December 1993
 - (6) Doc. COM(93)20 modified by COM(93)706

As regards the European Investment Fund (EIF) ⁽¹⁾, an initiative adopted by the European Council of Edinburgh, the ratification procedures of the Treaty of Rome by Member States to empower the EIB to create the Fund have been completed in June 1994.

The development and diversification of the Community's financial instruments have led the Council and the Parliament to ask the Commission to provide also the fullest information possible on the new activities.

The present annual report, covering 1993, is the Commission's fourteenth and is intended to meet this need to provide regular information.

B. Half-yearly report

With a view to ensuring that borrowings designed to promote investment within the Community are continuously monitored, the 1983 and 1987 Decisions concerning the NCI also provide for the Commission to inform Parliament and the Council every six months about the rate of utilization of the NCI borrowing tranches. Part B of this document therefore provides an account of NCI activities over the period from 1 July to 31 December 1993.

(1) Doc. COM(93)3

**A. THE COMMISSION'S ANNUAL REPORT
TO THE COUNCIL AND TO THE PARLIAMENT ON THE
BORROWING AND LENDING ACTIVITIES OF THE COMMUNITY IN 1993**

1. COMMUNITY BORROWING

- 1.1 In order to attain its **internal objectives**, the Community is empowered to borrow funds on the capital market. These borrowings are intended to finance loans for Member States in balance-of-payments difficulties (ceiling of ECU 14 billion), for research and financing in connection with nuclear power stations (current Euratom ceiling of ECU 4 billion), for encouraging investment in the Community under the NCI (current ceiling of ECU 6.8 billion) and, under the ECSC Treaty, for promoting productive capacity or conversion projects in the coal and steel industries.

On the basis of the **agreements concluded with non-Community countries**, the Commission is empowered to borrow to finance programmes of financial assistance for the countries of Central and Eastern Europe, for the African, Caribbean and Pacific (ACP) countries and for measures adopted pursuant to the Mediterranean protocols.

However, the bulk of the borrowing is undertaken by the **European Investment Bank (EIB)** for loans for investment projects in the Community meeting the objectives assigned to the Bank by the Treaties and for the projects undertaken outside the Community in support of development cooperation policy.

- 1.2 The volume of **borrowing** on the market by the Community institutions in 1993 rose to a new height of ECU 20.1 billion, an increase of 28 % compared with the previous year (table 1). This rise is mainly due to the EIB activities and to balance-of-payments operations. The Community's share of borrowing in the OECD area fell for the third consecutive year, although less sharply than ecu-denominated issues, which were hit harder by the troubles of the European Monetary System.

Taking account of redemptions and cancellations, the amount of borrowing outstanding at 31 December 1993 was ECU 94.4 billion, compared with ECU 83.8 billion in 1992 (see table 2 in Annex).

Table 1 provides a breakdown of borrowing by institution and currency. New EC issues continued their rapid expansion passing from ECU 1.2 billion in 1992 to ECU 5 billion in 1993 reflecting the Community's new financial support programmes, particularly in Central and Eastern Europe and in the Mediterranean area. Borrowing by the EIB also increased during 1993 totalling ECU 14.2 billion, as against ECU 13

billion in the previous year. This was not the case however of the ECSC issues whose volume dropped to ECU 0.9 billion.

The breakdown by currency of borrowing in the OECD area shows a sharp fall in the volume of issues denominated in ECU. In the currency breakdown of Community borrowings (see table 3 in Annex), the ECU holds the first place followed by the pound sterling and the Deutsche Mark. Issues in currencies previously less used such as the Spanish peseta, Portuguese escudo and Irish punt continued to grow in 1993.

Table 1									
Issues on the International market									
		(ECU billion)							
	1986	1987	1988	1989	1990	1991	1992	1993	
1. Community	10.2	9.4	9.6	10.5	12.5	16.9	15.7	20.1	
<i>of which:</i>									
1.1 ECSC	1.5	1.5	0.9	0.9	1.1	1.4	1.5	0.9	
1.2 EC (a)	1.4	1.5	0.9	0.5	0.4	1.7	1.2	5.0	
1.3 Euratom	0.5	0.9	0.1	—	—	—	—	—	
1.4 EIB	6.8	5.6	7.7	9.0	11.0	13.7	13.0	14.2	
2. OECD countries (b)	182.7	115.8	151.2	193.1	141.5	208.3	212.7	337.0	
3. Community share (1 as % of 2)	5.6	8.1	6.3	5.4	8.8	8.1	7.4	6.0	
4. International issues by currency									
4.1 US \$ (b)	120.0	50.7	63.0	106.6	55.0	65.9	79.5	126.1	
4.2 YEN (b)	18.8	19.7	13.4	14.2	17.9	29.1	26.0	37.9	
4.3 ECU	7.2	6.5	9.5	11.4	14.1	26.0	17.1	6.1	
4.4 US \$ as % of 2	65.7	43.8	41.7	55.2	38.9	31.6	37.4	37.4	
4.5 Yen as % of 2	10.3	17.0	8.9	7.4	12.7	14.0	12.2	11.2	
4.6 ECU as % of 2	3.9	5.6	6.3	5.9	10.0	12.5	8.0	1.8	
(a) NCI + balance of payments.									
(b) Calculations based on the yearly average exchange rate of the ecu.									
Source: EC and OECD.									

2. LENDING WITHIN THE COMMUNITY

- 2.1 The economic activity in the Community was in recession in 1993, but the trough seemed to have already been reached during the second half. For the year as a whole, the Community GDP is estimated to have contracted by 0.3 %. With the exception of the UK, where growth is estimated at 1.9 %, the economic activity in the Member States deteriorated sharply, notably in Western Germany (-1.2 %). High interest rates, and consumer confidence being depressed by the continuing rise in unemployment contributed to the fall in demand. In this context, investment, as measured by GFCF, fell in the Community as a whole (-5.0 %); the most marked falls were recorded in Italy (-11.1 %), Spain (-10.3 %) and France (-5.0 %).

Following the entry into force of the Treaty on European Union in November, the Member States expressed their resolve to use to the full the new possibilities offered by the Treaty to confront current problems and impart a further impetus to the Union. The European Council meeting in Brussels in December 1993 approved the Commission White Paper on growth, competitiveness and employment and adopted a short and medium term action plan to restore confidence in the economy and promote employment.

- 2.2 Despite the difficult economic situation, **EIB activity in support of the internal objectives** of the Community increased. In 1993 loans signed for projects in the Community totalled ECU 17.7 billion, compared with ECU 16.1 billion in 1992 (an increase of 9 %). Projects were financed in every Community Member State with the exception of Luxembourg. There was a marked increase in activity in Spain, Portugal and Germany where the growth in lending was partly attributable to the operations in the eastern Länder, as well as, to a lesser extent, in the Netherlands, Greece, Denmark and Ireland (table 2).

In 1993 the EIB approved a series of financing operations under the Edinburgh lending facility for a total of ECU 4.6 billion in support of projects in the Community. In the framework of this mechanism, loans for ECU 2.4 billion have been signed for communication, energy and environment infrastructures.

The EIB has contributed to the strengthening of the economic activity in the Community in different ways. Financing for regional development totalled ECU 12.5 billion or otherwise stated, about 75% of the total financing in 1993 related to projects located in the less favoured areas, particularly in those eligible for Community structural measures. The Bank, in the context of the trans-European networks, has also reinforced the financing of infrastructures and equipment with ECU 7.8 billion for projects in the transport, telecommunication and energy sectors which contribute to the improvement of the links between the Community regions.

Likewise, the EIB has provided financial assistance for projects designed to protect the environment and to improve urban living conditions (ECU 4.4 billion) and to those directed to promote diversification of energy supplies in the Community and to the optimal management of resources (2.6 billion, half of which were spent on networks).

Finally, in the financing made available to the productive sectors (ECU 2.7 billion), the EIB attached importance to the strengthening of the international competitiveness of the Community industry as well as to the development of the small and medium-sized firms.

	1987		1991		1992		1993	
	ECU million	%	ECU million	%	ECU million	%	ECU million	%
<i>Belgium</i>	37.1	0.5	115.6	0.8	396.6	2.3	371.6	1.9
<i>Denmark</i>	315.3	4.0	538.6	3.5	690.8	4.1	875.5	4.5
<i>Germany</i>	276.5	3.5	1,300.1	8.4	1,663.9	9.8	2,096.6	10.7
<i>Greece</i>	164.8	2.1	366.9	2.4	377.5	2.2	511.1	2.6
<i>Spain</i>	707.4	9.0	2,342.5	15.2	3,020.6	17.7	4,005.1	20.4
<i>France</i>	1,006.5	12.8	1,924.4	12.5	1,895.1	11.1	2,205.5	11.2
<i>Ireland</i>	178.6	2.3	237.0	1.5	303.5	1.8	388.2	2.0
<i>Italy</i>	3,112.2	39.7	4,000.7	26.0	3,796.9	22.3	3,362.0	17.1
<i>Luxembourg</i>	1.6	0.0	28.6	0.2	42.8	0.3	-	-
<i>Netherlands</i>	18.0	0.2	175.4	1.1	154.4	0.9	379.7	1.9
<i>Portugal</i>	389.9	5.0	1,002.1	6.5	1,230.4	7.3	1,488.8	7.6
<i>United Kingdom</i>	1,133.7	14.5	2,145.0	13.9	2,407.2	14.1	1,929.1	9.8
<i>Other (Article 18)</i>	108.7	1.4	300.4	2.0	159.7	0.9	111.0	0.6
Community total	7,460.3	95.0	14,477.3	94.0	16,139.7	94.8	17,724.2	90.4
<i>ACP-OCT</i>	349.4	4.5	389.5	2.5	252.0	1.4	225.7	1.2
<i>Mediterranean</i>	42.8	0.5	241.5	1.6	320.8	1.9	680.5	3.5
<i>CEEC</i>	-	-	285.0	1.9	320.0	1.9	882.0	4.5
<i>Latin America, Asia</i>	-	-	-	-	-	-	99.0	0.5
Non-Community total	392.2	5.0	916.0	6.0	892.8	5.2	1,887.2	9.6
TOTAL LOANS SIGNED	7,842.5	100.0	15,393.3	100.0	17,032.5	100.0	19,611.4	100.0

2.3 ECSC lending totalled ECU 918.3 million in 1993, a decrease of 38.2% on 1992.

This decrease in the volume of lending is basically explained by the economic recession experienced in the Member States (table 3). The strong contraction of productive investments resulted in a reduction in the number of reconversion loans (Art. 56).

In the field of ECSC activity, the restructuration of the steel and coal industries continued its progress. Consequently, and with the notable exception of Italy as regards steel consumption, the volume of industrial loans in 1993 was particularly low (Art. 54).

Table 3				
ECSC loans in 1993			(1000 ECU)	
	Article 54	Article 56	Housing	Total
Italy	101,146.9	22,117.8	3,344.7	126,609.4
France	-	390,856.5	894.5	391,751.0
Grèce	89,632.2	-	156.9	89,789.1
Portugal	-	-	279.1	279.1
Netherlands	-	-	-	-
Germany	-	217,899.5	7,370.8	225,270.3
United Kingdom	26,486.3	44,900.8	-	71,387.1
Spain	-	377.5	723.9	1,101.4
Belgium	-	11,946.3	30.0	11,976.3
Luxembourg	-	-	119.2	119.2
Ireland	-	-	-	-
Total	217,265.4	688,098.4	12,919.1	918,282.9

2.4 As regards NCI activities, it should be noted that no new operations have been undertaken since 1991 (table 4).

Table 4							
NCI loans at 31 December 1993				(ECU million)			
Financial agreements	NCI I	Reconstr. ITALY	Reconstr. GREECE	NCI II	NCI III	NCI IV	TOTAL
Global loans (*)	-	-	-	406.8	2,138.0	692.5	3,237.3
Productive sector (**)	5.4	-	-	10.6	-	-	15.9
Infrastructure	538.5	598.7	80.0	279.4	465.3	-	1,961.9
Energy	446.7	-	-	300.8	258.3	-	1,005.8
Total contracts signed, net (***)	990.5	598.7	80.0	997.5	2,861.6	692.5	6,220.8
EIB loans (own resources)	-	351.6	-	-	-	-	351.6
Authorized ceilings	1,000.0	1,000.0	80.0	1,000.0	3,000.0	750.0	6,830.0
Balance	9.5	49.7	0	2.5	138.4	57.5	257.6

(*) Industry and agriculture
(**) Contracts signed less cancellations

- 2.5 The facility providing **medium-term financial assistance** for Member States' balances of payments was activated in 1993 in favour of Italy. Following a request from that Member State for financial assistance to support its balance of payments and its programme of economic adjustment and reforms, the Council granted a loan of ECU 8 billion to be disbursed in four tranches (Council Decision 93/67/EEC of 18 January 1993). The first two tranches of ECU 2 billion each were contracted and paid to Italy in March and November 1993 respectively. The other two tranches should be paid during 1994 and 1995 provided that economic conditions are met.

Taking into account earlier loans and repayments made, the total amount of loans outstanding under this facility stood at ECU 5.2 billion at 31 December 1993, the authorized ceiling being ECU 14 billion through capital market financing.

3. LENDING OUTSIDE THE COMMUNITY

This activity involves those countries with which the Community has concluded cooperation agreements. A substantial volume of resources is being provided in forms appropriate to the specific circumstances of the countries in question (table 5).

- 3.1 In the context of the support for the adjustment and reform programs of the **Central and Eastern European countries (CEEC)**, the Community continued to provide the macro-economic assistance it grants in the form of **balance-of-payments and structural adjustment support** loans in the framework of G-24 to complement the IMF programmes.

During 1993, the actual disbursements corresponding to loans previously decided amounted to ECU 270 million (Hungary: 80 million; Rumania: 80 million; Baltic States: 110 million). No new loans have been decided in 1993.

- 3.2 In 1993, the Commission continued with the implementation of the Council Decision of December 1991 relative to the commercial credit facility of ECU 1,250 million in favour of the new independent states of the former USSR (CIS).

Credits of ECU 20 and 50 million have been agreed for Armenia and Georgia respectively. This operation takes the total amount of credits agreed in the framework of the facility to ECU 1,093 million and leaves, at the end of the year, ECU 157 million for further funding.

Table 5				
Financing outside the Community in 1993			(ECU million)	
	EC and EDF budgetary resources (1)	EIB own resources	Financial support for countries	Total
ACP-OCT	78.3	147.4	-	225.7
Mediterranean basin	1.5	679.0	-	680.5
CEEC	-	882.0	270.0 (2)	1,152.0
CIS	-	-	70.0 (3)	70.0
Latin America, Asia	-	99.0	-	99.0
Total	79.8	1,807.4	340.0	2,227.2

(1) Granted and managed by the EIB out of the budgetary resources of the EC or the European Development Fund (EDF)

(2) Balance-of-payments loans granted and managed by the Commission. Disbursement.

(3) Commercial credits.

3.3 **EIB financing outside the Community** made available as part of the Community's cooperation policy with third countries amounted to ECU 1,887 million in 1993 (893 million in 1992), with ECU 1,807 million from own resources, all of which are guaranteed by the Member States or the Community budget, and ECU 80 million from budgetary resources. The marked increase in lending activity in 1993 is due mainly to the increase in the operations in Central and Eastern Europe as well as those in the Mediterranean basin. Also, for the first time, the Bank has been active in Latin America and Asia.

In the **African, Caribbean and Pacific (ACP)** countries and the **Overseas Countries and Territories (OCT)**, the EIB provided assistance amounting to ECU 225.7 million: ECU 147.4 million from own resources and carrying interest subsidies from budgetary funds and ECU 78.3 million of risk capital from budgetary resources under mandate from and on behalf of the Community (see Table 5). Loans for electricity generation, transport and distribution represented more than half of the total funding, followed by the industry and service sector, with emphasis on SME, with a third. Projects for water supply, sewerage infrastructure, transport and telecommunication accounted for the rest.

Lending in the countries of the **Mediterranean basin** totalled ECU 680.5 million compared to 320.8 million in 1992. Financing was provided mostly (460.5 million) under the Financial Protocols, but also as part of the non-protocol horizontal financial cooperation for the projects of regional cooperation and protection of the environment (220 million). Over one third of funding related to loans provided by the Bank in conjunction with Community enterprises. A large proportion of lending in these countries was directed to the efficient use of water resources for irrigation and domestic use and to ensure a more satisfactory wastewater collection and treatment.

In the **Central and Eastern European** countries (CEEC), lending amounted to ECU 882 million in 1993 (320 million in 1992). Investments totalling ECU 830 million have been financed in Poland, Hungary, Czech and Slovak republics, Romania and Bulgaria, countries with which the cooperation agreements were concluded in 1990 and 1991. During the year, the EIB was active for the first time in Estonia and Slovenia. The loans advanced benefited basic infrastructure and contributed to the improvement of transport, telecommunication and power supply.

In February 1993, the Board of Governors of the EIB, responding to a request from the Council of Ministers gave authorization for financial assistance to be provided in those **Latin American and Asian** countries that have concluded cooperation agreements with the Community. Operations in these countries during 1993 came to ECU 99 million.

- 3.4 On 5 March 1990 the Community decided to make **ECSC loans** available for financing industrial investment projects in Poland and Hungary up to a ceiling of ECU 200 million. Since 1991 that decision has also applied to the Czech and Slovak Federal republics, Bulgaria and Romania.

These loans which are structural in nature, have not materialized mainly since the necessary economic conditions have yet to be met.

- 3.5 On 9 December 1992, the Commission adopted a proposal for a Council Decision to allow a substantial proportion of **Euratom's** available borrowing capacity to be used to help finance improvements in the efficiency and safety of the nuclear power stations in the CEEC and the CIS countries.

Following the European Parliament's opinion, the Council adopted the proposed decision in March 1994. A total of ECU 1.1 billion of Euratom loans could be granted under this facility.

- 3.6 The Community and the EIB are both shareholders and close partners of the **EBRD**. They work in close cooperation and match their resources: the Commission provides technical assistance backing for projects undertaken by the EBRD, while the EIB and the EBRD cofinance a number of projects in Central and Eastern Europe.

In 1993, the EBRD's Board approved 91 new projects in the CEEC and the former Soviet Union. Signed commitments amounted to ECU 1.8 billion, including equity investments worth ECU 211 million. Disbursements based on the lending and equity commitments totalled ECU 435 million.

4. BUDGETARY IMPACT OF LENDING

The Community's general budget is affected by lending activity where loans are accompanied by interest subsidies and/or budget guarantees.

4.1 Interest subsidies

Interest subsidies are granted in the Community in the following fields: (i) the industrial conversion of coal and steel areas (Article 56 of the ECSC Treaty); (ii) in the context of the reconstruction of the disaster-hit areas of Italy and Greece, where they are paid out by the EIB as borrowings are repaid (see table 7 in Annex).

Since 1992 industrial loans at reduced rates for investment projects designed to promote consumption of Community coal (Article 54, second paragraph) have practically ceased. With regard to the granting of subsidies for conversion loans in coal and steel areas (Article 56), in 1993 interest subsidies amounted to ECU 114.3m against ECU 106m the previous year (see table 7 in Annex).

The Copenhagen and Brussels European Councils of June and October 1993 increased by ECU 3 billion the temporary facility agreed in Edinburgh. Of these, ECU 1 billion would be for strengthening the competitiveness of European small and medium-sized enterprises and would carry interest rate subsidies.

Interest subsidies are also provided in the context of EIB loans outside the Community (see table 8 in Annex).

4.2 Budget guarantees

4.2.1 Coverage

All the outstanding borrowing contracted by the Community to finance loans managed by the Commission (Euratom, NIC, balance of payments) is guaranteed by the general budget.

With the exception of loans granted under Art. 18 (1) of the EIB's Statute, the Bank's loans from own resources granted to non-Community countries in pursuit of the Community's policy of providing financial assistance for development are covered by a guarantee agreement. The guarantees are provided by Member States for loans in ACP countries and by the Community for those in Mediterranean, Central and Eastern European (CEEC) and other third countries.

Details of the Community budget guarantees provided in this connection are as follows:

- (i) EIB loans to Mediterranean countries: overall, 75% of the amount of loans contracted are covered by a Community guarantee.

At the end of 1993, outstanding loans totalled ECU 2,168 million of which ECU 572 million in Spain, Greece and Portugal (pre-accession) and ECU 1,596 million in non-member Mediterranean countries.

- (ii) EIB loans to the CEEC: loans contracted are fully covered by the Community guarantee. At 31 December 1993, the EIB had made available ECU 1,650 million in loans to these countries out of a total package of ECU 1.7 billion. At the end of 1993, the Community extended its guarantee to cover all EIB lending to the CEEC, including the Baltic States and Albania, and proposed a ceiling of ECU 3,000 million valid for a three year period.
- (iii) EIB loans to other third countries: loans granted to countries with which the Community has concluded cooperation agreements are also fully covered by the Community guarantee. Loans in favour of these countries were decided in February 1993 for an amount of ECU 250 million a year for a three-year period. At the end of 1993, the loans signed amounted to ECU 99 million, but reached the ceiling of ECU 250 million by February 1994.

The Community decided in 1991 to provide a guarantee covering 98% of a bank loan to the former USSR up to a ceiling of ECU 500 million (ECU 406 million in capital) for import of agricultural and food products. In February 1992, this credit was allocated exclusively to Russia. The amount of outstanding loans at the end of 1993 totalled ECU 266 million.

4.2.2 Outstanding guarantees at 31 December 1993

At the end of 1993, the outstanding guarantees provided by the Community budget totalled more than ECU 14 billion, more than 37 % of which were for countries outside the Community (table 6). Compared with 1992, total outstanding guarantees have increased by ECU 3 billion. The proportion of commitments to non-Community countries has also continued to increase passing from 23,3% in 1991 to 37,5% at present.

The annual risk covered by the general budget, which concerns the repayment of the debt (principal and interest), stands at ECU 2,766 million in 1993.

At 31 December 1993, the amounts paid by the Community and not as yet reimbursed by the defaulting debtor countries stand at ECU 30,6 million. The countries concerned are some republics of ex-Yugoslavia and Tajikistan.

Table 6

Capital outstanding on guaranteed operations (at 31 Dec 1993)

(ECU million)		
Operation	Amount ceiling	Amount outstanding at 31 Dec 1993
Member States	26,330	8,982
A. Balance of payments	14,000	-
1. Greece I	-	200
2. Greece II	-	1,000
3. Italy	-	3,990
B. Other	-	-
4. Euratom	4,000	1,018
5. NCI (including earthquake reconstr.)	6,830	2,202
6. EIB Mediterranean (E,GR,P)	1,500	572
Non-Community countries	16,427	5,395
A. Financial assistance		
1. Hungary	1,050	790
2. Czech and Slovak Federal Republics	375	375
3. Bulgaria	400	290
4. Romania	455	455
5. Algeria	400	250
6. Israel	160	160
7. Baltic States	220	110
8. CIS	1,250	803
B. Other		
9. EIB Mediterranean (old protocols)	6,167	1,596
10. EIB CEEC I	1,700	300
11. EIB CEEC II	3,000	-
12. EIB Latin America, Asia	750	-
13. CIS guarantee	500	266
TOTAL	42,757	14,377

STATISTICAL ANNEX

Table 1											
Trend of borrowing and lending in the Community						(ECU million) (ECU rate at year-end)					
	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
I. Borrowing											
ECSC	750	822	1,265	1,517	1,487	880	913	1,086	1,446	1,474	908
Balance of payments (1)	4,247	-	-	862	860	-	-	350	1,695	1,209	4,969
Euratom	369	214	344	488	853	93	-	-	-	-	-
NCI	1,617	967	860	541	611	945	522	76	49	-	-
Total Commission	6,938	2,003	2,469	3,408	3,811	1,918	1,435	1,512	3,190	2,683	5,877
EIB (2)	3,508	4,339	5,699	6,786	5,593	7,666	9,034	10,996	13,672	12,974	14,224
Total EC	10,941	6,342	8,168	10,194	9,404	9,584	10,469	12,508	16,862	15,657	20,101
II. Lending											
ECSC	778	825	1,010	1,069	969	908	700	993	1,382	1,486	918
Balance of payments (1)	4,247	-	-	862	860	-	-	350	1,695	1,209	4,969
Euratom	366	186	211	443	314	-	-	-	-	-	-
NCI	1,200	1,182	884	393	425	357	78	24	39	9	30
Total Commission	6,591	2,193	2,105	2,767	2,568	1,265	778	1,367	3,116	2,454	5,917
EIB (3)	4,146	5,007	5,641	6,678	6,967	8,844	11,507	12,605	14,438	16,140	17,724
Total EC	10,737	7,200	7,746	9,445	9,535	10,109	12,285	13,972	17,554	18,594	23,641
<p>Note: The differences between total borrowing and lending by the Commission are due to borrowing operations undertaken for refinancing purposes and to changes in the balance of loans not assigned by the end of the year.</p> <p>The differences between borrowing and lending by the EIB are due to the fact that EIB lending operations are financed both from borrowings and from the Bank's own resources.</p> <p>(1) Mechanism for providing financial support for Member States and assistance for non-member countries.</p> <p>(2) Total resources raised.</p> <p>(3) Loans signed out of own resources, no account being taken of the guarantees provided by the EIB to promoters (ECU 52.5 million in 1990) or of operations financed out of NCI resources.</p>											

Table 2

Community borrowings outstanding (at year-end) (1) (2)						(ECU million)	
	ECSC	EIB	Euratom	NCI	Sub-total	Balance-of-pay. borrowings	Total borrowing
1982	6,178	16,570	1,272	1,747	25,767	591	26,358
1983	6,539	20,749	1,680	3,269	32,237	4,610	36,847
1984	7,119	25,007	1,892	4,432	38,450	4,932	43,382
1985	7,034	26,736	2,013	4,960	40,743	3,236	43,979
1986	6,761	30,271	2,168	5,202	44,402	1,890	46,292
1987	6,689	31,957	2,500	5,229	46,375	2,997	49,372
1988	6,825	36,928	2,164	5,514	51,431	2,459	53,890
1989 (3)	6,738	42,330	1,945	5,122	56,135	2,075	58,210
1990	6,673	48,459	1,687	4,542	61,361	(4) 2,045	63,406
1991	7,139	58,893	1,563	3,817	71,412	3,516	74,928
1992	7,327	67,784	1,338	3,326	79,775	4,026	83,801
1993	7,331	78,661	1,018	2,202	89,212	5,204	94,416

(1) The conversion rates used were those obtained on 31 December of each year. As the majority of borrowings are denominated in national currencies, the difference between two year-ends reflects, on the one hand, changes in the valuation of the existing stock and, on the other, the net volume of borrowings during the year.

(2) Original amount of borrowings, plus or minus repayments of the principal, cancellations, annulments and exchange-rate adjustments.

(3) As from 1989 including short term (new EIB approach).

(4) As from 1990 also includes balance of payments and financial assistance for non-member countries.

Table 3							
Community borrowings in 1993, by currency						(ECU million)	
	EIB	Euratom	ECSC	Balance of NCI Payments(1)	Total Borrowing	1993 per cent	1992 per cent
ECU	960	-	-	4,969	5,929	29.5	20.1
BFR	-	-	12	-	12	0.1	1.6
DM	1,948	-	286	-	2,234	11.1	14.9
ESC	243	-	-	-	243	1.2	0.9
FF	1,811	-	389	-	2,200	10.9	9.6
HFL	227	-	-	-	227	1.1	1.9
IRL	125	-	-	-	125	0.6	-
LFR	100	-	-	-	100	0.5	0.3
LIT	2,039	-	59	-	2,098	10.4	10.7
PTA	1,241	-	1	-	1,242	6.2	4.2
UKL	2,639	-	71	-	2,710	13.5	10.3
Sub-total	11,333	-	818	4,969	17,120	85.2	74.6
SFR	453	-	-	-	453	2.3	6.0
USD	1,502	-	90	-	1,592	7.9	10.2
YEN	657	-	-	-	657	3.3	9.2
CAD	278	-	-	-	278	-	-
Sub-total	2,890	-	90	-	2,980	14.8	25.4
TOTAL	14,224	-	908	4,969	20,101	100.0	100.0

(1) Balance of payments and financial assistance for non-member countries.

Table 4

Lending in the Community in 1992 and 1993, by sector and instrument

(ECU million)

	ECSC		EIB (1)		Euratom		NCI (1)		Total		% of total	
	1993	1992	1993	1992	1993	1992	1993	1992	1993	1992	1993	1992
Productive sector	789.3	693.5	4,223.5	4,582.0	-	-	-	16.8	5,012.8	5,292.3	28.3	28.7
<i>of which: allocations from global loans</i>	389.2	461.4	1,731.7	2,429.7	-	-	-	16.8	2,120.9	2,907.9	12.0	15.8
Infrastructure	129.0	763.1	9,979.7	9,499.4	-	-	-	-	10,108.7	10,262.5	57.1	55.6
<i>of which: allocations from global loans</i>	-	-	822.0	1,511.2	-	-	-	-	822.0	1,511.2	4.6	8.2
Energy	-	29.6	2,576.2	2,871.7	-	-	-	-	2,576.2	2,901.3	14.6	15.7
<i>of which: allocations from global loans</i>	-	-	99.7	130.9	-	-	-	-	99.7	130.9	0.6	0.7
TOTAL	918.3	1,486.2	16,779.4	16,953.1	-	-	-	16.8	17,697.7	18,456.1	100.0	100.0

(1) Financing granted (individual loans and allocations from global loans)

Table 5

Financing in the Community by the EIB in 1993, by economic objective

	1992		1993	
	ECU million	%	ECU million	%
1. Regional development	11,792.8	100.0	12,462.2	100.0
1.1 By country				
<i>Belgium</i>	64.6	0.5	76.2	0.6
<i>Denmark</i>	370.4	3.1	667.7	5.4
<i>Germany</i>	1,135.1	9.6	1,508.5	12.1
<i>Greece</i>	392.0	3.3	492.4	4.0
<i>Spain</i>	2,970.2	25.2	3,831.9	30.7
<i>France</i>	1,371.0	11.6	1,135.7	9.1
<i>Ireland</i>	291.0	2.5	407.2	3.3
<i>Italy</i>	2,386.5	20.2	2,084.7	16.7
<i>Luxembourg</i>	11.9	0.1	-	-
<i>Netherlands</i>	25.3	0.2	15.3	0.1
<i>Portugal</i>	1,303.6	11.1	1,317.9	10.6
<i>United Kingdom</i>	1,471.5	12.5	924.7	7.4
1.2 By major sector				
<i>Energy</i>	1,475.0	12.5	1,582.0	12.7
<i>Transport</i>	3,444.2	29.2	4,002.7	32.1
<i>Telecommunications</i>	1,552.7	13.2	1,660.0	13.3
<i>Water, sewerage</i>	1,181.2	10.0	1,366.1	11.0
<i>Other infrastructure</i>	708.4	6.0	539.8	4.3
<i>Industry, agriculture</i>	2,989.9	25.4	3,004.2	24.1
<i>Services</i>	441.4	3.7	307.4	2.5
2. Infrastructure of Community interest	4,533.1	100.0	5,807.0	100.0
2.1 Transport	2,543.1	56.1	3,712.8	63.9
2.2 Telecommunications	1,990.0	43.9	2,094.2	36.1
2.3 Other	-	-	-	-
3. Environmental protection and improvement	4,548.2	100.0	4,385.0	100.0
3.1 Environment	3,580.0	78.7	3,483.0	79.4
3.2 Town planning	968.2	21.3	902.0	20.6
4. Energy	3,132.4	100.0	2,766.8	100.0
4.1 Indigenous resources	946.6	30.2	560.8	20.3
4.2 Import diversification	632.4	20.2	632.6	22.9
4.3 Efficient use of energy	1,553.4	49.6	1,573.4	56.9
5. Industrial competitiveness	2,622.8		2,705.9	
of which: small and medium-sized enterprises (1)	2,132.8	Number 7,223	1,541.5	Number 5,257
(1) Including allocations on NCI global loans. N.B. As some loans serve a number of purposes simultaneously, the amounts shown under the different headings cannot be aggregated.				

Table 6

Geographical breakdown of lending (1) in the Community in 1992 and 1993

(ECU million)

1992														
	B	DK	D	GR	E	F	IRL	I	L	NL	P	UK	Art.18(2)	Total
Amount	474.2	990.8	2,029.9	1,377.5	3,199.4	2,035.0	303.5	3,980.3	42.9	156.2	1,230.9	2,645.6	159.7	18,625.9
%	2.5	5.3	10.9	7.4	17.2	10.9	1.6	21.4	0.2	0.8	6.6	14.2	0.9	100.0
of which:														
ECSC	77.6	300.0	366.0		178.8	139.9		183.4	0.1	1.8	0.5	238.4		1,486.5
EIB	396.6	690.8	1,663.9	377.5	3,020.6	1,895.1	303.5	3,796.9	42.8	154.4	1,230.4	2,407.2	159.7	16,139.7
Euratom														
NCI														
Balance of payments				1,000.0										1,000.0
1993														
	B	DK	D	GR	E	F	IRL	I	L	NL	P	UK	Art.18(2)	Total
Amount	383.5	875.5	2,321.9	600.9	4,006.2	2,597.3	388.2	7,477.6	0.1	379.7	1,489.1	2,000.5	111.0	22,631.5
%	1.7	3.9	10.3	2.7	17.7	11.5	1.7	33.0	0.0	1.7	6.6	8.8	0.5	100.0
of which:														
ECSC	11.9		225.3	89.8	1.1	391.8		126.6	0.1		0.3	71.4		918.3
EIB	371.6	875.5	2,096.6	511.1	4,005.1	2,205.5	388.2	3,362.0		379.7	1,488.8	1,929.1	111.0	17,724.2
Euratom														
NCI														
Balance of payments								3,989.0						3,989.0

(1) Loans granted

(2) Community projects that cannot be located in a particular Member State (e.g. telecommunication cables and satellites, North Sea oil).

Table 7

Interest subsidies paid out in the Community by the various
Community mechanisms, 1977-1993

(ECU million)

Year	Non-discounted systems (1)				Discounted systems (2)	
	ECSC Art.54 (restruct.)	ECSC Art.56 (convers.)	Employment in Portugal	Earthquake reconstr.	EMS	ERDF
1977	1.3	2.7	-	-	-	-
1978	9.8	16.5	-	-	-	-
1979	10.4	8.0	-	-	200.0	12.1
1980	25.7	33.4	-	-	197.0	-
1981	7.6	6.3	-	-	193.2	-
1982	10.5	19.3	-	3.0	209.8	-
1983	4.0	7.1	-	14.4	200.0	-
1984	6.2	34.0	-	24.4	-	-
1985	3.6	74.9	-	28.4	-	-
1986	5.9	33.1	-	28.6	-	-
1987	2.4	35.6	4.0	28.6	-	-
1988	3.0	38.6	3.9	27.8	-	-
1989	2.6	42.5	-	26.6	-	-
1990	1.3	40.6	-	23.1	-	-
1991	1.0	48.6	-	20.1	-	-
1992	0.0	106.0	-	17.2	-	-
1993	-	114.3	-	-	-	-

(1) Interest subsidies spread over time and charged to the funds set aside for this purpose in the annual budgets.

(2) Interest subsidies paid by the Commission after discounting to a present value, and charged to the budget as a single sum in the initial year.

Table 8

Loans and financial assistance outside the Community in force or under negotiation at 31 March 1994

(ECU million)

	Agreement	Duration	Loans from EIB own resources (1)	Operat. from budgetary res.		Macro-financial assistance (3)		Total
				Risk capital operations(2)	Non-repayable aid (3)	Granted	Disbursed	
ACP States-OCT								
ACP	Fourth Lomé Convention	1990-1995	1,200	825	9,975 (4)			12,165
OCT	Council Decision	1990-1995	25	25	115 (4)			165
Mediterr.countries(5)								5,918
Turkey	Fourth Financial Protocol Not yet in force		225		50			600 (6)
Algeria	Fourth Financial Protocol	1992-1996	280	18	52	400	250	750
Morocco	"	"	220	25	193			438
Tunisia	"	"	168	15	101			284
Egypt	"	"	310	16	242			568
Jordan	"	"	80	2	44			126
Lebanon	Special reconstruction aid		50					50
"	Second financial protocol		34					34
"	Third financial protocol		53	1	19			73
"	Fourth financial protocol	1992-1996	45	2	22			69
Syria	Third financial protocol	1987-1991	110	2	34			146
"	Fourth financial protocol	1992-1996	115	2	41			158
Israel	Fourth Financial Protocol	1992-1996	82			160	160	242
Occupied Territories (7)	Council Decision	1994-1998	250		250			250
"	Not yet in force							
Malta	Third Financial Protocol	1988-1993	23	2.5	12.5			38
Cyprus	Third Financial Protocol	1988-1993	44	5	13			62
"Non-protocol" horizontal financial cooperation	Council Decision	1992-1996	1,800	25	205 (8)			2,030
CEEC								5,740
Poland, Czech and Slovak rep., Bulgaria	Council Decision	1993-1996	3,000					3,000
Baltic States						375	375	375
Hungary						400	290	400
Romania						220	110	220
Albania						1,050	790	1,050
Slovenia	Financial protocol	1993-1997	150		20 (9)	455	455	455
						70 (10)	70	70
Former USSR	Council Decision	1991				1,250 (11)	1,093	1,250.0
Latin American and Asian countries								750
	Council Decision	1993-1996	750					750

- (1) Loans attracting interest subsidies from the European Development Fund in the case of projects in the ACP States and the OCT and from the general budget of the European Communities in the case of projects in certain Mediterranean countries. The necessary amounts for the interest subsidies are charged to non-repayable aid.
- (2) Granted and managed by the EIB.
- (3) Granted and managed by the Commission.
- (4) Including amounts intended for interest subsidies on EIB loans.
- (5) The amounts available under the previous financial protocols may be used at the same time, whether that involves all of the sums earmarked (Lebanon, Syria) or residual amounts.
- (6) Including ECU 325 million of loans from budgetary resources on special conditions.
- (7) West Bank and Gaza strip; loans from own resources are covered by the Non-protocol horizontal financial cooperation.
- (8) Including some ECU 100 million of interest subsidies for EIB loans in the environmental sector.
- (9) Only for interest subsidies for EIB loans for projects of common interest.
- (10) Non-repayable assistance (straight grant).
- (11) Commercial credits.

B. THE COMMISSION'S REPORT TO THE COUNCIL AND TO PARLIAMENT

on the rate of utilization of the
New Community Instrument (NCI)
(half-year from 1 July 1993 to 31 December 1993)

1. Introduction

Council Decisions 83/200/EEC (Article 6) and 87/182/EEC (Article 8) on the financing of the NCI require the Commission to draw up a six-monthly report on the rate of utilization of the tranches of NCI III and IV.

The present report covers the period from 1 July 1993 to 31 December 1993.

2. Overall situation at 31 December 1993

The different legal bases determine the method of assessing the amount of loans signed in relation to the maximum authorized borrowing:

- (i) for NCI III, the volume of loans is lower than that of borrowings in order to take account of the currencies borrowed and the associated costs and expenses;
- (ii) for NCI IV, the ceiling applies to the loans signed.

At the end of 1993, the situation regarding the use of the tranches for which a six-monthly report has to be drawn up was as follows:

Use of NCI: situation at 31/12/1993			(ECU million)
	Ceiling	Amounts used	Balance
NCI III	3,000	2,862	138 (*)
NCI IV	750	693	57

(*) The special borrowing of ECU 100 million for European innovation projects has not yet been authorized by the Council.

The borrowing operations carried out in the six months under review for financing NCI activities are shown in Annex 2(B). No new issue was floated during the period under review.

3. Breakdown of loans by country and sector

The table below provides an overall view of loans signed, converted into "borrowing equivalents" at 31 December 1993. The loans in the various currencies have been converted into ecus at the exchange rate in force on the last working day of the quarter preceding the signing of the contract.

NIC IV is of interest because of its special features, such as the options of converting loans into risk capital, using loans to finance the purchase of intangible assets and deferring interest payments.

No loan transaction have been carried out since 1991.

Distribution of loans signed by country at 31.12.1993					(ECU million)		
Country	NCI I	NCI II	NCI III	NCI IV	NCI Reconstr.	Total	%
Belgium	-	-	-	23.6	-	23.6	0.4
Denmark	66.8	100.6	303.0	63.2	-	533.5	8.6
Greece	-	114.9	111.2	-	80.0	306.1	4.9
Spain	-	-	69.2	132.0	-	201.2	3.2
France	70.0	125.0	938.7	72.3	-	1,206.0	19.4
Ireland	239.0	116.6	68.4	-	-	424.0	6.8
Italy	479.9	473.4	1,228.5	285.7	598.7	3,066.3	49.3
Netherlands	-	-	3.2	-	-	3.2	0.1
Portugal	-	-	29.9	9.9	-	39.8	0.6
UK	134.9	67.1	109.3	105.7	-	417.0	6.7
Total	990.5	997.5	2,861.6	692.5	678.7	6,220.8	100.0
SECTOR	Productive sector		Infrastructure		Energy		
NCI III	52.8 %		26.5 %		20.7 %		100.0%
NCI IV	100.0 %						100.0%

STATISTICAL ANNEX

Annex 1

NCI IV LOANS										
CEILING: ECU 750 MILLION (1) - (Situation at 31.12.1993)										
Ref.	Project description	Date of contract	ECU million (2)	Breakdown by country (2)						
				B	DK	E	F	I	P	UK
I. LOANS SIGNED										
64/87	FIH (Small Business) PG-V/A	15.09.87	31,80		31,80					
64/87	FIH (Small Business) PG-V/B	24.05.88	31,43		31,43					
68/87	BNL - PMI V/A	12.10.87	18,68					18,68		
68/87	BNL - PMI V/B	12.10.87	8,01					8,01		
69/87	IMI - PMI V/A	31.07.87	37,29					37,29		
69/87	IMI - PMI V/B	31.07.87	15,98					15,98		
70/87	MEDIOCR. CENTR. - PMI I/V/A	15.09.87	6,19					6,19		
70/87	MEDIOCR. CENTR. - PMI I/V/B	10.12.87	5,88					5,88		
70/87	MEDIOCR. CENTR. - PMI I/V/C	03.02.88	4,81					4,81		
70/87	MEDIOCR. CENTR. - PMI I/V/D	16.03.88	3,27					3,27		
70/87	MEDIOCR. CENTR. - PMI I/V/E	23.06.88	18,98					18,98		
71/87	INTERBANCA - PMI I/V/A	07.10.87	9,34					9,34		
71/87	INTERBANCA - PMI I/V/B	07.10.87	4,00					4,00		
73/87	BPI - PG V	22.07.87	9,91						9,91	
105/87	CENTROBANCA - PMI I/V/A	11.12.87	9,34					9,34		
105/87	CENTROBANCA - PMI I/V/B	11.12.87	4,00					4,00		
106/87	SAN PAOLO Agroindustria II	05.11.87	13,34					13,34		
107/87	CREDIOP - PMI I/A	18.12.87	4,67					4,67		
107/87	CREDIOP - PMI I/B	18.12.87	2,00					2,00		
108/87	BANCO DI NAPOLI - PMI A	18.12.87	4,60					4,60		
108/87	BANCO DI NAPOLI - PMI B	18.12.87	1,97					1,97		
110/87	B° DE SANTANDER - PYME	24.07.87	20,19			20,19				
121/87	B° DE BILBAO - PYME	23.07.87	31,64			31,64				
148/87	EFIBANCA - PMI I/V/A	17.12.87	4,67					4,67		
148/87	EFIBANCA - PMI I/V/B	17.12.87	2,00					2,00		
148/87	EFIBANCA - PMI I/V/C	24.06.88	4,55					4,55		
148/87	EFIBANCA - PMI I/V/D	24.06.88	1,95					1,95		
206/87	B° DE VIZCAYA - PYME A	17.12.87	9,37			9,37				
206/87	B° DE VIZCAYA - PYME B	30.11.88	8,60			8,60				
207/87	B° ESPANOL DE CREDITO - PYME A	18.12.87	12,04			12,04				
207/87	B° ESPANOL DE CREDITO - PYME B	18.11.88	10,94			10,94				
231/87	CREDIT NATIONAL - PMI III	05.02.88	20,00				20,00			
64/88	INVESTORS IN INDUSTRY - GROUPED LOAN V	28.12.88	30,54							30,54
101/88	EFIBANCA - PMI V/A	05.10.88	4,53					4,53		
101/88	EFIBANCA - PMI V/B	05.10.88	1,94					1,94		
101/88	EFIBANCA - PMI V/C	16.01.89	4,57					4,57		
101/88	EFIBANCA - PMI V/D	16.01.89	1,96					1,96		
103/88	MEDIOCR. LOMBARDO - PMI A	10.10.88	6,79					6,79		
103/88	MEDIOCR. LOMBARDO - PMI B	10.10.88	2,91					2,91		
103/88	MEDIOCR. LOMBARDO - PMI C	06.02.89	9,14					9,14		
103/88	MEDIOCR. LOMBARDO - PMI D	06.02.89	3,92					3,92		
109/88	BARCLAYS BANK II GL	21.12.88	45,81							45,81
128/88	CENTROBANCA - PMI V/A	19.12.88	13,23					13,23		
128/88	CENTROBANCA - PMI V/B	19.12.88	5,67					5,67		
135/88	CREDIOP - PMI II/A	09.12.88	4,53					4,53		
135/88	CREDIOP - PMI II/B	09.12.88	1,94					1,94		
185/88	BANCO DI SICILIA - PMI II/A	25.05.89	4,58					4,58		
185/88	BANCO DI SICILIA - PMI II/B	25.05.89	1,96					1,96		
199/88	CREDIT INDUSTRIEL ET COMM.	29.11.88	52,32				52,32			
237/88	IMI - PMI VI/A	19.12.88	9,06					9,06		
237/88	IMI - PMI VI/B	19.12.88	3,88					3,88		
237/88	IMI - PMI VI/C	06.02.89	13,72					13,72		
237/88	IMI - PMI VI/D	06.02.89	5,88					5,88		
175/89	BARCLAYS BANK III/A	30.11.89	29,38							29,38
119/90	KREDIET BANK N.V. -GL	20.12.90	18,04	18,04						
119/90	KREDIET BANK N.V. -GL	20.12.90	5,54	5,54						
48/91	B° ESPANOL DE CREDITO PG PY	28.05.91	39,19			39,19				
TOTAL I			692,45	23,58	63,22	131,97	72,32	285,73	9,91	105,72
II. LOANS APPROVED, Awaiting signature			30,10							
BALANCE			27,45							
CEILING			750,00							
(1) JO L. 271 of 14.03.1987 (loans ceiling).										
(2) Conversion rates are those obtained on the last working day of the quarter preceding the signing of each loan.										

NCI BORROWING, BY CURRENCY

A-Debt outstanding at 31.12.1993 (1)		
Currency	(million)	Equivalent in MECU (2)
ECU	452.5	452.5
BFR	1,125.0	27.9
DM	539.6	278.7
FF	2,100.0	319.3
HFL	738.9	341.2
LFR	2,600.0	64.5
LIT	100,000.0	52.4
PTA	10,000.0	639.0
UKL	63.2	83.6
CAD	-	-
SFR	292.0	176.7
USD	376.4	337.3
YEN	660.4	5.3
Total		2,778.4

B.-New operations: 1.7.1993 - 31.12.1993					
				Equivalent in MECU (3)	
Date of issue	Duration (years)	Coupon (%)	Currency (million)	Fresh capital (1)	Re-financings
-	-	-	-	-	-

(1) Excluding refinancing operations, designed to reduced the cost of servicing existing debt initially contracted at higher interest rates.

(2) Exchange rates as at 31.12.1993

(3) Exchange rates at signature.

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