

COMMISSION OF THE EUROPEAN COMMUNITIES

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REPORT FROM THE COMMISSION TO THE COUNCIL AND THE EUROPEAN PARLIAMENT
**ON THE RATE OF UTILIZATION OF THE
NEW COMMUNITY INSTRUMENT (NCI)**

(half-year from 1.1.1994 to 30.6.1994)

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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 1.1.1994 to 30.6.1994.

2. Overall situation at 30.6.1994

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 the first half of 1994 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 30/06/1994			(ECU million)
	Ceiling	Amounts used	Balance
NCI III	3,000	2,862	138 (*)
NCI IV	750	683	67

(*) 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).

3. Breakdown of loans by country and sector

The table below provides an overall view of loans signed, converted into "borrowing equivalents", at 30.6.1994. 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.

Distribution of loans signed by country at 30.06.1994					(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	49.4
Netherlands	-	-	3.2	-	-	3.2	0.1
Portugal	-	-	29.9	9.9	-	39.8	0.6
UK	134.9	67.1	109.3	95.8	-	407.1	6.6
Total	990.5	997.5	2,861.6	682.6	678.7	6,210.9	100.0
SECTOR	Productive sector		Infrastructure		Energy		
NCI III	52.8 %		26.5 %		20.7 %		100.0%
NCI IV	100.0 %						100.0%

NCI 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.

However, as resource depletion now allows only limited operations, which are difficult to finance on the international market under the strained conditions already described, no loan transaction has been carried out during this half year period

NCIIV LOANS										
CEILING: ECU 750 MILLION (1) - (Situation at 30.06.1994)										
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	ENL - PMI VA	12.10.87	18,68					18,68		
68/87	ENL - PMI VB	12.10.87	8,01					8,01		
69/87	IMI - PMI VA	31.07.87	37,29					37,29		
69/87	IMI - PMI VB	31.07.87	15,98					15,98		
70/87	MEDIOCR. CENTR. - PMI IVA	15.09.87	6,19					6,19		
70/87	MEDIOCR. CENTR. - PMI IVB	10.12.87	5,88					5,88		
70/87	MEDIOCR. CENTR. - PMI IVC	03.02.88	4,81					4,81		
70/87	MEDIOCR. CENTR. - PMI IVD	16.03.88	3,27					3,27		
70/87	MEDIOCR. CENTR. - PMI IVE	23.06.88	18,98					18,98		
71/87	INTERBANCA - PMI IVA	07.10.87	9,34					9,34		
71/87	INTERBANCA - PMI IVB	07.10.87	4,00					4,00		
73/87	EPI - PG V	22.07.87	9,91						9,91	
105/87	CENTROBANCA - PMI IVA	11.12.87	9,34					9,34		
105/87	CENTROBANCA - PMI IVB	11.12.87	4,00					4,00		
106/87	SAN PAOLO Agromontarie 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 IVA	17.12.87	4,67					4,67		
148/87	EFIBANCA - PMI IVB	17.12.87	2,00					2,00		
148/87	EFIBANCA - PMI IVC	24.06.88	4,55					4,55		
148/87	EFIBANCA - PMI IVD	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	20,90							20,90
101/88	EFIBANCA - PMI VA	05.10.88	4,53					4,53		
101/88	EFIBANCA - PMI VB	05.10.88	1,94					1,94		
101/88	EFIBANCA - PMI VC	16.01.89	4,57					4,57		
101/88	EFIBANCA - PMI VD	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	45,55							45,55
128/88	CENTROBANCA - PMI VA	19.12.88	13,23					13,23		
128/88	CENTROBANCA - PMI VB	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	KREDIETBANK N.V. -GL	20.12.90	18,04	18,04						
119/90	KREDIETBANK 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			682,56	23,58	63,22	131,97	72,32	285,73	9,91	95,83
II. LOANS APPROVED, AWAITING SIGNATURE			30,10							
BALANCE			37,34							
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 30.06.1994 (1)		
Currency	(million)	Equivalent in MECU (2)
ECU	377.50	377.50
BFR	0.00	0.00
DM	486.10	253.00
FF	2,100.00	318.70
HFL	673.40	312.50
LFR	2,600.00	65.64
LIT	100,000.00	52.40
PTA	10,000.00	63.03
UKL	13.10	16.80
CAD	0.00	0.00
SFR	292.00	181.20
USD	281.50	233.70
YEN	660.40	5.50
Total		1,879.97

B.-New operations: 1.01.1994 - 30.06.1994					
				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 30.06.1994

(3) Exchange rates at signature.

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