

A5450



European  
Investment Bank  
1958 - 1963





# European Investment Bank

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# Foreword

The European Investment Bank was set up in 1958 by the Treaty of Rome establishing the European Economic Community and began operations in 1959. The European Bank can now look back on five years of activity.

The six founder States — Germany, Belgium, France, Italy, Luxembourg and the Netherlands — wished to have at their disposal a financial instrument capable of promoting the balanced development of the Community. The aims assigned to the new institution were to speed up improvements in the less developed areas of the Community, to assist with the modernization and conversion of enterprises, to bring new activities into being and to help in the realization of projects of common European interest.

The association of non-member countries with the Community has led to the gradual extension of the Bank's field of operations, first to Greece (1962) and then to seventeen African countries, Madagascar, the Associated Overseas Countries and Territories, and Turkey (1963).

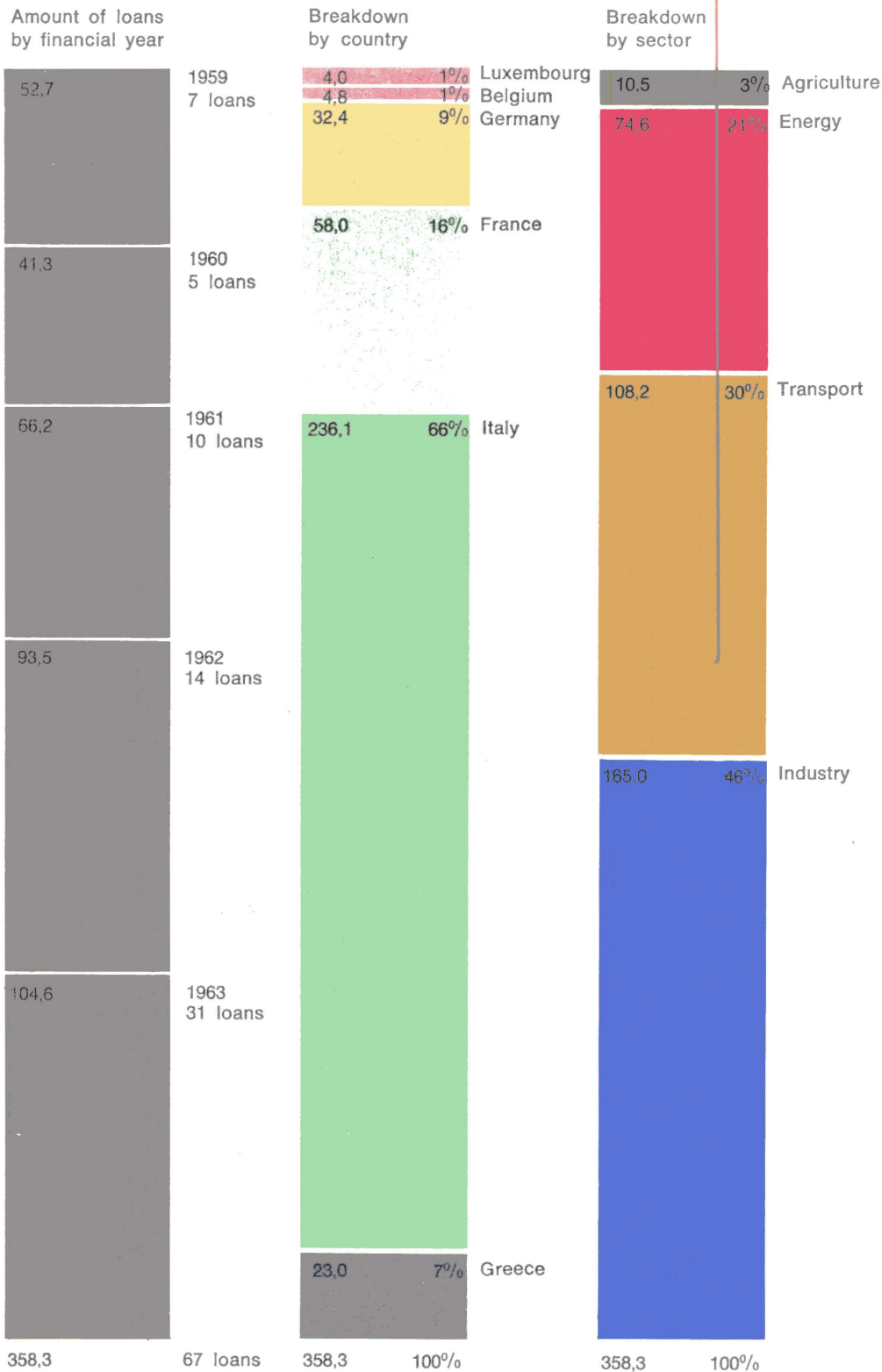
This brochure gives an account of the Bank's achievements. Its activities in the various countries are described, with particular emphasis on the more typical schemes.

Brussels, April 1964.

# Activities of the Bank

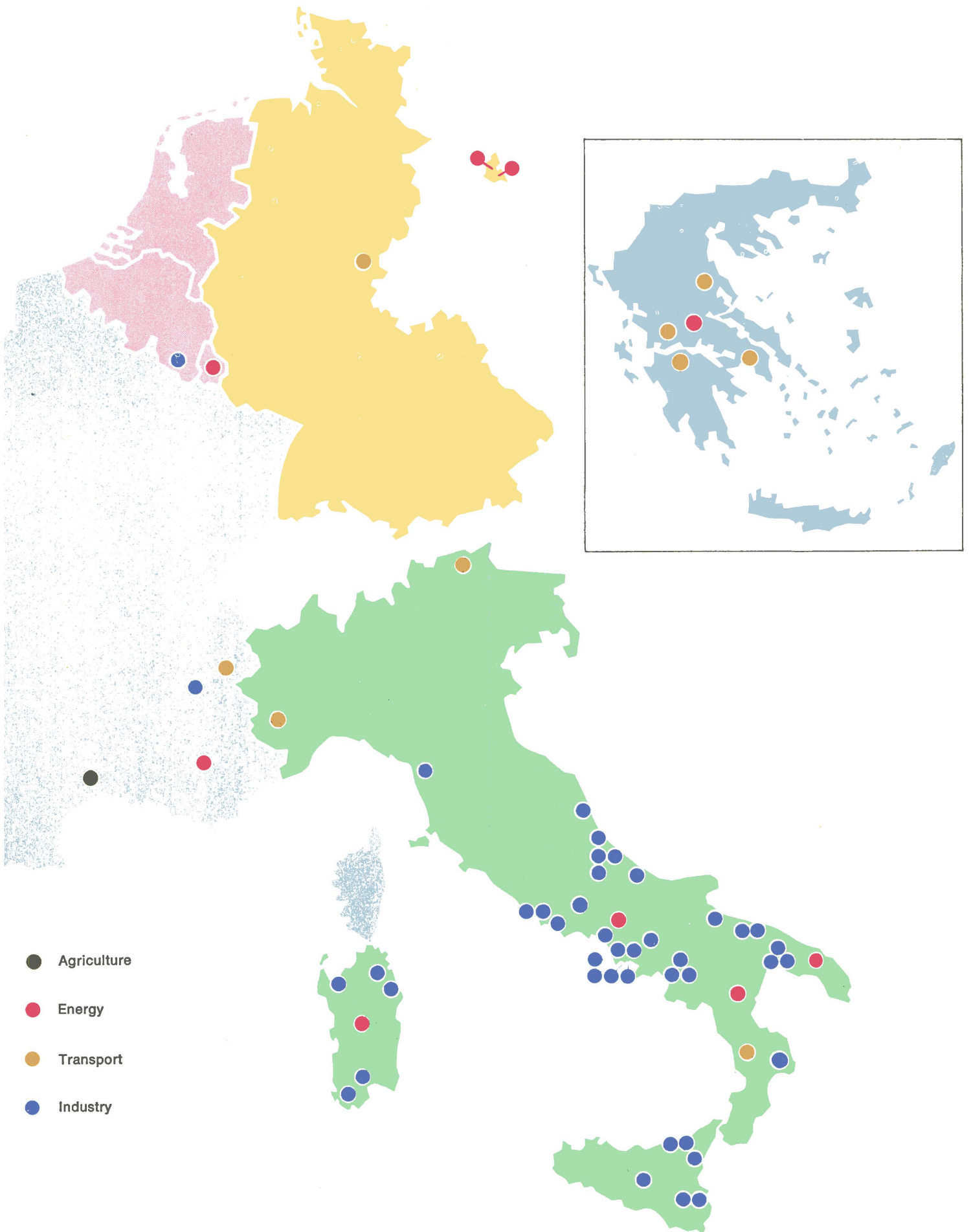
## Loans at 31 December 1963

(in million units of account)\*



\* 1 unit of account (u.a.) corresponds to 1 United States dollar

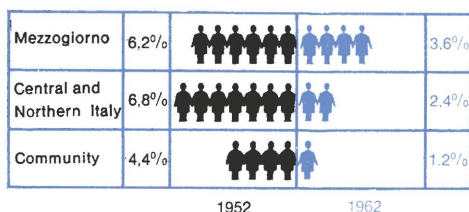




## Raising the standard of living in Southern Italy

Economic and social conditions in Southern Italy, « the Mezzogiorno », confront the Community with one of its most serious problems. Under the Treaty of Rome, it is a matter of common European interest to raise the level of prosperity in this area.

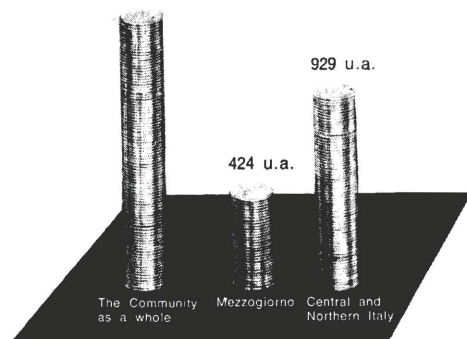
Number of unemployed per 100 persons available for employment



The Mezzogiorno is still by far the poorest area in the Community. The average income of its 19 million inhabitants — 11 % of the Community's population — is little more than one third of the Community average. There has long been serious under-employment due to the predominance of agriculture, insufficient industrial investment, and rapid demographic growth.

A comprehensive Italian Government programme to raise the level of prosperity in the Mezzogiorno has been in operation since 1950, the year in which the fund called the Cassa per il Mezzogiorno was established and the law on agrarian reform promulgated. The Cassa, which is a public body financed mainly by the Italian Government, has put in hand a very broad programme of special measures, centred on selected development areas.

Gross National Product per head  
1962  
1,265 u.a.



At first, the Cassa focused its attention on basic infrastructure and rural development. Since 1960 the main emphasis has been on industrialization in the creation of a modern economy and the elimination of unemployment. Industrial investment in the Mezzogiorno is encouraged by legal, financial and tax measures and the big public industrial concerns are required to devote a large part of their investments to the area.

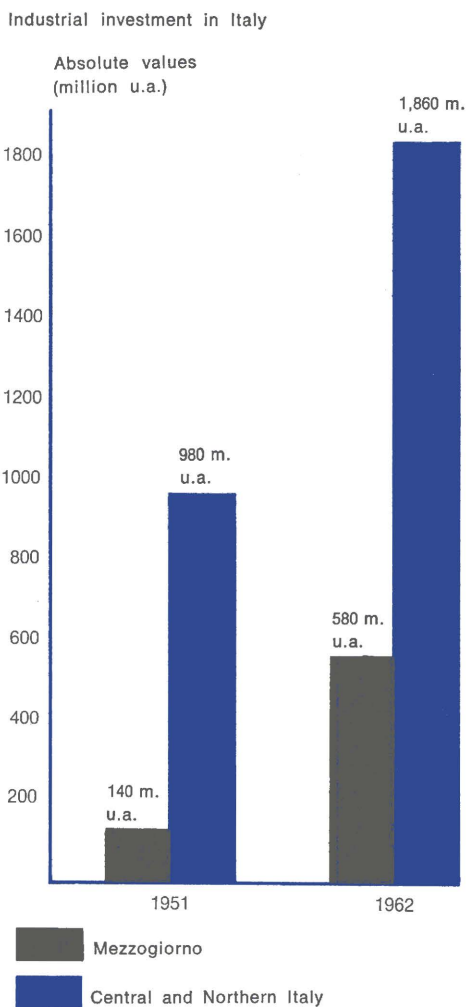


New industries in the South are aided by institutes specializing in long-term finance: Isveimer (Institute for Economic Development in Southern Italy) for the mainland part of the region, Irfis (Regional Institute for Industrial Financing in Sicily) for Sicily, and Cis (Industrial Credit for Sardinia) for Sardinia.

It is still too early to judge a necessarily very lengthy operation. Nevertheless, first results are already apparent. The pace of economic growth in the Mezzogiorno is no longer quite different from that in Italy as a whole, and it now exceeds that of the rest of the Community. Industrial investment, both public and private, is growing faster than elsewhere in Italy; unemployment has fallen by more than half in ten years and rural under-employment is diminishing at the same rate.

Modernization of the economic structure, industrialization around newly created development centres, and a rise in the standard of living are definite signs of progress, although there are still wide local disparities. It is evident that a good beginning has been made in the levelling up of living conditions. However the problem of raising standards in the Mezzogiorno — a problem which, it must be remembered, concerns a population nearly as large as that of the Benelux countries — will require a sustained effort for several years to come.

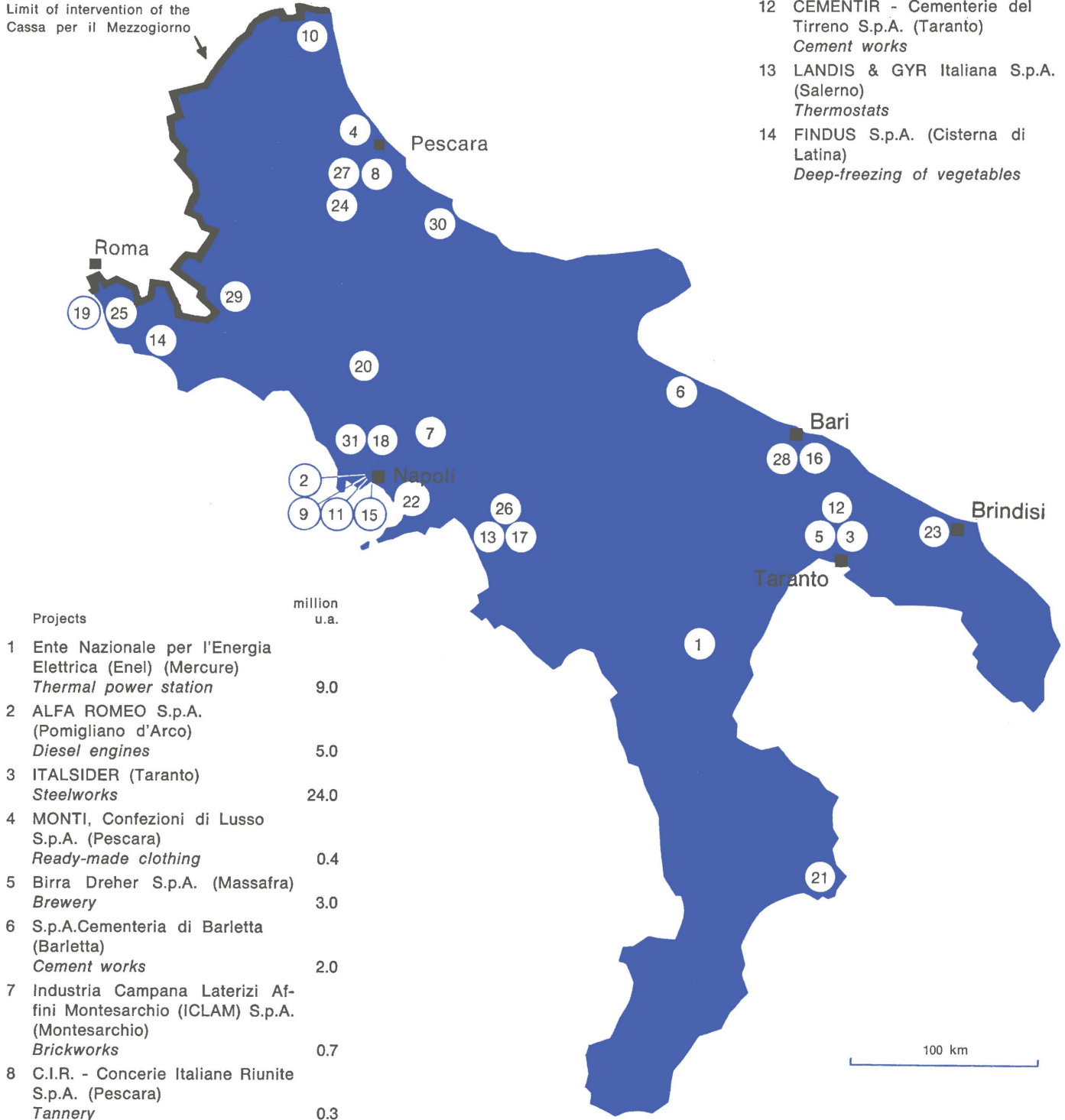
Since its foundation the European Bank has considered one of its main tasks to be to assist in improving conditions in Southern Italy. More than half its loans have gone to that area: on 31 December 1963, these amounted to 205.3 million units of account; most of them went to the Cassa per il Mezzogiorno, which placed them at the disposal of the special regional institutes in order to finance industrial projects or infrastructure in the energy sector.



# Mainland Mezzogiorno

In the mainland part of the Mezzogiorno, the activities of the European Bank have helped enterprises and projects of all sizes in several branches of industry. Here are some examples.

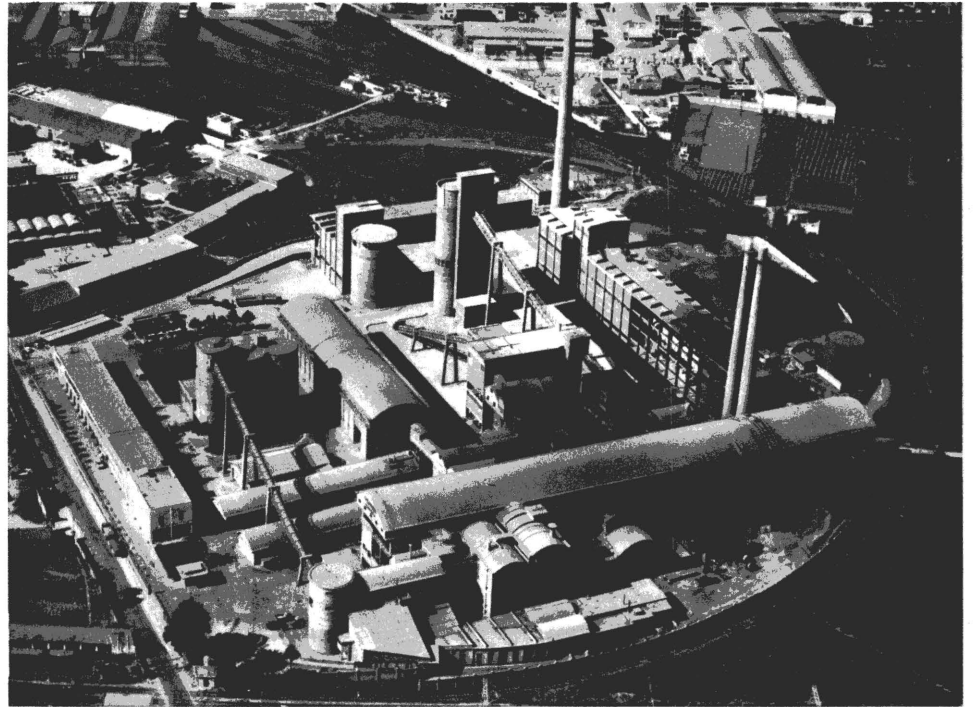
Limit of intervention of the Cassa per il Mezzogiorno



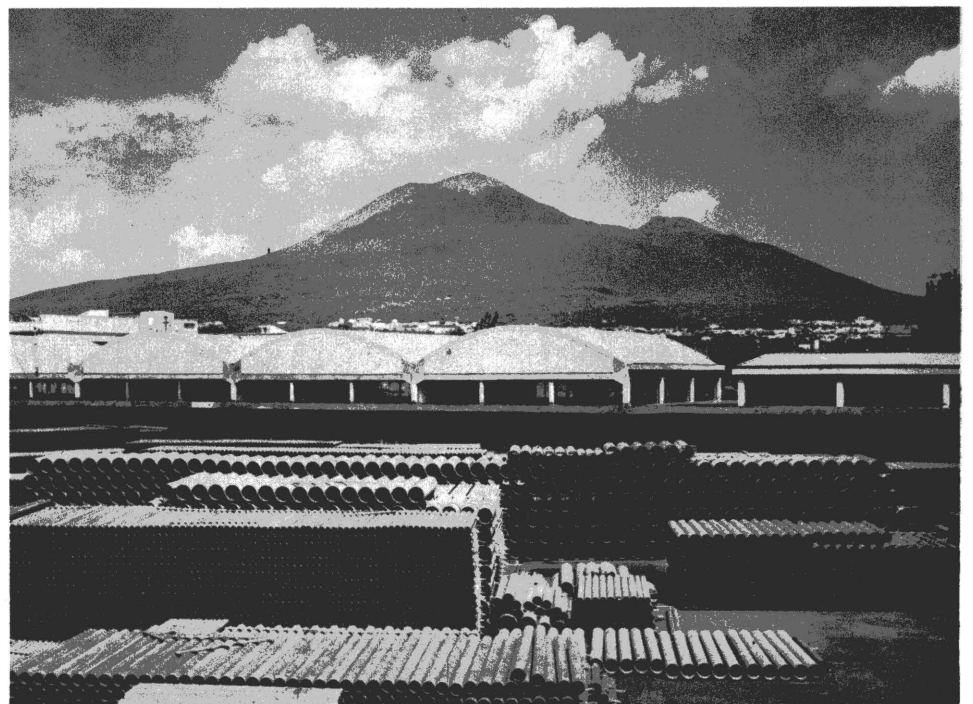
Projects	million u.a.
15 SOPREFIN S.p.A. - Società Prefabbricati Finsider (Sessa Aurunca) <i>Light metal frames</i>	1.6
16 Fabbrica Automobili Isotta Fraschini e Motori Breda S.p.A. (Bari) <i>Gears and diesel engines</i>	2.9
17 IDEAL STANDARD S.p.A. (Salerno) <i>Sanitary porcelain</i>	2.0
18 Fabbrica Pisana di Specchi e Lastre Colate di Vetro della Società SAINT-GOBAIN (Caserta) <i>Plate and cast glass factory</i>	2.9
19 MALTERIA TIRRENA S.p.A. (Pomezia) <i>Malt-house</i>	0.8
20 Enel (Gallo) <i>Hydro-electric power station</i>	6.0
21 MONTECATINI (Crotone) <i>Chemicals</i>	2.5
22 ITALTUBI S.p.A. - Società Riunite Gimfa-Italtubi (Torre Annunziata) <i>Asbestos-cement products</i>	1.1
23 Enel (Brindisi) <i>Thermal power station</i>	15.0
24 FA.RAD Italiana S.p.A. - Fabbrica Radiatori Italiana S.p.A. (Chieti) <i>Factory for cast-iron radiators</i>	1.6
25 Apparecchiature Industriali Refrigerifere Elettrodomestiche e Lattiere Sud «A.I.F.E.L. Sud» S.p.A. (Pomezia) <i>Industrial refrigerators</i>	0.4
26 BIANCHISIDER S.p.A. (Salerno) <i>Metal tubes and bicycles</i>	0.7
27 Società Ceramica Italiana S.p.A. (Chieti) <i>Industrial porcelain</i>	1.0
28 Società Adriatica Prodotti in Cementamianto (S.A.P.I.C.) (Bari) <i>Asbestos-cement products</i>	0.8
29 Birreria HENMED S.p.A. (Frosinone) <i>Brewery</i>	0.9
30 S.V.O.A. - Società Vastese Oli Alimentari S.p.A. (Vasto) <i>Refining of olive oil</i>	0.5
31 Industrie Riunite Costruzioni e Prodotti Modulari - I.R.C.O.M. S.p.A. (Pastorano - Pignataro Maggiore) <i>Prefabricated building sections</i>	1.4

## Building materials

This sector comprises the basic industries of a developing region: cement factories, brickworks, asbestos-cement products used in irrigation, public works and building projects.



Cementeria di Barletta (Apulia) - View of the plant.



Italtubi - Asbestos-cement tubes awaiting despatch; in background, Mount Vesuvius.



## Steelworks

Mainland Mezzogiorno

With an annual capacity of 2 million tons of steel, representing approximately 1/5 of current Italian production, the new integrated iron and steel works of Italsider will form the nucleus of the development area of Taranto.

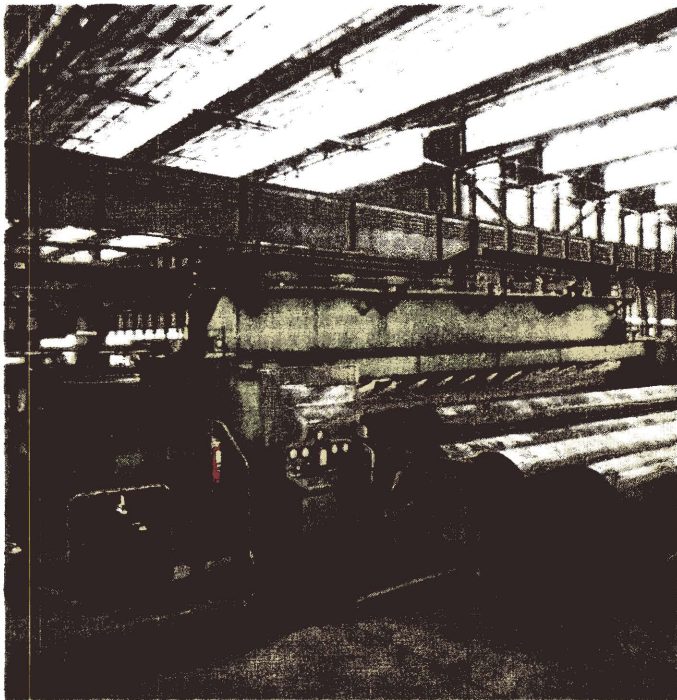
The photographs show the welded tube workshop, completed in 1961.



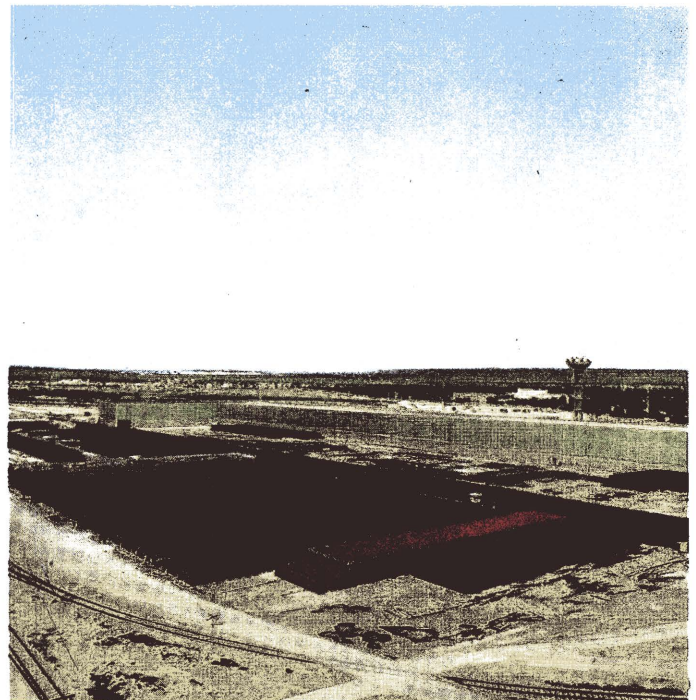
Italsider - Workshop for the production of tubes.



Italsider - Grinding a tube.



Italsider - Hydraulic expansion test of the tubes.



Italsider - Tubes completed.



## Food industries

Mainland Mezzogiorno

The Bank has financed numerous projects to promote the development and improvement of agricultural products: packaging and preservation of fruit and vegetables, olive-oil refining, brewing, etc.

Directly or indirectly, these projects bring many new jobs to rural areas.



Findus - Factory in Cisterna.

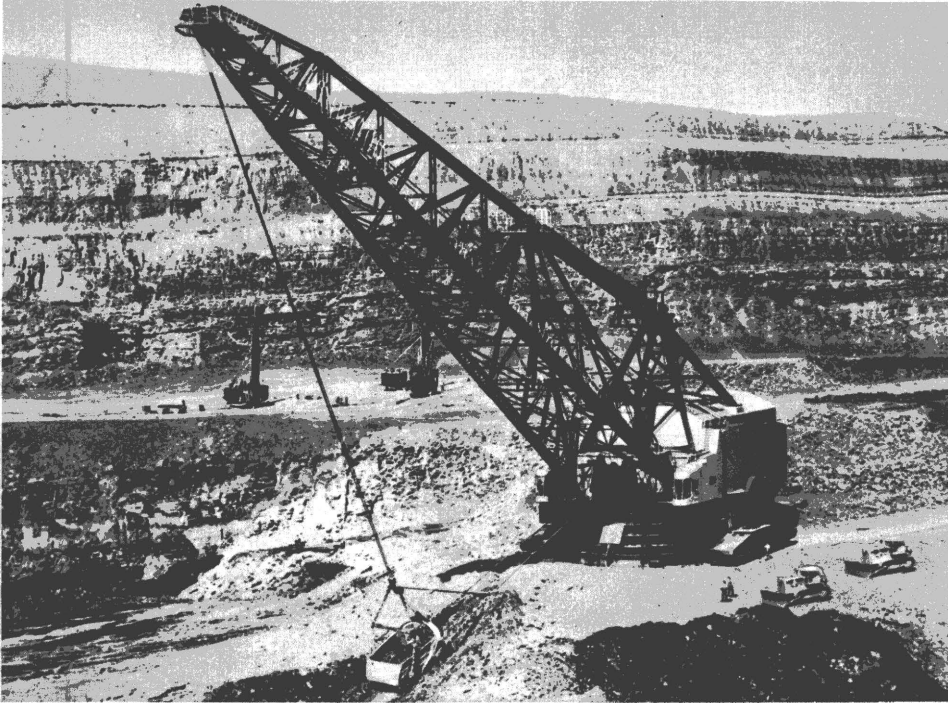
The Cisterna di Latina area, south of Rome, is particularly well adapted for market gardening. Immediately after harvesting, the vegetables are cleaned, sorted, packed, deep-frozen and distributed throughout Europe.

## Electric power

Mainland Mezzogiorno

L'Ente Nazionale per l'Energia Elettrica has undertaken a vast electrical energy equipment programme in Southern Italy, where the demand for electric power is increasing by 10 % each year.

On the Mezzogiorno mainland the Bank has helped finance a hydro-electric power station and two thermal power stations, of which one uses lignite mined in the area.



Mercure (Lucania) - Walking dragline excavator used for open-cast lignite mining.



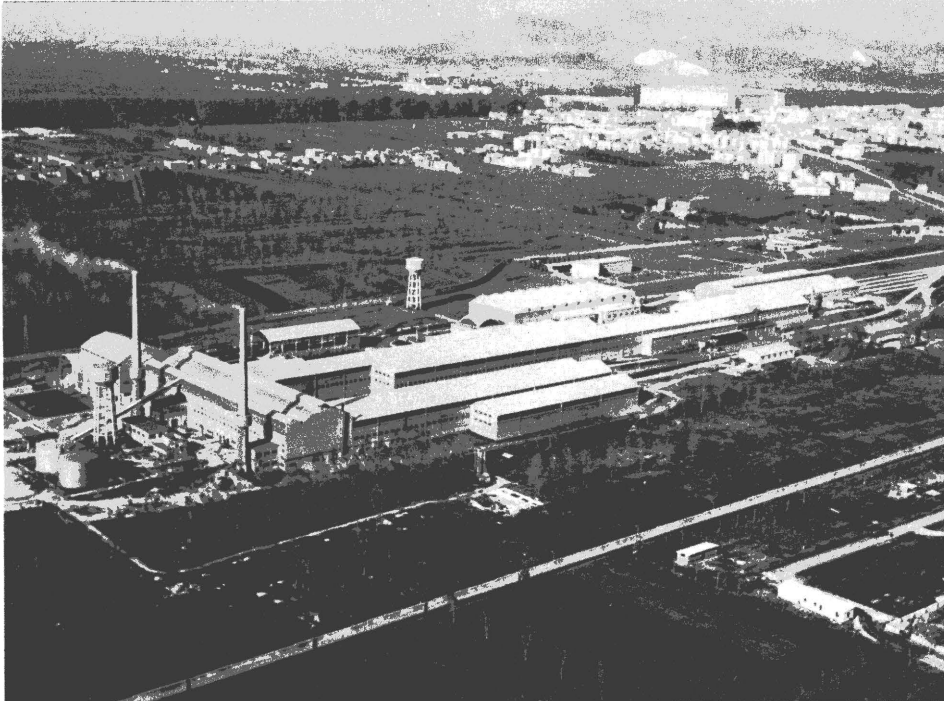
Gallo (Campania) - Dam construction site.



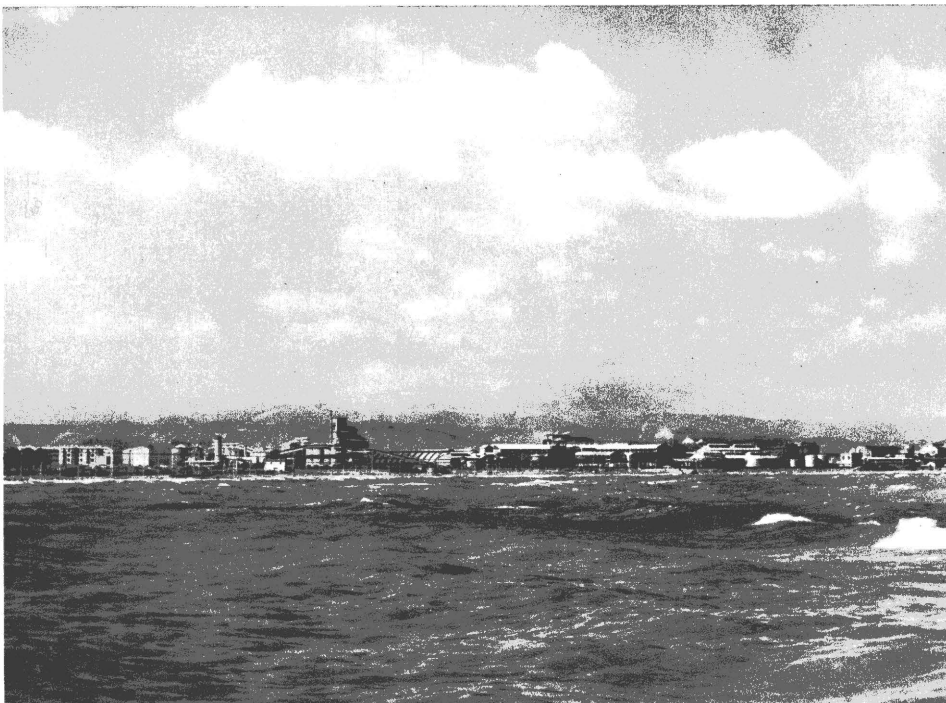
## Chemicals

The Saint-Gobain factory is the biggest establishment in Caserta, north of Naples.

The extension of the Montecatini installations in Crotona, on the coast of Calabria, will make possible the production of phosphates and sodium polyphosphates for non-agricultural uses.



Saint-Gobain - Plate and cast glass factory in Caserta.

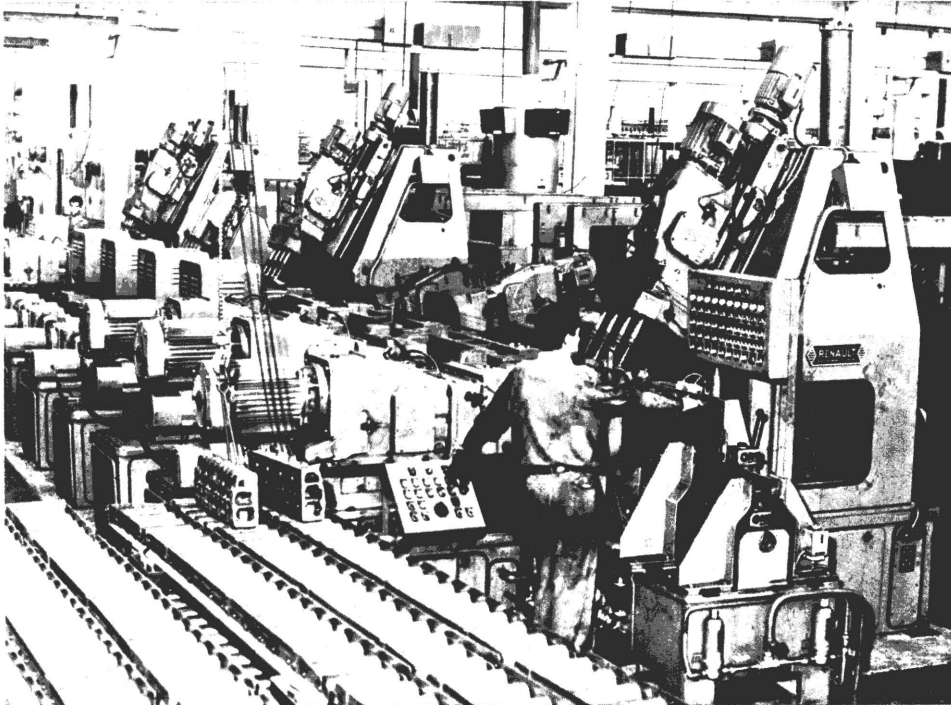


Montecatini - Factory in Crotona.

## Mechanical engineering

The Alfa Romeo diesel-engine plant near Naples, working in association with Renault, is an example of industrial co-operation between countries of the European Economic Community.

The extension of education is vital to economic development. With a view to speeding up the building of schools, the Italian public authorities are encouraging the use of prefabricated sections.



Alfa Romeo - Renault transfer machines.



I.R.C.O.M. - Two-storied prefabricated school building.

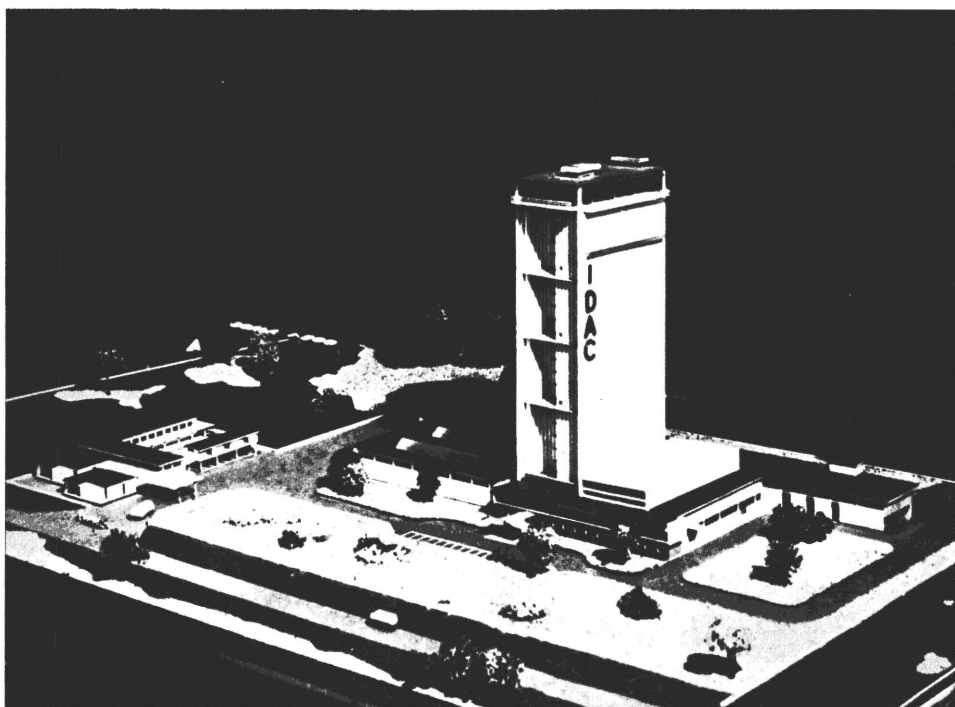


### Small and medium sized enterprises

The Bank attaches particular importance to the financing of industrial projects launched by medium sized companies.



Monti - Ready-made clothing factory in Pescara (Abruzzi).



IDAC - Tower for dehydration of fruit and vegetables by a new process, in Mondragone (Campania).

# Sicily

Within the last few years the industrialisation of Sicily has made very marked progress. The discovery of new natural resources (petroleum, natural gas and potash) and the construction of chemical and petrochemical complexes have resulted in the creation of important industrial centres and a 100% increase in net income from non-agricultural activities within ten years.

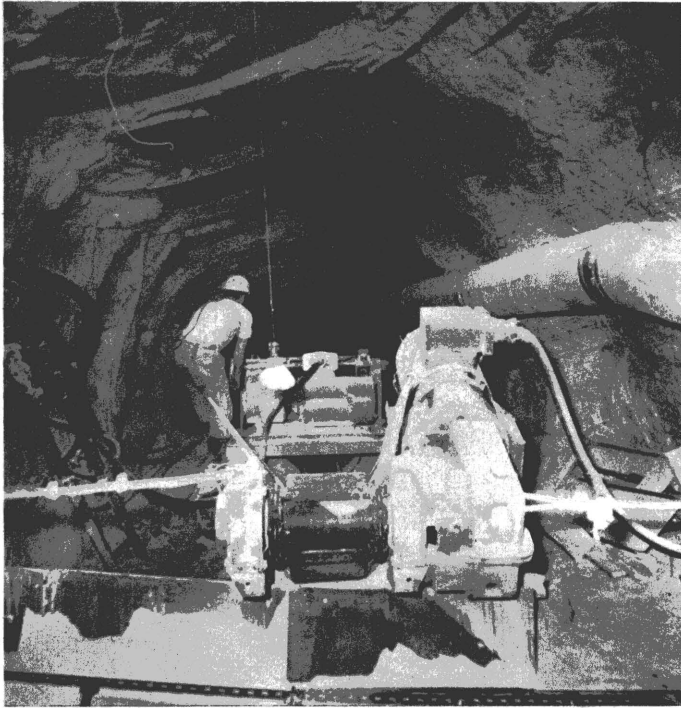
In Sicily, both basic and processing industries have received help from the European Bank.



Projects	million u.a.
1 SINCAT - Società Industriale Catanese S.p.A. (Priolo) <i>Petrochemicals</i>	7.3
2 S.p.A. CELENE (Priolo) <i>Plastic resins</i>	4.1
3 « TYNDARIS » per l'industria dolciaria ed affine - S.p.A. (Patti) <i>Confectionery</i>	0.4
4 Sali Potassici Trinacria (S. P. T.) S.p.A. <i>Potash mining</i>	1.6
5 W.E.S.P.A., Walworth Europa S.p.A. (Patti) <i>Industrial valves</i>	1.4
6 S.I.A.C.E. - Società Industriale Agricola per la produzione di Cellulosa da Eucalipto S.p.A. (Fiumefreddo di Sicilia) <i>Kraft paper</i>	8.0

### Potash mines

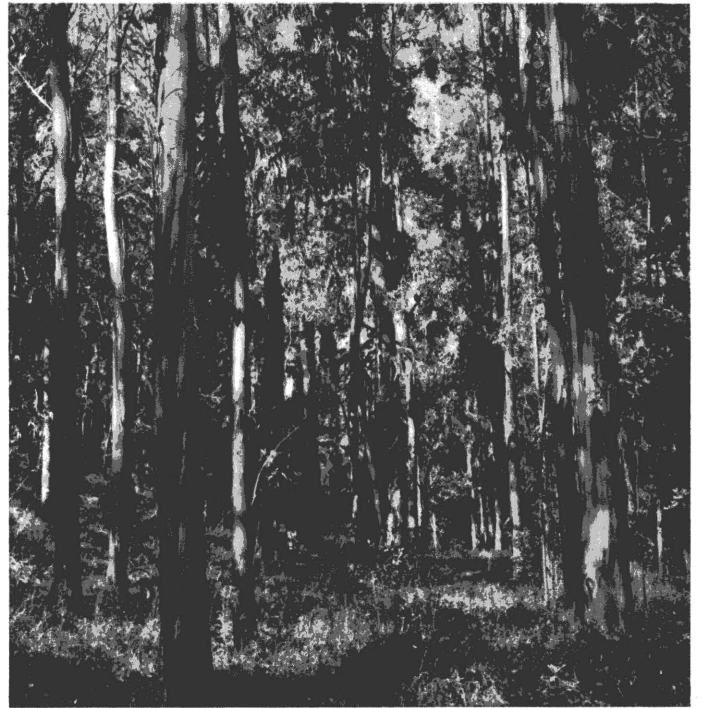
Sali Potassici Trinacria is mining potash deposits in one of the poorest provinces in the heart of Sicily.



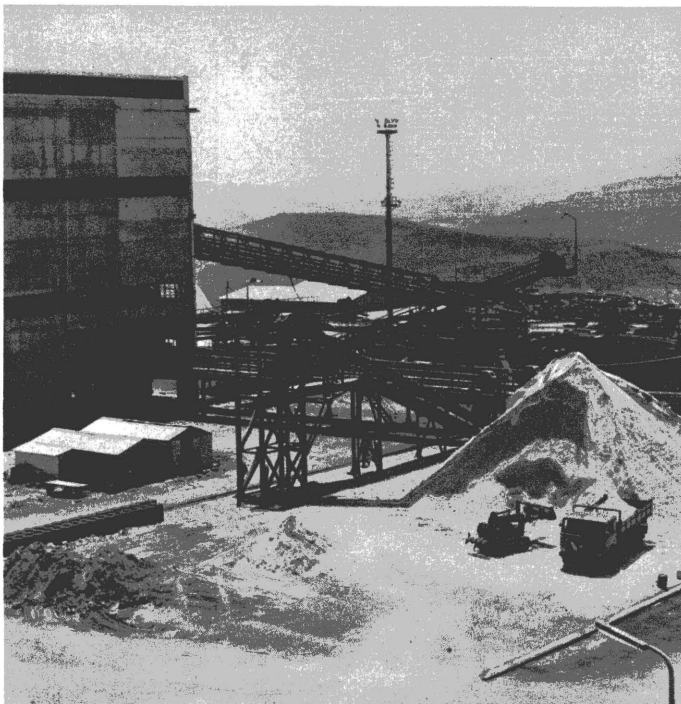
Trinacria - Automatic conveyance of ore.

### Paper

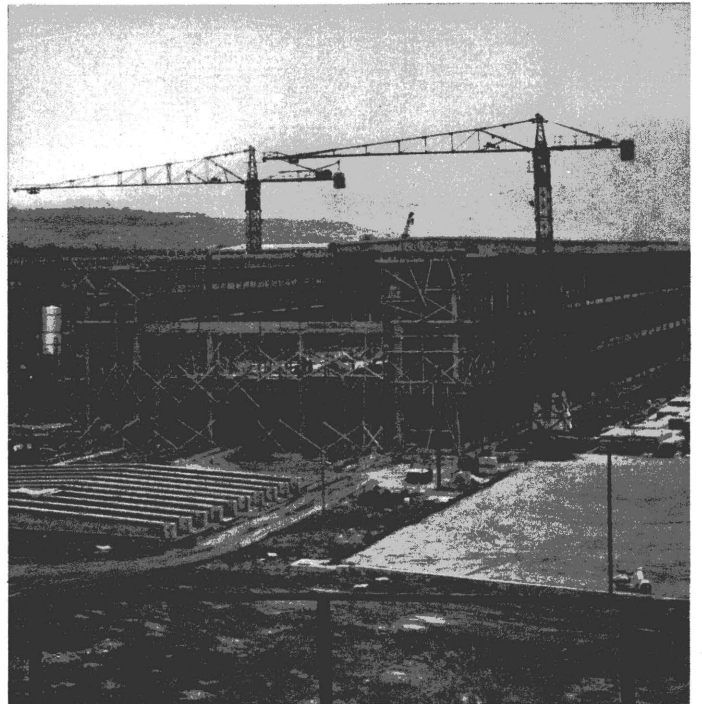
The industrial complex of S.I.A.C.E., at the foot of Mount Etna, is to produce Kraft paper made from eucalyptus wood. Italian conservation rules require replanting, which will enrich the island and help to improve the quality of its products.



S.I.A.C.E. - Sicilian eucalyptus, the raw material for pulp.



Trinacria - Ore-loading at the pit-head.



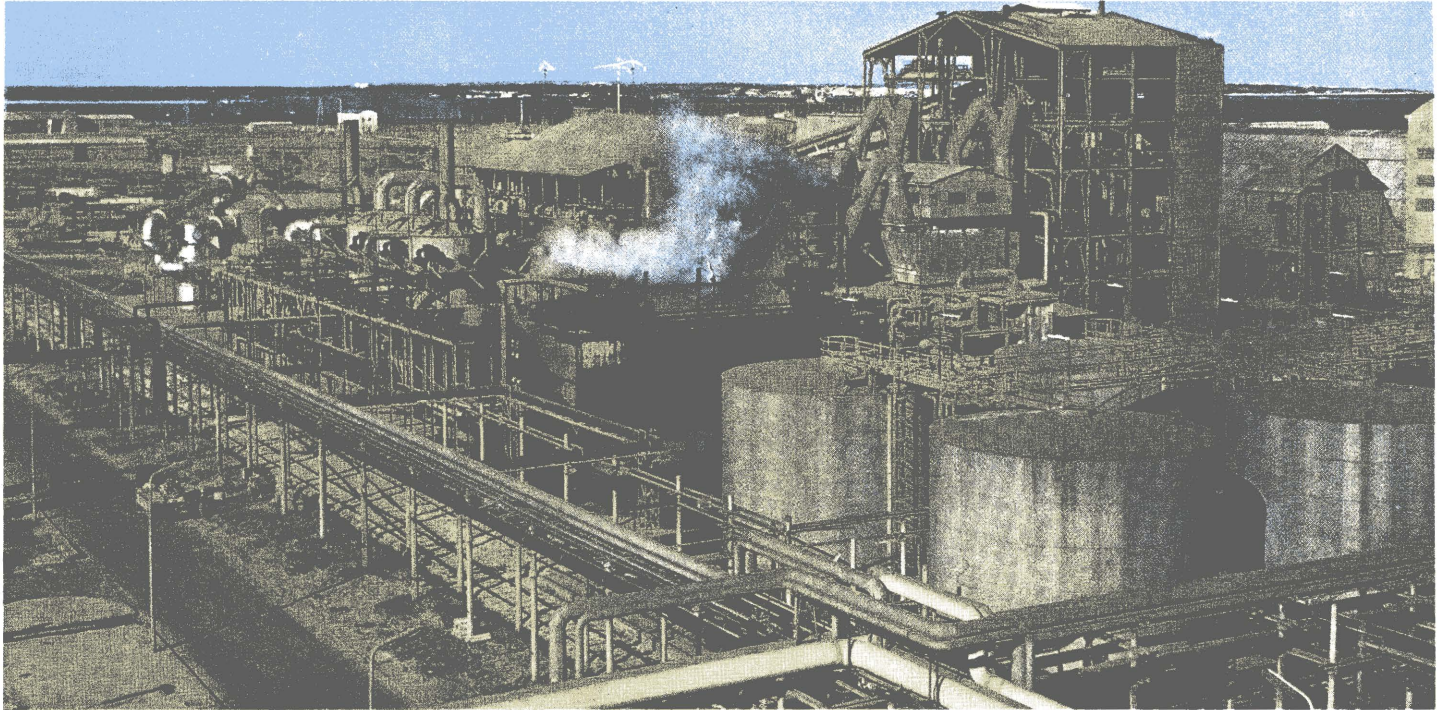
S.I.A.C.E. - Construction of the Fiumefreddo works.



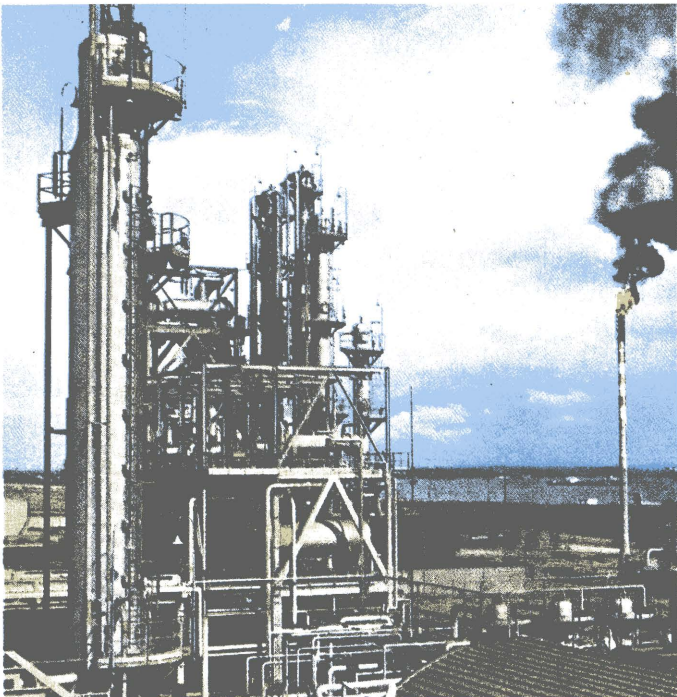
## Petrochemicals

Sicily

This industry is making great strides in Sicily. The Bank has financed the Sincat (basic petrochemicals) and Celene (plastic resins based on Sincat products) projects in Priolo, which is in the industrial region of Syracuse.



Sincat - Works in Priolo.



Sincat - Cracking column.



Sincat - Port installations.





Celene - Reaction column.

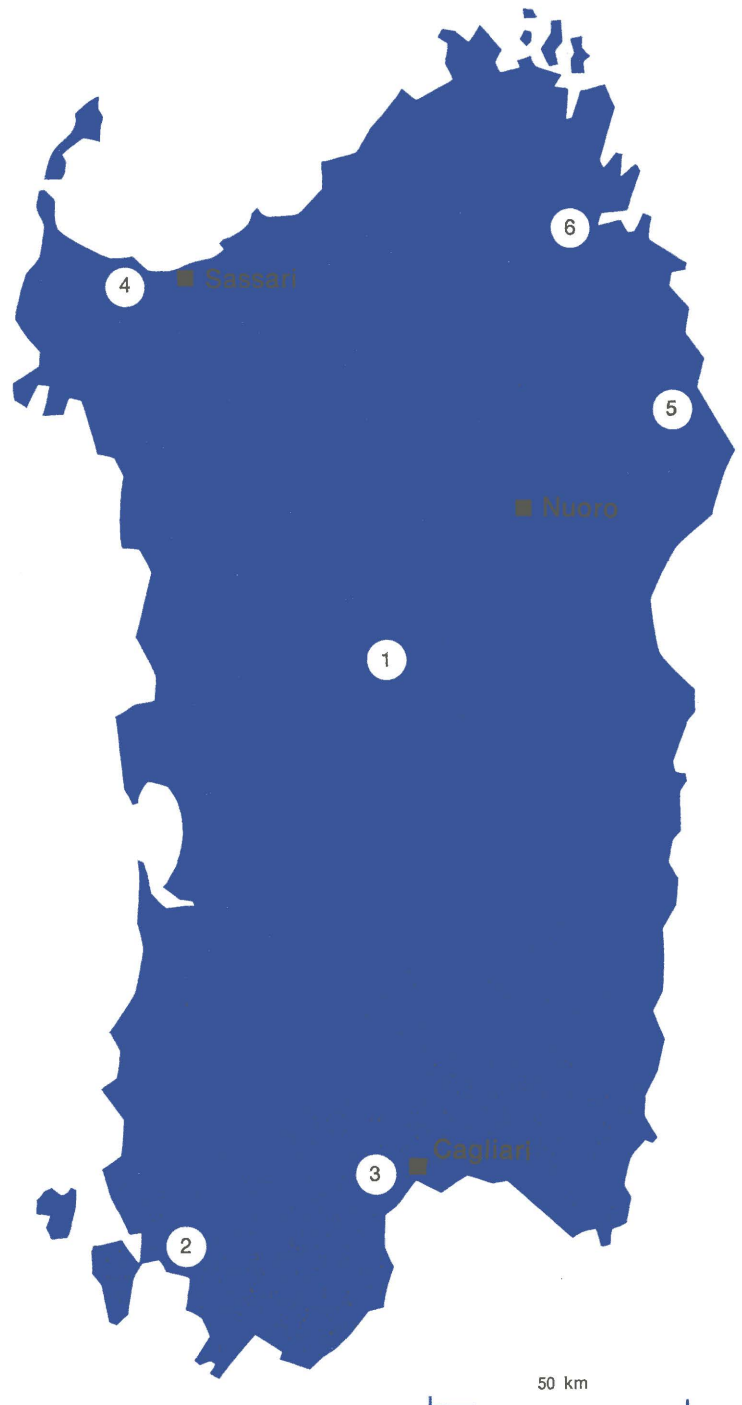


# Sardinia

Underdevelopment in Sardinia, though comparable with that in other parts of the Mezzogiorno, has certain features of its own.

The island is underpopulated. Most of its inhabitants live in dispersed inland areas and small localities; cut off from the rest of Italy, it has remained at the stage of a rural economy of low productivity. In recent years, however, thanks to help from the Cassa per il Mezzogiorno, farm incomes have increased more rapidly than in the country as a whole. Large-scale industrial projects are in hand.

The projects financed by the European Bank in Sardinia concern power, chemicals and textiles.

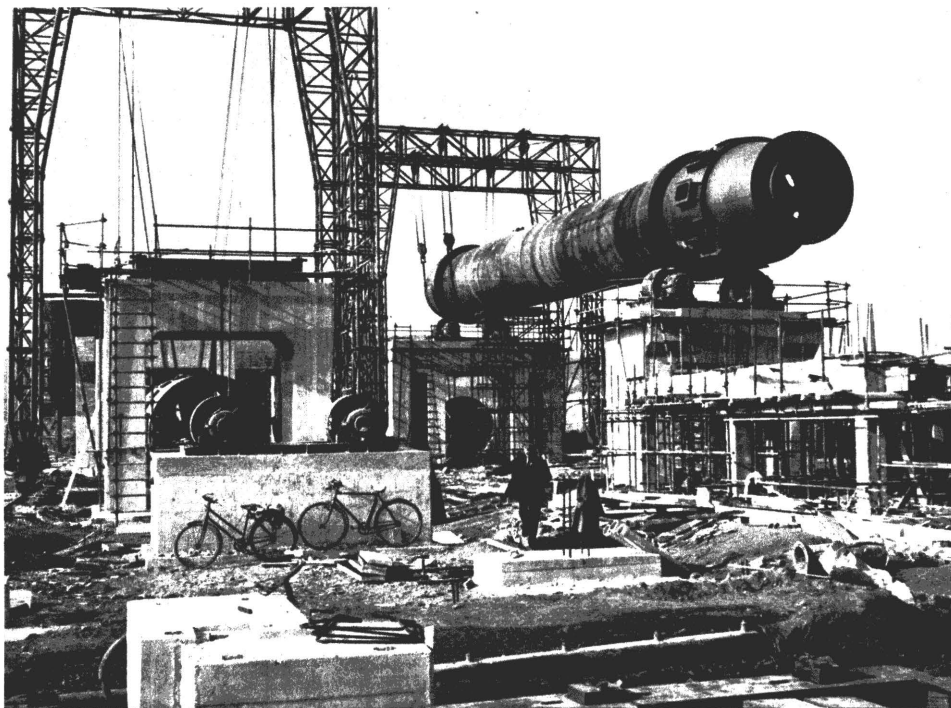


Projects	million u.a.
1 Ente Nazionale per l'Energia Elettrica (Enel) (Taloro) <i>Hydro-electric power station</i>	12.0
2 SARDAMAG S.p.A. (Sant'Antioco) <i>Magnesium oxide</i>	4.6
3 RUMIANCA S.p.A. and affiliated companies (Cagliari) <i>Petrochemicals</i>	24.0
4 Sarda Industria Resine (S.I.R.) and affiliated companies (Porto Torres) <i>Petrochemicals</i>	19.2
5 MARFILI - Filature del Mare S.p.A. (Siniscola) <i>Carded yarns</i>	2.2
6 SARDESPA - Manifattura di Venafiorita S.p.A. (Olbia) <i>Card clothing for the textile industry</i>	1.3

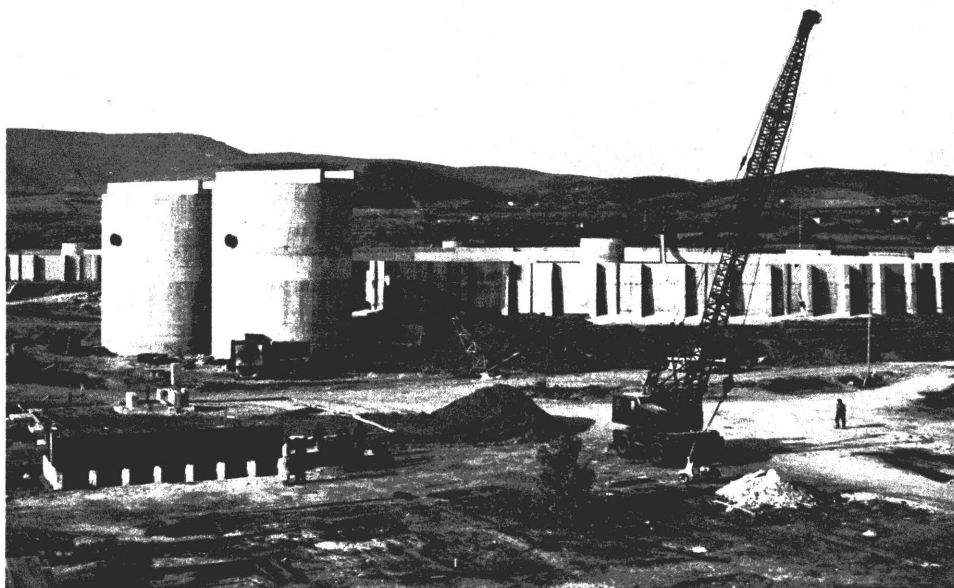
## Chemicals

At Sant'Antioco, in the South of Sardinia, the SARDAMAG is to exploit resources drawn from the sea: it will treat sea-water to extract magnesium for the manufacture of refractories used in the iron and steel industry.

The construction of the SARDAMAG plant is an interesting example of international co-operation: it has been promoted by Italian, English and German interests.



Sardamag - Rotary kiln.



Sardamag - Reaction and decanting basins.

## Power

Sardinia

With the construction of three hydro-electric power stations, the harnessing of water-power from the River Taloro will supply the Sardinian economy with up to 150 million kWh every year.



Enel - Gusana dam on the Taloro River.



The S.I.R. scheme calls for the construction of a petrochemicals complex at Porto Torres (Sassari province) for the manufacture of basic chemicals from light petroleum distillates.



S.I.R. - Part of the plant.

# Transport

## Conversion of shipyards

### Transport

Italy's geographical position calls for better communications to link the North with both the Mezzogiorno and the rest of the Community.

The Bank has granted loans to the Italian railways:

- for the modernization of the Genoa-Modane line in association with the French State Railways (S.N.C.F.);
- for the conversion of the electrified Bolzano-Brenner line;
- for the doubling of the track over certain sections of the Battipaglia - Reggio Calabria line.

### Conversion

The Bank has also helped in the reorganization of Italian shipyards by contributing to the financing of the C.M.F. metal-frame workshops at Leghorn, which will be manned for the most part by redundant workers from the Leghorn shipyard.



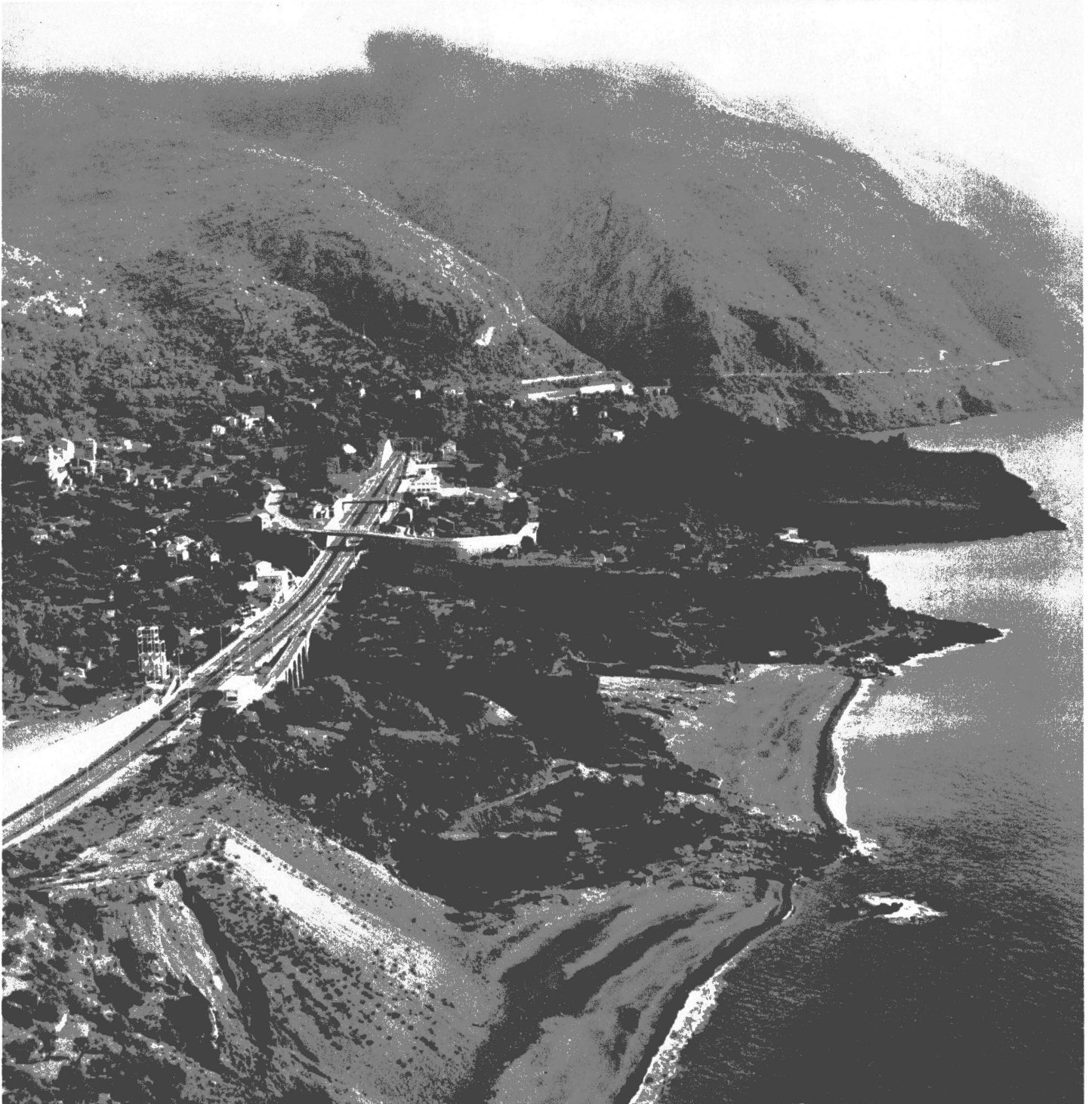
Projects	million u.a.
1 Azienda Autonoma delle Ferrovie dello Stato (F.S.) <i>Modernization of the Genoa-Modane line</i>	21.0
2 F.S. <i>Modernization of the Bolzano-Brenner line</i>	5.0
3 F.S. <i>Doubling of Battipaglia-Reggio Calabria railway track</i>	20.0
4 C.M.F. - Costruzioni Metalliche Finsider S.p.A. <i>Metal frames</i>	4.8



**Battipaglia - Reggio Calabria line**

Over three quarters of its length the railway from Battipaglia to Reggio Calabria has only a single track. Help from the Bank will enable the track to be doubled and the route to be improved over 200 km.

The completion of this work will establish closer links between the particularly ill-endowed areas in the deep south of Italy and the main centres of economic activity in Italy and the rest of Europe.



Battipaglia - Reggio Calabria line - View taken near Sapri.

### **Bolzano-Brenner line**

The equipment of the line linking Bolzano with the Brenner Pass, which provides the main railway link between Germany and Italy, is antiquated and inefficient.

Aid from the Bank will make it possible to install the 3,000 volts DC system used elsewhere on the Italian Railways and so to achieve an appreciable increase in the line's capacity.



Bolzano-Brenner line - The line as at present.

**Conversion of Italian shipyards**

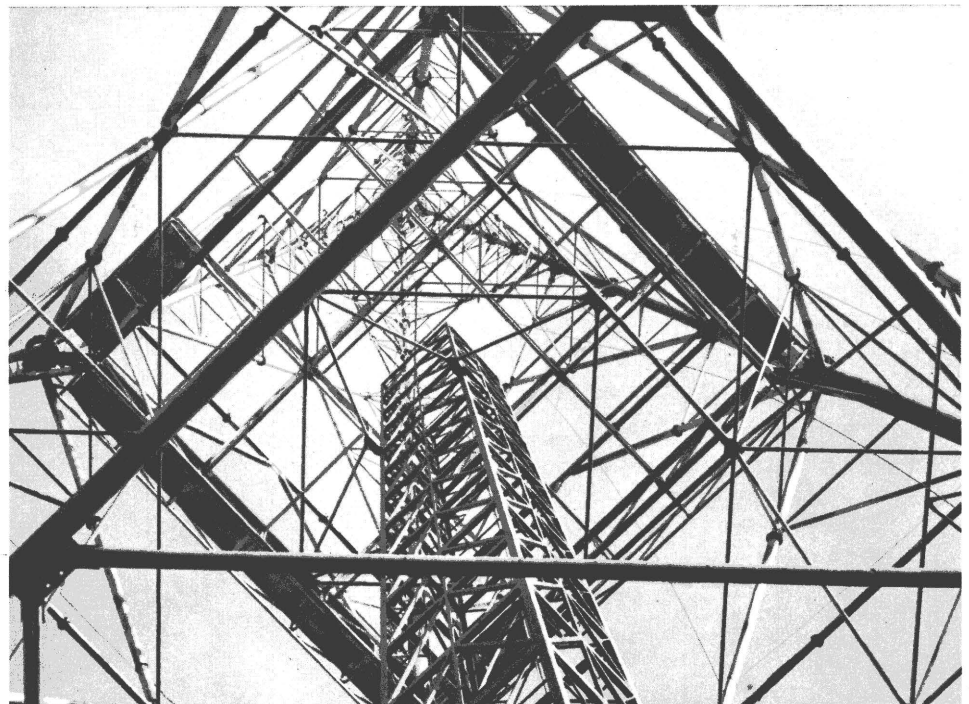
Italian shipyards, like those of other Community countries, have run into difficulties, and conversion measures have become necessary: some will be modernized and reorganized, and in others work will be scaled down.

The Leghorn shipyard will be affected by these measures: it will lay off more than a thousand workers, some of whom will be employed in the new C.M.F. (Costruzioni Metalliche Finsider S.p.A.) metal-frame works.

The pictures hereunder show examples of realisations by affiliated companies of this same group.



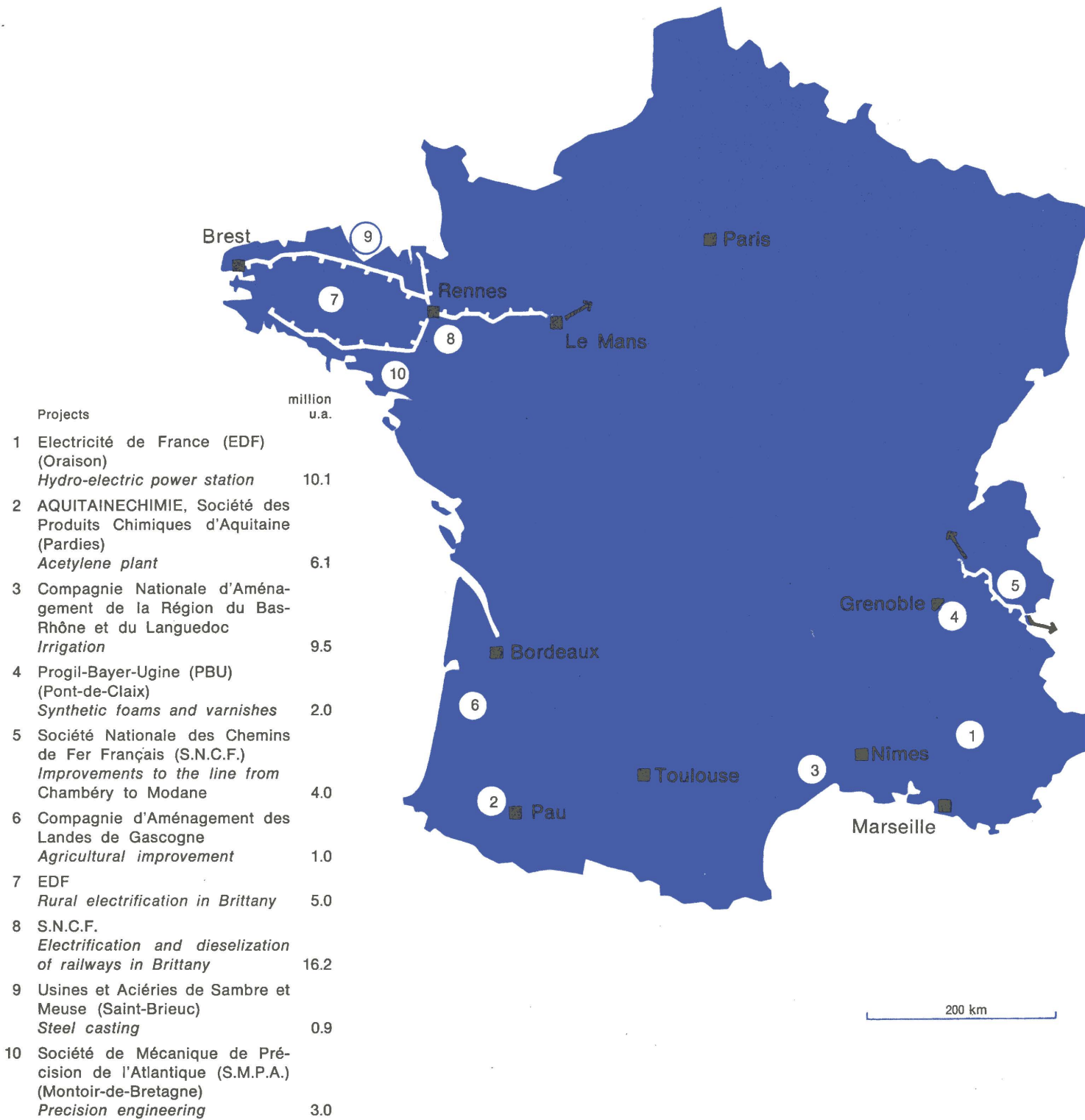
Bridge on the Motorway of the Sun.



Radio tower.



# France





France's underdeveloped areas lie south of Cherbourg-Grenoble

Development in the various regions of France has in the past been uneven. The West, the Centre and the South have lagged persistently behind. Other areas which were formerly highly developed, such as the Loire estuary, the Vosges, the coalfields of the North and the Centre, are suffering from the decline of their traditional industries. Concentration of activities on the Paris area raises difficult problems. To quicken the pace of progress in the backward areas, to put fresh life into the regions suffering from decline, and to do something to reduce congestion in Paris and its suburbs: these are the aims of a reorganization programme intended to improve the country's general economic balance.

The measures taken in pursuit of this policy include the implementation of regional programmes tied to the national Plan (i. e. the fourth plan for economic and social development), financial incentives (equipment bounties, tax reliefs, preferential credits) and the establishment of regional institutions such as expansion committees, companies specializing in the financing of development projects, and equipment companies.

Operations by the European Bank in France have been concentrated on those areas where improvement work needed speeding up.

— **Brittany** has presented the biggest problem. Here, average income per head is still low, farming is the main activity, the population is growing despite substantial emigration, and the lack of infrastructure facilities is notorious.

In the area of Nantes, where the European Bank has provided finance for one project, the need to convert shipyards has served to aggravate the general employment situation.

— In the **South-West** of France, aid from the Bank has helped to modernize the structure of agriculture and to develop industry. In Languedoc, where wine-growing is no longer the only branch of agriculture, in Aquitaine and in the Pyrenees, industry has moved in on a large scale — especially near the natural gas deposits at Lacq. This is a trend coinciding with important developments in agriculture (irrigation, introduction of maize, rationalized exploitation of the Landes de Gascogne, etc.).

— Loans from the European Bank have contributed to improvements in the Durance valley in **Haute-Provence**.

The Bank has also financed two projects of joint interest in the transport and chemicals industries.

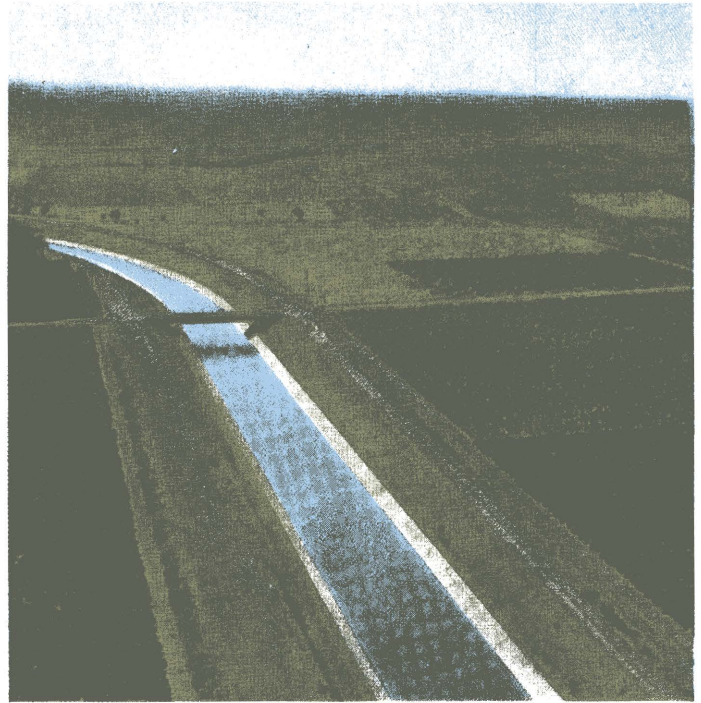




Covering over 2,500 sq. km, of which 1,700 are to be irrigated, the projects undertaken by the company will lead to radical changes in the economy of this region, which is situated in the three Mediterranean Departments of Gard, Hérault and Aude (total population: 500,000). It is planned to irrigate the area by spraying with water from canals fed mainly from the river Rhône.



Bas-Rhône Languedoc - The Aristide Dumont pumping station.



The feeder canal supplying the main pumping station.



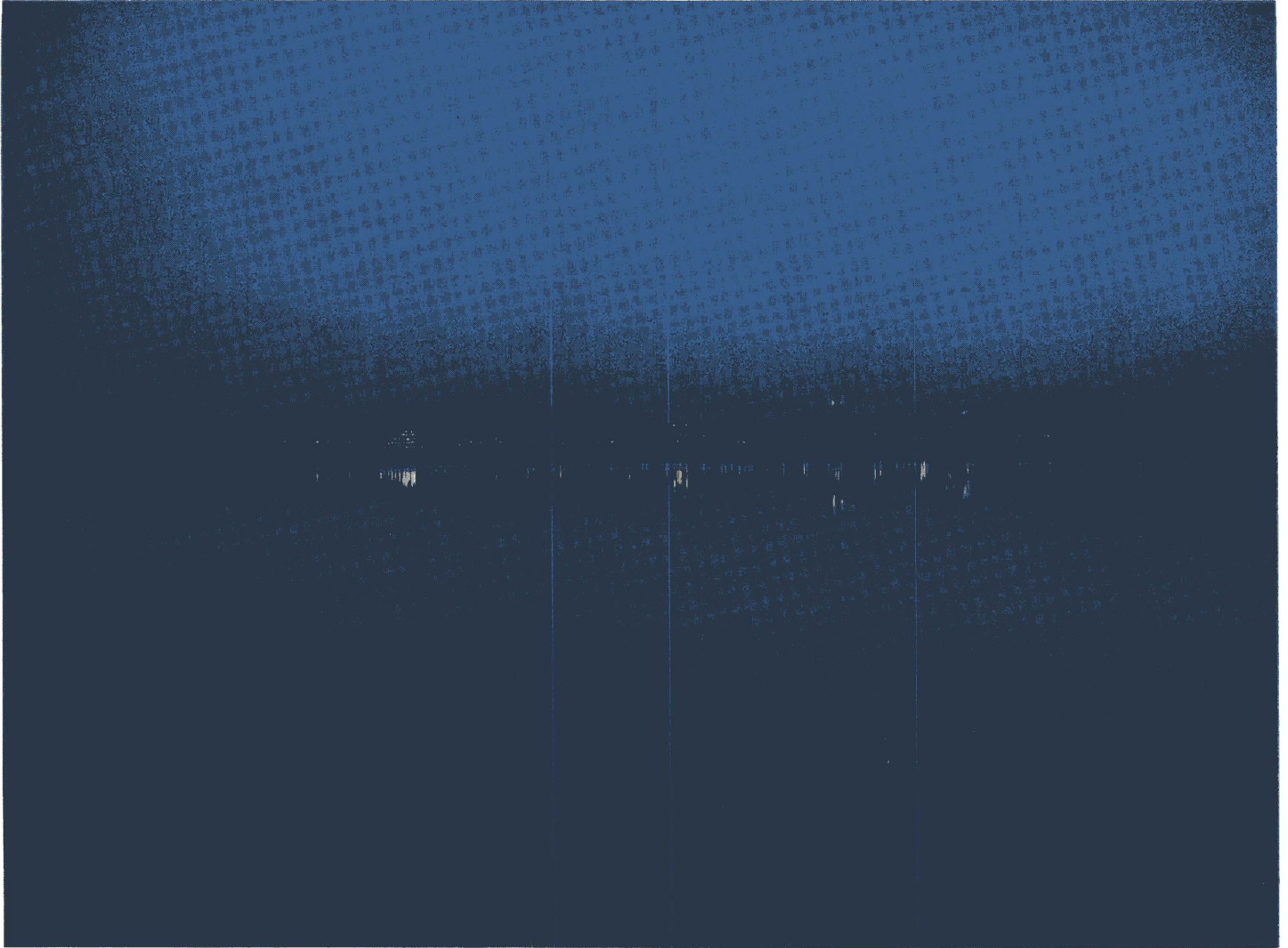
Bas-Rhône Languedoc - Pressure tower.



Spraying.



Several major French chemicals companies have joined forces to construct, near the Lacq deposits, a chemical complex which will produce acetylene and many products derived from natural gas.

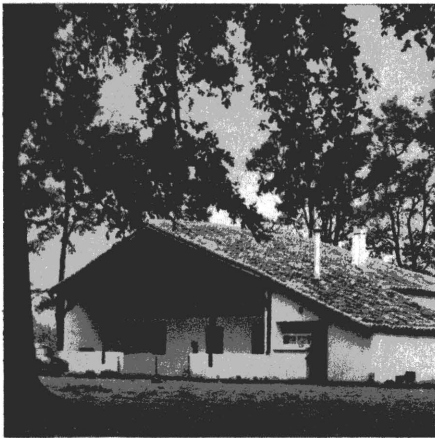
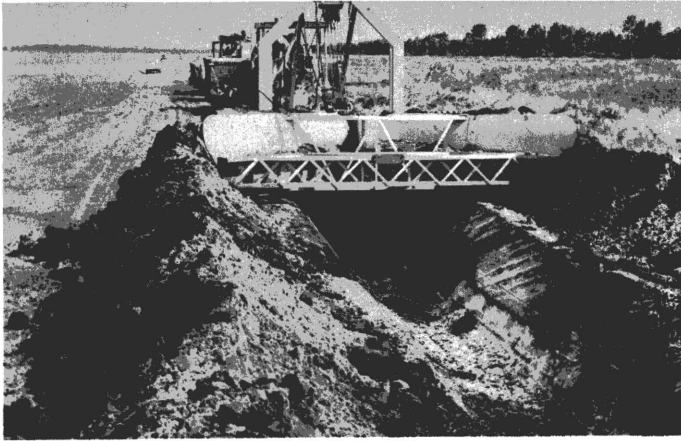


Aquitainechimie - The plant by night.

## Landes de Gascogne

Unfarmed moors and derelict small farms and woodlands — overgrown with bushes and often devastated by colossal fires — are being cleared, fertilized and developed so that new farms can be set up and new crops cultivated with the help of the most modern processes.

Aquitaine



### Conversion of French shipyards

As a result of the shipyards crisis, the French Authorities have promoted a rationalization and concentration policy leading to a reduction in the number of workers employed.

In the Nantes area about 2,000 workers are being laid off. The S.M.P.A. works at Montoir-de-Bretagne is one of the new sources of employment created to absorb this surplus.



Saint-Nazaire shipyards - In the dock the liner « France ».



S.M.P.A. - Parallel lathes shop.



## Brittany

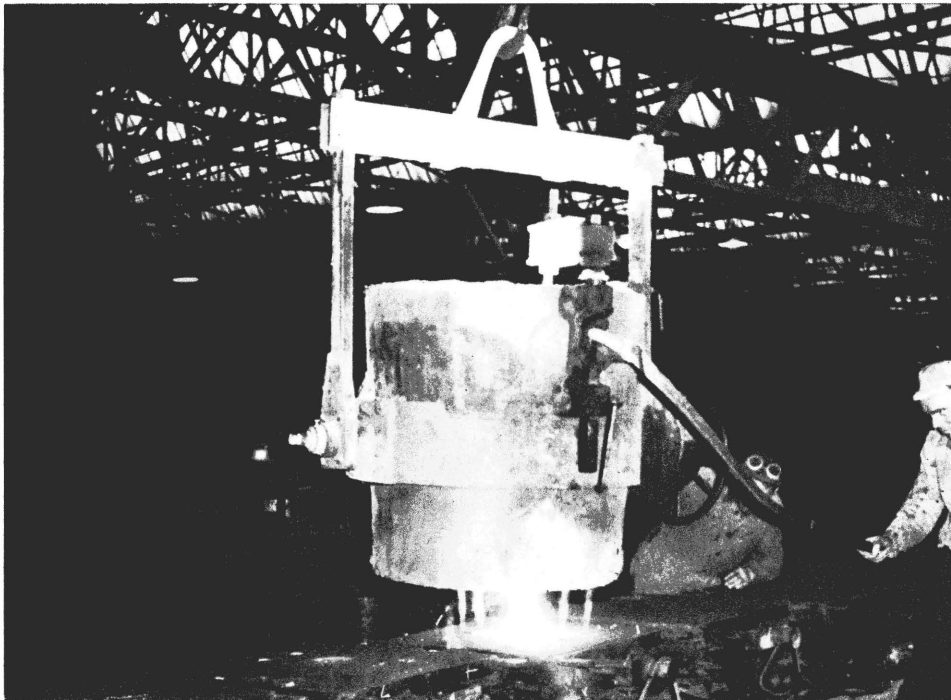
As part of both France and Europe, Brittany is a «retarded growth» area; it is one of the outlying regions calling for special Community action.

The Bank has contributed to economic expansion measures in this area by helping in three operations: electrification and dieselization of railways, extension of steel-casting works and the speeding up of rural electrification.

Brittany



S.N.C.F. - Diesel-electric locomotive for service in Brittany.



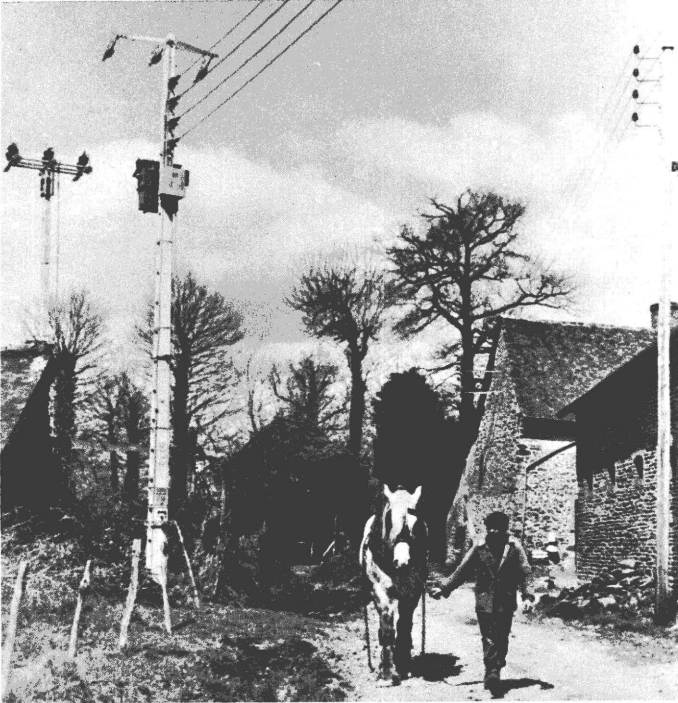
Sambre et Meuse - Steel-casting.

## Electricité de France

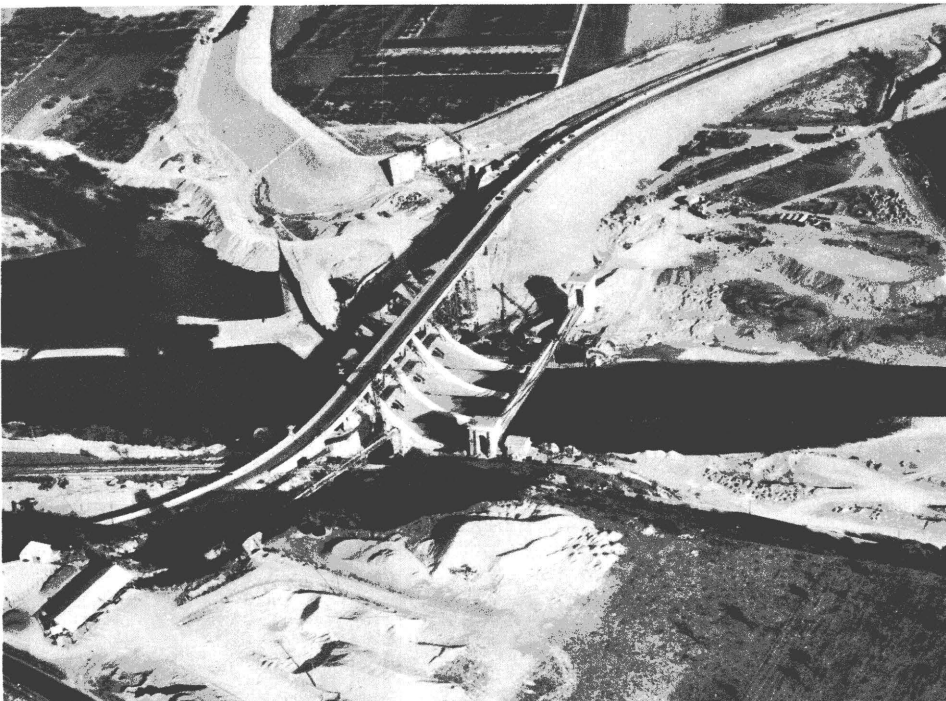
Brittany  
Provence

In Brittany, the Bank has financed the extension and strengthening of rural electricity distribution networks. This work has been undertaken to make up the leeway in rural electrification in this area and thus contribute to its economic development.

In Haute-Provence, the hydro-electric power station of Oraison (Basses-Alpes), which will have an annual output of 675 million kWh, is part of a chain of improvements on the middle reaches of the Durance. From a dam on the Durance, a 19 km. bypass channel with a fall of 80 metres will feed an underground generating plant.



Rural electrification in Brittany will supply more than 200 local communities.



Oraison power station: dam on the Durance.

# Federal Republic of Germany



In the Federal Republic of Germany certain predominantly agricultural regions lack the industries to absorb manpower for which there is not enough work on the land. This applies in particular to the areas near the borderline of East Germany, which suffer from the disruption of their traditional patterns of trade. These form pockets creating a disequilibrium with areas of high demographic and industrial concentration.

Regional development policy is the responsibility of the «Land» governments, but is given financial backing from the Federal Government under a programme intended to encourage improvements to infrastructure, the establishment of new enterprises and the modernization and expansion of existing firms. One of the major methods adopted under this policy is the establishment of «focal points» intended to encourage various types of industrial undertaking to move into the area concerned.

The Bank's aid to Federal Germany has taken the shape of a loan to the Deutsche Bundesbahn (Federal State Railways) for the electrification of the «North-South» line.

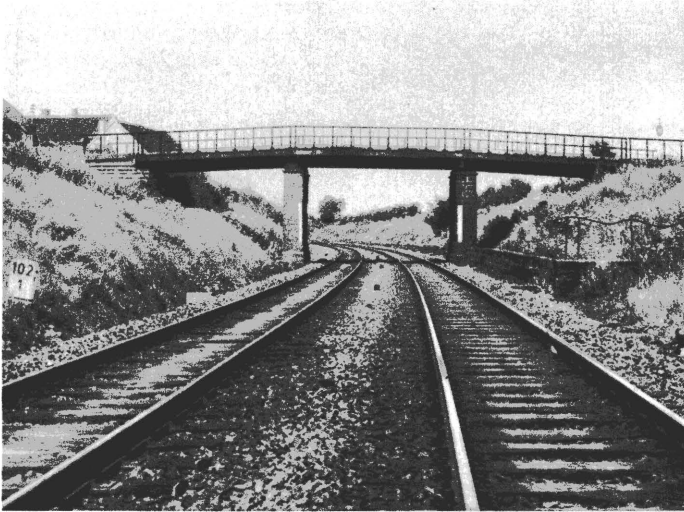
Project	million u.a.
1 Deutsche Bundesbahn (DB) <i>Electrification of the Hanover-Hanau/Gemünden railway line</i>	25.0



**Deutsche Bundesbahn (Federal German State Railways)**

Loan to the Deutsche Bundesbahn (DB) for the electrification of the « North-South » railway line. This will help to improve rail communications between the Scandinavian countries, West Germany and the industrial centres of France, Switzerland and Italy.

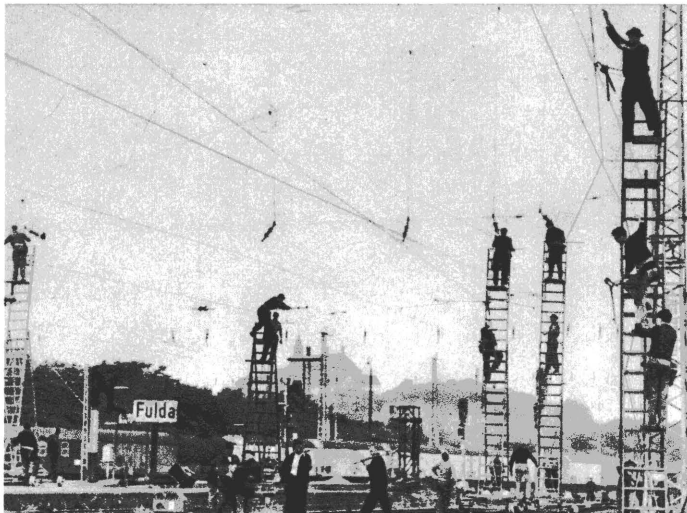
Electrification will eliminate bottle necks, increase the volume of transport and reduce costs.



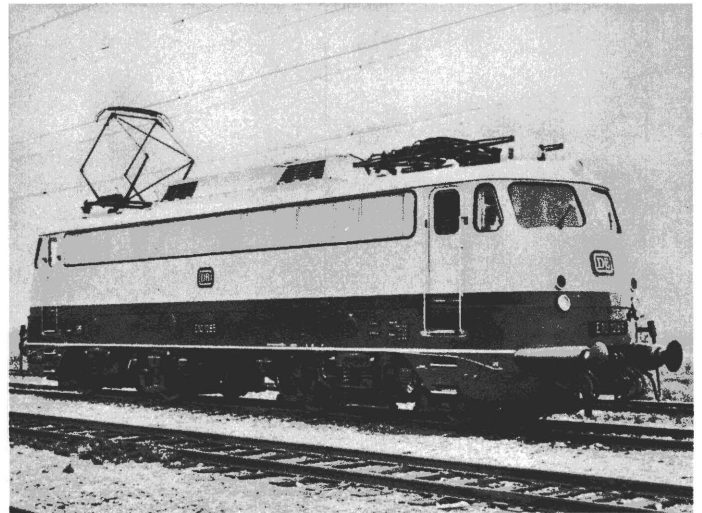
Road bridge at Kerzell before electrification.



Road bridge at Kerzell after electrification.

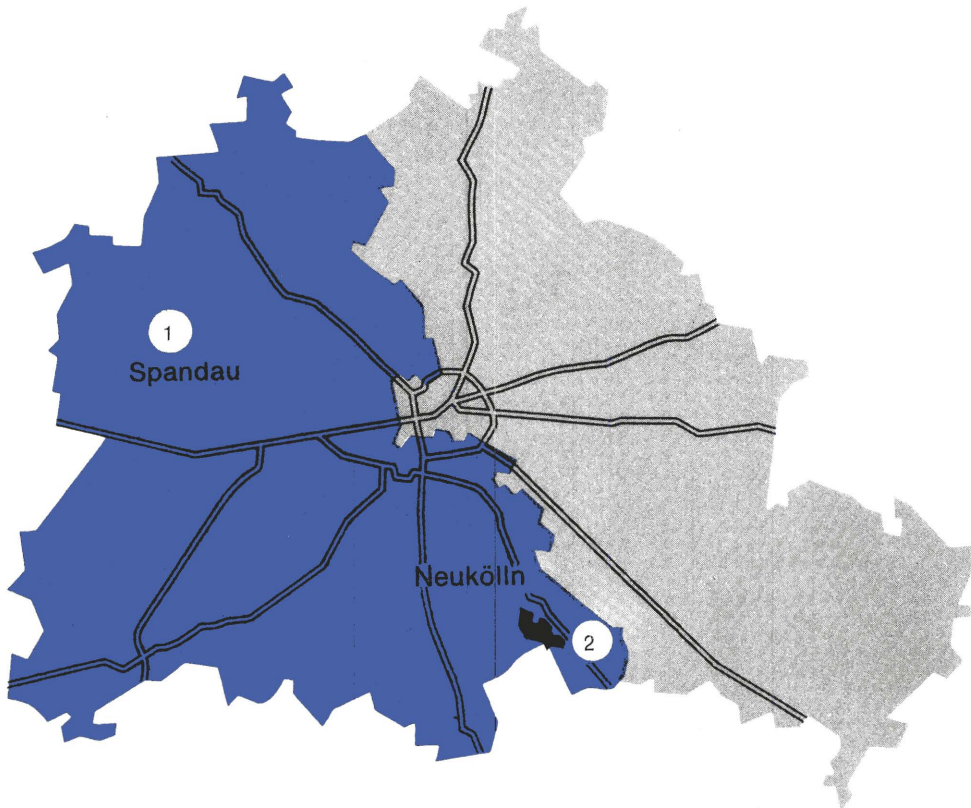


Installing overhead wires at Fulda station.



Electric locomotive E/10.

# West Berlin



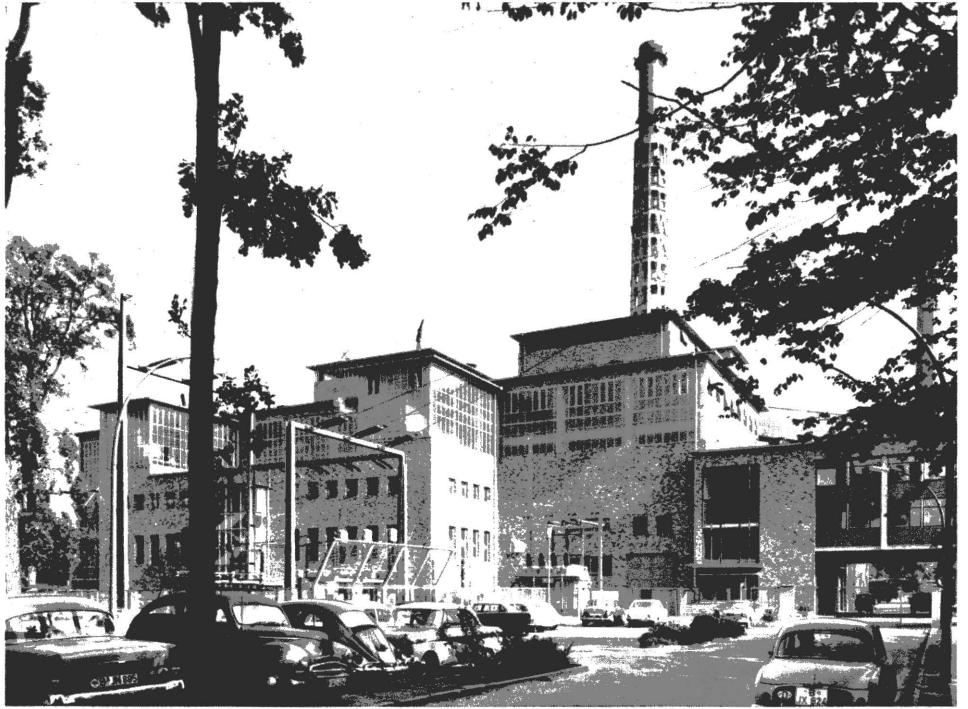
In West Berlin, where there is already a considerable concentration of industry with a high growth rate (about 9% per annum), the Bank has financed the construction of the Oberhavel thermal power station at Spandau (Berlin electricity works) by the Berliner Kraft- und Licht (Bewag)- A. G.; this 100,000 kW station will help to meet the growing demand for electric power.

The Bank has also financed BEWAG's Rudow II thermal power station of 100,000 kW, which will provide not only power but district heating for an entirely new residential area now being developed south of West Berlin.



New residential area heated by Rudow II.

Projects	million u.a.
1 Berliner Kraft- und Licht (Bewag)- Aktiengesellschaft <i>Oberhavel thermal power station</i>	2.4
2 Berliner Kraft- und Licht (Bewag)- Aktiengesellschaft <i>Rudow II thermal power station</i>	5.0



Bewag - Oberhavel power station.



Bewag - Control room at the Oberhavel power station.



# Benelux



In the Benelux countries regional differences in economic expansion have led to the adoption of a policy for structural improvements in the less advanced regions.

In the **Netherlands**, the Government is implementing a highly flexible series of measures to improve structure and facilitate the setting up of new industries in areas to be developed.

In **Belgium**, the Government is urging industry to settle in industrial zones now being formed in areas like the Borinage, where new life needs to be injected into an aging economy or in areas which have failed to exploit all their resources to the full, have lagged behind and are now suffering from inadequate demand for labour. This is true of the Belgian province of Luxembourg, where the Bank has aided the development effort by contributing to the financing of a paper-pulp factory.

In the **Grand Duchy of Luxembourg**, the hub of economic Europe, the Bank has helped with a major project of common interest, a hydro-electric power station on the river Our which will make it possible to develop the Vianden area.

Projects	million u.a.
1 Société Electrique de l'Our (SEO) (Vianden) <i>Hydro-electric accumulator pumping station</i>	4.0
2 La Cellulose des Ardennes (Harnoncourt) <i>Paper-pulp</i>	4.8

**La Cellulose des Ardennes**

Belgium

Sited near timber sources, this paper-pulp mill will provide direct employment for 400 persons in a development area.



The forest of the Ardennes will provide raw material for the new mill.



La Cellulose des Ardennes - Building the mill.

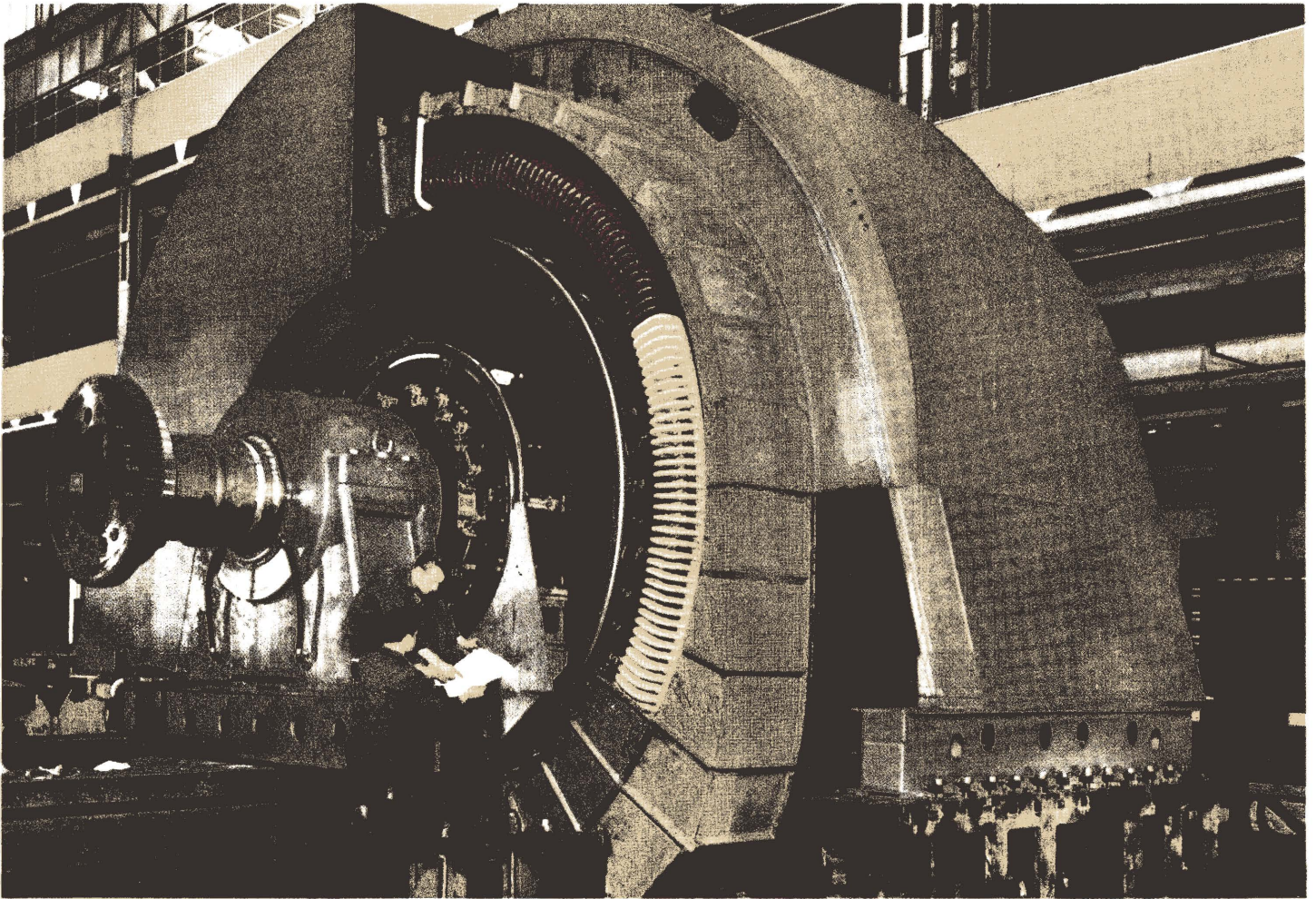




SEO - Aerial view.



With an installed capacity of 400,000 kW, shortly to be raised to 900,000 kW, the S.E.O.'s hydro-electric accumulator pumping station at Vianden is the world's most powerful station of its kind. It obtains its off-peak energy from the Rheinisch-Westfälisches Elektrizitätswerk-A.G. (RWE), the leading Federal German electricity undertaking. The power it produces during peak hours is returned to the RWE and in part fed out to consumers in Luxembourg.



Installation of a 115,000 kva turbine.

# Greece

Greece is the first European country to be associated with the European Economic Community. The Association Agreement, which entered into force on 1 November 1962, lays down that the Greek economy may one day be fully integrated with that of the Common Market. This means a fundamental change in the economic and social life of the country and holds out much promise for the future; it also requires energetic action to develop the Greek economy during the transitional period.

Greek incomes are low (\$ 365 per head per year, approximately the same as in Southern Italy or Spain). This income is very unequally distributed between the Athens area, where three-quarters of the country's industry has settled, and the provinces. There are 200,000 registered unemployed in industry, and in agriculture there is considerable under-employment.

The Greek development plan aims at doubling the domestic product in the space of ten years, creating 600,000 new jobs, including 215,000 in industry, and ensuring the rapid economic development of the peripheral areas. In order to reach these targets, the equipment effort will have to be spread over many sectors, particularly energy (supplies of electric power are to be doubled in seven years), irrigation (400,000 hectares of dry land are to be irrigated in ten years) and transport.

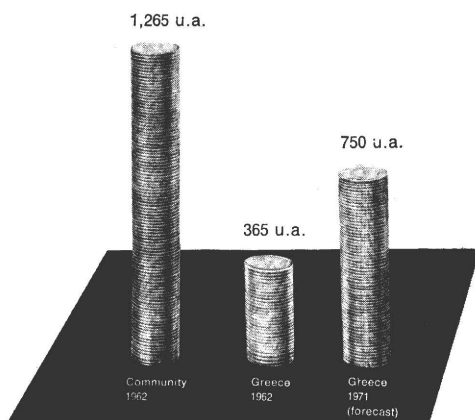
Industrial production is to be doubled in ten years with the help of considerable capital investment from public and private sources; modern complexes are to be established in several parts of Greece.

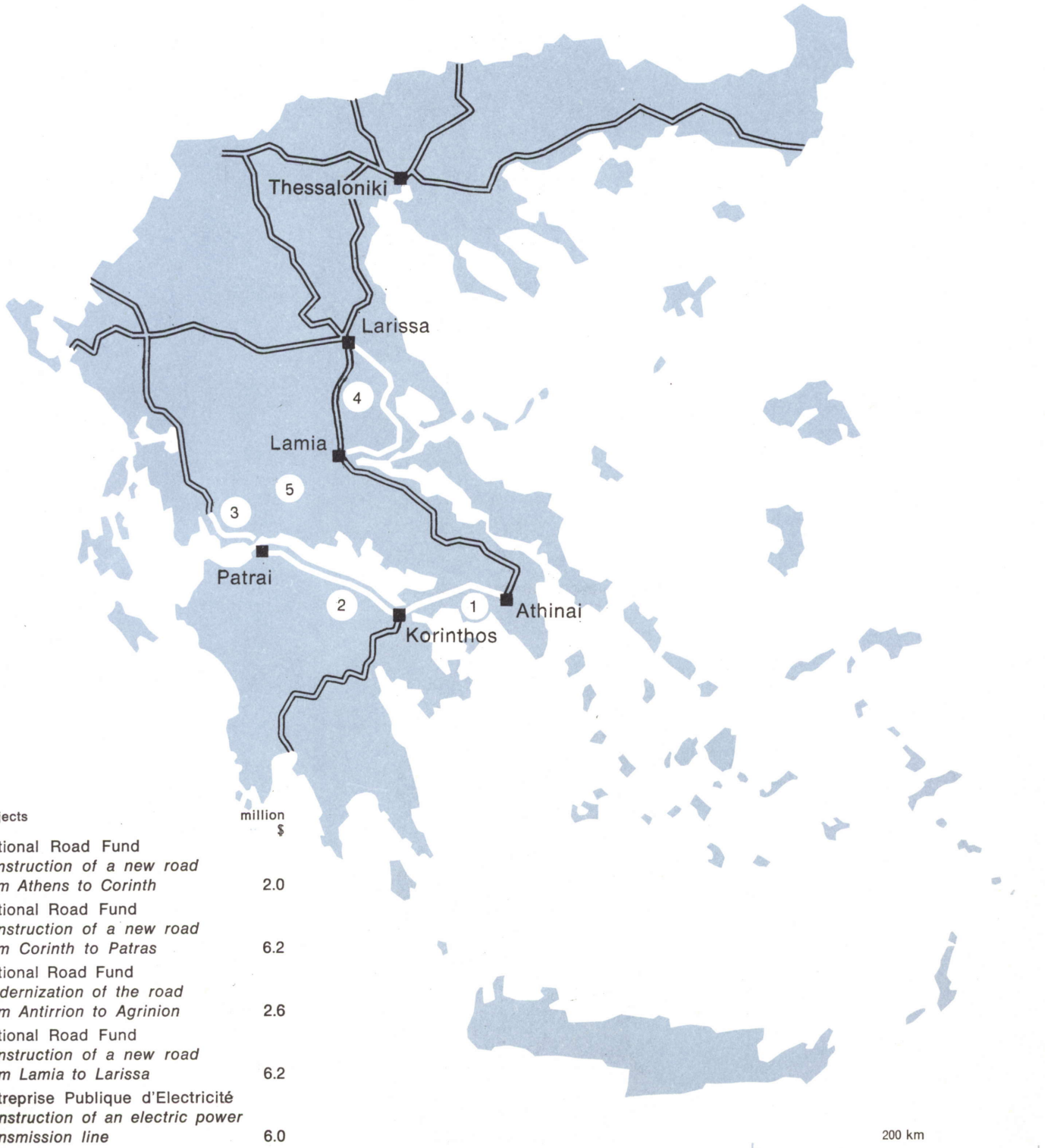
Work has already begun on major infrastructure and industrial schemes.

The Association Agreement provides for Community aid to Greek development in the form of a loan of \$ 125 million spread over five years. Of this sum, \$ 50 million will be handed over by the European Bank in the first two years.

In 1963 the Bank decided to participate — with a contribution of \$ 23 million — in five specific projects.

Gross national product per head  
1962





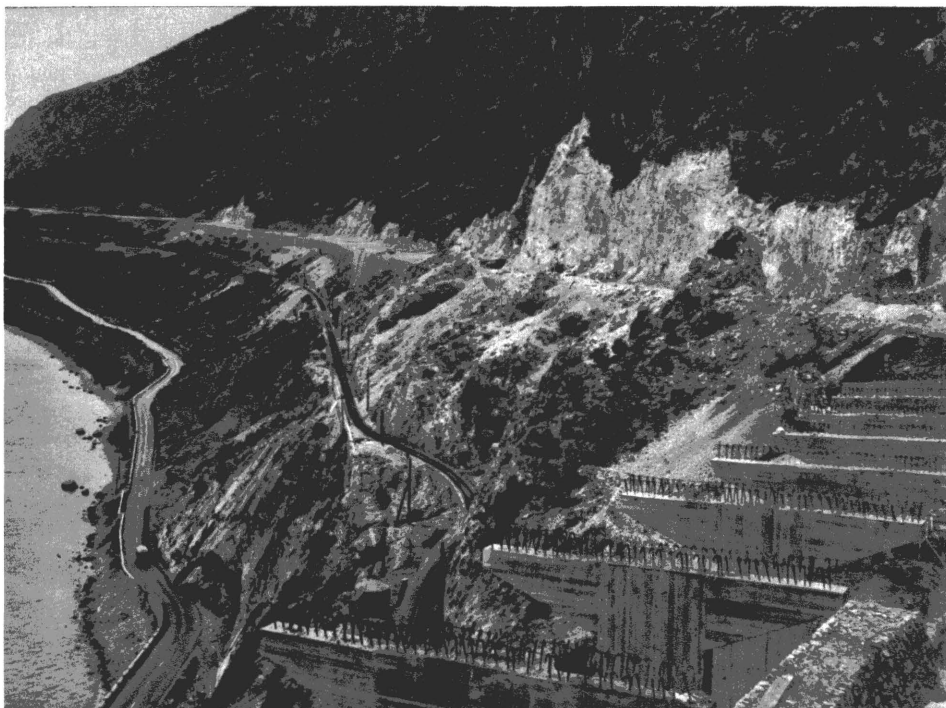


**National Road Fund**

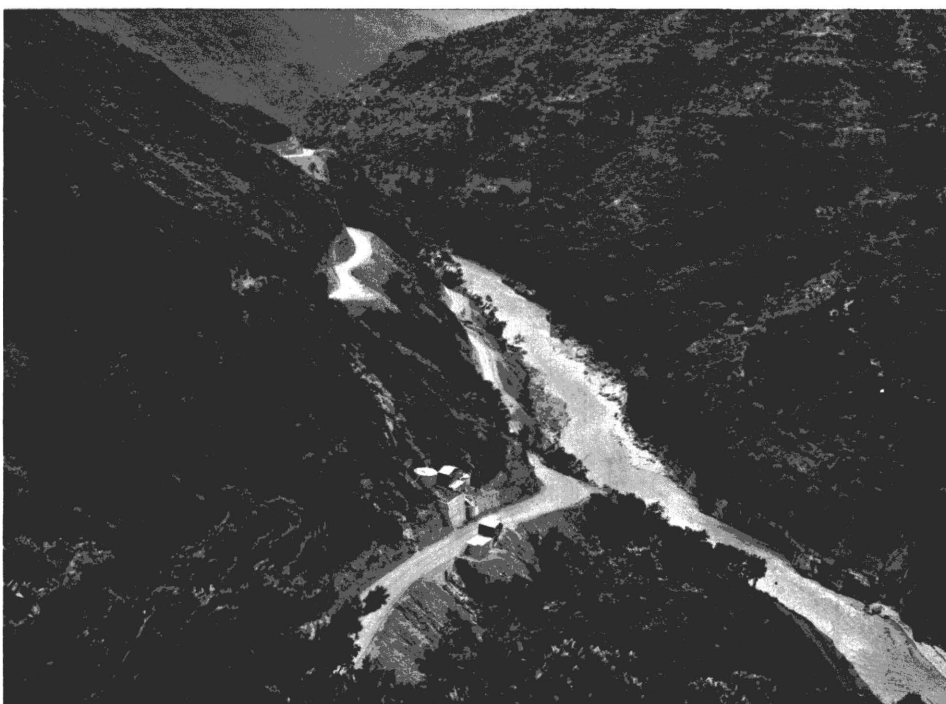
The Athens-Patras road is the main link between Athens, the Peloponnesus and Western Europe.

**E.P.E. - Entreprise Publique d'Electricité  
(Public Power Corporation)**

500 km. of transmission lines link the hydro-electric power station at Kremasta, (which will increase by 60 % the quantity of electric power now produced by the E.P.E.) with the national high-tension grid.



National Road Fund - Construction of a new road between Athens and Patras.



E.P.E. - Site of Kremasta Dam.

## Turkey

The Association Agreement between the Community and Turkey, signed on 12 September 1963 in Ankara, provides that loans — up to 175 million units of account in five years — may be made available to the Turkish economy. They will be granted by the European Bank acting for the Member States, which will place the necessary funds at the Bank's disposal.



## Africa, Madagascar and the «Associated Overseas Countries and Territories»

The Association Treaty between the Community, 17 African States and Madagascar was signed on 20 July 1963 in Yaounde. It provides for financial aid by the Community totalling 730 million units of account. Agreements concluded for dependent Overseas Territories and for four French Departments involve Community aid amounting to 70 million units of account.

The European Bank will contribute to this aid by granting loans from its own resources amounting to 64 million and 6 million units of account respectively; it will also, jointly with other Community institutions, administer loans, granted on special terms by the European Development Fund, totalling 46 and 4 million units of account respectively.

### 1. States

Kingdom of Burundi  
Federal Republic of Cameroon  
Central African Republic  
Republic of Congo (Brazzaville)  
Republic of Congo (Leopoldville)  
Republic of Ivory Coast  
Republic of Dahomey  
Republic of Gabon  
Republic of Upper Volta  
Republic of Madagascar  
Republic of Mali  
Islamic Republic of Mauritania  
Republic of Niger  
Republic of Rwanda  
Republic of Senegal  
Republic of Somalia  
Republic of Chad  
Republic of Togo

### 2. Territories and Departments

#### a. Territories

French Somaliland  
Comoro Islands  
St. Pierre et Miquelon  
New Caledonia and Dependencies  
French Polynesia  
Southern and Antarctic Territories  
Netherlands Antilles  
Surinam  
Wallis and Futuna Islands

#### b. Departments

Reunion  
Martinique  
Guadeloupe  
French Guiana







# How the European Bank functions

The European Investment Bank is an independent body under public law, forming part of the European Economic Community. It is administered and controlled by nationals of each of the six countries (Belgium, France, Germany, Italy, Luxembourg and the Netherlands). Its object is to finance investment projects of interest to the Community.

## Resources

Capital: one thousand million units of account (\*), of which 250 million units of account are paid up.

The Bank raises the funds needed for its interventions by way of loans floated on the capital markets.

## Activities

The Bank operates in the Member States and in the Associated States. The Board of Governors may in exceptional cases decide to finance projects in other countries.

The Bank may grant loans for the financing of projects to be executed by any public or private organization or company in any sector of the economy.

In the European territories of the Member States, a project is eligible only if:

- a - it contributes to the improvement of an under-developed area, or
- b - it is used to modernize or convert an enterprise, or
- c - it represents a venture of common interest to several Member States.

## Conditions of loans

Loans by the Bank may cover only a part of the total cost of any project. In principle, loans are paid in instalments in the currencies available at the Bank at the time of the payment; they are repaid in the same currencies. Irrespective of the currency of the payment or of the Member State on whose territory the relevant project is situated, the rates of interest are fixed by the Bank in accordance with the conditions at which it can obtain loans on the capital market (\*\*).

The duration of loans varies with the normal duration of the technical amortization of each project. Contracts may include provision for a period of grace.

The Bank requires the borrower to provide the usual bankers' security or a state guarantee.

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(\*) 1 unit of account = 50 Belgian francs = 4 German marks = 4.93706 French francs = 625 Italian lire = 50 Luxembourg francs = 3.62 Dutch guilders = 1 US dollar = 4.37282 Swiss francs.

(\*\*) On 31 March 1964, the current rate charged by the Bank was 5%.

This booklet has been produced by a European team:

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Atelier Adrian Frutiger, France	layout
Fred Overbeck, Germany	cover
Amilcare Pizzi S.p.A., Italy	printing

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*Belgium:*

Merckx; Parsons & Whittemore;

*Luxembourg:*

SEO-RWE;

*Greece:*

National Road Fund; E.P.E.







## **Address**

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Brussels 1**

**Telephone: 13 40 00**

**Telex: Bankeurop Bruxl 02-21721**

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# Loans

## Country breakdown of loans approved

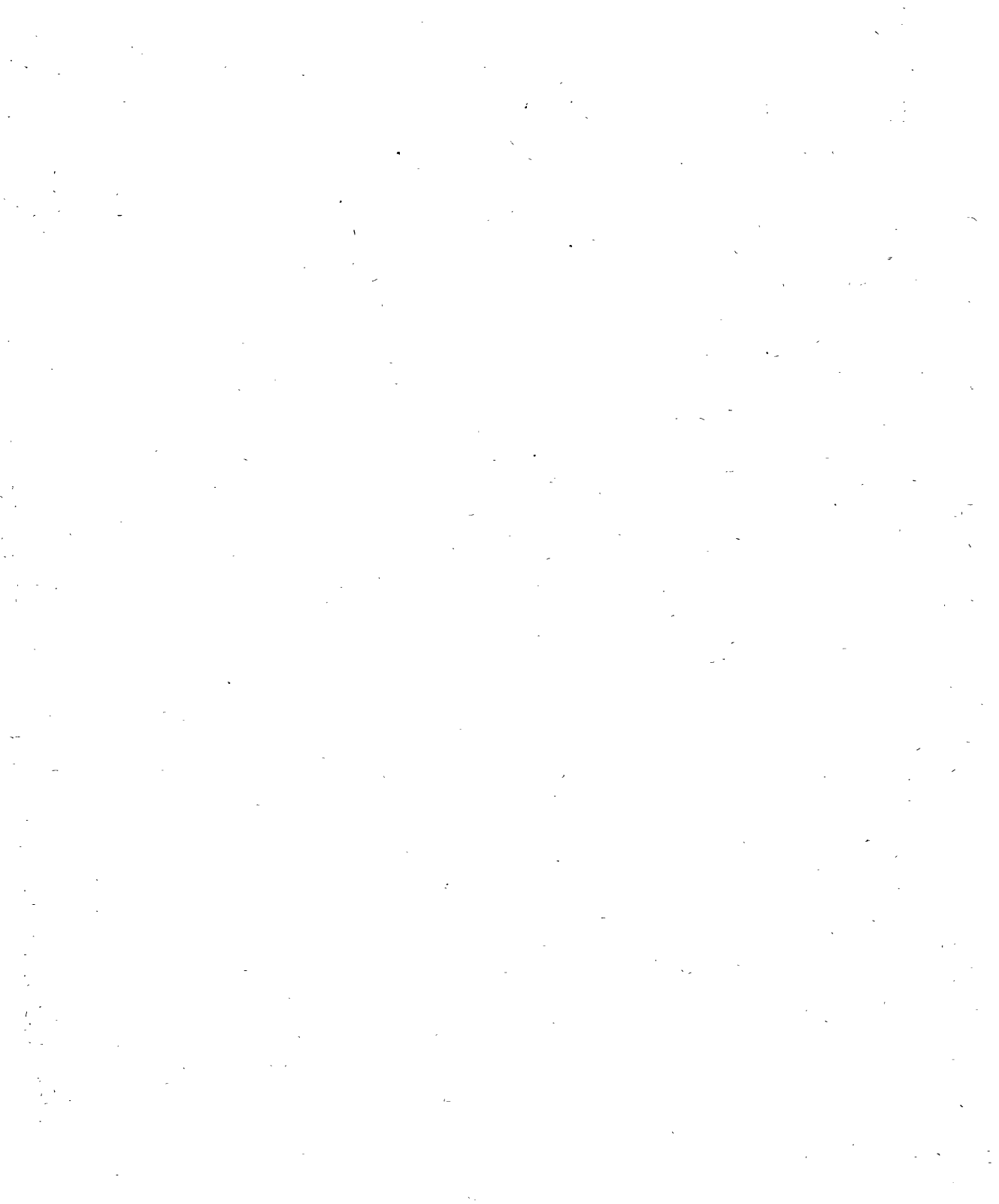
(Member countries and associated countries)  
at 31 December 1963

Country	Number of loans	Amount in million units of account	%
<b>Member countries</b>			
Belgium	1	4.8	1
Germany	3	32.4	9
France	10	58.0	16
Italy	47	236.1	66
Luxembourg	1	4.0	1
	<hr/>	<hr/>	<hr/>
Total	62	335.3	93
<b>Associated countries</b>			
Greece	5	23.0	7
	<hr/>	<hr/>	<hr/>
Grand total	67	358.3	100
	<hr/>	<hr/>	<hr/>

## Sector breakdown of loans approved

(Member countries and associated countries)  
at 31 December 1963

Sector	Number of loans	Amount in million units of account	%
Agriculture	2	10.5	3
Energy	10	74.6	21
Transport	10	106.2	30
Industry	45	165.0	46
	<hr/>	<hr/>	<hr/>
Grand total	67	358.3	100
	<hr/>	<hr/>	<hr/>



# Borrowing

at 31 December 1983

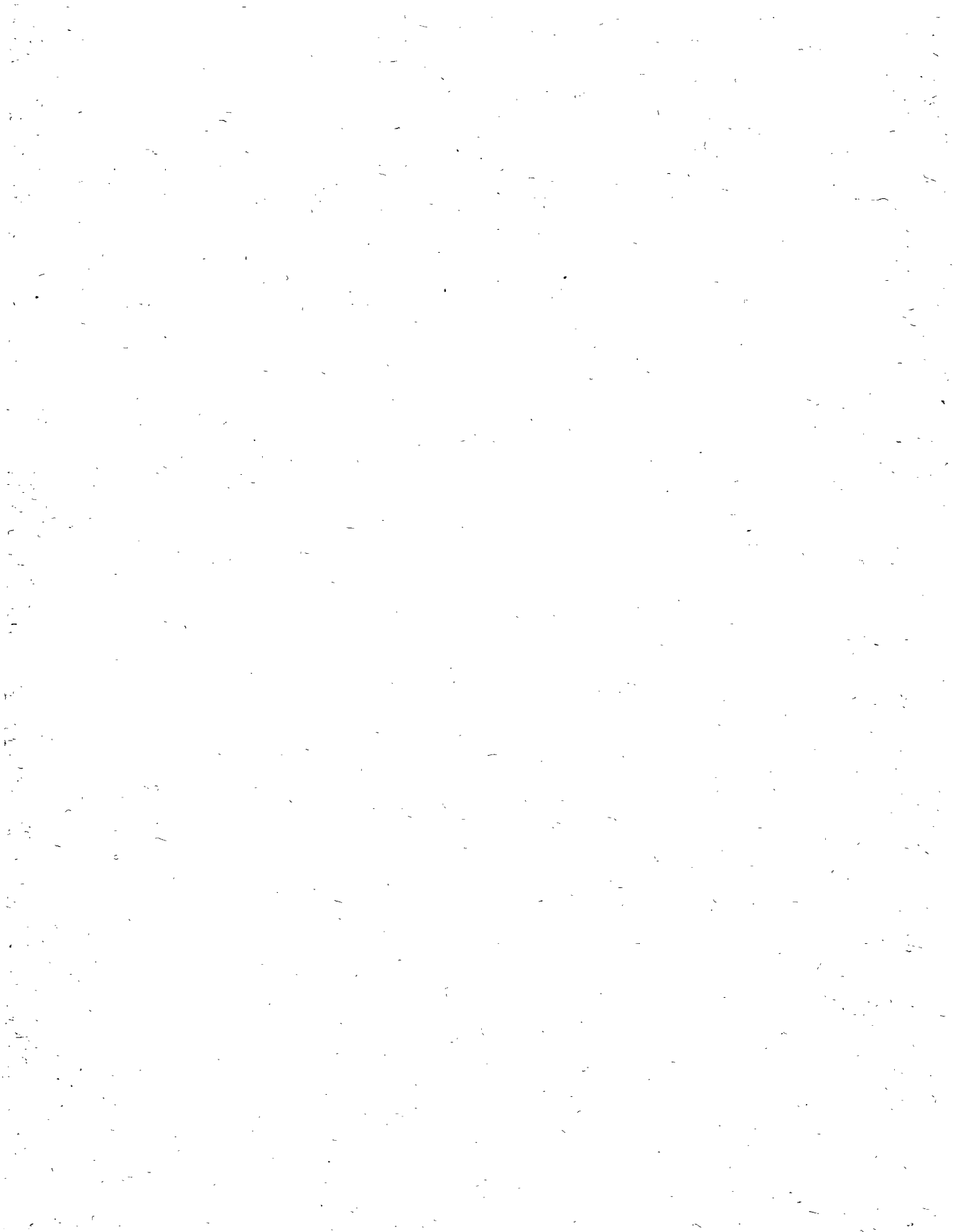
## Bond issues

4½%, 1961, for seven years, in guilders (Fl. 20,000,000)	5,524,861.88 u.a.
4½%, 1961, for twenty years, in guilders (Fl. 50,000,000)	13,812,154.70 u.a.
5%, 1962, for fifteen years, in Italian lire (Lit. 15,000,000,000)	24,000,000.00 u.a.
4¾%, 1962, for twenty years, in guilders (Fl. 30,000,000)	8,287,292.82 u.a.
5%, 1963, for twenty years, in French francs (FF 60,000,000)	12,152,981.73 u.a.
6%, 1963, for twenty-four years, in Belgian francs (Bfrs. 400,000,000)	8,000,000.00 u.a.
5½%, 1963, for seven years, in German marks (DM 60,000,000)	15,000,000.00 u.a.

## Other borrowing

Bank credit, 1961, for six years, in Swiss francs	<u>1,646,534.72 u.a.</u>
<b>Total</b>	<b><u>88,423,825.85 u.a.</u></b>





# Balance Sheet - Profit and loss account

## Balance Sheet at December 31, 1963

(in units of account of 0.88867086 g. fine gold — Art. 4 of the Statutes)

The conversion rates used in the accounts of the Bank are:

1 unit of account = 50 Bfrs. = 4.00 DM = 4.93706 FF = 625 Lit. = 50 Lfrs. = 3.62 Fl. = 1 US\$ = 4.37282 F8.

Assets		Liabilities	
Cash and Banks		Subscribed capital . . . . .	1,000,000,000.00
Member countries' currencies		of which paid up in accordance with Art. 5 § 1 of the Statutes . . . . .	290,000,000.00
at call or not exceeding one year . . . . .	122,667,801.95	Statutory reserve . . . . .	20,970,420.22
Other currencies at call or not exceeding one year . . . . .	24,690,911.17	Provisions for risks on loans and guarantees . . . . .	15,000,000.00
Gold assets . . . . .	8,562,954.50	for equalization of interest on borrowings and for issuing charges . . . . .	6,000,000.00
Investments		for monetary risks not covered under Art. 7 of the Statutes . . . . .	2,000,000.00
Member countries' currencies		Amounts due under Art. 7 § 2 of the Statutes . . . . .	461,072.22
not exceeding one year . . . . .	8,967,269.94	Medium and long term debt	
over one year . . . . .	6,297,340.26	member countries' currencies . . . . .	86,777,291.13
Other currencies not exceeding one year . . . . .	3,458,262.54	other currencies . . . . .	1,846,634.72
Amounts due on bonds not yet delivered		Undisbursed balance of effective loans . . . . .	81,008,174.44
member countries' currencies . . . . .	3,210,230.98	Accrued interest payable and interest received in advance . . . . .	961,302.57
Effective loans of which disbursed:		Miscellaneous . . . . .	1,680,462.75
in member countries' currencies . . . . .	175,009,227.10		
in other currencies . . . . .	25,015,012.66		
undisbursed balance . . . . .	81,008,174.44		
Furniture and equipment . . . . .	1.00		
Accrued interest and commission . . . . .	2,581,549.03		
Miscellaneous . . . . .	58,462.29		
<b>Total assets u.s.</b>	<b>486,525,227.85</b>	<b>Total liabilities u.s.</b>	<b>486,525,227.85</b>

## Profit and loss account for the financial year ended December 31, 1963

(in units of account of 0.88867086 g. fine gold — Art. 4 of the Statutes)

Debit		Credit	
Administrative expenses . . . . .	1,902,651.44	Interest and commission from loans . . . . .	9,827,777.88
Interest and charges on borrowings . . . . .	3,938,513.99	Interest and commission from investments . . . . .	6,568,993.96
Financial expenses . . . . .	10,951.06	Exchange differences . . . . .	44,792.02
Amortization of furniture and equipment . . . . .	40,762.26		
Provision for risks on loans and guarantees . . . . .	4,500,000.00		
Provision for equalization of interest on borrowings and for issuing charges . . . . .	500,000.00		
Balance appropriated to the statutory reserve . . . . .	5,378,846.05		
<b>Total u.s.</b>	<b>16,272,523.80</b>	<b>Total u.s.</b>	<b>16,272,523.80</b>



# Organization of the European Investment Bank

## Board of Governors

Belgium: André Dequae, Minister of Finance  
Germany (FR): Rolf Dahlgren, Minister of Finance  
France: Valéry Giscard d'Estaing, Minister of Finance and Economic Affairs  
Italy: Emilio Colombo, Minister of the Treasury  
Luxembourg: Pierre Werner, Minister of State, Prime Minister, Minister of Finance  
Netherlands: Hendrikus-Johannes Witteveen, Minister of Finance

## Board of Directors

Chairman: Paride Formentini.

### Directors:

Franco Bobba (EEC)  
Sjoerd Boomstra (Netherlands)  
André de Lattre (France)  
Raymond Denucé (Belgium)  
Giuseppe Di Nardi (Italy)  
Roberto Ducci (Italy)  
Fritz Fechner (Germany)  
Herbert Martini (Germany)  
Alfred Müller-Armack (Germany)  
Maurice Pérouse (France)  
Jean Saltes (France)  
Stefano Siglienti (Italy)

### Alternates:

Ain Prate (EEC)  
Otto Willem Vos (Netherlands)  
Roger Boyer (France)  
Pierre Guillt (Luxembourg)  
Lionello Fronzoni (Italy)  
Alberto Capanna (Italy)  
Friedrich Bernard (Germany)  
Walter Dudek (Germany)  
Ernst vom Hofe (Germany)  
François Bloch-Lainé (France)  
Jean Ripert (France)  
Aldo Baldari (Italy)

## Management Committee

Paride Formentini, President  
Hans Karl von Mangoldt-Reiboldt, Vice-President  
Yves Le Portz, Vice-President

## Departments

General Affairs	Henri Lenaert, Manager
Loans in Member Countries	Hans Werner von Lindelner-Wildau, Manager
Loans in Associated Countries	Guy Trancart, Manager
Finance and Treasury	Giandomenico Sertoli, Manager
Research	Alberto Campolongo, Manager
Legal	J. Nicolaas van den Houten, Manager

## Audit Committee

Karl Bernard (Germany), Chairman  
René Bresson (France), Member  
Adriaan M. de Jong (Netherlands), Member





