

# COMMISSION OF THE EUROPEAN COMMUNITIES

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COMMUNICATION FROM THE COMMISSION TO THE COUNCIL

**FUTURE OF THE ECSC TREATY  
BORROWING/LENDING ACTIVITY**

## I INTRODUCTION

- 1 In its Communication of 15 March 1991 to the Council and the European Parliament on the future of the ECSC Treaty (Doc. SEC (91) 407 final), the Commission came out in favour of letting the Treaty expire when it comes to the end of its period of validity in 2002, while taking advantage of its flexibility to adapt its application to the two sectors in such a way that they are gradually incorporated into the EEC Treaty.

On 18 November 1992 the Commission transmitted to the Council a working document (Doc. SEC (92) 1889 final) on the financial activities of the ECSC with a possible scenario for the phasing-out of budgetary expenditure by 2002.

With particular reference to ECSC borrowing/lending activity, the conclusions of the "Industry" Councils of 24 November 1992 and 4 May 1993, call upon the Commission to examine the question in depth, and consider in particular the possibility of a total or partial takeover of this activity by other financial bodies, such as the EIB.

- 2 As a result of the Council's call, inter-departmental contacts took place between the Commission and the EIB aimed at examining the scope for an EIB takeover of certain ECSC financial activities. The matter was first discussed by the EIB Board of Directors on 20 July 1993.
- 3 This note is to apprise the Council of the prospects and implications of an EIB takeover of certain ECSC financial activities, and of the principal options resulting from those prospects.

The note deals, in order, with:

- the point in the lifetime of a loan at which a transfer might be effected;
- the various types of ECSC loans and their suitability for transfer,
- the legal questions which would arise in the event of a transfer,
- the effects of ECSC lending activity on the ECSC budget and on its reserves;
- the consequences of such a transfer on the capital markets and on the ECU market,
- the consequences of invoking an EEC guarantee;
- the prospects for a takeover of this activity by financial bodies other than the EIB;
- the memorandum of the French delegation of 22 February 1993;

- the note by the Danish Presidency of 10 June 1993.

- 4 The Commission now calls upon the Council to complete its examination of the loan applications still outstanding and to give the opinions requested without delay. To this end, an Annex (1) to this note provides further information on each application.

The Commission stresses that delay in settling these outstanding cases is damaging to the image of the Community both within the Community and abroad and - with regard to certain applications under Article 56 (2) (a) prohibits the ECSC from making the planned regional grants.

## **II. ANALYSIS OF THE STAGE OF THE LOANS TO BE TRANSFERRED**

### **1. ECSC loans outstanding**

As at 31.12.1992 total ECSC loans (from borrowed funds) disbursed and not yet reimbursed amounted to 7 724 million ecus. The reserves immobilized against these outstandings amount to 261 million ecus. Annex 2 presents the method of calculation of the ratio ("solvency ratio") used by the ECSC to calculate the amount to be put in reserve.

The first possibility would be the purely administrative transfer of this portfolio to the EIB. This would amount to simple sub-contracting of the monitoring of the loans, with no financial repercussions on the accounts of the ECSC or the EIB other than an increase in the administrative costs.

A further possibility is the assignment - in the legal sense of the word - of the outstanding ECSC loans to the EIB (i.e. a sale of the portfolio to the EIB). This would raise complex problems which would require further analysis. Such an assignment would, in addition, make sense only if, at the same time, the corresponding department for ECSC borrowings were also transferred, which is hardly conceivable and would raise another series of legal and financial problems. Apart from the aspects mentioned above, negotiations would be needed with the EIB on the financial details of the transfer, after an evaluation of the value of each loan. This would inevitably involve either a direct guarantee from the Community (EEC) or from the ECSC, in which case the latter's guarantee fund would be unavailable.

The EIB is not interested in such a takeover.

### **2. ECSC loans signed but not yet disbursed and ECSC loans decided upon but not yet signed**

ECSC loans falling into this category amount to 3 182 million ecus as at 31.7.1993 (Annex 3, subtotal I). For simplicity, the PECO facility of 200 million ecus has also been included in this category, although in this case the procedure is not yet entirely completed, since the Council must give its assent (under Article 95) to each of the loans to be granted under the facility.

A transfer of these loans could force the EIB to reexamine the loans and review the guarantees. This attitude could be detrimental to the rights acquired by third parties and could lead to legal proceedings against the ECSC.

Talks with the representatives of the EIB show that there is no interest in such a transfer.

3. Applications for loans for which there has already been a Commission decision but for which there is still no Council assent

The applications falling into this category amount to 213 million ecus as at 31.7.1993 (Annex 3, subtotal IIa). In the case of these applications the actual examination has been completed, and they should be treated as above. No transfer, therefore, is recommended. The EIB shares this view.

4. Loan applications which have not yet been decided upon by the Commission

This category includes:

- applications for which the examination has begun but has not yet resulted in a favourable decision by the Commission;
- applications submitted to the Commission for which the examination has not yet begun;

The total for the two categories above is 2 168 million ecus (Annex 3, subtotal II b).

The applications submitted to the Commission for which the examination has already begun would cause problems.

For loan applications pending, which have not yet been examined by the Commission, a transfer would be possible with the agreement of the client.

For new loan applications, talks with the EIB have shown that, should the Commission wish to choose the option to transfer, the clearest solution would be for a notice to this effect to be published in the Official Journal of the European Communities. The content of such a notice would still have to be discussed in detail.

It is important to note that whenever this present document refers to a possible "takeover by the EIB" (in particular when analysing the various types of loan in Section III below) it is making reference only to new applications.

### **III. ANALYSIS OF THE VARIOUS TYPES OF LOAN**

#### **I. Loans under Article 54 (second paragraph) of the ECSC Treaty**

##### **a) Description**

Article 54 (second paragraph) of the ECSC Treaty authorizes the financing of any works and installations which contribute directly and primarily to increasing the production, reducing the production costs or facilitating the marketing of ECSC products.

These loans include in particular:

- "Consumption of Community coal" loans (e.g. the financing of thermal power stations);
- "Consumption of Community steel" loans (e.g. industrial projects involving either new applications for steel or improved competitiveness for steel vis-à-vis any other product, or projects in which steel represents a significant proportion of the cost of production. This category of loans also embraces major infrastructure projects of general European interest such as railways, harbours, bridges and tunnels);
- "Raw materials" loans to the benefit of Community producers: the ECSC has decided to finance mining projects inter alia in Norway, Sweden, Africa, the United States, Australia and South America.

The total outstanding on these loans as at 31.12.1992 was 1 682 million ecus. The reserves immobilized against these outstandings amount to 41 million ecus. Article 54 (second paragraph) loans disbursed in 1992 amounted to 831 million ecus. These were all "steel consumption" loans.

##### **b) Possibility of takeover by the EIB**

No change would be required in EIB rules or procedures for most new applications under article 54.2 (e.g. infrastructure loans). In the case of the other projects not falling within these eligibility criteria, it would be necessary for the competent Community bodies to manifest the Community's interest in their financing. In non EEC countries the EIB could operate only at the Council's invitation and possibly with a budgetary guarantee.

##### **c) Advantages**

The EIB and the ECSC already have some shared experience in the case of "infrastructure" loans, acquired in a number of co-financing operations.

Such a transfer would be in line with the proposals contained in the French Memorandum and the Danish Presidency Note.

The EIB itself is willing to accept such a transfer.

The transfer could be implemented very quickly, for example on 1 January 1994. The Commission could publish a communication in the Official Journal advising the public of this.

**d) Disadvantages**

The EIB is insisting on maintaining its usual lending criteria, in particular in terms of quality of investments and promoters, adaptation to market prospects, risks and security offered. The Bank wishes to avoid any alteration of its basic policy principles, notably non-discrimination about the origin of supplies required to complete a project. The "consumption of Community steel" clause in the "major infrastructure" loans would, doubtless, not be included which would entail the loss of the ECSC specificity of these loans.

There are a number of projects under Article 54 (second paragraph) where further intervention would be in the interests of the Community and which the EIB is empowered to take on but in respect of which it prefers, for internal operational reasons, not to increase its participation. This was the case for the financing of the Channel Tunnel, when in 1991 the EIB preferred not to contribute further, and when the ECSC, with a credit line of £200 million (265 million ecus) was able to confirm the Community's interest and confidence in this important project. The ECSC's gesture had the full support of the EIB and made a significant contribution to the financing of the project by reassuring the consortium of private-sector banks. This additional nature of the financial instruments, and the resulting synergy, would disappear with the transfer. Bankers do not calculate the amount they will lend by counting the different types of finance for which the project is eligible: they simply assess the total risk they are willing to take on. It is therefore unlikely that, in the event of the transfer, the EIB will raise the level of its intervention in any given project.

It should also be noted that, from the point of view of the instrument's objective, the transfer would as a rule do little to reduce the level of reserves, since major infrastructure works are for the most part carried out by public bodies, and this, in accordance with the solvency ratio Directive, require no immobilization of reserves. Article 54 (second paragraph) loans disbursed in 1992 totaled 831 million ecus, of which 765 million ecus was for major infrastructure projects and 66 million ecus for Community steel consumption global loans. Of the "major infrastructure" loans a total of 625 million ecus required no constitution of reserves. For the remaining infrastructure loans, i.e. 140 million ecus, reserves of 15.2 million ecus were immobilized.

e) **Variant**

The attraction of these loans has been demonstrated by the fact that, despite the existence of EIB infrastructure loans, the promoters of major projects, who are mostly public bodies with the highest possible rating, apply regularly to the ECSC.

The Commission wishes to maintain the potential of the Treaty as well as the operational flexibility described above, and proposes to limit the transfer to the EIB to those loans under Article 54 (second paragraph) which imply the immobilization of reserves (i.e. those not granted to, or guaranteed by, public bodies). At the same time, the possibility of ECSC intervention should be maintained for the cases where the EIB does not wish to grant the loan requested.

The Commission would, of course, have to demonstrate this to be the case when submitting its request for the assent of the Council.

Doubtless, the "consumption of community steel" clause could not be taken over as it is by the EIB. However, that does not exclude the Commission and the EIB from taking care that the latter, in the choice of the large infrastructure projects to which it wishes to contribute, from taking fully into account their community interest and their conformity with the orientation of community policies, as is the case notably for the temporary loans mechanism decided at Edinburgh and confirmed at Copenhagen.

2. Loans under Article 54 (first paragraph) of the ECSC Treaty

a) **Description**

Article 54 (first paragraph) of the ECSC Treaty provides for the financing of investment programmes in coal and steel undertakings.

Loans outstanding at 31.12.1992 totalled 2 764 million ecus.

Reserves immobilized against these outstandings total 127 million ecus.

Article 54 (first paragraph) loans disbursed in 1992 amounted to 215 million ecus.

b) **Possibility of takeover by the EIB**

As a result of this specific provision in the ECSC Treaty, the EIB has only rarely taken action in this field. Under its current regulations, the EIB can only act if the investment is made in a region eligible to benefit from the structural funds. An extension of the criteria of eligibility would require a decision by the EIB Board of Governors at the request of the Council of the European Communities.

**c) Advantages**

The French Memorandum is in favour of the takeover of this activity by the EIB.

In its discussions with certain Commission departments, the EIB has said it is in favour of this option, while leaving open the question of the timing of the transfer.

It should be noted that loans under Article 54 (first paragraph) are often backed by real security, i.e. neither government guarantees (outlawed under the code on aid applicable to ECSC sectors) nor bank guarantees, and therefore tie up significant reserves in implementation of the solvency ratio Directive. Thus, in 1992 alone 21.9 million ecus were put aside for this ratio.

**d) Disadvantages**

The EIB insists that here, as for loans under Article 54 (second paragraph), it intends to maintain the customary criteria for granting loans.

However, the coal and steel sectors are currently undergoing a crisis. Transferring financing of these sectors to the EIB would be tantamount to treating them now as if it were already the year 2002, i.e. as if the ECSC Treaty no longer existed.

The Commission is currently looking into the option of assisting the restructuring of the ECSC sectors by means of a major loan linked to an initiative under Article 53a of the Treaty (the ECSC legal basis for this action is currently being examined). Such an initiative could not be carried out within the framework of the EIB.

The Note from the Danish Presidency does not envisage the transfer of activities under Article 54 (first paragraph).

**e) Variant**

The transfer could be postponed until the restructuring of the sectors is completed which would allow the EIB to implement the appropriate preparation measures.

The ECSC could, in any case, extend its present cooperation with the EIB by encouraging the Bank to participate in the financing of incoming Article 54 (first paragraph) loan applications, using the Bank's own criteria, e.g. regional criteria.

**3. Loans under Article 56 (2) (a) of the ECSC Treaty**

**a) Description**

Article 56 (2) (a) provides for the financing of programmes for the creation of new and economically sound activities or the conversion of existing undertakings capable of reabsorbing redundant ECSC workers into productive employment. These loans





Furthermore, there is some question as to the fate of the ECSC rebates under Article 56 (2) (a) in the event of transfer.

While this elimination (as recommended by the French Memorandum) would considerably lighten the ECSC budget, it would be unthinkable to enforce the current social clauses concerning job creation without granting rebates on the loans. The European Council in Copenhagen showed its interest in this type of scheme by inviting the ECOFIN Council to look into the possibility of incorporating interest rebates linked to job creation, similar to those granted by the ECSC, into EIB loans to SMEs under its temporary lending facility.

Without the rebates, loans under Article 56 (2) (a) would lose much of their attraction and impact.

At present, this instrument is additional to the other structural instruments. If it were transferred, it would lose this additionality.

e) **Variants**

- (i) It is conceivable that the takeover by the EIB of loans under Article 56 (2) (a) might take place only from 1997 onwards.

Obviously, this option (including the question of interest rebates) would have to be reexamined in the light of the implementation of recent measures to promote conversion (Copenhagen summit and structural funds).

- (ii) Another means of rapidly unlocking the ECSC's reserves would be an EEC budget guarantee. This possibility is examined further in Section 7 of this Memorandum.

4. **ECSC loans for workers' housing**

a) **Description**

The ECSC is empowered to facilitate the construction, purchase or modernization of housing for workers in the coal and steel industries.

Most of these loans are financed from the ECSC's own funds (special reserve and part of the former ECSC Pension Fund). The ECSC accounts for the year ending 31.12.1992 showed the special fund standing at 188 million ecus, and the former ECSC Pension Fund at 57 million ecus. The totals of these reserves remain unchanged: workers' housing programmes are limited to re-cycling repayments of earlier loans, giving an annual disposable sum of around 12 million ecus. These loans are very long-term (around 25 years) and, for social reasons, yield token interest at the rate of 1%.

[REDACTED]

The total outstanding on these loans at 31.12.1992 was 222 million ecus, i.e. 157 million ecus out of own funds (special reserve plus part of the former Pension Fund) and 65 million ecus out of borrowed funds.

Workers' housing loans out of own funds do not require to be weighted in accordance with the solvency ratio, since they already fully immobilize the special reserve.

Workers' housing loans out of borrowed funds obviously immobilize reserves, but the amount is negligible because of the small volume of these loans and their low rate of weighting, since they are disbursed mainly to banks.

Workers' housing loans disbursed in 1992 amounted to 13 million ecus.

**b) Possibility of takeover by the EIB**

Transferring the loans would not really be possible without transferring the corresponding reserves. The transfer would consequently not release any resources.

These loans meet neither the EIB's current criteria for eligibility of operations nor its normal banking criteria.

The taking over of this activity by the EIB is not possible under the present conditions.

**c) Variant**

The "workers' housing" loans funded from own resources account for 100% of changes in reserves other than the guarantee fund.

As was pointed out above, a transfer would not solve the problem of the reserves.

Offering a guarantee from the EEC budget would not be a solution either: in the case of the workers' housing loans, the provision against reserves is not the result of applying the solvency ratio, but simply of the fact that these loans have been granted directly from the special reserve and from part of the former Pension Fund.

The only way in which the funds can gradually become available (as the loans are repaid) is to stop granting further loans.

This, however, should not be done without serious preliminary reflection as these loans belong to the old tradition of ECSC financial activity and have an important social impact. With this instrument, at 31.12.1992 the ECSC had financed more than 203 000 homes with its 11 programmes of workers' housing.

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5. ECSC facility of 200 million ecus for the countries of Central and Eastern Europe

a) **Description**

On 5 March 1990 the Community decided to make ECSC loans available for the financing of certain investments (displaying an ECSC interest) in Hungary and Poland, up to a maximum of 200 million ecus. Since 1991 this decision has also been applicable to Bulgaria, the Czech Republic, Romania and Slovakia.

A loan of 12.5 million ecus was approved in 1991 for the financing of a project in Poland, although no payment had yet been made by 31.12.1992. A second project (43.7 million ecus) was approved by the Commission this year (1993) and is now before the Council for its assent.

This activity is liable to develop considerably with the conversion of ECSC activities in the countries of Central and Eastern Europe, and the preparations made by these countries for full association with the Community.

b) **Possibility of takeover by the EIB**

The EIB can operate in these countries after a Council decision and with the guarantee of the EEC budget.

c) **Disadvantages**

This action has received the assent of the Council pursuant to Article 95 of the Treaty establishing the European Coal and Steel Community, and has been notified to the countries concerned.

The EIB is not interested in taking over this activity without a guarantee from the EEC.

**IV. LEGAL ASPECTS**

As regards the cessation of loans made by the Commission on the basis of the ECSC treaty, it needs to be pointed out that financing by the Commission is expressly foreseen by articles 54 and 56 of the Treaty of Paris and that it constitutes an important political responsibility for this institution.

In consequence, even if one can consider that, in the present circumstances, the Commission has the right to stop its financing activities, it must be certain that the sectors concerned are not deprived of the financial backing which they can expect from the community institutions.

To this end, it must be arranged for the EIB, at the invitation of the Council, to integrate into its criteria of eligibility the conditions laid down in articles 54 and 56, in step with the Commission stopping its financial activities.

Article 232 § 1 of the EEC treaty which incorporates the rule that the ECSC treaty constitutes a lex specialis in relation to the EEC treaty, does not appear to put an obstacle in the way of such an intervention which does not involve any modification of the powers of the ECSC institutions nor the rules laid down by the ECSC treaty.

In order to guarantee the continuation of financial interventions as well as the transparency of the actions of the community institutions it is necessary for the economic operators to be informed well in advance of the date from which loan demands have to be addressed to the EIB, with the understanding that demands lodged with the Commission before the communication of the suspension of its financial activities will be able to follow their normal course.

## V. EFFECTS ON THE ECSC BUDGET

The ECSC's lending activities normally have two effects on the ECSC budget, i.e. a direct effect through the provision for interest rebates linked to Article 56 loans, and an indirect effect through the reserves (part of the guarantee funds) which are to be constituted or maintained in accordance with the solvency ratio Directive, which reduce by the same amount the budgetary resources.

1. While the interest rebates have a major effect on the ECSC budget, in that they immobilize almost a quarter of its resources, the decision on what action to take on them appears to come more from political priorities than from the decision to maintain within the Commission the lending activity as such. Accordingly, it is sufficient to confine ourselves to two important points, viz.:
  - (i) Even for the signed loans which have not been disbursed, the ECSC is protected by a clause limiting its obligations to granting rebates only in accordance with budgetary resources. While this clause does not cover the "moral obligation" to grant rebates on authorized loans, it at least has the merit of protecting the Commission from legal proceedings.
  - (ii) The Article 56 loans decided upon but not signed and the loans which have been signed but not disbursed (cf. Annex 3) totalled 2 141 million ecus on 31 July 1993. For direct loans (336 million ecus) the rebates can be modulated. For global loans (1 805 million ecus) there is very little flexibility, and if these loans were to be disbursed in their entirety, and received full rebates, the rebates would in theory total 270.75 million ecus, to be spread over five years.

2. On the other hand, the question of the effect of the lending activities on the ECSC budget by immobilizing the reserves merits very particular attention.

The main considerations are as follows.

- (i) Annex 4 gives the potential releases from the guarantee fund corresponding to the repayment schedule of current loans. This annex is based on the outstandings as at 31.12.1992, excluding new operations due or completed after that date.
- (ii) Annex 4 gives the following potential releases for the period 1993-1996:

1993	31 million ecus
1994	23 million ecus
1995	31 million ecus
<u>1996</u>	<u>82 million ecus</u>
Total:	167 million ecus

Against this prospect, we must consider:

- 3 182 million ecus loans signed but not disbursed and loans decided upon but not yet signed (cf. Annex 3, subtotal I and item 2 on page 2). These loans, which cannot be taken over by the EIB, will be disbursed in part over the period 1993-1996;
- 213 million ecus applications for loans already decided upon by the Commission, but which have not yet received the Council's assent (cf. Annex 3, subtotal IIa and paragraph 3 on page 3);
- 2 168 million ecus applications for loans received by the Commission, which are at various stages of the procedure, but on which no decision has yet been taken (cf. Annex 3, subtotal IIb). Not all of these applications will be agreed, but normally a fair number would result in loans over the period 1994-1996;
- 1 000 million ecus new ECSC loans for prefinancing Article 53(a) financial mechanisms (see Annex 3, sub-total III), which could be implemented over the period 1993-1994.

At this stage the sum total of these "potential loans" is estimated at 6 565 million ecus. It is probable that these loans will not be disbursed in their entirety although no figures for this can be estimated. Nevertheless, even their partial disbursement would require reserves to be immobilized which would no doubt offset the release of the above-mentioned 167 million ecus. As an indication, the 167 million ecus released would, if the ECSC's solvency ratio is maintained at its present level, enable the following lending transactions to be launched:

- 1 193 million ecus loans guaranteed by mortgages;
- or 5 964 million ecus loans guaranteed by banks;
- or an undefined sum covered by government guarantees;
- or a combination of the three possibilities.

It needs to be stated that these 167 million ecus would not permit the guaranteeing of all the demands foreseen and that in any case, these reserves will be allocated as a priority to covering the loans already decided by the Commission; as well as the loans for prefinancing the financial mechanism loans in accordance with article 53 a. It should be remembered that for these last, "adequate guarantees, negotiated case by case, shall be offered in each case by all paying companies proportional to their exposure and accepted by ECSC before granting any loan. This mechanism requires bank guarantees callable on first demand - except in those specific cases where the Commission decides to the contrary".

However, it should be stated that following the recent decisions adopted by the Commission concerning the ECSC budget (use of the net balance), any default by debtors would mean an immediate call on the guarantee funds. If the crisis in the coal and steel industries continues, even an increase in the guarantee funds should not be ruled out.

- (iii) Annex 4 shows, for the period 1997-2002, potential releases of reserves to the tune of 77.7 million ecus. This sum would only become actually available if, in the same period, no new loans were granted or, if they were, they did not require the immobilization of reserves.

However, to this amount can be added the reserves which would be released, during this period, following repayment of loans previously granted (in 1993-1996). This would bring the maximum release of reserves between 1997 and 2002 to 245 million ecus, provided, of course, that none of the debtors defaulted and that the problem of guaranteeing ECSC engagements going beyond 2002 has been resolved.

- (iv) In any event, an irreducible sum of ECSC reserves of 16.3 million ecus should be maintained to cover existing commitments which extend beyond 2002.

- (v) The above considerations therefore highlight the following points:

- the present level of reserves is necessary to guarantee the proper execution of current commitments and those provided for up to 31 December 1996. No release of reserves can be countenanced during this period, unless an alternative guarantee is provided (e.g. by the EEC, cf. Section VII).
- for the period 1997-2002, a gradual release of reserves, linked with the amortizations of loans, up to a maximum of 245 million ecus, could be considered.

with regard to the remaining guarantee fund (168 million ecus to cover the ECSC's financial activities other than the outstanding loans); there could also be a gradual release, which is a function of the ECSC's global activities (loans and the budget) and consequently more difficult to quantify at present.

## **VI. EFFECTS OF A TRANSFER OF THE ECSC'S ACTIVITIES ON THE CAPITAL AND ECU MARKETS**

1. The effect on the capital markets of the transfer of the ECSC's activities to the EIB will depend on the scale of the transactions concerned.

It should be noted, however, that the EIB has now become the major world borrower on the financial markets, and that the question of saturation and/or a "volume premium" could arise. Maintaining the ECSC instrument means that the signatures can be diversified, which increases the institutions' capacity to absorb paper.

2. There is no direct effect on the ecu market, other than that the Community deprives itself of a potential issuer which is a natural user of this currency. The ecu market needs first class issuers in order to develop, and the multiplicity of signatures is a positive factor in this matter.
3. The important rôle played by the ECSC as an investor in the ecu-denominated bond market must also be emphasized. The sum administered is approximately 2 000 million ecus (which represents basically the amount of the guarantee fund and the commitment yet to be disbursed). It is one of the main portfolios in this currency and constitutes a significant pillar of both the primary and secondary markets in ecus. While this rôle will be reduced as the expiry date of the Treaty approaches, in the present context these operations will make a substantial contribution to the maturing of the market.

## **VII. POSSIBILITY OF USING AN EEC GUARANTEE**

A takeover by the EIB of the ECSC loan activities is not the only way of (gradually) releasing the reserves. Granting a guarantee from the EEC budget for ECSC loans would also lead to the release of these reserves.

- (a) The "guarantee" option appears particularly appropriate for the Article 56 loans. This would involve proposing to the Council that the EEC should provide a guarantee to cover all ECSC loans corresponding to the loans outstanding under Article 56, and plus a global amount (of a size to be determined) for future borrowings under this Article. At the same time, the Commission would undertake to limit new loans under Article 56 to the amount guaranteed in this manner. The amount subsequently be raised subject to the Council's approval.



Since loans under Article 56 are granted mainly to financial institutions, the risk for the EEC budget would be very small and similar to that of other borrowings already guaranteed by a token entry (e.g. NCI loans).

This option would have the following advantages:

- immediate release of a portion of the ECSC's reserves (i.e. 86 million ecus);
  - the future trend in the amount of loans under Article 56 and the related rebates would be clear and manageable;
  - it would be possible to continue for a certain period to assist conversion (in line with the growth initiative) without changing the existing organization and the recently approved procedures;
  - for borrowing and lending activities, there would be a clear separation between the field of conversion, now linked to the EEC and having no effect on the ECSC's reserves, and the "ECSC industry" field. Apart from the requirements relating to outstanding loans under Article 54 (second paragraph), the remaining reserves would be clearly devoted to covering loans to industry (loans under Article 54 (first paragraph)).
- (b) The "guarantee" option could also be extended to all ECSC loans. In that case, the part of the guarantee fund linked to the loans, i.e. 261 million ecus, would become available.

Such a proposal would imply an effort on behalf of the budgetary authority which could in essence involve one of the following options:

- (i) to express clearly the intent to cover any actual risk by recourse to the ECSC levy (Article 50 of the ECSC Treaty); this, however, goes against the wishes expressed by the Council and the industry;
- (ii) to cover the risk by a token entry guarantee "p.m.", as has been the case for NCI loans and some EIB loans. In this case, considering the parlous state of the industrial sectors concerned, and in view of the fact that the existing reserves of the ECSC are deemed to be "adequate" (see report of the Court of Auditors on the ECSC 1992 accounts), Member States should be aware that the utilisation of the ECSC reserves for budgetary purposes will most likely lead to an additional call on Members' resources to cover expected defaults if and when they occur. The transfer of the risk from the ECSC to the EEC would also have as a consequence that the coal and steel sectors would be the sole beneficiaries of the utilisation of the ECSC reserves while the burden of the guarantee would fall on the general EEC budget;
- (iii) to create, on a similar model to the "guarantee fund", a specific reserve to cover the risks of the ECSC loans.

As regards the period post-2002, the question will in any case arise in the wider framework - as pointed out in the Note of the Danish Presidency - of the guarantee for ECSC commitments going beyond the end of the period of validity of the Treaty. After 2002, since it will no longer be possible to resort to the levy, the outstanding ECSC bonds will be guaranteed only by the remainder of the "guarantee fund" calculated on the basis of the solvency ratio. Such a guarantee is insufficient to maintain their AAA rating. The Commission cannot expose itself to the risk of a fall in the rating of ECSC bonds after 2002: this would jeopardize the credibility of all the European institutions, since the Community would have failed to show its support for one of them. The guarantee of the general budget (EEC), or a guarantee of an equivalent value, could be one of the possible ways of resolving post-2002 ECSC commitments which should be studied in detail at a later stage.

## **VIII. POTENTIAL FOR TAKEOVER OF CERTAIN ECSC FINANCIAL ACTIVITIES BY OTHER BODIES**

### **1. Possible takeover by the EBRD**

The EBRD was established to assist in finance for the countries of central and eastern Europe and of the former Soviet Union (PHARE and TACIS countries).

The fact is that the bulk of ECSC loan activities are targeted at projects within the Community.

The only loans capable of being transferred to the EBRD would be those of the CEEC facility under Article 95, totalling 200 million ecus. But, as was pointed out in Section III.5 above, when considering the possibility of transferring these loans to the EIB, the CEEC facility has already been the subject of a general Commission Decision with the assent of the Council, and that Decision has been notified to the states concerned; a transfer to the EBRD does not therefore appear to be in order.

### **2. Possible takeover by public- or private-sector financial institutions in the Member States**

This possibility calls for the following comments:

- the ECSC can already call upon a vast network for the finance of SMEs and small scale projects in the framework of the global loans under Articles 54 (second paragraph) and 56 granted to financial institutions from both the private and the public sectors in the Member States. In addition, agency agreements have been signed with the leading national development organisations for the purposes of ECSC general lending activity;

- in the event of a mandate or assignment of activities, the problems raised in connection with an EIB takeover would apply *a fortiori* and in an even more complex manner, since the activities would be being taken out of the

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Community's institutional framework. The task would not be made easier by the large number of candidates who would have to be approached;

- participation in the financing of coal and steel investment projects is already open to the market influences of supply and demand, and any bank whose house rules permit it may already participate;
- the one interesting aspect of such an option is the direct granting of interest rebates by the ECSC without going through the global loans mechanism. But this question only concerns ECSC conversion loans (Article 56 (2) (a), and has already been considered in examination of the EIB option.

From a legal standpoint, it remains to be seen whether a distinction can be made between ECSC interest rebates and ECSC loans. In practical terms it should not be forgotten that the reserves frozen as a consequence of Article 56 global loans are 2.8% of the total amount loaned, whilst the budgetary burden of interest rebates is 15%.

It should be added that in the context of the Memorandum of the French Delegation, which advocates abandoning Article 56 rebates, this question does not arise.

Detailed examination of all these possibilities and of the legal aspects inherent in each is quite disproportionate to the practical results produced.

## **IX COMMENTS ON THE MEMORANDUM OF THE FRENCH DELEGATION**

The present note answers generally the points raised in the French Memorandum dealing with the ECSC's borrowing and lending activity and its impact on reserves.

It may nevertheless be worthwhile making the following observations:

- as regards the transfer of activities, the Memorandum appears to address only the question of applications; the Commission shares this view entirely;
- as regards the date for an end to ECSC borrowing and lending activity, the Memorandum sets 1994 as its target. For part of the Article 54 loans the Commission shares this aim. For the remaining sectors, prudence would appear to dictate a more flexible approach, geared to taking greater account of the EIB's effective capacity to take over the activity, and the need to complete work currently in hand;
- the French authorities believe that a Commission policy aimed at continuing to launch major issues on the financial markets would be misguided. The Commission

wishes to point out that it has never followed such a policy: the volume of borrowings has always reflected the loan applications received and approved.

The Commission would further point out that from the point of view of the future of the ECSC Treaty, the problem is not the volume of operations still to be dealt with, but rather the impact of those operations on reserves.

- Finally, the French Memorandum recommends that the coal and steel sectors should be treated on the same footing as other sectors of industry via non-specific Community instruments. Since the submission of the Memorandum, and in the light of the critical situation in these sectors and in the steel industry in particular, the Commission has with the full cooperation of the Council been proposing a number of measures based on the potential of the ECSC Treaty.

## **X. COMMENTS ON THE NOTE BY THE DANISH PRESIDENCY**

The Commission supports the general principles underlying the guidelines set out in the Note of the Danish Presidency of 10 June 1993.

The information set out in the present note is an illustration of the Commission's desire to keep the Council fully informed of all aspects of the ECSC's borrowing and lending activity, and the options proposed are an indication of the Commission's concern to continue the pursuit of essentially the same aims.

The additional information on the loans currently under consideration by the Council, given in Annex 1, is the direct result of the suggestions set out in Point 6 of the Note by the Danish Presidency.

## **XI. CONCLUSIONS**

1. The Commission must carry through to their conclusion operations which are already under way. This means that:
  - (a) any transfer can concern only new applications;
  - (b) there can be no release of reserves before 1997.
2. The transfer of ECSC activities to the EIB poses legal problems. The only way to avoid revision of the Treaty, a long and hazardous procedure, would be for the ECSC to abandon unilaterally certain activities and for the EIB to enlarge its eligibility criteria to cover the ground left vacant by the ECSC. Even this approach is not without legal difficulties.

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3. An examination of ECSC lending activity with a view to the possible takeover of this activity by the EIB requires a distinction to be made between three categories of operation:

- activities which can be transferred immediately: essentially, this concerns loans under Article 54 (second paragraph) for the consumption of Community coal or steel in major infrastructure projects. The Commission reserves, however, the possibility of an ECSC intervention in large projects with a specific community interest as long as the loans concerned do not imply the immobilisation of reserves.
- activities which can be transferred at a later stage: this concerns loans under Article 54 (first paragraph) and loans under Article 56 (2) (a). As regards Article 54 (first paragraph) loans, we should wait until the crisis is over. In As for Article 56 loans, in any event we should await the expiry of the 1994-1996 Community Support Frameworks under Objective 2;
- activities which cannot be transferred: this concerns loans for workers' housing, certain Article 54 (second paragraph) loans and the Article 95 facility of 200 million ecus for the countries of Central and Eastern Europe, which the EIB is unwilling or unable to take over without a Community guarantee.

4. In all events, and in order to maximise the gradual release of ECSC reserves between now and 2002, the Commission advocates the following immediate measures for the types of loans which can be transferred immediately or later.

- (a) ECSC loans approved from 1.1.94 (other than those not involving the freezing of reserves) will not have a life extending beyond 2002;
- (b) ECSC loans granted between 1993 and 1996 should not involve the freezing of more reserves than are released during the same period as a result of the repayment of current loans;
- (c) The freezing of reserves against ECSC loans to be paid from 1997 should not exceed a percentage to be set annually during preparation of the draft ECSC budget. That percentage will refer to the amount of reserves to be released during the accounting year in question.
- (d) The EIB will be invited to intervene, applying its own criteria, in the financing of projects of the Article 54 (first and second paragraph) type.

Unless the present crisis persists and certain ECSC companies become unable to meet their liabilities, and provided a solution is found to the problem of guaranteeing ECSC commitments extending beyond 2002 (see Section VII, final



**ANNEX 1**

**INFORMATIONS ON LOAN REQUESTS  
AWAITING THE COUNCIL'S ASSENT**

CREDIT NATIONAL

- Amount of loan : FF 300.000.000.-
- Objective & country : Reconversion Global Loan - France
- Date of Application : 25.01.93
- Impact on the reserves : ECU 1.259.550 <sup>1</sup>
- Length and maturity of loan : 5 year tranches, not beyond 2002
- Legal basis : art. 56.2 ECSC Treaty

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<sup>1</sup> monthly ECU rate october 1993



**BANCAJA**

- Amount of loan : 1.500 mio PTA
- Objective & country : Reconversion global loan - Spain
- Date of Application : 3.11.1992
- Impact on the reserves : ECU 272.361 <sup>1</sup>
- Length and maturity of loan : 7 years tranches, not beyond 2002.
- Legal basis : art. 56.2 ECSC Treaty

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<sup>1</sup> monthly ECU rate october 1993

## BANCO HERRERO

- Amount of loan : 1.500 mio PTA
- Objective & country : Reconversion global loan - Spain
- Date of Application : 31.03.1993
- Impact on the reserves : ECU 272.361 <sup>1</sup>
- Length and maturity of loan : 7 years tranches, not beyond 2002
- Legal basis : art. 56.2 ECSC Treaty

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<sup>1</sup> monthly ECU rate october 1993

**HUTA KATOWICE**

- Amount of loan : US\$ 50 Mio
- Objective & country : Continuous casting of blooms n° 1 of the firm Huta Katowice, Poland
- Date of Application : August 1992
- Impact on the reserves : no impact of this lending activity on the ECSC reserves
- Length and maturity of loan : before 2002
- Legal basis : art. 95 ECSC Treaty

**LKAB (Suède)**

- Amount of loan : 975 Mio SKR
- Objective & country :
  1. Iron ore mine in Kiruna (Sweden) : new principal operating level at a depth of 1045 m
  2. New installaton for the production of mineral pellets at Kiruna (Sweden)
- Date of Application : 27.04.1992
- Impact on the reserves : ECU 2.866.139.-<sup>1</sup>
- Length and maturity of loan : Before 2002
- Legal basis : art. 54.2 ECSC Treaty

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<sup>1</sup> monthly ECU rate october 1993

**DEUTSCHE GENOSSENSCHAFTSBANK**

- Amount of loan : DM 20 Mio
- Objective & country : Reconversion Global Loan Germany
- Date of Application : 28.04.1992
- Impact on the reserves : ECU 293.726<sup>1</sup>
- Length and maturity of loan : 5 years tranches, not beyond 2002
- Legal basis : art. 56.2 ECSC Treaty

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<sup>1</sup> monthly ECU rate october 1993

**WESTDEUTSCHE LANDESBANK EUROPA AG**

- Amount of loan : FF 60 Mio
- Objective & country : Reconversion Global loan - France
- Date of Application : 08.12.1992
- Impact on the reserves : ECU 251.910-<sup>1</sup>
- Length and maturity of loan : 5 years tranches, not beyond 2002
- Legal basis : art. 56.2 ECSC Treaty

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<sup>1</sup> monthly ECU rate october 1993

**KIMBERLEY CLARK PLC**

- Amount of loan : GBP 7.5 Mio
- Objective & country : Construction of a mill to produce disposable diapers including finished product warehouse and support facilities - South Humberside (UK)
- Date of Application : 19.03.1992
- Impact on the reserves : ECU 1.341.632, <sup>1</sup>
- Length and maturity on loan : 5 years
- Legal basis : art. 56.2 ECSC Treaty

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<sup>1</sup> monthly ECU rate october 1993

## SOUTH YORKSHIRE PASSENGER TRANSPORT EXECUTIVE

- Amount of loan : GBP 10.2 Mio
- Objective & country : Develop and operate a system of light rail transit. It will use electric trams - Sheffield (UK)
- Date of Application : 27.05.1991
- Impact on the reserves : 1.824.619 <sup>1</sup>
- Length and maturity of loan : 5 years
- Legal basis : art. 54.2 ECSC Treaty

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<sup>1</sup> monthly ECU rate october 1993



## ANNEX 2 : SOLVENCY RATIO

The Solvency Ratio was established by the directive 89/647/CEE of the Council dated 18th of December 1989. This ratio is meant to improve the monitoring by the respective regulatory authorities of the risk management of credit institutions. It is calculated as follows:

$$\text{Solvency ratio} = \frac{\text{Equity}}{\text{(Assets + Off balance sheet items) weighted}}$$

The numerator includes the equity funds of the credit institution; for the ECSC it includes only the Guarantee Fund. The other reserves which feature in the ECSC balance sheet cannot be considered as available reserves in as much as they are earmarked for the financing of long term assets (subsidised housing loans).

The denominator is the sum of the assets weighted in relation to the degree of credit risk assumed. Similarly each off balance sheet item (contingent liabilities) is also weighted as a function of the potential credit risk it involves.

In order to determine the specific level at which the ECSC solvency ratio should be maintained, taking into account the specificity of the ECSC's activity and the special situation of the coal and steel sectors, the Commission commissioned a study by the firm of internationally recognized experts, Coopers & Lybrand, Deloitte. The study concludes that the ECSC solvency ratio should be maintained in a bracket of 14 % to 16 % . Since the closing of the ECSC accounts at 31/12/1991, the application of the results of this study has led to the release of about 50 million ECU to finance the operational budget of the ECSC. Within the framework of the approval procedure of the ECSC 1992 accounts, the Commission decided to follow this approach. At December 31 1992, the solvency ratio of the ECSC was 14.31%.

Within this context, one should point out that the ECSC Guarantee Fund at 31/12/1992 stood at ECU 429,885,000. The part of the Guarantee Fund attributable to the loan portfolio amounts to ECU 261 446 000 (see Annex 4), while the balance, i.e. ECU 168 439 000, covers other assets, as well as off balance sheet items according to the following breakdown:

- Loans and advances to Credit institutions	1 607 128
- Bank deposits	18 646 503
- Portfolio	12 723 762
- Fixed assets	940 875
- Other assets	11 083 728
- Accruals	12 724 616
- Off balance sheet : swaps	74 507 607
- Off balance sheet : other	36 204 481
<b>TOTAL</b>	<b>168 439 000</b>

SITUATION AS AT 31st JULY 1993 ( MECU)

	AMOUNT	INCL. 54.1	INCL. 54.2	INCL. 56.2	ART. 95
I. GLOBAL LOANS SIGNED, NOT DISBURSED	1.831,14	-	157,87	1.673,27	-
DIRECT LOANS SIGNED, NOT DISBURSED	594,75	82,82	376,41	135,42	-
GLOBAL LOANS DECIDED, NOT SIGNED	132,44	-	-	132,44	-
DIRECT LOANS DECIDED, NOT SIGNED	424,50	166,22	68,00	200,28	-
CCEE FACILITY DECIDED, NOT SIGNED	200,00	-	-	-	200,00
Sub-total I	3.182,83	239,14	602,28	2.141,41	200,00
II.a. GLOBAL LOANS DECIDED REQUIRING COUNCIL ASSENT	88,70	-	-	88,70	-
DIRECT LOANS DECIDED REQUIRING COUNCIL ASSENT	127,05	-	117,98	9,07	-
(Sub-total II.a. 213,75)					
II.b. GLOBAL LOANS AWAITING DECISION	493,65	32,08	9,87	375,88	-
DIRECT LOANS AWAITING DECISION	1.674,97	600,15	824,88	249,94	-
(Sub-total II.b. 2.168,52)					
Sub-total II	2.382,27	632,24	1.026,44	721,59	-
III. STEEL RESTRUCTURING LOAN (53.a)	1.000,00	1.000,00	-	-	-
Totals I + II + III	6.665,10	1.871,38	1.830,72	2.863,	200,00

**ANNEX 4 : Redemption of ECSC loans outstanding at 31/12/92 with corresponding potential release of Guarantee Funds**

The table below indicates the rate of redemption of ECSC loans outstanding at 31/12/92 in the years 1993 until 2018 with the consequential release of the reserves. This release is only theoretical as the table does not take account of the ECSC lending operations completed after 1/1/93 nor into the future which would have an impact on the reserves.

YEAR	LOANS REDEEMED	RESERVES RELEASED
1993	974.417.162	31.098.589
1994	1.124.145.851	22.694.778
1995	1.042.556.271	31.310.705
1996	1.879.740.374	82.327.242
1997	1.553.425.252	36.604.940
1998	276.553.491	6.878.365
1999	195.927.478	6.843.132
2000	102.021.510	3.344.285
2001	167.538.365	15.630.472
2002	95.425.936	8.411.972
2003	7.386.475	222.180
2004	7.173.407	217.664
2005	6.431.608	200.865
2006	5.634.160	178.718
2007	5.329.151	172.030
2008	3.376.528	114.155
2009	88.582.916	76.528
2010	1.880.013	72.162
2011	1.406.762	56.083
2012	59.352.239	322.073
2013	982.832	27.371
2014	500.695	13.945
2015	285.956	8.006
2016	288.816	8.085
2017	120.621.981	14.536.165
2018	2.816.190	75.504
<b>Total</b>	<b>7.723.801.409</b>	<b>261.446.000</b>

**ANNEX 5**

**RESERVES ABLE TO BE RELEASED BETWEEN 1997 AND 2002  
FOLLOWING THE MEASURES FORESEEN BY THE COMMISSION**

YEAR	THEORETICAL RELEASE OF RESERVES	USAGE	RECOVERY	POTENTIAL RELEASE
1993	31 098 589	- 31 098 589		0
1994	22 694 778	- 22 694 778		0
1995	31 310 705	- 31 310 705		0
1996	82 327 242	- 82 327 242		0
1997	36 604 940		27 905 219	64 510 159
1998	6 878 365		27 905 219	34 783 584
1999	6 843 132		27 905 219	34 748 351
2000	3 344 285		27 905 219	31 249 504
2001	15 630 472		27 905 219	43 535 691
2002	8 411 972		27 905 219	36 317 191
<b>TOTAL</b>	<b>245 144 480</b>	<b>- 167 431 314</b>	<b>167 431 314</b>	<b>245 144 480</b>

**REMARKS**

1. Since we start from the hypothesis that the loans having an impact on reserves cannot go beyond 2002, all reserves being released according to the first column (maturing of outstanding loans) will become available before 2002.
2. What can change, as a result of the reserves being blocked for the loans between 1993 and 2002, is the time the reserves are in fact released and made available for budgetary requirements (last column).

## ANNEX 5

**RESERVES ABLE TO BE RELEASED BETWEEN 1997 AND 2002  
FOLLOWING THE MEASURES FORESEEN BY THE COMMISSION**

YEAR	THEORETICAL RELEASE OF RESERVES	USAGE		RECOVERY		POTENTIAL RELEASE
		%	ECU	1993 - 1996	1997 - 2002	
1993	31 098 589	100 %	-31 098 589			0
19194	22 694 778	100 %	-22 694 778			0
1995	31 310 705	100 %	-31 310 705			0
1996	82 327 242	100 %	-82 327 242			0
1997	36 604 940	25 %	-9 151 235	27 905 219	27 453 705	55 358 924
1998	6 878 365	25 %	-1 719 391	27 905 219	6 989 021	34 894 240
1999	6 843 132	25 %	-1 710 783	27 905 219	7 392 494	35 297 713
2000	3 344 285	25 %	-836 071	27 905 219	5 338 620	33 243 839
2001	15 630 472	25 %	-3 907 618	27 905 219	14 971 295	42 876 514
2002	8 411 972	0 %	0	27 905 219	15 568 031	43 473 250
<b>TOTAL</b>	<b>245 144 480</b>		<b>-184 756 613</b>	<b>167 431 314</b>	<b>77 713 166</b>	<b>245 144 480</b>

YEAR	THEORETICAL RELEASE OF RESERVES	USAGE		RECOVERY		POTENTIAL RELEASE
		%	ECU	1993 - 1996	1997 - 2002	
1993	31 098 589	100 %	-31 098 589			0
19194	22 694 778	100 %	-22 694 778			0
1995	31 310 705	100 %	-31 310 705			0
1996	82 327 242	100 %	-82 327 242			0
1997	36 604 940	50 %	-18 302 470	27 905 219	18 302 470	46 207 689
1998	6 878 365	50 %	-3 439 183	27 905 219	7 099 677	35 004 896
1999	6 843 132	50 %	-3 421 566	27 905 219	7 941 856	35 847 075
2000	3 344 285	50 %	-1 672 143	27 905 219	7 332 954	35 238 173
2001	15 630 472	50 %	-7 815 236	27 905 219	14 312 119	42 217 338
2002	8 411 972	0 %	0	27 905 219	22 724 091	50 629 310
<b>TOTAL</b>	<b>245 144 480</b>		<b>-202 081 911</b>	<b>167 431 314</b>	<b>77 713 166</b>	<b>245 144 480</b>

ANNEX 5

RESERVES ABLE TO BE RELEASED BETWEEN 1997 AND 2002  
FOLLOWING THE MEASURES FORESEEN BY THE COMMISSION

YEAR	THEORETICAL RELEASE OF RESERVES	USAGE		RECOVERY		POTENTIAL RELEASE
		%	ECU	1993 - 1996	1997 - 2002	
1993	31 098 589	100 %	-31 098 589			0
19194	22 694 778	100 %	-22 694 778			0
1995	31 310 705	100 %	-31 310 705			0
1996	82 327 242	100 %	-82 327 242			0
1997	36 604 940	75 %	-27 453 705	27 905 219	9 151 235	37 056 454
1998	6 878 365	75 %	-5 158 774	27 905 219	7 210 332	33 113 551
1999	6 843 132	75 %	-5 132 349	27 905 219	8 491 217	36 396 436
2000	3 344 285	75 %	-2 508 214	27 905 219	9 327 289	37 232 508
2001	15 630 472	75 %	-11 722 854	27 905 219	13 652 942	41 558 161
2002	8 411 972	0 %	0	27 905 219	29 880 150	57 785 369
TOTAL	245 144 480		-219 407 210	167 431 314	77 713 166	245 144 480

YEAR	THEORETICAL RELEASE OF RESERVES	USAGE		RECOVERY		POTENTIAL RELEASE
		%	ECU	1993 - 1996	1997 - 2002	
1993	31 098 589	100 %	-31 098 589			0
19194	22 694 778	100 %	-22 694 778			0
1995	31 310 705	100 %	-31 310 705			0
1996	82 327 242	100 %	-82 327 242			0
1997	36 604 940	100 %	-36 604 940	27 905 219	0	27 905 219
1998	6 878 365	100 %	-6 878 365	27 905 219	7 320 988	35 226 207
1999	6 843 132	100 %	-6 843 132	27 905 219	9 040 579	36 945 798
2000	3 344 285	100 %	-3 344 285	27 905 219	11 321 623	39 226 842
2001	15 630 472	100 %	-15 630 472	27 905 219	12 993 766	40 898 985
2002	8 411 972	0 %	0	27 905 219	37 036 210	64 941 429
TOTAL	245 144 480		-236 732 508	167 431 314	77 713 166	245 144 480

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