



*European Communities
Commission
Press Release*

*20 Kensington Palace Gardens
London W8 4QQ
Telephone: 01-727 8090*

March 26, 1975

NEW UNIT OF ACCOUNT

Development Fund and Investment Bank

The EEC Finance Ministers have decided to introduce a new Unit of Account for the European Development Fund and the European Investment Bank, based on a basket of all nine currencies.

The decision, taken on March 18, approved Commission proposals first put forward last December for a redefinition of the Unit of Account, the EEC's common monetary unit.

The use of the "weighted basket" UA for the E.D.F. and E.I.B. is the first step towards the proposed change from the gold-based UA to a unit reflecting, and based upon, the nine currencies, for all Community purposes.

The E.D.F., the aid fund for the 46 Lomé Convention countries, stands at 3,150 million UA for five years. This amount will now be expressed in each currency in terms of the new weighted UA, as will loans from the E.I.B.

The weighting of the pound sterling in the basket is 17.5 per cent. Contributions to the E.D.F. will be made at the going rate of the pound against the basket - likely to be considerably less than the Community's standard budget rate of 2.40, which remains the same. Britain's contribution to the EDF, meanwhile, is 18.25 per cent.

The currency composition of the new EDF/EIB Unit of Account is as follows :

(Germany)	DM	0.828
(U.K.)	£	0.0885
(France)	FF	1.15
(Italy)	Li	109.00
(Netherlands)	F1	0.286
(Belgium)	FB	3.66
(Luxembourg)	F Lux	0.14
(Denmark)	D Kr	0.217
(Ireland)	£ Ir	0.00759

This composition will not change, although the value of the Unit of Account expressed in the national currencies will vary from day to day. An example (that of the 4 March) for the exchange rates for the UA would be :

1 ua =	3.02269	DM
	0.542744	£
	5.49712	FF
	828.324	L It
	3.09534	F1
	44.8470	FB/Lux
	7.13073	D Kr
	1.31740	Dollars
	1.04474	SDR (Special Drawing Rights)