



*European Communities  
Commission  
Press Release*

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COMMISSION APPROVES AID TO BRITISH STEEL

Funds for Scunthorpe and Ebbw Vale

The European Commission has taken two more decisions to approve financial assistance to the British Steel Corporation.

1. A loan of £7 million has been approved towards the installation costs of a pilot plant for the production of formed coke at Normanby Park, Scunthorpe.

The loan is to be granted under Article 54 of the ECSC Treaty which empowers the Commission to give aid for the modernisation of the coal and steel industries. The precise terms of the loan (term, payment and repayment dates, interest rates) will now be agreed with the BSC. Interest rates on ECSC loans are currently around 9 per cent.

2. Under the 1973 agreement between the Commission and the British Government, based on Article 56 of the ECSC Treaty, the Commission has also just approved another grant to help retrain and resettle steelworkers affected by changes at BSC. This latest grant amounts to £337,300 and is for the benefit of steel workers at Ebbw Vale.

These latest decisions bring the total loans made available to BSC to £117.7 million (£68.3 million from the ECSC and £49.4 from the European Investment Bank). In addition, the ECSC has provided £1.2 million in research grants and £2.3 million for resettlement and retraining.

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