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In accordance with Council Regulation (EEC, Euratom) No 354/83 of 1 February 1983 concerning the opening to the public of the historical archives of the European Economic Community and the European Atomic Energy Community (OJ L 43, 15.2.1983, p. 1), as amended by Regulation (EC, Euratom) No 1700/2003 of 22 September 2003 (OJ L 243, 27.9.2003, p. 1), this file is open to the public. Where necessary, classified documents in this file have been declassified in conformity with Article 5 of the aforementioned regulation.

In Übereinstimmung mit der Verordnung (EWG, Euratom) Nr. 354/83 des Rates vom 1. Februar 1983 über die Freigabe der historischen Archive der Europäischen Wirtschaftsgemeinschaft und der Europäischen Atomgemeinschaft (ABl. L 43 vom 15.2.1983, S. 1), geändert durch die Verordnung (EG, Euratom) Nr. 1700/2003 vom 22. September 2003 (ABl. L 243 vom 27.9.2003, S. 1), ist diese Datei der Öffentlichkeit zugänglich. Soweit erforderlich, wurden die Verschlussachen in dieser Datei in Übereinstimmung mit Artikel 5 der genannten Verordnung freigegeben.

COMMISSION
OF THE
EUROPEAN COMMUNITIES

General Secretariat

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Brussels, 10th April 1981

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REQUEST FOR ASSENT, PURSUANT TO ART. 56.2.a) OF THE ECSC TREATY
TO GRANTING A RECONVERSION LOAN TO MITEL TELECOM LIMITED, U.K.

(Communication from the Commission to the Council)

COM(81) 177 final

INTERNAL DOCUMENT

Communication to the Council

Subject: Request for assent, pursuant to Art. 56.2.a) of the ECSC Treaty to granting a reconversion loan to Mitel Telecom Limited, UK.

I. THE COMPANY

No. 318

- Applicant : Mitel Telecom Limited
- Registered Office : London. Administrative and manufacturing facilities are situated at Slough, Berkshire.
- Parent company of applicant : Mitel Corporation of Canada whose shares are quoted on the Toronto, Montreal and London Stock Exchanges.
- Beneficiary : Mitel Telecom Limited.
- Field of activity of beneficiary : The principal activity of the Company is the production and sale of electronic private automatic branch exchange telephone systems as designed by Mitel Corporation.

II. THE PROJECT

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Project description

: The project is an expansion and relocation of the manufacturing operation of the electronic private automatic branch exchange telephone systems currently effected from Slough and the introduction of a manufacturing facility for micro-electronic products for incorporation in the company's switching products. For this purpose the Company is proposing to locate a new factory of 250 000 sq. ft. at Caldicot, Gwent.

Project cost

£ 000

: Land	}	455
: Buildings	}	23,075
: Plant and machinery		9,021
: Other		-
: Total		<u>32,551</u>
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Project schedule

: The project will be implemented in two phases and it is anticipated that Phase I will commence in the first quarter of 1981. Production resulting from Phase I expenditure is expected during the third quarter of 1981. Phase II is scheduled to commence in mid 1983 and be completed by the end of 1983.

Market

: Mainly UK, but also Europe, Middle East and Africa.

Environment

: Environment protection measures in accordance with regulations in force.

The project appears economically sound; it will make a very useful contribution to the redevelopment of the region concerned which is affected by a decline in ECSC industries.

III. THE REGION

- Project location : Caldicot, Gwent, S. Wales.
- Unemployment rate : 12 % in South Gwent. Predictions of unemployment levels for the shorter term range from 18% to 25%.
- National aid status of project area : Development Area with effect from 1st August, 1980.

The ECSC industry has been an important source of employment in the area.

IV. CONFORMITY WITH ART. 56 OF THE ECSC TREATY

- ECSC redundancies in project area : B.S.C.'s decline has led to the closure of a number of small works in South Gwent and reductions in manning at retained works. The most salient demanning occurred at BSC Llanwern Works with job losses of 4,400 in 1980.
- Job creation of project : About 1,700 jobs.
- Training : Training will be provided by the Company.

The Commission considers that the request complies with Art. 56 2a) of the ECSC Treaty and that the new job opportunities offered by the project are capable of absorbing redundant ECSC workers into productive employment.

V. RECONVERSION LOAN

Loan requested : £ 16 m

Loan granted : The Commission has approved a loan of £ 16 m (about 29.32 MioECU) or equivalent to the above mentioned company in accordance with Art. 56 operating policies (O.J. No. C 82/8 of 29 March 1979).

Interest rebate : 3% points per year for five years on 28,080,000 ECU

Job basis of interest rebate : 1,404 jobs suitable for and to be offered in priority to ex-ECSC workers.

VI. COUNCIL ASSENT

The Commission invites the Council to give its assent to the foregoing decision.