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Conformément au règlement (CEE, Euratom) n° 354/83 du Conseil du 1er février 1983 concernant l'ouverture au public des archives historiques de la Communauté économique européenne et de la Communauté européenne de l'énergie atomique (JO L 43 du 15.2.1983, p. 1), tel que modifié par le règlement (CE, Euratom) n° 1700/2003 du 22 septembre 2003 (JO L 243 du 27.9.2003, p. 1), ce dossier est ouvert au public. Le cas échéant, les documents classifiés présents dans ce dossier ont été déclassifiés conformément à l'article 5 dudit règlement.

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.

COMMUNICATION FROM THE COMMISSION TO THE COUNCIL

Request for assent, pursuant to Article 56(2)(a) of the
ECSC Treaty, to granting a reconversion loan to
Krupp Stahl A.G., Federal Republic of Germany

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 Krupp Stahl A.G., Federal Republic of Germany.

I. THE COMPANY

No. 320

- Applicant : Krupp Stahl Aktiengesellschaft (formerly Friedr. Krupp Hüttenwerke Aktiengesellschaft).
- Registered Office : Bochum
- Parent company of applicant : Friedr. Krupp GmbH, Essen - 70%
National Iranian Steel Company, Isfahan - 25%
Outside shareholders - 5%
- Beneficiary : See applicant
- Field of activity of beneficiary : Production, processing and sale of iron, steel and other materials and trade in various industrial products.

II. THE PROJECT

Project description : Cessation of crude steel production (according to the open-hearth process) and shutdown of the ingot/semi-product mill at the Niederschelden works. Provision of bright steel production facilities at these works by transferring available plant and machinery from the Geisweid works, some 10 km. from Niederschelden, and by the purchase of new steel-working machines. Production capacity for bright steel initially to be increased to 7,000 tonnes per month (in 1985). In 1980, the capacity of the Geisweid works was 4,050 tonnes per month.

<u>Project cost</u> (in Mio DM)	: Land	}	6
	: Buildings	}	
	: Plant and machinery		15
	: Other		<u>4.6</u>
	: Total		<u>25.6 (10.093 MioECU)</u>

Project schedule : The capital project will be completed in the second half of 1981.

Market : Mainly the motor vehicle and mechanical engineering industries, ball-bearing manufacturers and cold extrusion plants. Approximately 80% of sales are to domestic buyers, 13% to EEC buyers and the rest to third countries.

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 : Niederschelderhütte, Kreis Altenkirchen, Rheinland-Pfalz.
- Unemployment rate : In January 1981, the unemployment rate in the Altenkirchen/Oberwesterwald labour market area ranged between 5.9% and 7.2%.
- National aid status of project area : A regional development area.

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 : As a result of the cessation of crude steel production, some 600 jobs will be lost at the Niederschelden works.
- Job creation of project : The creation of bright steel production facilities will enable 230 workers to be re-employed.
- Training : Training and retraining measures for the redeployment of labour will be taken 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 : DM 12 million

Loan granted : The Commission has approved a loan of DM 12 million (about 4.731 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 4,600,000 ECU.

Job basis of interest rebate : 230 jobs suitable for redundant steel workers, who are to be given priority.

VI. COUNCIL ASSENT

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