

**ARCHIVES HISTORIQUES
DE LA COMMISSION**

**COLLECTION RELIEE DES
DOCUMENTS "COM"**

COM (82)364

Vol. 1982/0128

Historical Archives of the European Commission

Disclaimer

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.

COMMISSION
OF THE
EUROPEAN COMMUNITIES

General Secretariat

COM(82) 364 final

Brussels, 21 June 1982

FOR OFFICIAL USE ONLY

Application for reconversion loan No 345 pursuant to Article 56 of the
ECSC Treaty, on behalf of Credit Grade Limited, United Kingdom

(Communication from the Commission to the Council)

COM(82) 364 final

Communication to the Council

Subject: Request for assent, pursuant to Art. 56.2.a) of the ECSC Treaty to granting a reconversion loan to Credit Grade Limited, United Kingdom.

I. THE COMPANY

No.345

Applicant : Credit Grade Limited

Registered Office : London

Parent company of applicant : The company has been formed and is owned by Mr. Sohail who is an international businessman with commercial interests in the U.K. and the Republic of Pakistan.

Beneficiary : Credit Grade Limited

Field of activity of beneficiary : The applicant company proposes to set up a textile finishing plant which will import grey cotton cloth from the promoter's existing production units in Pakistan, or purchase cloth from existing U.K. manufacturers. The factory will provide bleaching, dyeing, printing and stitching facilities to convert the raw fabric into sheets, pillow cases, towels and other domestic cotton products. In addition, the factory will produce knitted polyester cotton fabric for the production of household linen products.

II. THE PROJECT
=====

Project description : The project involves the installation of sophisticated computer controlled equipment in a leased factory unit. The projected capacity in tonnes, for each main product group is as follows, based on one 8-hourly shift:

U.K. produced poly-cotton	319	p.a.
U.K. produced towelling	405	"
Imported grey cloth	576	"

<u>Project cost</u>	: Land	}	-
	: Buildings	}	-
	: Plant and machinery		£3.9 million
	: Other		-
	: Total		£3.9 million (6.58 MioECU)

Project schedule : Major items of equipment required for the project will be acquired from a source within the EEC. It is envisaged that the project will be established by the end of the fourth quarter 1981.

Market : The company estimates that 60% of turnover will be available for export, primarily to the U.S.A., Scandinavia, the Middle East, France and West Germany, all countries in which the company has existing market knowledge and customers.

Environment : Environment protection measures in accordance with regulations in force

The sectoral and competition aspects of the project have been closely examined; they do not run counter to granting the requested loan.

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 : Rassau Industrial Estate,
Ebbw Vale, Gwent, S. Wales.
- Unemployment rate : Latest available figures show
the unemployment rate to be
21.2% in the Ebbw Vale travel-to-
work area.
- National aid status of
project area : Special development area for the
purpose of U.K. regional policy.

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 : The end of steel making at Ebbw Vale
has led to about 3,500 redundancies
over the last four years.
- Job creation of project : By the end of 1985 about 155 people
will be recruited. Recruitment
will commence in the fourth quarter
of 1981.
- Training : The company is preparing a training
programme to provide the workforce
with the required skills. The
maintenance engineers and the design
staff will have the required skills
when recruited.

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 : £1.75 M
- Loan granted : The Commission has approved a loan of
£1.75 M (about 2.954 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
2.06 MioECU.
- Job basis of interest rebate : 103 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.