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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.

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COMMISSION
OF THE
EUROPEAN COMMUNITIES

General Secretariat

COM(82) 502 final

Brussels, 30 July 1982

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COMMUNICATION FROM THE COMMISSION TO THE COUNCIL

Request for assent pursuant to Article 56 (2a) of the ECSC Treaty
to the granting of a conversion loan to Chemical Bank Ltd,

United Kingdom

COM(82) 502 final

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COMMUNICATION FROM THE COMMISSION TO THE COUNCIL

Subject : Request for assent. pursuant to Article 56 (2a) of the ECSC Treaty to the granting of a conversion loan to Chemical Bank Ltd, United Kingdom.

I. THE COMPANY

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No. 354

Applicant : Chemical Bank Ltd.

Registered Office : London

Parent Company of applicant : Chemical New York Corporation (CNYC).
CNYC is a publicly held company whose stock is traded on the New York stock exchange.

Recipient : Chemical Bank Ltd

Field of activity of recipient : Banking

II. THE PROJECT

Description

: The Bank will be relocating approximately 360 jobs from the London area to Cardiff, Wales. The Bank hopes to increase this to 400 within 3 years. Current estimates are that 120 employees will relocate from London and the remainder will be recruited locally. The jobs being relocated are mainly clerical and administrative in nature and relate to back office operations, computer support, accounting and personnel functions.

Cost

	<u>£ 000</u>	
: Land	}	2,400
: Buildings		
: Plant and machinery		-
: Other		1,720
		<hr/>
: Total		4,120

(7.38 MioECU)

Schedule

: The Bank hopes to have the move completed by the end of 1982.

Market

: Chemical Bank is a worldwide organisation which provides many types of financial services in these markets.

Environment

: Environmental protection measures in accordance with current legislation.

The sectoral and competition aspects of the project have been closely examined ; they do not militate against the granting of the loan applied for.

The project appears to be economically sound ; it will make a significant contribution to the redevelopment of the region which is suffering the effects of a decline in ECSC industries.

III. THE REGION

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- Project Location : Cardiff, South Wales
- Unemployment rate : 14 % in the Cardiff travel-to-work area
- National aid status of project area : Assisted area

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

IV. CONFORMITY WITH ARTICLE 56 OF THE ECSC TREATY

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- ECSC redundancies in project area : In the South Wales coal industry, 1,800 jobs have been lost in the past decade. In steel, the past 6 or 7 years have seen a massive contraction within the industry with steel employment falling from over 67,000 in 75 to 27,000 by the end of 1981.
- Social considerations : The Bank states that since it hopes to retain its key supervisory personnel and to train new employees, there are few technical requirements for most positions. The Bank's history of training employers for key positions is a fine one. It has trained telex machine operators who subsequently became foreign exchange dealers and many of its key supervisors began at entry level positions. The Bank has no reason to believe that redundant coal and steel workers could not be trained to perform most job functions.

Training and recruitment for entry level positions is scheduled to begin very soon. The Bank hopes to work closely with local community leaders, the British Steel Industry and local union representatives during the recruitment process.

Of the 240 jobs to be created, the Bank estimates that 5 would be at the middle management level, 40 professional staff, 175 clerical/typing and 20 maintenance, messengers, couriers, etc.

The Commission considers that the application complies with Article 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. CONVERSION LOAN

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- Loan applied for : £ 2 million (about 3.52 MioECU)
- Loan granted : The Commission has approved a loan of £ 2 million (about 3.52 MioECU) or equivalent to the above-mentioned company in accordance with Article 56 application criteria (OJ C 82, 29 March 1979).
- Interest rebate : 3 percentage points per year for five years on 2,0 MioECU.
- Job basis of interest rebate : 100 jobs suitable for and to be offered in priority to ex-ECSC workers.

VI. COUNCIL ASSENT

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