

**ARCHIVES HISTORIQUES  
DE LA COMMISSION**

**COLLECTION RELIEE DES  
DOCUMENTS "COM"**

**COM (82)512**

**Vol. 1982/0170**

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.

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 Caledonian Airmotive Ltd.  
United Kingdom

---

FOR OFFICIAL USE ONLY

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 Caledonian Airmotive Ltd., United Kingdom.

I. THE COMPANY  
=====

No. 357

Applicant : Caledonian Airmotive Ltd.

Registered Office : Prestwick, Scotland

Parent company of applicant : Caledonian Aviation Group, a public limited company which also owns British Caledonian Airways Ltd.

Recipient : Caledonian Airmotive Ltd.

Field of activity of recipient : The Company's business is the overhaul and refurbishment of jet engines and it is presently equipped to overhaul only one product, which is the General Electric Co. CF6-50 jet engine currently used in the

McDonnell Douglas DC 10-30, Boeing 747 and Airbus A 300 commercial aircraft. The company has limited facility for high technology repairs at this time. Overhaul operations commenced in February 1980.

II. THE PROJECT

Description

: The project comprises two independent constituent parts, being the introduction of facilities for the overhaul and refurbishment of the Pratt and Whitney JT 8D series engine, and expansion of the high technology repair capability to reduce the company's dependence on US sub-contractors.

Cost

(£ 000)

: Land	}	1,500	
: Buildings	}		
: Plant and machinery		4,706	
: Other			
: Total		6,206	(+ 10.9 MioECU)

Schedule

: 1982 to 1984 incl.

Market

: The Pratt and Whitney JT8 engine is the world's most successful and popular engine with some 7.600 in operation worldwide. It therefore provides the company with a wider and more diverse market base, since there are numerous operations both in U.K., Europe and Middle East and Africa.

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

=====

- Project location : Prestwick, Ayrshire, Strathclyde region, Scotland
- Unemployment rate : In North Ayrshire, total unemployment was 20 % in January 1982. The position is particularly severe for men with male unemployment now at 24.3 %.
- National aid status of project area : Special Development area.

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

IV. CONFORMITY WITH ARTICLE 56 OF THE ECSC TREATY

=====

- ECSC redundancies in project area : The decline in iron and steel employment has been particularly rapid in Strathclyde in the more recent period, and it is estimated that a fall of over 12.000 jobs has occurred in the region since 1976.
- Jobs to be created by the project : 235
- Training : A comprehensive training plan has been developed which will provide for on and off the job training.

The Commission considers that the application complies with Article 56 (2a) of the ECSC Treaty and that the new jobs to be created by the project are capable of absorbing redundant ECSC workers into productive employment.

V. CONVERSION LOAN  
=====

Loan applied for : £ 2 m

Loan to be granted : The Commission has approved a loan of  
£ 2 m (about 3.518 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 3.4 MioECU.

Job basis of interest rebate : 170 jobs suitable for former ECSC  
industry workers, to whom they will be  
offered in priority.

VI. COUNCIL ASSENT  
=====

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