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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

Secretariat

COM(82) 507 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 Arbed-Finanz Deutschland GmbH (AFDG), Federal Republic of Germany

COM(82) 507 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 Arbed-Finanz Deutschland GmbH (AFDG), Federal Republic of Germany.

I. THE COMPANY

No. 363

Applicant : Arbed-Finanz Deutschland (AFDG)

Under a co-operation agreement dated 14 May 1981 between Neunkircher Eisenwerk AG (NE) - a subsidiary of Röchling-Burbach GmbH, which in turn belongs to the Arbed group - and Industrie-Werke Karlsruhe Augsburg AG, IWKA Stahlflaschen GmbH was established with a view to setting up a production shop for high pressure gas cylinders and pressure tanks at NE's Homburg works. The project will create 277 secure jobs in Homburg and make a substantial contribution to the development of steel processing in the Saarland.

To finance the project, Röchling-Burbach GmbH has earmarked guaranteed credits which it will make available to IWKA Stahlflaschen GmbH in agreement with the guarantors as proprietor's loans. Since the acceptance of credits extended by way of guarantee is governed by the articles of association of Arbed-Finanz Deutschland GmbH (AFDG) and since the latter has to transmit the credit on identical terms to Röchling-Burbach GmbH, the formal applicant for the ECSC loan is Arbed-Finanz Deutschland GmbH.

Recipient : IWKA Stahlflaschen GmbH

Field of activity of recipient : Manufacture and sale of extruded, pressed and punched components, in particular metal goods, pressure gas cylinders, large containers and pressure tanks.

II. THE PROJECT

Description

: The aim of the project is to open a new production shop at the Homburg works of Neunkircher Eisenwerk AG. The plant will be installed in workshops vacated as a result of the shutdown of seamless tube production and on which IWKA Stahlflaschen GmbH has taken a long lease.

Cost

	<u>DM</u>	
: Land		
: Buildings	300,000	
: Plant and machinery	25,125,000	
: Other	<u>1,575,000</u>	
: Total	27,000,000	(+ 11.3 MioECU)

Schedule

: The investment will commence in the course of 1982 and be completed in the second half of 1983.

Market

: Potential customers are manufacturers of industrial gases, breathing apparatus, diving equipment, fire extinguishers, carbon dioxide and reservoirs, breweries, the aircraft and space industry and the motor industry. The company estimates that approximately 6.5% of production will be sold in the Saarland, 38.5% in the rest of the Federal Republic, 25% in EEC countries and 30% elsewhere.

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 : Homburg, Landkreis Neunkirchen, Saarland

Unemployment rate : In the Neunkirchen area : 10.8% in
March 1982

National aid status of
project area : Regional development 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 : The restructuring programme, which provides for the technical and financial amalgamation of the Röchling-Burbach GmbH and Neunkircher Eisenwerk AG steel works, the construction of a new steel works in Völklingen and the shutdown of the liquid phase at Neunkirchen, involves about 8.700 redundancies between 1978 and 1983.

Jobs to be created by the project : 277 permanent jobs will be created as a result of the setting up of the steel cylinder manufacturing plant at Homburg. The jobs will all be offered to ECSC workers made redundant by Neunkircher Eisenwerk AG.

Training : An internal retraining programme and selective job training of the work-force in the new product range have already begun.

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

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Loan applied for : DM 13.5 million

Loan to be granted : The Commission has approved a loan of DM 13.5 million (about 5.65 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 5.54 MioECU.

Job basis of interest rebate : 277 jobs suitable for former ECSC industry workers, to whom they will be offered in priority.

VI. COUNCIL ASSENT

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