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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 (2a) of the ECSC Treaty to
the granting of a conversion loan to A.A. Brothers Ltd.,
United Kingdom

Communication to the Council

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

I. THE COMPANY

No. 372

Applicant

: A.A. Brothers Ltd.

Registered Office

: Hamilton, Scotland

Parent company of applicant

: No parent company. The authorised share capital of the company is £ 5 m. ; the issued share capital is £ 2 m. with all of the shares beneficially owned by Mr. Yaqub Ali and Mr. Taj Ali and their children.

Recipient

: A.A. Brothers Ltd.

Field of activity of recipient

: Wholesale Distribution and Warehousing.

II. THE PROJECT

Description

The project involves the establishment of a new national and international distribution centre in Glasgow. In February 1982 the company bought a site which was previously occupied by a carpet manufacturer. This business has now ceased with a loss of some 1000 jobs over the years. The site covers 19 acres and includes a single storey building of some 400,000 sq ft with a separate office block of some 40,000 sq.ft. The existing structure of the premises is being retained but they require to be adapted for the project proposed.

Cost

| | <u>£ 000</u> | |
|-----------------------|--------------|------------------|
| : Land | 5,941 | } |
| : Buildings | | |
| : Plant and machinery | 658 | |
| : Other | 180 | |
| : Total | <u>6,779</u> | (+ 12,24 MioECU) |

Schedule

: 1982 - 1985

Market

The Directors believe that the greatest scope for future growth of the company is in the national and international distribution service, for which the existing Hamilton site is wholly unsuited. The new Glasgow operation is designed to hold at Glasgow the very substantial stocks presently held at a variety of warehouses and bonded stores throughout central Scotland. In past years, the use of the numerous outside stores has adversely affected the ability of the company to move stocks quickly and has put a damper both financial and physical on the growth of the company.

Environment

: Environmental 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 : Glasgow, Scotland

Unemployment rate : In May 1982 there were 94.220 people registered as unemployed resulting in an unemployment rate of 15.9 %. The position is particularly severe for men with male unemployment now at 20.0 % (17.1 % in Scotland).

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

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ECSC redundancies in project area : Between 1970 and 1980 employment in coal-mining in Scotland fell by about 9,000 (31 %) and in metal manufacture (of which iron and steel making is the major component) by about 15,000 (32 %). 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 over 12,000 jobs has occurred in the region since 1976.

Jobs to be created by the project : 276

Training : Besides a small nucleus of highly trained sales and accounting staff, the new jobs will include a substantial number of drivers and packers for which no special training will be required.

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 : £ 2.4 m

Loan to be granted : The Commission has approved a loan of
£ 2.4 m (about 4.33 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 4 MioECU.

Job basis of interest rebate : 200 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.