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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**

General Secretariat

COM(83) 689 final
Brussels, 24 November 1983

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Communication from the Commission to the Council

33 380

**Request for assent, pursuant to Article 56 (2a) of the ECSC Treaty
to the granting of a conversion loan to United Paper Mills/Shotton
Paper Company Limited (United Kingdom)**

COM(83) 689 final

COMMISSION
OF THE
EUROPEAN COMMUNITIES

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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 United Paper Mills/Shotton Paper Company, Limited (United Kingdom).

I. THE COMPANY

No. 382

Applicant

: Shotton Paper Company, Limited.

Registered Office

: Kempson House,
Camomile Street,
London, EC3A YAN

Parent company of
applicant

: United Paper Mills Limited,
(Yhtyneet Paperitehtaat Oy)
37601, Valkeakoski,
Finland

Recipient

: Shotton Paper Company, Limited

Field of activity of
recipient

: Newsprint paper production from barked forest timber.

II. THE PROJECT

Description

: The project consists of the construction of a new mill in Shotton, North Wales, to produce newsprint (180 t./a. in '88) from barked timber drawn from forests in Wales, England and Scotland mostly owned by the U.K. Forestry Commission.

Cost

	£ 000
: Land	} 800 }
: Buildings	} 22,000 }
: Plant and machinery	61,390
: Other	<u>12,200</u>
: Total	96,390 (+ 165.307MioECU)

Schedule

: mid '83 - Jan. 1986

Market

: The company aims at supplying about 15% of the U.K. newsprint market (1.3 m.t./a.) almost all of which is now imported, mainly from Scandinavia and Canada, since the very substantial fall latterly in U.K. domestic production.

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

: Shotton, Clwyd, North-East Wales

Unemployment rate

: 19.3% (22.5% male) Shotton travel-to-work area, March 1983. U.K. average 13.8% (17.1% male). Unemployment rate in North Wales increased from 9.5% in March '79 to 18.3% in March '82.

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

1977 to '81 Shotton travel-to-work area lost 7596 ECSC jobs (72%). Clwyd lost 9132 jobs i.e. 70%.

Jobs to be created by the project : 250 jobs suitable for ex-ECSC workers out of a total of 276.

Training

: A comprehensive training programme for new employees is planned and a detailed training manual is being prepared.

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

: £ 20 m (34.3 MioECU)

Loan to be granted

: The Commission has approved a loan of £ 20 m (about 34.3 MioECU) or equivalent to the above mentioned company (1).

Interest rebate

: 3 percentage points per year for five years on 5.0 MioECU.

Job basis of interest rebate

: 250 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.

(1) In accordance with Article 56 application criteria (OJ C 191, 16 July 1983).