

COMMISSION OF THE EUROPEAN COMMUNITIES

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REPORT FROM THE COMMISSION TO THE COUNCIL AND THE EUROPEAN PARLIAMENT

on the rate of utilization of the
New Community Instrument (NCI)
(half-year from 1.1.1993 to 30.6.1993)

**THE COMMISSION'S REPORT TO THE COUNCIL
AND TO PARLIAMENT**

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1. Introduction

Council Decisions 83/200/EEC (Article 6) and 87/182/EEC (Article 8) on the financing of the NCI require the Commission to draw up a six-monthly report on the rate of utilization of the tranches of NCI III and IV.

The present report covers the period from 1.1.1993 to 30.6.1993.

2. Overall situation at 30.6.1993

The different legal bases determine the method of assessing the amount of loans signed in relation to the maximum authorized borrowing:

- (i) for NCI III, the volume of loans is lower than that of borrowings in order to take account of the currencies borrowed and the associated costs and expenses;
- (ii) for NCI IV, the ceiling applies to the loans signed.

At the end of the half year the situation regarding the use of the tranches for which a six-monthly report has to be drawn up was as follows:

Use of NCI: situation at 30/6/1993			(ECU million)
	Ceiling	Amounts used	Balance
NCI III	3,000	2,867	133 (*)
NCI IV	750	683	57

(*) The special borrowing of ECU 100 million for European innovation projects has not yet been authorized by the Council.

The borrowing operations carried out in the six months under review for financing NCI activities are shown in Annex 2(B).

3. Breakdown of loans by country and sector

The table below provides an overall view of loans signed, converted into "borrowing equivalents", at 30.6.1993. The loans in the various currencies have been converted into ecus at the exchange rate in force on the last working day of the quarter preceding the signing of the contract.

Distribution of loans signed by country at 30.6.1993					(ECU million)		
Country	NCI I	NCI II	NCI III	NCI IV	NCI Reconstr.	Total	%
Belgium	-	-	-	23.6	-	23.6	0.4
Denmark	66.8	100.6	303.0	63.2	-	533.5	8.6
Greece	-	114.9	111.2	-	80.0	306.1	4.9
Spain	-	-	69.2	132.0	-	201.2	3.2
France	70.0	125.0	938.7	72.3	-	1,206.0	19.4
Ireland	239.0	116.6	68.4	-	-	424.0	6.8
Italy	479.9	473.4	1,228.5	285.7	598.7	3,066.3	49.4
Netherlands	-	-	3.2	-	-	3.2	0.1
Portugal	-	-	29.9	9.9	-	39.8	0.6
UK	134.9	67.1	109.3	96.1	-	407.3	6.6
Total	990.5	997.5	2,861.6	682.8	678.7	6,211.1	100.0
SECTOR	Productive sector		Infrastructure		Energy		
NCI III	52.8 %		26.5 %		20.7 %		
NCI IV	100.0 %						

NCI IV is of interest because of its special features, such as the options of converting loans into risk capital, using loans to finance the purchase of intangible assets and deferring interest payments.

However, as resource depletion now allows only limited operations, which are difficult to finance on the international market under the strained conditions already described, no loan transaction has been carried out during this half year period

Annex 1

NCI IV LOANS										
CEILING: ECU 750 MILLION (1) - (Situation at 30.6.1993)										
Ref.	Project description	Date of contract	ECU million (2)	Breakdown by country (2)						
				B	DK	E	F	I	P	UK
	I. LOANS SIGNED									
64/87	FIH (Small Business) PG-V/A	15.09.87	31,80		31,80					
64/87	FIH (Small Business) PG-V/B	24.05.88	31,43		31,43					
68/87	BNL - PMI V/A	12.10.87	18,68					18,68		
68/87	BNL - PMI V/B	12.10.87	8,01					8,01		
69/87	IMI - PMI V/A	31.07.87	37,29					37,29		
69/87	IMI - PMI V/B	31.07.87	15,98					15,98		
70/87	MEDIOCR. CENTR. - PMI I/A	15.09.87	6,19					6,19		
70/87	MEDIOCR. CENTR. - PMI I/B	10.12.87	5,88					5,88		
70/87	MEDIOCR. CENTR. - PMI I/C	03.02.88	4,81					4,81		
70/87	MEDIOCR. CENTR. - PMI I/D	16.03.88	3,27					3,27		
70/87	MEDIOCR. CENTR. - PMI I/E	23.06.88	18,98					18,98		
71/87	INTERBANCA - PMI I/A	07.10.87	9,34					9,34		
71/87	INTERBANCA - PMI I/B	07.10.87	4,00					4,00		
73/87	BPI - PG V	22.07.87	9,91						9,91	
105/87	CENTROBANCA - PMI I/A	11.12.87	9,34					9,34		
105/87	CENTROBANCA - PMI I/B	11.12.87	4,00					4,00		
106/87	SAN PAOLO Agroindustria II	05.11.87	13,34					13,34		
107/87	CREDIOP - PMI I/A	18.12.87	4,67					4,67		
107/87	CREDIOP - PMI I/B	18.12.87	2,00					2,00		
108/87	BANCO DI NAPOLI - PMI A	18.12.87	4,60					4,60		
108/87	BANCO DI NAPOLI - PMI B	18.12.87	1,97					1,97		
110/87	B° DE SANTANDER - PYME	24.07.87	20,19			20,19				
121/87	B° DE BILBAO - PYME	23.07.87	31,64			31,64				
148/87	EFIBANCA - PMI I/A	17.12.87	4,67					4,67		
148/87	EFIBANCA - PMI I/B	17.12.87	2,00					2,00		
148/87	EFIBANCA - PMI I/C	24.06.88	4,55					4,55		
148/87	EFIBANCA - PMI I/D	24.06.88	1,95					1,95		
206/87	B° DE VIZCAYA - PYME A	17.12.87	9,37			9,37				
206/87	B° DE VIZCAYA - PYME B	30.11.88	8,60			8,60				
207/87	B° ESPANOL DE CREDITO - PYME A	18.12.87	12,04			12,04				
207/87	B° ESPANOL DE CREDITO - PYME B	18.11.88	10,94			10,94				
231/87	CREDIT NATIONAL - PMI III	05.02.88	20,00				20,00			
64/88	INVESTORS IN INDUSTRY - GROUPED LOAN V	28.12.88	30,54							30,54
101/88	EFIBANCA - PMI V/A	05.10.88	4,53					4,53		
101/88	EFIBANCA - PMI V/B	05.10.88	1,94					1,94		
101/88	EFIBANCA - PMI V/C	16.01.89	4,57					4,57		
101/88	EFIBANCA - PMI V/D	16.01.89	1,96					1,96		
103/88	MEDIOCR. LOMBARDO - PMI A	10.10.88	6,79					6,79		
103/88	MEDIOCR. LOMBARDO - PMI B	10.10.88	2,91					2,91		
103/88	MEDIOCR. LOMBARDO - PMI C	06.02.89	9,14					9,14		
103/88	MEDIOCR. LOMBARDO - PMI D	06.02.89	3,92					3,92		
109/88	BARCLAYS BANK II GL	21.12.88	45,81							45,81
128/88	CENTROBANCA - PMI V/A	19.12.88	13,23					13,23		
128/88	CENTROBANCA - PMI V/B	19.12.88	5,67					5,67		
135/88	CREDIOP - PMI II/A	09.12.88	4,53					4,53		
135/88	CREDIOP - PMI II/B	09.12.88	1,94					1,94		
185/88	BANCO DI SICILIA - PMI II/A	25.05.89	4,58					4,58		
185/88	BANCO DI SICILIA - PMI II/B	25.05.89	1,96					1,96		
199/88	CREDIT INDUSTRIEL ET COMM.	29.11.88	52,32				52,32			
237/88	IMI - PMI V/A	19.12.88	9,06					9,06		
237/88	IMI - PMI V/B	19.12.88	3,88					3,88		
237/88	IMI - PMI V/C	06.02.89	13,72					13,72		
237/88	IMI - PMI V/D	06.02.89	5,88					5,88		
175/89	BARCLAYS BANK III/A	30.11.89	29,38							29,38
119/90	KREDIETBANK N.V. -GL	20.12.90	18,04	18,04						
119/90	KREDIETBANK N.V. -GL	20.12.90	5,54	5,54						
48/91	B° ESPANOL DE CREDITO PG PY	28.05.91	39,19			39,19				
	TOTAL I		692,45	23,58	63,22	131,97	72,32	285,73	9,91	105,72
	II. LOANS APPROVED, AWAITING SIGNATURE		28,00							
	BALANCE		29,55							
	CEILING		750,00							
	(1) JO L° 271 of 14.03.1987 (loans ceiling).									
	(2) Conversion rates are those obtained on the last working day of the quarter preceding the signing of each loan.									

Annex 2

NCI BORROWING, BY CURRENCY

A-Debt outstanding at 30.6.1993 (1)		
Currency	(million)	Equivalent in MECU (2)
ECU	615.0	615.0
BFR	1,125.0	27.9
DM	604.3	308.3
FF	2,100.0	317.6
HFL	866.6	394.2
LFR	2,720.0	67.5
LIT	100,000.0	56.1
PTA	25,000.0	166.9
UKL	113.7	147.7
CAD		
SFR	392.0	225.8
USD	529.0	456.4
YEN	990.0	8.1
Total		2,791.5

B.-New operations: 1.1.1993 - 30.6.1993

				Equivalent in MECU (3)	
Date of issue	Duration (years)	Coupon (%)	Currency (million)	Fresh capital (1)	Re-financings
-	-	-	-	-	-

(1) Excluding refinancing operations, designed to reduced the cost of servicing existing debt initially contracted at higher interest rates.

(2) Exchange rates as at 30.6.1993

(3) Exchange rates at signature.

5
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