



European Communities
Commission
Press Release

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EUROPEAN COMMUNITY FINANCE FOR THE UK STEEL INDUSTRY

The Commission of the European Communities today announced three loans to the steel industry in the United Kingdom. The loans, granted under Article 54 of the ECSC Treaty, total £ 85 million. They will contribute to the modernisation of the steel industry in the UK and to the creation of a substantial number of new jobs in the areas concerned. This brings the total of European Community industrial loans to the UK steel and coal industries to £ 356 million since January 1973.

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Scotland - Hunterston

A £ 35 million loan has been approved to the British Steel Corporation for the construction of an ore and coal importing terminal at Hunterston, Scotland. The proposed new terminal is necessary to cope with the increasing requirements for imported ore and coal at the Corporation's Ravenscraig works. The provision of the new facilities will add significantly to the competitiveness of steel-making at Ravenscraig, which is the largest steelworkers in Scotland.

The new terminal will also be used to import ore for the new direct reduction plant which the Corporation has decided to build at Hunterston.

When fully operational, the development will give rise to around 200 additional job opportunities.

England - Sheffield

A £ 30 million loan has been approved to the British Steel Corporation for the modernisation and extension of a stainless steel cold rolling and finishing works at Shepcote Lane Works, Sheffield. The new investment in the plant is part of the British Steel Corporation's major programme of investment in its stainless steel capacity.

The project will create around 300 new job opportunities for steel workers in the Sheffield area, and will consolidate the position of Sheffield as one of the major centres of special steel-making in the Community.

Wales - Cardiff

A £ 20 million loan has been approved to GKN (South Wales) Ltd., a wholly-owned subsidiary of Guest, Keen, and Nettlefolds, Ltd. to help finance a project at their works in Cardiff, South Wales. The project includes the replacement of the existing rod and coil bar mill by a new four strand rod mill, the installation of a new two-furnace, electric arc and continuous casting plant, and the conversion of the old rod mill to a straight bar mill. The total estimated current cost of the project is £ 51.8 million.

The precise terms of the tranches of the total loan will be agreed between GKN and the Commission as they arise. The project should give rise to additional jobs in the area.