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EIB SUPPORT FOR NORTHERN IRELAND RECOVERY PROGRAMME

The European Investment Bank, the European Union's financing institution, underlined its commitment today to the special European Union's Northern Ireland initiative. The Bank will seek to increase its activities in Northern Ireland and the border counties of Southern Ireland as part of the multi-annual programme to support urban and rural regeneration, employment, cross-border development, and investment promotion.

The Essen European Council of Heads of State and Government last week agreed, in principle, to the programme and the allocation of additional GBP230 Million (ECU 300 million) (1) in funding for action to facilitate economic growth and political reconciliation. The European Investment Bank's principle objective is to support the Union's policy to promote balanced economic development by focusing on financing investment in regional development areas. Amongst its other aims, it also places a specific emphasis on improvements to the Trans-European Networks of communications and energy and encouraging the activities of small and medium-sized enterprises.

The EIB plans to step up its lending in the region for major economic infrastructure projects such as road, rail, electricity and gas links which will contribute to core economic development. The Bank also hopes to increase its support for investment by small and medium sized industry, services and tourism enterprises through its global loan schemes arranged with local banks for on-lending to smaller sized projects. In particular, it is exploring ways of extending a subsidised loan scheme for job creating investment by SMEs in Northern Ireland.

Sir Brian Unwin, President and Chairman of the European Investment Bank on a visit to Belfast to meet UK Prime Minister John Major and attend an international conference on inward investment, said: "The EIB will be stepping up its lending in Northern Ireland and the border counties in the next year. A considerable effort is now required to bring about the economic regeneration of the region if the peace process is to be a success. In terms of the EIB's contribution, I would like to see out lending reach over GBP300 million in the next five years in the province. This EIB lending programme will be in addition to the new support measures decided at the Essen Summit.

"We have been active on the European Commission's Task Force that is setting up a special support programme for their region. Our contribution can range from financing large infrastructure projects such as the development of the Cork - Dublin - Lame - Stranraer communications corridor, one of the top priority Trans-European Network projects approved at the Essen Summit - to encouraging the activities of small businesses which are the backbone of sustainable growth and job creation; We will also be looking at ways of financing the development of water and environmental protection infrastructure, electricity and gas interconnector projects between Ireland and Scotland, as well as telecommunications and new industrial investment", he said.

Over the last ten years, the EIB has lent a total of over GBP235 million for capital investment in Northern Ireland, including GBP10 million for 20 SME projects.

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Note to Editors: The EIB was set up in 1958 under the Treaty of Rome to provide loan finance for capital investment furthering European Union policy objectives, in particular regional development, Trans-European Networks of transport, telecommunications and energy, the international competitiveness of industry and its integration at a European level, small and medium-sized enterprises, environmental protection and secure energy supplies. The Union's Governments, as part of a wider economic growth and recovery programme, have given a special priority to new investment in TENs. The Essen European Council approved a listing of the key priority projects and the establishment of an EIB TENs window for additional measures to meet their financing requirements.

For further information, please contact the Information and Communications Department, Mr A. McDonough, tel.: (352) 43 79 32 47.

Conversion rates used by the EIB for statistical purposes during the current quarter are those of 30/09/94 when 1 ECU = GBP 0.79, IEP 0.79, USD 1.24.