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FINANCIAL REPORT 1994



Cataloguing data can be found at the end of this publication

Luxembourg: Office for Official Publications of the European Communities, 1995

ISBN 92-827-4625-9

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# FINANCIAL REPORT 1994

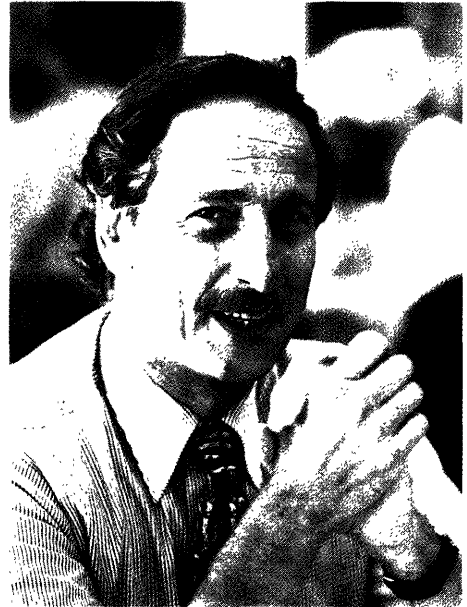
DG XVIII  
Credit and Investments  
Wagner Centre

European Commission





Y.-T. de SILGUY  
*Member of the Commission*



E. CIOFFI  
*Director-General Credit and Investments*

## **Preface**

The ECSC Treaty, which entered into force in July 1952, was concluded for a period of 50 years and will therefore expire in July 2002.

At the time, the economies of our countries were dominated by the coal and steel industries, at which the ECSC Treaty was exclusively aimed. The situation has changed greatly since then, coal and steel no longer enjoying the same pride of place as in 1952. In addition, considerable progress has been made in the construction of Europe, the Community treaties having been extended to cover not only other industries but also other fields such as external policy, common security policy and economic and monetary union.

In view of this, the Commission intends to take advantage of the Treaty's remaining term to incorporate the coal and steel sectors gradually into the overall arrangements provided for by the Treaty of Rome.

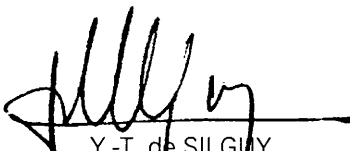
This has led the Commission to make profound changes to its financial activities under the ECSC Treaty.

In respect of its borrowing and lending activities, it adopted in June 1994 a series of measures to achieve selective and flexible reductions in both the volume and the duration of its new commitments.

As for its budgetary activities, this new policy has two major implications. The first concerns the ECSC operating budget. The Commission wants to reduce gradually the share of the levy in the financing of this budget by using the reserves which will become available. This will mean a corresponding reduction in the contribution of coal and steel undertakings to the financing of this budget. The second concerns the general budget, whose programmes will be expanded and adapted to cover some of the activities which have hitherto been financed under the ECSC operating budget (e.g. retraining for redundant workers, and research aid).



The ECSC's financial activity in 1994 was guided by these new policies. The Commission is convinced that the line it has chosen to follow is the correct one and that it will, as a result, be able to provide optimum assistance to the coal and steel industries until the Treaty's expiry in 2002.



Y.-T. de SILGUY  
*Member of the Commission*



E. CIOFFI  
*Director-General Credit and  
Investments*

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## **ECSC**

The European Coal and Steel Community was established under the Treaty signed in Paris on 18 April 1951 by Belgium, the Federal Republic of Germany, France, Italy, Luxembourg and the Netherlands. The Treaty came into force in 1952 for a period of 50 years. On 1 January 1973, Denmark, Ireland and the United Kingdom became members of the ECSC. Greece acceded to the Treaty on 1 January 1981. On 1 January 1986, Spain and Portugal joined the Community. The 12 member countries are referred to hereinafter as the 'Member States'.

## **Commission**

The European Commission exercises the powers and responsibilities devolving upon the former High Authority in accordance with the rules laid down by the ECSC Treaty.

On 31 December 1994, the Members of the Commission were:

Mr Jacques Delors	President
Mr Henning Christophersen	Vice-President
Mr Manuel Marín	Vice-President
Mr Martin Bangemann	Member
Sir Leon Brittan	Member
Mr Abel Matutes	Member
Mr Peter Schmidhuber	Member
Mrs Christiane Scrivener	Member
Mr Bruce Millan	Member
Mr Karel van Miert	Member
Mr Hans van den Broek	Member
Mr João de Deus Pinheiro	Member
Mr Pádraig Flynn	Member
Mr Antonio Ruberti	Member
Mr René Steichen	Member
Mr Yannis Paleokrassas	Member
Mr Raniero Vanni d'Archirafi	Member

The credit and investment sector was the responsibility of Mr Henning Christophersen.

The membership of the Commission was changed on 23 January 1995 following the accession of Austria, Finland and Sweden.

Responsibility for credit and investments was transferred to Mr Yves-Thibault de Silguy as from 23 January 1995.



## Directorate-General for Credit and Investments

The Directorate-General for Credit and Investments conducts the ECSC's main financial operations under the authority of Mr Enrico Cioffi, Director-General, Mr Dieter R. Engel, Director of Investments and Loans, and Mr Paul Goldschmidt, Director of Finance.

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### Ecu

By virtue of the Commission Decision of 19 December 1980,<sup>1</sup> the ecu replaced the EUA for operations under the ECSC Treaty from 1 January 1981.

The ecu is a composite monetary unit made up of a basket of Community currencies. As from 1 November 1993, the date on which the Treaty on European Union came into force, the composition of the ecu basket in terms of national currencies is as follows:

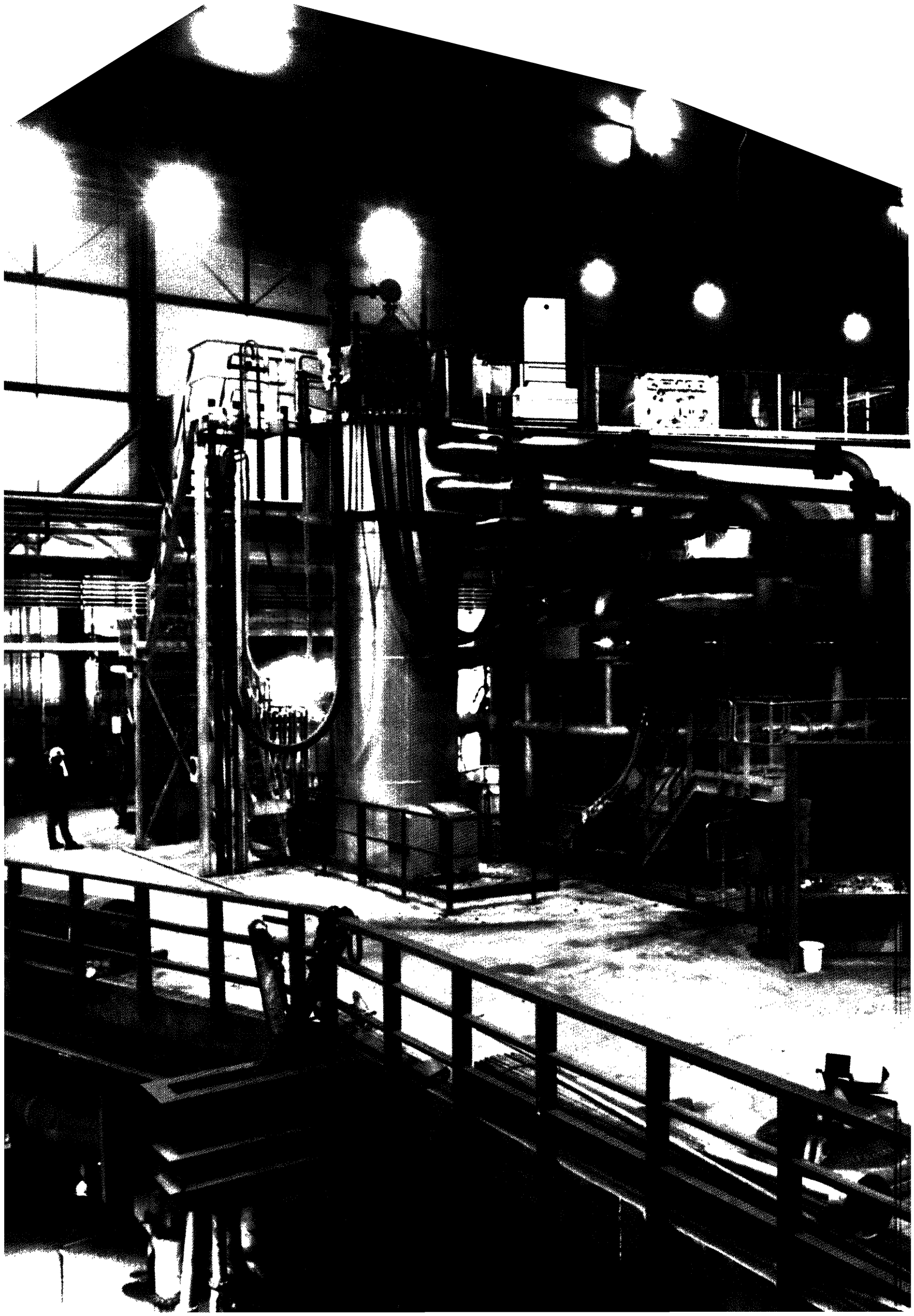
BFR	3.301	ESC	1.393	LFR	0.130
DKR	0.1976	FF	1.332	LIT	151.8
DM	0.6242	HFL	0.2198	PTA	6.885
DR	1.440	IRL	0.008552	UKL	0.08784

The value of the ecu in any currency is equal to the sum of the values in that currency of the amounts of each of the currencies making up the ecu.

Each day the Commission calculates the rate of the ecu against 24 currencies on the basis of the exchange rates recorded at 2.30 p.m. by each central bank. The rates are available from 3.30 p.m. and are sent to the national monetary authorities and the European Monetary Institute (EMI) secretariat, which uses them in its accounts for operations within the European Monetary System. These rates may be obtained each day from the automatic fax answering service in Brussels (fax number: (32) 2-2969428) and are published in the *Official Journal of the European Communities* ('Information' section).

The ecu conversion rates used for the various Community currencies and some non-Community currencies are listed on page 51.

<sup>1</sup> OJ L 349, 23 12 1980



# Activities

*Profile of Arbed  
Double-shell direct-current electric arc furnace —  
Differdange steelworks*

# Economic background and development of ECSC industries

## The economic situation in the European Union in 1994

1994 saw a resumption of economic growth. According to the most recent Commission estimates, made in May 1995, Community GDP grew by 2.75% in 1994, following a 0.5% decline in 1993.

The main engines of recovery were stock-building and strong export growth. The contrast that had emerged in 1992–93 between economic recession in the European Union and expansion in the wider world economy continued to help exporters in 1994, with strong demand from non-member countries (especially the United States of America, Latin America and Asia).

Investment, followed by consumption, were the first indicators to benefit from the high level of activity in the rest of the world. After three consecutive years of decline, investment grew by about 2.5% in 1994. Private consumption was also up, by about 1.5%, even though the real disposable income of households remained at the same level. This increase was due to lower rates of saving by households, which reflected improved consumer confidence.

Inflation continued to decline in 1994. Measured by the deflator of private consumption, the average rise in prices in the EU Member States is estimated to have been 3.2%, an historic low. This good result was made possible above all by moderate wage rises, coupled with significant productivity gains, but also by the appreciation of European currencies against the US dollar since February 1994.

The economic recovery had positive effects on the labour market and public finances. During the 1992–93 recession, some 4.5 million jobs were lost throughout the Union. Because of the customary time-lag between economic growth and rising employment, 1994 saw a further decline of 0.5% in employment levels, although this figure hides an improvement in the second half of the year. Unemployment peaked in the first half of 1994 (in May, at 11.4% of the active population), before declining slowly.

Public-sector borrowing in the Union declined from 6.25% of GDP in 1993 to 5.5% in 1994. Commission estimates suggest, however, that this improvement was basically due to economic growth. Gross public debt continued to rise on average, from 66.2% of GDP in 1993 to about 68.1% in 1994.

## Coal industry

The increase in the EU's GDP in 1994 boosted the overall demand for energy. Solid fuels, however, were the only source of primary energy to be unaffected by this trend, and demand for them declined significantly.

The figures for coal in 1994 show a contraction in the Community market for solid fuels and a very marked shrinkage in the market for hard coal.

Total deliveries of hard coal, at 260.4 million tonnes, were 12.5 million tonnes lower in 1994 than in 1993. This decline extended to all sectors of consumption with the sole exception of the iron and steel industry. The drop in demand was felt mainly in electricity production (down by 10.8 million tonnes, or 5.9%) and cokeries (down by 0.9 million tonnes, or 1.8%).

Community production continued to fall in 1994, whereas imports from third countries recovered very slightly after the big decline in 1993. Production declined by 25.9 million tonnes to 132.7 million, while imports rose by 2.2 million tonnes to 118.9 million.

Although total gross steel production rose in 1994, the market for coke continued to contract because of lower demand from the iron and steel industry resulting from improved steel production processes, which will continue to be reflected in falling demand for coking coal in the years ahead.

On 28 December 1993, having obtained the unanimous favourable assent of the 12 Member States in the Council, the European Commission, acting in accordance with Article 95 of the ECSC Treaty, approved a new framework Decision (No 3632/93/ECSC<sup>1</sup>) establishing Community rules for State aid to the coal industry for the period 1994–2002 (when the ECSC Treaty is due to expire).

The Commission recognizes that despite both the major restructuring which has been under way for many years and the aid which has been granted to the industry (more than ECU 75 billion since 1965), the coal industry in the European Union is still in a very critical condition and remains highly dependent on State aid. Although big productivity gains (the yield of underground mines in the European Union rose from 762 kg per man-hour in 1993 to 769 kg in 1994) have meant that some coalfields now produce at costs which are close to world market prices, average production costs in the EU are still three times the prices on the international market.

The prohibition on any form of subsidy contained in Article 4(c) of the ECSC Treaty would have quickly condemned much of the European coal industry to extinction, with unacceptable social and regional consequences. The Commission therefore recognized the necessity of continuing to suspend the prohibition on State aids to the coal industry, subject to certain conditions, until 23 July 2002, the date on which the ECSC Treaty is due to expire. The new framework therefore covers the transitional period required to fully integrate the coal sector into the EC Treaty.

Although the Commission recognizes that these aids will be indispensable in the immediate future, it is obliged to practise strict discipline in order to ensure compatibility with the completion of a single market for energy and coal. It was therefore considered essential to improve the transparency of existing aid systems and to ensure that the measures are taken to prevent situations requiring aid from persisting indefinitely.

---

<sup>1</sup> OJL 329, 30.12.1993, p. 12

The Commission is aware that the gulf between average production costs in the European Union and world market prices has widened considerably in recent years. There is thus a need to step up plans for restructuring, modernization and rationalization so that aid to the EU coal industry can be wound down in the wake of lower production costs, with a view to improving the economic viability of the industry.

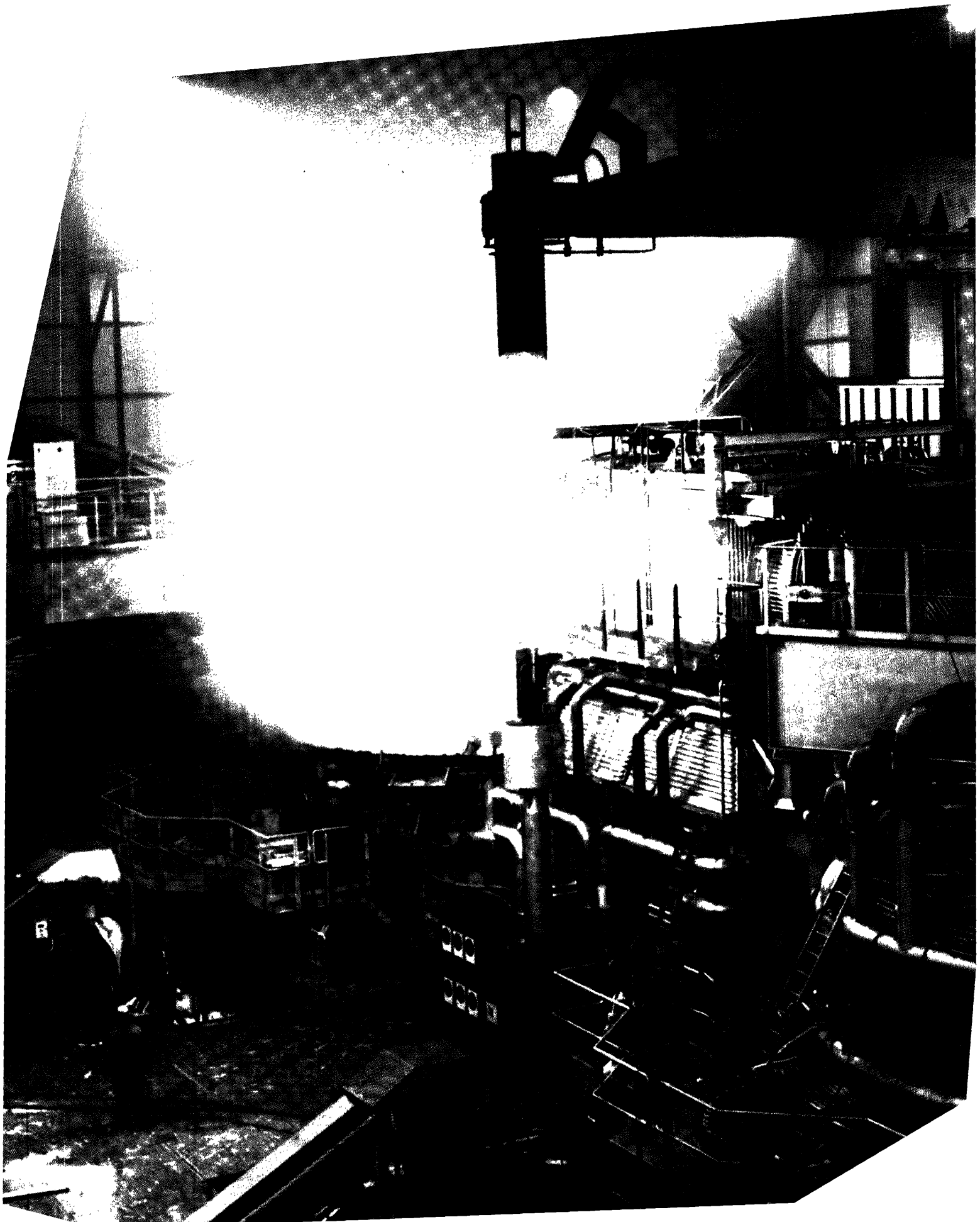
In addition to the specific criteria applicable to the various types of aid, the Decision lays down that aid granted to the coal industry may be considered compatible with the proper functioning of the common market provided it helps to achieve at least one of the following objectives:

- (i) to make, in the light of coal prices on international markets, further progress towards economic viability with the aim of achieving degression of aids;
- (ii) to solve the social and regional problems created by total or partial reductions in the activity of production units;
- (iii) to help the coal industry adjust to environmental protection standards.

The Decision also contains provisions for improving the transparency of existing aid systems. At the end of a transitional period not exceeding three years (to 31 December 1996), aid will be authorized only if it is entered in Member States' national, regional or local budgets or channelled through strictly equivalent mechanisms. Furthermore, from 1994 onwards, all aid received by undertakings must be shown in their profit-and-loss account as a separate item of revenue, distinct from turnover.

Member States wishing to grant aid to enterprises in the coal sector in the period 1994–2002 must first submit to the Commission a modernization, rationalization and restructuring plan designed to improve the economic viability of the enterprises concerned by reducing their production costs. Aid to enterprises unable to reduce their production costs sufficiently will only be possible as part of a closure plan with a deadline of no later than 23 July 2002 (the date on which Decision No 3632/93/ECSC is due to expire). In cases where closures occur after the expiry of the Decision, aid will only be authorized if it is justified on exceptional social and regional grounds.

In 1994, Germany, Portugal, Spain and the United Kingdom submitted plans for the modernization, rationalization and restructuring of their coal industries, accompanied by a statement of the financial measures planned for that year. The Commission issued a favourable opinion on all these restructuring plans and the notified aid was authorized. The French plan, which was communicated to the Commission at the end of the year, is now (February 1995) being considered by the relevant Commission departments.





## Iron and steel industry

In 1994, gross steel production in the European Union rose to 138.9 million tonnes from 132.4 million tonnes the year before, thus reversing the decline of previous years. Maximum production capacity declined to around 187 million tonnes. As a result, the utilization rate rose from 69.4% in 1993 to 74.4% in 1994.

Production of hot-rolled products rose by 7.8%, from 112 million tonnes in 1993 to about 120 million tonnes (provisional figure) in 1994. This rise runs counter to the thrust of Community policy.

The maximum production capacity of rolling plant, which stood at 172 million tonnes in 1993, declined to 169.2 million tonnes (provisional figure) in 1994, which means that the utilization rate was 71.4%, compared with 65% the year before.

Lastly, investment in the iron and steel industry in 1994 was of the order of ECU 2 720 million. This represented a decline of 5.8% compared with 1993 (ECU 2 888 million), continuing the downward trend of recent years.

*Eurotunnel: a view of one of the running tunnels shortly after completion (QA photos)*



# ECSC lending and guarantee operations

## The general trend in 1994

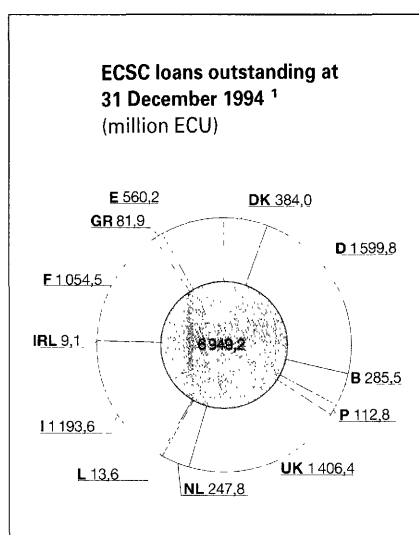
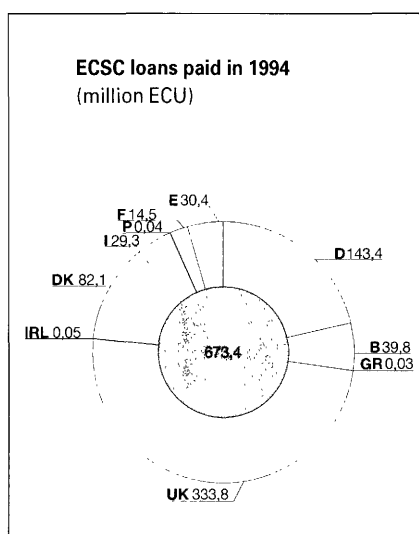
The total value of loans disbursed by the ECSC in 1994 (ECU 673.4 million), was down by 26.7% compared with 1993 (ECU 918.3 million).

This decline is due first and foremost to the economic recession that affected all the Member States. The sharp slowdown in productive investment was reflected in a reduction in the number of loans for industrial conversion (Article 56).

The restructuring of the iron and steel and coal industries gathered pace in 1994. The result was a particularly low level of industrial loans (Article 54), the only notable exception being loans related to steel consumption in Italy.

The Commission finally decided not to set up a financial support mechanism based on ECSC loans to encourage restructuring in the European iron and steel industry. Essentially, this mechanism was to be based on agreements authorized by the Commission for the closure by enterprises of surplus capacity in the subsectors of hot-rolled wide strip, quarto plate and heavy sections.

On 28 June 1994 (OJ C 175), the Commission announced adjustments to its lending and borrowing policy in the run-up to the year 2002.



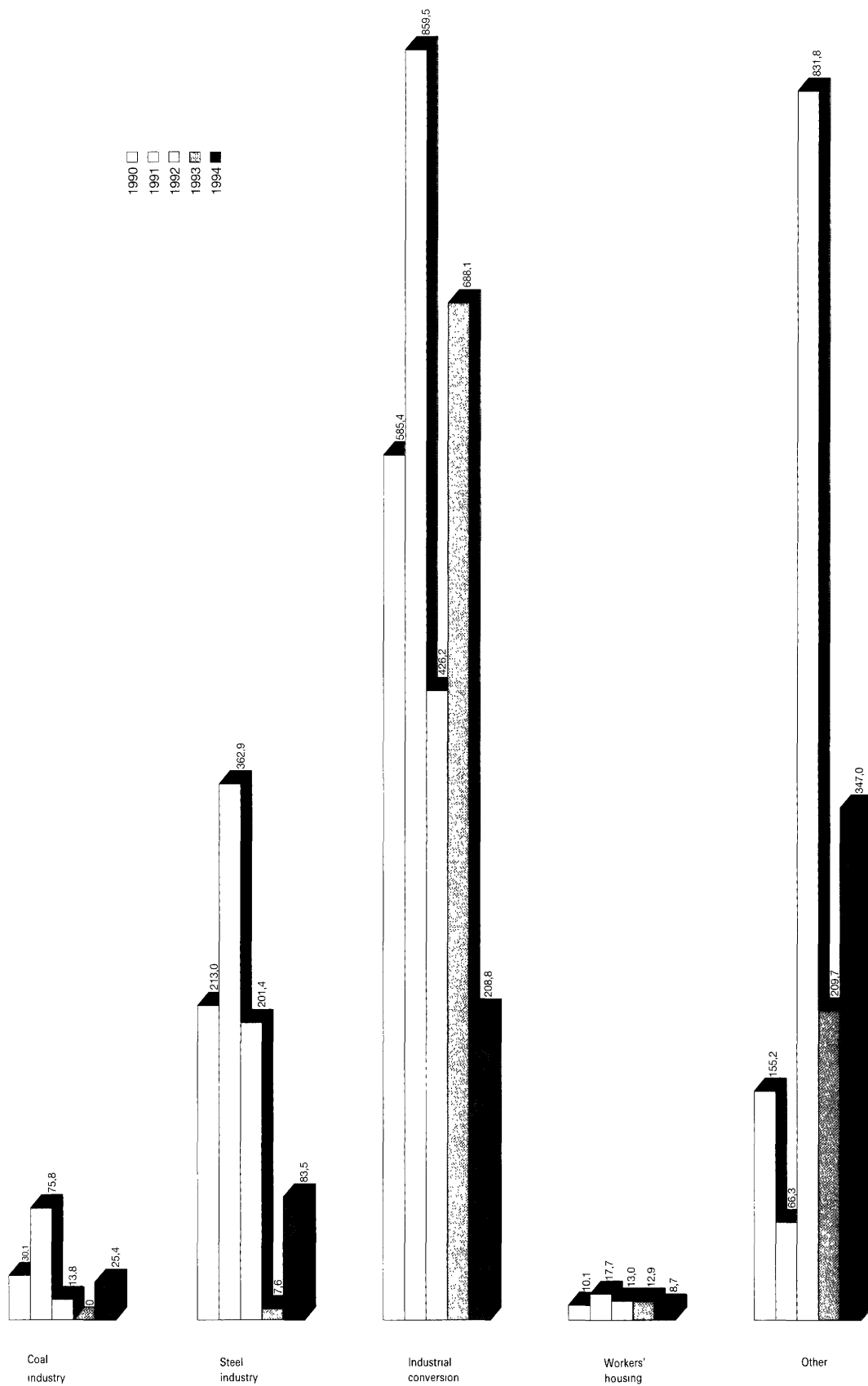
<sup>1</sup> Excluding ECU 36.5 million outside Community.

## Breakdown by Member State of loans disbursed in 1994

(million ECU)

	I			II	III	Total I + II + III	
	Coal industry (Article 54(1))	Iron and steel industry (Article 54(1))	Other (Article 54(2))	Total I	Industrial conversion (Article 56)		Workers' housing (Article 54(2))
Belgium	—	23.2	—	23.2	16.4	0.2	39.8
Denmark	—	—	82.1	82.1	—	—	82.1
Germany	—	60.3	—	60.3	77.1	6.0	143.4
Greece	—	—	—	—	—	0.03	0.03
Spain	25.4	—	—	25.4	4.6	0.4	30.4
France	—	—	—	—	14.0	0.5	14.5
Ireland	—	—	—	—	—	0.05	0.05
Italy	—	—	19.0	19.0	8.9	1.4	29.3
Luxembourg	—	—	—	—	—	—	—
Netherlands	—	—	—	—	—	—	—
Portugal	—	—	—	—	—	0.04	0.04
United Kingdom	—	—	245.9	245.9	67.8	0.1	333.8
Community	25.4	83.5	347.0	455.9	208.8	8.7	673.4
Non-Community	—	—	—	—	—	—	—
<b>Total</b>	<b>25.4</b>	<b>83.5</b>	<b>347.0</b>	<b>455.9</b>	<b>208.8</b>	<b>8.7</b>	<b>673.4</b>

**ECSC loans to the various sectors (1990-94)**  
(million ECU)



## Financing of industrial investment (Article 54 of the ECSC Treaty)

Disbursements of ECSC loans to finance industrial investment (in the steel and coal industries, power stations and other sectors) totalled ECU 455.9 million in 1994, an increase of 109.8% compared with the year before (ECU 217.3 million).

### Loans for industrial investment

(million ECU)

Member State	Total loans disbursed at 31 December 1993 <sup>1</sup>	New loans in 1994	Total loans disbursed at 31 December 1994	Balance outstanding at 31 December 1994
Belgium	404.3	23.2	427.5	184.1
Denmark	372.4	82.1	454.5	383.7
Germany	3 781.5	60.3	3 841.8	439.3
Greece	94.4	—	94.4	81.3
Spain	525.4	25.4	550.8	485.0
France	2 778.6	—	2 778.6	457.8
Ireland	27.4	—	27.4	8.5
Italy	2 283.2	19.0	2 302.2	783.3
Luxembourg	252.7	—	252.7	—
Netherlands	497.6	—	497.6	243.6
Portugal	112.0	—	112.0	112.0
United Kingdom	2 895.8	245.9	3 141.7	375.9
Community	14 025.3	455.9	14 481.2	3 554.5
Non-Community	410.6	—	410.6	36.5
<b>Total</b>	<b>14 435.9</b>	<b>455.9</b>	<b>14 891.8</b>	<b>3 591.0</b>

<sup>1</sup> After adjustment for the new rates for converting national currencies into ecus (see p. 51)

## Financing of investment in the steel industry (first paragraph of Article 54 of the ECSC Treaty)

Disbursements of ECSC loans to the steel industry (including refinancing of existing loans) amounted to ECU 83.5 million in 1994.

### Loans disbursed to steel companies

(million ECU)

Member State	1990	1991	1992	1993	1994
Belgium	—	67	—	—	23
Denmark	6	—	—	—	—
Germany	3	120	143	—	60
Greece	—	—	—	—	—
Spain	115	88	—	—	—
France	—	—	—	—	—
Ireland	—	—	—	—	—
Italy	22	47	58	8	—
Luxembourg	—	—	—	—	—
Netherlands	—	41	—	—	—
Portugal	67	—	—	—	—
United Kingdom	—	—	—	—	—
Community	213	363	201	8	83
Non-Community	—	—	—	—	—
<b>Total</b>	<b>213</b>	<b>363</b>	<b>201</b>	<b>8</b>	<b>83</b>

### Proportion of steel industry investment financed by ECSC loans <sup>1</sup>

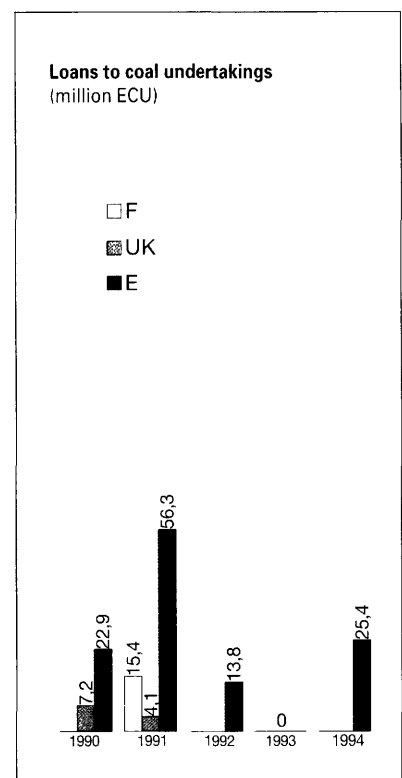
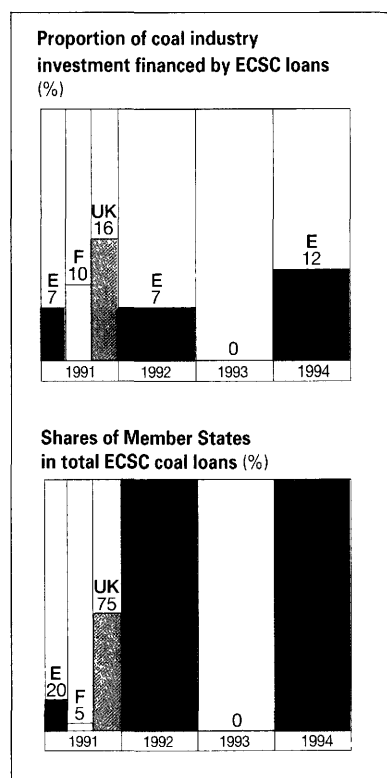
(%)

Member State	1990	1991	1992	1993	1994
Belgium	—	13	—	—	8
Denmark	47.0	—	—	—	—
Germany	0.3	7	10	—	5
Greece	—	—	—	—	—
Spain	27.0	26	—	—	—
France	—	—	—	—	—
Ireland	—	—	—	—	—
Italy	2.0	4	6	2	—
Luxembourg	—	—	—	—	—
Netherlands	—	23	—	—	—
Portugal	83.0	—	—	—	—
United Kingdom	—	—	—	—	—
<b>Total</b>	<b>5.0</b>	<b>7</b>	<b>5</b>	<b>—</b>	<b>3</b>

<sup>1</sup> Calculated on the basis of actual expenditure from 1990 to 1993 and forecast expenditure for 1994.

## Financing of investment in the coal industry (first paragraph of Article 54 of the ECSC Treaty)

Three loans to the Spanish coal industry were disbursed in 1994.



## Financing of investment in other sectors (second paragraph of Article 54 of the ECSC Treaty)

ECSC lending to other sectors grew by 65.47%, from ECU 209.7 million in 1993 to ECU 347.0 million in 1994.

These loans were disbursed to fund investment programmes facilitating the marketing of Community steel. All were granted at the rate of borrowing.

### Loans disbursed to other sectors

(million ECU)

Member State	1990		1991		1992		1993		1994	
	Iron-ore mines	Other	Iron-ore mines	Other	Iron-ore mines	Other	Iron-ore mines	Other	Iron-ore mines	Other
Belgium	—	—	—	24	—	62	—	—	—	—
Denmark	—	—	—	—	—	300	—	—	—	82
Germany	—	—	—	10	—	8	—	—	—	—
Greece	—	—	—	—	—	—	—	90	—	—
Spain	—	—	—	—	—	160	—	—	—	—
France	—	101	—	10	—	120	—	—	—	—
Ireland	—	—	—	—	—	—	—	—	—	—
Italy	—	54	—	17	—	41	—	94	—	19
Luxembourg	—	—	—	—	—	—	—	—	—	—
Netherlands	—	—	—	—	—	—	—	—	—	—
United Kingdom	—	—	—	5	—	141	—	26	—	246
Community	—	155	—	66	—	832	—	210	—	347
Non-Community	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>—</b>	<b>155</b>	<b>—</b>	<b>66</b>	<b>—</b>	<b>832</b>	<b>—</b>	<b>210</b>	<b>—</b>	<b>347</b>

*Eurotunnel: a view of one of the running tunnels shortly after completion (QA photos)*

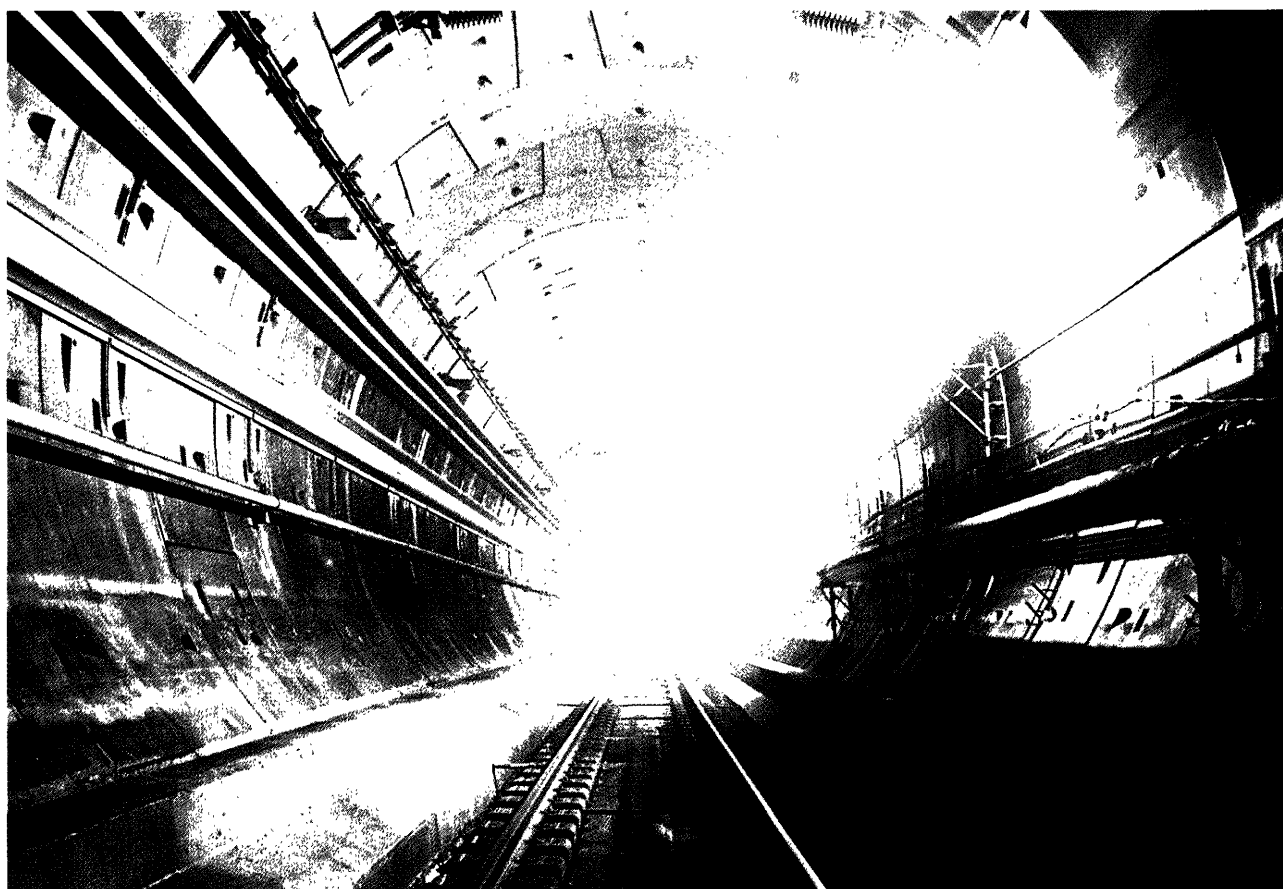


## **Financing of workers' housing (second paragraph of Article 54 of the ECSC Treaty)**

The Commission continued the 11th ECSC workers' housing programme, disbursing a total of ECU 58 million. The programme was to run from 1989 to 1994.

Loans disbursed under the housing programme are funded both from the ECSC's own resources and from borrowings. Loans funded from own resources are granted on a long-term basis at an interest rate of 1% per annum, generally in the currency of the country concerned.

Combining these loans from own funds with other loans raised on national markets at current market interest rates allows a leverage effect on national financing of housing for ECSC workers.



On 28 July 1993, the Commission decided to reallocate the balance of unused appropriations totalling ECU 4 257 559 to an extension of the 11th programme.

In 1994, the Commission disbursed a total of ECU 9.0 million under the 11th programme and the extension of that programme. In addition to building projects, these funds were also used to renovate or purchase existing housing.

The Commission was thus able to finance 6 723 low-cost housing units, bringing the total number of units financed by the ECSC to about 212 400.

On 1 September 1993, the Commission decided on a 12th programme.

### Loans for workers' housing

(million ECU)

Member State	Total loans disbursed at 31 December 1993 <sup>1</sup>	New loans in 1994	Total loans disbursed at 31 December 1994	Balance outstanding at 31 December 1994
Belgium	52.2	0.2	52.4	8.7
Denmark	1.9	—	1.9	0.3
Germany	255.6	6.0	261.6	76.7
Greece	0.9	0.03	0.9	0.6
Spain	7.6	0.4	7.9	6.9
France	66.6	0.5	67.1	22.1
Ireland	1.2	0.05	1.3	0.7
Italy	127.3	1.4	128.7	63.7
Luxembourg	9.3	—	9.3	1.6
Netherlands	23.3	—	23.3	3.4
Portugal	1.0	0.04	1.0	0.8
United Kingdom	36.7	0.1	36.8	15.4
<b>Total</b>	<b>583.6</b>	<b>8.7</b>	<b>592.3</b>	<b>200.9</b>

<sup>1</sup> After adjustment for the new rates for converting national currencies into ecus (see p. 51)

## Loans for workers' housing — disbursement history

(million ECU)

Member State	1990	1991	1992	1993	1994
Belgium	1.8	0.8	0.1	—	0.2
Denmark	—	—	—	—	—
Germany	2.0	3.4	5.8	7.4	6.0
Greece	—	0.2	—	0.2	0.03
Spain	—	1.6	2.2	0.7	0.4
France	1.7	2.6	1.3	0.9	0.5
Ireland	—	—	—	—	0.05
Italy	3.2	0.8	1.2	3.3	1.4
Luxembourg	—	0.3	0.1	0.1	—
Netherlands	—	—	1.1	—	—
Portugal	—	—	0.5	0.3	0.04
United Kingdom	1.4	8.0	0.7	—	0.1
<b>Total</b>	<b>10.1</b>	<b>17.7</b>	<b>13.0</b>	<b>12.9</b>	<b>8.7</b>

## Financing of industrial conversion programmes (Article 56 of the ECSC Treaty)

In 1994 increased efforts were made to coordinate lending for industrial conversion in ECSC areas with other forms of financial aid for structural purposes aimed at regenerating areas where industrial employment is declining.

To this end, on 19 February 1992, the Commission adopted new provisions for coordinating ECSC industrial conversion loans with the Structural Funds. These arrangements were published in OJ C 59 and came into force on 6 March 1992.

The measures are based on the principles of subsidiarity, partnership, the planning of activities and the concentration of ECSC financial resources on the areas most severely affected and on the sectors corresponding to the European Union's priorities for action.

In practice, the Monitoring Committees of the Community Support Framework were given extra responsibility for monitoring and coordinating lending activities for industrial conversion. A notional allocation for each region was set aside from ECSC budget appropriations to finance interest subsidies on these loans; the first notional allocation covered the two years 1992 and 1993. The appropriations were also concentrated on investment sectors that corresponded to the objectives of the Community Support Framework (CSF) by establishing a list of ineligible sectors.

Structural adjustment in the steel industry has already led to a considerable reduction in jobs from 335 400 in 1993 to 302 400 in 1994.

In addition, employment in the Union's coal industry fell from 175 253 in 1993 to 163 000 in 1994.

In 1994, as in previous years, the Commission continued its efforts to promote job creation in other sectors by means of loans at reduced rates of interest. For the sake of efficiency, it acted through financial institutions, to which it granted global loans which were on-lent to firms, particularly SMEs.

The contribution of industrial conversion loans to these programmes was ECU 208.8 million in 1994.

In 1994, the Commission granted 91 industrial conversion loans. Of these, 90 were global loans totalling ECU 191.0 million to promote investment in small and medium-sized businesses and one was a direct loan of ECU 17.8 million. These loans should help create some 13 000 jobs.

All or part of the loans granted under Article 56 of the ECSC Treaty are eligible for interest subsidies (generally 3%), for a maximum of five years. This financial benefit is granted in exchange for an undertaking on the part of the beneficiary to give priority to workers made redundant by ECSC industries in filling a proportion of the jobs created.

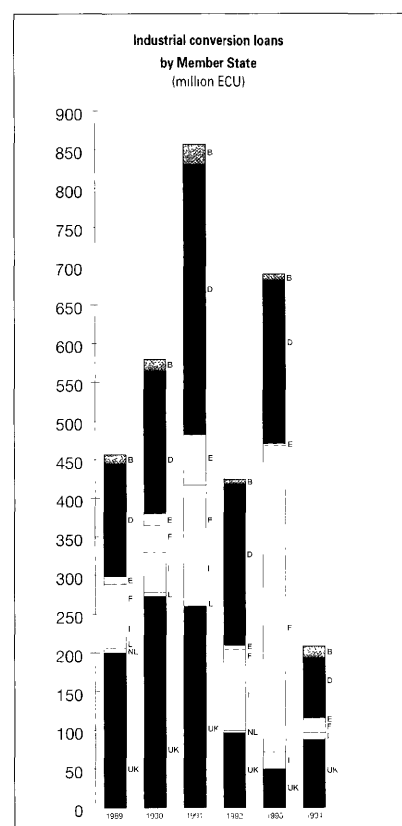
Under the ECSC Treaty, new applications for direct or global loans and for industrial conversion loans are submitted to the Commission by the governments of the Member States in question.

## Industrial conversion loans — breakdown by Member State

(million ECU)

Member State	Total loans disbursed at 31 December 1993 <sup>1</sup>	New loans in 1994	Total loans disbursed at 31 December 1994	Balance outstanding at 31 December 1994
Belgium	213.8	16.4	230.2	92.9
Denmark	10.0	—	10.0	—
Germany	2 356.5	77.2	2 433.7	1 083.8
Greece	—	—	—	—
Spain	89.4	4.6	94.0	68.6
France	976.1	14.0	990.1	574.6
Ireland	4.9	—	4.9	—
Italy	554.9	8.9	563.8	346.6
Luxembourg	43.4	—	43.4	12.0
Netherlands	44.5	—	44.5	0.7
Portugal	—	—	—	—
United Kingdom	2 026.0	87.7	2 113.7	1 015.1
<b>Total</b>	<b>6 319.5</b>	<b>208.8</b>	<b>6 528.3</b>	<b>3 194.3</b>

<sup>1</sup> After adjustment for the new rates for converting national currencies into ecus (p. 51)



## Summary of lending and guarantee operations, 1954-94

From the beginning of its financial activities up to 31 December 1994, the ECSC disbursed loans totalling ECU 22 024.7 million. Of this total, ECU 21 592.5 million was drawn from borrowed funds and ECU 432.2 million from own resources (special reserve and former pension fund).

Including guarantees given during this period, the ECSC had granted a total of ECU 22 103.9 million in financial aid by the end of the 1994 financial year, as against ECU 21 627.5 million at 31 December 1993.

The change in total financial aid between 1993 and 1994 is partly attributable to new loans (ECU 673.7 million) and partly to exchange-rate adjustments (ECU – 197.3 million).

### Total loans disbursed and guarantees granted up to 31 December 1994 — breakdown by Member State

#### Initial amounts<sup>1</sup>

(million ECU)

Member State	Loans			Guarantees	Total loans and guarantees	%
	From borrowed funds	From own funds	Total			
Belgium	685.8	24.4	710.2	—	710.2	3.2
Denmark	464.5	1.9	466.4	—	466.4	2.1
Germany	6 309.1	239.2	6 548.3	70.3	6 618.6	29.9
Greece	94.4	0.9	95.3	—	95.3	0.4
Spain	645.1	8.0	653.1	—	653.1	3.0
France	3 768.9	66.8	3 835.7	8.8	3 844.5	17.4
Ireland	32.2	1.3	33.5	—	33.5	0.2
Italy	2 971.8	22.9	2 994.7	0.1	2 994.8	13.5
Luxembourg	298.3	8.0	306.3	—	306.3	1.4
Netherlands	544.4	21.0	565.4	—	565.4	2.6
Portugal	112.0	1.0	113.0	—	113.0	0.5
United Kingdom	5 255.4	36.8	5 292.2	—	5 292.2	23.9
Non-Community	410.6	—	410.6	—	410.6	1.9
<b>Total</b>	<b>21 592.5</b>	<b>432.2</b>	<b>22 024.7</b>	<b>79.2</b>	<b>22 103.9</b>	<b>100.0</b>

<sup>1</sup> After adjustment for the new rates for converting national currencies into ecus (see p. 51)

# ECSC borrowing operations

In 1994, the bond markets experienced a further increase in the volume of issues, bringing the total to USD 510 billion (taking all types of issues and currencies together), against USD 485 billion in 1993. This was an increase of about 5%, much smaller than that recorded the year before.

This situation is due to several special factors: the development of new financial products, the revival of floating-rate issues and above all the very high level of activity on certain national markets, particularly in Japan, with regard to foreign issues. As in the past, sovereign and supranational borrowers, with the European Investment Bank to the fore, as usual, were highly active. Demands on the resources of the European Community, however, were much reduced.

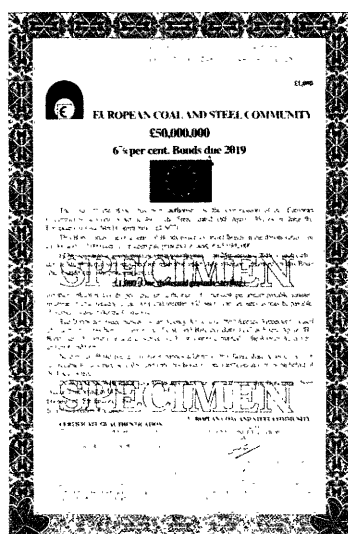
Among the most commonly used currencies, the US dollar retained its leading position, with 32% of total operations, followed by the yen (14%) and the German mark (7%). The pound sterling and the French franc stayed in fourth and fifth positions respectively, but in percentage terms their use was down compared with 1993. The ecu market suffered from the political uncertainties which weighed on a number of underlying markets and on the prospects for economic and monetary union. The ecu fell back to 12th place among the most commonly used currencies, accounting for just 1.5% of the total.

The economic recession and the difficulties encountered in discussions on the future of the ECSC caused a sharp decline in the granting of loans. Total borrowing in various currencies declined by nearly 29%, from ECU 907 597 000 in 1993 to ECU 643 919 000 in 1994.

At the same time the number of transactions was up, which meant that the average value of each borrowing operation fell from ECU 29 million to ECU 15 million. This explains why the ECSC launched only three public issues, for modest amounts, against 30 private financing operations. It therefore set up a programme of medium-term Euronotes with 10 brokers who are active in the market for EU currencies. This programme provides the ECSC with all the flexibility it needs to raise borrowings in small amounts with sometimes complex structures.

As regards the currencies used to finance loans in 1994, allowing for any swap operations, the pound sterling was in first place, with 41% of total volume, followed by the US dollar (23% of the total) and the German mark (16%). Other Community currencies used for this purpose were the Belgian and French francs, the peseta and the lira.

In 1994, like the year before, the number of swaps effected was extremely small (just one). This was because of the reduced demand for finance, and the scarcity of worthwhile opportunities for arbitrage.





Denomination ISIN Series Certif Number  
<0010000+XS0048296544+00+000000>

£10,000



EUROPEAN COAL AND STEEL COMMUNITY

£50,000,000

6 7/8 per cent. Bonds due 2019



The issue of the Bonds has been authorised by the Commission of the European Communities pursuant to Article 49 of the Treaty dated 18th April, 1951 establishing the European Coal and Steel Community ("ECSC").

This Bond forms one of a series of Bonds issued as bearer Bonds in the denominations of £1,000 and £10,000 each, in an aggregate principal amount of £50,000,000.

ECSC for value received, promises to pay to the bearer on 25th January, 2019 or such earlier date as the principal sum may become repayable under the Conditions endorsed on this Bond (the "Conditions") the principal sum of:

~~£10,000 (Ten thousand pounds sterling)~~

together with interest on the principal sum at the rate of 6 7/8 per cent. per annum payable annually in arrear on 25th January in each year and together with such other amounts as may be payable, all subject to and under the Conditions.

The Bonds are issued pursuant to an Agency Agreement (the "Agency Agreement") dated 25th January, 1994 between, *inter alia*, ECSC and Barclays Bank PLC as Fiscal Agent. The Bonds have the benefit of, and are subject to, the provisions contained in the Agency Agreement and the Conditions.

Neither this Bond nor any of the Coupons relating to this Bond shall become valid or enforceable for any purpose unless and until this Bond has been authenticated by or on behalf of the Fiscal Agent.

IN WITNESS WHEREOF this Bond and the Coupons relating to this Bond have been executed on behalf of ECSC  
Dated as of 25th January, 1994  
Issued in London, England

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the Agency Agreement.

By or on behalf of Barclays Bank PLC as Fiscal Agent

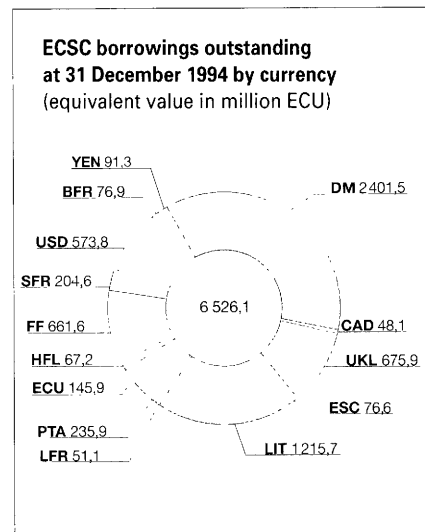
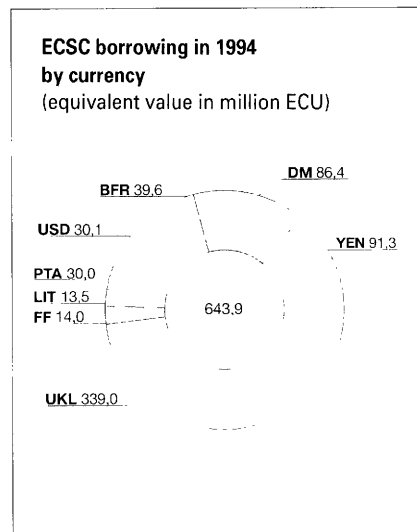
EUROPEAN COAL AND STEEL COMMUNITY

represented by the  
COMMISSION OF THE EUROPEAN  
COMMUNITIES

By:   
J. DELORS  
President of the Commission of the European Communities

By:   
H. CHRISTOPHERSEN  
Vice-President of the Commission of the European Communities

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES TAX LAWS INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

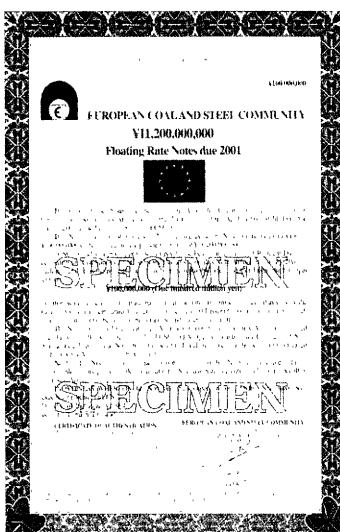


### Total ECSC borrowings at 31 December 1994

Borrowing currency	Total borrowings received at 31 December 1994 <sup>1</sup>	Repayments	Balance outstanding at 31 December 1994 <sup>2</sup>
German mark	9 094.7	6 693.2	2 401.5
US dollar	4 214.4	3 640.6	573.8
Swiss franc	2 062.6	1 858.0	204.6
French franc	1 433.9	772.3	661.6
Dutch guilder	589.8	522.6	67.2
Ecu	809.6	618.7	190.9
Luxembourg franc	616.9	565.8	51.1
Belgian franc	619.5	542.6	76.9
Pound sterling	1 228.7	552.8	675.9
Japanese yen	522.2	430.9	91.3
Italian lira	1 438.8	223.1	1 215.7
Canadian dollar	91.5	43.4	48.1
EMU	96.0	96.0	—
Unit of account (u a)	50.6	50.6	—
Spanish peseta	255.4	19.5	235.9
Portuguese escudo	76.6	—	76.6
<b>Total</b>	<b>23 201.2</b>	<b>16 630.1</b>	<b>6 571.1</b>

<sup>1</sup> After adjustment for the new rates for converting national currencies into ecus (see p. 51)

<sup>2</sup> The main characteristics of loans outstanding at 31 December 1994 are described on pp. 82-88



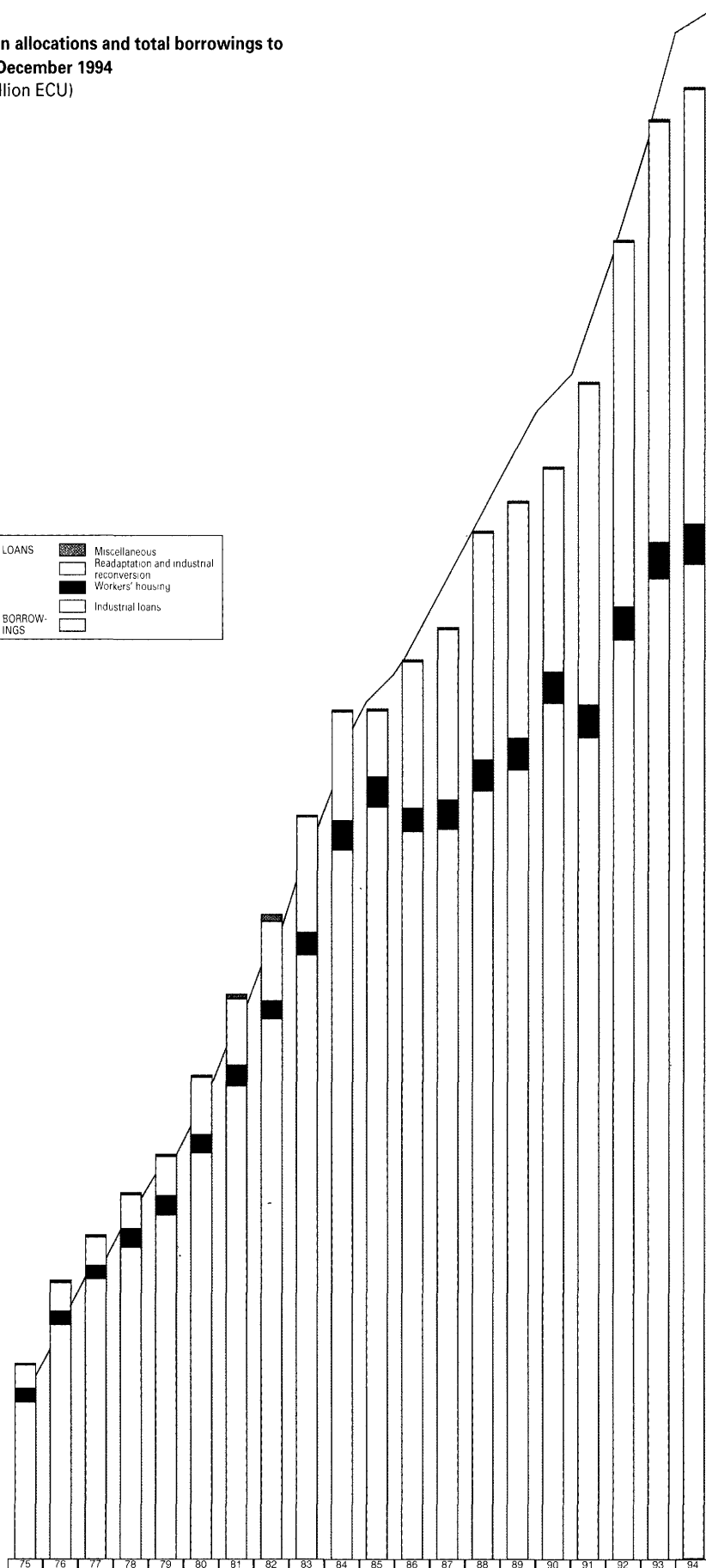
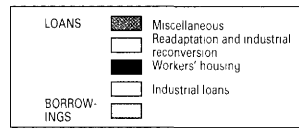
## ECSC loan issues in 1994

No	Type of issue	Term (years)	Interest rate	Currency	Amount		Issue price <sup>1</sup>
					Lending currency	Ecus	
1	Public	94-2019	6 875	UKL	50 000	63 526	99.178
2		94-2019	8 9375	UKL	47 000	59 715	99 528
3		94-2001	Libor 6M + 0 08	YEN	11 200 000	91 310	108 6
4	Private	94-99	5 98	DM	85 062	44 644	100
5		94-99-2002	Libor 6M + 0.02	DM	10 080	5 290	100
6		94-99	7 40	DM	52 250	27 423	100
7		94-98-2001	Libor 6M + 0 04	DM	13 300	6 980	100
8		94-98-2001	Libor 6M + 0.05	DM	3 980	2 089	100
9		94-99	6 56	BFR	437 157	11 163	100
10		94-99	8 19	BFR	204 200	5 214	100
11		94-99	7.83	BFR	910 000	23 237	100
12		94-99	5 80	FF	53 450	8 128	100
13		94-99	7 85	FF	38 340	5 830	100
14		94-99-2002	Libor 6M + 0 16	LIT	9 930 000	4 971	100
15		94-98-2001	Libor 6M + 0 09	LIT	13 090 000	6 553	100
16		94-98-2001	Libor 6M + 0 12	LIT	4 000 000	2 003	100
17		94-99-2002	6.15	UKL	12 842	16 317	100.25
18		94-99	5 88	UKL	9 572	12 162	100 325
19		94-99	Libor 6M-0.05	UKL	4 030	5 120	100 25
20		94-94	5 562	UKL	49 796	63 268	100
21		94-99-2002	8 68	UKL	7 893	10 029	100
22		94-99	8 39	UKL	3 765	4 784	100
23		94-99	Libor 6M + 0 10	UKL	3 742	2 945	100
24		94-97-98	Libor 6M + 0 06	UKL	14 000	17 787	100
25		94-94	4 938	UKL	46 778	59 433	100
26		94-99-2002	8 98	UKL	2 668	3 390	100
27		94-2000	8 62	UKL	13 400	17 025	100
28		94-99	Libor 6M + 0 05	UKL	1 500	1 906	100
29		94-99	8.84	UKL	600	762	100
30		94-95-99	Mibor 12M + 0 25	PTA	75 000	463	100
31		94-95-2002	Libor 6M + 0 10	PTA	675 000	4 165	100
32		94-99	Libor 6M + 0 10	PTA	2 000 000	12 340	100
33		94-99	Libor 6M + 0 075	PTA	2 118 000	13 068	100
34		94-95-99	5 33	USD	35 000	28 454	100
35		94-98	7 08	USD	2 000	1 626	100

<sup>1</sup> At ecu conversion rate applying on 31 December 1994

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**Loan allocations and total borrowings to  
 31 December 1994**  
 (million ECU)



# Other ECSC activities

In addition to activities relating to its borrowing and lending activities, the ECSC finances a number of schemes from its operating budget. These involve mainly the redeployment of workers, interest subsidies for industrial conversion loans and programmes of coal, steel and social research.

## **Redeployment aid (Article 56(1)(c) and (2)(b) of the ECSC Treaty)**

### **Traditional and supplementary aid**

Redeployment aid is the essential social complement to the Community's industrial policy in the ECSC sectors. When permanent closures, cutbacks or changes of activity lead to job losses, the Community endeavours to mitigate the social repercussions for the workers through redeployment measures. It thus helps to finance aid to limit income losses for the workers affected or, by means of training courses (up to 1994) and resettlement allowances, to give them the opportunity to remain in employment and make a productive contribution to the economy.

Acknowledging that the rationalization of the Community coal industry entails the concentration of mining activity on coal deposits that can be worked in a highly mechanized fashion and that the resulting productivity gains would lead to major job losses without a concomitant reduction in the level of activity on the part of enterprises (which is a condition for the application of Article 56(2)(b)), the Commission decided in 1988 to accept that the consequences of introducing modern techniques and production processes into the coal industry, giving rise to unprecedented job losses (which are conditions provided for in Article 56(1)(c)), should also be taken into consideration.

This aid is granted under arrangements set out in bilateral agreements which take account of the recipients' situation (early retirement, unemployment, transfer, retraining and — up to 1994 — vocational training).

The average maximum amount granted per worker is ECU 3 000. However, all ECSC payments are conditional on the Member State concerned making at least an equivalent contribution.

In addition to this 'traditional' system of aid granted under Article 56(1)(c) and (2)(b) of the Treaty, the ECSC has adapted and strengthened other forms of support:

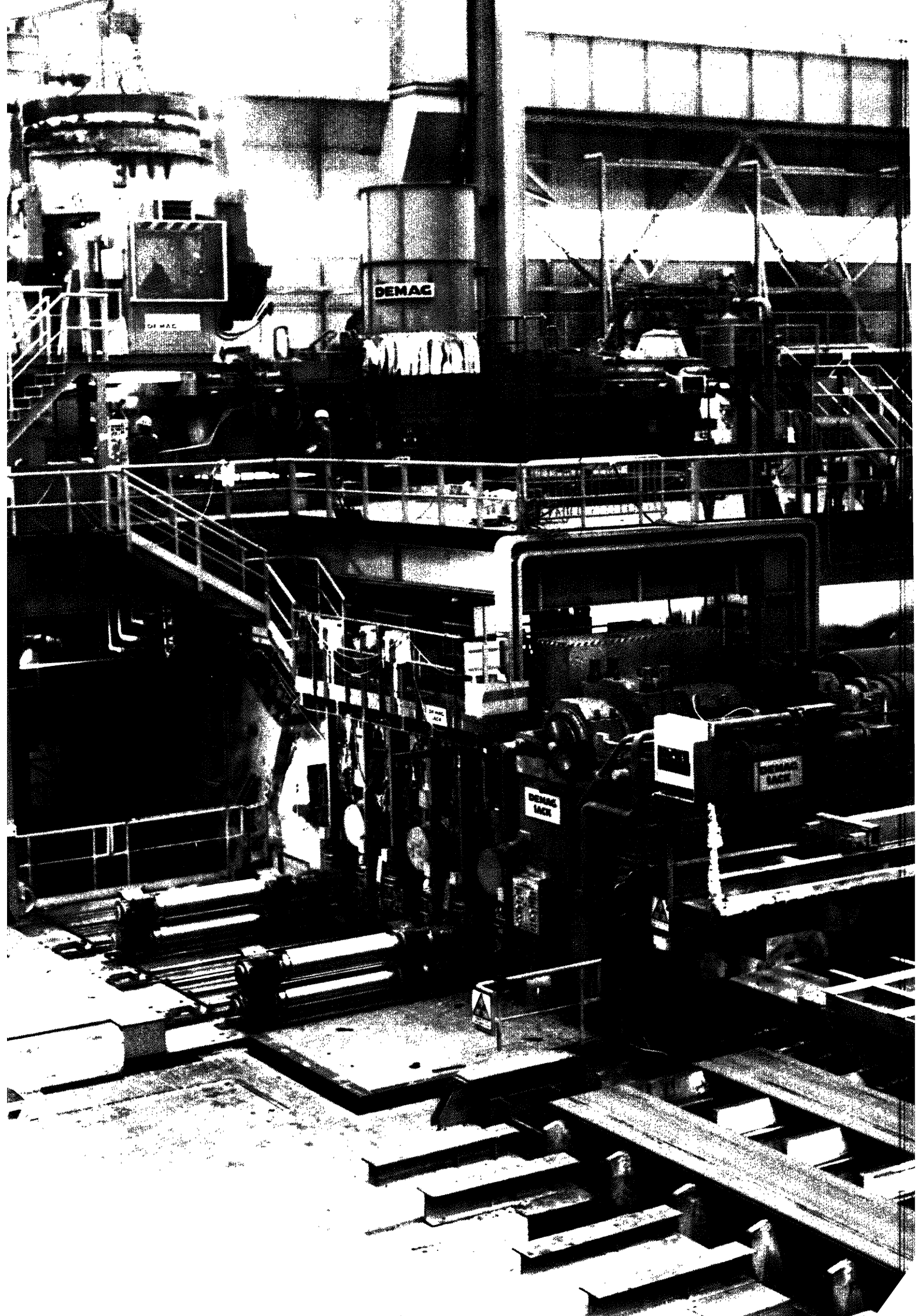
- (i) In the steel sector, (where there have been major cutback programmes since the late 1970s, the Community has been applying special measures since 1981 to provide supplementary aid to workers affected by restructuring (Social measures — steel).

In 1993, a new three-year supplementary programme (1993-95) was adopted. Under this programme, each worker taking early retirement receives a special allowance of up to ECU 5 000 funded by the ECSC to supplement the aid granted under the bilateral agreement. There are also increases in the ceilings on the ECSC contributions under the 'social measures — steel' to the costs of vocational training (up to ECU 4 000 per worker) and supplementary allowances for unemployed workers (up to ECU 2 000 per worker).

- (ii) In the coal sector, to preface the special aid introduced in 1990 under the Rechar programme (the Community programme to further the economic regeneration of the areas most severely affected by the decline of coalmining), in 1994 the Commission decided to launch a programme of supplementary social measures to accompany the restructuring of the coal industry (Social measures — coal, 1994-97). The ECSC aid granted as part of these measures is intended to step up Community co-financing of the measures to help miners affected by restructuring in cases of early retirement, unemployment (including severance grants, allowances to compensate for loss of earnings, geographical mobility allowances and redundancy payments).

From 1995 onwards aid for vocational training for ECSC workers will be financed via the European Social Fund under the Structural Funds regulations. Discontinuing all ECSC aid for training should make for better utilization of Community resources and allow ECSC appropriations to be concentrated on operations which are not eligible for ESF contributions.

The tables in the annexes show the breakdown by Member State of recipients and amounts granted in 1994 for 'traditional' aid, the Rechar programme and the 1993-95 supplementary programme for the steel industry. They also show the cumulative position for each programme at 31 December in each of the past two years.





## **Steel industry research (Article 55 of the ECSC Treaty)**

Under the 1994 steel research programme, the Commission selected 34 research projects out of 179 proposals for financial aid under Article 55 of the ECSC Treaty. It also selected two projects from the 1993 reserve list. The main aims of these projects were: reducing production costs, improving the quality and performance of products, promoting the use of and developing new applications for steel and bringing production conditions into line with environmental requirements.

Also under Article 55 of the ECSC Treaty, the Commission continued in 1994 the special programme of pilot and demonstration projects by financing 7 projects out of 22 proposals put forward by the steel industry. These projects were directed at developing new processes and testing innovative applications.

The 1994 budget for the two programmes of research and of pilot and demonstration projects was ECU 34 million. This was used in full, ECU 24 962 726 being used to finance research projects and ECU 8 038 746 for pilot and demonstration projects.

Financial aid for research projects breaks down by field as follows (in %):

(i) ore preparation	6.71
(ii) steelmaking	34.25
(iii) rolling mills	27.46
(iv) measuring and analysis	1.18
(v) properties and performance	30.40

Financial aid for pilot and demonstration projects breaks down by field as follows (in %):

(i) production of cast iron and steel	28.47
(ii) continuous casting	5.58
(iii) rolling and product processing	47.91
(iv) on-line testing	18.04

Lastly, a sum of ECU 998 528 was spent on the dissemination of the results of the ECSC 'steel' technical research programme.

## **Social research (Article 55 of the ECSC Treaty)**

Under the various memoranda setting up research programmes on health, hygiene and safety at work in ECSC enterprises (ECSC social research), the Commission granted ECU 1 million in 1994 to cover the additional costs arising from the social research programmes.

- First joint programme on safety in ECSC industries: ECU 306 735

A congress was organized on 28 and 29 April 1994 in conjunction with the Mines Safety and Health Commission to present the results of all the work done on protecting health and safety in the extractive industries and steel-making over nearly 40 years. This Congress was attended by 200 participants associated with the coal and steel industries.

- Sixth research programme on industrial hygiene in mines: ECU 50 000
- Fifth programme on pollution in the steel industry: ECU 162 000

An information day was held on 9 December 1994 to present a study on evaluating, disseminating and measuring the impact of the results of the 118 Community research projects financed under the fifth research programme entitled: 'Technical control of pollution and other harmful effects at the workplace and in the environment of steelworks'. This information day was attended by 210 persons associated with the steel industry (workers and producers) and government experts.

- Fifth medical research programme: ECU 10 000
- Sixth research programme on ergonomics for ECSC industries: ECU 239 340

*Gas pipeline — DEPA, Greece*



## Coal industry research (Article 55 of the ECSC Treaty)

In the coal research sector, 50 projects were granted financial support under Article 55 of the ECSC Treaty for a total of ECU 16 889 400, plus ECU 110 600 for the dissemination of research results and associated costs.

The main aims of these projects were to reduce coal production costs, raise underground and pithead productivity, improve safety and working conditions, preserve existing markets and develop new outlets and, above all, improve techniques for using coal with a view to enhancing environmental protection. Of a total of ECU 16 889 400 of aid granted, ECU 7 611 600 (45.1% of the total) was earmarked for research projects having a specific environmental impact.

The financial aid breaks down by field of research as follows:

	<i>(in %)</i>
Development systems	1.9
Mine gasses, ventilation and climate	9.6
Coal-winning techniques and processes	6.4
Outbye operations underground	1.8
Modern pit management	29.1
<hr/>	
<i>Mining technology</i>	<i>48.8</i>
<hr/>	
Coal preparation and transport	13.6
Coking	7.3
Coal combustion	26.1
Upgrading and conversion of coal	4.2
<hr/>	
<i>Utilizing and upgrading</i>	<i>51.2</i>
<hr/>	
<b>Total</b>	<b>100.0</b>

# Out-turn of the ECSC operating budget

## Resources

The High Authority (the Commission) is empowered to raise the funds needed to carry out its mandate by setting levies on the production of coal and steel.

The ECSC levies are used to finance expenditure under the operating budget and are, in historical terms, the first truly European tax.

The levies are set annually for the various coal and steel products on the basis of their average value. In 1994, the ECSC levy was set at 0.23% and raised ECU 107.7 million.

The main resource other than the levy is the net surplus of the year's financial operations, particularly interest earned on cash holdings, reserves and other provisions featuring on the ECSC balance sheet. In 1994, the net surplus totalled ECU 115 million.

Other resources are the cancellation of commitments unlikely to be implemented and unused resources carried over from the previous year. In 1994, income from these sources totalled ECU 63.3 and 60.2 million respectively. In addition, the Commission decided to transfer ECU 22 million to the budget from the special reserve in 1994.

In 1994, the resources for the ECSC operating budget totalled ECU 464.9 million.

## Requirements

The resources of the operating budget are intended to cover the various types of expenditure provided for in the ECSC Treaty.

### 1. Social measures

Under Article 56(2)(b) and (1)(c) of the ECSC Treaty, ECU 283 million were spent in 1994 on social redeployment aid for ECSC workers (traditional redeployment measures and social measures for the coal and steel industries).

Under the terms of Article 56, when permanent closures, cutbacks or changes of activity lead to job losses, the Community endeavours, particularly through redeployment measures, to mitigate the social repercussions for the workers concerned. It also helps to finance aid to provide income support for the workers affected or, by means of training courses and resettlement allowances, to give them the opportunity to remain in employment and make a productive contribution to the economy.

The granting of social aid is contingent on the Member State in question making a special contribution of at least an equivalent amount.

Social aid is granted under arrangements set out in bilateral agreements, concluded with the Member States, which take account of the recipients' situation (early retirement, unemployment, transfer, retraining and vocational training).

It should be emphasized that 1994 was the last year in which the ECSC contribution covered training. From 1995 onwards, as part of the phasing in of the coal and steel sectors into the overall EC Treaty, aid for the training of ECSC workers will only be granted through the European Social Fund.

A noteworthy feature is that because of budgetary constraints it was necessary to reduce the ECSC contribution in 1994 for two categories of aid, for redeployment aid by 17.4% and for social measures connected to the restructuring of the coal industry by 19.2%.

ECSC social measures can supplement aid and loans from other sources under the Community support frameworks.

## **2. Aid for research**

Under Article 55 of the ECSC Treaty, ECU 51.5 million was committed in 1994 to aid for technical, social and medical research in the steel and coal sectors.

The main aims of the steel research for which aid was granted (ECU 34 million) were reducing production costs, improving the quality and performance of the products, promoting the use of and developing new applications for steel and bringing production conditions into line with environmental requirements.

In the area of coal research (ECU 17 million), the main aims were reducing production costs, raising underground and pithead productivity, improving safety and working conditions, preserving existing markets and developing new outlets and, above all, improving techniques for the use of coal with a view to enhancing environmental protection.

In the social and medical fields, the funds available were sufficient only for contributing to the continuation of programmes already under way (dissemination of knowledge: ECU 1 million).

### **3. Interest subsidies on ECSC loans**

A third category of aid is provided from the ECSC operating budget (ECU 51.5 million in 1994) in the form of interest subsidies on industrial conversion loans (Article 56(2)(a)), which are granted to finance investments in economically viable sectors which create jobs and revitalize the economy of regions where ECSC activities are on the decline. The procedures for granting such loans and the interest subsidies were last amended by the Commission in 1990<sup>1</sup> and supplemented in 1992<sup>2</sup> by the adoption of arrangements for coordinating them with the Structural Funds.

### **4. Damages**

An exceptional item of expenditure (ECU 32.6 million) in 1994 arose from the negotiation of damages to be paid to two steel companies in respect of losses incurred in connection with the application of the quota system which was in force from October 1980 to June 1988.

### **5. Surplus**

The surplus of ECU 40.9 million was the result of liquidating the excess on the provision set aside in the contingency reserve to cover the damages referred to in point 4 above.

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<sup>1</sup> OJ C 188, 28.7.1990

<sup>2</sup> OJ C 59, 6.3.1992

## Out-turn of the ECSC operating budget for 1994

(million ECU)

Requirements	Forecast	Out-turn	Resources	Forecast <sup>1</sup>	Out-turn
<b>Operations to be financed from current resources (not reimbursable)</b>			<b>Resources for the financial year</b>		
1 Administrative expenditure	5	5	1 Current resources		
			1.1 Yield from levy at 0.23%	102	107 667
2. Aid for redeployment (Article 56)	157	157	1.2 Net balance	150	115
			1.3 Fines and surcharges for late payment <sup>3</sup>	2	0.001
3. Aid for research (Article 55)	52	51 970	1.4 Miscellaneous <sup>4</sup>	p m	4 877
3.1 Steel <sup>2</sup>	34	58			
3.2 Coal <sup>2</sup>	17	17	2 Cancellation of commitments unlikely to be implemented	50	63 252
3.3 Social <sup>2</sup>	1	0 970			
4 Interest subsidies	53	51 465	3 Unused resources carried over from 1993	67	60 196
4.1 Investment (Article 54)	—	—			
4.2 Conversion (Article 56)	53	51 465	4. Utilization of the contingency reserve <sup>5</sup>	p m.	91 954
5 Social measures in connection with the restructuring of the steel industry	86	86	5 Extraordinary resources <sup>6</sup>	22	22
6 Social measures in connection with the restructuring of the coal industry	40	40			
7 Damages payable	p m	32 598			
Surplus	—	40 914			
<b>Total</b>	<b>393</b>	<b>464 947</b>	<b>Total</b>	<b>393</b>	<b>464 947</b>
<b>Operations financed by loans from non-borrowed funds</b>			<b>Origin of non-borrowed funds</b>		
Subsidized housing <sup>7</sup>	17	36	Special reserve and former ECSC pension fund	17	36

<sup>1</sup> See the Commission's out-turn forecast of 21.12.1993 (OJ L 328, 29.12.1993)

<sup>2</sup> Aid for projects with a specific impact on the environment

Forecast lines 3.1.10      Out-turn lines 3.1.9.9  
3.2.8                      3.2.7.6

<sup>3</sup> The amount actually received was ECU 1 350 and the amount remaining due to the ECSC at 31.12.1994 was ECU 65 512 615.

<sup>4</sup> Repayments of interest subsidies incorrectly paid on ECSC loans (Articles 54 and 56)

<sup>5</sup> Transfer of the amount (ECU 91 954 337) entered in the ECSC balance sheet as at 31.12.1993 under 'provision for financing the ECSC operating budget' to cover the compensation to be paid to two steel companies in respect of losses suffered by them in connection with the quota system (1980-88) Agreement having been reached, the compensation entered in the budget under 'Requirements 7 Damages payable' has been settled in the sum of ECU 32 598 643

<sup>6</sup> Source of these funds: Special reserve

<sup>7</sup> Implementation of the first two tranches (1993 and 1994) of the 12th programme in the sum of ECU 19 million and ECU 17 million respectively; Council assent for these two tranches was given on 17.12.1993



# **ECSC financial statements**

## ECSC financial statements

The ECSC's balance sheet, profit-and-loss account and statement of the allocation of profit for the year ending 31 December 1994 were submitted to the Commission for approval under written procedure No E/95/0936 of 21 June 1995 and are shown in this financial report as approved by the Commission.

Hoarding announcing Community funding — DEPA, Greece





# Balance sheet at 31 December 1994

(Amounts in ecus)

Before allocation of surplus

## Assets

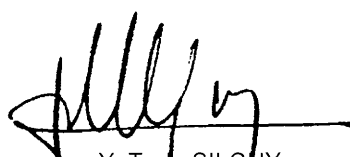
	31.12.1994	31.12.1993
Balances with central banks (Note 3)	1 568 013	1 179 187
Loans and advances to credit institutions (Note 4)		
— repayable on demand	21 005 380	22 027 113
— with agreed maturity dates or periods of notice	434 205 201	418 119 954
— loans	3 369 426 899	3 550 197 206
<b>Total</b>	<b>3 824 637 480</b>	<b>3 990 344 273</b>
Loans and advances to customers (Note 5)		
— loans	3 638 552 293	4 126 203 226
— levy	9 510 972	13 567 192
— fines	64 041 463	1 615 162
— credits	7 688 268	540 499
<b>Total</b>	<b>3 719 792 996</b>	<b>4 141 926 079</b>
Bonds and other fixed-income securities (Note 6)		
— issued by public bodies	1 455 909 300	1 379 534 947
— issued by other borrowers	167 658 280	322 038 071
<b>Total</b>	<b>1 623 567 580</b>	<b>1 701 573 018</b>
Tangible and intangible assets (Note 7)	11 491 861	12 886 095
Other assets (Note 8)	13 518 424	68 555 368
Prepayments and accrued income (Note 9)	290 270 763	334 866 210
<b>Total assets</b>	<b>9 484 847 117</b>	<b>10 251 330 230</b>
<b>Off-balance-sheet commitments (Note 25)</b>	<b>4 082 907 357</b>	<b>4 571 014 854</b>

Before allocation of surplus

## Liabilities

	31 12 1994	31.12.1993
Liabilities <i>vis-à-vis</i> third parties		
Amounts owed to credit institutions (Note 10)		
— repayable on demand	—	—
— with agreed maturity dates or periods of notice	—	438 779
— borrowings	2 580 249 457	2 745 123 621
<b>Total</b>	<b>2 580 249 457</b>	<b>2 745 562 400</b>
Debts evidenced by certificates (Note 11)	3 990 856 078	4 585 526 867
Other liabilities (Note 12)	469 666 079	405 814 982
Accruals and deferred income (Note 13)	236 035 314	270 264 348
Provisions for liabilities and charges (Note 14)	42 266 409	5 296 750
Commitments for the ECSC operating budget (Note 15)	1 360 466 550	1 361 211 011
<b>Total liabilities <i>vis-à-vis</i> third parties</b>	<b>8 679 539 887</b>	<b>9 373 676 358</b>
Net position		
Provisions for financing the ECSC operating budget (Note 16)	143 425 758	209 566 925
Reserves (Note 17)		
— Guarantee Fund	429 885 000	429 885 000
— Special reserve	164 980 000	166 980 000
— Former pension fund	60 437 519	58 923 329
<b>Total</b>	<b>655 302 519</b>	<b>655 788 329</b>
Value adjustment reserve	4 911 688	10 684 405
Surplus brought forward	100 023	440 406
Surplus for the financial year	1 567 242	1 173 807
<b>Net total</b>	<b>805 307 230</b>	<b>877 653 872</b>
<b>Total liabilities</b>	<b>9 484 847 117</b>	<b>10 251 330 230</b>
<b>Off-balance-sheet commitments (Note 25)</b>	<b>6 323 533 611</b>	<b>7 042 190 739</b>

### European Coal and Steel Community

  
 Y.-T. de SILGUY  
 Member of the Commission

  
 E. CIOFFI  
 Director-General Credit and Investments

# Profit-and-loss account for the year ending 31 December 1994

(Amounts in ecus)

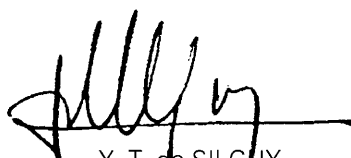
## Charges

	31 12 1994	31.12.1993
Interest payable and similar charges (Note 19)	841 807 108	938 822 283
Commissions payable	1 744 846	2 160 026
Net losses on financial operations		
— foreign-exchange losses	150 527	1 528
— losses on bonds and other fixed-income securities	7 770 085	1 113 477
— value adjustments in respect of bonds and other fixed-income securities (Note 6)	69 405 464	—
<b>Total</b>	<b>77 326 076</b>	<b>1 115 005</b>
Administrative expenditure (Note 20)	5 000 000	5 000 000
Value adjustments in respect of tangible assets (Note 7)	1 394 234	955 729
Other operating charges (Note 21)	409 499	362 862
Value adjustments — loans, advances, provisions		
— value adjustment in respect of loans and advances	209 423	53 754 973
— allocation to the provision for liabilities and charges (Note 14)	36 820 955	345 101
<b>Total</b>	<b>37 030 378</b>	<b>54 100 074</b>
<b>Total operating charges</b>	<b>964 712 141</b>	<b>1 002 515 979</b>
Losses on loans	1 284 910	39 277 925
Extraordinary charges	41 420 097	123 665
Conversion difference	5 772 717	2 610 106
Allocation to the value adjustment reserve		
Legal commitments for the financial year (Note 15)	386 435 194	531 215 791
Allocation to the provision for financing the ECSC operating budget (Note 16)	42 913 745	89 309 169
<b>Total charges</b>	<b>1 442 538 804</b>	<b>1 665 052 635</b>
Surplus for the financial year (Note 18 3)	1 567 242	1 173 807
<b>Total</b>	<b>1 444 106 046</b>	<b>1 666 226 442</b>

## Income

	31 12 1994	31.12.1993
Interest receivable and similar income (Note 22) (including interest on fixed-income securities 121 056 630 in 1994 and 143 666 210 in 1993)	991 726 279	1 141 835 677
Net profit on financial operations		
— foreign-exchange profits	150 136	74 934
— profits on bonds and other fixed-income securities	23 121 186	44 799 905
— value-adjustments in respect of bonds and other fixed-income securities (Note 6)	—	8 324 241
<b>Total</b>	<b>23 271 322</b>	<b>53 199 080</b>
Value adjustment in respect of loans and advances and provisions		
— withdrawal of value adjustments in respect of loans and advances	30 581 596	39 253 979
— transfer from the provision for liabilities and charges (Note 14)	—	367 256
<b>Total</b>	<b>30 581 596</b>	<b>39 621 235</b>
Other operating income (Note 23)	3 702 522	1 747 126
<b>Total operating income</b>	<b>1 049 281 719</b>	<b>1 236 403 118</b>
Transfer from the reserve for exchange differences	5 772 717	2 610 106
Income relating to the operating budget (Note 24)	208 901 704	217 116 791
Transfer from the provision for financing the ECSC operating budget (Note 16)	178 149 906	188 096 427
Transfer from the Guarantee Fund/Special reserve (Note 17)	2 000 000	22 000 000
<b>Total income</b>	<b>1 444 106 046</b>	<b>1 666 226 442</b>

### European Coal and Steel Community

  
 Y.-T. de SILGUY  
 Member of the Commission

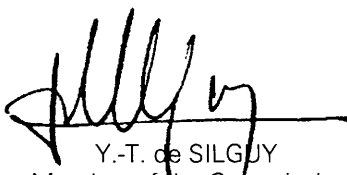
  
 E. CIOFFI  
 Director-General Credit and  
 Investments

# Allocation of the surplus for the year ending 31 December 1994

(Amounts in ecus)

	1994	1993
Surplus not allocated at 1 January	100 023	440 406
Surplus for the year to be allocated	1 567 242	1 173 807
	<b>1 667 265</b>	<b>1 614 213</b>
Allocation to the former pension fund (Note 17)	1 621 257	1 514 190
Surplus not allocated at 31 December	46 008	100 023

## European Coal and Steel Community



Y.-T. de SILGUY  
Member of the Commission



E. CIOFFI  
Director-General Credit and Investments



# Notes relating to the financial statements at 31 December 1994

(Amounts in ecus)

## 1. Presentation of the financial statements

1.1. The European Coal and Steel Community (ECSC) was established by the Treaty of 18 April 1951. According to the Treaty, the task of the ECSC is to contribute to the economic expansion of the Member States through the establishment of a common market for coal and steel. Most of the ECSC's funds come from the levy, the net profit from its financial activity, borrowings raised on the financial markets and direct bank loans.

1.2. The ECSC's financial statements at 31 December 1994 are presented in accordance with Council Directives 78/660/EEC and 86/635/EEC on the annual accounts and consolidated accounts of banks and other financial institutions (OJ L 222, 14.8.1978 and OJ L 372, 31.12.1986).

1.3. ECSC accounts are kept in the various currencies used for its financial activity. The financial statements are expressed in ecus.

The following rates have been used for converting year-end balance-sheet amounts expressed in national currency into ecus.

	31 December	
	1994	1993
Belgian and Luxembourg francs	39 161400	40 286900
Danish krone	7 482330	7 553100
German mark	1.905330	1.935690
Greek drachma	295 480000	277 970000
Portuguese escudo	195 884000	197 050000
French franc	6.575790	6.577450
Dutch guilder	2 134240	2 165410
Irish pound	0.795061	0.790809
Italian lira	1 997 450000	1 909 980000
Spanish peseta	162 070000	158 928000
Pound sterling	0.787074	0.755108
Canadian dollar	1 726970	1 482170
Swiss franc	1 613200	1 652310
United States dollar	1 230040	1 115670
Japanese yen	122 659000	124 732000

1.4. At 31 December 1994 the various currencies listed in 1.3, together with the ecu, made up the ECSC's balance sheet as follows:

(1 000 ECU)

Currency	Assets	Liabilities
Ecu	- 1 397 405	- 703 927
Belgian franc	357 894	287 438
Danish krone	1 267	—
German mark	3 268 784	3 010 117
Greek drachma	2 039	—
Portuguese escudo	82 638	80 779
French franc	1 171 621	1 044 352
Dutch guilder	213 787	162 684
Irish pound	1 525	—
Luxembourg franc	70 133	52 990
Italian lira	1 328 618	1 279 317
Spanish peseta	270 354	242 219
Pound sterling	1 059 546	1 002 259
Canadian dollar	49 690	49 690
Swiss franc	409 638	409 379
United States dollar	2 336 626	2 311 945
Japanese yen	258 092	255 605
<b>Total</b>	<b>9 484 847</b>	<b>9 484 847</b>

*Notes:*

The ecu has a much larger place in the ECSC's accounts than suggested by the above table.

The apparently small share in ecus is explained by certain accounting operations, mainly the offsetting of accounts receivable and payable relating to currency swaps.

The offsetting of these items on the assets and liabilities sides is designed to prevent artificial inflation of the balance sheet.

This accounting operation is carried out in ecus and involved a total of ECU 3 417 153 319 in 1994.

The real weight of the ecu in the ECSC's accounts can therefore be assessed more accurately if this amount is added both to the assets and to the liabilities sides of the balance sheet.

## 2. Accounting policies and methods

2.1. The financial statements are drawn up in accordance with generally recognized accounting principles.

2.2. Charges and income for the financial year are entered in national currency and converted to ecus at the monthly accounting rate in force on the day of the transaction.

## 3. Balances with central banks

This item represents the ECSC's balances with the central banks of certain Member States.

## 4. Loans and advances to credit institutions

### 4.1. Repayable on demand

This item also includes loans and advances to CEDEL repayable on demand.

### 4.2. With agreed maturity dates or periods of notice

The breakdown of the time to maturity of these loans is as follows:

*(ECU)*

	31 December	
	1994	1993
Up to three months	385 129 835	322 007 854
Three months to one year	34 244 704	76 666 524
Over one year	14 830 662	19 445 576
<b>Total</b>	<b>434 205 201</b>	<b>418 119 954</b>

#### 4.3. Loans

The breakdown of these loans by time to maturity is as follows:

(ECU)

	31 December	
	1994	1993
Up to three months	56 340 852	41 980 073
Three months to one year	554 730 135	368 118 827
One year to five years	2 395 507 261	2 689 818 013
Over five years	362 848 651	450 280 293
<b>Total</b>	<b>3 369 426 899</b>	<b>3 550 197 206</b>

### 5. Loans and advances to customers

#### 5.1. Loans

The loans granted to credit institutions are shown under 'Loans and advances to credit institutions' (see Note 4).

Liquefied natural gas tank — DEPA, Greece



The other loans break down as follows:

(ECU)

	31 December	
	1994	1993
<b>1. Loans disbursed from borrowed funds</b>		
Amounts outstanding, excluding redemption premiums	3 594 555 902	4 070 369 795
Redemption premiums	—	45 000 000
Value adjustments	- 24 755 428	- 53 616 282
<i>Sub-total</i>	<u>3 569 800 474</u>	<u>4 061 753 513</u>
<b>2. Loans from the special reserve and other own funds for financing subsidized housing</b>	21 691 265	24 162 422
<b>Total 1</b>	<b>3 591 491 739</b>	<b>4 085 915 935</b>
The breakdown of these loans by time to maturity is as follows		
	1994	1993
Up to three months	77 819 895	151 131 686
Three months to one year	342 169 183	611 321 216
One year to five years	2 125 172 233	2 433 832 855
Over five years	1 071 085 856	943 246 460
<b>3. Loans paid from the former pension fund to officials of the European Communities for housing construction</b>	41 308 493	38 734 442
<b>4. Loan repayments overdue and interest on arrears</b>	5 752 061	1 552 849
<b>Grand total</b>	<b>3 638 552 293</b>	<b>4 126 203 226</b>

NB These loans are usually secured by guarantees from the Member States, banks or companies, or by mortgages

### *5.2. Levy*

Before value adjustment, this item amounts to ECU 16 625 804 (ECU 20 472 601 at 31 December 1993). It comprises in particular ECU 5 924 068 subject to legal proceedings (ECU 5 468 070 at 31 December 1993) and ECU 432 179 relating to temporary deferment in respect of coal in stock (ECU 2 884 382 at 31 December 1993).

Payment of the levy in respect of coal in stock is temporarily deferred under a general decision taken in 1972.

### *5.3. Fines*

This item contains the Commission's claims on companies fined in accordance with the rules set out in the Treaty.

After value adjustment it amounts to ECU 64 041 463 (ECU 1 615 162 at 31 December 1993).

The marked increase in this item in 1994 was due to Decision 94/215/ECSC<sup>1</sup> of 16 February 1994, in which the Commission imposed fines totalling ECU 104 364 350 on steel companies for infringing the rules on competition in the marketing of steel beams. ECU 32 151 350 has been paid in fines under this Decision, against which appeals have been lodged with the Court of First Instance by virtually all the companies concerned.

### *5.4. Interest subsidies to be recovered*

This item comprises claims on companies in receipt of a subsidized loan which the Commission has been obliged to ask to reimburse all or part of the interest subsidy already paid.

## **6. Bonds and other fixed-income securities**

### *6.1. Valuation*

Bonds and other fixed-income securities are valued at average purchase price or market value at 31 December 1994, whichever is lower.

This principle is not applied in the case of securities considered as financial fixed assets (see point 6.5).

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<sup>1</sup> OJ L 116, 6 5 1994.

## 6.2. Composition

Bonds and other fixed-income securities break down as follows:

(ECU)

	Value adjustments on bonds and other fixed-income securities (withdrawal)	31 December	
		1994	1993
<b>Issued by public bodies</b>			
— Gross value		1 520 363 795	1 379 749 693
— Value adjustment	64 239 749	— 64 454 495	— 214 746
— Net value		1 455 909 300	1 379 534 947
<b>Own-debt securities</b>			
— Gross value		12 817 980	63 159 716
— Value adjustment	—	—	—
— Net value		12 817 980	63 159 716
<b>Issued by other borrowers</b>			
— Gross value		160 368 865	259 241 205
— Value adjustment	5 165 715	— 5 528 565	— 362 850
— Net value		154 840 300	258 878 355
<b>Total</b>			
— Gross value		1 693 550 640	1 702 150 614
— Value adjustment	69 405 464	— 69 983 060	— 577 596
— Net value		1 623 567 580	1 701 573 018

### 6.3. Maturities in 1995

Securities in the portfolio reaching final maturity during 1995 represent the following amounts (ECU):

Issued by public bodies:	185 729 777
Own-debt securities:	—
Issued by other borrowers:	38 359 117
<b>Total</b>	<b>224 088 894</b>

### 6.4. Listed/unlisted securities

The securities portfolio comprises ECU 1 542 367 998 of securities with a stock-exchange listing, the balance of ECU 81 199 582 being unlisted securities.

### 6.5. Financial fixed assets

6.5.1. Financial fixed assets are defined as securities that will remain in the portfolio until their final maturity.

They comprise mainly short-term paper and own-debt securities repurchased for servicing ECSC borrowings.

6.5.2. Financial fixed assets are valued at average purchase price or redemption value, whichever is lower.

The redemption value of these securities exceeds the average purchase price by a total of ECU 653 956.

6.5.3. Financial fixed assets are made up as follows (ECU):

Issued by public bodies:	46 174 907
Own-debt securities:	12 817 980
Other issuers:	39 363 260
<b>Total</b>	<b>98 356 147</b>



## 7. Tangible and intangible assets

(ECU)

	Year of acquisition	Acquisition price	31.12.1993 Net value	Operations during the year			31.12.1994 Net value
				Acquisitions	Disposals	Amortization	
Tangible assets							
— Washington building	1971	882 654	411 852	—	—	58 836	353 016
— Paris buildings	1990	8 917 465	1	—	1	—	—
— Lisbon building	1986	1 265 526	1 939 623	—	—	224 887	1 714 736
— New York building	1987	2 167 186	1 259 919	—	—	139 990	1 119 929
— Canberra building	1987	2 511 059	1 747 682	—	—	194 186	1 553 496
— Marseille building	1991	406 679	375 925	—	—	41 770	334 155
— Windhoek buildings	1992	1 129 004	671 150	—	—	74 572	596 578
— Haren	1993	6 000 000	6 000 000	—	—	600 000	5 400 000
			12 406 152	—	1	1 334 241	11 071 910
Intangible assets							
— Lease on Milan building	1986	879 882	479 944	—	—	59 993	419 951
<b>Total tangible and intangible assets</b>			<b>12 886 096</b>	<b>—</b>	<b>1</b>	<b>1 394 234</b>	<b>11 491 861</b>

The Paris buildings were fully amortized on 31 December 1993. After completion of the work on one of the buildings, ownership was transferred to the EC on 21 December 1994.

The other buildings, which are owned by the ECSC, are let to the Commission. The rent paid provides a return on the funds invested by the ECSC and amortizes the debt. When these buildings have been fully amortized, ownership will be transferred to the European Community.

## 8. Other assets

(ECU)

	31 December	
	1994	1993
Loans, payments due and not received and rescheduled payments	60 976 586	119 644 481
Portfolio taxes and VAT to be reclaimed	2 184 604	2 836 266
Loans to officials — miscellaneous	6 414 228	3 818 935
ECSC operating budget current account/rent due	1 565 084	676 748
Miscellaneous	94 133	46 815
	<u>71 234 635</u>	<u>127 023 245</u>
Cumulative value adjustments	- 57 716 211	- 58 467 877
<b>Total</b>	<b>13 518 424</b>	<b>68 555 368</b>

## 9. Prepayments and accrued income

(ECU)

	31 December	
	1994	1993
Interest on loans and swaps	201 210 833	233 354 697
Interest on securities and deposits portfolio	75 595 242	84 158 418
Levy declared in 1995 for previous years and payable after 31 December	11 063 813	12 252 633
Issuing costs and redemption premiums	2 400 875	5 100 462
<b>Total</b>	<b>290 270 763</b>	<b>334 866 210</b>

## 10. Amounts owed to credit institutions

The time to maturity on these operations is as follows:

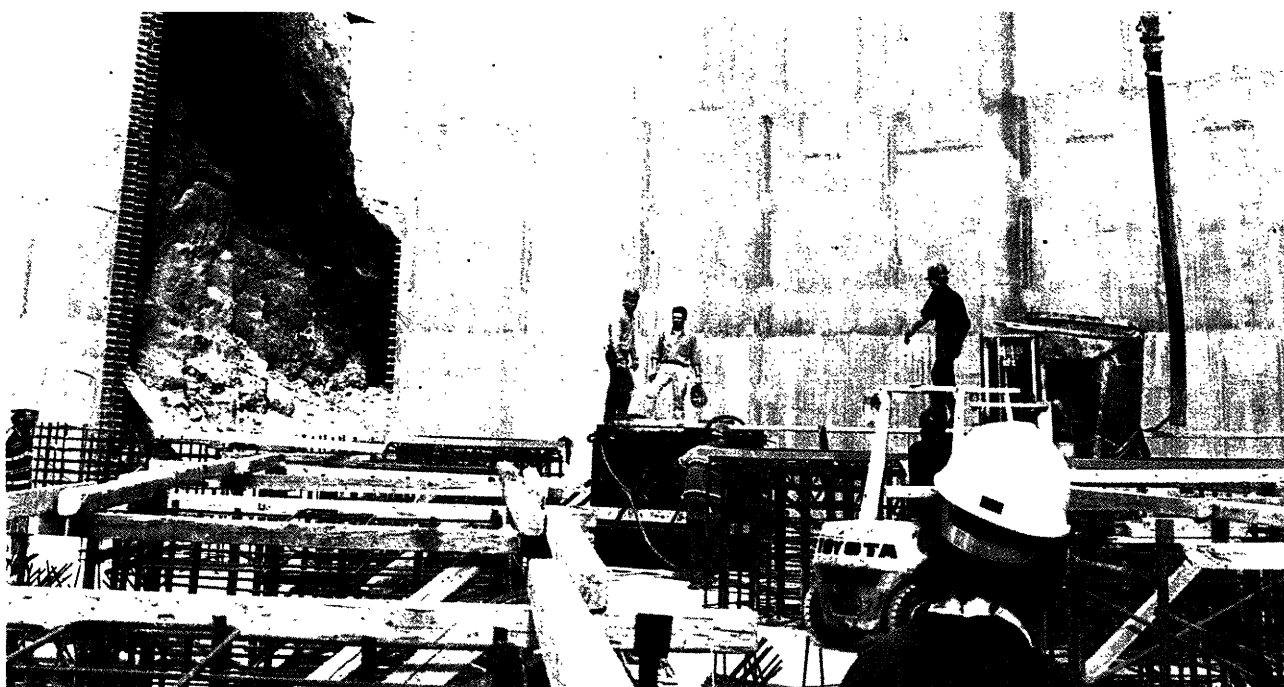
(ECU)

	31 December	
	1994	1993
Repayable on demand	—	—
Up to three months	83 860 315	69 036 758
Three months to one year	269 508 121	383 200 013
One year to five years	1 720 480 700	1 643 372 717
Over five years	506 400 321	649 952 912
<b>Total</b>	<b>2 580 249 457</b>	<b>2 745 562 400</b>

## 11. Debts evidenced by certificates

Part of the borrowings outstanding at 31 December 1994 will reach maturity during the 1995 financial year. These borrowings amount to ECU 556 401 590.

*Liquefied natural gas tank — DEPA, Greece*



## 12. Other liabilities

(ECU)

	31 December	
	1994	1993
Exchange value in ecus of the difference between currency receivable and payable under currency exchange operations (swaps)	410 704 504	405 756 274
Current account, ECSC operating budget	49 426 044	—
Advance payments for transfer of buildings <sup>1</sup>	9 216 194	—
Other	319 337	58 708
<b>Total</b>	<b>469 666 079</b>	<b>405 814 982</b>

<sup>1</sup> In accordance with the possibility offered under the Decision of 11 June 1992, in the course of 1994 the Commission made advance payments amounting to ECU 9 216 194 in respect of the transfer of the buildings made available to it by the ECSC (Note 7)

## 13. Accruals and deferred income

(ECU)

	31 December	
	1994	1993
Interest on borrowings and credit lines	235 645 518	268 498 659
Commission on loans	389 796	503 189
Redemption premiums on loans	—	1 262 500
<b>Total</b>	<b>236 035 314</b>	<b>270 264 348</b>

## 14. Provision for liabilities and charges

(ECU)

	31 12 1993	Operations in 1994			31 12.1994
		Allocation	Withdrawal	Exchange-rate movement	
Provision for withholding tax to be paid <sup>1</sup>	5 096 750	279 775	—	150 123	5 526 648
Provision for purchases and sales of securities on the futures markets <sup>2</sup>	—	3 317 951	—	—	3 317 951
Provision for special costs connected with banking activities <sup>3</sup>	200 000	1 419	1 419	—	200 000
Provision for appeal against Decision 94/215/ECSC <sup>4</sup>	—	33 221 810	—	—	33 221 810
<b>Total</b>	<b>5 296 750</b>	<b>36 820 955</b>	<b>1 419</b>	<b>150 123</b>	<b>42 266 409</b>

<sup>1</sup> This provision was created to allow the ECSC to meet its obligations in respect of a securities transaction on which there is a difference of interpretation regarding the applicability of withholding tax

<sup>2</sup> This provision was created to cover the risk of price movements on the futures contracts existing at the end of the financial year for the purchase and sale of securities

<sup>3</sup> This provision was created to cover any legal costs and other unforeseen expenditure. The risk in question is primarily in the legal field because the ECSC has less recourse, for its operations, to national agents who bear all expenditure relating to loan operations

<sup>4</sup> This provision was created from the fines paid under Decision 94/215/ECSC of 16 February 1994 to cover the possible reimbursement of the amounts received should the Court of First Instance rule in favour of the companies which have appealed against this Decision (Note 5.3)

## 15. Commitments for the ECSC operating budget

In 1994, commitments for the ECSC operating budget were as follows:

(ECU)

	Commitments at 31.12.1993	New legal commitments	Payments	Cancellations	Commitments at 31.12.1994
Redeployment	444 369 063	157 000 000	120 558 039	23 607 925	457 203 099
Research	246 194 547	51 969 774	99 715 502	6 142 879	192 305 940
Interest subsidies: Article 54	15 344 597	—	1 530 502	—	13 814 095
Interest subsidies: Article 56	401 825 844	51 465 420	35 109 935	27 297 856	390 883 473
Social measures: steel industry	141 369 356	86 000 000	37 723 271	6 057 434	183 588 651
Social measures: coal industry (Rechar)	112 107 604	40 000 000	29 289 931	146 381	122 671 292
<b>Total</b>	<b>1 361 211 011</b>	<b>386 435 194</b>	<b>323 927 180</b>	<b>63 252 475</b>	<b>1 360 466 550</b>

## 16. Provision for financing the ECSC operating budget

(ECU)

	Provisions at 31 12 1993	Operations during the year		Provisions at 31 12 1994
		Withdrawal	Allocation	
Budgetary contingency reserve <sup>1</sup>				
— Indemnity provision	91 954 337	91 954 337	—	—
— Reserve to cover any shortfall in income	32 000 000	4 000 000	—	28 000 000
	<b>123 954 337</b>			<b>28 000 000</b>
Extraordinary income for financing the operating budget <sup>2</sup>				
— 1993 financial year	22 000 000	22 000 000	—	—
— 1994 financial year	—	—	2 000 000	2 000 000
Surplus from the out-turn of the operating budget				
— 1993 financial year	60 195 569	60 195 569	—	—
— 1994 financial year	—	—	40 913 745	40 913 745
Effect on the result		<b>178 149 906</b>	<b>42 913 745</b>	
Provision for fines and surcharges to be paid subsequently <sup>3</sup>	1 615 162	—	62 426 301	64 041 463
Provision for subsidies to be recovered <sup>3</sup>	1 801 857	—	6 668 693	8 470 550
	<b>209 566 925</b>			<b>143 425 758</b>

<sup>1</sup> At 31 December 1993, this reserve included ECU 92 million to cover the maximum compensation claimed by two companies in respect of losses suffered by them in connection with the application of the quota system which was in force between October 1980 and June 1988. Negotiations with these companies led to the payment of compensation amounting to ECU 32 598 402, charged to the operating budget as extraordinary expenditure. The whole of this reserve was drawn as 1994 income. The part of this reserve intended to cover any difference between expenditure committed and income generated by ECSC activities during the financial year was reduced from ECU 32 million to ECU 28 million.

<sup>2</sup> The ECSC had constituted a provision of ECU 22 million for financing additional social measures for the iron and steel industry under the 1994 ECSC operating budget. On 31 December 1994, it constituted a provision of ECU 2 million to finance the 1995 operating budget.

<sup>3</sup> Fines and interest subsidies whose repayment has been requested are considered as ECSC resources only when they have actually been paid. Fines imposed but not yet paid and interest subsidies whose repayment has been requested are therefore allocated to provisions.

## 17. Reserves

(ECU)

	Reserves at 31 12 1993 prior to allocation	Allocations at 31 12 1993	Withdrawal 1994	Reserves at 31 12 1994 prior to allocation	Allocations at 31 12 1994	Reserves at 31 12 1994 after allocation
Guarantee Fund	429 885 000	—	—	429 885 000	—	429 885 000
Special reserve	166 980 000	—	2 000 000	164 980 000	—	164 980 000
Former pension fund	58 923 329	1 514 190	—	60 437 519	1 621 257	62 058 776
<b>Total</b>	<b>655 788 329</b>	<b>1 514 190</b>	<b>2 000 000</b>	<b>655 302 519</b>	<b>1 621 257</b>	<b>656 923 776</b>

The Guarantee Fund is intended to cover lending and borrowing operations. The ECSC's solvency ratio remains within the 14-16% range recommended by a team of international experts to ensure that the structure of the balance sheet remains in equilibrium, having regard to the special status of the ECSC.

The special reserve is used to grant loans from ECSC own funds to finance subsidized housing. In order to be able to finance the 1995 operating budget, ECU 2 million has been drawn from the special reserve (Note 16).

The former pension fund originally represented the ECSC's total pension obligations prior to 5 March 1968. Since that date, the Member States have assumed responsibility, via the general budget, for the payment of staff pensions. This fund is used to finance housing loans for officials of the European Communities and has also been used to grant special loans to the coal and steel industries.

## 18. Analysis of the result for the financial year

Overall ECSC performance is influenced by both the result of non-budgetary operations (lending/borrowing — investment — exchange-rate variations) and the out-turn of the ECSC operating budget.



### 18.1. Non-budgetary operations

(ECU)

Result	31 December	
	1994	1993
<b>Gross operating margin before changes in provisions</b>		
Lending/borrowing operations	- 3 178 192	6 580 368
Losses on loans and advances <sup>1</sup>	- 1 284 910	- 39 277 925
Interest on bank accounts	29 886 389	50 243 429
Transactions concerning portfolio securities	67 002 267	195 676 879
Miscellaneous	- 11 332 247	- 67 110
<b>Total</b>	<b>81 093 307</b>	<b>213 156 141</b>
<b>Changes in provisions</b>		
Provision for liabilities and charges <sup>2</sup>	3 599 145	22 155
Reserve for exchange differences	5 772 717	2 610 106
Value adjustments in respect of loans and advances	30 372 173	- 14 500 095
<b>Result of non-budgetary operations</b>	<b>113 639 052</b>	<b>201 287 407</b>
Amount allocated to financing the operating budget <sup>3</sup>	115 000 000	207 000 000
Result after deducting the net balance allocated to the operating budget	- 1 360 948	- 5 712 593

<sup>1</sup> This loss was offset by a withdrawal from the value-adjustment provision constituted for the purpose on 31 December 1994. This withdrawal is included in the figure given below under 'Value adjustments in respect of loans and advances'.

<sup>2</sup> Note 14 (1), (2) and (3).

<sup>3</sup> During 1994, changes in exchange rates led to a conversion loss of ECU 5 772 717, which was offset by a withdrawal from the reserve for exchange differences.

<sup>4</sup> In accordance with the change of accounting method on 31 December 1993, the income received during the 1994 financial year has been allocated to financing the 1994 operating budget (net balance as in 18.2).

18.2. Out-turn of the ECSC operating budget

(ECU)

	31 December	
	1994	1993
<b>Out-turn of the budget</b>		
Expenditure		
— Administrative expenditure (Note 20)	5 000 000	5 000 000
— Legal commitments (Note 15)	386 435 194	531 215 791
— Miscellaneous (Note 16)	32 598 462	—
<b>Total</b>	<b>424 033 656</b>	<b>536 215 791</b>
<b>Revenue</b> (net amounts)		
— Levy (Note 24)	107 666 996	121 253 971
— Fines (Note 24)	1 350	—
— Interest subsidies (Note 24)	4 676 172	—
— Miscellaneous (Note 24)	200 500	20 572
— Cancellations of legal commitments (Note 24)	63 252 475	94 040 390
— Surplus from the previous budget (Note 16)	60 195 571	53 096 427
— Extraordinary revenue for financing the operating budget (Note 16)	22 000 000	51 000 000
— Withdrawal from the contingency reserve to finance the 1993 operating budget (Note 16)	91 954 337	70 000 000
— Net balance for the year (Note 18 1)	115 000 000	207 000 000
<b>Total</b>	<b>464 947 401</b>	<b>596 411 360</b>
<b>Budget out-turn</b>	<b>40 913 745</b>	<b>60 195 569</b>

### 18.3. Result for the financial year

(ECU)

	31 December	
	1994	1993
Result from non-budgetary operations after deducting the net balance allocated to the operating budget (Note 18 1)	- 1 360 948	5 712 593
Out-turn of the budget (Note 18 2)	40 913 745	60 195 569
Withdrawal from the special reserve (Note 17)	2 000 000	22 000 000
<b>Total</b>	<b>41 552 797</b>	<b>76 482 976</b>
Allocation to the provision for liabilities and charges <sup>1</sup>	- 1 071 810	—
Allocation to the provision for financing the operating budget (Note 16)	- 40 913 745	- 67 309 169
Withdrawal from the provision for financing the operating budget (Note 16)	4 000 000	14 000 000
Allocation extraordinary revenue 94/95 budget (Note 16)	- 2 000 000	- 22 000 000
<b>Result before allocation</b>	<b>1 567 242</b>	<b>1 173 807</b>

<sup>1</sup> Net balance of the provision for liabilities and charges of ECU 33 221 810 (Note 14 4) and ECU 32 150 000 received in payment of fines (Note 5 3)

### 19. Interest and other charges

(ECU)

	31 December	
	1994	1993
Interest on loans and swaps	837 680 685	918 480 328
Bank interest	372 790	130 265
Issuing costs and redemption premiums	3 753 633	20 211 690
<b>Total</b>	<b>841 807 108</b>	<b>938 822 283</b>

## 20. Administrative expenditure

The ECSC paid a lump sum of ECU 5 million to the general budget of the European Commission to cover its administrative expenditure.

## 21. Other operating charges

(ECU)

	31 December	
	1994	1993
Borrowing costs	269 532	214 916
Swift/Reuters charges	132 657	121 616
Other	7 310	26 330
<b>Total</b>	<b>409 499</b>	<b>362 862</b>

## 22. Interest received and similar income

(ECU)

	31 December	
	1994	1993
Interest on loans and swaps	837 996 439	929 835 401
Payment and redemption premiums	2 414 031	17 960 373
Bank interest	30 259 179	50 373 693
Interest on bonds and other fixed income securities	121 056 630	143 666 210
<b>Total</b>	<b>991 726 279</b>	<b>1 141 835 677</b>

### 23. Other operating income

(ECU)

	31 December	
	1994	1993
Lapsed coupons and bonds	23 737	21 849
Income from buildings	2 159 945	1 327 427
Miscellaneous	1 518 840	397 850
<b>Total</b>	<b>3 702 522</b>	<b>1 747 126</b>

### 24. Income relating to the operating budget

(ECU)

	31 December	
	1994	1993
Levy <sup>1</sup>	107 838 925	121 253 971
Fines <sup>2</sup>	32 151 350	—
Miscellaneous	200 500	20 572
Cancellation of legal commitments (Note 15)	63 252 475	94 040 390
Repayment of interest subsidies (Notes 5.4 and 16) <sup>3</sup>	5 458 454	1 801 858
<b>Total</b>	<b>208 901 704</b>	<b>217 116 791</b>

<sup>1</sup> The ECSC is authorized under the Treaty to impose a levy on coal and steel produced by undertakings in the Community. The levy is calculated on the basis of the average values in the Community of the various products concerned. The levy rate was 0.31% for the years 1980 to 1990, 0.29% for 1991, 0.27% for 1992, 0.25% for 1993 and 0.23% for 1994. On 20 December 1994, the Commission decided to set the levy rate for the 1995 financial year at 0.21%.

At 31 December 1994, levy income included ECU 99 591 in respect of surcharges for late payment (ECU 192 992 at 31 December 1993).

<sup>2</sup> This item comprises the revenue from fines imposed by the Commission in accordance with Articles 58 and 65 of the ECSC Treaty, together with surcharges for late payment.

<sup>3</sup> This item comprises the revenue from the repayments of interest subsidies which the Commission was obliged to demand.

## 25. Off-balance-sheet commitments

### 25.1. Commitments received

(ECU)

	31 December	
	1994	1993
(a) Commitments arising from swaps		
— Notional capital commitments relating to interest-rate swaps	661 915 083	784 961 832
— Capital commitments relating to interest-rate and currency swaps	3 370 661 874	3 786 053 022
(b) Commitments on securities		
— Securities bought forward	50 330 400	—
<b>Total</b>	<b>4 082 907 357</b>	<b>4 571 014 854</b>

### 25.2. Commitments given

(ECU)

	31 December	
	1994	1993
(a) Loans granted		
— Global loan contracts, lines still to be used	1 577 092 398	1 617 931 517
— Loans from borrowed funds signed but not yet disbursed	241 646 962	443 656 513
— Loans from own funds signed but not yet disbursed	11 158 653	10 294 160
(b) Commitments arising from swaps		
— Notional capital commitments relating to interest-rate swaps	648 631 813	778 477 403
— Capital commitments relating to interest-rate and currency swaps	3 794 649 648	4 191 809 297
(c) Commitments on securities		
— Securities bought forward	50 330 400	—
(d) Receipts from lapsed coupons and bonds	23 737	21 849
<b>Total</b>	<b>6 323 533 611</b>	<b>7 042 190 739</b>

## 26. Changes in the financial situation for the year ending 31 December 1994

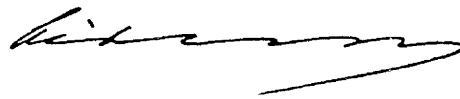
(million ECU)

	1994	1993
<b>Origin of funds</b>		
Balance of profit-and-loss account	1.6	1.2
Items not involving a movement of funds		
— Amortization of issuing costs and redemption premiums	2.7	2.3
— Value adjustments in respect of securities	69.4	- 8.3
— Value adjustments in respect of tangible assets	1.4	0.9
— Value adjustments in respect of loans and advances (net)	- 28.9	13.3
— Increase (decrease) in 'Provision for legal commitments'	- 0.7	78.1
— Increase (decrease) in 'Provision for financing the ECSC operating budget'	- 66.1	- 97.8
— Increase (decrease) in accruals and deferred payments	- 34.2	- 10.2
— Decrease (increase) in accruals and deferred income and issuing costs and redemption premiums	41.9	1.2
— Increase (decrease) in 'Other liabilities'	63.8	39.8
— Decrease (increase) in 'Other assets'	- 14.7	- 60.1
— Allocation to the provision for risks and charges	37.0	- 0.5
— Allocation to the provision for changes in the ecu rate	5.8	- 2.6
— Contributions not yet received from new Member States	—	—
— Exchange-rate adjustments in respect of borrowings and loans	- 55.4	- 135.9
— Withdrawal from Guarantee Fund/special reserve	2.0	- 22.0
<b>Total funds</b>	<b>10.0</b>	<b>-200.6</b>
<b>Other resources</b>		
Proceeds of borrowings	643.9	907.6
Loan repayments	1 334.3	1 067.2
Contributions from new Member States (paid up)	—	—
<b>Total resources</b>	<b>1 988.2</b>	<b>1 774.2</b>
<b>Use of funds</b>		
Loan disbursements	677.7	922.9
Redemptions of borrowings	1 303.2	901.3
Increase (decrease) in bank balances and portfolio	7.3	- 57.3
Acquisition and construction of buildings	—	7.3
<b>Total uses</b>	<b>1 988.2</b>	<b>1 774.2</b>

# Report of the Court of Auditors of the European Communities on the financial statements of the European Coal and Steel Community at 31 December 1994

1. This report concerns the reliability of the accounts drawn up by the Commission (the High Authority), in accordance with Article 45c of the Treaty establishing the European Coal and Steel Community.
2. The Court has audited the accounts and financial statements of the European Coal and Steel Community at 31 December 1994 in accordance with generally accepted auditing standards and carried out such checks as it considered necessary.
3. In the Court's opinion, the attached financial statements (balance sheet at 31 December 1994, profit-and-loss account for the financial year ending 31 December 1994, statement of the allocation of surplus for the year ending 31 December 1994 and notes relating to the financial statements at 31 December 1994), which have been drawn up in accordance with generally accepted auditing principles, give a true and fair view of the financial situation of the European Coal and Steel Community at 31 December 1994 and of the results of its operations for the year then ended.

Luxembourg, 29 June 1995



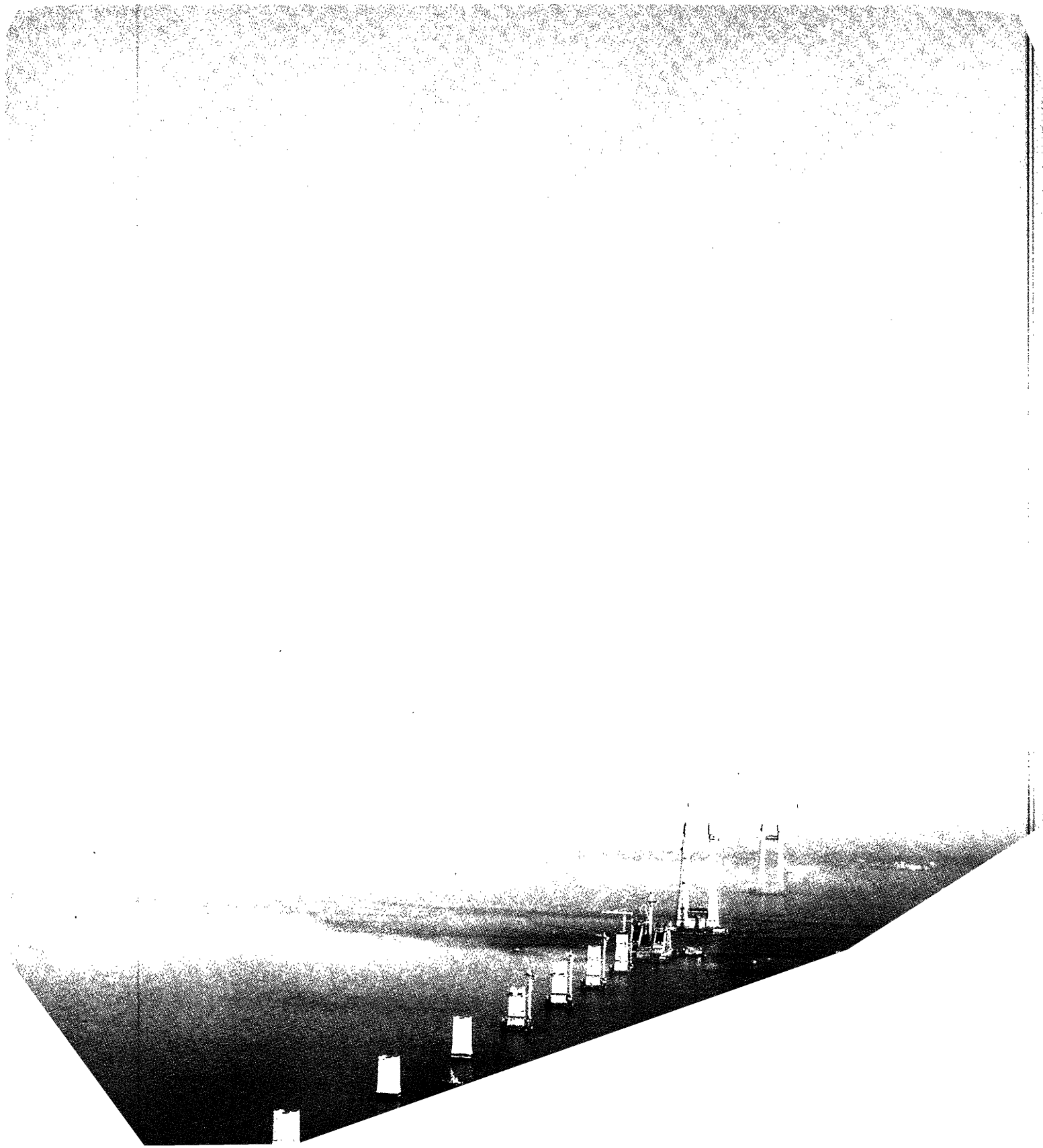
ANDRÉ MIDDELHOEK  
*President of the Court of Auditors*



AUNUS SALMI  
*Member of the Court of Auditors*



# **Annexes**



# Analysis of loans outstanding

## Loans from borrowed funds

### Breakdown by country and by guarantee received Amounts outstanding at 31 December 1994

(million ECU)

Member State	Guarantee by public body	Bank guarantee	Industrial group		Charge on property	No guarantee <sup>1</sup>	Total
			public	private			
Belgium	63.84	23.24	0.00	0.00	0.00	189.73	<b>276.81</b>
Denmark	383.69	0.00	0.00	0.00	0.00	0.00	<b>383.69</b>
Germany	21.16	1.75	0.00	2.62	415.49	1 082.06	<b>1 523.08</b>
Greece	81.30	0.00	0.00	0.00	0.00	0.00	<b>81.30</b>
Spain	301.13	164.22	6.64	0.00	56.18	25.39	<b>553.56</b>
France	436.30	60.54	28.56	363.46	0.00	143.52	<b>1 032.38</b>
Ireland	8.13	0.33	0.00	0.00	0.00	0.00	<b>8.46</b>
Italy	0.00	136.79	173.27	0.00	0.00	873.33	<b>1 183.39</b>
Luxembourg	0.00	0.00	0.00	0.00	0.00	12.00	<b>12.00</b>
Netherlands	0.00	32.80	0.00	0.00	210.85	0.73	<b>244.38</b>
Portugal	112.02	0.00	0.00	0.00	0.00	0.00	<b>112.02</b>
United Kingdom	108.14	187.56	0.00	1.19	0.00	1 094.08	<b>1 390.97</b>
Non-Community	0.00	36.54	0.00	0.00	0.00	0.00	<b>36.54</b>
<b>Total</b>	<b>1 515.71</b>	<b>643.77</b>	<b>208.47</b>	<b>367.27</b>	<b>682.52</b>	<b>3 420.84</b>	<b>6 838.58</b>

<sup>1</sup> In all, 93% of this sum is composed of loans granted to financial institutions without any additional guarantee

## Loans from own funds

### Breakdown by country and by guarantee received Amounts outstanding at 31 December 1994

(million ECU)

Member State	Guarantee by public body	Bank guarantee	Industrial group		Charge on property	No guarantee <sup>1</sup>	Total
			public	private			
Belgium	8.70	0.00	0.00	0.00	0.00	0.00	<b>8.70</b>
Denmark	0.28	0.00	0.00	0.00	0.00	0.00	<b>0.28</b>
Germany	69.45	0.00	0.00	0.09	7.13	0.00	<b>76.67</b>
Greece	0.64	0.00	0.00	0.00	0.00	0.00	<b>0.64</b>
Spain	6.89	0.00	0.00	0.00	0.00	0.00	<b>6.89</b>
France	15.10	0.00	4.73	0.00	0.00	2.27	<b>22.10</b>
Ireland	0.65	0.00	0.00	0.00	0.00	0.00	<b>0.65</b>
Italy	9.48	0.00	0.68	0.00	0.00	0.00	<b>10.16</b>
Luxembourg	1.64	0.00	0.00	0.00	0.00	0.00	<b>1.64</b>
Netherlands	0.00	0.00	0.00	3.32	0.06	0.00	<b>3.38</b>
Portugal	0.82	0.00	0.00	0.00	0.00	0.00	<b>0.82</b>
United Kingdom	13.69	1.76	0.00	0.00	0.00	0.00	<b>15.45</b>
Non-Community	0.00	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>
<b>Total</b>	<b>127.34</b>	<b>1.76</b>	<b>5.41</b>	<b>3.41</b>	<b>7.19</b>	<b>2.27</b>	<b>147.38</b>

<sup>1</sup> Mainly loans granted to financial institutions for on-lending to final recipients

## Statement of consolidated debt at 31 December 1994

(million ECU)

Payable in	Debt outstanding at 31 12 1993	Operations in 1994		Exchange-rate adjustments	Debt outstanding at 31 12 1994	Maturity
		Borrowings in 1994	Redemptions 1994			
ECU	582.6	—	391.7	—	190.9	1997
BFR	40.1	39.6	4.0	1.2	76.9	1999
DM	2 719.1	86.4	447.3	43.3	2 401.5	2008
ESC	76.1	—	—	0.5	76.6	1997
FF	671.6	14.0	24.1	0.1	661.6	2012
HFL	85.2	—	19.3	1.3	67.2	2001
LFR	85.9	—	37.2	2.4	51.1	1996
LIT	1 300.2	13.5	41.1	- 56.9	1 215.7	2007
PTA	218.2	30.0	8.1	- 4.2	235.9	2002
UKL	560.0	339.0	200.3	- 22.8	675.9	2019
CAD	56.0	—	—	- 7.9	48.1	1995
SFR	218.4	—	19.1	5.3	204.6	2002
USD	672.2	30.1	66.0	- 62.5	573.8	2008
YEN	—	91.3	—	—	91.3	2001
<b>Total</b>	<b>7 285.7</b>	<b>643.9</b>	<b>1 258.2</b>	<b>- 100.2</b>	<b>6 571.1</b>	
Redemption premiums	45.0	—	45.0	—	—	—
<b>Grand total</b>	<b>7 330.7</b>	<b>643.9</b>	<b>1 303.2</b>	<b>- 100.2</b>	<b>6 571.1</b>	

## Main characteristics of loans disbursed in 1994

### A — Loans at rate of borrowing to the steel industry

Member State	Date of disbursement	Date of Commission Decision approving the loan	Recipient
Germany	15 12 1994	12 12 1991	<i>Klockner Werke AG/Stahl GmbH</i>
Belgium	21 12 1994	23 9 1993	<i>Sidcenter</i>

**ECU 83.5 million — Total loans at rate of borrowing to the steel industry**

### B — Loans with interest subsidies to the coal industry

Member State	Date of disbursement	Date of Commission Decision approving the loan	Recipient
Spain	28 7 1994	12 12 1990	<i>Huiteria Vasco-Leonesa SA</i>
	20 10 1994	18 12 1990	<i>Encasur</i>
	20 10 1994	12 12 1990	<i>Hullas del Coto Cortes</i>

**ECU 25.4 million — Total loans with interest subsidies to the coal industry**

### C — Loans with interest subsidies to finance thermal power stations (token entry)

#### D — Loans at rate of borrowing in other sectors

Member State	Date of disbursement	Date of Commission Decision approving the loan	Recipient
United Kingdom	25 1 1994	26 2 1991	<i>Eurotunnel</i>
	18 7 1994	26 2 1991	<i>Eurotunnel</i>
Denmark	26 1 1994	30 9 1991	<i>Great Belt AS</i>
Italy	27 5 1994	26 11 1991	<i>BNL Sez Cred Ind</i>
	27 5 1994	11 12 1991	<i>Interbanca</i>
	27 5 1994	25 7 1991	<i>Istituto Bancario San Paolo di Torino</i>
	26 10 1994	19 7 1989	<i>Eribanca</i>
	26 10 1994	4 7 1990	<i>IMI</i>
	26 10 1994	25 7 1991	<i>Istituto Bancario San Paolo di Torino</i>

**ECU 347.0 million — Total loans at cost of borrowing to other sectors**

#### E — Loans with interest subsidies in other sectors (token entry)

#### F — Conversion loans disbursed in 1994

Member State	Date of disbursement	Date of Commission Decision approving the loan	Recipient
Germany	5 5 1994	18 7 1991	<i>Bayerische Vereinsbank</i>
	5 5 1994	26 10 1992	<i>Commerzbank</i>
	5 5 1994	22 10 1992	<i>Deutsche Bank</i>
	5 5 1994	30 11 1990	<i>Dresdner Bank</i>
	5 5 1994	26 10 1992	<i>Dresdner Bank</i>
	5 5 1991	11 3 1992	<i>IKB Deutsche Industriebank</i>
	5 5 1994	26 10 1992	<i>West LB</i>
	5 5 1994	14 11 1990	<i>Norddeutsche Landesbank</i>
	5 5 1991	16 5 1990	<i>Westdeutsche Genossenschaftsbank</i>
	5 5 1994	15 12 1989	<i>Westfalenbank</i>
	12 10 1994	17 11 1989	<i>Bank für Gemeinwirtschaft</i>
	12 10 1994	22 10 1992	<i>Deutsche Bank</i>
	12 10 1994	26 10 1992	<i>Dresdner Bank</i>
	12 10 1994	11 3 1992	<i>IKB Deutsche Industriebank</i>
	12 10 1994	26 10 1992	<i>IKB Deutsche Industriebank</i>
	12 10 1994	26 10 1992	<i>SIKB</i>
	12 10 1994	26 10 1992	<i>West LB</i>
	12 10 1994	16 5 1990	<i>Westdeutsche Genossenschaftsbank</i>
20 12 1994	26 10 1992	<i>IKB Deutsche Industriebank</i>	

**ECU 77.1 million — Total conversion loans to Germany**

Member State	Date of disbursement	Date of Commission Decision approving the loan	Recipient
Belgium	6 4 1994	26 10 1992	<i>BBL</i>
	6.4.1994	11 3.1992	<i>Générale de Banque</i>
	6 4 1994	18 6 1991	<i>Kredietbank</i>
	3 11 1994	26 10.1992	<i>BBL</i>
	3 11.1994	11 3.1992	<i>Générale de Banque</i>
	3 11 1994	18 6 1991	<i>Kredietbank</i>
	3 11 1994	14 11 1990	<i>SNCI</i>

**ECU 16.4 million — Total conversion loans to Belgium**

Member State	Date of disbursement	Date of Commission Decision approving the loan	Recipient
Spain	14 2 1994	21 3 1988	<i>Guizpuzkoa Donostia Kutxa</i>
	16.2.1994	21 3 1988	<i>Bilbao Bizkaia Kutxa</i>

**ECU 4.6 million — Total conversion loans to Spain**

Member State	Date of disbursement	Date of Commission Decision approving the loan	Recipient
France	10 3 1994	14 11 1990	<i>BNP</i>
	10 3.1994	10 7 1990	<i>Credit Lyonnais</i>
	10 3 1994	26 10.1992	<i>Sogenal</i>
	10 3 1994	30.11 1990	<i>Usinor/Sacilor</i>
	19 10 1994	10 7.1990	<i>BP Loire</i>
	19.10.1994	18 6.1991	<i>Caisse Centrale de Crédit Mutuel</i>
	19 10 1994	26 10 1992	<i>Sogenal</i>

**ECU 14.0 million — Total conversion loans to France**

Member State	Date of disbursement	Date of Commission Decision approving the loan	Recipient
United Kingdom	17 6 1994	18 10 1988	<i>Caledonian Paper plc</i>
	12 1 1994	17 11 1989	<i>3i Group</i>
	12 1 1994	15 12 1989	<i>Midland Bank</i>
	12 1 1994	18 6 1991	<i>Barclays Bank</i>
	12 1 1994	18 6 1991	<i>Barclays Bank</i>
	12 1 1994	10 7 1990	<i>NatWest</i>
	12 1 1994	17 11 1989	<i>WDA</i>
	12 1 1994	14 11 1990	<i>Clydesdale Bank</i>
	17 6 1994	16 5 1990	<i>Bank of Scotland</i>
	17 6 1994	18 6 1991	<i>Barclays Bank</i>
	17 6 1994	17 11 1989	<i>3i Group</i>
	17 6 1994	15 12 1989	<i>Midland Bank</i>
	17 6 1994	10 7 1990	<i>NatWest</i>
	17 6 1994	14 11 1990	<i>Royal Bank of Scotland</i>
	15 7 1994	18 6 1991	<i>Barclays Bank</i>
	15 7 1994	10 7 1990	<i>NatWest</i>
	20 12 1994	18 6 1991	<i>Barclays Bank</i>
	20 12 1994	16 5 1990	<i>Bank of Scotland</i>
20 12 1994	17 11 1989	<i>3i Group</i>	

**ECU 87.8 million — Total conversion loans to the United Kingdom**

Member State	Date of disbursement	Date of Commission Decision approving the loan	Recipient
Italy	27 5 1994	5 9 1991	<i>Banca Carige</i>
	27 5 1994	14 11 1990	<i>Cariplo</i>
	27 5 1994	14 10 1992	<i>Mediocredito Lombardo</i>
	26 10 1994	24 5 1989	<i>Interbanca</i>
	26 10 1994	18 7 1991	<i>Interbanca</i>
	26 10 1994	5 9 1991	<i>Mediocredito Piemontese</i>
	26 10 1994	14 10 1992	<i>Mediocredito Lombardo</i>
	26 10 1994	16 5 1990	<i>IMI</i>
	12 12 1994	5 9 1991	<i>Banca Carige</i>
	12 12 1994	16 5 1990	<i>IMI</i>

**ECU 8.9 million — Total conversion loans to Italy**

**ECU 208.8 million — Total conversion loans in 1994**

## Main characteristics of borrowings outstanding at 31 December 1994

Year of issue	Interest (% p a)	Term (years)	Initial amount in borrowing currency		Balance outstanding at 31 December 1994	
					in borrowing currency	equivalent in ecus
1987	10 000	8	CAD	83 000 000	83 000 000	
				83 000 000	83 000 000	48 061 055
1983	8 250	12	DM	16 000 000	1 600 000	
1985	7 800	10		47 000 000	10 000 000	
1985	7 970	12		40 000 000	13 300 000	
1985	7 480	10		50 000 000	10 000 000	
1985	7 430	15		9 540 000	6 360 000	
1985	7 250	10		21 800 000	4 360 000	
1985	7 000	10		230 000 000	46 000 000	
1985	7 000	12		40 000 000	40 000 000	
1985	7 000	10		32 000 000	5 000 000	
1985	6 875	12		100 000 000	75 000 000	
1985	7 300	15		12 000 000	7 200 000	
1986	6 125	10		20 000 000	8 000 000	
1986	6 000	10		145 000 000	58 000 000	
1986	6 600	10		40 600 000	16 240 000	
1986	7 000	15		17 500 000	12 250 000	
1986	6 500	10		20 000 000	8 000 000	
1987	5 875	10		175 000 000	175 000 000	
1987	5 980	8		34 000 000	8 500 000	
1987	6 190	10		39 300 000	23 300 000	
1987	6 600	15		7 700 000	6 160 000	
1987	5 650	8		38 000 000	9 500 000	
1987	6 730	15		9 100 000	7 280 000	
1987	5 900	8		74 000 000	18 500 000	
1987	6 530	8		6 000 000	1 500 000	
1987	6 850	10		44 509 610	26 705 766	
1987	6 280	10		16 000 000	9 600 000	
1987	6 550	15		11 000 000	8 800 000	
1988	6 150	8		58 500 000	29 250 000	
1988	6 280	10		24 200 000	19 360 000	
1988	5 730	8		19 500 000	9 750 000	
1988	6 240	8		17 500 000	17 500 000	
1988	5 990	8		55 000 000	27 500 000	
1988	6 430	10		25 800 000	20 640 000	
1988	6 850	14		8 200 000	6 560 000	
1988	6 375	8		70 000 000	35 000 000	
1988	6 490	10		27 200 000	21 760 000	
1988	6 480	10		24 900 000	19 920 000	
1988	6 720	13		2 250 000	1 968 750	
1988	6 440	8		143 000 000	71 500 000	
1989	7 250	13		2 400 000	1 920 000	
1989	7 210	8		89 000 000	81 000 000	
1989	7 280	10		10 800 000	10 800 000	
1989	4 867	8		120 000 000	90 000 000	
1989	7 400	12		5 800 000	4 060 000	
1989	7 840	8		31 900 000	23 925 000	
1989	5 609	10		25 100 000	15 687 500	



Year of issue	Interest (% p a)	Term (years)	Initial amount in borrowing currency	Balance outstanding at 31 December 1994	
				in borrowing currency	equivalent in ecus
1990	8 810	8	DM 81 500 000	81 500 000	
1990	8 950	5	12 400 000	12 400 000	
1990	9 000	15	1 200 000	1 200 000	
1990	5 375	8	34 300 000	34 300 000	
1990	8 850	8	57 000 000	57 000 000	
1990	4 937	10	51 400 000	51 400 000	
1990	5 312	10	35 000 000	35 000 000	
1990	9 160	15	2 700 000	2 700 000	
1991	8 930	10	7 000 000	6 125 000	
1991	5 125	10	29 600 000	29 600 000	
1991	5 270	10	18 300 000	18 300 000	
1991	5 605	10	54 000 000	54 000 000	
1991	8 420	8	40 200 000	40 200 000	
1991	4 857	8	50 000 000	50 000 000	
1991	5 160	10	35 700 000	35 700 000	
1991	8 625	5	320 000 000	320 000 000	
1991	8 625	5	240 000 000	240 000 000	
1991	8 625	5	140 000 000	140 000 000	
1991	8 250	10	98 000 000	98 000 000	
1992	5 012	10	24 400 000	24 400 000	
1992	7 687	7	75 000 000	75 000 000	
1992	7 750	10	100 000 000	100 000 000	
1992	8 140	8	33 000 000	32 594 028	
1992	5 250	15	11 900 000	11 900 000	
1992	5 325	10	57 400 000	57 400 000	
1992	4 875	5	70 600 000	70 600 000	
1992	5 087	5	158 000 000	158 000 000	
1992	4 856	10	39 600 000	39 600 000	
1992	8 340	15	2 300 000	2 300 000	
1992	4 350	5	372 000 000	372 000 000	
1992	7 625	5	105 000 000	105 000 000	
1992	7 625	5	18 000 000	18 000 000	
1992	7 125	5	217 000 000	217 000 000	
1992	5 665	10	70 900 000	70 900 000	
1992	5 705	15	11 000 000	11 000 000	
1992	7 550	5	101 851 834	60 000 000	
1993	6 625	5	215 000 000	215 000 000	
1993	5 290	10	57 300 000	57 300 000	
1993	6 750	15	1 000 000	1 000 000	
1993	5 310	10	20 000 000	20 000 000	
1993	6 125	5	135 000 000	135 000 000	
1993	5 508	10	18 200 000	18 200 000	
1993	7 080	15	1 750 000	1 750 000	
1993	6 640	15	1 185 000	1 185 000	
1993	6 090	8	13 900 000	13 900 000	
1993	5 490	5	74 305 000	74 305 000	
1993	6 390	15	1 355 000	1 355 000	
1993	5 625	8	14 550 000	14 550 000	
1994	5 980	5	85 061 557	85 061 557	
1994	5 270	8	10 080 000	10 080 000	
1994	7 400	5	52 250 000	52 250 000	
1994	5 352	7	13 300 000	13 300 000	
1994	5 550	7	3 980 000	3 980 000	
			5 551 568 001	4 575 592 601	2 401 469 877

Year of issue	Interest (% p a)	Term (years)	Initial amount in borrowing currency	Balance outstanding at 31 December 1994		
				in borrowing currency	equivalent in ecus	
1985	10 000	10	ECU	25 000 000	5 000 000	
1985	9 625	10		9 700 000	1 940 000	
1985	8 625	10		100 000 000	25 000 000	
1986	7 625	10		30 000 000	12 000 000	
1986	8 000	10		15 000 000	6 000 000	
1987	8 000	10		100 000 000	100 000 000	
1989	8 000	8		41 000 000	41 000 000	
				<u>320 700 000</u>	<u>190 940 000</u>	<u>190 940 000</u>
1988	12 000	7	PTA	1 000 000 000	334 000 000	
1988	11 500	7		776 000 000	236 000 000	
1989	13 200	7		600 000 000	220 476 192	
1989	13 350	7		625 000 000	178 571 430	
1990	14 500	7		807 800 000	403 900 001	
1990	14 850	7		845 226 000	422 613 000	
1990	13 500	5		15 000 000 000	15 000 000 000	
1991	15 000	7		45 000 000	29 250 000	
1991	13 900	5		95 000 000	35 625 000	
1991	8 700	5		200 000 000	200 000 000	
1991	11 350	5		15 000 000 000	15 000 000 000	
1991	12 500	7		1 125 000 000	900 000 000	
1992	12 900	10		350 000 000	350 000 000	
1993	9 750	7		60 000 000	60 000 000	
1994	8 350	5		75 000 000	75 000 000	
1994	8 537	7		675 000 000	675 000 000	
1994	8 162	5		2 000 000 000	2 000 000 000	
1994	8 387	5		2 118 000 000	2 118 000 000	
				<u>41 397 026 000</u>	<u>38 238 435 623</u>	<u>235 937 778</u>
1983	13 000	12	BFR	936 000 000	156 000 000	
1991	9 150	5		458 000 000	458 000 000	
1992	7 810	5		365 800 000	365 800 000	
1993	7 420	5		339 480 000	339 480 000	
1993	6 510	5		141 800 000	141 800 000	
1994	6 560	5		437 157 000	437 157 000	
1994	8 190	5		204 200 000	204 200 000	
1994	7 830	5		910 000 000	910 000 000	
				<u>3 792 437 000</u>	<u>3 012 437 000</u>	<u>76 923 629</u>

Year of issue	Interest (% p a)	Term (years)	Initial amount in borrowing currency	Balance outstanding at 31 December 1994	
				in borrowing currency	equivalent in ecus
1980	13 250	15	FF 40 000 000	40 000 000	
1985	12 200	12	800 000 000	750 000 000	
1985	11 125	12	300 000 000	123 151 280	
1987	9 200	10	30 000 000	18 000 000	
1987	9 500	10	20 000 000	11 000 000	
1988	9 430	7	20 000 000	2 000 000	
1988	9 500	10	2 500 000	1 000 000	
1988	9 300	7	2 300 000	329 000	
1988	9 850	10	1 200 000	960 000	
1989	6 087	10	25 000 000	18 000 000	
1989	9 450	10	12 000 000	10 000 000	
1989	10 000	8	74 000 000	74 000 000	
1990	10 750	5	49 427 000	49 427 000	
1990	6 057	10	74 200 000	74 200 000	
1990	10 550	5	47 338 000	47 338 000	
1990	10 230	8	50 600 000	50 600 000	
1990	10 950	5	26 196 000	26 196 000	
1990	10 850	5	76 400 000	76 400 000	
1992	5 279	20	300 000 000	300 000 000	
1992	9 700	10	23 600 000	23 600 000	
1993	8 550	5	99 400 000	99 400 000	
1993	8 230	5	18 800 000	18 800 000	
1993	7 000	10	1 500 000 000	1 500 000 000	
1993	6 650	5	10 400 000	10 400 000	
1993	5 750	8	890 000 000	890 000 000	
1993	5 650	5	43 675 000	43 675 000	
1994	5 800	5	53 450 000	53 450 000	
1994	7 850	5	38 340 000	38 340 000	
			<u>4 628 826 000</u>	<u>4 350 266 280</u>	<u>661 557 969</u>
1990	9 875	5	LFR 1 000 000 000	1 000 000 000	
1990	9 750	6	1 000 000 000	1 000 000 000	
			<u>2 000 000 000</u>	<u>2 000 000 000</u>	<u>51 070 697</u>
1989	6 250	13	SFR 3 000 000	2 400 000	
1989	4 498	10	18 405 000	15 000 000	
1989	6 250	10	20 200 000	20 200 000	
1990	6 500	5	27 500 000	27 500 000	
1990	6 500	6	27 500 000	27 500 000	
1990	6 500	7	27 500 000	27 500 000	
1990	7 500	6	67 500 000	67 500 000	
1990	7 250	8	67 500 000	67 500 000	
1991	6 875	5	75 000 000	75 000 000	
			<u>334 105 000</u>	<u>330 100 000</u>	<u>204 624 349</u>

Year of issue	Interest (% p a)	Term (years)	Initial amount in borrowing currency	Balance outstanding at 31 December 1994	
				in borrowing currency	equivalent in ecus
1976	8.750	20	HFL	14 000 000	1 865 800
1982	12 125	15		100 000 000	30 000 000
1982	12 000	15		40 000 000	12 000 000
1982	9 125	15		15 000 000	4 500 000
1983	7 750	15		100 000 000	40 000 000
1983	8 000	15		8 000 000	3 200 000
1983	8 000	15		5 000 000	2 000 000
1983	8 000	15		10 000 000	4 000 000
1983	9 625	15		17 760 000	5 920 000
1983	9 000	15		12 200 000	4 080 000
1984	8 750	15		22 000 000	9 400 000
1984	9 250	15		12 700 000	5 800 000
1984	7 875	15		7 930 000	3 965 000
1986	7 375	15		15 000 000	7 000 000
1986	7.375	15		3 000 000	1 400 000
1987	6 710	14		13 400 000	6 701 000
1992	8 510	5		1 555 500	1 555 500
				397 545 500	143 387 300
					67 184 244

1986	10.000	10	LIT	12 000 000 000	4 800 000 000
1986	10 000	10		6 000 000 000	2 400 000 000
1987	9 875	10		12 000 000 000	7 200 000 000
1987	12 000	10		14 031 000 000	8 418 600 000
1987	12 000	10		5 100 000 000	3 060 000 000
1988	11 750	10		7 792 000 000	6 233 600 000
1988	11 500	10		8 303 000 000	6 642 400 000
1988	12 500	10		8 808 000 000	7 046 400 000
1988	13 000	10		7 993 000 000	6 394 400 000
1989	7 125	10		7 480 000 000	7 480 000 000
1989	7 125	10		3 440 000 000	3 440 000 000
1989	6 550	8		11 040 000 000	8 280 000 000
1989	11 500	7		200 000 000 000	200 000 000 000
1989	7 125	8		10 068 000 000	7 551 000 000
1989	7 250	10		11 970 000 000	6 381 250 000
1990	9 375	8		14 230 000 000	14 230 000 000
1990	12 125	5		200 000 000 000	200 000 000 000
1990	8.812	10		24 600 000 000	24 600 000 000
1990	9 275	10		15 600 000 000	15 600 000 000
1990	12 000	5		225 000 000 000	225 000 000 000
1990	9 775	10		19 500 000 000	19 500 000 000
1991	9 437	10		17 500 000 000	17 500 000 000
1991	11 875	5		450 000 000 000	450 000 000 000
1991	9 125	10		5 850 000 000	5 850 000 000
1991	9 477	10		39 100 000 000	39 100 000 000
1991	11 125	5		340 000 000 000	340 000 000 000
1991	8 662	10		23 250 000 000	23 250 000 000
1992	8 537	10		20 800 000 000	20 800 000 000
1992	8 687	15		9 000 000 000	9 000 000 000

Year of issue	Interest (% p a)	Term (years)	Initial amount in borrowing currency	Balance outstanding at 31 December 1994	
				in borrowing currency	equivalent in ecus
1992	10 300	5	LIT 500 000 000 000	500 000 000 000	
1992	8 802	10	34 800 000 000	34 800 000 000	
1992	8.062	10	18 500 000 000	18 500 000 000	
1992	9 962	10	45 950 000 000	45 950 000 000	
1993	9 162	10	52 600 000 000	52 600 000 000	
1993	9 425	10	15 600 000 000	15 600 000 000	
1993	9 932	10	19 700 000 000	19 700 000 000	
1993	9 412	8	12 840 000 000	12 840 000 000	
1993	9 962	8	11 600 000 000	11 600 000 000	
1994	9 347	8	9 930 000 000	9 930 000 000	
1994	9 352	7	13 090 000 000	13 090 000 000	
1994	9 407	7	4 000 000 000	4 000 000 000	
			2 469 065 000 000	2 428 367 650 000	1 215 733 886
1989	10 750	8	UKL 68 000 000	68 000 000	
1990	11 875	19	60 000 000	60 000 000	
1991	11 500	5	48 759 000	48 759 000	
1992	9 875	25	50 000 000	50 000 000	
1992	6 137	5	41 500 000	41 500 000	
1992	6 137	5	11 200 000	11 200 000	
1992	9 875	25	30 000 000	30 000 000	
1993	9 875	24	20 000 000	20 000 000	
1993	7 565	8	9 088 750	7 588 750	
1993	7 000	5	9 000 000	9 000 000	
1993	6 375	5	15 750 000	15 750 000	
1994	6 150	8	12 842 400	12 842 400	
1994	5 880	5	9 572 200	9 572 200	
1994	5 512	5	4 030 000	4 030 000	
1994	6 875	25	50 000 000	50 000 000	
1994	8 680	8	7 893 500	7 893 500	
1994	8 390	5	3 765 000	3 765 000	
1994	7 100	5	2 945 000	2 945 000	
1994	6 497	4	14 000 000	14 000 000	
1994	8.937	25	47 000 000	47 000 000	
1994	8 980	8	2 668 000	2 668 000	
1994	8 620	5	13 400 000	13 400 000	
1994	7 050	5	1 500 000	1 500 000	
1994	8 840	6	600 000	600 000	
			533 513 850	532 013 850	675 938 794
1990	15 750	5	ESC 5 000 000 000	5 000 000 000	
1992	11 125	5	10 000 000 000	10 000 000 000	
			15 000 000 000	15 000 000 000	76 575 932

Year of issue	Interest (% p a)	Term (years)	Initial amount in borrowing currency	Balance outstanding at 31 December 1994		
				in borrowing currency	equivalent in ecus	
1977	8 750	20	USD	100 000 000	48 500 000	
1986	9 375	10		100 000 000	40 000 000	
1986	8.250	10		108 000 000	108 000 000	
1986	8 250	10		85 000 000	85 000 000	
1987	8.620	11		12 250 000	12 250 000	
1987	9 600	10		21 000 000	12 600 000	
1990	9 500	8		153 000 000	153 000 000	
1991	6.630	4		14 860 000	3 715 000	
1991	6 600	4		18 966 000	4 740 000	
1991	6 790	10		55 500 000	55 500 000	
1992	6 300	3		19 464 000	19 464 000	
1992	6 300	5		35 000 000	21 000 000	
1992	5 390	3		5 000 000	5 000 000	
1993	6.375	15		100 000 000	100 000 000	
1994	5 330	5		35 000 000	35 000 000	
1994	7 080	4		2 000 000	2 000 000	
				865 040 000	705 769 000	573 777 276
1994	3 096	7	YEN	11 200 000 000	11 200 000 000	
				11 200 000 000	11 200 000 000	91 310 054
						6 571 105 540

Borrowings contracted by the ECSC since its inception, including amounts redeemed, total ECU 23 201 187 570.

# Operations under the ECSC operating budget

## Levy revenue in 1994 — production declarations for 1994

### Breakdown by industry and Member State

Member State	Coal		Steel		Total	
	Amount	%	Amount	%	Amount	%
Belgium	—	—	6 951 348	8.11	6 951 348	6.49
Denmark	—	—	457 711	0.53	457 711	0.43
Germany	10 758 734	50.47	24 727 046	28.84	35 485 780	33.15
Greece	6 235	0.03	709 605	0.83	715 840	0.76
Spain	2 635 114	12.36	8 390 794	9.79	11 025 908	10.30
France	1 247 965	5.85	11 114 521	12.96	12 362 486	11.55
Ireland	—	—	169 206	0.20	169 206	0.16
Italy	—	—	16 505 656	19.25	16 505 656	15.42
Luxembourg	—	—	1 999 888	2.33	1 999 888	1.87
Netherlands	—	—	3 546 617	4.14	3 546 617	3.31
Portugal	21 119	0.10	543 199	0.63	564 318	0.53
United Kingdom	6 647 385	31.18	10 614 573	12.38	17 261 958	16.13
<b>Total</b>	<b>21 316 552</b>	<b>100.00</b>	<b>85 730 164</b>	<b>100.00</b>	<b>107 046 716<sup>1</sup></b>	<b>100.00</b>

<sup>1</sup> This total includes levies declared but below the collection threshold (ECU 250) to a sum of ECU 96 079 (1993: ECU 81 856) following additional declarations and corrections to declarations relating to previous years. Levies in 1994 totalled ECU 107 901 705. This amount also includes levies for which payment was deferred in 1994 due to stockholding (Decision No 2854/72/ECSC of 29 December 1972, OJ L 299, p. 17).

### Percentage of levy revenue contributed by each Member State from 1990 to 1994

(%)

Member State	1990	1991	1992	1993	1994
Belgium	6.4	6.3	6.0	5.8	6.5
Denmark	0.4	0.4	0.4	0.4	0.4
Germany	31.8	33.5	33.3	32.8	33.2
Greece	0.8	0.8	0.8	0.7	0.7
Spain	9.4	9.2	9.3	10.1	10.3
France	11.9	11.7	11.6	11.1	11.6
Ireland	0.2	0.2	0.2	0.2	0.2
Italy	14.5	14.6	14.8	15.0	15.4
Luxembourg	2.0	1.9	1.8	1.9	1.9
Netherlands	2.8	2.8	3.0	3.2	3.3
Portugal	0.5	0.4	0.5	0.5	0.5
United Kingdom	19.4	18.3	18.5	18.4	16.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

### Levy revenue by industry from 1990 to 1994

(million ECU)

Sector	1990	1991	1992	1993	1994
Coal	41.4	39.7	34.3	29.4	21.3
Steel	135.0	136.8	112.5	91.2	85.7
<b>Total</b>	<b>176.4</b>	<b>176.5</b>	<b>146.8</b>	<b>120.6</b>	<b>107.0</b>

## Traditional redeployment aid

### Amounts covered by provisions

Member State and industry		31 December 1993 (ECU)	31 December 1994 (ECU)	% per country 1994
Belgium	Steel	10 812 729	7 937 747	
	Coal	5 975 723	10 967 118	
	<b>Total</b>	<b>16 788 452</b>	<b>18 904 865</b>	<b>3.68</b>
Denmark	Steel	—	—	
	Coal	—	—	
	<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>
Germany	Steel	120 596 735	116 239 458	
	Coal	80 054 750	74 643 575	
	<b>Total</b>	<b>200 651 485</b>	<b>190 883 033</b>	<b>43.96</b>
Greece	Steel	470 658	599 534	
	Coal	—	—	
	<b>Total</b>	<b>470 658</b>	<b>599 534</b>	<b>0.10</b>
Spain	Steel	40 593 989	35 719 926	
	Coal	16 911 114	23 008 445	
	<b>Total</b>	<b>57 505 103</b>	<b>58 728 371</b>	<b>12.60</b>
France	Steel <sup>1</sup>	20 586 032	15 154 472	
	Coal	16 273 089	21 749 875	
	<b>Total</b>	<b>36 859 121</b>	<b>36 904 347</b>	<b>8.07</b>
Ireland	Steel	256 957	—	
	Coal	—	—	
	<b>Total</b>	<b>256 957</b>	<b>—</b>	<b>0.06</b>
Italy	Steel	61 435 191	58 224 448	
	Coal	1 901 927	—	
	<b>Total</b>	<b>63 337 118</b>	<b>58 224 448</b>	<b>13.88</b>
Luxembourg	Steel	4 342 971	7 090 123	
	Coal	—	—	
	<b>Total</b>	<b>4 342 971</b>	<b>7 090 123</b>	<b>0.95</b>
Netherlands	Steel	12 228 925	4 289 764	
	Coal	—	—	
	<b>Total</b>	<b>12 228 925</b>	<b>4 289 764</b>	<b>2.68</b>
Portugal	Steel	6 975 499	9 165 853	
	Coal	1 336 671	782 747	
	<b>Total</b>	<b>8 312 170</b>	<b>9 948 600</b>	<b>1.82</b>
United Kingdom	Steel	14 711 923	16 157 087	
	Coal	41 017 731	42 638 893	
	<b>Total</b>	<b>55 729 654</b>	<b>58 795 980</b>	<b>12.21</b>
Community	Steel <sup>1</sup>	293 011 609	270 578 411	
	Coal	163 471 005	173 790 652	
	<b>Total</b>	<b>456 482 614</b>	<b>444 369 063</b>	<b>100.00</b>

<sup>1</sup> Including iron-ore mines



## Traditional redeployment aid

### New allocations and number of workers receiving aid in 1994

Member State and industry		Workers receiving aid	Allocation in 1994 (ECU)
Belgium	Steel	1 646	3 670 349
	Coal	400	989 299
	<b>Total</b>	<b>2 046</b>	<b>4 659 648</b>
Denmark	Steel	—	—
	Coal	—	—
	<b>Total</b>	<b>—</b>	<b>—</b>
Germany	Steel	15 149	38 574 658
	Coal	9 590	23 487 668
	<b>Total</b>	<b>24 739</b>	<b>62 062 326</b>
Greece	Steel	6	11 470
	Coal	—	—
	<b>Total</b>	<b>6</b>	<b>11 470</b>
Spain	Steel	6 218	7 849 486
	Coal	4 346	5 978 554
	<b>Total</b>	<b>10 564</b>	<b>13 828 040</b>
France	Steel	4 278	10 425 856
	Coal	1 250	3 091 559
	<b>Total</b>	<b>5 528</b>	<b>13 517 415</b>
Ireland	Steel	134	256 957
	Coal	—	—
	<b>Total</b>	<b>134</b>	<b>256 957</b>
Italy	Steel	2 255	5 312 340
	Coal	769	1 901 927
	<b>Total</b>	<b>3 024</b>	<b>7 214 267</b>
Luxembourg	Steel	836	2 067 634
	Coal	—	—
	<b>Total</b>	<b>836</b>	<b>2 067 634</b>
Netherlands	Steel	5 936	8 836 851
	Coal	—	—
	<b>Total</b>	<b>5 936</b>	<b>8 836 851</b>
Portugal	Steel	656	1 291 746
	Coal	442	698 323
	<b>Total</b>	<b>1 098</b>	<b>1 990 069</b>
United Kingdom	Steel	632	1 555 484
	Coal	22 047	40 999 839
	<b>Total</b>	<b>22 679</b>	<b>42 555 323</b>
Community	Steel	37 746	79 852 831
	Coal	38 844	77 147 169
	<b>Total</b>	<b>76 590</b>	<b>157 000 000</b>

## Redeployment aid

### Social measures — steel

#### Amounts covered by provisions

Member State	31 December 1993 (ECU)	31 December 1994 (ECU)	% (1994)
Belgium	4 518 287	9 210 792	5
Denmark	—	—	—
Germany	80 919 161	90 875 653	49
Greece	—	—	—
Spain	21 405 116	31 899 938	17
France	12 133 779	19 438 292	11
Italy	10 474 000	18 176 606	10
Luxembourg	3 692 050	4 915 449	3
Netherlands	205 685	277 000	0
Portugal	3 813 123	3 252 424	2
United Kingdom	4 208 155	5 542 497	3
<b>Total Community</b>	<b>141 369 356</b>	<b>183 588 651</b>	<b>100</b>

## Rechar programme

### Redeployment aid (Rechar programme — supplementary aid to the coal industry)

#### Amounts covered by provisions

Member State	31 December 1993 (ECU)	31 December 1994 (ECU)	% (1994)
Belgium	7 634 656	8 169 718	7
Germany	41 814 947	36 255 457	30
Spain	13 170 962	16 828 861	14
France	18 611 611	19 369 448	16
Portugal	319 255	798 195	1
United Kingdom	30 556 174	41 249 612	34
<b>Total Community</b>	<b>112 107 605</b>	<b>122 671 291</b>	<b>100</b>

## Social measures — steel: 1994 allocations

Member State	Workers receiving aid	Allocations in 1994 (ECU) <sup>1</sup>
Belgium	888	3 141 347
Germany	7 672	33 464 608
Spain	6 788	9 044 060
France	1 537	6 731 627
Italy	1 749	7 789 606
Luxembourg	417	1 971 824
Portugal	656	1 478 595
United Kingdom	406	1 575 298
<b>Total Community</b>	<b>20 113</b>	<b>65 196 965</b>

<sup>1</sup> Part (ECU 20 803 035) of the 1994 global budgetary allocation for social measures — steel (ECU 86 million), was used to finance an extension of the 1993 aid programme. Similarly, aid amounting to ECU 3 742 086 eligible to be paid in 1994 was carried over to the 1995 budget

## Supplementary programme for coal (Rechar programme) Allocations in 1994

Member State	Number of workers	Allocations in 1994 (ECU) <sup>1</sup>
Belgium	525	1 248 949
Germany	4 000	9 910 990
Spain	4 344	4 393 762
France	2 610	5 252 825
Portugal	212	490 842
United Kingdom	13 809	18 702 632
<b>Total Community</b>	<b>25 500</b>	<b>40 000 000</b>

<sup>1</sup> To this should be added ECU 11 719 644 (19.5% of the eligible amount) which was carried over to the 1995 budget because of lack of funds in 1994

## Technical and social research

(ECU)

Research sector	Amounts covered by provisions at 31 December 1993	Amounts covered by provisions at 31 December 1994
Steel	117 481 484	96 680 598
Coal	96 860 489	77 022 227
Health, safety and industrial medicine	31 852 574	18 603 115
<b>Total</b>	<b>246 194 547</b>	<b>192 305 940</b>

## New allocations by sector (1994)

(ECU)

Sector	New contracts		Associated costs for dissemination for research results	Total
	Number	Allocation		
Steel	41	33 001 472	998 528	<b>34 000 000</b>
Coal	50	16 889 400	110 600	<b>17 000 000</b>
Health, safety and industrial medicine	—	—	969 774	<b>969 774</b>
<b>Total</b>	<b>91</b>	<b>49 890 872</b>	<b>2 078 902</b>	<b>51 969 774</b>

**Analysis of provisions for commitments still to be paid at 31 December 1994**

(million ECU)

Heading	Year in which commitments were entered into					Totals	Expected payment schedule					Cancellations
	Earlier years	1991	1992	1993	1994		1995	1996	1997	1998	Subsequent years	
Redeployment (Article 56(2)(b))	13.1	65.7	86.3	136.5	155.6	457.2	174.9	106.2	89.9	53.1	—	33.1
Social measures — iron and steel	22.2	13.5	26.2	41.3	80.4	183.6	53.8	43.8	38.2	22.3	16.6	8.9
Rechar	9.3	18.3	25.9	29.1	40.0	122.6	38.6	27.7	19.3	13.4	9.0	14.6
Research	7.6	10.6	22.3	29.0	27.2	96.7	56.6	16.9	13.5	7.0	2.7	—
— steel	6.1	9.3	17.5	30.3	13.8	77.0	46.2	13.7	10.6	5.1	1.4	—
— coal	2.4	2.6	4.2	9.0	0.4	18.6	12.1	3.2	2.3	1.0	—	—
Interest subsidies (Article 54)	11.8	2.0	—	—	—	13.8	7.0	3.0	2.0	1.0	—	0.8
Interest subsidies (Article 56)	81.1	67.7	81.2	109.8	51.1	390.9	130.0	100.0	70.0	40.0	40.0	10.9
<b>Total</b>	<b>153.6</b>	<b>189.7</b>	<b>263.6</b>	<b>385.0</b>	<b>368.5</b>	<b>1 360.4</b>	<b>519.2</b>	<b>314.5</b>	<b>245.8</b>	<b>142.9</b>	<b>69.7</b>	<b>68.3</b>

## Levy rate<sup>1</sup> and net scales per tonne for each product category 1985-94

Period	Rate (%)	Brown-coal briquettes and semi-coke from brown coal <sup>2</sup>	Hard coal <sup>3</sup>	Pig iron other than in ingots	Steel in ingots	Finished products and end-products of iron and steel
1 1 1985	0 31	0 17428	0 23628	0 45177	0 66256	0 30779
1 1 1986	0 31	0 17692	0 25262	0 48596	0 70643	0 32840
1 1 1987	0 31	0 18885	0 25436	0 54110	0 72825	0 33740
1 1 1988	0 31	0 20274	0 24152	0 53384	0 68460	0 31759
1 1 1989	0 31	0 19831	0 24031	0 51008	0 63788	0 29847
1 1 1990	0 31	0 18147	0 24713	0 38488	0 70995	0 32882
1 1 1991	0 29	0 16811	0 23545	0 44211	0 72012	0 33093
1 1 1992	0 27	0 17636	0 21965	0 40921	0 61025	0 28384
1 1 1993	0 25	0 17675	0 21885	0 32887	0 49658	0 23770
1 1 1994	0 23	0 16572	0 19458	0 26894	0 44273	0 21183

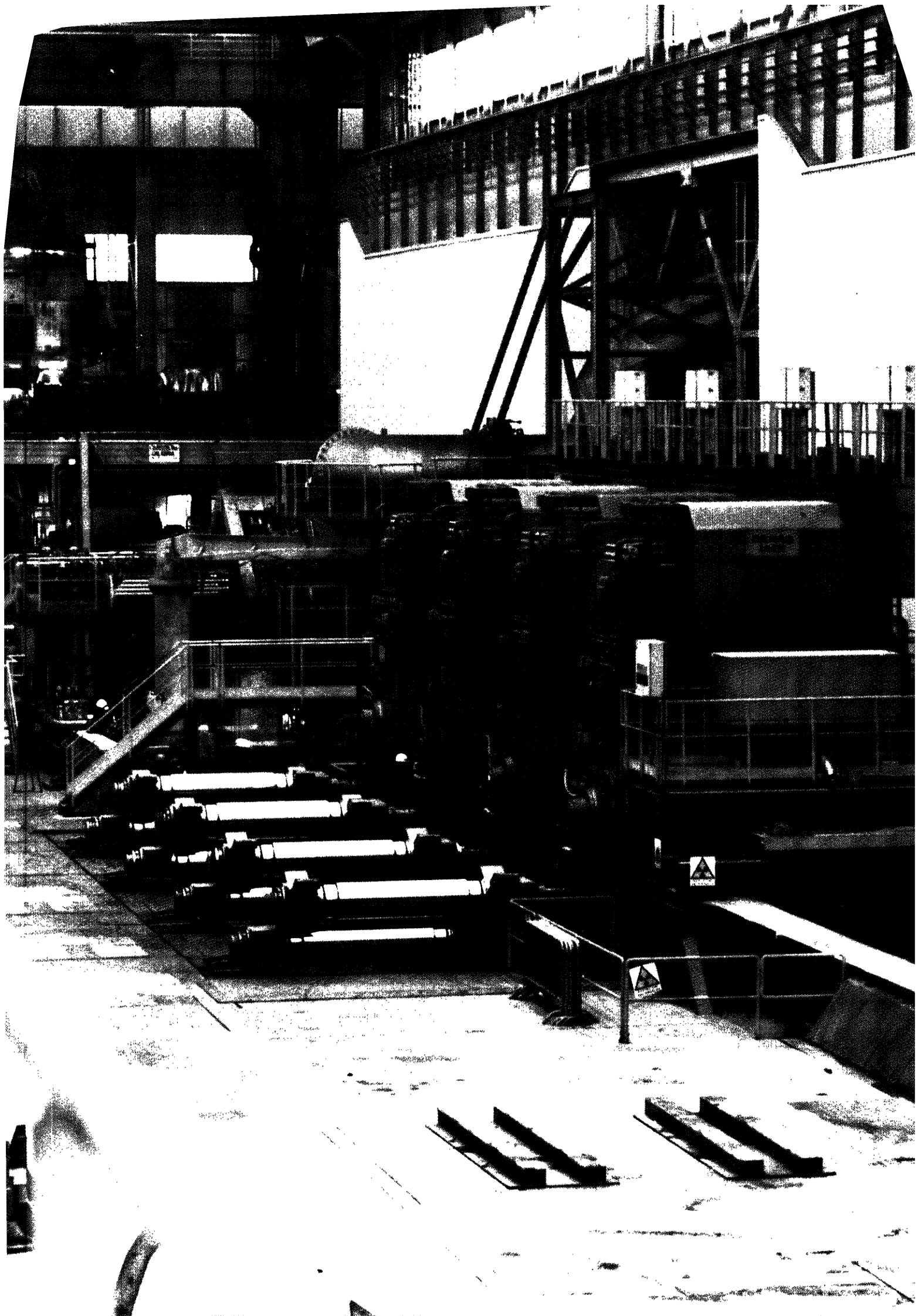
<sup>1</sup> Levy rate in ecus

<sup>2</sup> To obtain the deductions provided for in Article 3 of Decision 2/52, the above levy is applied to the total tonnage of brown-coal briquettes and semi-coke derived from brown coal, less 3%

<sup>3</sup> To obtain the deductions provided for in Article 3 of Decision 2/52, the above levy is applied to the total tonnage of hard coal defined in Article 1 of that Decision, less 14%

*ISP plant*

*View along the plant from where the liquid steel is poured to the area where the narrow strip is rolled*



European Commission

**Financial report 1994**

*European Coal and Steel Community*

Luxembourg: Office for Official Publications of the European Communities

1995 — 96 pp., 17 ill. (col.), 10 graphs (col.) — 21.0 × 29.7 cm

ISBN 92-827-4625-9

The 40th annual financial report of the ECSC for the year 1994 records the financial activity of the Commission in the field covered by the Treaty establishing the European Coal and Steel Community. The chapter 'Economic background and developments of ECSC industries' gives a summary account of the output of EC products and the volume of capital spending. The following chapters describe the main characteristics of the ECSC's loans and guarantees as well as its loan operations. They show the ECSC balance sheet and the receipts and payments for the year ending 31 December 1994.





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