1997 amending ECSC operating budget

1997/2125(BUD) - 29/05/1997

OBJECTIVE: the document is intended to justify the changes to the ECSC operating budget for 1997, due largely to an increase in the forecast cancellations of commitments and to resources not utilized in 1996. The substantial increase in the original budget (from ECU 265.5 m to 424.4 m) is intended primarily to make it possible to meet the need for social measures (redeployment and social measures in the coal industry). In parallel, the Commission proposes to reduce the original allocation for conversion. SUBSTANCE: The draft amending ECSC operating budget for 1997 is for a total amount of ECU 424.4 m rather than the 265.5 m originally envisaged. The changes to the budget concern the following figures: . the revenue from the 0.17% levy: this rises from ECU 95.4 m to 100.3 m on account of the increase in steel production in comparison with the initial forecasts; .cancellations of commitments not likely to be implemented: these cancellations were originally estimated at ECU 53.5 m, but are now increased to ECU 173 m. This substantial increase in the forecast arises from a relative increase in interest subsidies on conversion loans (ECU 90 m) and an increase in anticipated cancellations of social measures (ECU 29.5 m). The definitive adoption of the ECSC conversion policy will necessitate the utilization of the amounts committed under global conversion loans by 23.07.1997 at the latest (otherwise, these amounts will be cancelled). The significant increase in anticipated cancellations of commitments is therefore due to the fact that the financial intermediaries of the Member States have not had the capacity to finalize sufficiently their subsidiary loans to exhaust all the amounts committed under global loans before 23.07.1997; .unutilized resources from the previous financial year: the difference (ECU 49.1 m instead of 14.4 m) corresponds to the surplus from the 1996 financial year. As regards requirements: .social measures: the appropriation of ECU 115 m, comprising redeployment aid and social measures associated with the restructuring of the coal industry, will make it possible to meet the Member States' wishes and help more workers in the coal and steel industries than anticipated. .conversion aid: the original appropriation is reduced by ECU 5 m in comparison with the projection, to only ECU 2 m. As announced in its decision on the adjustment of the lending and borrowing policy of the ECSC, the Commission is no longer considering requests for conversion loans addressed to it after 31.12.1996. Consequently, 1997 is the last year in which ECSC financing is available for conversion, and even then, its availability is only very limited. The unutilized resources from the 1997 financial year (ECU 218.4 m as against the 78.5 m projected) will be placed in the provision with the intention of using them gradually as needs arise between 1998 and 2002.