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Economic and Social Cohesion – Regional Development

The European Investment Bank's prime task, originally assigned by the Treaty of Rome (1958) and reaffirmed by the Amsterdam Treaty (1997), is to support capital investment promoting the economic and social cohesion of the European Union, in particular by financing projects in assisted areas.

Accordingly, support to the EU's less advanced regions constitutes the first priority objective of the Bank's Corporate Operational Plan and represents an essential component of other EIB lending priorities such as i2i, the development of TENs and protection of the environment.

Since the enlargement of the European Union in May 2004 with the accession of ten new Member States, even greater emphasis has been placed on the Bank's regional development and economic and social cohesion objective. All the new Member States currently qualify as assisted areas.

In 2004, the EIB granted individual loans worth more than EUR 21.5 billion in the 25-member Union for projects to assist regions lagging behind in their economic development or grappling with structural difficulties. This amount makes up some 75% of individual loans (70% in EU-15, in 2003). Among the main beneficiaries were the EU-15 Cohesion Countries – Spain, Portugal, Ireland and Greece - (EUR 7.8 billion), Germany (EUR 3.5 billion), the new Member States (EUR 2.6 billion) and Italy (EUR 2.1 billion).

The main sectors for lending in the EU-25 were transport (34.8%), industry (20.2%), urban infrastructure (12.02%) and health and education (10.9%).

Global loans for regional development ran to about EUR 7.1 billion in 2004, bringing total lending in EU-25 under the regional development heading to over EUR 28.3 billion, representing over 71% (67% in 2003) of EIB lending in the region.

For more information on the EIB, visit the internet site www.eib.org.

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