

## Finance for Industry

*Press announcement issued by the Bank of England on 12 November 1974*

The Bank of England and the London and Scottish clearing banks, together with Finance for Industry Limited (FFI), whose shareholders they are, have made arrangements in co-operation with a range of other financial institutions to expand that company's capacity to provide medium-term finance for investment by British industry.

The purpose of these arrangements is to assure British industry that funds are available from the private financial institutions for the finance of productive investment pending a restoration of a flow of funds through the wider capital market. It is envisaged that the expansion of FFI's business could amount to up to £1,000 million over a period of two years or so.

FFI is the parent company of the Finance Corporation for Industry Limited (FCI), the Industrial and Commercial Finance Corporation Limited (ICFC) and certain other companies. The expansion of activity now planned will be handled by FCI which is concerned with business coming from the larger companies. Funds will be available mainly in the form of medium-term loans at variable or fixed rates of interest subject to strict criteria of commercial viability. ICFC will continue to provide capital, financial advice and other services to small and medium-sized companies.

The shareholders of FFI have agreed to subscribe additional equity capital as necessary to support the expansion of business; and to enlarge their lending facilities to FFI to the extent necessary to secure the intended expansion.

The Governor of the Bank of England has obtained from a range of other financial institutions assurances that they stand ready to provide substantial funds for viable investment by British industry through periodic subscriptions to issues of fixed-interest stock by FFI.