

The financing of North Sea and other UK oil and gas development

The following tables bring up to date the figures in the note on page 87 of the February 1988 Bulletin. They include finance for development onshore and in areas of the UK continental shelf other than the North Sea.

Loans and commitments by banks in the United Kingdom for UK oil and gas development^{(a)(b)}

£ millions

	Loans outstanding			Additional firm commitments(c)		
	Sterling	Foreign currencies	Total	Sterling	Foreign currencies	Total
London and Scottish banks' groups:						
15 August 1984	371	647	1,018	660	492	1,152
21 August 1985	217	468	685	525	557	1,082
20 August 1986	227	432	659	533	444	977
end-August 1987	237	325	562	446	353	799
end-August 1988	228	354	582	275	379	654
Merchant banks, other British banks (excluding London and Scottish banks' subsidiaries) and other overseas banks (including consortium and Japanese banks):						
15 August 1984	122	347	469	215	322	537
21 August 1985	190	236	426	318	266	584
20 August 1986	197	324	521	426	378	804
end-August 1987	202	288	490	293	397	690
end-August 1988	242	497	739	171	445	616
American banks:						
15 August 1984	300	1,175	1,475	201	866	1,067
21 August 1985	268	534	802	346	503	849
20 August 1986	277	364	641	127	353	480
end-August 1987	162	398	560	164	454	618
end-August 1988	87	236	323	17	128	145
Total						
15 August 1984	793	2,170	2,963	1,075	1,680	2,755
21 August 1985	675	1,238	1,913	1,189	1,326	2,515
20 August 1986	701	1,120	1,821	1,086	1,174	2,260
end-August 1987	601	1,011	1,612	903	1,204	2,107
end-August 1988	557	1,087	1,644	463	952	1,415

(a) Source: British Bankers' Association.

(b) Loans and commitments are included where lending is for an identifiable project or where it is reasonable to assume that the purpose of the loan is to finance oil and gas development in the United Kingdom. They include bill finance and loans to finance companies interposed between lenders and the ultimate borrowers.

(c) Firm commitments, in addition to actual loans outstanding, based on the existence of an agreed facility or of a loan not yet fully drawn down.

UK oil and gas development lending as a share of total advances to UK residents

£ millions; percentages in italics

Sector	Banks in the United Kingdom					
	Total advances to UK residents as at end-August 1988(a)			North Sea lending as a proportion of total advances(b)		
	Sterling	Foreign currencies	Total	Sterling	Foreign currencies	Total
London and Scottish banks' groups	149,037	9,390	158,427	—	4	—
Merchant banks etc(c)	58,358	27,487	85,845	—	2	1
American banks	9,869	13,827	23,696	1	2	1
All banks	217,264	50,704	267,968	—	2	1

(a) Advances include lending under the DTI special scheme for shipbuilding, secured money placed with Stock Exchange money brokers and bill-edged market makers and time deposits placed with, and holdings of certificates of deposit issued by, building societies.

(b) Excluding bill finance and loans to non-resident finance companies.

(c) See table above for full description.