STATUTORY INSTRUMENTS

2002 No. 151

INDUSTRIAL DEVELOPMENT

The Financial Assistance For Industry (Increase of Limit) Order 2002

Made - - - - -	*28th January 2002*
Coming into force - -	*29th January 2002*

The Secretary of State, in exercise of the powers conferred on her by section 8(5) of the Industrial Development Act 1982(**a**) and with the consent of the Treasury and after consultation with the National Assembly for Wales, hereby makes the following Order, a draft of which has been laid before the House of Commons and has been approved by a resolution of that House in accordance with section 8(10) of that Act:

1. This Order may be cited as the Financial Assistance For Industry (Increase of Limit) Order 2002 and shall come into force on the day after it is made.

2. The limit specified in section 8(5) of the Industrial Development Act 1982(**b**) shall be increased by the sum of £200 million to £2,500 million.

3. This Order extends to the whole of the United Kingdom.

Alan Johnson,
Minister of State for Employment Relations and Regions,
23rd January 2002 Department of Trade and Industry

We consent to the making of this Order,

Nick Ainger,
Anne McGuire,
28th January 2002 Two of the Lords Commissioners of Her Majesty's Treasury

(**a**) 1982 c. 52. As regards Wales, Article 5 of and Schedule 2 to the National Assembly for Wales (Transfer of Functions) Order 1999 (S.I. 1999/672) directs that the power of the Secretary of State is exercisable in relation to Wales only after consultation with the Assembly. As regards Scotland, the power was transferred to the Scottish Ministers by section 53 of the Scotland Act 1998 (c. 46) but remains exercisable by the Secretary of State by virtue of section 56(1) of that Act.

(**b**) The limit in that subsection was increased to £2,100 million by S.I. 1996/569 and thereafter to £2,300 million by S.I. 2000/995.

EXPLANATORY NOTE

(This note is not part of the Order)

Section 8 of the Industrial Development Act 1982 makes provision for the Secretary of State to provide financial assistance for industry.

Section 8(4) provides that the aggregate of

(a) the sums paid by the Secretary of State under this section or section 8 of the Industry Act 1972 (c. 63), other than sums paid in respect of foreign currency guarantees, and

(b) the liabilities of the Secretary of State under any guarantees given by her under either of those sections (exclusive of any liability in respect of interest on a principal sum so guaranteed and of any liability under a foreign currency guarantee),

less repayments in respect of loans or guarantees (other than foreign currency guarantees) under either section shall not exceed the limit specified in section 8(5).

Section 8(5) provides that the limit shall be £1,900 million but the Secretary of State may, on not more than four occasions, by Order made with the consent of the Treasury increase or further increase that limit by a sum not exceeding £200 million.

This is the third occasion that the sum has been increased under section 8(5) of the Industrial Development Act 1982. The limit was first increased under section 8(5) by the Financial Assistance For Industry (Increase of Limit) Order 1996 (S.I. 1996/569) by £200 million to £2,100 million with effect from 29 February 1996. The limit was further increased under section 8(5) by the Financial Assistance For Industry (Increase of Limit) Order 2000 (S.I. 2000/995) by £200 million to £2,300 million with effect from 6 April 2000.

This Order increases the limit by £200 million to £2,500 million.

£1.50

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