

WORLD TRADE ORGANIZATION

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Committee on Subsidies
and Countervailing Measures

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SUBSIDIES

New and Full Notification Pursuant to Article XVI:1 of the GATT 1994 and Article 25 of the Agreement on Subsidies and Countervailing Measures

Extension Under SCM Article 27.4 of the Transition Period for the Elimination of Export Subsidies Pursuant to the Procedures in Document G/SCM/39

FIJI

The following communication, dated 30 June 2005, has been received from the Ministry of Foreign Affairs and External Trade in Fiji.

In accordance with paragraph 10.6 of the Decision of Implementation-Related Issues and Concerns (WT/MIN(01)/17) and with reference to document G/SCM/39 adopted by the Fourth Ministerial Conference, held from 9 to 14 November 2001 in Doha, Qatar, and further to our notification dated 24 June 2004, the Government of the Republic of the Fiji Islands wishes to submit hereunder updated information about the programmes for which extensions are being sought under Article 27.4 of the Agreement on Subsidies and Countervailing Measures.

Short-Term Export Profit Deduction

The "Short-Term Export Profit Deduction" scheme was introduced as a transitional measure to address the issue of income tax exemptions offered to exporters by progressively bringing exporters under the standard tax regime over time.

Qualifying companies were exempt from income tax in 2002. Export income has since 2003 been subject to tax, according to the schedule set out in the table below:

| Year | Taxable income |
|-----------|----------------|
| 2001-2002 | 0% |
| 2003-2004 | 25% |
| 2005-2006 | 50% |
| 2007-2008 | 75% |
| 2009 | 100% |

There has been no change to this scheme since Fiji's last notification.

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Export Processing Factories/Export Processing Zones Schemes

The Government of Fiji had given a clear indication of its intentions with regard to the Tax Free Factories/Tax Free Zones Scheme in the 2001 Budget. Essentially, no further approvals have been/will be given after 31 December 2000 to companies applying to operate under the Scheme, which grants a company exporting 70 per cent or more of its products Fiscal Duty, Valued-Added Tax and Income Tax exemptions for a period of 13 years. However, given that some companies were given approvals prior to 31 December 2000, the Scheme is most likely to cease on 2014 or earlier.

There has been no change to this scheme since Fiji's last notification.

Audio-Visual Concessions

The Film-Making and Audio-Visual Incentives Amendment Decree 2000 was promulgated on 18 May 2001 together with the Fiji Audio Visual Commission Decree 2000, to facilitate the establishment and development of the audio-visual industry in Fiji.

The Decree provides the fiscal incentives, especially for employees of non-resident film companies, for those investing in audio-visual productions, companies operating from the studio city zone and its residents.

There has been no added incentive to these concessions.

No new subsidies have been provided since Fiji's last notification.
