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Committee on Subsidies and Countervailing Measures

Original: English

SUBSIDIES

QUESTIONS POSED BY THE UNITED STATES REGARDING THE NEW AND FULL NOTIFICATION OF ISRAEL¹

The following communication, dated and received on 24 January 2022, is being circulated at the request of the delegation of the United States.

The United States appreciates Israel's 2021 subsidy notification and poses the following questions regarding programs contained in the notification as well as programs we understand are maintained by Israel, but may not be included in the notification.

Question 1

For the program entitled "Smart Money Programme", it appears that this program is conditional on international sales of over \$250,000. Please explain how this program is consistent with SCM Article 3?

Question 2

These questions relate to programs contained in Israel's Trade Policy Review (WT/TPR/S/376)

- a) On page 7 of Israel's June 2018 Trade Policy Review, the Secretariat's Report states that "Israel provided export subsidies for agricultural products during the review period." If these subsidies continued to be in effect during the period covered by this notification, please explain why they were not reported.
- b) On page 7 of the June 2018 Trade Policy Review, the Secretariat's Report notes that several subsidy programs which were previously reported had been eliminated or folded into other programs. Please explain whether the Marketing Tutorial, Consortia, and Two Hundred Times Two programs were replaced by programs which are mentioned in this notification.
- c) On page 44 of Israel's June 2018 Trade Policy Review, the Secretariat's Report notes that certain large multinational corporations are eligible for special tax breaks. To the extent that these programs continued to operate during the period covered by this notification, please explain why they were not included in your notification.

Question 3

Please explain whether the Eilat Free Trade Zone program has any kind of export requirement for companies seeking to take advantage of the tax benefits associated with this program.

¹ G/SCM/N/372/ISR

Question 4

With respect to the "Fisheries – Waiver of Excise Tax on Fuel" subsidy program described on page 40 of Israel's notification, how will Israel ensure that the program will not lead to overcapacity or overfishing?
