GENERAL AGREEMENT ON TARIFFS AND TRADE

SUBSIDIES

Notifications Pursuant to Article XVI: 1

Addendum

BELGIUM

A. COAL INDUSTRY

1. Nature and extent of the subsidy

(a) Background and authority

Decision No. 3/65 of 17 February 1965 of the European Coal and Steel Community constituted the legal basis for intervention in behalf of the coal industry. That Decision expired on 31 December 1970 and was replaced by Decision No. 3/71 ECSC, adopted by the Commission of the European Communities on 22 December 1970, the validity of which runs until 31 December 1975.

The objectives of the Decision are the following:

- to concentrate production on those installations which can best improve their productivity and seem most capable of supplying the Community's energy requirements, having regard in particular to their location in relation to markets and reserves of the qualities demanded;

- to pursue the adjustment of mining to conditions of the energy market, provided no serious disturbances are thereby caused in the economic and social life of regions where development opportunities are not yet sufficient.

In addition, certain amounts are also granted under the provisions of the Belgian Budgetary Act. These amounts are as follows:

- assumption by the State, under certain conditions, of part of the interest payable by collieries on re-equipment loans granted by public credit institutions;
- assumption by the State of the interest on recoverable advances also
  granted in the past by these same institutions with the consent of the
  European Coal and Steel Community.

(b) Incidence

The subsidies permitted under the above-mentioned Decisions are granted
directly to producers. They are variable sums and are intended to offset working
losses.

(c) Amount of the subsidy

For the years 1970 and 1971, the budget appropriation for financing these
subsidies amounted respectively to BF 4,055.1 million and BF 4,110 million.

(d) Estimated amount per unit

The amount of the subsidies varies from one undertaking to another depending
on the amount of working losses.

2. Effects of the subsidy

(a) Quantitative effects of the subsidy on trade

The subsidies do not hinder international trade and there is still a
substantial net surplus on the import side.

(b) Statistics of production, consumption, imports and exports

<table>
<thead>
<tr>
<th></th>
<th>1968</th>
<th>1969</th>
<th>1970</th>
<th>1971*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td>14,806</td>
<td>13,200</td>
<td>11,362</td>
<td>10,960</td>
</tr>
<tr>
<td>Consumption</td>
<td>21,252</td>
<td>20,104</td>
<td>18,910</td>
<td>15,741</td>
</tr>
<tr>
<td>Imports</td>
<td>6,625</td>
<td>6,566</td>
<td>7,567</td>
<td>5,313</td>
</tr>
<tr>
<td>Exports</td>
<td>1,146</td>
<td>900</td>
<td>548</td>
<td>378</td>
</tr>
</tbody>
</table>

*Provisional figures
B. FILM INDUSTRY

I. Nature and extent of the subsidy

(a) Background and authority

In order to improve the quality of Belgium's film production, subsidies are granted to film production provided that certain conditions are observed and in accordance with the modalities determined by Royal Decrees dated 23 October 1963, 10 November 1964 and 22 June 1967. The Decree of 23 October 1963 prescribes the conditions and procedure for obtaining recognition as Belgian in respect of short and full-length films and newsreels.

(b) Incidence

The subsidies are granted within the limits of budgetary credits. On the basis of a recommendation by a selection committee regarding the quality of the work, the responsible authorities grant subsidies either for the making of films or in the form of a bonus to films already made.

(c) Amount of subsidy

A subsidy of 66 million was granted for the year 1971.

(d) Estimated amount per unit

The amount granted for each film varies depending on several factors such as: length of film, its cost, the length of time during which it is shown, its box-office returns, the rate of local entertainment tax (which varies according to municipalities). These various factors give rise to such differences between premiums that it would be meaningless to indicate an average amount.

II. Effect of the subsidy

(a) In view of the fact that the main purpose of the subsidy is to improve the standard of domestic film production, the granting of such premiums has practically no effect on international trade.

(b) No official statistics are available on production.

Statistics of Imports and Exports

(1,000 francs)

<table>
<thead>
<tr>
<th></th>
<th>1969</th>
<th>1970</th>
<th>1971 (11 months)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imports</td>
<td>76,158</td>
<td>123,227</td>
<td>76,206</td>
</tr>
<tr>
<td>Exports</td>
<td>29,432</td>
<td>38,772</td>
<td>29,710</td>
</tr>
</tbody>
</table>
C. SHIPBUILDING

I. Nature and extent of the subsidy

(a) Background and authority

Since 1 January 1968 the Belgian Government has introduced a subsidy on shipbuilding in order to offset the difference between cost prices in Belgium and those in foreign countries which are mostly builders of sea-going vessels to which financial aids are granted. The subsidy has been extended several times, and most recently until 31.12.72.

(b) Incidence

The subsidy is paid to shipyards which build sea-going vessels of a gross tonnage exceeding 100 tons (850 tons gross as from 1.1.72).

Initially the subsidy represented 8 per cent of the contract value of the ships to be built; since then it has been reduced successively to 6 per cent and then to the present level of 4 per cent.

Amount of the subsidy:


Estimated amount per unit: impossible to determine because of the diversity of production.

II. Effect of subsidy

(a) It is difficult to evaluate the quantitative effects of the subsidy on trade.

(b) Statistics on production, consumption, imports and exports:

(i) for the three most recent years

<table>
<thead>
<tr>
<th>Year</th>
<th>Production</th>
<th>Imports</th>
<th>Exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>1968</td>
<td>1,635</td>
<td>115</td>
<td>399</td>
</tr>
<tr>
<td>1969</td>
<td>3,055</td>
<td>57</td>
<td>692</td>
</tr>
<tr>
<td>1970</td>
<td>3,348</td>
<td>450</td>
<td>1,400</td>
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</tbody>
</table>
(ii) for a previous representative year (year preceding the introduction of the subsidy) (1967) (thousand francs)

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<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Production</td>
<td>1,869</td>
</tr>
<tr>
<td>Imports</td>
<td>448</td>
</tr>
<tr>
<td>Exports</td>
<td>1,018</td>
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</tbody>
</table>