SUBSIDIES

NOTIFICATIONS PURSUANT TO ARTICLE XVI.1 OF THE GATT 1994
AND ARTICLE 25 OF THE AGREEMENT ON SUBSIDIES AND
COUNTERVAILING MEASURES

NORWAY

The following communication, dated 11 July 1995, has been received from the Permanent Mission of Norway.

In view of the decision taken by the CONTRACTING PARTIES of the GATT 1947 on Avoidance of Procedural and Institutional Duplication (L/7582, dated 13 December 1994) this notification is deemed to be also a notification under Article XVI:1 of the GATT 1947.

1. Introduction

The notification covers existing programmes/schemes. The amounts of subsidies notified are subsidies paid out in the financial year 1994. (The notification of subsidies to the Agriculture sector is based on the budget figures for 1994 and 1995).

General remarks on duration and legal basis:

Support measures are generally decided by the Storting (the Parliament) each year on the basis of the Government’s Budget Proposal. All budget decisions are made for a single fiscal year. In the following notifications specific additional legislations are referred to in relevant cases. Duration is stated in cases of explicitly time-limited schemes/programmes. In other cases the term "Duration has not been specified" is used.

In relation to the implementation of the Agreement on the European Economic Area (the EEA Agreement), the Norwegian Storting and the Government have adopted Act No. 117 of 27 November 1992 to State Aid and Regulations concerning implementations of the provisions of the EEA Agreement relating to State Aid.
2. Research and development schemes

2.1 Industrial R&D programmes and projects

2.1.1 Authority responsible for the subsidy

The Ministry of Industry and Energy grants money to The Research Council of Norway (NFR). NFR administers the scheme.

2.1.2 Legislation under which it is granted

The yearly State Budget approved by the Parliament. The statutes of the Research Council of Norway.

2.1.3 Policy objective of the subsidy

Research and development.

2.1.4 Form of the subsidy

Grants.

2.1.5 To whom and how the subsidy is paid

All firms are eligible, regardless to branch, region or size.

Conditions applying from 01.04.95:

Costs eligible for aid are: personnel cost, materials and suppliers related to R&D, instruments and equipment, consultancy services, etc. Only costs directly related to the accomplishment of the projects are eligible. Maximum aid intensity: 50 per cent for basic industrial research and 25 per cent for applied research and development. SMEs (max. 250 employees is one out of three criteria) may obtain an additional 10 percentage points. The Research Council of Norway has the right to publish the title of the projects, its financial contribution, a short resume and achieved results. Projects supported by other state aid schemes do not normally receive support from NFR. To the extent that this occurs, the aid ceilings referred to above apply to the combined aid.

2.1.6 Amount of subsidy

Total payment in NOK million in 1994: 425.

Due to statistical data limitations, it is impossible to exclude the service sector from these numbers.

The average subsidy per project in NOK million in 1994: 0.6 million.

2.1.7 Duration

Starting date: 1991. Duration has not been specified.
2.1.8 Trade effects of the subsidy

Support is granted to a variety of projects and sectors. Statistical data showing the trade effects of the subsidy are not available.

2.2 Public research and development contracts

2.2.1 Authority responsible for the subsidy

The Ministry of Industry and Energy. The Norwegian Industrial and Regional Development Fund (SND) is responsible for the administration of this scheme.

2.2.2 Legislation under which it is granted

The yearly State Budget.

Guidelines for public R&D- contracts and Industry R&D- contracts, approved by the Ministry of Industry and Energy 30.03.95.

2.2.3 Policy objective of the subsidy

Reinforce the capabilities of Norwegian industries to satisfy the needs of public entities.

Improve the quality and effectiveness of services supplied by public entities by implementing new and improved technology.

2.2.4 Form of the subsidy

Grants

2.2.5 To whom and how the subsidy is paid

A public R&D contract is an agreement between a Norwegian enterprise and a public authority that asks for the development of a new product or process. The receiver of the subsidy is the producer. The projects must represent something substantially new.

The bulk of the projects will typically be within the stage of basic industrial research and/or applied research:

Conditions applying from 01.04.95:

Costs eligible for aid are: personnel costs, overhead, current costs, consultancy and equivalent services and instruments and equipment. Only costs directly related to the accomplishment of the projects are eligible. Maximum aid intensity: 50 per cent for basic industrial research and 25 per cent for applied research and development. SMEs (max. 250 employees is one out of three criteria) may obtain an additional 10 percentage points.
2.2.6 Amount of the subsidy

Total payment in 1994 in NOK million: 121.3

The average subsidy per project was about NOK 2 million.

2.2.7 Duration of the subsidy

Starting date: 1968. Duration has not been specified.

2.2.8 Trade effects of the subsidy

Statistical data making possible an assessment of the trade effects of the subsidy is not available.

2.3 Industrial R&D Contracts

2.3.1 Authority responsible for the subsidy

Administered by the Norwegian Industrial and Regional Development Fund (SND) on behalf of the Ministry of Industry and Energy.

2.3.2 Legislation under which it is granted

The yearly State Budget approved by the Parliament.

Guidelines for public R&D- contracts and Industry R&D- contracts, approved by the Ministry of Industry and Energy 30.03.95.

2.3.3 Policy objective of the subsidy

The purpose is to stimulate industrial R&D (Product development) and business links (network).

2.3.4 Form of the subsidy

Grants.

2.3.5 To whom and how the subsidy is paid

The projects eligible are R&D- cooperation projects between private enterprises - a major customer and a lesser subcontractor.

Conditions applying from 01.04.95.

The grants are restricted to SMEs (max. 250 employees is one out of three criteria) as partners in new business relations. Subsidy is granted to applied research and development projects. Maximum aid intensity is 35 per cent of project costs.

Costs eligible for aid are: personnel costs, overhead, current costs, consultancy and equivalent services and instrument and equipment. Only costs directly related to the accomplishment of the projects are eligible.
The condition is that the aid is necessary to start up and realise projects.

2.3.6 **Amount of subsidy**

Total payment in 1994 was NOK 28 million.

Subsidy per project is NOK 1.1 million.

2.3.7 **Duration of the subsidy**

Starting date: 01.01.94. Duration has not been specified.

2.3.8 **Trade effects of the subsidy**

Support is granted to a variety of projects and sectors. Statistical data showing the trade effects of the subsidy are not available.

2.4 **Swedish-Norwegian Industrial**

2.4.1 **Authority responsible**

The Ministry of Industry and Energy in Norway and the Ministry of Industry in Sweden are the responsible authorities. Total of SEK 250 million has been transferred to the Fund from the Governments of Norway and Sweden. The Fund operates, however, relatively independently.

2.4.2 **Legislation under which it is granted**

The Fund is a Foundation regulated by Swedish law. Legal basis is a Government Decree from the Swedish Government dated 19 December 1991.

2.4.3 **Policy objective of the subsidy**

Support is normally given to SMEs and for R&D projects.

2.4.4 **Form of the measures:**

- grants for pre-feasibility
- loans
- grants with royalty repayments

2.4.5 **To whom and how the subsidy is paid**

The Fund may enter into projects involving cooperation between Swedish and Norwegian companies in all industries but extraction of oil and gas. The Fund offers loans and grants to projects related to product development and market introduction. Loans and grants may normally not exceed 50 per cent of eligible costs for a certain project, and may under no circumstances exceed SEK 50 million. Interests on loans are comparable to those offered by private institutions. Successful companies receiving grants with royalties repayment have to repay according to even higher interest rates.
2.4.6 Amount of subsidy

Estimated total net cost of loans and grants disbursed in 1994 to Norwegian companies: NOK 7.4 million.

(The net cost of loans are calculated as: interest of the loans outstanding during 1994. The rate of interest used is the average cost of government borrowing for new loans in 1994; 7.7 per cent. The amount of interest received by the Fund is subtracted. Write-offs are added to the net costs.)

2.4.7 Duration of the subsidy


2.4.8 Trade effects of the subsidy

Support is granted to a variety of projects and sectors. Statistical data showing the trade effects of the subsidy are not available.

3. Assistance to Disadvantaged Regions

3.1 Regional Investment Grants

3.1.1 Authority responsible for the subsidy

The Ministry of Local Government and Labour through the Norwegian Industrial and Regional Development Fund and 15 county municipalities.

3.1.2 Legislation under which it is granted

- Parliamentary Act No. 97 of July 1992
- Regulation of Regional measures administered by the Norwegian Industrial and Regional Development Fund and the county municipalities of March 1995
- Regulation on Areas eligible of Regional Aid of March 1995
- The yearly State Budget

3.1.3 Policy objective

Regional aid: job creation, permanent and profitable business activity in areas with special employment problems or a low level of economic activity.

3.1.4 Form of the subsidy

Grants or loans (few cases).

3.1.5 To whom and how the subsidy is paid

Enterprises located in assisted areas for regional policy. All sectors except primary production in agriculture, forestry and fishing. Oil extracting or refining activities are also excluded.

Conditions applying from 01.04.95.
The assisted areas are divided into three zones. In zone A the general aid ceiling must not exceed 35 per cent. However, SMEs (max. 250 employees is one out three criteria) may receive on top of the prevailing rate an extra 15 percentage points. In zone B the general aid ceiling must not exceed 25 per cent where SMEs may receive an extra 5 percentage points. In zone C the general aid ceiling must not exceed 15 per cent where SMEs may receive an extra 10 percentage points. If the investment grant is combined with other measures containing state aid/subsidy, the total aid must not exceed the general ceilings in the different zones.

3.1.6 The amount of subsidy

Total amount of payment in NOK million in 1994: 4,477.

Average subsidy per project: NOK 0.6 million.

3.1.7 Duration of the subsidy

Starting date: 1966. Duration has not been specified.

3.1.8 Trade effects of the subsidy

Support is granted to a variety of projects and sectors. Statistical data showing the trade effects of the subsidy are not available.

3.2 Regional Grants for the Development of Business and Industry

3.2.1 The authority responsible for the subsidy

The Ministry of Local Government and Labour through The Norwegian Industrial and Regional Development Fund and 15 county municipalities.

3.2.2 Legislation under which it is granted


- Regulation on Regional measures administered by the Norwegian Industrial and Regional Development Fund and the county municipalities of March 1995
- Regulation on Areas eligible of Regional Aid of March 1995
- The yearly State Budget

3.2.3 Policy objective of the subsidy

Regional aid; job creation, permanent and profitable business activity in areas with special employment problems or a low level of economic activity.

3.2.4 Form of the subsidy

Grants or loans (few cases).
3.2.5 To whom and how the subsidy is paid

Enterprises located in assisted areas for regional policy. All sectors except primary production in agriculture, forestry and fishing. Oil extracting or refining activities are also excluded.

Conditions applying from 01.04.95.

The subsidy covers costs eligible under the notion of "soft aid" (costs must meet one-off requirements for up-to-date knowledge in various fields or be related to establishing of network cooperation etc, no physical investment, no operating aid) and/or research and development projects. Subsidy falling under the notion of "soft aid" must not exceed 50 per cent of eligible costs, and it is confined to SMEs (max. 250 employees is one out of three criteria). In cases where the costs are covering research and development activities, larger companies may receive aid within a maximum aid ceiling of 25 per cent of eligible costs. For the same type of activities SMEs may receive a grant within a maximum aid ceiling of 40 per cent of eligible costs.

3.2.6 The total amount or the annual amount budgeted for the subsidy

Amount of subsidy in NOK million in 1994: 331.

Average subsidy per project in NOK million: 0.2.

3.2.7 Duration of the subsidy and/or any time-limits attached to it

Starting date: 1983. Duration has not been specified.

3.2.8 The trade effects of the subsidy

Support is granted to avoid a variety of projects and sectors. Statistical data showing the trade effects of the subsidy are not available.

3.3 Scheme for Restructuring in Regions Dependant of a Single Industry

3.3.1 Authority responsible for the subsidy

The Ministry of Local Government and Labour. The scheme is administered by local municipalities and the Norwegian Industrial and Regional Development Fund.

3.3.2 Legislation under which it is granted

The yearly State Budget (Ministry of Local Government and Labour, Ch. 552. post 56).

Regulation of April 1993 (H-21/93).

3.3.3 Policy objective of the subsidy

Restructuring: job creation in regions where a main enterprise or branch reduces the employment drastically or closes down.
3.3.4 Form of the subsidy

Grants.

3.3.5 To whom and how the subsidy is paid

Available to enterprises in municipalities dependent on a single industry or on a single enterprise.

Other criteria for the subsidy are as for "Regional Investment Grants" and "Regional Grants for the Development of Business and Industry" administered by the Norwegian Industrial and Regional Development Fund and the county municipalities.

3.3.6 Amount of subsidy

Payments in NOK million in 1994: 65.2

Included in the figures are also grants to financing different types of infrastructure to buy shares in local enterprises on commercial terms limited to 49 per cent of total share capital.

3.3.7 Duration of the subsidy

Starting date: 1987. Duration has not been specified.

3.3.8 The trade effects of the subsidy

Support is granted to a variety of projects and sectors. Statistical data showing the trade effects of the subsidy are not available.

3.4 The Norwegian Corporation for Industrial Estates and Development (SIVA)

3.4.1 The authority responsible for the subsidy

Ministry of Local Government and Labour through the Norwegian Corporation for Industrial Estates and Development (SIVA).

3.4.2 The legislation under which it is granted

The State Budget (Ministry of Local Government and Labour, Ch. 552, 55).

Regulation on SIVA of 27.11.92.

Letter from Ministry of Local Government and Labour to SIVA of 28.03.95.

3.4.3 Policy objective of the subsidy

Primary objective; regional assistance. Secondary; support to small and medium-sized enterprises.
3.4.4 Form of the subsidy

Grants.

3.4.5 To whom and how the subsidy is paid

SMEs (max. 250 employees is one out of three criteria). Primarily manufacturing industry located in assisted areas.

Grants cover costs eligible under the notion of "soft aid" (costs must meet one-off requirements for up-to-date knowledge in various field or be related to establishing of network cooperation etc, no physical investment, no operating aid).

Maximum subsidy is 50 per cent of eligible cost.

3.4.6 The amount of subsidy

Budgeted in 1994; NOK 16 million.

29 enterprises have received a subsidy in 1994.

3.4.7 Duration of the subsidy

Starting date:

Duration has not been specified.

3.4.8 Trade effects of the subsidy

Support is granted to a variety of projects and sectors. Statistical data showing the trade effects of the subsidy are not available.

3.5 National programmes for regional development (Ch. 552.53)

3.5.1 Authority responsible

Ministry of Local Government and Labour in most of the cases through intermediate administrative bodies.

3.5.2 Legislation under which it is granted

The yearly State Budget and Circular H-11/95 from the Ministry of Local Government and Labour.

3.5.3 Policy objective of the subsidy

Regional. An important objective is to create new structures and ways of collaboration between R&D centres and private SMEs.
3.5.4 **Form of the subsidy**

Grants.

3.5.5 **To whom and how the subsidy is paid**

Mainly SMEs (max. 250 employees is one out of three criteria) in private sector located in assisted areas. Most of the funds available are used to support R&D - infrastructure. Single enterprises may not receive support from this scheme unless they are involved in a cooperation pluriannual programme of broader national interest.

Other criteria for the subsidy to enterprises are as for "Regional Grants for the Development of Business and Industry" administered by the Norwegian Industrial and Regional Development Fund and the county municipalities.

3.5.6 **Amount of subsidy**

Payment in NOK million in 1994: 119. (The major part to research institutes/centres located in assisted areas).

3.5.7 **Duration of the subsidy**

Starting date: 1986. Duration has not been specified.

3.5.8 **Trade effects of the subsidy**

Support is granted to a variety of projects and sectors. Statistical data showing the trade effects of the subsidy are not available.

3.6 **Funds for restructuring of the community of Rana**

3.6.1 **The authority responsible for the subsidy**

The Ministry of Industry and Energy. The Norwegian industrial and regional fund has the responsibility concerning aid to private enterprises. Two local institutions also take part in the programme.

3.6.2 **The legislation under which it is granted**

The Proposition to the Storting No. 113 (1987-88) "Om Rana og Norsk Jernverk A/S".

3.6.3 **Policy objective of the subsidy**

Regional restructuring; development of new industrial activity and job creation in public and private sectors. The Norwegian steel industry was restructured during 1988-89. This affected the community of Rana in the county of Nordland and led to a considerable reduction in the employment.

3.6.4 **Form of the subsidy**

Grants.
3.6.5 To whom and how the subsidy is paid

Enterprises located in the Community of Rana.

General investments are supported on the same conditions as applying to the scheme "Regional Investment Grants" administered by the Norwegian Industrial and Regional Fund.

It is also possible to grant the process of developing new projects, and developing enterprises by using equity capital.

3.6.6 The amount of the subsidy

The scheme had a total budget of NOK 500 million.

About 2/5 of the grant goes for infrastructure and to the finance of public bodies and about 3/5 of the grant goes to private investment and development of new industrial activities.

Total payment in 1994 was NOK 6.1 million.

3.6.7 The duration of the subsidy

Starting date: 01.01.88.

Expiry date: 31.12.95.

3.6.8 Trade effects of the subsidy

Support is granted to a variety of projects and sectors. Statistical data showing the trade effects of the subsidy are not available.

3.7 Funds for restructuring of the Community of Sor-Varanger

3.7.1 The authority responsible for the subsidy

Ministry of Industry and Energy. The Norwegian Industrial and Regional Fund administers subsidies to private enterprises.

3.7.2 The legislation under which it is granted

Proposition to the Storting No. 80 (1990-91) on the restructuring of Sor-Varanger and A/S Sydvaranger.

3.7.3 Policy objective of the subsidy

Regional restructuring: development of new industrial activity and job creation in public and private sectors. The Norwegian iron ore/mine industry is restructured during the period 1991-1996. This affects the Community of Sor-Varanger in the County of Finnmark and leads to a considerable reduction in the employment.
3.7.4 **Form of the subsidy**

Grants.

3.7.5 **To whom and how the subsidy is paid**

Available to enterprises located in Sor-Varanger, Finnmark County.

General investments and the process of developing new projects are supported on the same conditions as applying to the schemes "Regional Investment Grants" and "Regional Grants for the Development of Business and Industry" administered by the Norwegian Industrial and Regional Fund.

3.7.6 **Amount of the subsidy**

Total amount budgeted for the scheme is NOK 400 million.

About 1/3 is distributed to infrastructure and public bodies and about 2/3 to private investment and development of new industrial activities.

Total payment in NOK million in 1994; about 40.

3.7.7 **The duration of the subsidy**

Starting date: 01.01.91.

Expiry date: 31.12.96.

3.7.8 **Trade effects of the subsidy**

Support is granted to a variety of projects and sectors. Statistical data showing the trade effects of the subsidy are not available.

3.8 **Funds for Restructuring of the Grenland**

3.8.1 **Authority responsible for the subsidy**

Ministry of Industry and Energy and Ministry of Local Government and Labour. A local industrial development organization is operating the fund.

3.8.2 **Legislation under which it is granted**

The Proposition to the Storting No. 7 (1992-93).

The yearly State Budget.

Letter of 1.03.95 to "Vekst i Grenland".

3.8.3 **Policy objective of the subsidy**

Regional restructuring; job creation.
3.8.4 Form of the subsidy

Grants.

3.8.4 To whom and how the subsidy is paid

Available to enterprises located in the Grenland region, mainly SMEs (max. 250 employees is one out of three criteria).

Development projects, preliminary studies and one-off update of knowledge. Max. intensities vary, dependent on the types of projects. Average subsidy per project in 1994: NOK 200,000.

3.8.6 Amount of subsidy

Total payment in 1994 was NOK 3.8 million.

3.8.7 Duration of the subsidy

Starting date: 01.01.93. Expiry date: not yet decided.

3.8.8 Trade effects of the subsidy

Support is granted to a variety of projects and sectors. Statistical data showing the trade effects of the subsidy are not available.

3.9 Viking Business Development A/S

3.9.1 Authority responsible for the subsidy

Ministry of Industry and Energy.

3.9.2 Legislation under which it is granted

Proposition to the Storting No. 2 (1991-92), "Omstilling i Askim".

3.9.3 Policy objective of the subsidy

Restructuring in an area of industrial decline.

3.9.4 Form of the subsidy

Grants.

3.9.5 To whom and how the subsidy is paid

Enterprises located in Askim in Ostfold County are economically viable. The venture company "Viking Business Development A/S" seeks and develops new business opportunities by placing risk capital in enterprises.
3.9.6 **Amount of subsidy**

The venture company received a grant of NOK 40 million in 1991.

3.9.7 **Duration of the subsidy**

Starting date: 01.12.91. Expiry date: 01.12.96.

3.9.8 **Trade effects of the subsidy**

Support is granted to a variety of projects and sectors. Statistical data showing the trade effects of the subsidy are not available.

4. **Assistance to small and medium sized companies**

4.1 **Development Grants**

4.1.1 **The authority responsible for the subsidy**

The Ministry of Industry and Energy through the Norwegian Industrial and Regional Development Fund (SND).

4.1.2 **The legislation under which it is granted**

Act 3 July 1992 on SND nr 97.

"Retningslinjer for Statens noerings- og distriktsutbiklingsfonds landsdekkende virkemidler".

Letter from the Ministry of Industry and Energy to the SND of 21.02.95.

The yearly State Budget.

4.1.3 **Policy objective of the subsidy**

Assistance to SMEs. Improve the efficiency of industry.

4.1.4 **Form of the subsidy**

Grant.

4.1.5 **To whom and how the subsidy is granted**

Scheme is primarily intended for SME. The scheme is available for all sectors except insurance, banking and finance, shipping, oil and gas exploration, public administration and public sector commercial enterprises, but primarily.

Conditions applying from 01.04.95.
Subsidy allowed to SMEs (max. 250 employees is one out of three criteria):

- maximum 50 per cent of costs eligible under the notion of "soft aid" (costs must meet one-off requirements for up-to-date knowledge in various fields or be related to establishing of network cooperation etc, no physical investment, no operating aid),
- maximum 35 per cent of costs eligible for applied research and development projects and
- maximum 7.5 per cent to physical investment (maximum 15 per cent to small enterprises).

Larger companies are only allowed a maximum aid intensity of 25 per cent to R&D projects or subsidy up to 50,000 ECU in respect of one defined category over a three year period.

4.1.6 The amount of the subsidy

Total payment in NOK million in 1994; 807.

(Grants to services sector are included in the figures).

Average subsidy per project in 1994 was NOK 0.272 million.

4.1.7 The duration of the subsidy

Starting: 01.01.93. Duration has not been specified.

4.1.8 Trade effects of the subsidy

Support is granted to a variety of projects and sectors. Statistical data showing the trade effects of the subsidy are not available.

4.2 The Public Advisory System

4.2.1 Authority responsible for the subsidy

The Norwegian Ministry of Industry and Energy.

The Subsidy in administered by the following institutions:

- The National Institute of Technology (TI)
- The North Norwegian Institute of Technology and Innovation (VÎNN) and
- The Regional consulting services (BRT) (a nation-wide network)

4.2.2 Legislation under which it is granted

Proposition to the Storting No. 86 (1986-87).
Royal Decree of 19.02.88.
Royal Decree of 22.04.88.
The yearly State Budget.
4.2.3. **Policy objective of the subsidy**

Transfer of competence and knowledge to SMEs.

4.2.4. **Form of the subsidy**

Services free/partly free of charge.

4.2.5. **To whom and how the subsidy is paid**

TI and VINN provide SMEs with technical competence and knowledge, BRT gives general assistance.

The institutions only subsidize services directed towards SMEs with less than 100 employees and mainly companies with less than 20 employees. The legal maximum aid level to an enterprise is 50,000 ECU over a 3-year period. The average level however is only NOK 10,000.

4.2.6. **Amount of subsidy**

The grants given to the institutions in order to provide the services (all sectors) in 1994:

<table>
<thead>
<tr>
<th>Institution</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>TI</td>
<td>NOK 77,500,000</td>
</tr>
<tr>
<td>VINN</td>
<td>NOK 26,000,000</td>
</tr>
<tr>
<td>BRT</td>
<td>NOK 55,350,000</td>
</tr>
</tbody>
</table>

4.2.7. **Duration of the subsidy**

The public advisory system was reorganized in 1988. Duration has not been specified.

4.2.8. **Trade effects of the subsidy**

Support is granted to a variety of projects and sectors. Statistical data showing the trade effects of the subsidy are not available.

5. **Assistance to Environmental improvement**

5.1 **Aid for Development and Diffusion of Cleaner Technologies:**

5.1.1 **The authority responsible for the subsidy**

 Ministry of Environment through Norwegian Pollution Control Authority.

5.1.2 **The legislation under which it is granted**

 The yearly State Budget.

 Letter from Ministry of Environment of 30 March 1995 to the Norwegian Pollution Control Authority.
5.1.3 **Policy objective of the subsidy**

Promote development and diffusion of cleaner technologies.

5.1.4 **Form of the subsidy**

One-off investment grant to projects.

5.1.5 **To whom and how the subsidy is paid**

Available to all enterprises.

Conditions applying from 01.04.95.

Specialized investment and research and development can be supported up to 25 per cent. SMEs (max. 250 employees is one out of three criteria) may obtain an additional 10 percentage points. Enterprises in assisted areas may obtain an additional 5-10 percentage points.

SMEs may receive support to technical environmental studies up to 50 per cent.

Support is confined to projects exceeding requirements imposed by law or regulations.

This scheme may be used in combination with the guarantee for loan scheme. (cf. below)

If the schemes are combined the total subsidy must not exceed the above-mentioned ceilings.

5.1.6 **The amount of the subsidy**

Total payment in NOK million in 1994: 46.9 (Service sector included).

5.1.7 **The duration of the subsidy**

Starting date: 1 January 1990. Duration has not been specified.

5.1.8 **Trade effects of the subsidy**

Support is granted to a variety of projects and sectors. Statistical data showing the trade effects of the subsidy are not available.

5.2 **Grants for Waste Reduction and Recycling**

5.2.1 **The authority responsible for the subsidy**

Ministry of Environment.

5.2.2 **The legislation under which it is granted**

The yearly State Budget.

Letter from Ministry of Environment, of 30 March 1995, to the Norwegian Pollution Control Authority.
5.2.3 **Policy objective of the subsidy**

Promote waste reduction and recycling.

5.2.4 **Form of the subsidy**

One-off investment grant to projects.

5.2.5 **To whom and how the subsidy is paid**

Available to all enterprises. Supported projects should reduce waste or improve systems for recycling of waste.

Conditions applying from 01.04.95.

Support is confined to projects exceeding requirements imposed by law or regulations. Maximum aid ceiling is 30 per cent of eligible costs. SMEs (max. 250 employees is one out of three criteria) may obtain an additional 10 percentage points. Enterprises located in assisted area, zone A, may obtain an additional 5-10 percentage points.

This scheme may be used in combination with the guarantee for loan facility (cf. below). If the schemes are combined the total subsidy must not exceed the above-mentioned ceilings.

5.2.6 **Amount of the subsidy**

Total payment in NOK million in 1994: 71.3.

5.2.7 **Duration of the subsidy**

Starting date: 1 January 1990. Duration has not been specified.

5.2.8 **Trade effects of the subsidy**

Support is granted to a variety of projects and sectors. Statistical data showing the trade effects of the subsidy are not available.

5.3 **Loan Guarantees for Investment in Cleaner Technologies, Waste Reduction and Recycling**

5.3.1 **The authority responsible for the subsidy**

The scheme is administered by the Norwegian Industrial and Regional Development Fund on behalf of the Ministry of Environment.

5.3.2 **The legislation under which it is granted**

Loan guarantees are awarded pursuant to the Parliament's budget decisions (cf. the State Budget chapter 1442, post 73). In addition specific rules for awarding aid are laid down in a letter, of 30 March 1995, to the Norwegian Industrial and Regional Development Fund.
5.3.3 Policy objective of the subsidy

Promote development and diffusion of cleaner technologies, waste reduction and recycling.

5.3.4 Form of the subsidy

One-off investment guarantee to projects.

5.3.5 To whom and how the subsidy is paid

Available to all enterprises.

Guarantees for loan to investments in cleaner technologies, waste reduction and recycling. Conversion to an ordinary mortgage loan takes place after the project is in operation.

Conditions applying from 01.04.95.

Up to 75 per cent pro-rata guarantee for possible losses.

Maximum aid ceiling for the subsidy contained as for the above-mentioned scheme "Grants for waste reduction and recycling".

The scheme may be used together with the above-mentioned grant schemes.

5.3.6 Amount of the subsidy

Payment due to defaulted loans in NOK million in 1994: 8.6.

5.3.7 Duration of the subsidy

Starting date: 1 January 1992. Duration has not been specified.

5.3.8 Trade effects of the subsidy

Support is granted to a variety of projects and sectors. Statistical data showing the trade effects of the subsidy are not available.

5.4 Guarantee for Loan Facility and Loan Facility to the Company responsible for treatment of Hazardous Waste

5.4.1 The authority responsible for the subsidy

Ministry of Environment through the Norwegian Industrial and Regional Development Fund (SND).

5.4.2 The legislation under which it is granted

Proposition to the Storting No. 103 (1990-91).
5.4.3 **Policy objective of the subsidy**

To reduce the risk related to building and operating a plant for treating hazardous waste.

5.4.4 **Form of the subsidy**

Loan and loan guarantee.

5.4.5 **To whom and how the subsidy is paid**

These financial facilities can only be utilized by the company in question, namely, Norsk Avfallshandtering A/S.

The company is given a loan up to NOK 100 million and guarantee for up to 55 per cent, or maximum NOK 250 million of the external loans, to the company. The loan is granted on commercial terms. The guarantee is free of charge.

5.4.6 **Amount of subsidy**

See 5.3.5 above.

5.4.7 **Duration of the subsidy**

Starting date: 1991.

The duration of the loan facility and guarantee for loan facility are 20 years.

5.4.8 **Trade effects of the subsidy**

Statistical data showing the trade effects of the subsidy are not available.

5.5 **Grant Programme for introduction of new Energy Technology**

5.5.1 **Authority responsible for the subsidy**

Ministry of Industry and Energy through Norwegian Water Resources and Energy Administration (NWREA).

5.5.2 **Legislation under which it is granted**

Parliamentary document 1979-93.


Regulations by NWREA.

The yearly State Budget.
5.5.3 **Policy objective of the subsidy**

Energy saving.

5.5.4 **Form of the subsidy**

Grants.

5.5.5 **To whom and how the subsidy is paid**

Available to business sector in broad sense.

Support to introduction and demonstration of new energy efficient and renewable energy technology; equipment, training and consultant fees in connection with introduction and demonstration of new technology. Up to 50 per cent of eligible costs.

5.5.6 **Amount of subsidy**

The budget for the subsidy was NOK 20 million in 1994.

5.5.7 **Duration of the subsidy**

Starting date: 1979. Duration has not been specified.

5.5.8 **Trade effects of the subsidy**

Support is granted to a variety of projects and sectors. Statistical data showing the trade effects of the subsidy are not available.

6. **Export promotion**

6.1 **The Export Campaign, the Strategy Programme and the Programme for Export Development in SME**

6.1.1 **Authority responsible for the subsidy**

Ministry of Foreign Affairs through the Norwegian Trade Council.

6.1.2 **Legislation under which it is granted**


The yearly State Budget.

6.1.3 **Policy objective of the subsidy**

Business development and export promotion.
6.1.4 **Form of the subsidy**
Grants.

6.1.5 **To whom and how the subsidy is paid**

Conditions applying from 01.04.95.

Available to SMEs (max. 250 employees is one out of three criteria).

Costs covered; expenditures when attending trade fairs, expenditures for market research/surveys, seminars, training, consultancy fees. Maximum aid intensity 50 per cent. Average intensity is 25 per cent.

6.1.6 **Amount of subsidy**

Amount of subsidy in 1994.

The Export Campaign: NOK 36.3 million

The Programme for Export Development in SME: NOK 14.0 million.

The Strategy Programme: NOK 26.4 million.

6.1.7 **Duration of the subsidy**

Starting date: 1969, 1986 and 1989 for the Export Campaign, the Programme for Export Development in SME and the Strategy Programme respectively. Duration has not been specified.

6.1.8 **Trade effects of the subsidy**

Support is granted to a variety of projects and sectors. Statistical data showing the trade effects of the subsidy are not available.

6.2 **Export Credit Financing Scheme**

6.2.1 **The authority responsible for the subsidy**

The Ministry of Finance.

6.2.2 **The legislation under which it is granted**

The yearly State Budget.

6.2.3 **Policy objective and/or purpose of the subsidy**

Matching officially supported export credits offered by other exporting nations in accordance with the OECD "Arrangement on Guidelines for Officially Supported Export Credits" (hereinafter called "the OECD Arrangement").
6.2.4 **Form of the subsidy**

Interest rate support and currency risk alleviation.

6.2.5 **To whom and how the subsidy is paid**

The receivers of the officially supported export credits are the foreign purchasers of Norwegian capital goods. Export credits at interest rates according to the OECD-Arrangement.

6.2.6 **The amount of subsidy**

The net, accumulated amount of subsidy for the year 1994 is NOK 119 million. Service sector is included. This amount represents the net subsidies required for the portfolios of credits and funding resulting from all transactions for the scheme up to and including 1994.

6.2.7 **Duration of the subsidy**

Stating date: 1978. Duration has not been specified.

6.2.8 **Trade effects of the subsidy**

The trade effects for the Norwegian exporters will be to enable them to compete on price, quality, technical solutions etc, as the credit parts of the offers will be equal to that of their competitors.

6.3 **Export Credit Guarantees**

6.3.1 **Authority responsible for the subsidy**

Ministry of Foreign Affairs through Guarantee Institute for Export Credits (GIEK). GIEK has however a high degree of independency. Short term guarantees are dealt with by the Commercial Section of GIEK. Long term guarantee commitments are organized in the Public section of GIEK.

6.3.2 **Legislation under which it is granted**

Parliament resolution of 25.05.93.

Regulations of 14.02.94 adopted by the Ministry of Foreign Affairs.

The yearly State Budget.

6.3.3 **Policy objective of the subsidy**

To promote Norwegian exports of goods and services primarily by covering the exporter’s commercial and political credit risk.

6.3.4 **Form of the subsidy**

Guarantees.
6.3.5 To whom and how the subsidy is paid

Available primarily to SME.

The conditions are in accordance with the rules of the OECD "Arrangement of Guidelines for Officially Supported Export Credits" and the "Berne Union Understanding".

The financial aim of the section of GIEK dealing with the short term guarantees is a balance in the accounts in the short run. The section of GIEK dealing with the long term guarantee commitments scheme has a balance in the accounts in the long term as its financial objective.

6.3.6 Amount of subsidy

Net costs in 1994 were in NOK -186.2 million (negative amount of subsidy).

(Net costs are calculated as costs of guarantees met in 1994, minus the fees received in that year and minus recoveries).

6.3.7 Duration of the subsidy

GIEK was established in 1960. In 1994 GIEK was reorganized. The new framework of GIEK will be evaluated by the end of 1996.

6.3.8 Trade effects of the subsidy

Support is granted to a variety of projects and sectors. Statistical data showing the trade effects of the subsidy are not available.

7. Assistance to specific industry sectors

7.1 Interest Rate Subsidies for the Shipbuilding Industry - Long Term Financing and Construction Loans

7.1.1 The authority responsible for the subsidy

The Ministry of Finance and Customs through "A/S Eksportfinans" and "Laneinstituttet".

7.1.2 The legislation under which it is granted

Proposition to the Storting No. 97 (1981-82).

7.1.3 Policy objective and/or purpose of the subsidy

The purpose of the scheme was to support the shipbuilding industry in Norway.

7.1.4 Form of the subsidy

Interest rate subsidy to the ship owner and a construction loan subsidy.
7.1.5 To whom and how the subsidy is paid

For the ship owners: An interest rate subsidy was calculated on the basis of a hypothetical loan of 5 years, or a real loan of 5 to 12 years, repaid by even half-yearly instalments.

For the yards: A construction loan subsidy was calculated as a percentage of the contract price of the ship. The scheme comprised both new buildings and conversions of ships greater than 100 gt. (support for conversions of foreign ships, however, was only available for ships greater than 1,000 gt).

7.1.6 The amount of subsidy

Total amount of subsidies in NOK million in 1994:

Interest rate subsidies: 643.2.

Construction loan subsidies: 17.6.

7.1.7 The duration of the subsidy


Subsidies under the scheme are paid out in a 5 to 12 year period after the delivery of the ship, and payments are therefore still taking place.

7.1.8 Trade effects of the subsidy

It is assumed that the subsidy scheme has corrected for the competitive distortions Norwegian yards have faced compared to foreign yards - which also have been receiving subsidies in accordance with national subsidy arrangements.

7.2 Contract and Construction Loan Subsidies to the Shipbuilding

7.2.1 Authority responsible for the subsidy

The Ministry of Industry and Energy through "A/S Eksportfinans" and "Norsk Skibs Hypothekbank A/S".

7.2.2 Legislation under which it is granted

Proposition to the Storting No. 1, Appendix 13 (1989-98).

7.2.3 Policy objective of the subsidy

Support the shipbuilding industry in Norway.

7.2.4 Form of the subsidy

Grants.
7.2.5 To whom and how the subsidy is paid

Subsidy rates applying from May 1995.

The subsidy is based on a contract subsidy given to the yard and is calculated as a percentage of the contract price of the ship.

The subsidy rates are 9 per cent for new buildings greater than ECU 10 mn and 4.5 per cent for new buildings less than ECU 10 mn and for conversions. The grants are disbursed in one instalment 7-13 months after the delivery of the ship. The scheme comprises new buildings greater than 100 gt. and conversions greater than 1,000 gt.

7.2.6 The amount of the subsidy

Total payment in NOK million in 1994: 478.9.

7.2.7 The duration of the subsidy

Starting date: 01.01.90. The scheme replaced the scheme "Interest Rate Subsidies for the Shipbuilding Industry - Long Term Financing and Construction Loans". The scheme expires when the OECD agreement on normal competitive terms in the shipbuilding industry is set into force.

7.2.8 Trade effects of the subsidy

It is assumed that the subsidy scheme has corrected for the competitive distortions Norwegian yards have faced compared to foreign yards - which also have been receiving subsidies in accordance with national subsidy arrangements.

7.3 Reduced CO₂ Tax on Mineral Oil/Coal and Coke

7.3.1 The authority responsible for the subsidy

Royal Ministry of Finance and Customs.

7.3.2 The legislation under which it is granted

The CO₂ tax rates and the tax concessions are decided by the Parliament during the annual budget process.

7.3.3 Policy objective of the subsidy

The CO₂ taxes were introduced 01.01.91 and are high compared to similar taxes that have been established or proposed in other countries. The above-mentioned tax concessions have been carried through to avoid an undesirable worsening of the concerned companies' competitive power.

7.3.4 Form of the subsidy

Tax concession.
7.3.5 To whom and how the subsidy is paid

Tax concessions for the paper and pulp industry, the fishflour industry and the cement and leca industry:

(a) Mineral oil

An excise duty is levied on mineral oil. In 1994 it consisted of a CO$_2$ tax of NOK 0.41 per litre and a SO$_2$ tax of NOK 0.07 per 0.25 per cent sulphur content and per litre. Oil with lower sulphur content than 0.05 per cent is not liable to the SO$_2$ tax. As from 01.01.95 the rate is NOK 0.415 for the CO$_2$ tax, the SO$_2$ tax being unchanged. As from 1993 the paper and pulp industry and the fishflour industry pay a tax on CO$_2$ reduced to the half, the rate being NOK 0.205 in 1994. Sectors like air service, shipping and fishing are not liable to the mineral oil tax, with the exception of coastal fishing and coastal goods transport which pay the SO$_2$ tax.

(b) Coal and Coke

A CO$_2$ tax on coal and coke was established 1 July 1992. The tax rate in 1994 was NOK 0.41 per kilo. It was increased to NOK 0.415 as from 01.01. Coal and coke used for energy purposes within production of cement and leca are exempted from the CO$_2$ tax. Industry using coal and coke as reducing agent or as raw material in industrial processes is not liable to the tax.

7.3.6 The amount of subsidy

The tax concessions in 1994 amounted to about NOK 30 million for the paper and pulp industry, to about NOK 10 million for the fishflour industry and to about NOK 90 million for the cement and leca industry.

7.3.7 Duration of the subsidy

Starting date: Reduced Coal and Coke tax: 01.07.92. Reduced mineral oil tax 01.01. Duration has not been specified.

7.3.8 Trade effects of the subsidy

The trade effects of the tax concessions have not been evaluated.

7.4 Press subsidies

7.4.1 The authority responsible for the subsidy

The Norwegian Ministry of Cultural Affairs through the Norwegian Mass Media Authority.

7.4.2 The legislation under which it is granted

Royal Decree of 07.08.84 and amendments.
7.4.3 Policy objective of the subsidy
To promote and maintain a diversified press.

7.4.4 Form of the subsidy
Grants.

7.4.5 To whom and how the subsidy is paid

The size of the grant is calculated on the basis of the individual newspaper’s per annum circulation.

Newspapers with two or more issues per week with an average circulation between 2,000 and 6,000 copies can apply for grants. In addition grants are given to newspapers in an unfavourable market position and an average circulation up to 80,000 copies. From 1989, newspapers with one issue per week and circulation of at least 1,000 copies were included in the grants scheme.

7.4.6 The amount of the subsidy
Total amount granted in NOK million in 1994: 203.

7.4.7 The duration of the subsidy
Starting date: 1969. Duration has not been specified.

7.4.8 Trade effects of the subsidy
Assumed to have no trade effects.

8. Subsidies to the fishery sector

8.1 Aid to Structural Measures and Rationalization in the Fish Processing Industry

8.1.1 Authority responsible for the subsidy
The Ministry of Fisheries.

8.1.2 Legislation under which it is granted
The aid is given in accordance to the yearly agreement between the Norwegian Fishermen’s Association and the Ministry of Government Administration.

8.1.3 Policy objective of the subsidy
To strengthen the competitive ability of the fish processing industry.

8.1.4 Form of the subsidy
Grant.
8.1.5 **To whom and how the subsidy is paid**

The subsidy is given to the fish processing industry. The number of enterprises is varying from one year to another. The subsidy is not including the fish farming industry.

8.1.6 **Amount of subsidy**

It is not possible to notify subsidy per unit. The total expenditure for 1994 was NOK 10.3 million.

For 1995 no aid is granted to structural measures and rationalization to the fish processing industry.

8.1.7 **Duration**

The subsidy is established in accordance to the agreement of 1964 between the Norwegian Fishermen's Association and the Ministry of Government Administration. The subsidy is granted for one year at a time.

There is no specific time-limit attached to it.

8.1.8 **Trade effects of the subsidy**

Statistical data showing the trade effects of the subsidy are not available.

8.2 **Transport Support**

8.2.1 **Authority responsible for the subsidy**

The Ministry of Fisheries.

8.2.2 **Legislation under which it is granted**

The subsidy is given in accordance to the agreement between the Norwegian Fishermen's Association and the Ministry of Government Administration.

8.2.3 **Policy objective and/or purpose of the subsidy**

The support is to be used partly for financing the direct costs of the transport support schemes in order to facilitate implementation of fisheries activities in specific districts.

8.2.4 **Form of the subsidy**

Grant.
8.2.5 To whom and how the subsidy is paid

The transport support are distributed to the following sales organizations:

Norway's Raw Fish Association

Fish Sales Association for Western Norway

Fish Sales Association for Rogaland County

Fish Sales Association for the Skagerak Coast

Norway's Herring Sales

The sales organizations are responsible for the distribution of the transport support to the fishing industry. Each sales organization must submit a plan showing how they intend to apply these funds so that fishing activities are secured throughout the year.

The subsidy is not including the fish farming industry.

8.2.6 Amount of subsidy

Total payment in 1994 was NOK 23.3 million.

It is not possible to notify subsidy per unit.

8.2.7 Duration

The subsidy is established in accordance to the agreement of 1964 between the Norwegian Fishermen's Association and the Ministry of Government Administration. Duration has not been specified.

8.2.8 Trade effects of the subsidy

Statistical data showing the trade effects of the subsidy are not available.

8.3 Support for Specific Fisheries

8.3.1 Authority responsible for the subsidy

The Ministry of Fisheries.

8.3.2 Legislation under which it is granted

The aid is given in accordance to the yearly agreement between the Norwegian Fishermen's Association and the Ministry of Government Administration.

8.3.3 Policy objective of the subsidy

The aid is given to specific fisheries for the purpose of converting to more profitable operations.
8.3.4 Form of the subsidy

Grant.

8.3.5 To whom and how the subsidy is paid

The subsidy is paid to the Sales Organizations. The sales organisations are responsible for the distribution of the support for specific fisheries to the fishing industry.

The funds are made available as the approved support measures are implemented.

The subsidy is not including the fish farming industry.

8.3.6 Amount of subsidy

Total payment in 1994 was NOK 4.6 million. The payment was distributed as follows:

- Crab: NOK 2.6 million
- Coastal shrimps: NOK 1.3 million
- Coastal sprat: NOK 0.7 million

8.3.7 Duration

The subsidy is established in accordance to the agreement of 1964 between the Norwegian Fishermen’s Association and the Ministry of Government Administration. Duration has not been specified.

8.3.8 Trade effect of the subsidy

Statistical data showing the trade effects of the subsidy are not available.

8.4 Marketing funds

8.4.1 Authority responsible for the subsidy

The Ministry of Fisheries.

8.4.2 Legislation under which it is granted

The aid is given in accordance to the yearly agreement between the Norwegian Fishermen’s Association and the Ministry of Government Administration.

8.4.3 Policy objective of the subsidy

The marketing funds must be used for measures that promote the sale of fish and fish products domestically and for export. Emphasis is placed on joint efforts that will strengthen the identity of Norwegian sea products in the markets. The programme is also viewed as a tool for strengthening cooperation among firms in the fishing industry.
8.4.4 **Form of the subsidy**

Grant.

8.4.5 **To whom and how the subsidy is paid**

The subsidy is paid to groups of firms that produce or sell Norwegian fish or fish products, and organizations within the fishing industry can apply for subsidies.

Consultant firms and advisors cannot apply for support on their own behalf.

The subsidy is not including the fish farming.

8.4.6 **Amount of subsidy**

The total expenditure for 1994 was NOK 4.2 million.

It is not possible to notify subsidy per unit.

For 1995 there is not granted any aid to marketing funds.

8.4.7 **Duration**

The subsidy is established in accordance to the agreement of 1964 between the Norwegian Fishermen’s Association and the Ministry of Government Administration. The subsidy is granted for one year at a time, and there is no time-limit attached to it.

8.4.8 **Trade effects of the subsidy**

Statistical data showing the trade effects of the subsidy are not available.

8.5 **Interest Rate Subsidies for Fishing Vessels for Domestic Deliveries - Long Term Financing and Construction Loans**

8.5.1 **Authority responsible for the subsidy**

The Ministry of Finance and Customs through the National Fishery Bank of Norway.

8.5.2 **Legislation under which it is granted**

Proposition to the Storting No. 73 (1985-86).

8.5.3 **Policy objective of the subsidy**

Modernization of the fishing vessels.

8.5.4 **Form of the subsidy**

Interest rate subsidy and construction loan subsidy.
8.5.5 **To whom and how the subsidy is paid**

For the shipowners: An interest rate subsidy was calculated on the basis of a hypothetical loan of 5 years, or a real loan of 5 to 12 years, repaid by even half-yearly instalments.

For the yards: A construction loan subsidy was calculated as a percentage of the contract price of the ship.

8.5.6 **The amount of subsidy**

Total amount of interest rate subsidies in NOK million in 1994: 27.6.

Nothing was paid out as construction loan subsidies.

8.5.7 **The duration of the subsidy**

Starting date: 18.04.86. Expiry date: 31.12.89.

Subsidies under the scheme are paid out in a 5 to 12 year period after the delivery of the ship and payments are therefore still taking place.

8.5.8 **Trade effects of the subsidy**

It is assumed that the subsidy scheme has corrected for the competitive distortions Norwegian yards have faced compared to foreign yards - which also have been receiving subsidies in accordance with national subsidy arrangements.

8.6 **Support to Fishing Vessels for Domestic Delivery, Contract Subsidies and Construction Loan Subsidies**

8.6.1 **Authority responsible for the subsidy**

The Ministry of Fisheries through the National Fishery Bank of Norway.

8.6.2 **Legislation under which it is granted**

Proposition to the Storing No. 1, Appendix 13 (1989-90).

8.6.3 **Policy objective of the subsidy**

The primary objective of the scheme is to support the shipbuilding industry. Secondary objective; modernization of the fishing vessels.

8.6.4 **Form of the subsidy**

Grants.
8.6.5 **To whom and how the subsidy is paid**

The subsidy is given as a contract subsidy to the shipowner and is calculated as a percentage of contract price of the ship.

The subsidy rates are 9 per cent for newbuildings and large conversions ( conversions greater than NOK 20 million) and 4.5 per cent for extensive conversions (conversions greater than NOK 2 million).

8.6.6 **The amount of subsidy**

Total amount of grants in NOK million in 1994: 23.3.

8.6.7 **The duration of the subsidy**

Starting date: 01.01.90. The scheme replaced the scheme "Interest Rate subsidies for Fishing Vessels for Domestic Delivery - Long Term Financing and Construction Loans". Duration has not been specified.

8.6.8 **Trade effects of the subsidy**

It is assumed that the subsidy scheme has corrected for the competitive distortions Norwegian yards have faced compared to foreign yards - which also are receiving subsidies in accordance with national subsidy arrangements.

8.7 **Grant for Building or Purchase of Vessels to the County Finnmark**

8.7.1 **Authority responsible for the subsidy**

The Ministry of Fisheries.

8.7.2 **Legislation under which it is granted**

Regulation on grant for building or purchase of vessels to the County of Finnmark of 09.03.95.

The yearly State Budget.

8.7.3 **Policy objective of the subsidy**

Regional.

8.7.4 **Form of the subsidy**

Grant.

8.7.5 **To whom and how the subsidy is paid**

The subsidy is given to buyer or builder of fishing vessels in Finnmark county. The grant is limited to 15 per cent of building price for a new vessel, and 15 per cent of purchase price for an old vessel.
For the building of a new vessel, or purchase of a vessel less than 10 years old, between 15-35 metres overall length.

8.7.6 Amount of subsidy
Budget 1994: NOK 2.5 million.

8.7.7 Duration
Starting date: 1989. Duration has not been specified.

8.7.8 Trade effects of the subsidy
The per cent limit and the budgeted means for the scheme, makes the trade effects virtually non-existent.

8.8 Support to Long-line Baiting Facilities

8.8.1 Authority responsible for the subsidy
The Ministry of Fisheries.

8.8.2 Legislation under which it is granted
The yearly agreement between the Government and the Norwegian Fishermen’s Organization.

8.8.3 Policy objective of the subsidy
Structural support to the fisheries sector in certain regions.

8.8.4 Form of the subsidy
Grant.

8.8.5 To whom and how the subsidy is paid
The subsidy is given to members of organized long-line baiting facilities.
In 1995 the support is limited to NOK 6 per 100 baited hooks.

8.8.6 Amount of subsidy
1994: NOK 6 per 100 hooks, total NOK 10 million.

8.8.7 Duration
Starting date: 1964 in accordance to the agreement between Norwegian Fishermen’s Association and the Ministry of Government Administration. Duration has not been specified.
8.8.8 Trade effects of the subsidy

The support is aimed at a specific region, and will most likely have limited trade effects.

8.9 Support for energy saving devices on board fishing vessels

8.9.1 Authority responsible for the subsidy

The Ministry of Fisheries.

8.9.2 Legislation under which it is granted

The yearly agreement between the Government and the Norwegian Fishermen’s Organization.

8.9.3 Policy objective of the subsidy

Environmental scheme.

8.9.4 Form of the subsidy

Grant.

8.9.5 To whom and how the subsidy is paid

The subsidy is given to registered fishermen.

Limited range of energy saving devices qualifies for the support.

The grant may cover between 25 and 50 per cent of the investment cost.

Limited to a maximum of NOK 35,000 per vessel.

8.9.6 Amount of subsidy


8.9.7 Duration

The subsidy is established in accordance with the agreement of 1964 between the Norwegian Fishermen’s Association and the Ministry of Government Administration. The subsidy is granted for one year at a time, but there is no specific time-limited attached to it.

8.9.8 Trade effects of the subsidy

Very small amounts have so far been paid out under this scheme.
8.10 Support for the formation of management groups in the coastal fleet

8.10.1 Authority responsible for the subsidy

The Ministry of Fisheries.

8.10.2 Legislation under which it is granted

The yearly agreement between the Government and the Norwegian Fishermen's Organization.

8.10.3 Policy objective of the subsidy

Structural measure to reduce costs in the fishery sector.

8.10.4 Form of the subsidy

Grant.

8.10.5 To whom and how the subsidy is paid

The subsidy is given to registered fishermen.

The group of Fishermen behind a management office must control at least 10 vessels, or represent a yearly first hand value of at least NOK 10 million. Each management office may receive up to NOK 300,000.

8.10.6 Amount of subsidy

In 1994, 3 offices received a total of NOK 0.8 million.

8.10.7 Duration

The subsidy is established in accordance to the agreement of 1964 between the Norwegian Fishermen's Association and the Ministry of Government Administration. The subsidy is granted for one year at a time, but there is no specific time-limit attached to it.

8.10.8 Trade effects of the subsidy

Statistical data showing the trade effects of the subsidy are not available. Norway considers that this subsidy has had no effect on trade.

8.11 Aid to development and rationalization in the fishing industry

8.11.1 Authority responsible for the subsidy

The Ministry of Fisheries.
8.11.2 **Legislation under which it is granted**

Regulation on aid to development and rationalization in the fishing industry of 08.02.95.

The yearly State Budget.

8.11.3 **Policy objective of the subsidy**

Fields: (1) Products and processing technology, (2) integrated sea/land production, (3) develop the cultivation of new species.

8.11.4 **Form of the subsidy**

Grant.

8.11.5 **To whom and how the subsidy is paid**

Private persons, firms and research institutions can apply for subsidies.

Main projects demand 50 per cent economic participation from private persons and firms.

8.11.6 **Amount of subsidy**

The aid granted varies depending on the project.


8.11.7 **Duration of the subsidy**

Starting date: 1994. Duration has not been specified.

8.11.8 **Trade effects of the subsidy**

Limited means, and special demands for private participation, makes the trade effects very small if at all existing.

8.12 **Research fishery**

8.12.1 **Authority responsible for the subsidy**

The Ministry of Fisheries.

8.12.2 **The legislation under which it is granted**

The yearly agreement between the Government and the Norwegian Fishermen’s Organization.

8.12.3 **Policy objective of the subsidy**

(1) research fishery, (2) development of fishing gear with good selective characteristics.
8.12.4 **Form of the subsidy**

Grant.

8.12.5 **To whom and how the subsidy is paid**

The fishing fleet and research institutions can apply for subsidies.

8.12.6 **Amount of subsidy**

The aid granted varies depending on the projects. For 1994 it was not granted any aid to this fund.

8.12.7 **Duration**

The subsidy is established in accordance to the agreement of 1964 between the Norwegian Fishermen's Association and the Ministry of Government Administration. Duration has not been specified.

8.12.8 **Trade effects of the subsidy**

Limited means makes the trade effects very small if at all existing.

9. **Aid to forestry sector**

9.1 **Tax Concessions in Forestry: The Forest Trust Fund and the 5-year Average Tax Assessment**

9.1.1 **Authority responsible for the subsidy**

Ministry of Finance/Ministry of Agriculture through the National Forest Service.

9.1.2 **Legislation under which it is granted**

Both tax assessments schemes have reference to the Property and Income Tax Act, No. 8 of 18 August 1911, Section 48, administered by the Ministry of Finance.

The Forest Trust Fund policy has in addition references to the Forestry Act of 1965 with amendments, latest by the Act No. 96 of 11 June 1993, and the following regulations:

"Regulation on tax advantages by using the Forest Trust Fund for certain purposes" of 23 August 1983.

"Regulation on the use of the Forest Trust Fund", of 20 April 1994.

"Regulation on payment into the Forest Trust Fund of scaling of round-wood" of 28 February 1994.

9.1.3 Policy objective of the subsidy

To influence resource exploitations. Due to the particular circumstances in the forestry trade, tax adjustments are made for the forest owners to promote long range investments in forestry.

9.1.4 Form of the subsidy

Tax concessions.

9.1.5 To whom and how the subsidy is paid

Forestry activities are in principle being taxed as other economical activities, either as a separate income source or in combination with other income activities that the forest owner may have. The Norwegian forest owners may however make use of the two special tax assessments:

The Forest Trust Fund is a mandatory investment scheme to encourage long range private investments in forestry based on sustainable utilization of the forest resources. The Forestry Act requires all forest owners to place into the Fund from 5-25 per cent of the gross round wood sale value. At the time of sale, the buyer automatically deducts a pre-decided percentage from the sale receipts. This amount is deposited in the forest owner trust fund account in his local bank. The money may be used for specified forestry investments.

Long range forest investments may be fully written off at the time of investment and deducted on the income tax return the year the investment is made. The amount is disbursed from the Fund Account for this investment is considered as taxable income the year the disbursement is made. However, only a certain percentage of the investment is considered as taxable income, depending on the size of the investment made, varying from 65 per cent for investments up to NOK 50,000 to 95 per cent for investments exceeding NOK 500,000.

Larger investments may require several years of accumulation on the Fund Account prior to making the investment. This entails that the forest owner receives an interest free tax credit.

The forest owner does not receive any interest made on the trust fund. According to the Forestry Act, the interest will be used for the benefit of Norwegian forestry at municipal- county- or national levels.

Average 5-year tax assessment The yearly income tax for the forest owner is based on the last 5 years average income. The system implies that it is not necessary to obtain equal yearly incomes to eliminate the consequences of the progressive taxation. It entails that the marginal tax percentage may be reduced compared to other income groups, where the single last year income is the basis for taxation. The method also implies that the forest owners receive a two year tax credit.

9.1.6 Amount of subsidy

The Forest Trust Fund In 1994, the amount distributed on a national basis from the Forest Trust Fund Accounts to investment eligible for the advantages, totalled NOK 168 million. The non-taxable amount involved totalled NOK 53 million. The subsidies involved will depend on the individual owners tax rates and have not been calculated.

Average 5-year tax assessment The total amount of subsidy in 1993 is calculated to NOK 17 million. It is assumed that the subsidy in 1994 amounted to about the same level.
9.1.7 Duration of the subsidy

The Forest Trust Fund was initiated in 1932, but established at its present system in 1965.

9.1.8 Trade effects of the subsidy

Statistical data making possible an assessment of the trade effects of the subsidy is not available.

9.2 Subsidies for Forest Management Planning

9.2.1 Authority responsible for the subsidy

The Ministry of Agriculture through the National Forest Service.

9.2.2 Legislation under which it is granted

"Regulation on subsidies for forest management planning" of 22 April 1994.

The yearly State Budget.

9.2.3 Policy objective of the subsidy

To stimulate forest management planning as a basic measure to promote sustainable forestry while including:

- active short and long term economic trade utilization of the forest resources
- compliance and development of all functions of the forest related to biological diversity, landscape, cultural inheritance and recreational activities

9.2.4 Form of the subsidy

Grants.

9.2.5 To whom and how the subsidy is paid

The subsidy is available for all owner categories and all types of operational forest land.

Provided a certain area coverage of pre-ordered individual forest management plans, the grant covers resource registration surveys of larger designated areas and preparation of individual forest management plans on the individual properties. Area registrations provide forest inventory and resource summaries. The programme also supports training in how to apply the forest management plan.

The subsidy rates are decided by the County Governor and are based on the total resource registration and plan preparation cost. The rate varies depending on registration method and individual forest ownership sizes. Priorities are given to smaller properties participating in joint municipality surveys.

Area registrations may under certain circumstances be subsidized with 100 per cent of the cost, while the rates for preparing individual forest management plan varies considerably between the regions.
Normally, subsidies are not granted to properties that have received payments from this subsidy programme within the last 10 year period.

9.2.6 **Amount of subsidy**

The budget allocations for 1994 were NOK 35 million.

On an average, the subsidies amounted to NOK 63- per hectare for the prepared forest management plans, or NOK 3250 -per individual forest property.

9.2.7 **Duration of the subsidy**

Starting date: 1971. Duration has not been specified.

9.2.8 **Trade effects of the subsidy**

Statistical data making possible an assessment of the trade effects of the subsidy is not available.

9.3 **Subsidies for Afforestation and Silviculture**

9.3.1 **Authority responsible for the subsidy**

The Ministry of Agriculture through the National Forest Service.

9.3.2 **Legislation under which it is granted**

"Regulation on subsidies for afforestation and silviculture" of 16 May 1994.

9.3.3 **Policy objective of the subsidy**

To stimulate to the establishment and the composition of quality forests at the same time as the environmental values related to biological diversity, landscape, cultural inheritance and recreational activities are attended to and further developed.

9.3.4 **Form of the subsidy**

Grants.

9.3.5 **To whom and how the subsidy is paid**

The grant is eligible throughout the country, but priority is given to Northern Norway. Western Norway and the mountainous regions to build up quality forests in non-forested areas and secure district employment. All forest owner categories with the exception of larger forest owners with an annual harvestable volume of 3,000 m³ in the forest regions of Eastern Norway are eligible. Only properties exceeding 1.0 hectare of productive forest land are eligible. Both natural- and plantation forest are included.

The grant is given either as a percentage of the total verified costs or as a per hectare subsidy. The grant may include: afforestation and regeneration (site preparation, scarification, planting, seeding, fencing, fertilization etc), supplementary work and maintenance of young forest, planning and administration works. The subsidy rates are stipulated by the County Governor, based on regional,
advisory guidelines established by the Ministry of Agriculture, and varies according to the regions involved and type of work included;

Conditional requirements: socially economically beneficial, accomplished according to professional and environmental standards, minimum treatment area of 0.2 hectares, follow-up of future maintenance work according to governmental standards. If control measures reveal that the conditional requirements are not met, the grant including interest must be repaid.

9.3.6 Amount of subsidy

The budget allocations for 1994 were NOK 121 million.

Afforestation was in 1994 subsidized with 0-70 per cent of the total cost, with a 30 per cent country average. Site preparation/scarification was on an average subsidized with NOK 480 per hectare (total grant is limited to NOK 2.3 million). Supplementary work and maintenance of young forests; clearing and pre-commercial thinning were on the average subsidized with NOK 1,920 per hectare.

9.3.7 Duration of the subsidy

Starting date: 1931. Duration has not been specified.

9.3.8 Trade effects of the subsidy

Statistical data making possible an assessment of the trade effects of the subsidy is not available.

9.4 Subsidies for Construction of Forest Roads

9.4.1 Authority responsible for the subsidy

The Ministry of Agriculture through the National Forest Service.

9.4.2 Legislation under which it is granted

"Regulation on subsidies for construction of forest roads" of 28 June 1994.

9.4.3 Policy objective of the subsidy

To construct and reconstruct forest roads for transport of round wood from the forest, to ease the access and provide possibilities for rational forest management and operation of forest land. Priority is given to regions with low income. The forest road density on productive woodland in Norway is still inadequate and varies considerably between the regions.

9.4.4 Form of the subsidy

Grants.

9.4.5 To whom and how the subsidy is paid

All forest owners are eligible for grants on woodland where forestry may be economically operated. Priority is given to the Northern, Western and the mountainous regions.
Grants may be offered for new construction of forest truck and tractor roads and for the rebuilding of existing roads resulting in a higher road standard.

The support is calculated as a percentage of the total verified costs.

The applied rates vary according to the established priorities. The maximum grant rates are; Northern Norway: 75 per cent, Western Norway and mountainous districts: 60 per cent, typical forestry regions 40 per cent.

The forest road must be planned and built according to road standards set by the Ministry of Agriculture. Financial programme and project description including environmental standards as outlined by the Ministry must be included. Additional requirements include; approved bookkeeping procedures, future maintenance routines, free road use by officials from the Ministries of Environment and Agriculture, sustainable harvesting and reforestation of woodland tributary to the road system.

If control measures reveal that the conditional requirements are not met, the National Forest Service may claim grant repayment including interest.

9.4.6 Amount of subsidy

The budget allocation amounted to NOK 85.4 million in 1994. The average annual subsidy to each road project amounts to about NOK 15-20,000 per forest owner. This corresponds to about NOK 10 per cubic metre harvested within the road area, or about 3 per cent of the gross product sale value.

9.4.7 Duration of the subsidy

Starting date: 1961. Duration has not been specified.

9.4.8 Trade effects

Statistical data making possible an assessment of the trade effects of the subsidy is not available.

9.5 Subsidy for Harvesting of Round Wood in Difficult Terrain

9.5.1 Authority responsible for the subsidy

The Ministry of Agriculture through the National Forest Service at county.

9.5.2 Legislation under which it is granted


9.5.3 Policy objective of the subsidy

Regional assistance: Job creations and a higher level of economic activity in rural regions through a sustainable utilization of the forest resources in difficult and steep terrain.
9.5.4 Form of the subsidy

Grants.

9.5.5 To whom and how the subsidy is paid

All private, community or state forests are eligible. About \( \frac{1}{4} \) of the productive forest area in Norway is classified as steep and difficult terrain. About one half of this area is further specified as extremely difficult, where the harvesting of round wood depends on the use of cable cranes or other work intensive methods. These areas are mainly located in rural districts where the population and the possibilities for employment may be low.

Certain conditional requirements related to forest management- and environmental procedures must be met to be eligible for subsidy payments.

The subsidies may be allocated per hectare harvested and are based on the steepness of the terrain and length of the hill side. Subsidies are given in harvesting areas with hill sides exceeding 75 metres in lengths and terrain steepness exceeding 60 per cent if tractor operation is possible and exceeding 40 per cent if only suited for cable crane operation.

Subsidies may also be allocated per cubic metre if the extraction involves exceptionally long terrain transport or use of more than one single harvesting system.

For operations in terrain with steepness exceeding 60 per cent and where the harvesting may be accomplished by using tractor, the subsidy rate is NOK 4,000 per hectare with a maximum of NOK 60 per cubic metre. For terrain with steepness exceeding 40 per cent, where only cable cranes may be used and the length of the winching is less than 150 metres, an equal unit rate applies. For cable operations exceeding 150 metres, the grant rate is NOK 6,000 per hectare. For terrain transport exceeding 2 km a subsidy rate of NOK 30 per cubic metre and km may be granted.

9.5.6 Amount of subsidy

The annual budget allocation amounted to NOK 13 million in 1994. The average subsidy equals NOK 46 per cubic metre, corresponding to about 15-25 per cent of the harvesting costs. The average annual grant to each receiver amounts to about NOK 10,000, with maximums of NOK 150,000.

9.5.7 Duration of the subsidy

Starting date: 1976. The intention has been to gradually reduce the allocations as proper methods are introduced and verified.

9.5.8 Trade effects of the subsidy

Statistical data making possible an assessment of the trade effects of the subsidy is not available.

9.6 Subsidies for Transport in Forestry

9.6.1 Authority responsible for the subsidy

The Ministry of Agriculture through the National Forest Service.
9.6.2 Legislation under which it is granted

"Regulation on subsidies for transport in forestry" of 11 November 1993.

9.6.3 Policy objective of the subsidy

To increase the forest activities primarily in the Western and Northern Norway by securing a delivery system of timber and round wood at acceptable prices. The Northern and Western regions are still not able to provide adequate quantities to enable the regional establishment of major wood processing industries. This implies that most round wood (especially the pulp wood) has to be transported by truck/ferry prior to shipping with ocean freighters to the existing processing industries.

9.6.4 Form of the subsidy

Grants.

9.6.5 To whom and how the subsidy is paid

All wood assortments or wood products are eligible for support, but the major part of the grant is supporting transport of pulp wood from Western Norway and hard wood to the particle board industry in Northern Norway.

The grants may be given as:

- Direct unit subsidies in NOK per cubic metres where the transport is unusually long and expensive
- Investment subsidies for infrastructures which provide for community improvements of the transport of forest products.

Investment subsidies are granted to cooperative community infrastructures - piers, docks, etc., constructed for storing and loading of round wood for transport by sea.

The transport is subsidized on the condition that the grants should only cover parts of the costs exceeding the "normal" national average. The western Norway wood transport is about twice the cost of the national average. If control measures reveal that the conditional requirements are not met, the National Forest Service may claim the grant payment including interest to be repaid.

9.6.6 Amount of subsidy

The budget allocations amounted to NOK 9.6 million in 1994.

In 1994, about 400,000 cubic metres were subsidized under the transport grant programme, which amounts to 4 per cent of the national total of round wood volume sold.

9.6.7 Duration of the subsidy

Starting date: 1976. However, it has been clearly stated in the national forest policy programme that the grant will be de-escalated as the conditions are improved. The existing grant is consequently proposed to be terminated in 1996.
9.6.8 Trade effects of the subsidy

Statistical data making possible an assessment of the trade effects of the subsidy is not available.

10. The Agricultural Sector

I. Introduction

The notification of the subsidies in the agricultural sector here presented, is aiming at giving a brief overview of the relevant agricultural subsidy programmes. The notification is in line with the previous notifications by Norway to the Committee on Subsidies and Countervailing Measures as regards extent of information. Notifications will also be presented to the Agricultural Committee within the time limits laid down in the Agricultural Agreement.

II. Information on the subsidy programmes

The replies are enumerated according to the draft questionnaire in document G/SCM/W/8, page 3.

1. The various programmes are presented under paragraphs 5 and 7 below.

2. The notification covers the schemes which entered in force 1 July 1995 and which will last until 30 June 1996.

3. Norwegian agricultural policy is implemented in pursuit of objectives concerning production, income, productivity, regional development and the environment. Important changes have taken place in the agricultural policy over the last years, and the two latter objectives are given a higher priority.

4. The maximum level for farm product prices and the fiscal support to be accorded to agriculture are laid down in the annual Agricultural Agreement between the farmers' unions and the Government. The annual Agricultural Agreement is subject to ratification and appropriation of budget funds by the Storting. Allocations for the Agricultural Agreement are made under Chapter 1150 (Ministry of Agriculture) of the State Budget. Under Chapter 1580 (Ministry of Government Administration), item 70, allocations are made for the regulation of consumer prices.

5. Support is provided for grains and oilseeds, fruits and vegetables, milk and dairy products, beef, veal, sheep, pig and poultry meat, eggs and wool. For the various sectors the below mentioned support schemes apply.

A. The milk sector

Milk producers receive a basic price support applicable equally to all output within the domestic production ceiling, due to the fact that milk production is of vital importance in several rural regions. In these regions alternative forms of agricultural production are scarce. The dairy farmers are paid a support for each litre of milk delivered to the dairy. The amount varies according to which district the farmers are located. The highest support is given in the northernmost districts.

There is no consumer price subsidies on liquid milk and cheese consumed domestically. They are paid compensation for the value added tax on these products.
A general structural support, also called structural income support, is given to each production of 30,000 litres of cow's milk and of 15,000 litres of goat's milk. The overriding object is to equalize income between large and small holdings.

B. The meat sector

Producers of sheep meat, beef and veal receive a basic price support applicable equally to all output within the domestic production ceilings.

Regionally differentiated price support to meat (except for poultry meat) is granted at rates varying both between kinds of meat and region. As with milk, the highest support is achieved in the northernmost county. In order to avoid differences in farm gate return, due to differences in the distance of farms from processing plants, a transport support is granted.

They are paid compensation for value added tax.

C. Eggs

In the eggs transport support is granted as for meat and grain. A supply control programme provides some support to the participating eggs producers.

D. Wool

The Meat Marketing Organization receives a support to maintain the Norwegian producer price for wool above the world market price level.

E. The grain sector

A new market system was introduced by the 1995-96 Agricultural Agreement. It is a policy objective to maintain the current production level on grain. To fulfil this objective there are maintained guaranteed producer prices for domestic grain and oil seeds. There are furthermore provided some transport support to grain for the same reason as given above for meat.

F. Potatoes and horticultural products

Potatoes and horticultural products receive some support under schemes aiming at regulating the market and improving the quality.

G. Headage and Acreage support

There are payments based on number of animals and cultivated area in agricultural production. This includes an acreage and cultural landscape scheme and an animal headage support. The present headage support scheme is, except for technical adjustments, identical to the former man-year support scheme.

H. Vacation and Temporary Substitute Scheme

In order to enable livestock producers vacation and time off in line with other occupational groups and wage-earners, these farmers are refunded legitimised expenses connected to hiring vacation workers on the farms under a vacation and temporary substitute scheme. The farmers must have an approved temporary substitute scheme, and the expenses must be documented.
I. Market regulation

Market regulation funds are used to regulate the market for meat, eggs, fruits, and vegetables in order to secure the target prices for the different products fixed in the Agricultural Agreement. These prices are the maximum level for the average market price over the year. Tariff reductions can be used to adjust the domestic prices. Funds necessary for market intervention are allocated in accordance with the Agricultural Agreement over the State Budget and from a producer financed levy. The funds granted over the State Budget have been significantly reduced over the last years.

6. Of the above-mentioned programmes price support schemes, structural income support schemes, the acreage and headage support schemes as well as the vacation and temporary substitute scheme are granted directly to the farmers. The rest of the programmes are market regulation schemes and other indirectly supported schemes.

7. The amount of support measured by total cost budgeted for 1994 and 1995 are listed in the tables 1 to 5 below.

Table 1  Chapter 1150, Agricultural Agreement, Mio NOK

<table>
<thead>
<tr>
<th></th>
<th>1994</th>
<th>1995</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural Development Fund</td>
<td>456.8</td>
<td>456.8</td>
</tr>
<tr>
<td>Market Regulation</td>
<td>125.1</td>
<td>114.7</td>
</tr>
<tr>
<td>Price Support</td>
<td>2,887.0</td>
<td>2911.5</td>
</tr>
<tr>
<td>Other direct payments to producer</td>
<td>7,256.0</td>
<td>6,823.4</td>
</tr>
</tbody>
</table>

Table 2  Chapter 1150, Price Support, Mio NOK

<table>
<thead>
<tr>
<th></th>
<th>1994</th>
<th>1995</th>
</tr>
</thead>
<tbody>
<tr>
<td>Milk and milk products</td>
<td>998.3</td>
<td>896.0</td>
</tr>
<tr>
<td>Beef, veal, sheep meat, pig meat</td>
<td>902.2</td>
<td>874.0</td>
</tr>
<tr>
<td>Cereals</td>
<td>714.0</td>
<td>876.4</td>
</tr>
<tr>
<td>Wool</td>
<td>202.4</td>
<td>168.1</td>
</tr>
<tr>
<td>Other</td>
<td>70.1</td>
<td>97.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,887.0</strong></td>
<td><strong>2,911.5</strong></td>
</tr>
</tbody>
</table>

---

1Source: Proposition No. 48 (1993-94) and No. 61 (1994-95) to the Storting from the Ministry of Government Administration. Note that in general both figures are preliminary.
Table 3  Chapter 1150, Other direct payments to producers, Mio NOK

<table>
<thead>
<tr>
<th>Structural income support</th>
<th>1994</th>
<th>1995</th>
</tr>
</thead>
<tbody>
<tr>
<td>Headage support, animals²</td>
<td>2,231.7</td>
<td>1,948.0</td>
</tr>
<tr>
<td>Acreage and cultural landscape scheme</td>
<td>2,803.2</td>
<td>2,874.1</td>
</tr>
<tr>
<td>Production support on market crops</td>
<td>48.6</td>
<td>55.0</td>
</tr>
<tr>
<td>Transport support, meat and eggs</td>
<td>87.2</td>
<td>84.7</td>
</tr>
<tr>
<td>Other</td>
<td>369.0</td>
<td>288.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>7,256.0</td>
<td>6,823.4</td>
</tr>
</tbody>
</table>

Table 4  Basic price support, amount per unit³ (ore⁴ per litre/kg):

<table>
<thead>
<tr>
<th></th>
<th>1.7.94-30.6.95</th>
<th>1.7.95-30.6.96</th>
</tr>
</thead>
<tbody>
<tr>
<td>Milk</td>
<td>26.5</td>
<td>22.2</td>
</tr>
<tr>
<td>Beef and veal</td>
<td>335.0</td>
<td>295.0</td>
</tr>
<tr>
<td>Sheep meat</td>
<td>490.0</td>
<td>450.0</td>
</tr>
</tbody>
</table>

Table 5  Regionally differentiated price support, amount per unit (ore per litre/kg):

<table>
<thead>
<tr>
<th></th>
<th>1.7.94-30.6.95</th>
<th>1.7.95-30.6.96</th>
</tr>
</thead>
<tbody>
<tr>
<td>Milk²</td>
<td>0/156</td>
<td>0/158</td>
</tr>
<tr>
<td>Meat⁶</td>
<td>0/1,300</td>
<td>0/1,300</td>
</tr>
</tbody>
</table>

8. The schemes are in principle one year lasting as they are the result of the annual Agricultural Agreement between the farmers’ unions and the Government which are subject to ratification by the Storting. The overall framework does usually not change from one year to another. There is, however, an ongoing process to review and evaluate the various programmes, especially as there has been an objective to reach more simple and transparent support schemes.

²The programmes have been revised, cf. reply to question 5 (A).

³Source: Same as 1.

⁴100 ore = NOK 1.

⁵10 zones, varying rates, lowest and highest cited.

⁶5 zones, varying rates, lowest and highest cited (varies also for kind of meat).
9. An assessment of the trade effects of the subsidies is not available. Below there are, however, presented statistics of production, consumption, imports and exports of the major agricultural commodities.\(^7\) For Grains, meat and eggs the 1994 data are provisional figures, and for all products the 1995 data are forecasts.

**Table 6  Cow’s milk**

<table>
<thead>
<tr>
<th>Year</th>
<th>Received by dairies</th>
<th>Consumption, million kg</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Million litres</td>
<td>Whole, lowfat and skinned milk</td>
</tr>
<tr>
<td>1991</td>
<td>1,792</td>
<td>718.7</td>
</tr>
<tr>
<td>1992</td>
<td>1,784</td>
<td>722.8</td>
</tr>
<tr>
<td>1993</td>
<td>1,780</td>
<td>703.2</td>
</tr>
<tr>
<td>1994</td>
<td>1,753</td>
<td>694.6</td>
</tr>
<tr>
<td>1995</td>
<td>1,740</td>
<td>684.4</td>
</tr>
</tbody>
</table>

**Table 7  Cheese (1,000 tons)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Production</th>
<th>Exports</th>
<th>Imports</th>
<th>Consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>78.9</td>
<td>22.3</td>
<td>2.4</td>
<td>56.3</td>
</tr>
<tr>
<td>1992</td>
<td>77.8</td>
<td>26.8</td>
<td>2.4</td>
<td>57.5</td>
</tr>
<tr>
<td>1993</td>
<td>80.1</td>
<td>22.2</td>
<td>2.4</td>
<td>60.5</td>
</tr>
<tr>
<td>1994</td>
<td>79.7</td>
<td>21.9</td>
<td>2.3</td>
<td>59.8</td>
</tr>
<tr>
<td>1995</td>
<td>81.8</td>
<td>24.4</td>
<td>2.3</td>
<td>59.7</td>
</tr>
</tbody>
</table>

**Table 8  Butter (1,000 tons)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Production</th>
<th>Exports</th>
<th>Imports</th>
<th>Consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>21.4</td>
<td>7.4</td>
<td>0.0</td>
<td>14.2</td>
</tr>
<tr>
<td>1992</td>
<td>20.2</td>
<td>5.8</td>
<td>0.0</td>
<td>13.3</td>
</tr>
<tr>
<td>1993</td>
<td>19.6</td>
<td>7.6</td>
<td>0.0</td>
<td>13.2</td>
</tr>
<tr>
<td>1994</td>
<td>17.3</td>
<td>4.0</td>
<td>0.0</td>
<td>12.9</td>
</tr>
<tr>
<td>1995</td>
<td>15.6</td>
<td>3.5</td>
<td>0.0</td>
<td>11.6</td>
</tr>
</tbody>
</table>

\(^7\)Source: Budget Committee on Agriculture for all data except data for grains which are provided by the Norwegian Grain Corporation.
### Table 9  Cereals (million kg)

<table>
<thead>
<tr>
<th>Year</th>
<th>Production</th>
<th>Imports</th>
<th>Exports</th>
<th>Consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wheat</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1991</td>
<td>245.5</td>
<td>181.1</td>
<td>5.4</td>
<td>428.1</td>
</tr>
<tr>
<td>1992</td>
<td>195.1</td>
<td>274.5</td>
<td>10.7</td>
<td>413.7</td>
</tr>
<tr>
<td>1993</td>
<td>360.2</td>
<td>243.3</td>
<td>9.3</td>
<td>489.0</td>
</tr>
<tr>
<td>1994</td>
<td>253.1</td>
<td>301.4</td>
<td>7.3</td>
<td>539.6</td>
</tr>
<tr>
<td>1995</td>
<td>363.0</td>
<td>not available</td>
<td>0.0</td>
<td>not available</td>
</tr>
<tr>
<td>Rye</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1991</td>
<td>5.0</td>
<td>28.3</td>
<td>3.0</td>
<td>38.9</td>
</tr>
<tr>
<td>1992</td>
<td>3.7</td>
<td>33.0</td>
<td>0.0</td>
<td>35.4</td>
</tr>
<tr>
<td>1993</td>
<td>12.4</td>
<td>28.4</td>
<td>0.0</td>
<td>34.1</td>
</tr>
<tr>
<td>1994</td>
<td>7.0</td>
<td>36.8</td>
<td>0.0</td>
<td>41.9</td>
</tr>
<tr>
<td>1995</td>
<td>14.0</td>
<td>not available</td>
<td>0.0</td>
<td>not available</td>
</tr>
<tr>
<td>Barley</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1991</td>
<td>660.6</td>
<td>48.9</td>
<td>0.0</td>
<td>569.8</td>
</tr>
<tr>
<td>1992</td>
<td>485.0</td>
<td>0.0</td>
<td>0.0</td>
<td>635.1</td>
</tr>
<tr>
<td>1993</td>
<td>630.0</td>
<td>46.7</td>
<td>0.0</td>
<td>767.1</td>
</tr>
<tr>
<td>1994</td>
<td>492.8</td>
<td>206.0</td>
<td>0.0</td>
<td>667.1</td>
</tr>
<tr>
<td>1995</td>
<td>649.0</td>
<td>not available</td>
<td>0.0</td>
<td>not available</td>
</tr>
<tr>
<td>Oats</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1991</td>
<td>564.8</td>
<td>0.1</td>
<td>0.0</td>
<td>489.1</td>
</tr>
<tr>
<td>1992</td>
<td>329.6</td>
<td>0.0</td>
<td>50.0</td>
<td>553.7</td>
</tr>
<tr>
<td>1993</td>
<td>379.8</td>
<td>0.0</td>
<td>0.0</td>
<td>390.7</td>
</tr>
<tr>
<td>1994</td>
<td>291.9</td>
<td>17.5</td>
<td>0.0</td>
<td>341.8</td>
</tr>
<tr>
<td>1995</td>
<td>421.0</td>
<td>not available</td>
<td>0.0</td>
<td>not available</td>
</tr>
</tbody>
</table>

^Production + Import - Export may differ from consumption figures. These differences are due to changes in stocks and storing losses. Figures for import and consumption for 1995 have not been available.
Table 10  Meat (1,000 tons)*

<table>
<thead>
<tr>
<th>Year</th>
<th>Production</th>
<th>Imports</th>
<th>Exports</th>
<th>Consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beef and veal</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1991</td>
<td>79.4</td>
<td>1.4</td>
<td>2.8</td>
<td>79.0</td>
</tr>
<tr>
<td>1992</td>
<td>83.8</td>
<td>1.3</td>
<td>5.9</td>
<td>78.6</td>
</tr>
<tr>
<td>1993</td>
<td>83.1</td>
<td>1.4</td>
<td>3.6</td>
<td>82.2</td>
</tr>
<tr>
<td>1994</td>
<td>86.7</td>
<td>2.0</td>
<td>1.4</td>
<td>86.7</td>
</tr>
<tr>
<td>1995</td>
<td>85.3</td>
<td>3.0</td>
<td>0.5</td>
<td>88.5</td>
</tr>
<tr>
<td><strong>Mutton</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1991</td>
<td>23.3</td>
<td>0.3</td>
<td>0.0</td>
<td>23.0</td>
</tr>
<tr>
<td>1992</td>
<td>23.9</td>
<td>0.2</td>
<td>0.0</td>
<td>23.7</td>
</tr>
<tr>
<td>1993</td>
<td>25.2</td>
<td>0.3</td>
<td>0.5</td>
<td>25.7</td>
</tr>
<tr>
<td>1994</td>
<td>26.0</td>
<td>0.4</td>
<td>0.0</td>
<td>25.1</td>
</tr>
<tr>
<td>1995</td>
<td>25.8</td>
<td>0.3</td>
<td>0.5</td>
<td>25.6</td>
</tr>
<tr>
<td><strong>Pork</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1991</td>
<td>85.1</td>
<td>2.8</td>
<td>1.3</td>
<td>86.1</td>
</tr>
<tr>
<td>1992</td>
<td>90.8</td>
<td>3.5</td>
<td>5.6</td>
<td>87.3</td>
</tr>
<tr>
<td>1993</td>
<td>89.8</td>
<td>5.1</td>
<td>2.8</td>
<td>93.4</td>
</tr>
<tr>
<td>1994</td>
<td>91.0</td>
<td>5.5</td>
<td>0.5</td>
<td>96.6</td>
</tr>
<tr>
<td>1995</td>
<td>93.8</td>
<td>5.0</td>
<td>0.5</td>
<td>99.0</td>
</tr>
<tr>
<td><strong>Poultry meat</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1991</td>
<td>20.2</td>
<td>0.3</td>
<td>0.0</td>
<td>21.8</td>
</tr>
<tr>
<td>1992</td>
<td>22.7</td>
<td>0.3</td>
<td>0.0</td>
<td>21.4</td>
</tr>
<tr>
<td>1993</td>
<td>22.8</td>
<td>0.3</td>
<td>0.0</td>
<td>24.2</td>
</tr>
<tr>
<td>1994</td>
<td>25.5</td>
<td>0.4</td>
<td>0.1</td>
<td>26.9</td>
</tr>
<tr>
<td>1995</td>
<td>29.5</td>
<td>0.5</td>
<td>0.1</td>
<td>28.8</td>
</tr>
</tbody>
</table>

*Production + Import - Export may differ from consumption figures due to changes in stocks.

**The data for import and export for 1991-93 differ from the 1994 notification. This may originate from different statistical sources, there the handling of transit importation may have caused differences.

***Cf. note 8.*
<table>
<thead>
<tr>
<th>Year</th>
<th>Production</th>
<th>Imports</th>
<th>Exports</th>
<th>Consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>50.3</td>
<td>0.2</td>
<td>1.7</td>
<td>47.5</td>
</tr>
<tr>
<td>1992</td>
<td>50.8</td>
<td>0.1</td>
<td>1.6</td>
<td>47.9</td>
</tr>
<tr>
<td>1993</td>
<td>51.3</td>
<td>0.1</td>
<td>2.6</td>
<td>47.5</td>
</tr>
<tr>
<td>1994</td>
<td>51.4</td>
<td>0.0</td>
<td>2.1</td>
<td>48.0</td>
</tr>
<tr>
<td>1995</td>
<td>50.9</td>
<td>0.5</td>
<td>0.9</td>
<td>48.4</td>
</tr>
</tbody>
</table>