QUESTIONS ASKED BY THE UNITED STATES ON NOTIFICATIONS OF SUBSIDIES UNDER ARTICLE XVI:1 OF THE GENERAL AGREEMENT

Reproduced herewith are questions raised by the United States on occasion of the special meeting of the Committee on 27 October 1988:

**Australia** (L/6111/Add.14)

1. On page 24, there is under Section XV on metal working machines and robots a reference to subsidies paid on "some exported items". What might these items be?

2. Is the programme referred to above the same as the export assistance programme for high technology products administered by Austrade?

3. Why did the Government of Australia not report the price support system administered by the Australian Wheat Board?

**Austria** (L/6111/Add.16)

Why did the Government of Austria not report the export financing offered by the Österreichische Kontrollbank Aktiengesellschaft (OKB) and the export assistance offered by the Austrian Federal Economic Chamber?

**Brazil** (L/6111/Add.6)

1. Why has the Government of Brazil not reported export credit and financing programmes such as FINEX (for importers of Brazilian goods) and the CIC-CREGE 14-11 Circular (for Brazilian exporters)?

2. Why has the Government of Brazil not reported the BEFIEX programme?

3. Was the income tax exemption provided by Decree-Law 1158 of 1971 and extended by Decree-Law 2134 of 1984 terminated on the scheduled termination date (31 December 1987) as reported in this notification?

**Canada** (L/6111/Add.5)

Why did the Government of Canada not report the following:

(a) export support loans and loan guarantees provided by the Ontario Development Corporation and
(b) the Quebec APEX grant programme for export market development?

**EEC (L/6111/Add.19)**

Why did the EEC not report the following:

(a) EUREKA and the RTD programme (specifically, funding levels and programme objectives for RACE, BRITE and ESPRIT),

(b) subsidization of the AIRBUS consortium,

(c) the following programmes funded by the UK government:
   1. the Fibre Optics and Optoelectronics scheme,
   2. the Microelectronics Industry Support Programme, and
   3. the Software Products Scheme, and

(d) Italian Government funded research conducted on behalf of the optical cable and optoelectronics sectors?

**Finland (L/6111/Add.2)**

What specific products or industries benefit from the technological research and development programme administered (and financed) by TEKES (a government agency under the Ministry for Trade and Industry)?

**India (L/6111/Add.4)**

Why did the Government of India not report the following:

(a) pre-shipment export loans provided by the Reserve Bank of India through commercial banks,

(b) agricultural subsidies involving deferred collection of interest and penalties, fertilizer and other input subsidies, and price supports (for wheat, rice, sugarcane, cottonseed, potatoes, onions and raw cotton), and

(c) the International Price Reimbursement Scheme (IPRS)?

**Israel (L/6111/Add.23)**

Why did the Government of Israel not report the following:

(a) Grants directly contingent upon export performance, accelerated depreciation, tax reductions and exemptions, and interest rebates provided under the Encouragement of Capital Investments Law (ECIL),
(b) an exchange rate risk insurance scheme administered by the Israeli Foreign Trade Risk Insurance Corp.,

(c) the Minimum Farm Income Guarantee Programme, and

(d) a .5 per cent export encouragement levy used to promote the sale of Israeli wines overseas?

Japan (L/6111/Add.22)

Why did the Government of Japan not report the following:

(a) special depreciation benefits under the Mechatronics Investment Promotion Tax System for small businesses that purchase or manufacture certain products including industrial robots and numerically controlled machine tools,

(b) Japanese Development Bank loans to large businesses for certain types of capital investment for the manufacture of products designated by MITI (including industrial robots and numerically controlled machine tools), and

(c) funds to the Scientific Computer Research Association (includes Fujitsu, Hitachi and NEC) under the High-Speed Scientific Computer Project sponsored by MITI’s Agency for Industrial Science and Technology (AIST)?

Korea (L/6111/Add.12)

Why did the Government of the Republic of Korea not report the following:

(a) preferential variable rate long-term loans to "promising" small and medium size firms,

(b) funding programme for the textile industry that covers production facility modernization, the development of fashion and technology, and the diversification of export markets and overseas investment, and

(c) duty-drawback on non-physically incorporated inputs?

New Zealand (L/6111/Add.20)

Why did the Government of New Zealand not report the existence and subsequent termination of the Meat Producers Board Price Support Scheme?
Sweden (L/6111/Add.15)

1. What specific products or industries benefit from the research and development grants provided by the government through the National Board of Technical Development? Can the Government of Sweden be more specific about the scope of activities covered by this support?

2. What specific industries benefit from Swedish Industrial Fund grants for large industrial development projects? Can the Government of Sweden give examples of the projects that have received funding?

Turkey (L/6111/Add.7)

Why did the Government of Turkey not report payments to exporters from the Price Support Stabilization Fund? This programme was scheduled to be terminated on 31 December 1987 but was not. When will this "temporary" export incentive programme be terminated?