

WORLD TRADE ORGANIZATION

RESTRICTED
G/SCM/Q3/THA/3
22 February 2002

(02-0926)

**Committee on Subsidies
and Countervailing Measures**

Original: English

SUBSIDIES

Requests Pursuant to Article 27.4 of the Agreement on Subsidies and Countervailing Measures

Questions Posed by the European Community

The following communication, dated 21 February 2002, has been received from the Permanent Delegation of the European Commission.

Questions by the European Communities concerning the request made by Thailand pursuant to Article 27.4 of the Agreement on Subsidies and Countervailing Measures (G/SCM/N/74/THA dated 4 January 2002)

The European Communities pose the following questions without prejudice to the final position on the request and reserve the right to ask further questions in the course of the consultations.

Q.1 Please elaborate on when and how Thailand intends to phase out these programmes for which an extension is requested.

Q.2 In footnote 1 of document G/SCM/N/74/THA it is stated that the "Machinery Upgrading Financing" programme is not to be considered to be a prohibited subsidy and therefore not relevant to the request. However, information on this scheme as contained in document G/SCM/N/71/THA would indicate that this scheme constitutes an export subsidy. (e.g. "Policy objective: To strengthen the competitive edge of Thai exporters"). Please elaborate on why this programme would not constitute a prohibited export subsidy.
