

# WORLD TRADE ORGANIZATION

G/SCM/N/71/BOL  
10 October 2002

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Committee on Subsidies  
and Countervailing Measures

Original: Spanish

## SUBSIDIES

New and Full Notifications Under Article 26.1 of the GATT 1994 and Article 25  
of the Agreement on Subsidies and Countervailing Measures

### BOLIVIA

The following communication, dated 27 September 2002, has been received from the Permanent Mission of Bolivia.

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The Permanent Mission of the Republic of Bolivia to the United Nations Office and other International Organizations in Geneva presents its compliments to the Committee on Subsidies and Countervailing Measures of the World Trade Organization and has the pleasure to forward herewith the notification of the **Free-Zone Regime** and the **Temporary Import Regime for Export Promotion** (RITEX) pursuant to Article 25 of the Agreement on Subsidies and Countervailing Measures and Article 26 of the GATT 1994.

Bolivia is submitting this notification within the framework of paragraph 6(b) of document G/SCM/W/471/Rev.1 dated 13 November 2001 and, for purposes of transparency, pursuant to Article 25 of the Agreement on Subsidies and Countervailing Measures and Article 26 of the GATT 1994 and the provisions of document G/SCM/N/74/BOL of 10 January 2002.

**1. Title of the subsidy programme, if relevant, or brief description or identification of the subsidy.**

- Free zone regime;
- Temporary Import Regime for Export Promotion, whose name was changed to "Temporary Admission Regime for Inward Processing - RITEX" by Law No. 1990 of 28 July 1999, the General Customs Law.

**2. Period covered by the notification.**

January to December 2002

**3. Policy objective and/or purpose of the subsidy.**

- To eliminate or mitigate factors which distort, delay or hinder foreign trade transactions;
- to facilitate the implementation of direct or intermodal transport modalities from countries of origin in order to simplify brokerage processes relating to the movement of goods;
- to give trade and the production sector the possibility of immediate access to imported and re-exported goods, thereby alleviating their financial costs and expediting the handling of their requirements and supply of the domestic and foreign markets;
- to redirect import trade flows;
- to promote the creation of related services;
- these objectives must be compatible within the framework of the Integration Agreements to which Bolivia is a party.

**4. Background and authority for the subsidy (including identification of the legislation under which it is granted).**

- Developing the country's production capacity, creating jobs and raising the standard of living;
- Law No. 1489 of 16 April 1993 on the Development and Tax Treatment of Exports;
- Law No. 1990 of 28 July 1999, General Customs Law;
- Regulations: Supreme Decrees No. 22410 of 11 January 1990, No. 22526 of 13 June 1999, No. 23565 of 22 July 1999, and Supreme Decree No. 25706 of 14 March 2000.

**5. Form of the subsidy**

- *Free zones* are areas on the national territory that operate on the principle of customs and fiscal segregation. Under this principle, the operations of free zones are exempt from taxes on sales. Similarly, import duties are waived in free zones.
- The *Temporary Import Regime for Export Promotion (RITEK)* allows for the temporary admission of goods to the national territory with a view to their subsequent exportation after processing. Import duties are waived under this mechanism.

**6. To whom and how the subsidy is provided**

Under the legal regulations cited in section 4 above, all industrial sectors are covered by the regulations mentioned. The mechanism entails the waiver of taxes on sales and of import duties.

**7. Subsidy per unit**

No information is available.

**8. Duration of the subsidy and/or any other time-limits attached to it, including date of inception/commencement.**

Under the Political Constitution of the State, free zone concessions may be granted for up to 40 years.

**9. Statistical data permitting an assessment of the trade effects of the subsidy.**

The statistics for 2002 activities are not available.

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