

# WORLD TRADE ORGANIZATION

**G/SCM/N/48/EEC/Add.10**  
9 November 1999

(99-4830)

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**Committee on Subsidies  
and Countervailing Measures**

Original: French

## **SUBSIDIES**

Updating Notification Pursuant to Article XVI:1 of  
the GATT 1994 and Article 25 of the SCM Agreement

EUROPEAN COMMUNITIES

### Addendum

The following addendum to the notification of the European Community relates to subsidy programmes of Luxembourg.

# LUXEMBOURG

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**I. SYSTEM OF AID TO SMALL AND MEDIUM ENTERPRISES AND INDUSTRIES**

**1. Title**

System of aid to small and medium enterprises and industries.

**2. Period covered by the notification**

1998 financial year

**3. Policy objective**

To promote productive investment by small and medium enterprises and industries.

**4. Background and authority for the subsidy**

Law of 27 July 1993 (Article 4) whose objective is:

1. Economic development and diversification;
2. improvement of the economy's overall structure and regional balance, as amended by the Law of 21 February 1997.

**5. Form of the subsidy**

Capital subsidy

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

The aid is granted by ministerial decision to small and medium enterprises and industries which meet the Community definition.

**7. Total amount budgeted**

Actual expenditure in 1998: Lux F 39.1 million

**8. Duration of the subsidy**

Indefinite

**9. Trade effects**

Not determined

## **II. SYSTEM OF REGIONAL AID**

### **1. Title**

System of regional aid

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

1998 financial year

### **3. Policy objective**

Economic development and diversification of the regions assisted.

### **4. Background and authority for the subsidy**

Law of 27 July 1993 (Article 5) whose objective is:

1. Economic development and diversification;
2. improvement of the economy's overall structure and regional balance, as amended by the Law of 21 February 1997.

### **5. Form of the subsidy**

Capital subsidy, tax exemption.

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

The aid is granted by ministerial decision to enterprises meeting the criteria in Article 5 of the law.

### **7. Total amount budgeted**

Actual expenditure in 1998: Lux F 1,241.7 million.

### **8. Duration of the subsidy**

Indefinite.

### **9. Trade effects**

Not determined

### **III. SYSTEM OF AID FOR R&D**

#### **1. Title**

System of aid for R&D

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

1998 financial year

#### **3. Policy objective**

To promote the development of technologies for new products and processes.

#### **4. Background and authority for the subsidy**

Law of 27 July 1993 (Article 6) whose objective is:

1. Economic development and diversification;
2. improvement of the economy's overall structure and regional balance, as amended by the Law of 21 February 1997.

#### **5. Form of the subsidy**

Capital subsidy

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

The aid is granted by ministerial decision to enterprises meeting the criteria in Article 6 of the law.

#### **7. Total amount budgeted**

Actual expenditure in 1998: Lux F 169.7 million

#### **8. Duration of the subsidy**

Indefinite

#### **9. Trade effects**

Not determined

**IV. SYSTEM OF AID FOR THE PROTECTION OF THE ENVIRONMENT AND RATIONAL USE OF ENERGY**

**1. Title**

System of aid for the protection of the environment and rational use of energy

**2. Period covered by the notification**

1998 financial year

**3. Policy objective**

To promote investment to protect the environment and implement new techniques for the rational use of energy and new and renewable sources of energy.

**4. Background and authority for the subsidy**

Law of 27 July 1993 (Article 7) whose objective is:

1. Economic development and diversification;
2. improvement of the economy's overall structure and regional balance, as amended by the Law of 21 February 1997.

**5. Form of the subsidy**

Capital subsidy

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

The aid is granted by ministerial decision to enterprises meeting the criteria in Article 7 of the law.

**7. Total amount budgeted**

Actual expenditure in 1998: Lux F 72.6 million

**8. Duration of the subsidy**

Indefinite

**9. Trade effects**

Not determined

Table Showing the Net Subsidy Equivalents, in Percentages and Absolute Terms,  
of Equipment Credits and Innovation Loans Granted by the Société Nationale de Crédit  
et d'Investissement in 1998

<b>1998</b>	<b>Equipment credit</b>	<b>Innovation loans</b>
<b>Net subsidy equivalent</b>	<b>(SME/SMI)</b>	
Percentage of investment	1.43	0.80
In absolute terms (Lux F)	30,473,011	6,176,401

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