

**Committee on Subsidies  
and Countervailing Measures**

Original: English

**MEMBERS' DIFFICULTIES IN MAKING SUBSIDY NOTIFICATIONS,  
AND THE PLANNED SUBSIDY NOTIFICATION SEMINAR**

Reply to Questions in document G/SCM/W/473  
of 18 December 2001

Paper Submitted by Egypt

The following communication, dated 4 February 2002, has been received from the Permanent Mission of Egypt.

**B. QUESTIONS CONCERNING DIFFICULTIES IN NOTIFYING**

**Q1. Does your government face resource constraints in trying to make subsidy notifications? If so, what are the major bottlenecks in the notification system of your government? Is the problem primarily an insufficient *number* of staff to handle the notifications, or is it more a question of insufficiently *trained* staff?**

Reply

Egypt, as a developing country, seeks to interact in world trade and fulfil its international obligations. In doing so, it faces resource constraints regarding the subsidy notifications; although there is a sufficient number of staff, they are, however, not sufficiently trained for such matters.

**Q2. Depending on your answer to question 1, above, if the notification questionnaire format could be simplified, would this make a difference to your government's ability to make the required subsidy notifications?**

Reply

Yes, it would make a difference to government ability, as it would facilitate the required subsidy notifications.

**Q3. Balancing your government's needs for as simple a format as possible against its needs to be able to understand other Members' notifications when it reviews them, how much simplification could be introduced without sacrificing transparency?**

Reply

Simplification shall be introduced to the extent that Egypt, and other developing countries which face a lack of experience regarding this matter, would absorb the requirements of the subsidy notifications, since Egypt lacks sufficient experience in this matter.

**Q4. Considering the notification format itself, and the concepts underlying it as found in SCM Articles 1-3, in your government's experience, do individuals responsible for making notifications have difficulties understanding the requirements due to the language used in the Agreement to define "subsidy", "specificity", etc.? For example, do these individuals believe that subsidies are in the nature of cash grants only, and do not encompass revenue foregone via tax and duty incentives? Could some sort of explanation be introduced into the questionnaire format to make more clear the scope of measures that are subject to notification? How might such an explanation be worded?**

Reply

Please refer to the abovementioned comment.

**Q5. Does your government experience general problems due to the formatting requirements of the notification questionnaire? In particular, does your government maintain any pre-existing information that addresses the substance of the notification questionnaire, but does not correspond to the questionnaire's format? If so, what are the specific problems that your government encounters when it tries to format the information as required by the questionnaire? If the information were to be notified in its pre-existing format, could it nevertheless be keyed to the data elements of the subsidy questionnaire?**

Reply

No. Egypt does not maintain any pre-existing information that addresses the substance of the notification questionnaire. Egypt seeks technical assistance in this field.

**Q6. In reviewing other Members' notifications, would your government find it problematic to review information that was formatted in a way other than the way foreseen in the subsidy questionnaire, but that comprehensively addressed the substantive elements of the questionnaire? How important would it be for this information to be keyed or coded to the questionnaire format?**

Reply

We think that applying one general format will simplify the notification questionnaire, since applying different formats might create problems which will raise a lot of questions and answers. One general, simple and clear format will avoid all such future problems. In addition to this, it will assist the country in fully preparing the notification, and other countries' understanding of it.

**Q7. Does your government maintain any information about its subsidy or incentive programmes on official web sites? How much would your notification of subsidies be simplified if such information could be submitted in its pre-existing format? As a reviewer of notifications, what sorts of limits should there be to the substitution of information from web sites for completed notification questionnaires? Would references to web sites be a useful supplement to substantive information provided in a notification?**

Reply

The Egyptian Government does not maintain any information about its subsidy or incentive programmes on official web sites. It uses the manual method regarding the gathering of information and data.

**Q8. Concerning General Rule 6, which requires that notification of subsidies provided “to specific products or sectors” be organized on a product- or sector-specific basis, does this rule pose problems for your government when notifying subsidies that are provided on a horizontal, rather than a product- or sector-specific basis? What are the specific steps and difficulties in preparing sector- or product-specific information for subsidies provided on a horizontal basis?**

Reply

Egypt can not answer this question as there is a lack of experience in this field.

**Q9. Does this rule present problems for notification of subsidies that are provided on a product- or sector-specific basis (e.g., some agricultural subsidies)?**

Reply

Egypt can not answer this question as there is a lack of experience in this field.

**Q10. Would a redrafting of General Rule 6 to refer to subsidies "provided on the basis of specific products or sectors" help to resolve this problem? (The idea would be to clarify that programme-based information, rather than product- or sector-specific information would be required for subsidies provided on a horizontal basis, which product- or sector-specific subsidies would continue to need to be notified on that basis.)**

Reply

Egypt can not answer this question as there is a lack of experience in this field.

**Q11. Would such a redrafting pose problems for the review of subsidy notifications, and if so, what would those problems be?**

Reply

Egypt can not answer this question as there is a lack of experience in this field.

**Q12. To what extent does the general requirement to provide statistical information on the trade effects of notified subsidies (chapeau of item 9) impede or delay the presentation of subsidy notifications?**

Reply

We think that although the said requirement does impede and delay the presentation of the notification, it is an essential requirement, and therefore there should be sufficient clarification of this requirement, in addition to the technical difficulty of developing statistical information on expenditures or budget amounts of subsidies.

**Q13. To what extent does the need to compile the specific kinds of statistical information referred to in items 9(a) and 9(b) impede or delay the presentation of subsidy notifications?**

Reply

No comment.

**Q14. How important is this statistical information about other Members' subsidies to your government when reviewing subsidy notifications? Could these reporting requirements be made less stringent in some manner? If so, how?**

Reply

No comment.

**Q15. Does your government find, in preparing subsidy notifications, that there is conceptual overlap or redundancy in some of the information elements as currently drafted?**

Reply

Egypt has no experience in this field.

**Q16. If your government believes there to be overlap, how might this be eliminated? What drafting improvements might be introduced to clarify such situations, while preserving the substantive requirements of Article 25 from which the questionnaire is drawn?**

Reply

Please refer to the above reply.

**Q17. Do the requirements to provide information on the policy objective or purpose of the subsidy, its background and authority, and to whom and how it is provided pose significant difficulties to your government in preparing its subsidy notifications? How might these requirements be simplified?**

Reply

Yes, we think there are difficulties in regarding this matter as all data is manually gathered from all sources.

**Q18. Does the requirement to furnish an explanation where a particular element of information cannot be provided pose particular difficulties to your government in preparing its notifications? If so, is there a way to simplify this requirement while preserving its substantive content?**

Reply

Yes, it poses difficulties in preparing the notification, therefore we call for more flexibility on this matter.

**Q19. Is there sufficient flexibility in item 7 of the subsidy questionnaire (information on the amounts of subsidies provided) for your government to be able to notify such information without undue difficulty? If not, is there a way to simplify this requirement while preserving its substantive content?**

Reply

We think it is flexible enough, however we refer to our comments regarding the difficulties raised from the submission of statistical data, that is to say there are technical difficulties in providing the required information.

## C. QUESTIONS PERTAINING TO THE SUBSIDY NOTIFICATION SEMINAR

**Q1. Concerning the number and nature of participants in the seminar, how many individuals in your government have day-to-day responsibility for gathering information about subsidies and for preparing and submitting subsidy notifications based on that information? If more than one, please describe the differences in these individuals' responsibilities.**

Reply

The participant will be from the competent authority according to Article 25 of the Anti-Dumping and Safeguard and WTO Unit, which is newly established, in The Ministry of Foreign Trade, which is responsible for the investigation subsidy notification according to Article 25. There is no programme notification from Egypt.

**Q2. Would it be sufficient for your government to have two participants in the seminar? If not, why not, and how many participants would be optimal from your government's point of view?**

Reply

Two participants are sufficient for the seminar.

**Q3. Would two days be a sufficient/appropriate length for the seminar? If not, what would be more appropriate?**

Reply

The length of the seminar must be from 3 to 5 days, which means that it must be extended as Egypt and the developing countries need more time to cover the clarification they need.

**Q4. Would the following schedule be appropriate: First session: detailed presentation of the basic definitions in Articles 1, 2 and 3 of the SCM Agreement, and presentation of the subsidy notification obligations in the light of these definitions. Second session: Presentations by Members concerning the specific problems they experience in preparing subsidy notifications. Third session: Information-sharing and brainstorming among Members as to possible practical solutions for the identified problems (ways to coordinate and streamline gathering and formatting of subsidy information). Fourth session: Follow-up steps to ensure that information shared and lessons learned would be retained and implemented. (It has been emphasized that to be effective, such follow-up should be immediate and intensive.) Ideas suggested to date have included establishment of informal contacts among capital-based officials, planning of future focused technical assistance activities, etc.**

Reply

In this regard, the same schedule would be divided over five days for more clarification.

**Q5. Does your government normally send capital-based representatives to the Committee's regular meetings? If not, why not?**

Reply

The Egyptian Government has sent capital-based representatives to the Committee's regular meetings since 1996.

**Q6. Does your government view this subsidy notification seminar as an important event in improving its ability to understand the subsidy rules, and to make subsidy notifications in a complete and timely manner? (That is, does your government view the seminar as a priority event for its participation?) Does your government plan to send capital-based participants to the seminar? If so, how many and what are their functions? If not, why not?**

Reply

The Egyptian Government considers the subsidy notification seminar as an important event in improving ability to understand the subsidy rules, and to make the subsidy notification in a complete and timely manner. However, the Egyptian Government insists on the participation of the WTO Unit, which is newly established in the Ministry of Foreign Trade, in order that they gain more experience.

**Q7. In the view of your government, would financial sponsorship only of participants from least-developed country Members be appropriate? If not, why not? What other objective criteria for eligibility for financial sponsorship could be developed that might be more appropriate?**

Reply

We suggest that the proposed financial sponsorship for the officials of the LDCs must include the officials of the developing countries, and for the same reason there should be at least one official from each developing country.

**Q8. If your government would be prevented from sending participants to the seminar due to financial constraints, what is the minimum level of financial sponsorship that would make it possible to send participants (e.g., airfare only, airfare and subsistence for the days in Geneva, etc.)?**

Reply

The minimum level of financial sponsorship that would make it possible to send participants must include airfare and subsistence for the days in Geneva.

**Q9. Assuming that it is not possible to finance the seminar out of existing trust funds in the WTO (a possibility currently being explored), and assuming a total budget of approximately CHF 225,000, would your government consider making a donation to finance it? If so, how much would your government be in a position to contribute?**

Reply

The Egyptian Government could not contribute due to financial constraints.

**Q10. If the seminar were financed by earmarked contributions from individual Members, and there were a surplus in the budget for the seminar (due to fewer than expected participants**

**from Members eligible for financial sponsorship, however they might be identified), how should any such surplus be disposed of? Two possible options have been discussed (I) returning the surplus to the sponsors on a pro-rata basis; or (ii) making the surplus available on a first-come, first-served basis to other developing country Members. Are there other, more appropriate, options?**

Reply

The second option is better for Egypt and the developing countries.

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