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SUBSIDIES

New and Full Notifications Pursuant to Article XVI:1
of the GATT 1994 and Article 25 of the Agreement
on Subsidies and Countervailing Measures

EUROPEAN COMMUNITIES

Addendum

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

DENMARK

AGRICULTURE AND FISHERIES

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1. Aid scheme to benefit less-favoured agricultural areas**1. Title of the subsidy**

Aid scheme to benefit less-favoured agricultural areas

2. Form of subsidy

EU-refunds: Grant

3. Amount used on the programme in 1996(final), 1997(estimated), 1998 (budget)

Mio. DKr		
1996 (F)	1997 (E)	1998 (B)
		1.8
-	-	7.2

4. Policy objective of programme

The aim is to give compensatory allowance to farmers in the less favoured areas. The less favoured areas are the islands Samsø, Læsø, Fanø and 27 small islands under the association of small islands in Denmark.

5. Duration

The grant is a yearly compensatory allowance in accordance to a yearly application.

6. Statistical data (estimate of trade effects)

The programme has no effects on trade.

7. Legal basis (Act or Order)

Legal basis: Act No. 479 of 12 June 1996, as amended by act No. 404 of 10 June 1997. Council Regulation (EC) 950/97.

8. Rules and conditions (for obtaining aid under the programme)

In order to receive the compensatory allowance the farmer has to be resident on one of the islands, that are appointed as less favoured areas. The grant is given to area- and livestock units and the maximum number of eligible units are 120. The maximum grant per farmer is approximately DKr 67,000.-.

9. It is expected that there will be about 9,000 eligible area units and 5,000 eligible livestock units on about 1,000 farms

2. Control of animal diseases and salmonella in poultry

1. Title of the subsidy

Control of animal diseases and salmonella in poultry

2. Form of subsidy

EU-refunds: Grant, Subsidy financed by recycled revenues from taxes and duties

3. Amount used on the programme in 1996(final), 1997(estimated), 1998 (budget)

Mio. DKr		
1996 (F)	1997 (E)	1998 (B)
-	1.7	2.2
1.35	0.43	30.9

4. Policy objective of programme

In relation to control of animal diseases and zoonoses compensation is paid for animals, feed etc. destroyed as part of the control programme. Compensation is paid for loss of profits due to this destruction.

5. Duration

The programme for control of animal diseases is permanent, whereas the programme for control of salmonella in poultry is limited to 1999.

6. Statistical data (estimate of trade effects)

The programmes have no effects on trade.

7. Legal basis (Act or Order)

The programmes are based on laws No. 381 1993 and 1106 1994.

8. The programmes have no effects on employment.

3. Aid to promote development of agricultural and fishery products

1. Title of the subsidy

Aid to promote development of agricultural and fishery products

2. Form of subsidy

EU-refunds:

Grant

3. Amount used on the programme in 1996(final), 1997(estimated), 1998 (budget)

Mio. DKr		
1996 (F)	1997 (E)	1998 (B)
-	14.5	8.0
182.4	187.1	254.2

4. Policy objective of programme

To promote the development of activity in primary agriculture and the manufacturing sectors of agriculture and fisheries.

5. Duration

The scheme will be revised in 2001-2002

6. Statistical data (estimate of trade effects)

Estimates on the effects on trade are not available.

7. Legal basis (Act or Order)

Legal basis: Act No. 340 of 14 May 1992, as amended.

8. Rules and conditions (for obtaining aid under the programme)

Aid can be given to commercial exploitation of the results of development projects. It is given:

- (i) to development of new products in primary agricultural sector; and
- (ii) to the development of processed products in agricultural and fishing industry; and to
- (iii) marketing of products from the agricultural and fishery sector.

re point (i) A subsidy of 40 per cent of the additional expenses of the project is granted. Fifty per cent of the additional expenses can be subsidized, if the project concerns organic production, or the value of the applicants own work constitutes a significant part of the expenses, or the project is a pilot project. Maximum aid: ECU 12,500. It is a condition that the applicant possesses the necessary skills to carry out the project. It is also a condition that the subsidy is necessary for the initiation of the project. The project must also have a genuine novelty value for the agricultural sector.

re point (ii) A subsidy of 40 per cent of the additional expenses is granted. Fifty per cent of the expenses can be subsidized up to a maximum of ECU 100,000, if more than 50 per cent of the total expenses concern basic science, or the project concerns development of organic agricultural products, or the project is a pilot project conducted by a small or medium sized enterprise. More than 50 per cent of the expenses can be subsidized, if the project is carried out by a research or development institution. It is a condition that the subsidy is necessary for the initiation of the project and that the project represents a genuine novelty value for the agricultural sector. The project must also represent an expansion of the total development activities of the applicant.

- re point (iii) A subsidy of maximum 50 per cent of the additional expenses is granted. The project must represent an expansion of the total marketing activities of the applicant and aid must be of substantial significance for the project. When certain conditions are met, there is no general maximum aid in absolute figures.

As a general rule aid is repayable, if the results of the project are used commercially. If, however, a sector as a whole (or, part of it) benefits from the subsidized activity the aid is not repayable.

9. Estimates are not available.

4. Investments for improving the processing and marketing conditions for agricultural and forestry products

1. Title of the subsidy

Investments for improving the processing and marketing conditions for agricultural and forestry products

2. Form of subsidy

EU-refunds: Grants

3. Amount used on the programme in 1996(final), 1997(estimated), 1998 (budget)

Mio. DKr		
1996 (F)	1997 (E)	1998 (B)
68.2	8.0	46.2
28.4 surplus	28.1	17.1

4. Policy objective of programme

To improve the processing and marketing conditions for agricultural and forestry products.

5. Duration

Period of present programme: 1994-1999.

6. Statistical data (estimate of trade effects)

An improvement of conditions for processing and marketing is assumed to imply more competitive products. However, the trade effects cannot be quantified.

7. Legal basis (Act or Order)

Legal basis: Act No. 89 of 23 February 1991. Implementing EEC Regulations 866/90 (951/97) and 867/90

8. Rules and conditions (for obtaining aid under the programme)

To be eligible, the investors must manufacture agricultural or forestry products. Maximum aid of up to 17.5 per cent of the eligible investment.

9. Estimates are not available.

5. Development of specific rural areas1. Title of the subsidy

Development of specific rural areas

2. Form of subsidy

EU-refunds: Grants

3. Amount used on the programme in 1996(final), 1997(estimated), 1998 (budget)

Mio. DKr		
1996 (F)	1997 (E)	1998 (B)
7.1	22.9	24.8
10.4	48.4	60.7

4. Policy objective of programme

To improve the development of specific rural areas by means of subsidizing the improvement of methods of production, development of new products etc.

5. Duration

Period of present programme: 1994-1999.

6. Statistical data (estimate of trade effects)

The programme has no effects on trade.

7. Legal basis (Act or Order)

Legal basis: Act No. 198 of 9 April 1986. Implementing EEC Regulation 2081/93.

8. Rules and conditions (for obtaining aid under the programme)

It is a condition for support that the holding is situated in certain rural areas and that the investments contribute to local development. A subsidy of up to 50 per cent is granted at a maximum of DKr 650,000. – Per holding. For projects concerning handicraft on farms or rural tourism, the maximum subsidy is DKr 360,000. - Per holding.

9. The programme has a positive effect on employment. Estimates of new or preserved jobs are not yet available.

6. Control of Mastitis and other veterinary measures

1. Title of the subsidy

Control of Mastitis and other veterinary measures

2. Form of subsidy

EU-refunds: Subsidies financed by recycled revenues from taxes and duties; Grants

3. Amount used on the programme in 1996(final), 1997(estimated), 1998 (budget)

Mio. DKr		
1996 (F)	1997 (E)	1998 (B)
-	-	-
6.6	14.6	8.7

4. Policy objective of programme

The Mastitis control-programme aims at raising the quality of milk and milk products. The veterinary assistance programme for smaller islands aims to remove the extra costs in connection with veterinary treatment for farms on islands without a local veterinarian.

5. Duration

The programmes are permanent.

6. Statistical data (estimate of trade effects)

The programmes have no effects on trade.

7. Legal basis (Act or Order)

The Mastitis control-programme is based on Order No. 853 1991.

8. Rules and conditions (for obtaining aid under the programme)

The amount of the subsidy is fixed in the annual budget. The subsidy is paid, when the dairy-organization has justified that the Mastitis control has been carried out in accordance with the said Order.

9. The programmes have no effects on employment.

7. Measures to improve the production of honey**1. Title of the subsidy**

Measures to improve the production of honey

2. Form of subsidy

EU-refunds: Grants/Other forms of subsidies and financing of working capital for public service companies.

3. Amount used on the programme in 1996(final), 1997(estimated), 1998 (budget)

Mio. DKr

1996 (F)	1997 (E)	1998 (B)
-	-	0.9
-	-	4.0

4. Policy objective of programme

The aim is to grant projects which improve the production of honey.

5. Duration

The specific projects are included in yearly national programmes. The proposed programme for 1998 aims at controlling varroasis and related diseases.

6. Statistical data (estimate of trade effects)

The programme has no effects on trade.

7. Legal basis (Act or Order)

Council regulation (EC) No. 1221/97

The national legal basis is depending on the specific project. The possibilities are:

- Act No. 813 of 21 December 1988 as amended by act No. 296 of 24 April 1996;
- Expenditure on the national Budget to The Danish Institute of Agricultural Science (Danmarks JordbrugsForskning § 24.33.03).

8. Rules and conditions (for obtaining aid under the programme)

The national programme has to be accepted by the European-Commission in order to get co-financing from EU.

The measures which may be included in the programme are: Technical assistance, control of varroasis, rationalization of transhumance, physico-chemical analyses and research programmes

9. Estimates are not available.

10. Other

The programme can include existing projects in Denmark. As regards to new projects a legal basis is expected to be made in act No. 479 of 12 June 1996 as amended.

II. FISHERIES**1. Fishing vessels – permanent cessation**1. Title of the subsidy

Fishing vessels – permanent cessation*

*: Programmes with Community co-financing

2. Form of subsidy

EU-refunds: Grants

3. Amount used on the programme in 1996(final), 1997(estimated), 1998 (budget)

Mio. DKr

1996 (F)	1997 (E)	1998 (B)
35.1	26.1	45.7
35.2	26.1	45.7

4. Policy objective of programme

Subsidy for the decommissioning of fishing vessels is granted to help achieve a balance between fleet size and fishing possibilities.

5. Duration

The programme expires in 1999.

6. Statistical data (estimate of trade effects)

The programme has no effects on trade.

7. Legal basis (Act or Order)

Act. No. 483 of 12 June 1996.

8. Rules and conditions (for obtaining aid under the programme)

Grants are given in accordance with EEC Regulations 3699/93.

9. Subsidy was granted to 15 persons/recipients

2. Support to the fishing from beaches of Western Jutland1. Title of the subsidy

Support to the fishing from beaches of Western Jutland

2. Form of subsidy

EU-refunds: Grants

3. Amount used on the programme in 1996(final), 1997(estimated), 1998 (budget)

Mio. DKr

1996 (F)	1997 (E)	1998 (B)
-	-	-
0.1	0.1	0.1

4. Policy objective of programme

To secure the fishing possibilities from beaches on the North coast of Western Jutland by maintaining hauling-up winches for vessels.

5. Duration

The arrangement is permanent.

6. Statistical data (estimate of trade effects)

The programme has no effects on trade.

7. Legal basis (Act or Order)

Act No. 483 of 12 June 1996.

8. Rules and conditions (for obtaining aid under the programme)

Subsidy is granted for the hiring of fishing consultants in order to give technical and economic advice to the fishermen.

3. Structural aid to fish processing industry1. Title of the subsidy

Structural aid to fish processing industry*

*: Programmes with Community co-financing

2. Form of subsidy

EU-refunds: Grants

3. Amount used on the programme in 1996(final), 1997(estimated), 1998 (budget)

Mio. DKr

1996 (F)	1997 (E)	1998 (B)
29.6	42.8	36.6
3.1	8.6	7.3

4. Policy objective of programme

The subsidy is based on the sector plan for the Danish fishing for 1994-1999, and aims at improving the efficiency, quality and utilization of resources in plants dealing with the processing or storage of fish and fishery products for direct human consumption.

5. Duration

The programme expires in 1999.

6. Statistical data (estimate of trade effects)

Estimates on the effects on trade are not available.

7. Legal basis (Act or Order)

Act No. 483 of 12 June 1996.

8. Rules and conditions (for obtaining aid under the programme)

Grants are given in accordance with EEC Regulations and 3699/93.

4. Subsidies for consultant activity for fishermen and aquaculture producers

1. Title of the subsidy

Subsidies for consultant activity for fishermen and aquaculture producers

2. Form of subsidy

EU-refunds: Grants

3. Amount used on the programme in 1996(final), 1997(estimated), 1998 (budget)

Mio. DKr

1996 (F)	1997 (E)	1998 (B)
-	-	-
1.7	2.4	2.4

4. Policy objective of programme

The subsidy is given to help Danish fishermen to make economically sound decisions and to take advantage of the Danish and Community structural measures according to the sector plan for the Danish fishing industry for 1994-1999.

5. Duration

The arrangement is permanent.

6. Statistical data (estimate of trade effects)

The programme has no effects on trade.

7. Legal basis (Act or Order)

Act No. 483 of 12 June 1996.

8. Rules and conditions (for obtaining aid under the programme)

Subsidy is granted for the hiring of fishing consultants in order to give technical and economic advice to the fishermen.

5. New building schemes for fishing vessels1. Title of the subsidy

New building schemes for fishing vessels*

*: Programmes with Community co-financing

2. Form of subsidy

EU-refunds: Grants

3. Amount used on the programme in 1996(final), 1997(estimated), 1998 (budget)

Mio. DKr

1996 (F)	1997 (E)	1998 (B)
0	12.3	50.0
0	3.5	10.0

4. Policy objective of programme

To secure a competitive renewal of the fishing fleet a subsidy of 30 per cent of the investment cost is granted.

5. Duration

The programme expires in 1999. The scheme is however being revised, and the last application date under the old scheme was 6 February 1998.

6. Statistical data (estimate of trade effects)

The programme has no direct effects on trade.

7. Legal basis (Act or Order)

Act No. 483 of 12 June 1996.

8. Rules and conditions (for obtaining aid under the programme)

Grants are given in accordance with EEC Regulations 2080/93 and 3699/93.

9. Unknown

10. Other

The scheme was initiated in 1997.

6. Development of the aquaculture industry

1. Title of the subsidy

Development of the aquaculture industry*

*: Programmes with Community co-financing

2. Form of subsidy

EU-refunds: Grants

3. Amount used on the programme in 1996(final), 1997(estimated), 1998 (budget)

Mio. DKr

1996 (F)	1997 (E)	1998 (B)
0	8.0	15.0
0	1.6	3.0

4. Policy objective of programme

Modernization and development of aquaculture plants.

5. Duration

The programme expires in 1999.

6. Statistical data (estimate of trade effects)

Estimates on the effects on trade are not available.

7. Legal basis (Act or Order)

Act No. 483 of 12 June 1996.

8. Rules and conditions (for obtaining aid under the programme)

Grants are given in accordance with EEC Regulations 2080/93 and 3699/93

7. Modernization of facilities harbours1. Title of the subsidy

Modernization of facilities harbours*

*: Programmes with Community co-financing

2. Form of subsidy

EU-refunds: Grants

3. Amount used on the programme in 1996(final), 1997(estimated), 1998 (budget)

Mio. DKr

1996 (F)	1997 (E)	1998 (B)
21.0	6.1	10.0
10.5	1.2	2.0

4. Policy objective of programme

Modernization and development of facilities for the handling of fish in fishing harbours.

5. Duration

The programme expires in 1999.

6. Statistical data (estimate of trade effects)

Estimates on the effects on trade are not available.

7. Legal basis (Act or Order)

Act No. 483 of 12 June 1996.

8. Rules and conditions (for obtaining aid under the programme)

Grants are given in accordance with EEC Regulations 2080/93 and 3699/93.

8. Market promotion for fishery and aquaculture products1. Title of the subsidy

Market promotion for fishery and aquaculture products*

*: Programmes with Community co-financing

2. Form of subsidy

EU-refunds: Grants

3. Amount used on the programme in 1996(final), 1997(estimated), 1998 (budget)

Mio. DKr

1996 (F)	1997 (E)	1998 (B)
0	10.8	12.5
0	10.8	12.5

4. Policy objective of programme

Promotion of new market outlets for fishery and aquaculture products.

5. Duration

The programme expires in 1999.

6. Statistical data (estimate of trade effects)

Estimates on the effects on trade are not available.

7. Legal basis (Act or Order)

Act No. 483 of 12 June 1996.

8. Rules and conditions (for obtaining aid under the programme)

Grants are given in accordance with EEC Regulations 2080/93 and 3699/93.

9. Loans to young fishermen

1. Title of the subsidy

Loans to young fishermen

2. Form of subsidy

EU-refunds: Loans at a lower rent; Guarantees

3. Amount used on the programme in 1996(final), 1997(estimated), 1998 (budget)

Mio. DKr

1996 (F)	1997 (E)	1998 (B)
-	2.0	2.2
-	-	-

4. Policy objective of programme

The aim is to help, young fishermen getting started in the fishing-sector.

5. Duration

The programme expires in 2000.

6. Statistical data (estimate of trade effects)

Estimates on the effects on trade are not available.

7. Legal basis (Act or Order)

The loan is based on law 483 1996

8. Rules and conditions (for obtaining aid under the programme)

Loans are given to young fishermen who are first time buyers of fishing vessels. The fishing vessels is security for the loan.

10. Supplementary aid for fishermen1. Title of the subsidy

Supplementary aid for fishermen*

*: Programmes with Community co-financing

2. Form of subsidy

EU-refunds: Grants

3. Amount used on the programme in 1996(final), 1997(estimated), 1998 (budget)

Mio. DKr

1996 (F)	1997 (E)	1998 (B)
0	0.1	1.5
0.7	1.5	4.4

4. Policy objective of programme

The aim is to facilitate retirement from active fishing for owners of and workers on fishing vessels, which are decommissioned with governmental assistance.

5. Duration

The programme expires in 1999.

6. Statistical data (estimate of trade effects)

Estimates on the effects on trade are not available.

7. Legal basis (Act or Order)

The subsidy is based on Act No. 1081, 1993.

8. Rules and conditions (for obtaining aid under the programme)

Grants are given in accordance with Act No. 1081, 1996.

9. Subsidy was granted to 10 persons.

11. PESCA

1. Title of the subsidy

PESCA*

*: Programmes with Community co-financing

2. Form of subsidy

EU-refunds: Grants

3. Amount used on the programme in 1996(final), 1997(estimated), 1998 (budget)

Mio. DKr

1996 (F)	1997 (E)	1998 (B)
2.7	8.6	8.9
0.3	11.7	7.6

4. Policy objective of programme

The aim is to modernize and restructure the fisheries sector and to develop other sectors in regions dependant of the fisheries sector.

5. Duration

The programme expires in 1999.

6. Statistical data (estimate of trade effects)

Estimates on the effects on trade are not available.

7. Legal basis (Act or Order)

The subsidy is based on the Danish PESCA Programme approved by the European Commission and Act No. 483 of 12 June 1996.

8. Rules and conditions (for obtaining aid under the programme)

Grants are given in accordance with EEC Regulations 4253/88 and 2052/88.

12. Modernization of fishing vessels

1. Title of the subsidy

Modernization of fishing vessels*

*: Programmes with Community co-financing

2. Form of subsidy

EU-refunds: Grants

3. Amount used on the programme in 1996(final), 1997(estimated), 1998 (budget)

Mio. DKr

1996 (F)	1997 (E)	1998 (B)
0	52.6	60.0
0	10.5	12.0

4. Policy objective of programme

The aim is to modernize the fishing fleet, and thereby improve the efficiency, quality and utilization of resources in the fisheries sector.

5. Duration

The programme expires in 1999.

6. Statistical data (estimate of trade effects)

Estimates on the effects on trade are not available.

7. Legal basis (Act or Order)

Act No. 483 of 12 June 1996.

8. Rules and conditions (for obtaining aid under the programme)

Grants are given in accordance with EEC Regulations 2080/93 and 3699/93.

III. INDUSTRY AND ENERGY**1. Grant scheme for collection and recovery of waste oil**1. Name of the programme

Grant scheme for collection and recovery of waste oil. The legal basis of the scheme is the Environmental Protection Act, article 55a and the Statutory Order no. 1179 of 23 December 1993 on grant on recovery of waste oil.

2. Form of the subsidy

Grants.

3. Amount of subsidy or subsidy per unit

A grant of DKr 1,980 of each ton waste oil, which is recovered as fuel for energy plants with license given by local authorities. In 1997 grants amounted to DKr 44.4 million in total.

4. Purpose of the subsidy

The grant is given as a compensation for the mineral oil fee in 1993 which was introduced into Danish law as a consequence of the Internal Market (EU). The aim of the grant is to secure the continued economic incentive for an environmental sound collection and recovery of waste oil through sale of the oil to energy plants.

5. Duration of the subsidy

There is no limitation on the grant scheme.

6. Assessment of the trade effects

It is not possible to give statistical information on the trade effects.

2. Subsidy scheme for Waste, Recycling and Cleaner Technology

1. Name of the programme

Subsidy scheme for Waste, Recycling and Cleaner Technology.
Stated in the Environmental Protection Act, no. 625, of 15 July 1997

2. Form of the subsidy

Grants

3. Amount of subsidy or subsidy per unit

In 1997 28 projects regarding Waste and Recycling received grant payments amounting to DKKr 22.7 million. The average grant amounted to DKKr 0.8 million. Eighty projects regarding Cleaner Technology received grant payments amounting to DKKr 60.4 million. The average grant amounted in 1997 to DKKr 0.8 million. Whether or not a project proposal receives a grant depends on an individual assessment of the project. In principal there is no maximum amount for grants given to each project.

4. Purpose of the subsidy

The scheme for Waste and Recycling aims at reducing quantities of and impact on the environment from all types of waste. Grants are given to investigations and development projects within the field of waste and recycling, material flow analyses, environment, energy, resource and economic analyses of alternative waste treatment schemes and information initiatives. The Cleaner Technology scheme aims at reducing the environmental impact of products that may occur in all phases of the product life-cycle. Grants are given to cleaner technology projects that reduces the impact on the environment of certain processes, uses less harmful substances, reduces waste of energy and raw materials in production, makes products less harmful to the environment and increases the potential for recycling. Grants are given to studies, development, demonstration and promotion of the use of cleaner technology in Danish companies.

5. Duration of the subsidy

The subsidy scheme is part of an Action Plan for Waste and Recycling valid from 1993-97 and a Cleaner Technology Action Plan also valid from 1993-97.

6. Assessment of the trade effects

It is not possible to give statistical information on the trade effects of the scheme, as the Scheme for Waste, Recycling and Cleaner Technology is not directed at specific enterprises.

3. Interest-subsidy scheme

1. Name of the programme

Interest-subsidy scheme. Supplementary appropriation request no. 3 from 13 October 1993, approved by the Parliament Finance Committee.

2. Form of the subsidy

Interest-subsidy

Under the interest-subsidy scheme a subsidy can be paid at the time a ship is delivered as an interest grant up to 9 per cent of the contract value. It can also be paid in instalment corresponding to the dates for payments of interest and instalments on the loan raised.

3. Amount of subsidy or subsidy per unit

In 1997 a total of DKr 678 mio. was subsidy out under the interest-subsidy scheme. The budget figure for 1997 is DKr 840 mio.

4. Purpose of the subsidy

The purpose of the interest-subsidy scheme is to support shipowners building ships at Danish shipyards.

5. Duration of the subsidy

The interest-subsidy scheme is available for ships contracted between 13 October 1993 and 31 December 1998 (until the "Agreement Respecting Normal Competitive Conditions in the Commercial Shipbuilding and Repair Industry" is expected to enter into force) and delivered at the latest 31 December 2001.

6. Assessment of the trade effects

Figures as at 31 December 1997:

No. of ships having received interest-subsidy: 21

No. of ships having commitment to receive interest-subsidy: 47

No. of shipyards involved: 4

The scheme has been approved by the Commission under the 7th Directive on subsidy to shipbuilding. The subsidy element varies depending on the contract value of each ship. The interest-subsidy amounts to 4.5 per cent of the contract value for ships with a contract value less than ECU 10 mio., and to 9 per cent for ships with a higher contract value. If the ship receives any other subsidy, the interest-subsidy is reduced accordingly. A ship with a contract value of ECU 10 mio. or more that

has been granted a guarantee under the Guarantee-scheme will only receive interest-subsidy amounting to % of the contract value.

4. Guarantees to the last ship. Supplementary appropriation request no. 60 from 4 November 1987

1. Name of the programme

Guarantees to the last ship. Supplementary appropriation request no. 60 from 4 November 1987, approved by the Parliament Finance Committee.

2. Form of the subsidy

The scheme provides for guarantees to shipyards for working capital up to 75 per cent of up to 80 per cent of the contract value of the last ship under construction at the shipyard concerned. In order to qualify for a guarantee the shipyard must previously have irrevocably decided that it will close and cease its activities.

3. Amount of subsidy or subsidy per unit

No guarantees have been granted under this scheme.

4. Purpose of the subsidy

The purpose of the scheme is to secure financing for the last ship being build at a shipyard that has decided to close.

5. Duration of the subsidy

The scheme is valid for ships contracted before 31 December 1998 (until the "Agreement Respecting Normal Competitive Conditions in the Commercial Shipbuilding and Repair Industry" is expected to enter into force).

6. Assessment of the trade effects

N/A. The scheme has been approved by the Commission under the 7th Directive on subsidy to shipbuilding and the subsidy element is maximum 7.5 per cent.

5. The guarantee scheme - By Bill No. 209 from 28 April 1993, Bill No. 254 from 19 April 1995 and Bill No. 292 from 28 April 1997

1. Name of the programme

The guarantee scheme. By Bill No. 209 from 28 April 1993, Bill No. 254 from 19 April 1995 and Bill No. 292 from 28 April 1997.

2. Form of the subsidy

This scheme gives the possibility to provide guarantees for loans to build ships at Danish shipyards.

3. Amount of subsidy or subsidy per unit

Guarantees for app. DKr 1,061 mio. have been granted under the scheme.

4. Purpose of the subsidy

The purpose of the guarantee scheme is to support shipowners building ships at Danish shipyards.

5. Duration of the subsidy

The scheme is available for ships contracted before 31 December 1998 (until the "Agreement Respecting Normal Competitive Conditions in the Commercial Shipbuilding and Repair Industry" is expected to enter into force).

6. Assessment of the trade effects

Figures as at 31 December 1997:

Actual no. of guarantees issued: 24

Total liability: DKr 873,491,622

No. of shipyards involved is: 4

The scheme has been approved by the Commission under the 7th Directive on subsidy to shipbuilding and the subsidy element is calculated by the Commission to 1 per cent of the contract value.

6. Guarantee Scheme for Small Cargo Ships

1. Name of the programme

Guarantee Scheme for Small Cargo Ships. By Bill no. 618 from 17 November 1976 and Bill no. 385 from 10 June 1997.

2. Form of the subsidy

This scheme gives the possibility to provide guarantees for loans to build small cargo ships at Danish shipyards.

3. Amount of subsidy or subsidy per unit

Guarantees for app. DKr 408 mio. have been issued under the scheme.

4. Purpose of the subsidy

The purpose of the guarantee scheme is to support shipowners building small cargo ships at Danish shipyards.

5. Duration of the subsidy

The scheme is available for ships contracted before 31 December 1998 and delivered before 31 December 2001.

6. Assessment of the trade effects

Figures as at 31 December 1997:

Actual No. of guarantees issued: 25

Total liability: DKr 227,070,726

No. of shipyards involved: 9

The scheme has been approved by the Commission under the 7th Directive on subsidy to shipbuilding. The Commission has calculated no subsidy element.

7. **Initiatives being carried out under the Trade and Industrial Development Act**

1. Name of the subsidy scheme or the subsidy project

Trade and Industrial Development Act. A number of initiatives are being carried out under the Trade and Industrial Development Act. The aim is to promote the competitiveness of the Danish trade and industry.

2. Form of the subsidy

Grants, guarantees, and loans which are being repaid if commercial success is achieved.

3. Subsidy per unit or total

The subsidies for the individual areas are mentioned in table 1 below. For 1997 the subsidy are equal to the subsidy of the year incl. transfers from previous years. For 1998 only the figures of the budget are stated.

It is not possible to state the individual recipients of the subsidy, as it is a question of a great number.

TABLE 1

Subsidy for individual areas

Mill. DKr	1997		1998 (Budget)	
	Promises	Payments	Promises	Payments
Export Promotion	136	107	120	129
Initiatives for SME's and Entrepreneurs	83	91	54	61
Development of Competence and Technology	574	547	505	560
Regional Industrial Development	112	67	127	129
Total	905	812	806	879

On the area of initiatives for SME's and entrepreneurs the average grant per company was approximately Dkr 200,000.

On the areas of development of Competence and Technology the average grant per company/institution was approximately Dkr 800,000.

On the area of export promotion the average grant per company was approximately Dkr 600,000 per company/institution.

On the area of Regional Industrial Development, it is not possible to state the average subsidy as the regional funds are also administered regionally, and the Agency for Development and Trade and Industry does not directly monitor the all payments to companies.

On a number of closed programmes– where no promises are now given – are not included in the table. Limited payments will continue over the next years, as projects terminate.

The general conditions for obtaining subsidy under the Trade and Industrial development Act is:

- That the company itself finance more than 2/3 of the project.
- That the results of the projects are accessible for other companies.
- That the company at least once a year files a report on the development of the project.

The specific conditions vary from initiative to initiative.

It is not possible to state the maximum limit for subsidies for each project because it depends on the amount the companies are willing to contribute and the character of the initiative.

4. Purpose of the subsidy

The general aim of the Trade and Industrial Development Act is to strengthen the trade and industrial development in Denmark. This is primarily carried out by developing the general framework-conditions for the companies.

5. Period of validity

The period of validity for the individual initiatives differs. Every year it is considered whether funding should be provided for individual initiatives and schemes.

6. Assessment of the trade effects

It is not possible immediately to estimate the business effects of the subsidies, because it is a question of horizontal initiatives, which are not restricted to specific industries.

**8. Danish Fund for Development of Enterprises.
Danish Fund for Development of Enterprises Act**

1. Name of the subsidy scheme or the subsidy project

Danish Fund for Development of Enterprises.
Danish Fund for Development of Enterprises Act.

2. Form of the subsidy

Grant, guarantees and loans on market terms, repayable in cases of success.

3. Subsidy per unit or total

The scheme is horizontal. The total financing of about 125 projects are the following:

Grant: DKr 2.0 mio.

Garanties: DKr 1.1 mio.

Repayable loan: DKr 247 mio.

Loans for Research and Development can be given up to 45 per cent of the total costs.

Loans for Market Development only to SME. Loans can be given for the develop part of experience and expert knowledge on new geo-graphical markets.

The enterprises pay interest of the loans which are being repaid if commercial success is achieved.

4. Purpose of the subsidy

The purpose with the scheme is to increase research and development activities in private enterprises and to increase the enterprises competence in new areas.

5. Duration of the subsidy

The scheme is not limited in time.

6. Assessment of the trade effects

The scheme is horizontal and the loans is given to R&D and competence (soft aid) activities in all sectors.

9. The Energy Package (CO₂- and SO₂-tax)

1. Name of the subsidy scheme or the subsidy project

The Energy Package (CO₂- and SO₂-tax).

The relevant EU-legislation is the EU-Treaty, Article 92(3c).

The relevant national legislation is:

- Law no. 417 of 14 June 1995 (CO₂-tax)
- Law no. 421 of 14 June 1995 (SO₂-tax)

2. Form of the subsidy

The CO₂- tax

The rate of the CO₂-tax is DKr 100 per tonne CO₂ discharged when the product is combusted. On 1 January 1996 the CO₂-tax on energy consumption in trade and industry in Denmark was increased and the scope of the tax was enlarged. The tax rate is gradually increasing until year 2000 as the reimbursement to industry is reduced annually.

The CO₂-tax is reimbursed differently to businesses registered for VAT depending on the energy-intensity of the different processes. When the CO₂-tax is fully implemented in year 2000, 75 per cent of the CO₂-tax will be reimbursed for energy-intensive processes. For processes which are not energy-intensive 10 per cent of the CO₂-tax will be reimbursed in year 2000. For energy products used for heating purposes no reimbursements are made.

The SO₂-tax

The SO₂-tax on all energy products was introduced 1 January 1996. The rate is DKr 10 per kg SO₂ discharged into the air or DKr 20 per kg S (sulphur) in the energy product.

A reduction in the SO₂-tax for coal is given to energy-intensive businesses, which have undertaken an energy saving action plan.

The tax revenue from the CO₂- and SO₂-tax

The revenue from the CO₂- and SO₂-tax is lead back to trade and industry as investment grants and as subsidies to the payment of the CO₂-tax if the business has made an agreement with the Ministry of Energy to undertake an energy saving action plan. Furthermore the revenue is spent on a general reduction in the taxes on labour (social contributions).

The Energy Package has been notified to the EU-Commission and the State Aid aspect has been examined. There are no net gains intended in the scheme. Since the reimbursements are available on the basis of energy-intensity to all companies, regardless of sector or region concerned and since the authorities do not have any discretionary power in the granting of reimbursements, the EU-Commission has accepted the scheme.

3. Subsidy per unit or total

Recycled revenue to trade and industry was in 1997 app. DKr 1.2 billion. When the Energy Package is fully introduced in year 2000 the recycled revenue will be app. DKr 2.1 billion.

4. Purpose of the subsidy

The environmental aim of the Danish energy tax policy is to support international endeavours to reduce emissions of carbon and sulphur and to conform nationally and internationally to agreed environmental targets.

5. Duration of the subsidy

There will be a general review of the Energy Package in 1998.

6. Assessment of the trade effects

There is no overall impact on competitiveness. The fiscal burden minus investment grants is in most sectors less than 1 per cent of the value added. The arrangement is a partial compensation for the increased fiscal burden, which the national CO₂- and SO₂-taxes place on trade and industry in Denmark.

10. The Arrangement of Industrial Zones

1. Name of the subsidy scheme or the subsidy project

Name: The Arrangement of Industrial Zones (Especially favourable fiscal conditions for industrial zones).

2. Form of the subsidy

Until the end of the income year 1999, enterprises established in an industrial zone are allowed to depreciations for fiscal purposes by double the rate on business property situated in an industrial zone, on condition that the enterprise was established in the industrial zone before the end of 1994. Until the end of 1999, the same enterprises are exempt from stamp duty on documents which concerns the enterprise's purchases of immovable property situated in industrial zones. The same enterprises are exempt from municipal land taxes and service charges on the same immovable property.

3. Subsidy per unit or total

Scope: Industrial zones are established in 10 municipalities. According to information available only a few enterprises were established in an industrial zone before the end of 1994.

4. Purpose of the subsidy

Political aim: The arrangement results from a political agreement of May 1992 on intensified efforts to active unemployed persons, and aims at a strengthening of industrial development and employment in economical exposed areas. The arrangement is a pilot scheme subject to a limited period of time and geographical restrictions, see also 3 and 4

5. Duration of the subsidy

Period: See 2.

6. Assessment of the trade effects

Statistics: The Ministry of Taxation does not possess any information whether the arrangement of industrial zones has been used in 1997.

11. Expatriate scheme according to Article 48 E of the Tax at Source Act

1. Name of the subsidy scheme or the subsidy project

Expatriate scheme according to Article 48 E of the Tax at Source Act.

2. Form of the subsidy

The possibility of a 25 per cent flat rate tax on the gross salary of scientists and key personnel becoming residents of Denmark for a limited period of time. The scheme is open to employees in all sectors.

3. Subsidy per unit or total

The most recent estimates indicate a total subsidy amount of Dkr 378 million in 1997 and Dkr 360 million in 1998. The loss of revenue may be estimated to Dkr 151 million for both 1997 and 1998. By February 1998, 944 employees were taxed under the expatriate scheme.

4. Purpose of the subsidy

Political aim: To improve Denmark's international competitiveness by promoting research and product development.

5. Duration of the subsidy

Time periods: An employee may be taxed under the expatriate scheme for a period up to three years and may subsequently remain a resident of Denmark for a period of up to four years. If the employee remains a resident of Denmark after the expiry of the four-year period the tax benefits for the three-year period will be lost.

6. Assessment of the trade effects

Statistics: The scheme is not considered to have direct consequences for trade.

12. Job training and individual job training under the Act on an active labour market policy

1. Name of the subsidy scheme or the subsidy project

Job training and individual job training under the Act on an active labour market policy

2. Form of the subsidy

Wage subsidy in the case of a net increase in the number of employees. The payment of wage subsidies may not lead to distortion of competition. It is a general subsidy scheme for unemployed persons and the scheme is not targeted on specific enterprises.

3. Subsidy per unit or total

The total amount in paid as wage subsidies in 1997 was Dkr 242 million.

4. Purpose of the subsidy

To give the unemployed a chance of maintaining or re-acquire vocational skills and qualifications which will enable them to obtain ordinary employment.

5. Duration of the subsidy

In the private sector the wage subsidy period for unemployed persons in the benefit period (the first two years) may as a maximum be one year. In the case of wage subsidies for more than six months, the employer shall offer training to the unemployed for a period corresponding to 1/2 of the subsidy period or shall employ the person concerned without any subsidy for a period corresponding the subsidy period. The employment period must be at least 6 months.

As regards unemployed persons in the activation period (the following three years) the subsidy period in job training may as a maximum be six months with the same employer. The conditions on training or subsequent employment also apply in this case. In individual job training the subsidy period may be the full period and the conditions about training or subsequent employment also apply to individual job training.

Agreements concerning job training and individual job training with a wage subsidy with private employers in an ordinary work place may not be concluded for a period expiring later than by the end of 1999.

6. Assessment of the trade effects

The number of persons starting in job training and individual job training with private employers in 1997 was 6,337 and the stock was 2,542 person. The trade consequences of the subsidy cannot be calculated as this is a matter of a general subsidy and not a subsidy to specific enterprises.

13. Enterprise allowance

1. Name of the subsidy scheme or the subsidy project

Enterprise allowance under the Act on an active labour market policy.

2. Form of the subsidy

Allowance of 50 per cent of the maximum rate of unemployment benefits for up to two and a half years to unemployed persons who set up their own business as their main occupation.

3. Subsidy per unit or total

The total amount paid in 1997 was DKr 596 million.

4. Purpose of the subsidy

To support unemployed persons who want to set up their own enterprise as their main occupation.

5. Duration of the subsidy

The enterprise allowance has been established as a scheme according to the de minimis rules.

6. Assessment of the trade effects

Number of persons starting to receive an enterprise allowance was 2,673 and the stock was 9,080 persons. It is not possible to calculate the trade consequences as it is a general support scheme and not support to specific enterprises.

14. Pilot project with subsidies to enterprises which conclude training contracts with adults

1. Name of the subsidy scheme or the subsidy project

Pilot project with subsidies to enterprises which conclude training contracts with adults.

2. Form of the subsidy

Wage subsidy during periods of practical training in an enterprise.

3. Subsidy per unit or total

The subsidy to unemployed persons amounts to DKr 40 per hour during practical training in an enterprise and DKr 35 for employed persons. The subsidy can be given during the first two and a half years of the agreed training period. In 1997 the subsidies for the whole country amounted DKr 35.3 million.

4. Purpose of the subsidy

The scheme has been introduced in order to grant financial support to enterprises which conclude vocational training contracts with unemployed persons or employees over the age of 25 years.

5. Duration of the subsidy

Subsidies to enterprises may be given in respect of training contracts concluded before 1 January 2000.

6. Assessment of the trade effects

A total number of 1,464 persons started in subsidized training in 1997.

It is not possible to estimate trade consequences as it is a matter of a general support scheme, and not subsidies to specific enterprises.

15. Pilot project concerning employment of persons with high education in small and medium-sized enterprises

1. Name of the subsidy scheme or the subsidy project

Regional pilot projects with employment of persons with high education in SMEs under the Order on management and administration of the central pool for special labour market measures.

2. Form of the subsidy

Wage subsidy. The subsidy can be paid to private enterprises with up to 50 employees in connection with recruitment of unemployed persons with high education in special project which may promote the development and growth potential of the enterprises.

It is a condition for payment of this subsidy that the projects aims at reducing or avoiding bottlenecks and/or structural problems at the regional labour market. No subsidies can be granted to recruitment of unemployed persons with high education if there is already a shortage of labour with the qualifications concerned in the region.

With a view to promoting geographical mobility subsidies may be granted for projects with the possibility of recruiting unemployed persons with high education from other regions where there is no shortage of the labour concerned.

The employees must have completed education of at least three years' duration in the form of full-time studies at a university or similar institution and must have been unemployed for a total period of five months within a period of eight months.

It is further a condition that the enterprise is not already employing highly educated persons with the same education, apart from the owner, or has done so within the past two years. The subsidy may only be granted to one employee per enterprise.

3. Subsidy per unit or total

The subsidy covers 50 per cent of the wage costs of the enterprise for the person concerned, subject to a maximum of Dkr 11,000 per month. The N
As from the date of introduction of the scheme in March 1997 and up to 24 February 1998 an amount of Dkr 2.2 million has been used on this scheme.

The subsidy is granted as *de minimis* support, cf the rules on this.

4. Purpose of the subsidy

The political objective of this scheme is to ensure the maintenance of and increase in employment by extending the growth potential of SMEs through recruitment of unemployed persons with high education in special projects.

5. Duration of the subsidy

Presently, an evaluation is being made of this scheme with a view to deciding whether the pilot project shall expire by the end of 1998 or whether it shall be extended beyond that date.

6. Assessment of the trade effects

From the start in March 1997 and up to 24 February 1998, 101 recruitment cases have been agreed or completed. The figure for 1998 is expected to be slightly higher due to phasing-in period of the project in 1997.

No calculations have been made of its trade consequences.

16. Pilot project with green employment measures in the county of Vejle

1. Name of the subsidy scheme or the subsidy project

Pilot project with subsidies to green employment measures within the regional employment service in the county of Vejle

2. Form of the subsidy

Subsidies to public institutions, private enterprises, associations, organizations, etc. in connection with planning and implementation of environmental tasks.

Subsidies may be granted for:

- establishment of teams of environment consultants among the unemployed-ed with a view to offering assistance and guidance in connection with environmental measures
- planning and implementation of training activities for employed and unemployed persons; and
- start-up costs in connection with the planning and implementation of environmental tasks.

3. Subsidy per unit or total

The total amount paid as subsidies in 1997 was DKr 6.8 million.

4. Purpose of the subsidy

To increase employment in the county of Vejle. To integrate labour market, environment and energy policies with regional industrial policy and public fields of action and thus contribute to a sustainable development in employment and the environmental field.

5. Duration of the subsidy

Pilot project running from 1 August 1996 until 31 December 1997.

6. Assessment of the trade effects

During the first 10 months of the project period 33 projects were initiated, 191 unemployed persons participated in the projects, 67 private enterprises, 16 public institutions and associations have received subsidies from the pool.

No data are available on the trade consequences of the scheme.

17. Pilot project concerning planning of training activities

1. Name of the subsidy scheme or the subsidy project

Pilot project concerning planning of training activities.

2. Form of the subsidy

Subsidies to pilot projects concerning planning of training activities in regional employment services after approval of applications/projects from the National Labour Market Authority.

3. Subsidy per unit or total

Subsidies have been granted to pilot projects in three regions (Ringkøbing, Born-holm and Funen). These pilot regions initiated projects concerning planning of training activities with subsidies to a number of enterprises in the regions. The projects run for a period of two years. The amount used for this scheme in the three regions (all enterprises) was Dkr 2.7 million in 1997.

4. Purpose of the subsidy

The purpose of these projects is to collect experience as to whether planning of training activities in private and public enterprises has positive effects in relation to maintaining, developing and creating jobs.

5. Duration of the subsidy

The projects run for a two-year period. On expiry of this period an evaluation will be carried out of the employment policy effects of the scheme.

6. Assessment of the trade effects

It is not yet possible to give statistical data concerning the pilot projects.

18. Subsidies to special measures to reduce repetitive work

1. Name of the subsidy scheme or the subsidy project

Subsidies to measures to reduce repetitive work (work which involves a health risk, etc. due to repeated performance of the same movements during a large part of the working day). The scheme is administered in accordance with Order No. 659 of 27 June 1996 issued by the Ministry of Labour.

2. Form of the subsidy

Subsidy.

3. Subsidy per unit or total

A total amount of Dkr 104 million has been earmarked for this scheme for the period 1994-1997, to both private and public enterprises, and to training and research institutions. With the exception of enterprises in the steel industry, the ship-building industry, transport, and the coal mining industry where prior approval from the European Commission is required, subsidies may be granted to all sectors where such work is found. As the main rule, subsidies may not be granted to big

enterprises in excess of the de minimis amounts permitted by the European Commission. In 1997 total subsidies amounted to DKr 12,193,893 to 35 enterprises - which means an average of DKr 348,397 per enterprise.

Subsidies may be granted for activities which aim at doing away with or reducing strains from repetitive work, including projects concerning job development, work organization developments, technological developments, development of human resources, research and documentation.

It is a condition for payment of subsidies that the enterprises send in an evaluation report for the purpose of collection and dissemination of the results of the individual projects.

4. Purpose of the subsidy

The objective of this subsidy scheme is to reduce by 50 per cent the extent of repetitive work by year 2000. In connection with the granting of subsidies to projects, it is taken into account whether it is possible to transfer the results to other enterprises and work processes.

5. Duration of the subsidy

The deadline for applications for subsidies was 31 December 1997.

6. Assessment of the trade effects

No statistical data are yet available for 1997.

19. Development and Demonstration of new Energy Technologies

1. Name of the subsidy scheme or the subsidy project

Development and Demonstration of new Energy Technologies

2. Form of the programme

Grants and loan

3. Annual subsidy

1995: 1,600,000

1996: 3,900,000

1997: 2,700,000

1998: 3,400,000

1999: 3,400,000

4. Energy political goals

Grant and loan to development and demonstration of new energy technology and products especially based from public research-projects.

5. Period of force

1995-1999.

6. Statistics

The support from the programme began in the end of 1995 and the research-projects are first completed in 1998. Therefore no statistic information available.

20. Electricity Saving Trust act number 1209 of 2 December 1996

1. Name of the subsidy scheme or the subsidy project

Electricity Saving Trust act number 1209 of 2 December 1996.

2. Form of the subsidy

Grant scheme for development, marketing, procurement and utilization of electricity saving appliances and equipment

3. Subsidy per unit or total

In 1997 the grant payment amounted to DKr 0.00.

4. Purpose of the subsidy

The objective of the grants is to promote savings in electricity in accordance with socio-economic and environmental considerations.

5. Duration of the subsidy

There is no dead line for the subsidy scheme.

6. Assessment of the trade effects

It is not possible to give statistical information on the trade effects of the grants.

21. Grant scheme for reimbursement of CO₂-tax expenses to enterprises with a high energy consumption

1. Name of the subsidy scheme or the subsidy project

Grant scheme for reimbursement of CO₂-tax expenses to enterprises with a high energy consumption.

2. Form of the subsidy

Grants.

3. Subsidy per unit or total

In 1997 grant payments amounted to DKr 25.9 million. Grants are calculated as residual tax reimbursement. Only certain energy intensive companies can obtain the grant. It is a condition that they undertake an energy audit and enter into an energy agreement with the Danish Energy Agency.

The energy agreements contains detailed lists of projects and activities the companies have to carry out. 158 private enterprises entered into an energy agreement in 1997.

4. Purpose of the subsidy

The scheme aims at reducing the emission of CO₂ from private enterprises with a high energy consumption. These enterprises may obtain reimbursement of CO₂ tax expenses if they undertake an energy audit and carry out energy saving measures.

5. Duration of the subsidy

There is no time limitation on the grant scheme. In 1998 an evaluation of the grant scheme will take place.

6. Assessment of the trade effects

It is not possible to give statistical information on the trade effects of the scheme which is a general grant scheme not directed at specific types of enterprises.

22. Grant scheme for investments in energy savings in private enterprises

1. Name of the subsidy scheme or the subsidy project

Grant scheme for investments in energy savings in private enterprises.

2. Form of the subsidy

Grants.

3. Subsidy per unit or total

In 1997 grant payments amounted to DKr 557.8 million. 4,291 private enterprises received grant payments. Grants are calculated as a percentage of the costs.

4. Purpose of the subsidy

The object of the grant scheme is to support measures which ensure better energy efficiency or energy savings in private enterprises. The scheme aims at reducing the emission of CO₂ from the enterprises.

5. Duration of the subsidy

No time limitation on the grant scheme. In 1998 an evaluation of the grant scheme will take place.

6. Assessment of the trade effects

It is not possible to give statistical information on the trade effect of the scheme. It is a general grant scheme not directed at specific types of enterprises.

23. Act No. 1088 of 20 December 1995 regarding amendments in the Electricity Supply Act

1. Name of the subsidy scheme or the subsidy project

Act No. 1088 of 20 December 1995 regarding amendments in the Electricity Supply Act, (Settling of electricity from small-scale combined heat-and power plants or electricity-production facilities which utilise biogas, waste or other renewables.)

2. Form of the subsidy

The Act foresees a guarantee for purchasing and a price for selling, which can constitute a subsidy if these two elements give an economic advantage for the small-scale combines heat-and-power plants of electricity production facilities that utilise biogas, waste or other renewables.

3. Subsidy per unit or total

N/A

4. Purpose of the subsidy

The Act secures payment to the electricity-supply enterprises that produce electricity from small-scale heat-and-power plants or utilise biogas waste or other renewables.

5. Duration of the subsidy

The system contains a de facto time-limit, as the electricity supply in the year 2003 will be able to absorb the electricity, which is produced according to this Act.

6. Assessment of the trade effects

Minimal

24. Grant scheme for electricity generation

1. Name of the subsidy scheme or the subsidy project

Grant scheme for electricity generation.

2. Form of the subsidy

Grant scheme for electricity generation.

3. Subsidy per unit or total

In 1997 grants amounted to DKr 1,074.1 million. The scheme comprises four types of grants:

- (i) A grant of DKr 0.07/kWh to generators of electricity from natural gas and/or incineration.
- (ii) A grant of DKr 0.1/kWh to generators of electricity at power stations with a mean power of 3 MW or less, and to power stations which establish collective heat supply in connection to the power station.

- (iii) Existing power stations with a mean power above 3 MW which receive DKr 0.07/kWh and are particularly in urgent need of economic support can receive up to DKr 0.03/kWh.
- (iv) A grant of DKr 0.17/kWh to generators of electricity from renewable energy or biomass except windmills owned by power stations which receive DKr 0.1/kWh.

4. Purpose of the subsidy

The objective of the grant scheme is to reduce CO₂-emissions.

5. Duration of the subsidy

The time limitations corresponding to above mentioned types of grants are:

In general the agreement runs for 10 years however with the following exceptions:

For Industrial power stations the grants are limited to 6 years and for power stations with a mean power of 4 MW or less the generation of electricity will be subsidized for a maximum of eight years.

The DKr 0.03/kWh grant is limited to five years.

6. Assessment of the trade effects

It is not possible to present statistical information on the trade effects of the scheme.
