

WORLD TRADE ORGANIZATION

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Committee on Subsidies
and Countervailing Measures

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SUBSIDIES

Questions from the UNITED STATES Regarding the New and Full Notification of the EUROPEAN COMMUNITIES¹

The following communication, dated 5 August 2002, has been received from the Permanent Mission of the United States.

The following are questions on the New and Full Subsidies Notifications for the following Member States of the European Communities: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Portugal, Spain and the United Kingdom.

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AUSTRIA (G/SCM/N/71/EEC/Add.1)

A. For each programme listed below, please answer the following questions:

- **Regional Innovation Programme**
- **ERP-SME-Technology Programme**
- **Special ERP-Programme for a Technology Growth Initiative; Part “R&D-Growth Programme, R& D Cooperation Projects**
- **Special ERP-Programme for a Technology and Growth Initiative; Part “SME Technology Growth Programme”**
- **Guidelines on the Granting of Aid to the Management of Abandoned Polluted Sites**
- **“K-Plus” Competence Centres’ Programme**
- **Assistance to Research, Development**
- **Innovation and Flexible Automation**

1. What are the eligibility criteria for receiving subsidies under the programme?

2. If the policy objective includes subjective descriptions of potential aid recipients, please provide a description of those terms (e.g., “innovative investment projects” “rapidly growing enterprises”).

B. For the two programmes listed below, please answer the following questions:

¹ G/SCM/N/71/EEC/Add.1-9, 11, 12, 13 and 15.

- **ERP-Regional Programme**
- **ERP-Technology Programme**

1. What are eligibility criteria for receiving subsidies under the programme?
 2. How many aided projects took place inside “Nationally Regionally Assisted Areas”, and how many took place outside?
- C. For each programme below, please answer the following questions:

- **Guarantees by the Financing and Guaranteeing Company, Ltd. Pursuant to Chapter 1 of the Guarantee Act of 1977**
- **Guarantees by the “East-West-Fund” pursuant to Chapter 11 of the Guarantee Act of 1977 within the framework of Co-financing Agreements**
- **Guarantees by the Financing and Guaranteeing Company, Ltd., within the framework of the “Technology Financing Programme”**

1. Please provide an illustrative list of the types of projects that received aid under the programme?
2. What are the total amounts of aid awarded under this programme?
3. What are the eligibility criteria for project selection, and how is the subsidy allocated among the chosen recipients?
4. What types of guarantees are provided?

- D. For each programme listed below, please answer the following questions:

- **Grants by the Financing and Guaranteeing Company, Ltd. Pursuant to Chapter 1b**
- **Section 1 of the Guarantee Act of 1977**
- **Financial Assistance by the Financing and Guaranteeing Company, Ltd., to the Rescue of Enterprises pursuant to Chapter 1b Section 2 of the Guarantee Act of 1977**
- **Guarantees by the “East-West-Fund” pursuant to Chapter 11 of the Guarantee Act of 1977**
- **Assistance by means of the “Study-Fund” pursuant to Chapter 1b Section 1 and Chapter 12 of the Guarantee Act of 1977**
- **Special Programme for the National Park Region “Hohe Tauern” in Tirol**
 - Guarantees by the Tyrolean Credit Guaranteeing Company**
- **Special Programme for the Strengthening of the Tyrolean Economy (“Impact Package Tyrol”)**
- **Regional Planning Assistance Focal Point Programme (RFAFPP) 1996-2000 - Focal point: “Regional Planning Relocation Programme”**
- **Regional Planning Assistance Focal Point Programme (RFAFPP) 1996-2000 - Focal point: “Assistance to Initiatives in the Field of Agricultural Marketing**
- **Austrian Industrial Research Promotion Fund (AIRPF)**
- **Assistance Measures by the Lower Austrian Border Region Promotion Company, Ltd.**
- **Job Premium in Assisted Areas No. 1 of Lower Austria**
- **Programme to Promote the Establishment of Enterprises**
- **Regional Investment Programme**
- **Lower Austrian Innovation, Technology, Research and Development Programme**
- **Lower Austrian Participation Model**

- Assistance pursuant to Chapter 27A of the Labour Market Promotion Act (LMPA) 1969 as amended in 1994
- Assistance pursuant to Chapter 35A of the Labour Market Promotion Act (LMPA) 1969 as amended in 1994
- Assistance pursuant to Chapter 51A Sections 3 to 5 of the Labour Market Promotion Act (LMPA) 1969 as amended in 1994
- Assistance to the Industrial Waste Water Management by means of the Region of Styria
- Assistance by Non-repayable Cash Grants
- Assistance by Guarantees for Credits and Loans
- Patent Application Assistance Programme
- ITF-Seed Financing Programme
- Business Structure Improvement Programme 1997-1999
- Assistance to the Internationalization of Small and Medium-sized Enterprises
- Guideline to Styrian Economic Assistance
- Technology-Impact-Programme (TIP)
- Process-Innovation-Programme (PIP)
- Assistance to the Structural Renewal of the Styrian Basis and Finished Products Industries
- Tyrolean Pub Promotion Programme
- Assistance to Industrial Research and Development Projects
- Assistance within the framework of the Innovation and Technology Fund (ITF)
- Assistance to Industrial Competence Centers and Competence Networks
- Assistance to ECO Plus Lower Austrian Regional Development Agency, Ltd. to Regional Investment Projects in Lower Austria

1. List the types of projects and/or enterprises that received aid under this programme.
2. What are total amounts of aid awarded under this programme? (Breakdown by various form of subsidy if applicable.)
3. What are the eligibility criteria, and how is the subsidy allocated among the chosen recipients?
4. Are any conditions imposed on recipients? If yes, what are they and how do they differ according to the type of aid given?

E. Business Structure Improvement Programme 1997-1999, Regional Aid Component

1. List the types of project and/or enterprises that received aid under this programme?
2. What is the total amount of aid awarded under this programme? (Breakdown by various form of subsidy if applicable.)
3. What are the eligibility criteria, and how is the subsidy allocated among the chosen recipients?
4. What are the "National regionally assisted Areas"?

BELGIUM (G/SCM/N/71/EEC/Add.2)

Tax Measures to Promote Investment

1. Please explain more fully who is eligible for this subsidy. Is the programme targeted at all firms involved in research and development, energy-saving sectors and SMEs?
2. What is the rate of deduction for investments in the research and development and energy-savings sectors?

Research and Development Aid

1. Who is eligible to receive funding under this programme? Are all businesses in every industry eligible for aid?
2. Can a business receive a Federal State subsidy and a jointly financed subsidy by the Federal State and the local regions for the same project?
3. What is the maximum amount (percentage) of individual research and development projects financed under this programme?
4. Does this programme only cover pre-competitive research?

Brussels-Capital Region Aid for Economic Growth

1. Which sectors received aid in the “general investment” category?

Subsidies for Basic Industrial Research

1. Please provide the background and authority for this programme.
2. How are “regional enterprises” defined under this programme? Are subsidies under this programme limited to certain industrial sectors?

Prototype Advances

1. Please provide the background and authority for this programme
2. Please explain in greater detail what is meant by “repayable upon marketing”. What percent of funded products are repaid under this programme?
3. Have Belgium steel companies benefited from this programme?

European Programmes

1. Please confirm the title of this programme.
2. Please provide the background and authority for this programme.

Aid for Promotion of Foreign Trade

1. Please explain in detail the eligibility criteria under this programme. Is the subsidy contingent upon exportation?

2. Please provide the duration of the programme.

Walloon Region-Aid to Disadvantaged Regions

1. How many companies benefit from subsidies under this programme?
2. What are the principal industry sectors that benefit from this programme?

Walloon Region-Research and Technology Aid

1. How is the repayment period determined? What is the maximum amount of time over which a company may repay its loan? Is the total amount of advances to be repaid for applied research projects?
2. What are the principal industry sectors that benefit from this programme?

Flemish Region-Aid to Economic Growth

1. How many companies benefit from subsidies under this programme?
2. What are the principal industry sectors that benefit from this programme?

Flemish Region-Economic Adjustment

1. Please provide the terms of loans provided.
2. Please explain what and how the interest rates are determined.
3. What are the principal industry sectors that benefit from this programme?
4. Does the Belgian steel industry benefit from this programme?

Aerospace/Commercial Aircraft Development

1. It is our understanding that Belgium provides subsidies and other support to aid the civil aviation industries, including companies involved in supplying components to Airbus, such as Belairbus. We kindly request that Belgium please notify any such aid, including programmes which provide exchange rate guarantees.
2. Could Belgium also provide information concerning any "Launch Aid" or similar types of support provided to aerospace industries?

DENMARK (G/SCM/N/71/EEC/Add.3)

I. MINISTRY OF TRANSPORT

Environmental grants to freight transport by rail

1. How do these subsidies achieve the goal to secure a more environmentally sustainable freight transport?
2. Do subsidies under this programme provide incentives for enterprises to use rail transport vis-à-vis other forms of transportation, and if so, how?
3. What is the duration of this programme?

V. MINISTRY OF FOOD, AGRICULTURE AND FISHERIES

Investments for Improving the Processing and Marketing Conditions for Agricultural and Forestry Products

1. Is the aid being provided for marketing the products in foreign markets? If so, is this a requirement for receipt of aid under this programme?

**Experimental Fishing and Fish Processing Development
Fishery
Innovative Actions etc.**

1. For each of the above listed programmes, could Denmark please provide the authority, background, and the duration of the subsidy?
2. With regards to the Experimental Fishing and Fish Processing Development programme, can Denmark please provide further information regarding this subsidy, including the eligibility criteria, types of projects and activities funded, duration, and total annual amount budgeted?

VI. MINISTRY OF BUSINESS AND INDUSTRY

Subsidy notifications 2000/2001

1. Could Denmark please explain what the eligibility criteria are for assistance under these programmes and what types of activities are funded?
2. How many companies received assistance under the Development of Competence and Technology Programme?

Business Development Finance Act

1. Please provide the terms of repayment for the loans. What is the maximum amount of time over which a company may repay its loan?
2. How is the objective to “increase internationalization” under this programme met by these subsidies?

VII. MINISTRY OF ENVIRONMENT AND ENERGY, AGENCY FOR NATURAL FOREST AND NATURE

Product Development Scheme for Forestry and Wood Working Industry

1. Is the pulp and paper industry eligible to receive subsidies under this programme?

IX. MINISTRY OF ENVIRONMENT AND ENERGY, AGENCY FOR ENERGY

The Possibility to Include Losses Realised on Investments in Co-Ordinated Activities in the Price of Electricity (SEAS-Act)

1. Please explain how “distressed” enterprises are defined.
2. Please explain what the form of this subsidy is.
3. How many Danish companies received subsidies under this programme?

FINLAND (G/SCM/N/71/EEC/Add.4)

Loan Programme for SME's (Finnvera plc)

Development Loan Programme for SME's (Finnvera plc)

Start-Up Loan Programme for Entrepreneurs (Finnvera plc)

1. For each of the above programmes, could Finland please indicate what the repayment terms for the loans are? What is the maximum amount of time over which a company may repay its loan?

Aid to Business Act (1068/2000)

1. As stated in the notification, this programme came into force 1 January 2001 and has replaced other aid schemes. Please explain why the programme was not fully notified. Does Finland intend to notify this programme in its 2001 notification?

Aid for Research and Development

1. What are the eligibility criteria to receive assistance under this programme? Is assistance under this programme limited by sectors or regions?

2. How is it determined that the aid will be in the form of a grant, soft loan or capital loan?

3. What are the terms on the loans offered under this programme?

FRANCE (G/SCM/N/71/EEC/Add.5)

SME SCHEMES

Regional Employment Premium (PRE)

1. According to the notification, it is stated that the amounts for the subsidy can be F10,000, 20,000 or 40,000 for each job that is created. How is it decided which enterprise receives which amount?

SME Development Fund (FDPME)

1. Could France please identify the form and terms of the subsidy (grant, loan, tax etc.) granted under this programme?

REGIONAL SCHEMES

Tax Exemption for New Activity

1. The notification states that the benefits under this programme are for 8 years and that the scheme closed January 1999. For clarification purposes, does this mean that benefits will cease in 2007?

R&D SCHEMES

Tax credit to promote research

1. What types of research activities does this programme fund?
2. What stage of research does this programme fund?

Industrial Innovation Fund (FII)

1. How many firms received subsidies under this programme during the notification period?
2. How are “large-scale, strategically or commercially important civilian projects” defined? Could France please illustrate the types of industrial sectors represented?
3. Does this programme only fund projects aimed at bringing new products to market, or also existing ones?
4. How is the repayment period determined? What is the maximum amount of time over which a company may repay its loan?
5. In the event of the project’s failure, is the company completely relieved of any repayment obligations?

ATOUT-PUMA

1. How many firms received subsidies under this programme during the notification period?
2. What types of industry sectors are involved in the acquisition of “dissemination technologies”?

Aid to Research Institutions in the Civil Aviation Sector

1. What types of research activities are funded under this programme?
2. Are these subsidies solely for the purchase of equipment?
3. Is this aid also available to commercial enterprises?

Aid to Civil Aviation Research and Development

1. What stage of research is funded under this programme?
2. What types of projects are currently being funded under this programme?
3. On average, how many projects are funded under this programme each year?
4. Could France please explain what the selection process is for the programme? Do enterprises have to re-submit a new application every year? What are the criteria that enterprises must meet in order to receive the benefits from the programme?

Aerospace/Commercial Aircraft Development

1. It is our understanding that France provides subsidies and other support to aid the civil aviation industries, including companies involved in supplying components to Airbus. We kindly request that France please notify any such aid, including programmes which provide exchange rate guarantees.
2. Could France also provide information concerning any "Launch Aid" or similar types of support provided?

GERMANY (G/SCM/N/71/EEC/Add.6)

FEDERAL PROGRAMMES

Interest-Rate Grants to Finance Orders to German Shipyards (Werfthilfen)

1. Please identify and explain the criteria used to determine eligibility for receipt of support under this programme?
2. How many companies received aid under this programme in 2000?
3. Please identify and explain the duration of this programme and other time limits attached to it.

Competition Aid for German Shipyards (Wettbewerbshilfe)

1. Please identify and explain the criteria used to determine eligibility for receipt of support under this programme?
2. How many companies received aid from this programme in 2000?
3. May companies receiving interest-rate grants under the “Werfthilfen” programme also receive aid under this programme?
4. Which Federal Länder participate in this programme?

SUB-FEDERAL PROGRAMMES

Bavarian programme in support of commerce and industry

1. Please explain what is meant by “assisted investment volume”?
2. How are structurally weak areas defined under this programme?

Reduction to Between 3 and 5 per cent of the Rates Payable on Inheritable Land-Use Rights in the Case of Projects Worthy of Special Promotion of Manufacturing Firms Depending on the Degree of Use of the Buildings (Berlin)

1. Please identify and explain criteria used to determine eligibility for receipt of support under this programme?
2. How many companies received aid from this programme in 2000?

Consolidation Programme of the Land Mecklenburg-Western Pomerania of the Granting of Public Financial Aid to Small and Medium-Sized Commercial and Industrial Enterprises - Special Fund to Support Companies

1. How many companies received aid from this programme in 2000?
2. At what interest rates were the loans made?
3. Are there any restrictions placed on how this money is spent? Please also explain what types of activities are funded under this aid programme.

Joint Scheme on “Improving the Regional Economic Structure”

1. How many companies received aid from this programme in 2000?

Regional Economic Support Programme (North-Rhine-Westphalia)

1. How many companies received aid from this programme in 2000?
2. Are there any limitations or specifications on how this aid is spent when awarded?
3. Can the duration of this programme be extended?

Regional Aid Programme of Rhineland-Palatinate

1. Are there any limitations or specifications on how this aid is spent when awarded?
2. Among what industries was the grant money allocated amongst, and what is the breakdown including mean, median, and total allocations for 2000?

Aerospace/Commercial Aircraft Development

1. It is our understanding that Germany provides subsidies and other support to aid the civil aviation industries, including companies involved in supplying components to Airbus, including EADS. We kindly request that Germany notify any such aid, including programmes which provide exchange rate guarantees.
2. Could Germany also provide information concerning any “Launch Aid” or similar types of support provided?
3. Has the Germany government provided any “repayable” loans to EADS for the development of the A380?
4. Has the regional government of Hamburg provided any aid during the notification period towards the construction of the A380?
5. Has the German federal or regional governments provided any loan guarantees to aircraft manufacturers?

Pulp/Paper Industry

1. It is our understanding that the regional government of Brandenburg has agreed to provide assistance to Hamburger AG for the construction of a linerboard mill. Has any of this aid been provided during the notification period, and if so, could Germany please notify this aid? If not, does Germany intend to notify this aid in the future?
2. It is our understanding that regional government of Saxony-Anhalt has agreed to provide assistance to Zellstoff Stendal GmbH to build a pulp mill. Has any of this aid been provided during the notification period, and if so, could Germany please notify this aid? If not, does Germany intend to notify this aid in the future?

GREECE (G/SCM/N/71/EEC/Add.7)

Subsidies to Private Investment for the Economic and Regional Development of the State

1. To what extent do Greek authorities take into account local content, import substitution, export orientation, and technology transfers in evaluating applications for investment incentives under this programme?
2. Are any additional incentives provided under Law 2687/53? If so, are any of these incentives contingent upon export performance or the use of domestic over imported goods?

FISHERIES

1. Does Greece maintain any subsidy programmes for the fisheries sector, administered by either the central or sub-national governments? For example, does Greece maintain any of the following possible types of subsidies to fisheries and fisheries-related sectors:
 - (a) Payments to promote the scrapping of existing fishing vessels, or the sale or assignment to other uses of those vessels.
 - (b) Payments that directly or indirectly promote the construction of new vessels.
 - (c) Payments to maintain or improve existing vessel capacity (e.g., fitting new engines, improving safety and working conditions on board vessels, introducing more productive fishing technology, other investments).
 - (d) Payments targeting the construction of new, or the extension of existing, fishing port facilities.
 - (e) Payments that directly or indirectly promote new fish-processing capacity, or the maintenance/modernization of existing processing capacity.
 - (f) Payments to fish marketing or promotional campaigns, or for market studies and consumer surveys.
 - (g) Any other payments to the fisheries sector to support other measures (e.g., pilot projects, technical assistance, compensation measures for fisherman).

IRELAND (G/SCM/N/71/EEC/Add.8)

Aughinish Alumina Relief

1. Is Aughinish Alumina the sole aluminum producer in Ireland? Do any other companies in Ireland receive relief from payment of excise duty on Heavy Fuel Oil?

Sea Fishing-Repayment of Hydrocarbon Oil LPG Excise Duty in the Case of Sea Fishing

1. Are the fishermen required to use the funds for specific purposes?
2. Are there any plans to phase-out this programme?

ITALY (G/SCM/N/71/EEC/Add.9)

Production Aid to Shipyards

1. Please explain how assistance under this programme has “bridged the gap between the most competitive EU shipyard and the market prices.”

Soft Loans to Companies to Favour a Long-Lasting Penetration in Non-EU Countries

Soft Loans For Italian Enterprises to Cover Expenses Concerning the Participation in International Tenders Held in Non-EU Countries

1. For each of the above programmes, please indicate whether there is a specified rate at which the loans are provided under the programme. If not, how is the interest rate determined?
2. For each of the above programmes, please indicate what the repayment terms are for the loans provided. What is the maximum amount of time over which a company may repay its loan?
3. With regards to the Soft Loans to Companies to Favour a Long-Lasting Penetration in Non-EU Countries Programme, are all enterprises in all industries eligible for funds under this programme?
4. Please explain what types of activities are funded under these programmes.

Aid Scheme for the Promotion of Youth Enterprises in Italy

1. How is it determined that the aid will be in the form of a grant, interest subsidy or management contribution? Is the criteria and application process the same for each? If not, please provide further details.

Extraordinary Intervention in the South of Italy

1. Please provide further clarification on what activities are funded under this programme.
2. How are “entrepreneurial activities” defined?
3. For the activities that are funded under this programme, please explain how the level of funding is determined. What types of limits are attached to the level of funding?

Technological Innovation Fund (FIT)

1. What sectors are included in the “main sectors requirements mentioned in the legal framework” for “big firms”?
2. What types of activities are eligible to receive tax concessions under this programme?

Incentives to Manufacturing and Extractive Enterprises in Disadvantage Regions

1. Could you please provide further details as to what kind of tax concessions are granted to the enterprises under this programme?

Urgent Measures for the Economy- Automatic Incentives

1. Can you please provide further details as to what kind of tax concessions are being granted to the enterprises?
2. What types of activities are eligible to receive tax concessions under this programme?

FISHERIES

1. Does Italy maintain any subsidy programmes for the fisheries sector, administered by either the central or sub-national governments? For example, does Italy maintain any of the following possible types of subsidies to fisheries and fisheries-related sectors:
 - (a) Payments to promote the scrapping of existing fishing vessels, or the sale or assignment to other uses of those vessels.
 - (b) Payments that directly or indirectly promote the construction of new vessels.
 - (c) Payments to maintain or improve existing vessel capacity (e.g., fitting new engines, improving safety and working conditions on board vessels, introducing more productive fishing technology, other investments).
 - (d) Payments targeting the construction of new, or the extension of existing, fishing port facilities.
 - (e) Payments that directly or indirectly promote new fish-processing capacity, or the maintenance/modernization of existing processing capacity.
 - (f) Payments to fish marketing or promotional campaigns, or for market studies and consumer surveys.
 - (g) Any other payments to the fisheries sector to support other measures (e.g., pilot projects, technical assistance, compensation measures for fisherman).

NETHERLANDS (G/SCM/N/71/EEC/Add.11)

T.O.K

1. Has this programme been terminated? If so, what is the termination date and has another programme replaced it?

Test Programme Reference Projects Environmental Technology

1. The notification states the programme's duration was extended through 2001. Was this programme extended beyond 2001?

Decision Order-Related Subsidies for Shipbuilding

1. Has this programme been terminated? If so, what is the termination date and has another programme replaced it?
2. How is the goal to "reduce the effects of competition distortion of other subsidies provided by other shipbuilding countries" met under this programme? To which other countries does this refer?

CVO

1. How is it determined that the subsidy will be in the form of a grant or repayable credit?
2. How is the repayment period determined? What is the maximum amount of time over which a company may repay its loan?
3. Do subsidies under this programme benefit companies supplying components to Airbus Industries (EADS)?
4. How many companies benefit from this programme?
5. What percent of credits for pre-competitive development are repaid under this programme?
6. Please indicate whether there are any other programmes under which incentives are provided to firms in the Netherlands that supply components to Airbus Industries.
7. Does the Netherlands provide any "Launch Aid" for aerospace related companies for the production of commercial aircraft?

Report 1999 Eureka Project COMMEND

1. Has this programme been extended beyond the end of 2000?
2. How many companies benefited from this programme?
3. Are subsidies under this programme for pre-competitive R&D only?

Eureka Programme MEDEA

1. Has this programme been extended beyond the end of 2000?

2. How many companies benefited from this programme?
3. Are subsidies under this programme for pre-competitive R&D only?

Regulatory Energy Tax

1. Who is eligible to receive funding under this programme? To whom has this subsidy been provided?
2. Please provide the rates of payment discounts. How are the rates determined?
3. Is the “zero-rate green electricity” an interest free loan, non-repayable loan or grant?

CO2 Reduction Scheme

1. Do the different levels of the tenders have to meet the same eligibility criteria to receive the grant?
2. Are all businesses in every industry eligible to receive funding under this programme?
3. Do the automobile or coal industries receive funding from this programme? If so, what tender do they come under?

Subsidy Regulation for Regional Investment Projects 2000

1. Which industry sectors benefited from this programme?
2. How is the level of benefits under this programme determined?

PORTUGAL (G/SCM/N/71/EEC/Add.12)

Energy Programme

1. Please explain by whom this programme is financed, i.e., by regional governments, the national government of Portugal, or by some combination of both.
2. How many enterprises received assistance under this programme? Is the assistance provided only to enterprises involved in developing renewable energy resources or also by other enterprises that use and implement these resources?

Initiative for the Modernization of the Textile Industry (IMIT)

1. In your notification, you stated that the initiative would remain available until 1999. Has this programme been terminated? If so, what is the termination date?
2. Has another programme replaced this one? If so, please provide the appropriate notification information.
3. What is the source of "Community funds"? Is this from the EC budget?

Strategic Programme for the Revitalization and Modernization of Portuguese Industry (PEDIP II)

1. What are the eligibility criteria for receiving subsidies under this programme and to whom is this subsidy provided, i.e., which industry sectors.
2. Are subsidies under this programme provided entirely in the form of grants, or are there other vehicles for providing assistance?

Trade Modernization Support (PROCOM)

1. What are the eligibility criteria for receiving subsidies under this programme and to whom is this subsidy provided, i.e., which industry sectors.
2. Are companies that receive assistance under this programme required to export?
3. How are subsidies under this programme provided, i.e., grants, loans, etc?

RETEX Operational Programme

1. Are subsidies under this programme provided solely to the textiles and clothing sector?
2. To which regions in Portugal is this assistance granted?

FISHERIES

1. Does Portugal maintain any subsidy programmes for the fisheries sector, administered by either the central or sub-national governments? For example, does Portugal maintain any of the following possible types of subsidies to fisheries and fisheries-related sectors:
 - (a) Payments to promote the scrapping of existing fishing vessels, or the sale or assignment to other uses of those vessels.

- (b) Payments that directly or indirectly promote the construction of new vessels.
- (c) Payments to maintain or improve existing vessel capacity (e.g., fitting new engines, improving safety and working conditions on board vessels, introducing more productive fishing technology, other investments).
- (d) Payments targeting the construction of new, or the extension of existing, fishing port facilities.
- (e) Payments that directly or indirectly promote new fish-processing capacity, or the maintenance/modernization of existing processing capacity.
- (f) Payments to fish marketing or promotional campaigns, or for market studies and consumer surveys.
- (g) Any other payments to the fisheries sector to support other measures (e.g., pilot projects, technical assistance, compensation measures for fisherman).

SPAIN (G/SCM/N/71/EEC/Add.13)

FISHERIES

General

1. For each of the Fisheries programmes notified as part of the 1998 budget, could Spain please provide the additional information required under Article 25 of the SCM Agreements, and as notified for Spain's other programmes?

Aid to Shipowners Affected by the Stoppage of Fishing

1. For duration of the subsidy, Spain responded that the subsidy was for the year 2000. In G/SCM/Q2/EEC/35, however, Spain stated that the programme ceased in April 1999 without any possibility of renewal. Was the programme, therefore, extended for another year?

2. Could Spain please explain further the form of the subsidy, in particular what is meant by "non-repayable subsidies"? Are these subsidies provided in the form of grants, loans, tax concessions, etc?

MINING

Mining (Other than Energy)

1. Could Spain please explain further the form of the subsidy, in particular what is meant by "non-repayable subsidies"? Are these subsidies provided in the form of grants, loans, tax concessions, etc?

2. Was this programme terminated on 31 December 2001? If so, has another similar programme replaced it?

3. Which regions within Spain are eligible to receive this aid?

INDUSTRY

Promotion of the Economic and Social Sectors of the Agri-Food Industry

1. What is the duration of this subsidy?

2. What are the eligibility requirements under this programme?

Aid to Shipbuilding

1. How has this programme "ensured that the shipbuilding sector remains competitive on the world market"? We note that you have indicated that these subsidies have not increased the European Union's share of the global shipbuilding market.

2. In G/SCM/Q2/EEC/35, you described the two types of restructuring aid for the shipbuilding sector. Under "closure aid", to what extent does this aid assume existing liabilities of companies towards their workers, including benefits for unemployment, retirement, healthcare, etc?

3. How is it guaranteed that investment aid under this programme does not lead to an increase in capacity of recipient companies?

Interest Subsidy for Shipbuilding Loans

1. Please explain what this aid can be used for. Do the restrictions with respect to “Aid to Shipbuilding” (investment and closure aid) apply to this programme as well?
2. What is the duration of this programme?
3. What are the eligibility criteria shipbuilders must meet in order to receive the subsidy?

Technical Research Development Programme (PROFIT)

1. Under this programme, please indicate the magnitude of the interest subsidy. Does the interest subsidy vary by aid recipient, and if so, on what basis?
2. Please indicate what the repayment terms are for the preferential loans. Do the loans have a maximum term?
3. Can an entity receive a non-repayable subsidy and a loan within the same year or for the same project?
4. Are there any plans to extend this programme beyond year 2003?

REGIONAL SUBSIDIES

Regional Economic Incentives Scheme

1. How were the eligible activities for this program, as listed in G/SCM/Q2/EEC/35, selected?
2. For the period notified, has aid under this programme been provided to Spanish companies in the steel, shipbuilding, synthetic fibres or automobile sectors?

AEROSPACE/AERONAUTICAL SECTOR

1. In previous notifications, Spain notified subsidies to this sector. Does Spain maintain any subsidy programmes for this sector or has all such aid been terminated?
2. Could Spain please provide information concerning any repayable “Launch Aid” or similar types of support provided to aerospace industries?
3. Does Spain provide any research and development subsidies, or loan guarantees to companies in this sector?

UNITED KINGDOM (G/SCM/N/71/EEC/Add.15)

Civil Aircraft Research and Demonstration Programme (CARAD)

1. You have stated that CARAD does not form part of the Airbus programme. Do companies that receive subsidies under CARAD supply Airbus with parts and components?
2. How is the aid level (up to 50 percent of eligible costs) determined under this programme? What research costs are covered by CARAD?
3. You have stated in G/SCM/Q2/EEC/33 that near-market research is not supported under CARAD. Please explain in more detail how “near market research” is defined and the stages of research that are supported under CARAD.

Compete Programme (NI)

1. Please explain what is funded under this programme, i.e., new investments, existing and ongoing operations, research, etc.

Launch Aid

1. On average, what percent of Launch Aid assistance is repaid to the government?
2. Is the full amount of Launch Aid reimbursable once products are brought to market?
3. Is the amount budgeted for the fiscal year 2000/01?
4. What research and development costs are covered by this assistance?
5. What stages of R&D does Launch Aid cover?
6. To what extent do recipients of assistance under this programme supply components of commercial aircraft to Airbus?

Link Initiative

1. What are the eligible costs funded under this programme and what stages of R&D are covered by this aid?

Regional Selective Assistance in Great Britain

1. On average, how many projects are funded under this programme in a given year?
2. Which project costs are covered under this programme?
3. What is the maximum level of a project that can be funded under this assistance?

Scottish Enterprise

1. Could you please describe the “sectoral rules” you identified in G/SCM/Q2/EEC/33?

2. Could you please explain further the form of the subsidy, defined as “consultancy and practical assistance” in your notification? Specifically, what types of activities are funded under this programme and what are the eligibility criteria for this funding?

WDA Equity Investment

1. When was this programme terminated?

2. If the programme is terminated, does the WDA still hold equity in the companies in which it invested under this programme? If so, isn't the programme still on-going?

WDA Technology Growth Fund

1. You note that the key feature of the programme is that the “timing of capital repayments, interest, royalties and capital profits match the investee company's ability to pay”. Please explain under what circumstances an investee company is not required to repay the subsidy.

Industrial Development Board - Selective Financial Assistance

1. Could you please explain further the form of the subsidy? Specifically, what types of activities are funded under this programme and what are the eligibility criteria for this funding?

FISHERIES

Your notification did not include information concerning fisheries subsidies. These were extensively notified in your updating notification from June 2001 (G/SCM/N/60/EEC/ Add.15). Do you intend to provide a new and full notification of these subsidies?
