

WORLD TRADE ORGANIZATION

RESTRICTED

G/SCM/Q2/TUR/3

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Committee on Subsidies and Countervailing Measures

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SUBSIDIES

Questions from JAPAN Regarding the New and Full Notification of TURKEY¹

The following communication, dated 20 September 1996, has been received from the Permanent Mission of Japan.

1. (1) Energy incentive

There is a description in (b) of the notification that the firms manufacturing the final products to be exported can purchase electricity, natural gas and liquified petroleum (LPG) consumed in the production of the exported final products, at discounted prices that are determined by the Money and Credit Board, and that also for fuel oil, an exemption from customs duty and all fund levies collected on imports is being implemented. In this connection, could Turkey explain the following points?

- If the programme constitutes the export subsidies.
- If Turkey has already notified this incentive under Article 28.1 of the SCM Agreement.
- If Turkey will revise the programme to bring it into conformity with the SCM Agreement.
- If Turkey has increased the level of the export subsidy since it joined the WTO.

2. (2) Export credits, insurance and guarantee schemes

Could Turkey explain if the schemes use the interest rate under "an international undertaking" provided for in Annex I(k) of the SCM Agreement?

3. (b) The Target Market Credit Programme in Credit Programmes of 2.

Could Turkey explain the following points?

- Why the programme is subject to Japan, NAFTA countries and South Africa.

¹G/SCM/N/3/TUR + Corr.1 and Corr.2.

- Why the products covered by the programme are restricted within textile, clothing and leather products.
- If the programme will continue.