

**Committee on Subsidies
and Countervailing Measures**

Original: English

SUBSIDIES

Requests Pursuant to Article 27.4 of the Agreement
on Subsidies and Countervailing Measures

Questions Posed by the UNITED STATES
Regarding the Notification of FIJI¹

The following communication, dated 17 April 2002, has been received from the Permanent Mission of the United States.

The following questions are submitted with respect to the request for extension of the transition period for export subsidies under Article 27.4 of the Agreement on Subsidies and Countervailing Measures Agreement (ASCM). These questions are preliminary in nature and are submitted without prejudice to our final position. We reserve the right to ask further questions.

**Short-Term Export Profit Deduction
Export Processing Factories/Export Processing Zones Scheme
The Income Tax Act (Film Making and Audio Visual Incentive Amendment Decree 2000)**

1. Please provide greater detail regarding the nature of these programmes in accordance with G/SCM/39 and G/SCM/6.
2. Could Fiji please explain whether these programmes provide any other incentives apart from the full or partial exemption from import duties and internal taxes?
3. Please provide the customs duty and internal tax rates companies would normally pay absent these programmes.
4. Could Fiji please provide statistical data on the number of companies that benefit from each of these programmes, the industry sectors represented by these companies, and the value of exports for these companies?

¹ G/SCM/N/74/FJI, G/SCM/N/71/FJI

Short-Term Export Profit Deduction B
Export Finance Facility (EFF)
Export Credit Ratio (ECR)

5. Could Fiji please explain how the Export Finance Facility and Export Credit Ratio programmes meet the definition of eligible programs detailed in G/SCM/39?

6. In light of the local content requirements of the Export Finance Facility and Export Credit Ratio, please comment on whether these programmes constitute prohibited subsidies under Article 3.1(b) of the Agreement on Subsidies and Countervailing Measures.

Export Processing Factories/Export Processing Zones Scheme

7. Because some eligible enterprises are entitled to benefits under this programme until 2014, please explain how Fiji would modify this programme so that subsidies do not extend beyond any extension period provided.

The Income Tax Act (Film Making and Audio Visual Incentive Amendment Decree 2000)

8. Could Fiji please explain how the incentives under the Income Tax Act meet the definition of eligible programmes detailed in G/SCM/39?
