

**SUBSIDIES**

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

Questions Posed by the EUROPEAN COMMUNITIES Regarding the  
Notification of GRENADA<sup>1</sup>

The following communication, dated 4 April 2002, has been received from the Permanent Delegation of the European Commission.

The European Communities pose the following questions without prejudice to the final position on the request and reserve the right to ask further questions in the course of the consultations.

- Q.1 Please indicate when the programmes came into operation.
- Q.2 Please indicate whether the programmes provide for other forms of subsidies than exemption of import duties and internal taxes (e.g. grants, provision of goods or services).
- Q.3 Do the programmes provide for a condition to use domestic goods? If yes, please describe the relevant provision.
- Q.4 The programme "Fiscal Incentives Act No. 41 of 1974 appears to contain a condition for "local value addition". Does this constitute a requirement to use domestic over imported goods? Please explain.
- Q.5 Please indicate the rate of import duty or internal tax exemption as of 1 September 2001.
- Q.6 Please describe changes to the programmes since 1 September 2001, if any. In particular, indicate any changes to the rate of exemption or the coverage of the programmes e.g. in terms of products, location etc.
- Q.7 Please indicate for each programme how many companies have benefited from the respective programme as of 1 September 2001.
- Q.8 Please elaborate on when and how Grenada intends to phase out the programmes.

<sup>1</sup> G/SCM/N/74/GRD, G/SCM/N/71/GRD.