

WORLD TRADE ORGANIZATION

RESTRICTED

G/SCM/Q2/ARG/6

8 October 1996

(96-4069)

Committee on Subsidies and Countervailing Measures

Original: English

SUBSIDIES

Questions from the UNITED STATES Regarding the New and Full Notification of ARGENTINA¹

The following communication, dated 27 September 1996, has been received from the Permanent Mission of the United States.

Please provide information concerning the following programmes which did not appear to be included within Argentina's notification, yet may meet the notification requirements of GATT 1994 and/or the SCM Agreement. If these programmes are encompassed elsewhere in Argentina's notification, please explain. If not, please include information relevant to the elements requested in the notification format, or explain the basis on which Argentina determined that each programme did not meet the notification requirements referenced above.

(Note: Certain of the following programmes have been found to be countervailable subsidies in US countervailing duty proceedings involving products of Argentina, including certain apparel products, standard and line pipe and oil country tubular goods.)

A. Rebate Upon Export of Indirect Taxes Paid (Reembolso)

Legal Basis/Authority: Decree 1555/86; 16 October 1986.

Policy: Export; tax rebate paid upon export calculated as a percentage of the f.o.b. invoice price of the exported product.

B. Discounts of Foreign Currency Accounts Receivable under Circular RF-21

Legal Basis/Authority: Central Bank Circular RF-21 replaced by Communication A-1205 dated June 1988.

Policy: Export; provides preferential financing for up to 80 per cent f.o.b. value of export shipments.

¹G/SCM/N/3/ARG

C. Pre-Export Financing under OPRAC 1-1, Circular RF-153

Legal Basis/Authority: Central Bank Circular RF-153.

Policy: Export; allows exporters to receive pre-export financing from Central Bank for up to 70 per cent of the f.o.b. value of the exported merchandise at an annual interest rate of up to 1 per cent. Loans indexed to US dollars.

D. Post-Export Financing under OPRAC 1-9

E. Tax Deduction under Decree 173/85

F. Exemption from Stamp Taxes under Decree 186/74

G. Tucuman Regional Tax Incentives

H. Patagonia Regional Tax Incentives

I. Corrientes Regional Tax Incentive

J. Export Payments under Decree 176; Programa Especial de Exportaciones (PEEX)

K. Financing of Investments for Export under Communiqué A-980 (FIDEX)

L. Government Counterguarantees

Authority: Ministry of Finance.

Policy: Guarantees of loans provided by Banco Nacional de Desarrollo (BANDE) to specific industries.

M. Medium and Long-Term Loans under Law 22.510

N. Price Support for Leaf Tobacco

The United States understands that Argentina provides a production subsidy for leaf tobacco funded by a 7 per cent excise tax and a small flat per pack tax on cigarettes, generating an annual revenue of \$170 million. We further understand that a large percentage of this \$170 million goes towards supporting the price of tobacco. Could Argentina explain why this subsidy was not included in the notification?