

WORLD TRADE ORGANIZATION

RESTRICTED

G/SCM/Q2/BHR/2

28 October 1997

(97-4727)

**Committee on Subsidies
and Countervailing Measures**

Original: English

SUBSIDIES

Questions from the EUROPEAN COMMUNITY Regarding the New and Full Notification of BAHRAIN¹

The following communication, received on 23 October 1997, is circulated at the request of the Permanent Delegation of the European Commission.

Bahrain submitted on 7 July 1997 its notification of subsidy programmes to the WTO pursuant to Article XVI:1 of the GATT 1994 and Article 25 of the WTO Subsidies Agreement.

In this respect, the Community would like to obtain clarification on a number of issues on the notified scheme as described below.

Moreover, the Community has obtained information on different subsidy schemes which were not notified to the WTO although their notification seems necessary pursuant to Article 25.2 of the Subsidies Agreement.

I. NOTIFIED SUBSIDY PROGRAMMES

(a) Human Resource Development Support Programme

The Community believes that under this programme an export credit facility is available to eligible companies.

Does Bahrain intend to include this facility in its notification?

II. ADDITIONAL PROGRAMMES NOT NOTIFIED TO WTO

Bahrain has not notified a programme which appears to be notifiable under Article 25. The Community finds that this scheme described below provides a financial contribution which confers benefits to the local industry. In addition the scheme is clearly specific (as pertaining to a specific sector or contingent upon exports). The Community would like clarification why this programme was not notified to WTO and requests that, if appropriate, Bahrain supplies a notification under Article 25, using the standard format.

¹G/SCM/N/3/BHR.

Foreign trade zones and free ports

Mina Sulman (Bahrain's major port) and North Sitra Industrial Estate constitute free transit zones which provide for the duty-free import of equipment and machinery.