

# WORLD TRADE ORGANIZATION

RESTRICTED

**G/SCM/Q2/CZE/7**

6 November 1996

(96-4693)

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**Committee on Subsidies and Countervailing Measures**

Original: English

## SUBSIDIES

### Replies of the CZECH REPUBLIC<sup>1</sup> to Questions posed by KOREA<sup>2</sup>

The following communication, dated 30 October 1996, has been received from the Permanent Mission of the Czech Republic.

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#### State Loan Guarantees granted to finance certain development programmes

##### Question

*According to the notification, the subsidy is granted by the Ministry of Finance to producers engaged in the area of export promotion on the basis of the discretionary decision by the Government.*

##### Answer

There is an apparent error at the end of the first sentence of recital 5 on page 3 of the notification made by the Czech Republic, as contained in document G/SCM/N/3/CZE. Instead of "export promotion" there should be the word "industry".

##### Question

*Is the subsidy granted contingent upon export performance?*

##### Answer

State Loan Guarantees granted to finance certain development programmes are not contingent upon export performance.

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<sup>1</sup>G/SCM/N/3/CZE.

<sup>2</sup>G/SCM/Q2/CZE/1.

Question

*If not, then what are the requirements for the producers to be subsidized?*

Answer

The programme provides state guarantees for the borrowing of enterprises in certain areas of nationwide impact and importance - infrastructure, environment improvement and industry (e.g. desulphurization of coal-fuelled power plants or upgrading of the telecommunication network).