

WORLD TRADE ORGANIZATION

G/SCM/Q2/EST/2
6 June 2003

(03-2960)

Committee on Subsidies
and Countervailing Measures

Original: English

SUBSIDIES

Replies to the Questions Posed by AUSTRALIA¹ Regarding the New and Full Notification of ESTONIA²

The following communication, dated 4 June 2003, has been received from the Permanent Mission of Estonia.

Estonia thanks Australia for the questions about its notification pursuant to Article XVI:1 of the GATT 1994 and Article 25 of the Agreement on Subsidies and Countervailing Measures in document G/SCM/N/71/EST dated 10 September 2002. Estonia submits the following answers.

Export credit and guarantee scheme

Q1. Given that the export credit scheme was terminated in 2000 (A.1.8 refers), could Estonia confirm that the only continuing programme is the export guarantee scheme and that the information provided in A.1 therefore relates to the export guarantee scheme only?

Reply

Yes, Estonia confirms that the only continuing programme is the export guarantee scheme. The information provided in A.1 relates to both the export credit (11 loans) and the export guarantee scheme (4 guarantees).

Q2. When in 2000 was the export credit scheme terminated? Have there been ongoing payments under the export credit scheme since this time?

Reply

The export credit scheme was terminated in 2000 and there have been no ongoing payments under the export credit scheme since the end of 2000. The system export credits was terminated as of 26 February 2001.

¹ G/SCM/Q2/EST/1

² G/SCM/N/71/EST

Support for organizing the participation of entrepreneurs in international fairs/exhibitions

Q1. What are the conditions attached to the granting of the subsidy to fair operators/organizers?

Reply

The firms who receive the subsidy should be registered under Estonian law; they should have honest tax record.

Q2. Does the programme cover visits of enterprises in all sectors/industries?

Reply

Yes, the programme covers visits of enterprises in all sectors/industries

Support for participation in international fairs/exhibitions

Q1. Are all enterprises in all sectors/industries eligible to apply for this subsidy?

Reply

Yes, all enterprises in all sectors/ industries are eligible to apply for this subsidy.

Q2. Apart from participation at one international fair once a year, are there any other conditions attached to the granting of this subsidy, e.g. any performance or sales conditions?

Reply

There are no performance, sales conditions attached to the granting of this subsidy. The additional condition of participation only once a year means that no enterprise can receive the subsidy twice during any calendar year, i.e. participation in more than one event per calendar year may not be supported. It is also required that the entity has to be registered and must have good tax reputation.

Q3. Is it possible for the same company to benefit from the programmes notified under A.5 and A.6, e.g. can a visit of a specific enterprise to a particular fair be supported by both programmes?

Reply

The programmes notified under A.5 and A.6. are different in purpose: A.5. support for organising the participation of entrepreneurs in international fairs and exhibitions is for organising participation in these events; A.6. supports participation itself. In principle the firms should differ as those who organise the event do not participate in it as participants.

Benefits from both programmes simultaneously are not practiced.

Loans for SMEs

Q1. In addition to the conditions outlined in the notification, does this programme target particular sectors/industries or is it open to all sectors/industries?

Reply

This programme does not target particular sectors/industries but is open to all sectors/industries. There are no conditions additional to those outlined in the notification.

Q2. Could Estonia indicate the sectors/industries which benefited from grants under this programme in 2000?

Reply

The amount of loans issued was 24.5 million kroons. Loans were mainly given to services and industry sectors.

Guarantee scheme for SMEs

Q1. In addition to the conditions outlined in the notification, does this programme target particular sectors/industries or is it open to all sectors/industries?

Reply

This programme does not target particular sectors/industries but is open to all sectors/industries.

Q2. Could Estonia indicate the sectors/industries which benefited from loan guarantees under this programme in 2000?

Reply

The amount of guarantees given was 4.5 million kroons. Guarantees were issued mainly to enterprises from services and industry sectors.

Q3. Can the same enterprise be eligible for subsidies under the programmes notified in B.7 and 8 in any given fiscal year?

Reply

Yes, the same enterprise can be eligible for subsidies under the programmes notified in B.7 and 8 in any given fiscal year. However, no simultaneous benefits are practiced—the eligibility which exists for all firms can not be used twice by one and the same entity.

Support for small entrepreneurs for participating in local fairs/exhibitions

Q1. Are small enterprises in all sectors/industries eligible to apply for this subsidy?

Reply

Yes, all small and medium-sized enterprises having a good tax record in all sectors are eligible to apply for this subsidy.

In 2003 all employers with their number of employees up to 50 and all entrepreneurs registered in Estonia and engaged in manufacturing goods with their number of employees up to 250 can participate. This also includes the professional associations and associations of employers of other types. In 2000 the same criterion was the number of employees up to 80 with preference to enterprises with less than two years in business.

The total annual amount of support for each in 2003 may not exceed 9000 Estonian kroons; in 2000 the limit was set at 7000 kroons but not more than 75% of all the costs of participation at local fairs.

Regional development loans

Q1. In addition to the conditions outlined in the notification, does this programme target particular sectors/industries or is it open to all sectors/industries?

Reply

This programme does not target particular sectors/industries but it is open to all sectors/industries that usually exist in the target areas of regional development loans like local industries, tourism and alternative agriculture. Regional development loans cannot be given to the following sectors and areas:

- Traditional farming (plant and animal growing);
- Timber production from forests;
- Retail and wholesale commerce;
- Passenger transport;
- Real estate development
- Finance services;
- Alcohol and tobacco;
- Gambling.

Q2. How are “peripheral areas” being defined?

Reply

Peripheral areas—i.e. target territories of regional development loans—according to the Decision of the Supervisory Board of the Regional Development Agency of 26 January, 2000 on approving the procedure for giving regional development loans, are the territories of all local municipal governments with the exception of the following towns—Tallinn, Tartu, Pärnu, Keila, Maardu, Saue—and the following parts (surrounding the capital city) of the Harju County—Harku, Saue, Keila, Vasalemma, Saku Kiili, Rae, Jõelähtme, Raasiku and Viimsi (the Island of Prangli excluded).

Aid for Estonian Audiovisual Industry

Q1. Do all Estonian film producers receive this subsidy? How many producers received subsidies in 2000?

Reply

This subsidy is meant for support of Estonian professional filmmakers, distribution of Estonian films, international co-operation of Estonian independent film production companies in the field of film production, film-related continuous education, projects and initiatives aimed at promotion of the film culture.

Support is not granted to amateur film-making, production of television programs, recreational games or other audiovisual products of the similar nature. Likewise production support shall not be granted to films or other audiovisual products intended for marketing or promotion purposes of goods or services (including direct marketing and hidden promotion). No funds shall be granted to the production of pictures that have content contradicting Estonian law by carrying illegal content. Support shall be denied to those applicants who have acted in bad faith when applying for or making use of EFF subsidies.

In 2000 the following producers received this subsidy:

Name of the project

Company Producer Director Total amount of support in Estonian kroons

Production support for full length feature films

1. Karu süda

Faama Film Mati Sepping Arvo Iho 1 950 000

2. Head käed

Allfilm/F.O.R.M.A. Artur Talvik/Gatis Upmalis Peeter Simm 3 800 000

Development support for full length feature films

1. Henry ja Mart

Exitfilm Peeter Urbla 150 000

2. Agent Sinikael

Suhkur Film Veiko Õunpuu Marko Raat 200 000

3. Head käed

Allfilm Artur Talvik Peeter Simm 150 000

4. Rahvuspark

Guvatrak Even Tudeberg Hardi Volmer 50 000

5. Põrandaalune

Suhkur Film Veiko Õunpuu Rainer Sarnet 50 000

6. Nimed marmortahvlil

Tenderom Tasko Productions Kristian Taska Elmo Nüganen 300 000

7. Metsavennad

Hansa Meedia EestiJuhani Tamminen Pekka Lehto 200 000

8. Somnambuul

F-Seitse Reet Sokmann Sulev Keedus 150 000

Production support for short films

1. Armas tuss 50 a. hiljem

Allfilm Artur Talvik Rene Vilbre 390 000

2. Ränk ja Kilk

AS Exitfilm Peeter Urbla Olle Mirme 400 000

3. Heinaloom

Rao Heidmetsa FS Rao Heidmets Rao Heidmets 400 000

4. Majakas

Nikodemus Film;

TNS Productions Toomas Sula;

Eliane Stutterheim Toomas Sula 500 000

TNS Productions Eliane Stutterheim

5. Miski on mäda ehk kogu vale Hamletist

Kinomees Peeter Palusaar Ilmar Raag 237 000

Production support for drawing animation films

1. Lotte XII-XIII			
Eesti Joonisfilm	Kalev Tamm	Heiki Ernits jt.	800 000
2. Peata ratsanik			
Eesti Joonisfilm	Kalev Tamm	Ülo Pikkov	800 000
3. Mont Blanc			
Eesti Joonisfilm	Kalev Tamm	Priit Tender	1 200 000
4. Lepatriinude jõulud (Tim ja Mia)			
Eesti Joonisfilm	Kalev Tamm	Janno Põldma ja Heiki Ernits	400 000

Production support for puppet animation films

1. Eilne vedur			
Nukufilm Arvo Nuut	Kalju Kivi/Mikk Rand		67 000
2. Sääsk ja hobune			
Nukufilm Arvo Nuut	Mikk Rand		130 000
3. Tulelaeva kulid			
Nukufilm Arvo Nuut	Mait Laas		634 500
4. Hing sees			
Nukufilm Arvo Nuut	Riho Unt		1 250 000
5. Vaala hing			
Nukufilm/Tegnefilmcomp.	Arvo Nuut	Lisbet Narud	50 000

Development support for puppet animation films**Tulelaeva kulid, trailer**

Nukufilm Arvo Nuut	Mait Laas	76 860
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Student films of Estonian Art University in collaboration with Nukufilm

1. SW 11 5R2			
Nukufilm/EKA	Arvo Nuut	Dagmar Kase	16 810
2. Teinepool			
Nukufilm/EKA	Arvo Nuut	Marili Sokk	16 810
3. Volosõ			
Nukufilm/EKA	Arvo Nuut	Jelena Jemeljanova	16 810

Production support for documentary films

1. Georg ja teised			
Balti Video	Raivo Suviste	Mati Põldre	52159.35
2. Brigaad (Neenetsid)			
F-Seitse	Reet Sokmann	Liivo Niglas	75 000
3. Nostalgia nimega Titan			
F-Seitse	Reet Sokmann	Sulev Keedus	310 000
4. Ööbiku saladus			
Gaviafilm	Rein Maran	Rein Maran	200 000
5. Glamorama			
Rudolf Konimois	Anu Veermäe	J.Kilmi/A.Maimik	160 000
6. Külalised taevast			
Allfilm	Piret Tibbo	P.Tibbo/R.Kotov	200 000
7. Elu pärast maailmalõppu			
Lege Artis Film	Enda Lehtmetes	Peeter Simm	200 000
8. Inimene kadus (Varjus)			
Eesti Tösielufilm	Mati Sepping	Urmus E.Liiv	180 000
9. Elulugu			
Exitfilm	Peeter Urbla	Aivo Spitsonok	61 000
10. Sõda peale sõda			
Exitfilm	Peeter Urbla	Peeter Simm	150 000
12. Volli, sempre volli (Meie aja kangeline)			
Kairiin	Jüri Sillart	Jüri Sillart	157 378

13.	Kasinuse viljad			
F-Seitse	Reet Sokmann	Doris Supin	250 000	
15.	Trummimeister			
Anzori Barkalaja	Anzori Barkalaja	Andrus Laansalu	36 512	
16.	Pagulaslaagri lapsed			
Exitfilm	Peeter Urbla	Andrus Prikk	172 676	
17.	Metskuninganna			
Defore	Salme Poopuu	Heli Speak	750	
18.	Inimeste lemmik			
Rühm Pluss Null	Meelis Piller	Meelis Piller	50 000	
19.	Õpetaja			
Allfilm	Artur Talvik	Heini Drui	39 000	
20.	Tema Majasteedi sõjalaev			
F-Seitse	Reet Sokmann	Indrek Kangur	50 000	
21.	Nikolai tänav			
Weiko Saawa Film	Mark Soosaar	Mark Soosaar	77 500	
22.	Põllumees põline...			
Profilm	Ago Ruus	Ago Ruus	20 000	
23.	Sub specie aeternitatis...(Õnne valem)			
Estonia Film	Igor Ruus	Igor Ruus	75 000	
24.	Eestluse saaga (Identiteet)			
Freyja Film	Tõnu Virve	Kristjan-Paul Virve	75 000	

Development support for documentary films

2.	Kirjuhahk edu altarile			
Profilm	Ago Ruus	Enn Säde	50 000	
3.	Jätkusõja viimased sõdurid			
Faama Film	Mati Sepping	Enn Säde	50 000	

Student films of the department of film and video of the Estonian Pedagogical University

1.	Soul and body			
Rühm Pluss Null	Erik Norkroos	K.Ansip	50 000	
2.	Tere,kallis kodu			
Filmistuudio Amor	Elo Selirand	K.Davidjants	50 000	
3.	Püha mägi			
Faama Film	Mati Sepping	A.Aleksejev	50 000	
4.	Kajur e. teekond Põhjalasse			
Eesti Tösielufilm	Mati Sepping	V.Taluste	50 000	
5.	Magusad unelmad			
Suhkur Film	Veiko Õunpuu	A.Tammiksaar	50 000	
6.	Mille eest ?			
Parunid ja Vonid	Manfred Vainokivi	S.Timmermann	50 000	
7.	Lustisõit II			
Filmimees	Raivo Lugima	I. Volens	50 000	
8.	Väliseesti			
Exitfilm	Peeter Urbla	R. Jõerand	50 000	

Varia

1.	Georgica, duubelnegatiiv			
F-Seitse	Reet Sokmann	Sulev Keedus	332 693	
2.	Tähesõit, (festival copy)			
Exitfilm	Andres Sauter	Jaak Kilmi	30 720	
3.	Eesti filmide nädal (Organization of the Estonian Film Week)			
Eesti Kinoliit	Elo Tust	25 000		
4.	Scholarship for film studies in Hamburg			
Anneli Ahven	75 000			
5.	Participation in Berlin Film Festival			
Endel Link	133			
6.	IV Pimedate Ööde filmifestival (Black Nights Film Festival)			
MTÜ PÖFF	Endel Koplimets	430 000		

7.	Animafilmiturg MIFA 2000 (Animation film market Annecy)		
A Film Eesti	Kristel Töldsepp	39 000	
8.	Animafestival Nordic Light (Animation film festival)		
Eesti Animalit	Rao Heidmets	10 000	
9.	Transitzero seminar		
Karlo Funk, Ilmar Raag,	Rainer Sarnet, Märt Sildvee, Kristjan Virve, Rene Vilbre, Veiko Õunpuu	29 344	
10.	Young Filmmaker's Scholarship		
Arbo Tammiksaar		10 000	
11.	American Film Institute, grant for studies		
Aare Tilk		137 050	
12.	Luukas copy restoration costs Freyja Film		
Tõnu Virve	Tõnu Virve	100 000	
13.	Ristumine peateega (film copy for festivals)		
Acuba Film	Arko Okk	Arko Okk	19 660

Q2. What are the conditions attached to the granting of this subsidy?

Reply

EFF shall support production of Estonian films. A film shall be deemed Estonian if it has been produced by an Estonian independent film production company, if Estonian participation in the artistic and technical performance has been substantial and proportional to the invested capital, but not less than 10 per cent of the total production costs of the film, if the film rights on the territory of Estonia belong to an Estonian independent film production company and an Estonian language version of this film is made. Films made as international co-productions shall be treated as Estonian if they meet the criteria specified in the present section. In the case any international agreements that are binding for the Republic of Estonia, including the European Convention on Cinematographic Co-production (see Riigi Teataja II, 1997, 11, 41), stipulate a procedure different from the one set forth in the present Statutes, the provisions of the international agreement shall apply.

The amount of financial support granted by EFF shall not exceed 70 per cent —in 2000 for production support for puppet animation films up to 80 per cent — of the master budget of the film project. The Board of the EFF has to determine the support limits by types of subsidy and film categories for the current financial year. In 2000 the amounts of maximum support were:

Maximum development support for full-length feature films: 300 000 eek for two years

Maximum production support for full-length feature films: 4 000 000 eek per year, including the development support and not exceeding 70 per cent of the total budget of the film

Maximum support for short (until 30 minutes) and simple documentary films on video: 200 000 eek

Maximum support for short and complicated (many shooting days, complicated cuts) documentary film on video: 250 000 eek

Maximum support for short documentary film on film: 350 000 eek

Maximum support for long documentary (exceeding 30 minutes) simple on video: 250 000 eek

Maximum support for long documentary complicated on video: 350 000 eek

Maximum support for long documentary on film: 500 000 eek

Maximum support for animation films: max 825 000 eek, but not exceeding 70 per cent of the total budget of 10 minutes of drawing animation; and max 600 000 eek but not exceeding 80 per cent of the total budget of the 10 minutes of the puppet animation

Maximum support for short films on video 400 000 eek

Maximum support for short films on film 550 000 but not exceeding 80 per cent of the total budget of the film

A film production company that has received financial support from EFF shall be obliged to display the EFF logo visibly in the film credits. EFF association must be indicated by means of the EFF logo or in some other manner also in case of all other supported film projects.
