

**Committee on Subsidies
and Countervailing Measures**

Original: English

SUBSIDIES

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

Questions Posed by the UNITED STATES
Regarding the Notification of PAPUA NEW GUINEA¹

The following communication, dated 11 April 2002, has been received from the Permanent Mission of the United States.

The following questions are submitted with respect to the request for extension of the transition period for export subsidies under Article 27.4 of the Agreement on Subsidies and Countervailing Measures Agreement (ASCM). These questions are preliminary in nature and are submitted without prejudice to our final position. We reserve the right to ask further questions.

Section 45 of the Income Tax Act

1. Please provide additional details regarding these programmes to determine whether the programmes qualify for the special procedures of G/SCM/39, which states that the initial notification shall follow the agreed format for subsidy notifications under SCM Article 25.
2. Please provide the normal income tax rates companies would pay absent this programme.
3. In light of the length of the benefits under this programme, how would Papua New Guinea modify this programme so that subsidies do not extend beyond any extension period provided.
4. Please explain whether any subsidies under this programme are contingent upon the use of domestic goods.
5. Could Papua New Guinea please provide statistical data on the number of companies that benefit from each of these programmes, the industry sectors represented by these

¹ G/SCM/N/74/PNG & Suppl.1, G/SCM/N/71/PNG.