

**Committee on Subsidies  
and Countervailing Measures**

**SUBSIDIES**

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

Replies by SURINAME to Questions Posed  
by JAPAN,<sup>1</sup> AUSTRALIA<sup>2</sup> and the UNITED STATES<sup>3</sup>

The following communication, dated 9 September 2002, has been received from the Ministry of Trade and Industry of Suriname.

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Replies to Questions by Japan

**Tariff Import Duties Law**

**1. Could Suriname please explain the definition of "special institutions" in page 2 of G/SCM/N/74/SUR/Suppl.1?**

Reply

(Article 39 to 48 of the WTI): "Special institutions" are, among others, public museums, religious organizations, sport organizations, social institutions, scientific and other educational institutions, health institutions and rehabilitation centres; approved religious communities, associations or foundations that are incorporated with the purpose to support or to take care of underprivileged people; international organizations such as the United Nations, PAHO, Embassies etc.

**2. Could Suriname please explain the conformity of establishment of the Tariff Import Duties in Law in 1996 with the standstill requirement referred to in Article 27.4 of the ASCM?**

Reply

The import duties as incorporated in the WTI (Tariff Import Duties Law) are not new exemptions. The level of the exemptions of the WTI is not modified and it does not provide for any regulations related to export subsidies. Thus no phased elimination of such kind of subsidies can be

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<sup>1</sup> G/SCM/Q3/SUR/4.

<sup>2</sup> G/SCM/Q3/SUR/2.

<sup>3</sup> G/SCM/Q3/SUR/5.

mentioned in the WTI. This means that Suriname has not violated the standstill requirement of Article 27.4 of the ASME.

The WTI gives tariffs (percentages) that are applied when goods are imported. As far as we know the Government of Suriname does not provide any kind of export subsidies to any firms in the sectors.

Replies to Questions by Australia

**1. Could Suriname provide details on the programmes for which it is seeking an extension?**

Reply

Please see reply to question 1 of the United States.

**2. What criteria are used to determine whether an enterprise or project receives a tax or import duty exemption, for example, those that are notified in the Investment Law and the Raw Materials Gazette of 1997?**

Reply

The criteria of the investment law:

- Regular bookkeeping has to be kept; the possibility for a precise inspection by the government must be present.
- It must relate to new or investment that will expand the investments.
- Exemption of import duties are given in the following cases:
  1. Industrial equipments and inputs, that shall be used to implement a new business/industry, and that are a part of the initial investment;
  2. Materials and goods that are intended for the production of industrial equipments and inputs, as mentioned under 1;
  3. Raw materials, intermediate goods and packaging materials, that are intended to be used in a new business/industry or in a business/industry that has been enlarged.

Note: for a more detailed report concerning the investment law, I refer you to the appendix of the Director of Taxes, called "Investment in Suriname of the 7th of June 1999" (page 1-2). This appendix will be sent to you when we have finished translating it into English.

The criteria of the Raw Material Law:

- Exemption for import duties are given to raw material and intermediate goods, semi-manufactured articles and packaging materials, that are imported for the production business/industry.
- The imported materials/goods must undergo change or continually keep losing their original and independent nature in the production process.
- The exemptions are only granted to industries that produce goods in Suriname.
- The enterprises must be known as tax payers to the Director of Taxes.

- On behalf of the industry that wants to benefit from the import duty exemptions, the owner has to declare that the obtained materials/goods will only be used to manufacture other goods.
- Duty exemptions are only granted when they are in conformity with the obligations that Suriname has under International Treaties.

**3. Are the tax and import duty exemptions contingent on export performance?**

Reply

Until now Suriname does not have a special tax exemption that is granted to goods or export enterprises. The existing import duty exemption must be seen as an incentive and stimulation to the production sector, so that the basis of our economy as the engine of our development will be strengthened. When granting an import duty exemption, no distinction is made between industries/business that export and those that do not export and thus it may not be assumed that the import duty exemptions have a crucial influence on export performance.

Furthermore, it can be reasserted that none of the relevant laws provide any advantage to the export industry/business (for example, there is no reimbursement of duties to exporters once the export has been effected).

Replies to Questions by the United States

**Exemptions of Indirect Taxes**

- Exemptions on social, cultural and educational areas;
- Exemptions to stimulate the national productions;
- Exemptions based on international regulations.

**1. Could Suriname please provide sufficient details regarding these programmes to determine whether the programmes qualify for the special procedures of G/SCM/39 and Article 27.4?**

Reply

These exemptions are based on the WTI, Investment Law and the Raw Material ordinance. For further answers we refer to the answers given under question 1 (of Japan) and question 2 (of Australia).

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